

Return of Organization Exempt From Income Tax

2005

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

G The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2005 calendar year, or tax year beginning **7/01**, 2005, and ending **6/30**, 2006

- B Check if applicable:
- Address change
 - Name change
 - Initial return
 - Final return
 - Amended return
 - Application pending

Please use IRS label or print or type. See specific instructions.

KI DANGO, INC
4533 MATTOS DRIVE
FREMONT, CA 94536-6736

D Employer Identification Number
94-2581686

E Telephone number
510-744-9280

F Accounting method: Cash Accrual
 Other (specify) **G**

? Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H (a) Is this a group return for affiliates? . . . Yes No

H (b) If 'Yes,' enter number of affiliates. **G**

H (c) Are all affiliates included? Yes No
(If 'No,' attach a list. See instructions.)

H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number. . . **G**

M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

G Web site: **G www.ki dango.org**

J Organization type (check only one) **G** 501(c) **3** H (insert no.) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **G 20,444,171.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

REVENUE	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1 a	2,038,279.		
	b Indirect public support	1 b			
	c Government contributions (grants)	1 c	15,260,541.		
	d Total (add lines 1a through 1c) (cash \$ <u>17,202,627.</u> noncash \$ <u>96,193.</u>)	1 d			17,298,820.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			2,650,052.
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			6,952.
	5 Dividends and interest from securities	5			2.
	6a Gross rents	6 a	12,000.		
	b Less: rental expenses	6 b			
	c Net rental income or (loss) (subtract line 6b from line 6a)	6 c			12,000.
7 Other investment income (describe G See Statement 1)	7			-68.	
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	8 a	9,267.			
	b Less: cost or other basis and sales expenses	8 b	16,976.		
	c Gain or (loss) (attach schedule) Statement 2	8 c	-7,709.		
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8 d			-7,709.	
9 Special events and activities (attach schedule). If any amount is from gaming, check here G <input type="checkbox"/>					
a Gross revenue (not including \$ <u>65,424.</u> of contributions reported on line 1a)	9 a	141,907.			
b Less: direct expenses other than fundraising expenses	9 b	87,731.			
c Net income or (loss) from special events (subtract line 9b from line 9a) Statement 3	9 c			54,176.	
10a Gross sales of inventory, less returns and allowances	10 a				
b Less: cost of goods sold	10 b				
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10 c				
11 Other revenue (from Part VII, line 103)	11			325,239.	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			20,339,464.	
EXPENSES	13 Program services (from line 44, column (B))	13			16,975,485.
	14 Management and general (from line 44, column (C))	14			2,524,658.
	15 Fundraising (from line 44, column (D))	15			174,521.
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17			19,674,664.
ASSETS	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18			664,800.
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			2,581,008.
	20 Other changes in net assets or fund balances (attach explanation) See Statement 4	20			185,368.
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			3,431,176.

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/> G <input type="checkbox"/>	22				
23 Specific assistance to individuals (att sch)	23				
24 Benefits paid to or for members (att sch)	24				
25 Compensation of officers, directors, etc	25	119,395.	0.	119,395.	0.
26 Other salaries and wages	26	10,007,455.	8,792,380.	1,078,804.	136,271.
27 Pension plan contributions	27				
28 Other employee benefits	28	1,234,452.	1,071,692.	146,150.	16,610.
29 Payroll taxes	29	859,007.	745,811.	101,637.	11,559.
30 Professional fundraising fees	30				
31 Accounting fees	31	18,211.		18,211.	
32 Legal fees	32	510.		510.	
33 Supplies	33	1,294,032.	1,118,225.	175,807.	
34 Telephone	34	103,202.	81,721.	21,481.	
35 Postage and shipping	35	24,948.	175.	24,773.	
36 Occupancy	36	735,313.	706,496.	28,817.	
37 Equipment rental and maintenance	37	221.		221.	
38 Printing and publications	38	79,926.	12,200.	67,726.	
39 Travel	39	98,500.	56,206.	42,294.	
40 Conferences, conventions, and meetings	40	47,778.	18,600.	29,178.	
41 Interest	41	19,269.	2,950.	16,319.	
42 Depreciation, depletion, etc (attach schedule)	42	523,171.	468,726.	54,445.	
43 Other expenses not covered above (itemize):					
a See Statement 5	43a	4,509,274.	3,900,303.	598,890.	10,081.
b _____	43b				
c _____	43c				
d _____	43d				
e _____	43e				
f _____	43f				
g _____	43g				
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	19,674,664.	16,975,485.	2,524,658.	174,521.

Joint Costs. Check G if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? G Yes No

If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? G <u>See Statement 6</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a <u>See Statement 7</u> ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here G <input type="checkbox"/>	16,975,485.
b ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here G <input type="checkbox"/>	
c ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here G <input type="checkbox"/>	
d ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here G <input type="checkbox"/>	
e Other program services (Grants and allocations \$ _____) If this amount includes foreign grants, check here G <input type="checkbox"/> f Total of Program Service Expenses (should equal line 44, column (B), Program services) G	16,975,485.

BAA

Part IV Balance Sheets (See Instructions)

Note: <i>Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.</i>		(A) Beginning of year		(B) End of year
ASSETS	45 Cash - non-interest-bearing	1,028,747.	45	1,633,793.
	46 Savings and temporary cash investments	503,460.	46	504,473.
	47a Accounts receivable	47a 235,173.		
	b Less: allowance for doubtful accounts	47b	47c	235,173.
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	2,783,312.
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes & loans receivable (attach sch)	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	3,083.	53	72,315.
	54 Investments - securities (attach schedule). See St. 8 G <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		54	1,100.
	55a Investments - land, buildings, & equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b	55c	
56 Investments - other (attach schedule)		56		
57a Land, buildings, and equipment: basis	57a 5,798,119.			
b Less: accumulated depreciation (attach schedule) Statement 9	57b 3,367,876.	57c	2,430,243.	
58 Other assets (describe G See Statement 10)	72,522.	58	67,529.	
59 Total assets (must equal line 74). Add lines 45 through 58	5,924,009.	59	7,727,938.	
LIABILITIES	60 Accounts payable and accrued expenses	1,177,067.	60	1,521,436.
	61 Grants payable		61	
	62 Deferred revenue	1,195,586.	62	1,034,662.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)	859,810.	64b	1,168,807.
	65 Other liabilities (describe G See Statement 11)	110,538.	65	571,857.
66 Total liabilities. Add lines 60 through 65	3,343,001.	66	4,296,762.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here G <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	2,443,858.	67	3,377,774.
	68 Temporarily restricted	84,761.	68	
	69 Permanently restricted	52,389.	69	53,402.
	Organizations that do not follow SFAS 117, check here G <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	2,581,008.	73	3,431,176.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	5,924,009.	74	7,727,938.

BAA

Form 990 (2005)

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	20,427,195.
b	Amounts included on line a but not on Part I, line 12:		
	1 Net unrealized gains on investments	b1	
	2 Donated services and use of facilities	b2	
	3 Recoveries of prior year grants	b3	
	4 Other (specify): _____	b4	87,731.
	<u>See Stmt 12</u>		
	Add lines b1 through b4	b	87,731.
c	Subtract line b from line a	c	20,339,464.
d	Amounts included on Part I, line 12, but not on line a:		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): _____	d2	
	Add lines d1 and d2	d	
e	Total revenue (Part I, line 12). Add lines c and d	G e	20,339,464.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements	a	19,762,395.
b	Amounts included on line a but not on Part I, line 17:		
	1 Donated services and use of facilities	b1	
	2 Prior year adjustments reported on Part I, line 20	b2	
	3 Losses reported on Part I, line 20	b3	
	4 Other (specify): _____	b4	87,731.
	<u>See Stmt 13</u>		
	Add lines b1 through b4	b	87,731.
c	Subtract line b from line a	c	19,674,664.
d	Amounts included on Part I, line 17, but not on line a:		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): _____	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17). Add lines c and d	G e	19,674,664.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
See Statement 14		119,395.	3,393.	0.

Part VI Other Information (continued)	Yes	No	
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X	
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b		
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A	
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c Dues, assessments, and similar amounts from members	85c		N/A
d Section 162(e) lobbying and political expenditures	85d		N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		N/A
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		N/A
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a		N/A
b Gross receipts, included on line 12, for public use of club facilities	86b		N/A
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a		N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b		N/A
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88		X
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 G <u>0.</u> ; section 4912 G <u>0.</u> ; section 4955 G <u>0.</u>			
b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89b		X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	G		0.
d Enter: Amount of tax on line 89c, above, reimbursed by the organization	G		0.
90 a List the states with which a copy of this return is filed G <u>CA</u>			
b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)	90b		304
91 a The books are in care of G <u>Nancy O' Rourke</u> Telephone number G <u>510-744-9280</u> Located at G <u>4533 Mattos Drive, Fremont CA</u> ZIP + 4 G <u>94536-6736</u>			
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b		X
If 'Yes,' enter the name of the foreign country G _____			
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Statements			
c At any time during the calendar year, did the organization maintain an office outside of the United States?	91c		X
If 'Yes,' enter the name of the foreign country G _____			
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041' Check here		N/A	G <input type="checkbox"/>
and enter the amount of tax-exempt interest received or accrued during the tax year	G 92		N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
Note: Enter gross amounts unless otherwise indicated.					
93 Program service revenue:					
a Fees					2,650,052.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	6,952.	
96 Dividends & interest from securities			14	2.	
97 Net rental income or (loss) from real estate:					
a debt-financed property	531390	12,000.			
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income			14	-68.	
100 Gain or (loss) from sales of assets other than inventory			14	-7,709.	
101 Net income or (loss) from special events			1	54,176.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b Other Income					325,239.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		12,000.		53,353.	2,975,291.
105 Total (add line 104, columns (B), (D), and (E))				G 3,040,644.	

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
F	
93a	Fees received from clients for services rendered in accordance with the Agency's exempt purpose.
103b	Miscellaneous reimbursement of program related costs.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here

G _____
Signature of officer Date _____

G _____
Type or print name and title.

Paid Preparer's Use Only

Preparer's signature **G** _____ Date _____ Check if self-employed Preparer's SSN or PTIN (See General Instruction W) **556-73-2657**

Firm's name (or yours if self-employed), address, and ZIP + 4 **G Randolph Scott & Co CPAs Inc
1 Commercial Blvd., Suite 101
Novato, CA 94949** EIN **G 68-0446663** Phone no. **G (415) 883-8090**

Organization Exempt Under
Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

2005

Department of the Treasury
Internal Revenue Service

Supplementary Information (See separate instructions.)

G MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.

Name of the organization

KIDANGO, INC

Employer identification number

94-2581686

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions. List each one. If there are none, enter 'None.')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
See Statement 15		445,362.	16,620.	0.
Total number of other employees paid over \$50,000	G 0			

Part II A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services	G 0	

Part II B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Chabot College Children's Center 25555 Hesperian Blvd Hayward, CA 94545	Child Care	197,059.
ChildCare Careers 1700 S. El Camino Real Suite 201 San Mateo, CA 94402	Temp. Staffing	1,255,098.
Hayward Unified School District 23640 Reed Way Hayward, CA 94541	Child Care	216,565.
Saint Vincent's Day Home 1086 8th Street Oakland, CA 94607	Child Care	258,386.
San Juan Bautista 1945 Terilyn Avenue San Jose, CA 95122	Child Care	418,901.
Total number of other contractors receiving over \$50,000 for other services	G 14	

Part III Statements About Activities (See instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities. . . . G \$ <u> N/A </u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	1	X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?	2a	X
b	Lending of money or other extension of credit?	2b	X
c	Furnishing of goods, services, or facilities?	2c	X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e	Transfer of any part of its income or assets?	2e	X
3a	Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)	3a	X
b	Do you have a section 403(b) annuity plan for your employees?	3b	X
c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3c	X
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a	X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b	X

Part IV Reason for Non-Private Foundation Status (See instructions.)

- The organization is not a private foundation because it is: (Please check only ONE applicable box.)
- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
 - 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
 - 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
 - 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
 - 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **G** _____
 - 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
 - 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
 - 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
 - 12 An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions ' subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
 - 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: **G** Type 1 Type 2 Type 3

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)..... G	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)...	N/A				
16 Membership fees received.....					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc, purpose.....					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975.....					
19 Net income from unrelated business activities not included in line 18.....					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.....					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.....					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.....					
23 Total of lines 15 through 22.....					
24 Line 23 minus line 17.....					
25 Enter 1% of line 23.....					
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24..... N/A ... G					26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts..... G					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e)..... G					26c
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____					26d
e Public support (line 26c minus line 26d total)..... G					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))..... G					26f %
27 Organizations described on line 12: N/A					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2004) _____ (2003) _____ (2002) _____ (2001) _____					
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2004) _____ (2003) _____ (2002) _____ (2001) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c
d Add: Line 27a total..... and line 27b total.....					27d
e Public support (line 27c total minus line 27d total)..... G					27e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e).... G 27f					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))..... G					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))..... G					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15. N/A					

Part V Private School Questionnaire (See instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29 X	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30 X	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31 X	
If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.)		
<u>Policy is posted on our website.</u>		

32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c X	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d X	
If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.)		

33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?	33a	X
b Admissions policies?	33b	X
c Employment of faculty or administrative staff?	33c	X
d Scholarships or other financial assistance?	33d	X
e Educational policies?	33e	X
f Use of facilities?	33f	X
g Athletic programs?	33g	X
h Other extracurricular activities?	33h	X
If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.)		

34a Does the organization receive any financial aid or assistance from a governmental agency?	34a X	
b Has the organization's right to such aid ever been revoked or suspended?	34b	X
If you answered 'Yes' to either 34a or b, please explain using an attached statement.		

35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation	35 X	

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.) N/A
 (To be completed ONLY by an eligible organization that filed Form 5768)

Check G a if the organization belongs to an affiliated group. Check G b if you checked 'a' and 'limited control' provisions apply.

Limits on Lobbying Expenditures (The term 'expenditures' means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table '			
If the amount on line 40 is ' The lobbying nontaxable amount is '			
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

4 -Year Averaging Period Under Section 501(h)
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50.)

Calendar year (or fiscal year beginning in) G	Lobbying Expenditures During 4 -Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities (For reporting only by organizations that did not complete Part VI-A) (See instructions.) N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (add lines c through h.)			

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

2005

Name of organization

KIDANGO, INC

Employer identification number

94-2581686

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

- 501(c)(3) (enter number) organization
- 4947(a)(1) nonexempt charitable trust not treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule - see instructions.)

General Rule ' For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules ' For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33-1/3% support test under Regulations sections 1.509(a)-3/1.170A-9(e) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose. Do not complete any of the Parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc, contributions of \$5,000 or more during the year.) G \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2005)

Name of organization

Employer identification number

KIDANGO, INC

94-2581686

Part I Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Sisters of the Holy Family P. O. Box 3248 Fremont, CA 94539	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	Low Income Investment Fund 1330 Braodway Oakland, CA 94612	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	Edna Wardlaw Charitable Trust Sun Trust Bank- Mail Code 0221 Atlanta, GA 30302	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	John S and James L Knight Fnd 200 South Biscayne Blvd. Miami, FL 33131	\$ 260,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	Children's Fnd of the Bay Area 4533 Mattos Drive Fremont, CA 94536	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	Fremont Bank 39150 Fremont Blvd. Fremont, CA 94538	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

KIDANGO, INC

94-2581686

Part II Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
_____	N/A ----- ----- -----	\$-----	-----
_____	----- ----- -----	\$-----	-----
_____	----- ----- -----	\$-----	-----
_____	----- ----- -----	\$-----	-----
_____	----- ----- -----	\$-----	-----
_____	----- ----- -----	\$-----	-----
_____	----- ----- -----	\$-----	-----
_____	----- ----- -----	\$-----	-----

BAA

Name of organization KIDANGO, INC	Employer identification number 94-2581686
---	---

Part III Exclusively religious, charitable, etc, individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year (Complete cols (a) through (e) and the following line entry.)

For organizations completing Part III, enter total of exclusively religious, charitable, etc, contributions of \$1,000 or less for the year. (Enter this information once - see instructions.) **G\$** **N/A**

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	N/A		
	-----	-----	-----
	-----	-----	-----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
-----	-----
-----	-----
-----	-----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	-----	-----	-----
	-----	-----	-----
	-----	-----	-----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
-----	-----
-----	-----
-----	-----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	-----	-----	-----
	-----	-----	-----
	-----	-----	-----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
-----	-----
-----	-----
-----	-----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	-----	-----	-----
	-----	-----	-----
	-----	-----	-----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
-----	-----
-----	-----
-----	-----

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KIDANGO, INC

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Statement 1
Form 990, Part I, Line 7
Other Investment Income

Unrealized Loss on Invest..... Total \$ -68.
Total \$ -68.

Statement 2
Form 990, Part I, Line 8
Net Gain (Loss) from Noninventory Sales

Other Assets

Description: Sale of Vehicle
Date Acquired: 12/24/2000
How Acquired: Purchase
Date Sold: 6/30/2006
To Whom Sold:
Gross Sales Price: 9,267.
Cost or Other Basis: 16,976.
Gain (Loss) -7,709.

Total Gain (Loss) Other Assets \$ -7,709.

Total Net Gain (Loss) From Noninventory Sales \$ -7,709.

Statement 3
Form 990, Part I, Line 9
Net Income (Loss) from Special Events

Special Events	Gross Receipts	Less Contributions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
Taster's Showcase	110,422.	44,224.	66,198.	39,631.	26,567.
Winter Sale	75,709.	0.	75,709.	45,115.	30,594.
Gifts from the Heart	21,200.	21,200.	0.	2,985.	-2,985.
Total	<u>\$ 207,331.</u>	<u>\$ 65,424.</u>	<u>\$ 141,907.</u>	<u>\$ 87,731.</u>	<u>\$ 54,176.</u>

Statement 4
Form 990, Part I, Line 20
Other Changes in Net Assets or Fund Balances

Additions to Restricted Equipment Net Assets..... \$ 190,404.
Depreciation of Restricted Equipment Net Assets..... -5,036.
Total \$ 185,368.

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Statement 5
Form 990, Part II, Line 43
Other Expenses

	(A)	(B)	(C)	(D)
	<u>Total</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Fundrai si ng</u>
Auto Expense	40,985.	16,324.	24,661.	
Bad Debt Expense	24,891.		24,891.	
Child Care Provider Expense	1,993,420.	1,993,420.		
Employee Recruit. & Retention	101,201.	61,519.	39,682.	
Equipment	203,845.	190,103.	13,742.	
Insurance	123,766.		123,766.	
Other Expenses	106,002.	23,693.	72,608.	9,701.
Outside Services	1,597,955.	1,425,710.	172,245.	
Repairs & Maintenance	159,451.	136,397.	23,054.	
Service Charges & Fees	157,758.	53,137.	104,241.	380.
Total	<u>\$ 4,509,274.</u>	<u>\$ 3,900,303.</u>	<u>\$ 598,890.</u>	<u>\$ 10,081.</u>

Statement 6
Form 990, Part III
Organization's Primary Exempt Purpose

To provide quality child care and development services.

Statement 7
Form 990, Part III, Line a
Statement of Program Service Accomplishments

<u>Description</u>	<u>Grants and Allocations</u>	<u>Program Service Expenses</u>
<p>Provided quality, affordable early care and education services to over 3,000 children 0-12 years and their families of all economic levels, focusing on low income families. Also met the nutritional needs of these children by serving over 1.3 million meals. Services located in Alameda, Santa Clara and San Francisco counties, CA.</p> <p style="text-align: right;">Includes Foreign Grants: No</p>		15,341,514.
<p>Provided early care and education services to low income children and their families through a family child care home education network in Santa Clara County, CA</p> <p style="text-align: right;">Includes Foreign Grants: No</p>		224,516.
<p>Provided mental health services to over 150 children 0-5 years of age who are in need of services due to challenging behaviour, family issues or other related reasons. Provided supportive services to teachers and families of children needing mental health services. Services located in Alameda, Santa Clara and San Francisco Counties, CA.</p>		
<p>In addition, provided early intervention services to over 250 infants with developmental delays and disabilities and their families. Services included parent training in their homes, integrated center-based services, and specialized</p>		

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Statement 7 (continued)
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
therapies to meet the individual needs of the infants and toddlers. Services located in Alameda, Santa Clara and San Francisco Counties, CA.		1,409,455.
Includes Foreign Grants: No		
	<u>\$ 0.</u>	<u>\$ 16975485.</u>

Statement 8
Form 990, Part IV, Line 54
Investments - Securities

Corporate Stocks	Valuation Method	Amount
Corporate Stock	Market Value	\$ 1,100.
	Total	\$ 1,100.
Total Investments - Securities		<u>\$ 1,100.</u>

Statement 9
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Automobiles / Transportation Equipment	\$ 210,236.	\$ 116,058.	\$ 94,178.
Machinery and Equipment	495,386.	307,303.	188,083.
Buildings	2,801,095.	2,049,103.	751,992.
Improvements	2,046,032.	895,412.	1,150,620.
Land	245,370.		245,370.
Total	<u>\$ 5,798,119.</u>	<u>\$ 3,367,876.</u>	<u>\$ 2,430,243.</u>

Statement 10
Form 990, Part IV, Line 58
Other Assets

Deposits	\$ 67,529.
Total	<u>\$ 67,529.</u>

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Statement 11
Form 990, Part IV, Line 65
Other Liabilities

Due to Funder	\$	515,473.
Nutrition Advance		56,384.
Total	\$	<u>571,857.</u>

Statement 12
Form 990, Part IV-A, Line b(4)
Other Amounts

Special Event Expense on Line 9b	\$	87,731.
Total	\$	<u>87,731.</u>

Statement 13
Form 990, Part IV-B, Line b(4)
Other Amounts

Special Event Expense on Line 9b	\$	87,731.
Total	\$	<u>87,731.</u>

Statement 14
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
BOLCE, DON 4533 MATTOS DRIVE FREMONT, CA 94536	Secretary 1	\$ 0.	\$ 0.	\$ 0.
BOYLE, VALERIE 4533 MATTOS DRIVE FREMONT, CA 94536	MEMBER 1	0.	0.	0.
DEAN, TASHA 4533 MATTOS DRIVE FREMONT, CA 94536	MEMBER 1	0.	0.	0.
GEORGE, NANCY 4533 MATTOS DRIVE FREMONT, CA 94536	MEMBER 1	0.	0.	0.
GRANT, VICKI R. N 4533 MATTOS DRIVE FREMONT, CA 94536	MEMBER 1	0.	0.	0.

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Statement 14 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
HARRISON, BILL. CPA 4533 MATTOS DRIVE FREMONT, CA 94536	Treasurer 1	\$ 0.	\$ 0.	\$ 0.
HOBBS, ESTHER E. 4533 MATTOS DRIVE FREMONT, CA 94536	FIRST VICE PRES 1	0.	0.	0.
HUGHES, BRIAN 4533 MATTOS DRIVE FREMONT, CA 94536	MEMBER 1	0.	0.	0.
HOLMES, LESLIE. ESQ 4533 MATTOS DRIVE FREMONT, CA 94536	Presi dent 1	0.	0.	0.
HUGHES, HATTIE HYMAN 4533 MATTOS DRIVE FREMONT, CA 94536	MEMBER 1	0.	0.	0.
MCLEAN, DIANNE JACKSON, ESQ 4533 MATTOS DRIVE FREMONT, CA 94536	MEMBER 1	0.	0.	0.
MCFAULL, GERRY 4533 MATTOS DRIVE FREMONT, CA 94536	MEMBER 1	0.	0.	0.
MERTENS, KATHRYN 4533 MATTOS DRIVE FREMONT, CA 94536	Sec VICE PRES 1	0.	0.	0.
NUNEZ, RAFAEL 4533 MATTOS DRIVE FREMONT, CA 94536	MEMBER 1	0.	0.	0.
TABREZ, SHAMS 4533 MATTOS DRIVE FREMONT, CA 94536	MEMBER 1	0.	0.	0.
PAUL MILLER 4533 MATTOS DRIVE FREMONT, CA 94536	Executi ve Di rec 40	119,395.	3,393.	0.
	Total	<u>\$ 119,395.</u>	<u>\$ 3,393.</u>	<u>\$ 0.</u>

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Statement 15
 Schedule A, Part I
 Compensation of Five Highest Paid Employees

<u>Name and Address</u>	<u>Title & Average Hours Worked</u>	<u>Compen- sation</u>	<u>Contributio EBP & DC</u>	<u>Expense Account</u>
Deborah Turner 4533 Mattos Drive Fremont, CA 94536	Deputy Director 40	117,727.	3,278.	0.
Nancy O'Rourke 4533 Mattos Drive Fremont, CA 94536	Deputy Director 40	84,176.	3,393.	0.
Tom Perez 4533 Mattos Drive Fremont, CA 94536	Dir. Human Resc 40	88,045.	3,393.	0.
Julie Kurtz 4533 Mattos Drive Fremont, CA 94536	Dir Mental Hlth 40	83,133.	3,278.	0.
Kate Breitzman 4533 Mattos Drive Fremont, CA 94536	Dir. Facilities 40	72,281.	3,278.	0.
	Total	<u>\$ 445,362.</u>	<u>\$ 16,620.</u>	<u>\$ 0.</u>

**Exempt Organization Business
Income Tax Return** (and proxy tax under Section 6033(e))
For calendar year 2005 or other tax year beginning 7/01, 2005,
and ending 6/30, 2006

2005

Department of the Treasury
Internal Revenue Service

G See separate instructions.

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under Section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)</p>	<p>Print or Type</p>	<p align="center">(<input type="checkbox"/> check box if name changed and see instructions.)</p> <p>KIDANGO, INC 4533 MATTOS DRIVE FREMONT, CA 94536-6736</p>	<p>D Employer identification number (Employees' trust, see instructions for Block D.) 94-2581686</p> <p>E New unrelated business activity codes (See instructions for Block E.) 531390</p>
<p>C Book value of all assets at end of year 7,727,938.</p>	<p>F Group exemption number (see instructions for Block F) . G</p> <p>G Check organization type G <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>		

H Describe the organization's primary unrelated business activity.
G

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . **G** Yes No
 If 'Yes,' enter the name and identifying number of the parent corporation. . . . **G**

J The books are in care of **G Nancy O' Rourke** Telephone number **G 510-744-9280**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales			
b Less returns and allowances c Balance G	1c		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c.	3		
4 a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5		
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7	4,753.	
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Sch G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (see instructions ' attach schedule)	12		
13 Total. Combine lines 3 through 12	13	4,753.	1,915.
			2,838.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14 Compensation of officers, directors, and trustees (Schedule K)	14		
15 Salaries and wages	15		
16 Repairs and maintenance	16		
17 Bad debts	17		
18 Interest (attach schedule)	18		
19 Taxes and licenses	19		
20 Charitable contributions (see instructions for limitation rules)	20		
21 Depreciation (attach Form 4562)	21		
22 Less depreciation claimed on Schedule A and elsewhere on return	22a		22b
23 Depletion	23		
24 Contributions to deferred compensation plans	24		
25 Employee benefit programs	25		
26 Excess exempt expenses (Schedule I)	26		
27 Excess readership costs (Schedule J)	27		
28 Other deductions (attach schedule)	28		
29 Total deductions. Add lines 14 through 28	29		
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30		2,838.
31 Net operating loss deduction (limited to the amount on line 30)	31		
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32		2,838.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33		1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34		1,838.

Schedule C ' Rent Income (From Real Property and Personal Property Leased with Real Property) (see instructions)

1 Description of property		3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
2 Rent received or accrued		
(1)		
(2)		
(3)		
(4)		
Total	Total	
Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) G		Total deductions. Enter here and on page 1, Part I, line 6, column (B) G

Schedule E ' Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach sch)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals G		Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)	
Total dividends-received deductions included in column 8 G				

Schedule F ' Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
Totals			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, part I, line 8, column (B).	

Schedule G ' Investment Income of a Section 501(c)(7), (9), or (17) Organization (See instructions.)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (column 3 plus column 4)
(1)				
(2)				
(3)				
(4)				
Totals	G			Enter here and on page 1, Part I, line 9, column (B).

Schedule I ' Exploited Exempt Activity Income, Other Than Advertising Income (See instructions.)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute columns 5 through 7	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals	G	Enter here and on page 1, Part I, line 10, column (A).	Enter here and on page 1, Part I, line 10, column (B).			Enter here and on page 1, Part II, line 26.

Schedule J ' Advertising Income (See instructions.)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (column 2 minus column 3). If a gain, compute columns 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	G					

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Totals, Part II (lines 1-5)	G	Enter here and on page 1, Part I, line 11, column (A).	Enter here and on page 1, Part I, line 11, column (B).			Enter here and on page 1, Part II, line 27.

Schedule K ' Compensation of Officers, Directors, and Trustees (See instructions.)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total ' Enter here and on page 1, Part II, line 14	G		

Depreciation and Amortization
(Including Information on Listed Property)

G See separate instructions. G Attach to your tax return.

Name(s) shown on return

KIDANGO, INC

Identifying number

94-2581686

Business or activity to which this form relates

Unrelated debt

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses.	1	\$105,000.
2	Total cost of section 179 property placed in service (see instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation.	3	\$420,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10	Carryover of disallowed deduction from line 13 of your 2004 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12.	G 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for certain aircraft, certain property with a long production period, and qualified New York Liberty or GO Zone property (other than listed property) placed in service during the tax year (see instrs).	14	
15	Property subject to section 168(f)(1) election.	15	
16	Other depreciation (including ACRS).	16	4,834.

Part III MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2005.	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here.	G <input type="checkbox"/>	

Section B ' Assets Placed in Service During 2005 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

Section C ' Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.	22	4,834.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

6/30/06

2005 Federal Unrelated Business Depreciation Schedule

Page 1

Client 71

KIDANGO, INC

94-2581686

5/14/07

10:38AM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
Schedule E																
Buildings																
1	43100 Isle Royal Street	1/01/94		483,395	30.00						145,019	55,589	S/L	30		4,834
Total Buildings				483,395		0	0	0	0	0	145,019	55,589				4,834
Total Depreciation				<u>483,395</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>145,019</u>	<u>55,589</u>				<u>4,834</u>
Grand Total Depreciation				<u>483,395</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>145,019</u>	<u>55,589</u>				<u>4,834</u>