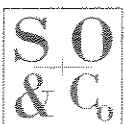


SPARK VENTURES
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

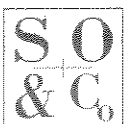


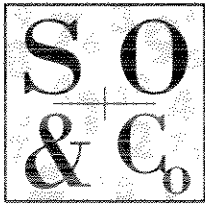
Certified Public Accountants

SPARK VENTURES
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

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Shapiro
Olesky
& Company

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Spark Ventures

We have audited the accompanying statement of financial position of Spark Ventures as of June 30, 2009 and the related statements of activities and cash flows for the years then ended. The financial statements are the responsibility of the Spark Ventures' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spark Ventures as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Shapiro, Olesky & Company

Shapiro, Olesky & Company

Northbrook, Illinois
January 18, 2010

-1-

Certified Public Accountants

Alan Shapiro, C.P.A. Les Olesky, C.P.A.	425 Huehl Road Suite 12A Northbrook, IL 60062	Ph: 847.564.4111 Fax: 847.564.5470	www.so-company.com
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Spark Ventures
Statement of Financial Position
June 30, 2009

Assets

Current Assets

Cash and Cash Equivalents (Note 2B)	\$ 208,030
Unconditional Promises to Give (Notes 6, 7 and 8)	25,000
Grants Receivable (Notes 4 and 8)	<u>75,000</u>

Total Current Assets \$ 308,030

Property and Equipment

Furniture and Equipment, Net of Accumulated Depreciation of \$ 480 (Note 2G)	<u>4,317</u>
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Total Property and Equipment 4,317

Total Assets \$ 312,347

Liabilities and Net Assets

Current Liabilities

Accounts Payable	<u>\$ 432</u>
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Total Current Liabilities/ Total Liabilities 432

Net Assets

Unrestricted	137,123
Temporarily Restricted (Note 5)	174,792
Permanently Restricted	<u>-</u>

Total Net Assets 311,915

Total Liabilities and Net Assets \$ 312,347

See Accompanying Notes to Financial Statements.



Spark Ventures
Statement of Activities
For the Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Other Support:				
Contributions	\$ 322,915	\$ 226,975	\$ -	\$ 549,890
Underwriting	48,320	-	-	48,320
In-kind Contributions	505	-	-	505
Other Income	1,185	-	-	1,185
Net Assets Released from restrictions in Satisfaction of Program Restrictions	-	-	-	-
Total Revenue and Other Support	372,925	226,975	-	599,900
Expenses:				
Program Services:				
Partner Programs	180,449	-	-	180,449
Services to Sponsors	10,982	-	-	10,982
Education and Awareness	61,291	-	-	61,291
Transformation Trips	-	52,183	-	52,183
Total Program Services	252,722	52,183	-	304,905
Support Services:				
Fundraising	66,031	-	-	66,031
General and Administrative	62,114	-	-	62,114
Total Support Services	128,145	-	-	128,145
Total Expenses	380,867	52,183	-	433,050
Change in Net Assets	(7,942)	174,792	-	166,850
Net Assets - Beginning of Year	145,065	-	-	145,065
Net Assets - End of Year	\$ 137,123	\$ 174,792	\$ -	\$ 311,915

See Accompanying Notes to Financial Statements.



Spark Ventures
Statement of Cash Flows
For the Year Ended June 30, 2009

Cash Flows from Operating Activities:

Change in Net Assets	\$ 166,850
Adjustments to Reconcile Change in Net Assets to Net	
Cash Provided by Operating Activities	480
Depreciation Expense	(25,000)
(Increase) Decrease in Unconditional Promises to Give	(75,000)
(Increase) Decrease in Grants Receivable	432
Increase (Decrease) in Accounts Payable	67,762
Net Cash Provided by Operating Activities	67,762

Cash Flows from Investing Activities:

Purchases of Furniture and Equipment	(4,797)
Net Cash Used in Investing Activities	(4,797)

Net Increase in Cash and Cash Equivalents (Note 2B)	62,965
Cash and Cash Equivalents - Beginning of Year	145,065
Cash and Cash Equivalents - End of Year	\$ 208,030

See Accompanying Notes to the Financial Statements.



SPARK VENTURES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. ORGANIZATION

Spark Ventures (Spark), an Illinois non-for-profit corporation with headquarters in Chicago, Illinois, exists to form partnerships with high impact organizations around the world which help vulnerable children achieve their potential. In 2007, Spark formed a unique partnership with Hope Ministries in Zambia to stabilize, strengthen and sustain them by providing training, development and resources.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accounting financial statements have been prepared using the accrual basis of accounting.

Net assets, revenue, gains, and other support and expenses in the accompanying financial statements are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Spark and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated by the board for specific purposes at any time.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed restriction that may or will be met with either actions of Spark and/or the passage of time. When a restriction expires, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released restrictions.

Permanently Restricted Net Assets – Permanently restricted net assets represent resources subject to donor-imposed stipulations to be invested in perpetuity, and only the income may be available for program operations. As of June 30, 2009, Spark does not have any permanently restricted assets.

B. Cash and Cash Equivalents

Cash and cash equivalents with maturities of three months or less from the date of acquisition are considered cash and cash equivalents.



SPARK VENTURES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

C. Contributions

Contributions are recorded as received. Spark reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified into unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Spark's contributions are mainly received in the form of a foundation grant and individual contributions. In-kind donations received are recorded at their fair value on the date received.

D. Income Taxes

Spark has been recognized as exempt from federal income taxes on income related to its exempt purposes under Section 501(a) of the Internal Revenue Code of 1986 (IRC) as an organization described in Section 501(c)(3) of the IRC. Spark has generated no unrelated business income during the year ended June 30, 2009.

E. Functional Expense Allocation

The cost of providing the various programs and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services.

Sponsorship program represents costs used to enhance the sponsor-child relationship. Funds are used to gather and disseminate information to sponsors concerning their sponsored child, process correspondence between the sponsor and the child and educate sponsors on the environment and circumstances of the sponsored child.

Education and awareness program represents costs associated with communicating the needs and vision of partner organizations, as well as sharing information regarding the conditions and realities within the partner country.

Transformations trip program represents costs associated with service learning and volunteer travel to our partner organization. Additionally, a portion of the trip cost goes toward supporting the partner organization.

Partner programs represent costs to assist over 300 children in the year ending June 30, 2009, through programs that provide these children with education, food, shelter, health care and emotional support. Spark also uses funds to oversee and enhance partner programs' effectiveness, develop and train personnel and execute capital projects.



SPARK VENTURES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

F. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported accounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue, gains, and other support and expenses during the reported period. Actual results could differ significantly from those estimates.

G. Property and Equipment

Furniture and equipment are capitalized at cost. The furniture and equipment are being depreciated over their estimated useful lives of five years using a straight-line method, with a half of a year's depreciation recognized in the years of acquisition and disposal. Depreciation expense for the year ended June 30, 2009 was \$480.

3. FUNDS COMMITTED TO PROJECTS

Funds committed to projects represent amounts that are payable in future periods to program beneficiaries. As of June 30, 2009, \$44,610 has been committed to finish Hope Community School in Zambia.

4. FOUNDATION GRANT

During 2009, Spark received a matching grant from a foundation. The terms of the grant are as follows: Every dollar raised/contributed from September 1, 2008 through February 28, 2009 would be matched, up to \$150,000. During that time period, Spark Ventures received contributions of \$172,500. Per the terms of the grant, payment from the foundation is made in two (equal) installments of \$75,000. The first payment was received on May 28, 2009. The remaining payment is due to be received on/or before December 31, 2009, and has been classified as a receivable as of year end.

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Building of Hope Community School	\$ 44,610
Future Partner Development Transfers	<u>130,182</u>
Total Temporarily Restricted Net Assets	<u>\$ 174,792</u>



SPARK VENTURES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

6. PROMISES TO GIVE

Unconditional promises to give at June 30, 2009, are as follows:

Receivable in less than one year	<u>\$ 25,000</u>
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7. PLEDGE AND NAMING AGREEMENT

An agreement was entered between a donor and Spark Ventures on June 4, 2009. The agreement stipulates that the donor will contribute \$ 25,000 to Spark to be used to help build Hope Community School in Zambia in exchange for the naming rights of the building. The payment is due by December 31, 2009, and has been classified as a receivable as of year end.

8. SUBSEQUENT EVENTS

As previously mentioned in Note 4, Spark collected the remaining \$ 75,000 due on the matching grant on December 31, 2009.

As previously mentioned in Note 7, Spark collected the \$25,000 pledge for the naming at Hope Community School on November 23, 2009.



Spark Ventures
Statement of Functional Expenses
For the Year Ended
June 30, 2009

	Program Services				Support Services		Total Expenses
	Partner Programs	Services to Sponsors	Education and Awareness	Transformation Trips	Fundraising	General and Administrative	
Partner Operations	\$ 155,817	\$ -	\$ -	\$ -	-	-	155,817
Professional Services	-	-	-	-	8,208	16,040	24,248
Occupancy	-	-	23,800	-	-	4,697	4,697
Outreach & Events	-	-	27,034	-	27,616	-	27,616
Travel	12,305	-	-	43,619	-	8,163	8,163
Supplies	-	2,418	-	-	854	4,355	5,209
Postage and freight	-	-	-	-	883	-	883
Marketing	-	-	3,606	-	3,316	5,435	8,751
Salaries and benefits	10,277	-	6,851	8,564	25,154	21,621	46,775
Other Expenses	2,050	-	-	-	-	1,803	1,803
Total Expenses	\$ 180,449	\$ 10,982	\$ 61,291	\$ 52,183	\$ 66,031	\$ 62,114	\$ 433,050

	Total Program Expenses		Total Support Service Expenses		Total Expenses
	Partner Programs	Services to Sponsors	Fundraising	General and Administrative	
Partner Operations	\$ 155,817	\$ -	-	-	155,817
Professional Services	-	-	8,208	16,040	24,248
Occupancy	-	-	-	4,697	4,697
Outreach & Events	-	-	27,616	-	27,616
Travel	12,305	-	-	8,163	8,163
Supplies	-	2,418	854	4,355	5,209
Postage and freight	-	-	-	883	883
Marketing	-	-	3,316	5,435	8,751
Salaries and benefits	10,277	-	25,154	21,621	46,775
Other Expenses	2,050	-	-	1,803	1,803
Total Expenses	\$ 180,449	\$ 10,982	\$ 66,031	\$ 62,114	\$ 433,050

See Accompanying Notes to the Financial Statements.

