Dear Friends,

It's with excitement, gratitude and confidence in this incredible organization, that I greet you as the chairman of SMART's Board of Directors.

The vital importance of reading has been impressed upon me since I was a young child. I've always known at a deep and fundamental level that knowledge is one of the only things we possess that can never be taken from us. And, reading is the key to knowledge.

It's with strong personal conviction and passion that I support SMART's work, which has given the lifelong gift of reading and knowledge to more than 152,000 children across Oregon over the past two decades.

In any organization, the passing of time brings with it ups and downs, challenges and opportunities. SMART certainly hasn't been immune to this natural cycle, and has felt the strain of economic recession and organizational transition in recent years.

However, in the face of these challenges, we have remained steadfastly focused on our North Star: the children we serve. With that North Star holding firm in our hearts and minds, we have moved through challenging transition with purpose, vision and, above all, an enduring commitment to improving the lives of children.

The result of this careful work is an organization that stands stronger than ever, with a devoted and highly skilled team of volunteer leadership and staff. With the right team focused on the right priorities, we set a goal to serve 8,500 children by 2014. Our perseverance and focus allowed us to surpass this goal a full two years early, having served 8,548 children in 2011-12 and aiming to serve 9,000 children in 2012-13.

We've also turned a keen eye toward prevailing research in early childhood education, which tells us that preparing children for learning to read must start early. To that end, we have set goals to expand our service to PreK and kindergarten students to align our organizational goals that we've committed to achieving by 2014. Thanks to the collective effort of volunteers, staff and educators statewide, we've made solid progress on each of these.

By many measures, this year was a good year for SMART. But more importantly, that means it was a better year for children in Oregon. We are proud of and grateful for the people and partners who made this work possible. I look forward to where we'll go, together in the future, in our journey to inspire a love of reading and learning in children across Oregon.

Sincerely,

Behzad Hosseini

In December 2010, I walked through SMART's doors as Executive Director for the first time. What I discovered was an organization with a beautifully simple and relevant mission, strong and committed staff and volunteer leadership, an equally committed volunteer base standing 5,000 strong, and abundant partnerships helping make this important work happen.

These assets have only strengthened and propelled us forward in our charge to help Oregon children become strong, confident readers. As SMART has gathered momentum, I've been heartened by how deeply Oregonians care about the issue of children's literacy.

Equally encouraging is the statewide focus on – and public interest in – the education experience overall. Under the leadership of our current Governor, we’re witnessing a recommitment to public education, and a heightened focus on collaboration and partnership across sectors that will help ensure our state’s children get the attention and resources needed to succeed in school. We're excited about this work, and we stand ready to lend our experience, expertise and energy to the effort.

While we look and work broadly, we're also focused specifically on four key organizational goals that we’ve committed to achieving by 2014. Thanks to the collective effort of volunteers, staff and educators statewide, we’ve made solid progress on each of these:

Goal #1: 8,500 children are served, en route to 10,000

In 2011-12, we surpassed our service goal of 7,700 and served 8,548 students. Looking ahead to 2014, we are developing a measured and intentional path to our next level of growth.

Goal #2: Service to PreK has been expanded to 10-20 percent of total children served

Research proves that the earlier students are reached with reading support, the better their chances at success. To that end, we are focused on expanding our PreK service.

Goal #3: The organization is perceived as #1 in driving reading readiness

Year-end surveys to SMART parents, educators and volunteers in 2011-12 found that nearly 100 percent of these constituents see SMART as a leader in preparing children for reading success. We’re currently surveying policymakers and elected leaders to understand more about SMART perceptions and opportunities within the early childhood education realm.

Goal #4: Financial stability leads to a 5 percent investment in endowment

The SMART Board of Directors and staff are committed to strengthening our fundraising efforts and other revenue-generating activities in order to create maximum stability in our financial infrastructure. Ninety-seven percent of our current revenue comes from private sources – individuals, businesses and foundations. For that reason, we have focused our efforts this past year on enhancing both the relationships with our current donors, and the numbers and giving levels of our partners.

Chris Otis

The SMART Board of Directors and staff are committed to strengthening our fundraising efforts and other revenue-generating activities in order to create maximum stability in our financial infrastructure. Ninety-seven percent of our current revenue comes from private sources – individuals, businesses and foundations. For that reason, we have focused our efforts this past year on enhancing both the relationships with our current donors, and the numbers and giving levels of our partners.

Chris Otis

The SMART Board of Directors and staff are committed to strengthening our fundraising efforts and other revenue-generating activities in order to create maximum stability in our financial infrastructure. Ninety-seven percent of our current revenue comes from private sources – individuals, businesses and foundations. For that reason, we have focused our efforts this past year on enhancing both the relationships with our current donors, and the numbers and giving levels of our partners.

Chris Otis

However, in the face of these challenges, we have remained steadfastly focused on our North Star: the children we serve. With that North Star holding firm in our hearts and minds, we have moved through challenging transition with purpose, vision and, above all, an enduring commitment to improving the lives of children.

The result of this careful work is an organization that stands stronger than ever, with a devoted and highly skilled team of volunteer leadership and staff. With the right team focused on the right priorities, we set a goal to serve 8,500 children by 2014. Our perseverance and focus allowed us to surpass this goal a full two years early, having served 8,548 children in 2011-12 and aiming to serve 9,000 children in 2012-13.

We’ve also turned a keen eye toward prevailing research in early childhood education, which tells us that preparing children for learning to read must start early. To that end, we have set goals to expand our service to PreK and kindergarten students to align our organizational goals that we’ve committed to achieving by 2014. Thanks to the collective effort of volunteers, staff and educators statewide, we’ve made solid progress on each of these.

By many measures, this year was a good year for SMART. But more importantly, that means it was a better year for children in Oregon. We are proud of and grateful for the people and partners who made this work possible. I look forward to where we’ll go, together in the future, in our journey to inspire a love of reading and learning in children across Oregon.

Sincerely,

Behzad Hosseini

In December 2010, I walked through SMART’s doors as Executive Director for the first time. What I discovered was an organization with a beautifully simple and relevant mission, strong and committed staff and volunteer leadership, an equally committed volunteer base standing 5,000 strong, and abundant partnerships helping make this important work happen.

These assets have only strengthened and propelled us forward in our charge to help Oregon children become strong, confident readers. As SMART has gathered momentum, I’ve been heartened by how deeply Oregonians care about the issue of children’s literacy.

Equally encouraging is the statewide focus on – and public interest in – the education experience overall. Under the leadership of our current Governor, we’re witnessing a recommitment to public education, and a heightened focus on collaboration and partnership across sectors that will help ensure our state’s children get the attention and resources needed to succeed in school. We’re excited about this work, and we stand ready to lend our experience, expertise and energy to the effort.

While we look and work broadly, we’re also focused specifically on four key organizational goals that we’ve committed to achieving by 2014. Thanks to the collective effort of volunteers, staff and educators statewide, we’ve made solid progress on each of these:

Goal #1: 8,500 children are served, en route to 10,000

In 2011-12, we surpassed our service goal of 7,700 and served 8,548 students. Looking ahead to 2014, we are developing a measured and intentional path to our next level of growth.

Goal #2: Service to PreK has been expanded to 10-20 percent of total children served

Research proves that the earlier students are reached with reading support, the better their chances at success. To that end, we are focused on expanding our PreK service.

Goal #3: The organization is perceived as #1 in driving reading readiness

Year-end surveys to SMART parents, educators and volunteers in 2011-12 found that nearly 100 percent of these constituents see SMART as a leader in preparing children for reading success. We’re currently surveying policymakers and elected leaders to understand more about SMART perceptions and opportunities within the early childhood education realm.

Goal #4: Financial stability leads to a 5 percent investment in endowment

The SMART Board of Directors and staff are committed to strengthening our fundraising efforts and other revenue-generating activities in order to create maximum stability in our financial infrastructure. Ninety-seven percent of our current revenue comes from private sources – individuals, businesses and foundations. For that reason, we have focused our efforts this past year on enhancing both the relationships with our current donors, and the numbers and giving levels of our partners.

Chris Otis

The SMART Board of Directors and staff are committed to strengthening our fundraising efforts and other revenue-generating activities in order to create maximum stability in our financial infrastructure. Ninety-seven percent of our current revenue comes from private sources – individuals, businesses and foundations. For that reason, we have focused our efforts this past year on enhancing both the relationships with our current donors, and the numbers and giving levels of our partners.

Chris Otis
## STATEMENT OF FINANCIAL POSITION

As of June 30, 2012, with comparative amounts as of 2011

### Assets

<table>
<thead>
<tr>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$262,402</td>
</tr>
<tr>
<td>Contributions and grants receivable</td>
<td>$839,155</td>
</tr>
<tr>
<td>Book inventory, prepaids, and other assets</td>
<td>$41,105</td>
</tr>
<tr>
<td>Investments</td>
<td>$701,666</td>
</tr>
<tr>
<td>Funds held by Oregon Community Foundation</td>
<td>$1,011,804</td>
</tr>
<tr>
<td>Leasehold improvements and equipment</td>
<td>$32,070</td>
</tr>
</tbody>
</table>

**Total assets:** $2,888,202

### Liabilities

<table>
<thead>
<tr>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued payroll</td>
<td>$121,834</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total liabilities:** $121,834

### Net assets

<table>
<thead>
<tr>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available for programs and operations</td>
<td>$847,906</td>
</tr>
<tr>
<td>Designated by Board</td>
<td>$747,873</td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$32,070</td>
</tr>
</tbody>
</table>

**Total unrestricted net assets:** $1,827,659

**Temporarily restricted net assets:** $248,334

**Permanently restricted net assets:** $97,681

**Total net assets:** $2,120,603

### Revenues and other support

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>2012 Total</th>
<th>2011 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions and grants</td>
<td>$984,315</td>
<td>$1,097,549</td>
<td>-</td>
<td>$2,081,864</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>591,547</td>
<td>-</td>
<td>-</td>
<td>591,547</td>
</tr>
<tr>
<td>Special fundraising event (net)</td>
<td>248,334</td>
<td>-</td>
<td>-</td>
<td>248,334</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>1,827,859</td>
<td>1,097,549</td>
<td>-</td>
<td>2,925,308</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>807,043</td>
<td>(807,043)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total revenues and other support:** $2,634,802

### Expenses

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMART Program</td>
<td>$2,247,255</td>
<td>-</td>
<td>-</td>
<td>$2,247,255</td>
</tr>
<tr>
<td>Management and general</td>
<td>$334,461</td>
<td>-</td>
<td>-</td>
<td>$334,461</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$488,872</td>
<td>-</td>
<td>-</td>
<td>$488,872</td>
</tr>
<tr>
<td>Total expenses:</td>
<td>$3,070,588</td>
<td>-</td>
<td>-</td>
<td>$3,070,588</td>
</tr>
</tbody>
</table>

### Increase (decrease) in net assets

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>$11,173</td>
<td>-</td>
<td>-</td>
<td>$11,173</td>
</tr>
<tr>
<td>Net appreciation (decline) in fair value of investments</td>
<td>(33,370)</td>
<td>-</td>
<td>(33,370)</td>
<td>$134,874</td>
</tr>
<tr>
<td>Net change in assets held by Oregon Community Foundation</td>
<td>(54,971)</td>
<td>(11,113)</td>
<td>-</td>
<td>(46,084)</td>
</tr>
<tr>
<td>Total non-operating activities</td>
<td>(57,161)</td>
<td>(111,113)</td>
<td>-</td>
<td>(68,281)</td>
</tr>
</tbody>
</table>

### Net assets

<table>
<thead>
<tr>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in net assets</td>
<td>($492,964)</td>
</tr>
<tr>
<td>Beginning of year total net assets</td>
<td>$1,627,649</td>
</tr>
</tbody>
</table>

**End of year total net assets:** $1,627,649

---

"Having SMART at my school has had a great impact on the progress and growth of my students. Some of them have moved up five levels in reading and comprehension."

- SMART Educator

---
SMART BY THE NUMBERS

SMART Time
Over the course of one year’s time, SMART staff and volunteers devote a collective 169,300 hours* to make the program happen. That equivalent to 7,084 days – or nearly 20 years – in a single year.

*Based on activities in 2010-11

169,300
total hours

SMART volunteers have provided one-on-one reading support to more than 152,000 children across Oregon.

169,300
total hours

Average Cost Per Child
The average cost for one child to participate in the SMART program for one year is $306*. This figure includes all of the tangible and infrastructure costs necessary to implement the SMART program, from providing new books for children to take home and keep, to recruiting, training and retaining volunteers; to research and data collection; and more.

*Average cost per child varies from year to year.
This figure is based on 2011-12 data.

Student Milestones
In April 2012, SMART teachers were asked to report progress they have observed for each participating SMART student throughout the year in a variety of outcomes, including the child’s reading performance. Teacher participation was voluntary.

The number of students showing grade-appropriate reading performance increased from 21 percent at the beginning of the year to 59 percent by the end of the year.

About nine in 10 SMART students showed some to significant improvement in attention span, confidence, self-esteem, enthusiasm for reading and increased comfort in conversation.

Year-End Surveys
Each year, we survey volunteers, parents and educators across the state in an effort to evaluate our services and maintain a dialogue with program participants. Below are excerpts from these findings:

• Educator Responses:
  - 76 percent of principals/teachers felt that SMART contributed significantly to literacy outcomes in their schools.
  - 87 percent of principals/teachers felt that students benefited significantly from the SMART program.

• Parent Responses:
  - Nine in 10 parents surveyed felt the SMART program helped their child become a stronger reader.
  - Parents reported that their children improved in the following ways because of their participation in SMART:
    - 77 percent: Has improved reading skills
    - 76 percent: Seems to enjoy reading more
    - 71 percent: Talks about books more often
    - 66 percent: Gained more confidence

Since 1992…
“...parents reported that their children improved in the following ways because of their participation in SMART:...”

- SMART Reader

SMART OUTCOMES

Where the Money Goes*

$1
Program 73%

$1
Fundraising 16%

$1
Management 11%

*Breakdowns based on statewide operations in 2011-12

SMART $3.06 per child
Average Oregon Mentoring Program $6.91 per child

$ = 150 dollars

Since 1992...

SMART volunteers have provided one-on-one reading support to more than 152,000 children across Oregon.

More than 103,000 SMART Readers have volunteered their time to help students across the state discover a lifelong love of reading.

Children in the SMART program have been given 2 million books to take home and keep over the course of our history.

SMART volunteers have collectively spent more than 3 million hours reading with children.

"My son always looked forward to Tuesday so he could read with his SMART volunteer. He especially enjoyed the days when he got to bring a book home. I feel the program helped build confidence (reading with someone other than just mom and dad) and helped him build a real love for reading. The progress that he has made over the year has been incredible!"

-SMART Parent

"As a retired teacher, I know that one teacher can’t possibly provide all the individual attention students need – especially struggling or disengaged ones. SMART provides that important one-on-one time these children need to make meaningful connections with skilled readers and gain confidence as readers in their own right.”

-SMART Reader

High Quality Program Development: 1,300 hours
One-on-One Reading Time: 101,500 hours
Reader Recruitment & Training: 6,000 hours
Site Coordinator Time & Training: 60,500 hours

Average Oregon Mentoring Program $6.91 per child

SMART $3.06 per child

Since 1992...

SMART volunteers have provided one-on-one reading support to more than 152,000 children across Oregon.

More than 103,000 SMART Readers have volunteered their time to help students across the state discover a lifelong love of reading.

Children in the SMART program have been given 2 million books to take home and keep over the course of our history.

SMART volunteers have collectively spent more than 3 million hours reading with children.
"Our daughter was struggling to keep up in kindergarten before she started SMART. Now she is exceeding my expectations! She loves to read and be read to!"

- SMART Parent

Thank you
To our thousands of volunteers, supporters and donors across the state, we extend a hearty thank you! Our important work simply wouldn't be possible without you. For a full list of SMART's supporters, please visit www.getSMARToregon.org/our-community/supporters.

Executive Staff
Chris Otis, Executive Director
Nell Whitman, Director of Finance & Administration
Rachel Lawrence, Program Director
Jessica Corcoran, Communications Director
Alison Bruun, Interim Development Director

Board of Directors
Officers
Behzad Hosseini, Chair
Mary Wilcox, Vice Chair
Mary Boyle, Secretary
Tom O'Keefe, Treasurer
Charles Wilhoite, Immediate Past Chair

Directors
Greg Chaillé
Michele Daterman
Vernon Fuller
Joey Harrington
Bob Hunter

Officers
Elizabeth Large
Kent Lewis
Margaret (Peggy) Maguire
Casey McDermott
Patricia C. Smullin

Directors
Janae Sorenson
Andy Vobora
DJ Wilson
Steve Wynne

Regence

Printing made possible by: