

ANNUAL REPORT 2011-2012



S M A R T
START MAKING A READER TODAY[®]

MESSAGE FROM CHAIRMAN OF THE BOARD



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 efforts where we can have maximum impact. The state administration shares this interest in strengthening early education, and SMART stands poised to collaborate in accomplishing that work with our state education partners.

As we look to the future, I believe the pieces are in place for SMART to continually succeed and grow increasingly relevant in today's education system. I encourage you to join us in our collective quest to ignite a passion for reading and learning in young minds – one child at a time, one volunteer at a time, one book at a time.

Sincerely,

Behzad Hosseini

UPDATE FROM THE EXECUTIVE DIRECTOR

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.

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.



Chris Otis

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. Our focus is on "knowing our business" and understanding the infrastructure and resources necessary to serve more children and, importantly, examining where our services and support will have the greatest impact, both geographically and demographically.

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.

PreK currently accounts for 9 percent of all SMART programs, and we're well on the path to reach the 10 percent mark in 2012-13. Thanks to a \$600,000 grant from The Ford Family Foundation, we've launched an extensive evaluation and expansion of PreK service in rural counties across Oregon.

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.

Some evidence of our progress:

- New donors (1,061 total) were up 9 percent from previous year
- Average gift size increased by 33 percent
- Volunteers who became donors increased by 20 percent.

STATEMENT OF FINANCIAL POSITION

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

Assets	2012	2011
Cash and cash equivalents	\$262,402	\$611,047
Contributions and grants receivable	839,155	576,991
Book inventory, prepaids, and other assets	41,105	58,244
Investments	701,666	745,837
Funds held by Oregon Community Foundation	1,011,804	1,057,888
Leasehold improvements and equipment	32,070	54,949
Total assets:	\$2,888,202	\$3,104,956
Liabilities	2012	2011
Accounts payable and accrued payroll	\$121,834	\$124,527
Deferred revenue	-	500
Total liabilities:	\$121,834	\$125,027
Net assets	2012	2011
Available for programs and operations	\$847,906	\$1,283,010
Designated by Board	747,673	782,644
Net investment in capital assets	32,070	54,949
Total unrestricted net assets	\$1,627,649	\$2,120,603
Temporarily restricted net assets	947,859	668,466
Permanently restricted net assets	190,860	190,860
Total net assets:	\$2,766,368	\$2,979,929
Total liabilities and net assets:	\$2,888,202	\$3,104,956

“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



STATEMENT OF ACTIVITIES

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

Revenues and other support	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Total	2011 Total
Contributions and grants	\$984,315	\$1,097,549	-	\$2,081,864	\$1,664,677
In-kind contributions	591,547	-	-	591,547	507,470
Special fundraising event (net)	248,334	-	-	248,334	-
Total operating revenue	1,827,759	1,097,549	-	2,925,308	2,195,142
Net assets released from restrictions	807,043	(807,043)	-	-	-
Total revenues and other support:	\$2,634,802	\$290,506	-	\$2,925,308	\$2,195,142

Expenses	Unrestricted	Temporarily Restricted	Permanently Restricted	2012	2011
SMART Program	\$2,247,255	-	-	\$2,247,255	\$2,273,306
Management and general	334,461	-	-	334,461	238,591
Fundraising	488,872	-	-	488,872	247,171
Total expenses:	\$3,070,588	-	-	\$3,070,588	\$2,759,068
Increase (decrease) in net assets:	(\$435,786)	\$290,506	-	(\$145,280)	(\$563,926)

Non-operating activities	Unrestricted	Temporarily Restricted	Permanently Restricted	2012	2011
Investment income	\$11,173	-	-	\$11,173	\$19,104
Net appreciation (decline) in fair value of investments	(33,370)	-	-	(33,370)	134,874
Net change in assets held by Oregon Community Foundation	(34,971)	(11,113)	-	(46,084)	177,926
Total non-operating activities:	(\$57,168)	(\$11,113)	-	(\$68,281)	\$331,904

Net assets	Unrestricted	Temporarily Restricted	Permanently Restricted	2012	2011
Increase (decrease) in net assets	(\$492,954)	\$279,393	-	(\$213,561)	(\$232,022)
Beginning of year total net assets	2,120,603	668,466	190,860	2,979,929	3,211,951
End of year total net assets:	\$1,627,649	\$947,859	\$190,860	\$2,766,368	\$2,979,929

SMART BY THE NUMBERS

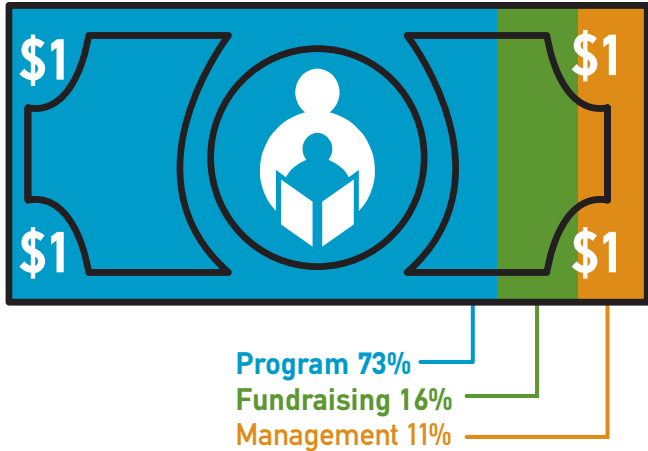
SMART Time

Over the course of one year's time, SMART staff and volunteers devote a collective **169,300 hours*** to make the program happen. That's equivalent to 7,054 days – or nearly 20 years – in a single year.

**Based on activities in 2010-11*



Where the Money Goes*

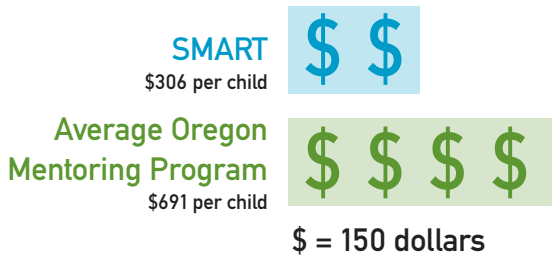


**Breakdowns based on statewide operations in 2011-12*

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.*



SMART OUTCOMES

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



"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

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 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.



101 SW Market St.
Portland, OR 97201
877-598-4633
www.getSMARToregon.org



Investing in our future

portland
children's
levy

"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

Printing made possible by:



Regence

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

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

Janae Sorenson
Andy Vobora
DJ Wilson
Steve Wynne