


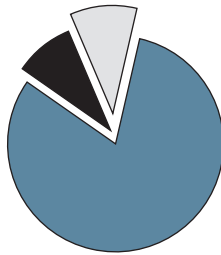


**SMART Expenses**

Where the Money Goes  
2008 - 2009

-  **81%**  
SMART Program
-  **10%**  
Fundraising
-  **9%**  
Management and general



**Program Successes:**

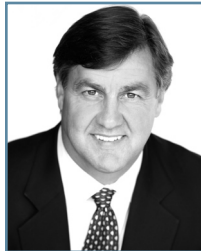
- 7,244** children served
- 204** partner sites
- 274** volunteer site coordinators
- 5,433** volunteer readers
- 156,359** volunteer hours logged
- 79,661** books taken home by students

**Revenue Sources:**

- 97% private contributions and grants
- 3% other income



# An Inspirational Year Topped by Ethics Award



Terry Shanley,  
SMART CEO

SMART intervenes at a critical stage in a child's development, nurturing a love for reading and teaching kids to be enthusiastic about books. Educators agree that our program reinforces reading and language skills learned in the classroom. In fiscal year 2009, SMART volunteers shared the joy of reading with 7,244 kids.

Support for the SMART mission plays out every day, though has never been more evident than in this past fiscal year. In the face of a challenging economic climate, what SMART experienced is what makes Oregon great. We witnessed communities gathering together to ensure local children continued to receive the individual reading support provided by SMART. Because of our dedication to the mission, SMART received the 2009 Oregon Ethics in Business award in the nonprofit category. It has truly been inspirational.

Though the year was challenging we balanced the budget thanks to the generous contributions of individuals, businesses and foundations throughout

the state. My sincere thanks goes to our board of directors and staff for their energy and positive approach to finding solutions, and most importantly to our volunteers for ensuring SMART's continued success. But there's more work to be done.

The fact remains that if children don't learn to read by third grade they can't read to learn. In Oregon, 37 percent of eighth graders read below grade level. By intervening early, and reaching as many kids as possible, we can help lower that percentage.

Coupled with changes made in fiscal year 2008, I am confident that now SMART is right-sized and has the ability, once the recession ebbs, to grow to meet the need. With your ongoing support, we *will* reach our vision of an Oregon where every child can read and is empowered to succeed.

Thank you for helping Oregon kids live literate,

Terry Shanley  
Chief Executive Officer

**Executive Staff**

- Terry Shanley, *Chief Executive Officer*
- Bruce Michieli, *Controller*
- Jay Anderson, *Development Director*

**Board of Directors**

**Officers**

- Charles Wilhoite, *Chair*
- Tom Gilbertson, *Vice Chair*
- Mary Wilcox, *Secretary/Treasurer*

**Directors**

- Mary Boyle, Joey Harrington, Behzad Hosseini, Evelyn Jenson, Elizabeth J.M. Large, Kent Lewis, Candace Manary, Linda Moore, Eric Parsons, Janae Sorenson, Patricia C. "Patsy" Smullin

**Statement of Financial Position**

As of June 30, 2009, with comparative amounts for 2008

<b>Assets</b>	<b>2009</b>	<b>2008</b>
Cash and cash equivalents	153,488	169,444
Contributions and grants receivable	1,727,900	1,576,705
Book inventory, prepaids and other assets	40,231	65,746
Investments	1,868,146	2,235,924
Leasehold improvements and equipment	73,006	79,625
<b>Total assets</b>	<b>\$3,862,771</b>	<b>\$4,127,444</b>

<b>Liabilities</b>	<b>2009</b>	<b>2008</b>
Accounts payable and accrued expenses	108,925	118,556
Deferred revenue	200	10,000
<b>Total liabilities</b>	<b>\$109,125</b>	<b>\$128,556</b>

<b>Net assets</b>	<b>2009</b>	<b>2008</b>
<b>Unrestricted</b>		
Available for programs and general operations	1,162,011	1,294,005
Designated by board	574,423	800,837
Net investment in capital assets	73,006	79,625
<b>Total unrestricted net assets</b>	<b>\$1,809,440</b>	<b>\$2,174,467</b>
Temporarily restricted net assets	1,753,346	1,633,561
Permanently restricted net assets	190,860	190,860
<b>Total net assets</b>	<b>\$3,753,646</b>	<b>\$3,998,888</b>
<b>Total liabilities and net assets</b>	<b>\$3,862,771</b>	<b>\$4,127,444</b>

**Statement of Activities**

As of June 30, 2009, with comparative amounts for 2008

<b>Revenues, gains, and other support</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>2009</b>	<b>2008</b>
Contributions and grants	1,918,018	1,467,419	-	3,385,437	3,788,888
Investment income	33,488	-	-	33,488	40,564
Net appreciation (decline) in fair value of investments	(324,825)	(47,758)	-	(372,583)	(83,137)
Other income	47,898	-	-	47,898	42,226
<b>Total revenues and gains</b>	<b>\$1,674,579</b>	<b>\$1,419,661</b>	<b>-</b>	<b>\$3,094,240</b>	<b>\$3,788,541</b>
Net assets released from restrictions	1,366,956	(1,366,956)	-	-	-
<b>Total revenues, gains, and other support</b>	<b>\$3,041,535</b>	<b>\$52,705</b>	<b>-</b>	<b>\$3,094,240</b>	<b>\$3,788,541</b>

<b>Expenses</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>2009</b>	<b>2008</b>
SMART program	2,702,688	-	-	2,702,688	3,011,197
Management and general	313,593	-	-	313,593	460,894
Fundraising	323,201	-	-	323,201	444,044
<b>Total expenses</b>	<b>\$3,339,482</b>	<b>-</b>	<b>-</b>	<b>\$3,339,482</b>	<b>\$3,916,135</b>

<b>Net assets</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>2009</b>	<b>2008</b>
Increase (decrease) in net assets	(297,947)	52,705	-	(245,242)	(127,594)
Reclassification of endowment for law change	(67,080)	67,080	-	-	-
Beginning of year total net assets	2,174,467	1,633,561	190,860	3,998,888	4,126,482
<b>End of year total net assets</b>	<b>\$1,809,440</b>	<b>\$1,753,346</b>	<b>\$190,860</b>	<b>\$3,753,646</b>	<b>\$3,998,888</b>

A complete, audited financial statement is available upon request. Please contact Bruce Michieli, SMART Controller, at 503-937-4802.