Dear SMART Friends:

A successful young Realtor in Portland was so bullied as a second-grader in Springfield that he remembers the arrival of his SMART volunteer each week as a welcomed escape from the classroom to a safe, comforting and encouraging environment that nurtured his wounded self-confidence.

An elderly woman in Medford was searching for a way to stay connected to society and feel a sense of purpose, and found exactly that in her weekly SMART reading sessions. A hand-scrivelled note from one of her students reminds her daily that she “rocks!”

These stories are but a tiny glimpse into the experiences of people touched by the SMART program. Young and old, from all parts of the state, SMART changes lives through the power of books and reading.

It is dedicated volunteers, donors and partners like you who make this possible.

In the 2014-15 program year, SMART served 9,702 children in 270 sites with the help of 4,805 volunteer Readers and 375 Site Coordinators. These students received 112,135 hours of one-on-one reading support, and over 118,000 books to keep.

As you may know, SMART received the 2014 American Prize in Literacy from the Library of Congress. SMART was selected from among hundreds of organizations across the nation to receive this prestigious honor that is bestowed annually to an organization making a demonstrable contribution to literacy in our country. The award is a crowning achievement for SMART, and a testament to the decades of hard work on the part of thousands of individuals to deliver a high-quality literacy program that is building a better Oregon through confident readers.

We also took the first important steps in two key initiatives: Program Quality and Equity. These efforts, which you’ll learn more about in this report, will help the organization continue to grow smarter and more effective in our work to empower young children for brighter, more successful futures through reading.

I am routinely inspired by SMART’s work today, and by the potential for the future, I look forward to the year ahead as we work together to spark a love of reading in the hearts and minds of 10,000 Oregon kids.

Your friend in reading,

Elizabeth Large

Chair, SMART Board of Directors
Executive Vice President and General Counsel, KinderCare Education
ORGANIZATIONAL UPDATE

SMART’s 2014-17 Strategic Plan kicked off this year with concrete steps taken across three focus areas:

1. Reach: Serve more children and sites that need us with the highest quality program possible

- **Equity:** We retained an educational equity consultant and began a series of in-depth training sessions with staff and our Board of Directors, and began work to diversify our book selection for students. Read more about our Equity Initiative on page 6.

- **Efficacy:** We laid the groundwork for identifying improvements in field-based quality assurance, process engineering and volunteer training delivery.

- **Growth:** Using Oregon’s designation of schools in greatest need of support, SMART invested in our infrastructure with the goal of growing programs in the Portland Metro area by 450 students over three years. We have also collaborated with early learning hubs statewide to expand our reach into PreK classrooms in order to provide intervention and support for early readers and learners.

2. Awareness: Build our statewide profile as a leader in preparing children for reading and learning success

- **Leadership:** SMART led the creation of the Early Literacy Success Alliance, a coalition of early literacy-focused nonprofit organizations, to advocate for the nonprofit community’s role in early learning. You’ll read more about ELSA on page 6.

- **Return On Investment:** We will identify and leverage data and research that already exists to make the clear case for SMART’s positive impact on reading-related outcomes.

3. Sustainability: Enrich organizational culture and staff in a way that leads to ongoing sustainability

- **Staff Development:** By investing in our staff, we increase the quality of our programs and increase employee engagement and retention. We’re seeking ways to provide more robust and in-depth professional development to our staff, and shifted team structure to provide opportunities for program managers to advance with opportunities to lead key statewide strategic planning and training activities.

- **Philanthropic Culture:** As a first step, we had discussions as a full staff about everyone’s role in building partnerships that support the organization. We also created and implemented new trainings for key volunteers to help engage them further as active advocates for SMART.

- **Supporting Infrastructure:** We added new office space, updated equipment where necessary and improved processes to enhance work flow and productivity.

Chris Otis
Executive Director
AUDITED FINANCIAL STATEMENTS
For Fiscal Year Ending June 30, 2015

ASSETS: $4,526,561 (AS OF 6/30/2015)

- Cash and Cash Equivalents
- Investments
- Contributions and Grants Receivable (net)
- Prepaid Expenses
- Beneficial Interest in Assets Held by Oregon Community Foundation
- Furniture and Equipment (net)

LIABILITIES AND NET ASSETS: $4,526,561 (AS OF 6/30/2015)

- Total Liabilities:
  - NET ASSETS:
    - Unrestricted: Undesignated
    - Unrestricted: Designated by Board for Endowment
    - Unrestricted: Net Furniture and Equipment
    - Temporarily Restricted
    - Permanently Restricted

REVENUE: $4,156,650*

- Contributions and Grants
- Net Assets Released from Restriction
- In-kind Contributions
- Special Events -- net of cost
- Other revenue

EXPENSES $3,605,621

FY14 ($3.1M)
- Fundraising: 68.2%
- Management & General: 10.3%
- Program: 21.5%

FY15 ($3.6M)
- Fundraising: 69.2%
- Management & General: 9.6%
- Program: 21.2%

* SMART’s FY15 surplus included a $161,000 gift that was board-designated for Endowment, and not available for operations.
SMART BY THE NUMBERS

2014-15 STATEWIDE SMART OUTCOMES

Surveys to parents of our students and educators revealed:

- **80%** of responding educators said SMART significantly contributed to literacy outcomes in their schools.
- **88%** of responding educators said students participating in SMART benefited significantly from the program.

Teachers reported that over two-thirds of SMART students consistently demonstrated grade-appropriate command of key measures related to reading comprehension, including:

- Knowledge of print and its uses
- Improved vocabulary
- Describing characters and setting in a story
- Making good predictions about what might happen next in a story

SMART parent respondents reported their children improved in the following ways due to participation in SMART:

- **94%** Improved reading skills
- **96%** Enjoyed receiving books from SMART
- **58%** Increased self-confidence

Teachers reported that SMART student ratings on grade-appropriate expectations increased from the beginning of the year to the end of the year in:

- Attitudes toward school
- Reading motivation
- Reading performance standards

### THIS YEAR

<table>
<thead>
<tr>
<th>CHILDREN SERVED</th>
<th>VOLUNTEERS</th>
<th>VOLUNTEER HOURS</th>
<th>DONATED VALUE FROM VOLUNTEER HOURS*</th>
<th>BOOKS GIVEN AWAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,702</td>
<td>5,180</td>
<td>112,135</td>
<td>$2,465,848</td>
<td>118,344</td>
</tr>
</tbody>
</table>

### SINCE 1992

| 180,113         | 118,844    | 3,459,726      | $76,079,374                       | 2,302,447       |

*Based on hourly value of volunteer time in Oregon from Independentsector.org.

**270 sites**

- Programs in 28 of 36 Oregon counties

- 8 regional offices

- 34 staff members

**$2,465,848**

**$76,079,374**

**2,302,447**

**$3,459,726**
PROGRAM INITIATIVES

- **Equity:** SMART has made a deep and focused commitment to equity. As an early literacy program with a mission to help children succeed with reading and learning, we acknowledge that deep racial, cultural, social, and economic inequities make it harder for some children to succeed compared to others. We have launched our **Equity Initiative** to address the fact that children need different inputs to reach the same outcome – in our case, meeting or exceeding the third-grade reading benchmark.

  Our equity journey has started with staff training, internal dialogue and reflection, and has changed our book selection process, hiring practices, and how we make decisions across the organization. We expect this commitment to be transformative and challenging, and most importantly, to have a positive impact for the children we serve.

- **Program Quality:** Over the past few years, SMART has grown significantly in numbers of students served and volunteers. As we embark on our next chapter – and before we continue to grow quantitatively – we want to provide the highest quality program possible. To do this we have launched a multi-year **Program Quality Initiative** focusing on book selection, overhauling volunteer training processes and tools, streamlining and modernizing our data collection capabilities, and ensuring that we’re providing the best possible support to our volunteers and school partners.

**Early Literacy Success Alliance:** **ELSA** is a SMART-convened coalition of Oregon nonprofit partners and public libraries with proven impact dedicated to providing children and their families with the access, support, resources and instruction they need to establish a strong foundation of literacy. Collectively, our programs serve as allies to the public education system, supporting educators, schools, districts, and families by applying our mutual skills and resources to help ensure kids are prepared for successful futures.

*To learn more about ELSA, visit www.earlyliteracysuccess.org.*
**SMART INITIATIVES**

**DEVELOPMENT INITIATIVES**

- **SMART Circle:** In 2014-15, nearly 160 individuals and families made gifts of $1,000+ to bring SMART to kids in their local communities. We recognize these donors as part of the SMART Circle, a special group of committed supporters statewide.
  
  **Contact:** Denise Harrison, 971-634-1610, dharrison@getsmartoregon.org

- **Leaders for Literacy:** This special giving society recognizes our most generous individual supporters. In 2014-15, more than 40 individuals and families made significant investments in SMART in their local communities.
  
  **Contact:** Sharon Benson, 971-634-1620, sbenson@getsmartoregon.org

- **Sponsor a SMART School:** Our Sponsor a SMART School initiative has continued to grow with businesses, foundations and individuals helping sites in their communities thrive by providing volunteers and financial support.
  
  **Contact:** Denise Harrison, 971-634-1610, dharrison@getsmartoregon.org

- **Legacy Society:** Contributors who include a provision for SMART in their estate plans become members of SMART’s Legacy Society. Estate plans include a will, living trust, life insurance policy or retirement plan. In 2014-15, nine individuals became members.
  
  **Contact:** Sharon Benson, 971-634-1620, sbenson@getsmartoregon.org

- **Endowment Fund:** A robust endowment provides a steady stream of income, diversifies our funding base, lessens reliance on annual fundraising efforts, and better positions SMART for growth. As of June 30, 2015, the market value of SMART’s endowment is $1.4 million. The fund was established in 1992 and is housed at the Oregon Community Foundation.
  
  **Contact:** Sharon Benson, 971-634-1620, sbenson@getsmartoregon.org

---

Thank you to our 2014-15 SMART School Sponsors:

**Leading for Literacy School Sponsors**
- The Ed & Romell Ackley Foundation: Gaffney Lane Elementary, Oregon City
- First Tech Federal Credit Union: Beaver Acres Elementary, Aloha
- L.P. Brown Foundation: Hartley Elementary, Portland
- Synopsys: McKinley Elementary, Beaverton

**Empowerment to Succeed School Sponsors**
- Iberdrola Renewables: Irvington Elementary, Portland; Joseph Conger Elementary, Klamath Falls
- Portland Timbers: Astor Elementary, James John Elementary and Peninsula Elementary, Portland

**Building Self-Confidence School Sponsors**
- Dave’s Killer Bread - Seth Lewelling Elementary, Milwaukie
- Walsh Construction - Grout Elementary, Portland
- Daimler Trucks - Beach Elementary, Portland
- Moda Health - Howard Elementary, Medford
- InnSight Hotel Management Group - Bertha Holt Elementary, Eugene
- Bank of America - RiverBend Elementary, Springfield
- Tec Labs - Community After-school Program (CAP), Albany
- Kiwanis Club of Klamath Falls - Mills Elementary, Klamath Falls
- G5 - Juniper Elementary and Bear Creek Elementary, Bend
- Timber Products - Two Rivers/Dos Ríos Elementary, Springfield
- Holliday Jewelry - Mills Elementary, Klamath Falls
- Capitol Auto Group - Independence Elementary, Independence
- Bend Sunrise Lions Club - Bear Creek, Bend
OUR MISSION
We engage community volunteers to read one-on-one with PreK through third-grade children who need literacy support. Participating children also receive new books each month to keep and read with their families.

OUR VISION
An Oregon where every child can read and is empowered to succeed.

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

Executive Staff
Chris Otis, Executive Director
Jessica Corcoran, Communications Director
Beth Katona, Director of Development Operations
Rachel Lawrence, Program Director
Nell Whitman, Director of Finance and Administration

Board of Directors
Officers
Elizabeth Large, Chair
Peggy Maguire, Vice Chair
Kent Lewis, Secretary
Hank Sigmon, Treasurer
Mary Wilcox, Immediate Past Chair

Directors
Mary Boyle
Terri Browning
Greg Chaillé
José Gonzalez
Monique Hayward
Lyn Hennion
Karin Holsinger
Behzad Hosseini
Anna Hutson

Vincent Ircandia
Tom O’Keefe
Connie Seeley
Janae Sorenson
Jane Teater
Mary Wilcox
DJ Wilson
Steve Wynne