

SPARK VENTURES

Financial Statements

For the Years Ended June 30, 2025 and 2024

SPARK VENTURES

Table of Contents

Independent Auditors Report.....	3-4
Financial Statements:	
Statement of Financial Position.....	5
Statement of Activities.....	6-7
Statement of Functional Expenses.....	8
Statement of Cash Flows.....	9
Notes to the Financial Statements	10-14



INDEPENDENT AUDITORS REPORT

To the Board of Directors

Spark Ventures

Opinion

We have audited the accompanying financial statements of Spark Ventures (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. 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, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore there is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter

The financial statements of Spark Ventures as of and for the year ended June 30, 2024, were audited by us, and we expressed an unmodified opinion on those financial statements in our report dated December 12, 2024. The 2024 financial statements are presented herein for comparative purposes only. Our opinion on June 30, 2025, financial statements is not modified with respect to this matter.

LaMichelle Hecht, CPA
Overhead Solutions Group PLLC

LaMichelle Hecht

October 13, 2025

Spark Ventures

June 30, 2025 and 2024

Statement of Financial Position

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 442,335	\$ 442,156
Investment	150,000	-
Accounts receivable	2,745	865
Prepaid Expenses	29,575	28,844
Total Assets	<u>\$ 624,655</u>	<u>\$ 471,865</u>
Total Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 38,985	\$ 38,146
Deferred Income	69,680	89,850
Total Liabilities	<u>\$ 108,665</u>	<u>\$ 127,996</u>
Net Assets		
Net assets without donor restrictions	\$ 304,045	\$ 272,227
Net assets with donor restrictions	211,945	71,642
Total Net Assets	<u>\$ 515,990</u>	<u>\$ 343,869</u>
Total Liabilities and Net Assets	<u>\$ 624,655</u>	<u>\$ 471,865</u>

Spark Ventures

June 30, 2025

Statement of Activities

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support			
Contributions	\$ 739,133	\$ 283,817	\$ 1,022,950
In-Kind Contributions	78,827	-	78,827
Net Assets Released from Restrictions	143,514	(143,514)	-
Total Revenue and Support	<u>\$ 961,474</u>	<u>\$ 140,303</u>	<u>\$ 1,101,777</u>
Revenue			
Program Services Revenue	\$ 79,718	\$ -	\$ 79,718
Interest Income	8,358	-	8,358
Total Revenue	<u>\$ 88,076</u>	<u>\$ -</u>	<u>\$ 88,076</u>
Total Public Support & Revenue	<u>\$ 1,049,550</u>	<u>\$ 140,303</u>	<u>\$ 1,189,853</u>
Expense			
Program Services	\$ 806,591	\$ -	\$ 806,591
Management and General	48,199	-	48,199
Fundraising	162,942	-	162,942
Total Expense	<u>\$ 1,017,732</u>	<u>\$ -</u>	<u>\$ 1,017,732</u>
Change in Net Assets	\$ 31,818	\$ 140,303	\$ 172,121
Net Assets, beginning of year	<u>\$ 272,227</u>	<u>\$ 71,642</u>	<u>\$ 343,869</u>
Net Assets, end of year	<u><u>\$ 304,045</u></u>	<u><u>\$ 211,945</u></u>	<u><u>\$ 515,990</u></u>

Spark Ventures

June 30, 2024

Statement of Activities

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support			
Contributions	\$ 670,521	\$ 192,222	\$ 862,743
In-Kind Contributions	114,827	-	114,827
Net Assets Released from Restrictions	152,412	(152,412)	-
Total Revenue and Support	<u>\$ 937,760</u>	<u>\$ 39,810</u>	<u>\$ 977,570</u>
Revenue			
Program Services Revenue	\$ 79,333	\$ -	\$ 79,333
Interest Income	5,414	-	5,414
Total Revenue	<u>\$ 84,747</u>	<u>\$ -</u>	<u>\$ 84,747</u>
Total Public Support & Revenue	<u>\$ 1,022,507</u>	<u>\$ 39,810</u>	<u>\$ 1,062,317</u>
Expense			
Program Services	\$ 882,161		\$ 882,161
Management and General	45,640		45,640
Fundraising	196,002		196,002
Total Expense	<u>\$ 1,123,803</u>	<u>\$ -</u>	<u>\$ 1,123,803</u>
Change in Net Assets	\$ (101,296)	\$ 39,810	\$ (61,486)
Net Assets, beginning of year	<u>\$ 373,523</u>	<u>\$ 31,832</u>	<u>\$ 405,355</u>
Net Assets, end of year	<u><u>\$ 272,227</u></u>	<u><u>\$ 71,642</u></u>	<u><u>\$ 343,869</u></u>

Spark Ventures

*Statement of Functional Expenses
For the year ended June 30, 2025*

	June 30, 2025			
	Program Services	Management and General	Fundraising	Total
Program Operations	\$ 436,117	\$ -	\$ -	\$ 436,117
Salaries & Wages	201,295	33,911	55,278	290,484
Employee Benefits & Payroll Taxes	32,463	5,469	8,915	46,847
Events, Conferences & Program Delivery	84,375	-	84,375	168,750
Professional Services	23,480	3,956	6,448	33,884
Office & Administrative	11,076	1,866	3,042	15,984
Information Technology	6,136	1,034	1,685	8,855
Advertising & Promotion	4,788	807	1,315	6,910
Insurance	3,244	546	891	4,681
Meals and Entertainment	1,950	329	535	2,814
Occupancy	1,667	281	458	2,406
Total functional Expenses	\$ 806,591	\$ 48,199	\$ 162,942	\$ 1,017,732

Spark Ventures

*Statement of Functional Expenses
For the year ended June 30, 2024*

	June 30, 2024			
	Program Services	Management and General	Fundraising	Total
Program Operations	\$ 398,382	\$ -	\$ -	\$ 398,382
Salaries & Wages	198,700	31,380	52,864	282,944
Employee Benefits & Payroll Taxes	28,983	4,576	7,711	41,270
Events, Conferences & Program Delivery	114,909	-	117,001	231,910
Professional Services	42,861	6,769	11,403	61,033
Travel	79,862	-	2,110	81,972
Advertising & Promotion	7,663	1,210	2,039	10,912
Occupancy	8,113	1,281	2,159	11,553
Office & Administrative	742	117	197	1,056
Meals and Entertainment	1,946	307	518	2,771
Total functional Expenses	\$ 882,161	\$ 45,640	\$ 196,002	\$ 1,123,803

Spark Ventures
For the Years ended June 30, 2025 and 2024
Statements of Cashflow

	2025	2024
Cash flows from operating activities:		
Increase (Decrease) in net position	\$ 172,121	\$ (61,489)
(Increase) Decrease in Pledges Receivable	(1,880)	100
(Increase) Decrease in Prepaid Expenses	(731)	15,007
Increase (Decrease) in Accounts Payable and Accrued Expenses	839	13,253
Increase (Decrease) in Deferred Income	(20,170)	12,424
Net cash provided by (used in) operating activities	<u>\$ 150,179</u>	<u>\$ (20,705)</u>
Cash flows from investing activities:		
Purchase of CDs 6 monhts	<u>\$ (150,000)</u>	<u>\$ -</u>
Net cash provided by (used in) investing activities	<u>\$ (150,000)</u>	<u>\$ -</u>
Cash flows from financing activities:		
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents:	<u>\$ 179</u>	<u>\$ (20,705)</u>
Cash and cash equivalents at the beginning of the year:	<u>\$ 442,156</u>	<u>\$ 462,861</u>
Cash and cash equivalents at the end of the year:	<u>\$ 442,335</u>	<u>\$ 442,156</u>
Noncash activities:		
Recognized in-kind contributions	<u>\$ 78,827</u>	<u>\$ 114,827</u>
Total Noncash activities:	<u>\$ 78,827</u>	<u>\$ 114,827</u>

SPARK VENTURES
Notes to the Financial Statements
For the year ended June 30st, 2025

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the organization

Spark Ventures (“the Organization”) is a Chicago-based nonprofit that invests in sustainable solutions that empower communities around the world. The Organization partners with four grassroots organizations - one in the United States and three international locations in developing countries. These partner organizations provide children in under-resourced communities with education, nutrition, and healthcare as well as jobs, capacity building and entrepreneurial opportunities for teens & adults. The Organization strengthens and sustains these partners by providing human resources, strategic guidance and financial capital. The Organization and its partners collaborate to sustain individuals, organizations and the environment, and to launch revenue-generating initiatives whose profits contribute to meaningful impact for individuals and their communities for generations to come.

Partner Programs

The Organization assists over 1000 children, teens and adults in under-resourced communities in Zambia, Nicaragua, Mexico and Chicago through programs that provide the children with education, food, shelter, health care and emotional support as well as vocational workshops, entrepreneurial opportunities and jobs for teens and adults. The Organization also uses funds to enhance and expand the effectiveness of partner programs, develop and train personnel, and execute capital projects.

Education & Awareness

The Organization educates and raises awareness by communicating the needs and vision of partner organizations as well as sharing information regarding the conditions and realities within the partners’ countries and communities.

Partnership Trips

The Organization provides domestic volunteer opportunities as well as international service learning and volunteer travel opportunities to visit and engage first-hand with its partner organizations. Additionally, a portion of the trip costs goes toward supporting the partner organization.

Services to Supporters

The Organization utilizes funds to gather and disseminate information to Spark Ventures’ supporters concerning the program participants they support including personal profiles, photos and stories of transformation. This information helps to educate investors on the context of the program participants and their communities.

Basis of accounting

The accounting system is maintained, and financial reports are prepared in accordance with the accrual basis of accounting. Under generally accepted accounting principles, the organization is required to report information regarding its financial position and activities according to two classes of net assets: those with donor restrictions and those without.

SPARK VENTURES
Notes to the Financial Statements
For the year ended June 30st, 2025

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash equivalents

The Organization maintains its cash in bank accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization does not believe it is exposed to any significant credit risk on cash. The Organization considers all cash on hand in the bank, money market funds, and certificates of deposit with original maturities of three months or less to be cash equivalents. Certificates of deposit with maturities greater than three months are reported as investments.

Investments

Investments consist of certificates of deposit and are carried at cost plus accrued interest, which approximates fair value due to their short-term maturities.

Equipment

Equipment is stated at cost, net of accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives (generally 5 years) of the assets. Expenditures for repairs and maintenance are expensed in the year in which they were incurred. The Organization capitalizes all equipment over \$2,500 purchased. As of June 30, 2022, all assets were fully depreciated. The Organization recorded no depreciation expense for the years ended June 30, 2025, and 2024.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization has no net assets with perpetual donor restrictions.

Grants, Contributions, Pledges, and Accounts Receivable

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets without donor restrictions when received. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Revenue from government grants and contracts for use in specific activities is recognized in the period during which the grant or contract expenditures were incurred in compliance with the grantor's restrictions. Cash received more than revenue recognized is recorded as deferred revenue.

SPARK VENTURES
Notes to the Financial Statements
For the year ended June 30st, 2025

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management determines the allowance for uncollectible accounts by reviewing and identifying specific troubled accounts on an annual basis by using historical experience. Receivables are written off when deemed uncollectible.

Donated property, materials, or services

Property and materials donated to the Organization are recorded at fair market value, if available, at the time of receipt.

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated to specific program services based on direct benefit obtained. All remaining costs are considered general support to all programs and the Organization in general. Those supporting costs are allocated based on estimates of time and effort.

Operating Leases

The organization occupies premises on a month-to-month basis. Due to the immaterial nature of this arrangement, no long-term lease commitment is reflected in the financial statement.

Income taxes

The Internal Revenue Service has determined that the Organization is exempt from Federal income tax under Section (c)(3) of the Internal Revenue Code. Contributions to the Organization are tax deductible under Section 170 of the Internal Revenue Code. The Internal Revenue Service has determined that the Organization is not a "private foundation" within the meaning of Section 509(a) of the Code.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash, cash equivalents and receivables. The Organization maintains its cash balance with high quality financial institutions located in Chicago, Illinois. The Organization has not experienced any losses on such accounts. As of June 30, 2025, the Organization held the majority of its cash in multiple accounts. At year end, none of the balances of those accounts were above the federally insured limits of \$250,000.

SPARK VENTURES
Notes to the Financial Statements
For the year ended June 30st, 2025

NOTE 3 – LIQUIDITY MANAGEMENT

The Organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Financial Assets	June 30, 2025
Cash and cash equivalents	\$442,335
Current Investments	150,000
Financial Assets Available within 12 months	\$592,335

As of June 30, 2025, the organization had \$592,335 in financial assets available within one year to meet general expenditures. These assets consist of cash and investments and are available for ongoing operational needs.

\$211,962 of the financial assets are subject to donor or other contractual restrictions, but the remaining financial assets are available for general expenditure. As a part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization will seek external financing sources.

NOTE 4 – FAIR VALUE MEASUREMENTS

The Organization’s financial instruments consist primarily of cash, cash equivalents, and certificates of deposit (“CDs”).

The Organization follows the guidance in FASB ASC 820, Fair Value Measurement, for fair value reporting. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3).

As of June 30, 2025, the Organization’s investments consisted of certificates of deposit with maturity of 6 months, totaling \$150,000. These instruments are valued using Level 2 inputs, based on observable market information such as interest rates and maturity terms.

The Organization did not hold any Level 3 investments or liabilities measured at fair value as of June 30, 2025.

NOTE 5 – IN-KIND DONATIONS

For the fiscal years ending June 30, 2025, and June 30, 2024, the organization received in-kind donations valued at their fair market values of \$78,827 and \$114,827, respectively. These in-kind donations include goods and services that have been recorded as both revenue and expenses in the financial statements, in accordance with generally accepted accounting principles (GAAP). The organization relies on the generosity of its donors, and these in-kind contributions are integral to supporting its programs and mission.

SPARK VENTURES
Notes to the Financial Statements
For the year ended June 30st, 2025

NOTE 6 – CONTRIBUTED SERVICES

The Organization uses the services of volunteers in various ways. However, the nature of the services does not meet the requirement for recognition in the financial statements. During the year end June 30, 2025, volunteers donated their time to work on various events in the partner communities which the Organization serves. support fundraising events and participate on committees. Some of these volunteers were classified as unpaid interns. The organization has no reliable, practical way of estimating the value of those donated services.

NOTE 7 – RETIREMENT PLAN

The Organization has a Simple IRA retirement plan. The plan covers all eligible employees, and all eligible employees may make discretionary contributions. The balances in the plan are not material to the Organization and are the assets of the participating employees.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are subject to donor-imposed stipulations that limit the use of these resources to specific purposes or periods. As of June 30, 2025, and June 30, 2024, net assets with donor restrictions were \$211,945 and \$71,642 respectively.

Net Assets With Donor Restrictions	June 30, 2025
Beginning Balance	\$71,642
Restricted Contributions	283,817
Net Assets Released from Restrictions	(143,514)
Financial Assets Available within 12 months	\$211,945

During the fiscal years ending June 30, 2025, and June 30, 2024, restrictions on certain net assets were satisfied by the organization’s actions in compliance with donor stipulations or by the passage of time, and these amounts were reclassified to net assets without donor restrictions in accordance with generally accepted accounting principles.

NOTE 9 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 13, 2025. This date represents the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined that no subsequent events have occurred which require disclosure in the financial statements.