



sparkventures
2010-2011 **Annual Report**

A Message from the CEO

Dear Spark Investors,

What do a first grade teacher from Chicago, a poultry farmer in Zambia and an MBA student from Stanford have in common? They are members of the Spark Ventures community and critical to our mission to empower children in poverty.

Donna received a grant to travel with Spark's 2011 summer Partnership Trip, during which she facilitated a classroom project with the third graders at our partner school in Zambia. Mike is a veteran poultry farmer who joined the staff of our first income-generating enterprise — a farm in Zambia that will raise over 30,000 chickens in its first year. Claudine spent her August break from business school conducting an impact assessment with Spark's partner, Hope Ministries in Zambia.



Spark investor Donna with a hand sewn map of Zambia presented to her by the students of Hope Community School

Claudine, Mike, Donna, you and me. We are Spark. And together we are creating significant impact by investing in long-term solutions that will ensure that children living in poverty can achieve their potential.

In the past year, we increased and improved the education, nutrition and healthcare programs of our partner, which now serves over 350 under-resourced children in one of the world's poorest countries. Through your support, we successfully launched our first major income-generating business, a poultry farm in Zambia that when fully expanded will be able to financially sustain these important programs. And with your investment, Spark launched a search for a second partner in Latin America, where we intend to strengthen and sustain another organization that empowers vulnerable children.

The Spark community is just getting started, and you are a valued member. It is a privilege to have your support and trust as we ignite hope and invest in the future.

Gratefully,

A handwritten signature in black ink, likely belonging to Rich Johnson.

Rich Johnson
CEO

Cover image: Kelvin, a fifth-grader at Hope Community School



The Year in Brief

Spark Ventures is proud to share highlights from its accomplishments and impact this year.

July

Spark completed its **10th Partnership Trip** to Zambia

August

Partner school staff expanded to **nine full-time teachers**

September

New Junior Board launched with 8 passionate young professionals

October

Co-founder Rich Johnson joined staff as **full-time CEO**

November

Fall event in Chicago hosted over **350 supporters** and raised **\$35K**

December

Partner school in Zambia boasted **95% pass rate for 7th graders** advancing to secondary school

January

Largest first grade class in partner organization's history started school

February

Spark and partner signed **contract for Spark's first investment** in social enterprise in Zambia

March

Annual Wine Tasting sold out and raised over \$25K

April

Chicken farm opened with 5,000 chicks and a beautiful ceremony

May

Second clinic of the year conducted, using new clinic building

June

Spark's Partnership Trips featured in the **Chicago Sun-Times**

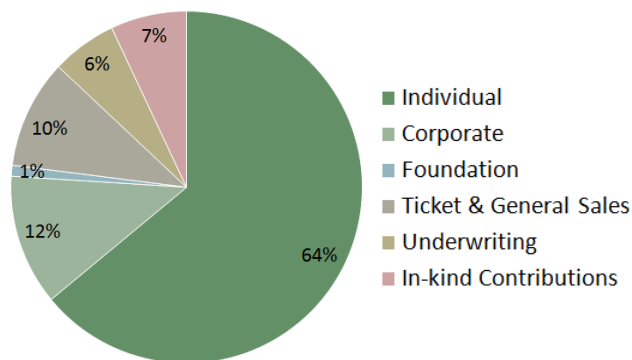
Statement of Activities

For the years ended June 30, 2010 and 2011

	Year Ended June 30, 2011				Year Ended June 30, 2010
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Revenue and Other Support:					
Contributions	\$ 374,465	\$ -	\$ -	\$ 374,465	\$ 420,170
Underwriting	26,580	-	-	26,580	4,825
In-kind Contributions	31,062	-	-	31,062	7,839
Other Income	12	-	-	12	21
Net Assets Released from Restrictions	105,675	(105,675)	-	-	-
Total Revenue and Other Support	537,794	(105,675)	-	432,119	432,855
Expenses:					
Program Services:					
Partner Programs	243,461	-	-	243,461	218,697
Services to Sponsors	4,017	-	-	4,017	3,723
Education and Awareness	38,623	-	-	38,623	25,367
Partnership Trips	25,881	-	-	25,881	39,249
Total Program Services	311,982	-	-	311,982	287,036
Support Services:					
Fundraising	116,286	-	-	116,286	75,606
General & Administrative	27,621	-	-	27,621	50,978
Total Support Services	143,907	-	-	143,907	126,584
Total Expenses	455,889	-	-	455,889	413,620
Change in Net Assets	81,905	(105,675)	-	(23,770)	19,235
Net Assets - Beginning of Year	225,475	105,675	-	331,150	311,915
Net Assets - End of Year	\$ 307,380	\$ -	\$ -	\$ 307,380	\$ 331,150

Revenue and Other Support

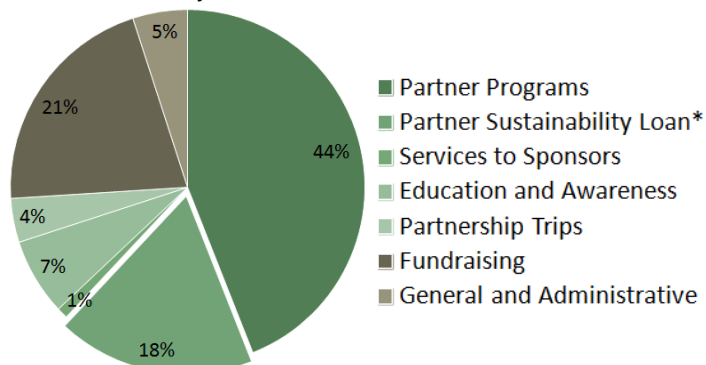
For the year ended June 30, 2011



Other Income accounted for <1% of annual revenue.

Expenses

For the year ended June 30, 2011



* The Partner Sustainability Loan is classified as a loan receivable.



Statement of Functional Expenses

For the years ended June 30, 2010 and 2011

	Program Services					Support Services			Total Expenses	
	Partner Programs	Services to Sponsors	Education & Awareness	Partnership Trips	Total Program Expenses	Fund-raising	General and Admin.	Total Support Expenses	Year Ended June 30, 2011	Year Ended June 30, 2010
Partner Activity	\$ 98,650	\$ -	\$ -	\$ 7	\$ 98,657	\$ -	\$ -	\$ -	\$ 98,657	\$ 120,132
Professional Services	5,518	-	1,694	65	7,277	10,917	980	11,897	19,174	18,055
Occupancy	3,448	-	-	31	3,480	2,487	622	3,109	6,588	14,324
Outreach & Events	-	-	15,115	-	15,115	15,381	-	15,381	30,496	22,192
Travel	22,120	-	455	23,560	46,135	932	200	1,132	47,267	56,856
Supplies	526	838	528	423	2,315	646	962	1,608	3,924	10,799
Postage and Freight	285	737	2,042	515	3,578	1,031	248	1,279	4,857	2,993
Marketing	713	2,345	9,651	1,011	13,720	5,555	279	5,834	19,553	24,048
Meals & Entertainment	362	65	1,376	198	2,002	1,212	485	1,697	3,699	3,211
Salaries & Benefits	108,716	-	186	-	108,902	56,614	23,085	79,699	188,601	120,239
Donated Goods & Services	1,913	-	7,552	-	9,464	20,395	383	20,778	30,242	2,634
Equipment	1,210	32	25	71	1,337	1,116	377	1,493	2,830	18,137
Total Expenses	\$ 243,461	\$ 4,017	\$ 38,623	\$ 25,881	\$ 311,982	\$ 116,286	\$ 27,621	\$ 143,907	\$ 455,889	N/A
Total Expenses for Year Ended June 30, 2010	\$ 218,697	\$ 3,723	\$ 25,367	\$ 39,249	\$ 287,036	\$ 75,606	\$ 50,978	\$ 126,584	N/A	\$ 413,620

To see the complete version of Spark Ventures' audited financial statements for the years ended June 30, 2011 and June 30, 2010, please go to www.sparkventures.org/info/financial-accountability.

To see the 2011 Honor Roll of Spark investors, please go to www.sparkventures.org/invest/2011-honor-roll.

Stumbling on Spark: The Story of an Accidental Investor

Ross Parr knew little about Spark Ventures before he joined the 2011 Partnership Trip to Zambia. Now he has become one of our strongest advocates, and he took some time to share the story of the unique story of how he became a Spark investor.

How did you first learn about Spark Ventures?

I was reading the Chicago Sun-Times in a café when I came across an article about Spark's Partnership Trips. I think it was June 16th, and within a week, I had joined the trip. I wanted to get outside the processes I'd been living through over and over again, and I wanted to experience something with more profound impact.

What was your favorite part of the Partnership Trip?

I really valued seeing and learning about the poultry farm because it was amazing to see the ongoing sustainability commitment. To see that in action, this ongoing enterprise that will go on to provide for the school and orphanage, I just found very inspirational. On the emotional side, though, the best part was meeting the kids because they are really just happy, energetic, vital and great kids. Add to that that they come from abject poverty, and it's even more amazing.

Why did you choose to become an investor after returning from the trip?

Well, the way I describe it to people is that I often see two mentalities: one that profit is king and the other that profit is terrible and we need to just go out and feed all the children. I don't think one is better than the other, but I see Spark as bringing those things together in a way that makes a lot of sense. I was really surprised by the sustainability model and by how Spark brings that into what Hope can do for the children. Because of that, Spark is the only place I've found that I've been really assured that my investment can have profound impact. In the end, I think this is where money is making the most difference.



Ross (second from left) with Hope Community School students and fellow trip participants in Zambia

Statement of Financial Position

For the year ended June 30, 2010 and 2011

	Year Ended June 30	
	2011	2010
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 203,300	\$ 208,614
Assets Held for Sale	1,305	485
Prepaid Expenses - Partnership Trip	34,216	-
Loans Receivable	1,500	7,664
Grants Receivable	-	75,000
Total Current Assets	\$ 240,321	\$ 291,763
Property and Equipment		
Furniture and Equipment, Net of Accumulated Depreciation	6,942	6,247
Total Property and Equipment	6,942	6,247
Other Assets		
Partner Loan Receivable	100,000	35,000
Total Other Assets	100,000	35,000
Total Assets	\$ 347,263	\$ 333,010
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 8,555	\$ 1,860
Deferred Income - Partnership Trip	31,328	-
Total Current Liabilities / Total Liabilities	39,883	1,860
Net Assets		
Unrestricted	307,380	225,475
Temporarily Restricted	-	105,675
Permanently Restricted	-	-
Total Net Assets	307,380	331,150
Total Liabilities and Net Assets	\$ 347,263	\$ 333,010

Board of Directors 2010-2011

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Professional Musician

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Zulu**
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Activist; Author*

**For a current list of the Board of Directors,
please [visit our website](#).*

Finding Her Future: Rita's Story

In the schoolyard of Hope Community School there are countless stories of both joy and tragedy. For many students, like third-grader Rita, their lives are a combination of both, a mix of the optimism of childhood and the struggles of poverty.

For Rita, a bright and beautiful eight-year-old, the tragedy in her story came early. When she was less than two years old, her father passed away from AIDS, leaving her unskilled mother unable to care for her. Having had the rare advantage of attending a private elementary school, Rita was soon forced to leave school at age five when her mother was no longer able to afford her education on one income. An incredibly curious and smart girl, Rita refused to give up on her education, and after moving in with her grandparents, she studiously practiced the English skills she had learned in first grade with her educated grandmother, who encouraged her curiosity and determination.

Joy came again, though, when the new Shelby Goldstein Schoolhouse of Hope Community School opened just across the street from Rita and her family last year. Thrilled at the opportunity to restart the education she had to put on hold, Rita enrolled immediately. She has since become one of the strongest students in her third-grade class, and her grandmother talks with pride about how Rita is constantly reading and studying without needing the push most kids require.

Rita's love for education has no doubt been influenced by the loss of her father, as she dreams of being a doctor one day so that she can "help people stay alive." In rediscovering the joy of learning at Hope Community School, every day Rita, like her 300 fellow students, takes the steady steps to move beyond tragedy and into the possibility of a bright future.



Rita, in the schoolyard of Hope Community School



Spark Ventures exists to form ***partnerships*** with ***high-impact*** organizations around the world that help ***vulnerable children*** achieve their ***potential***.