

**FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED DECEMBER 31, 2021  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2020**

**SPARK MICROGRANTS, INC.**

**CONTENTS**

	<b>PAGE NO.</b>
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statement of Financial Position, as of December 31, 2021, with Summarized Financial Information for 2020	4
EXHIBIT B - Statement of Activities and Change in Net Assets, for the Year Ended December 31, 2021, with Summarized Financial Information for 2020	5
EXHIBIT C - Statement of Functional Expenses, for the Year Ended December 31, 2021, with Summarized Financial Information for 2020	6
EXHIBIT D - Statement of Cash Flows, for the Year Ended December 31, 2021, with Summarized Financial Information for 2020	7
NOTES TO FINANCIAL STATEMENTS	8 - 13



**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Spark Microgrants, Inc.  
New York, New York

### **Opinion**

We have audited the accompanying financial statements of Spark Microgrants, Inc. (Spark), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and change in net assets, 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 as of December 31, 2021, and the change in its net assets 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Spark 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.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Spark's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814  
(301) 951-9090 • WWW.GRFCPA.COM

---

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 statements.
- 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 Spark'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 Spark'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.

## **Report on Summarized Comparative Information**

We have previously audited Spark's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



January 3, 2023

**SPARK MICROGRANTS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2021**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

<b>ASSETS</b>		<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	1,788,520	\$ 1,100,394
Contributions receivable		2,886,868	1,471,453
Employee advances		17,658	19,383
Prepaid expenses		<u>23,196</u>	<u>20,980</u>
Total current assets		<u>4,716,242</u>	<u>2,612,210</u>
<b>FIXED ASSETS</b>			
Fixed assets, net of accumulated depreciation of \$17,572		<u>22,948</u>	<u>21,314</u>
<b>NONCURRENT ASSETS</b>			
Contributions receivable, net of current portion and present value discount		<u>1,883,402</u>	<u>921,375</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>6,622,592</u></b>	<b>\$ <u>3,554,899</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Loan payable	\$	-	\$ 54,500
Accounts payable and accrued liabilities		<u>287,299</u>	<u>300,435</u>
Total liabilities		<u>287,299</u>	<u>354,935</u>
<b>NET ASSETS</b>			
Without donor restrictions		783,150	569,054
With donor restrictions		<u>5,552,143</u>	<u>2,630,910</u>
Total net assets		<u>6,335,293</u>	<u>3,199,964</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>6,622,592</u></b>	<b>\$ <u>3,554,899</u></b>

## SPARK MICROGRANTS, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 650,846	\$ 5,230,905	\$ 5,881,751	\$ 3,573,355
Other	7,657	-	7,657	1,542
Net assets released from donor restrictions	<u>2,209,672</u>	<u>(2,209,672)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>2,868,175</u>	<u>3,021,233</u>	<u>5,889,408</u>	<u>3,574,897</u>
<b>EXPENSES</b>				
Program Services	2,117,727	-	2,117,727	1,755,943
Management and General	507,848	-	507,848	418,006
Fundraising	<u>62,966</u>	<u>-</u>	<u>62,966</u>	<u>68,503</u>
Total expenses	<u>2,688,541</u>	<u>-</u>	<u>2,688,541</u>	<u>2,242,452</u>
Change in net assets before other items	<u>179,634</u>	<u>3,021,233</u>	<u>3,200,867</u>	<u>1,332,445</u>
<b>OTHER ITEMS</b>				
Deobligation of funds	-	(100,000)	(100,000)	-
Foreign currency loss	(13,008)	-	(13,008)	(14,548)
Loss on disposal of fixed assets	(7,030)	-	(7,030)	-
Extinguishment of debt	<u>54,500</u>	<u>-</u>	<u>54,500</u>	<u>-</u>
Total other items	<u>34,462</u>	<u>(100,000)</u>	<u>(65,538)</u>	<u>(14,548)</u>
Change in net assets	214,096	2,921,233	3,135,329	1,317,897
Net assets at beginning of year	<u>569,054</u>	<u>2,630,910</u>	<u>3,199,964</u>	<u>1,882,067</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 783,150</u></b>	<b><u>\$ 5,552,143</u></b>	<b><u>\$ 6,335,293</u></b>	<b><u>\$ 3,199,964</u></b>

## SPARK MICROGRANTS, INC.

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	<b>2021</b>			<b>2020</b>	
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>	<b>Total Expenses</b>
Personnel	\$ 1,285,174	\$ 422,523	\$ 52,815	\$ 1,760,512	\$ 1,309,751
Microgrants	281,493	-	-	281,493	587,991
Travel	37,546	12,345	1,543	51,434	39,541
Occupancy	24,100	7,923	990	33,013	24,771
Meetings	12,585	4,138	517	17,240	15,136
Contract services	69,597	22,881	2,860	95,338	60,189
Telecommunications	68,627	22,562	2,820	94,009	72,870
Events	5,814	1,911	239	7,964	1,232
Information technology	12,637	4,155	519	17,311	7,553
Business and banking fees	5,748	1,890	236	7,874	7,533
Office expenses	4,548	1,495	187	6,230	5,396
Equipment and maintenance	2,455	807	101	3,363	3,571
Printing and copying	1,258	414	52	1,724	708
Depreciation	-	4,110	-	4,110	4,398
Insurance	2,112	694	87	2,893	3,764
Program training and partnership costs	304,033	-	-	304,033	95,664
Miscellaneous	-	-	-	-	2,384
<b>TOTAL</b>	<b>\$ 2,117,727</b>	<b>\$ 507,848</b>	<b>\$ 62,966</b>	<b>\$ 2,688,541</b>	<b>\$ 2,242,452</b>

## SPARK MICROGRANTS, INC.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 3,135,329	\$ 1,317,897
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,110	4,398
Loss on disposal of fixed assets	7,029	-
Change in discount on long term receivables	55,991	13,750
Gain on extinguishment of debt	(54,500)	-
(Increase) decrease in:		
Contributions receivable	(2,433,433)	(796,283)
Employee advances	1,725	2,052
Prepaid expenses	(2,216)	(4,808)
Security deposits	-	700
(Decrease) increase in:		
Accounts payable and accrued liabilities	<u>(13,136)</u>	<u>109,664</u>
Net cash provided by operating activities	<u>700,899</u>	<u>647,370</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(16,903)	-
Proceeds from sales of fixed assets	<u>4,130</u>	<u>-</u>
Net cash used by investing activities	<u>(12,773)</u>	<u>-</u>
Net increase in cash and cash equivalents	688,126	647,370
Cash and cash equivalents at beginning of year	<u>1,100,394</u>	<u>453,024</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 1,788,520</u></b>	<b><u>\$ 1,100,394</u></b>



## SPARK MICROGRANTS, INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

Spark Microgrants, Inc. (Spark) is a non-profit organization, incorporated in the State of Delaware and located in New York City. Spark supports communities facing rural poverty to design, implement and manage their own social impact projects. Spark provides community-wide, village planning facilitation and seed funds of \$8,000 per community for the realization of community-driven projects, such as farms, schools and electricity lines; no interest or repayment of the funds granted is requested. To date, Spark has partnered with over 200 communities in Rwanda, Uganda and Burundi who have engaged in the Spark process and have launched local initiatives.

##### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

##### Cash and cash equivalents -

Spark considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, Spark maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Spark had approximately \$41,112 of cash and cash equivalents on hand and in financial institutions in foreign countries at December 31, 2021. The majority of funds held in foreign countries are uninsured.

**SPARK MICROGRANTS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Contributions receivable -

Contributions receivable are recorded at their net realizable value, which approximates fair value. Contributions receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. All promises to give are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets include vehicles, furniture and equipment, and are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five to ten years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense for the year ended December 31, 2021 totaled \$4,110.

Income taxes -

Spark is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. Spark is not a private foundation.

Uncertain tax positions -

For the year ended December 31, 2021, Spark has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes, and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Revenue recognition -

The majority of Spark's revenue is received through awards from foundations, corporations and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. Spark performs an analysis of each award to determine if the revenue streams follow the contributions rules or if considered an exchange transaction depending on whether the transaction is reciprocal or nonreciprocal.

For awards qualifying under the contributions rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the condition on which they depend are substantially met. Awards qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Grant funding received in advance of incurring the related expenses is recorded as "net assets with donor restrictions".

**SPARK MICROGRANTS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Revenue recognition (continued) -

Awards qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Typically, these agreements also contain a right of return or right of release from obligation provision and the entity has limited discretion over how funds transferred should be spent. As such, Spark recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For contributions and grants treated as contributions, Spark had \$2,440,856 in unrecognized conditional awards as of December 31, 2021.

Revenues classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers*, and record revenue when the performance obligations are met; the revenue is recorded directly to without donor restrictions and the transaction price is based on the criteria stipulated in the agreements. There were no revenue transactions that met the criteria for recognition under this standard.

Foreign currency translation -

The U.S. Dollar is the functional currency for Spark's worldwide operations. Transactions in currencies other than U.S. Dollars are translated into dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in currencies other than U.S. Dollars are translated into dollars at the exchange rate in effect at the date of the Statement of Financial Position.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses directly attributed to a specific functional area of Spark are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassification is primarily due to the presentation of foreign currency loss as an other item in the accompanying Statement of Activities and Change in Net Assets.

**SPARK MICROGRANTS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

New accounting pronouncements (not yet adopted) -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non-public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

Spark plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

**2. CONTRIBUTIONS RECEIVABLE**

During the year, contributors to Spark have made written promises to give of which \$4,879,886 remained outstanding as of December 31, 2021. Contributions that are expected to be collected in future years are recorded at fair value, measured as the present value of their estimated future cash flows (after the application of a present value discount rate). The discount on those amounts due beyond one year of the Statement of Financial Position date is computed using a risk-free interest rate (5.5%) applicable to the year in which the awards are received; any discount amortization is included in contributions revenue. Management is of the opinion that all contributions are fully collectible.

Contributions receivable as of December 31, 2021 are expected to be collected as follows:

Less than one year	\$ 2,886,868
One to five years	<u>1,993,018</u>
Total	4,879,886
Less: Allowance to discount balance to present value	<u>(109,616)</u>
<b>NET CONTRIBUTIONS RECEIVABLE</b>	<b><u>\$ 4,770,270</u></b>

SPARK MICROGRANTS, INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

3. PAYCHECK PROTECTION PROGRAM (PPP) LOAN

On May 6, 2020, Spark entered into a two-year promissory note agreement in the amount of \$54,500 (with a 1% fixed interest rate) under the Paycheck Protection Program (PPP). The promissory note required monthly principal and interest payments amortized over the term of the promissory note beginning November 2020, unless otherwise forgiven. In April 2021, this loan was forgiven in its entirety, both interest and principal; the forgiven amount was recorded as "Gain on extinguishment of debt" in the Other Items section in the accompanying Statement of Activities and Change in Net Assets.

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2021:

Time restricted	\$ 2,668,083
Rwanda operations	2,864,060
Uganda operations	<u>20,000</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 5,552,143</u></b>

The following net assets with donor restrictions were released from restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Passage of time	\$ 1,562,369
Organization development	27,594
Rwanda operations	556,351
Uganda operations	60,000
Burundi operations	<u>3,358</u>
<b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<b><u>\$ 2,209,672</u></b>

5. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 1,788,520
Contributions receivable	<u>2,886,868</u>
Subtotal financial assets available within one year	4,675,388
Less: Donor restricted funds not available for general operations within one year	<u>(2,268,018)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 2,407,370</u></b>

Spark has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2021, Spark has financial assets equal to approximately eight months of operating expenses.

**SPARK MICROGRANTS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**6. LEASE COMMITMENTS**

Spark leases office space and shared housing for its employees in various locations. The terms of these leases range in length from three to twelve months and payments range from \$100 to \$1,000 per month. Rent expense for the year ended December 31, 2021 totaled \$18,451, and is included in Occupancy expense in the accompanying Statement of Functional Expenses.

**7. SUBSEQUENT EVENTS**

In preparing these financial statements, Spark has evaluated events and transactions for potential recognition or disclosure through January 3, 2023, the date the financial statements were issued.