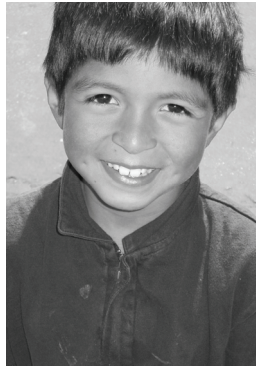


FY 2006 ANNUAL REPORT

MEET ELIAS...

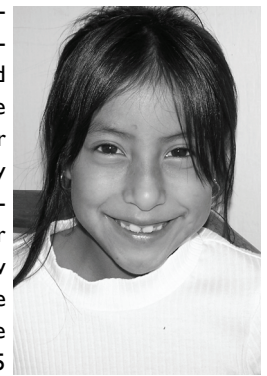
Last September, Elias, a retained first-grade student at Belle Haven Elementary, came to YES Reading trying to read from the right to the left side of the page. He was unsure of himself during his initial tutoring sessions and lacked basic reading skills. After a year of hard work with his two tutors, Elias was not only correctly reading left to right, but he had made major strides in all areas of reading ability—gaining the equivalent of 1.5 years in reading comprehension, phonics skills, and sight word recognition.



Elias is now a confident and enthusiastic student who is reading on grade level and has moved into YES Reading's modified intervention program.

MEET JENNIFER...

When Jennifer came to YES Reading's Castro Reading Center last fall, she was an extremely shy second-grader with huge gaps in her basic reading skills. The gains that Jennifer needed to make in order to catch up to grade level seemed enormous, yet together with her tutor, they worked persistently toward that goal. Jennifer was encouraged by her tutor's firm belief in her ability to succeed, and after a few months of consistent tutoring, she started to excel in her reading. By the end of the year, Jennifer had gained 1.5 grade levels in her reading. Now the same girl who was apprehensive and frustrated by books visits the YES Reading Center every day during recess to read.



OUR MISSION

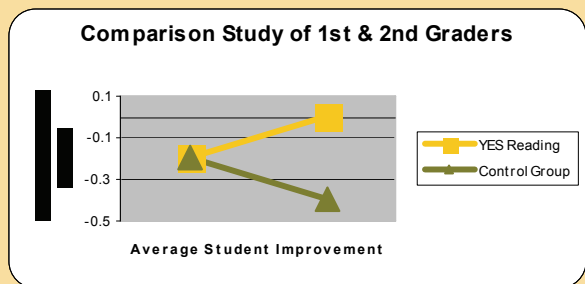
Our mission is to expand the life opportunities of children in low-income communities by empowering them with strong literacy skills.

YES Reading partners with public schools and provides results-oriented, one-on-one tutoring to children who may otherwise not have an opportunity for individualized reading attention. We recruit and train volunteer tutors to work at school-based YES Reading Centers in San Mateo and Santa Clara counties. Last year at YES Reading, 225 volunteer tutors collectively donated more than 7,000 volunteer hours to build the reading skills of 275 children. Additionally, 61% of our students' parents participated in our Home Connection family programs.

OUR IMPACT

The average YES Reading student gains 1 grade level after 30 hours of tutoring.

A small survey of YES Reading's impact indicates that a 1st or 2nd grader in our reading program is 5 times more likely to be reading at or above grade level by the end of the school year than a student not enrolled in our program.

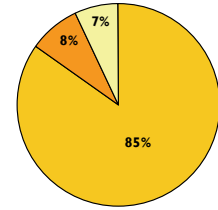


"The YES Reading program has truly helped my lowest students to become more proficient and confident readers,"
— Castro 3rd Grade Teacher

To learn more about our programs and how we're making an impact, visit www.yesreading.org.

YES READING'S ALLOCATION OF EXPENSES

FY 2006 Expenses:	
Programs	\$316,720
Support Services	\$31,127
Fundraising	\$25,482

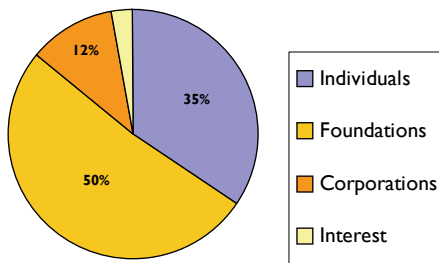


\$0.85 of every contributed dollar goes directly to YES Reading programs.

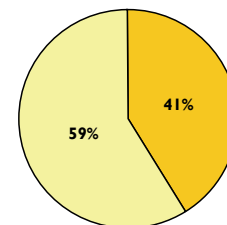
■ Programs ■ Support Services ■ Fundraising

YES READING'S CASH & NON-CASH CONTRIBUTIONS

CASH REVENUES BY SOURCE



TOTAL CONTRIBUTIONS



Cash Contributions:	\$458,747
Non-Cash Contributions	\$318,775*
Total Contributions:	\$777,522

THE VALUE OF ONE DOLLAR AT YES READING

Total Value of Tutor Service Hours in FY 2006*	\$230,040
Total Value of Other Donated Facilities & Services in FY 2006	<u>\$88,735</u>
Total Donated Goods and Services in FY 2006	\$318,775

Total Cash & Non-Cash Expenses in FY 2006 \$692,104

\$1.00 donated to YES Reading equals \$1.85 in services provided.

The cost of one tutoring session is only \$30. During FY 2006, students attended, on average, 38 tutoring sessions.
The cost to provide one year of tutoring to a child is just \$1,140.

* Tutor service hours are not included in the Audited Financial Statements due to the absence of a concrete formula to calculate the estimated value. Based on market research, YES Reading calculates the value of tutor service at \$30/hour.