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LIGHT HEALTH AND WELLNESS COMPREHENSIVE SERVICES, INC.

Financial Statements
and
Independent Auditor's Report

Years Ended February 28, 2025 and 2024

Certified Public Accountants & Business Advisors

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities and Change in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
LIGHT Health and Wellness Comprehensive Services, Inc.
Baltimore, Maryland

Opinion

We have audited the accompanying financial statements of LIGHT Health and Wellness Comprehensive Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of February 28, 2025 and 2024, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years 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 LIGHT Health and Wellness Comprehensive Services, Inc. as of February 28, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 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.

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 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.



Abrams, Foster, Nole & Williams, P.A.
Certified Public Accountants
Baltimore, Maryland

February 27, 2026

LIGHT HEALTH AND WELLNESS COMPREHENSIVE SERVICES, INC.
Statements of Financial Position
February 28, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash	$ 84,264	$ 102,424
Grants receivable	167,646	176,668
Prepaid expenses	4,989	4,989
Total current assets	256,900	284,082
Non Current Assets		
Right of use asset-operating lease	21,374	4,383
Property and Equipment		
Furniture & equipment	183,053	183,053
Vehicle	27,880	27,880
Computers & software	5,228	-
Construction in progress	1,650	-
Total property and equipment	217,811	210,933
Less: Accumulated depreciation	(211,300)	(210,741)
Net property and equipment	6,511	192
Total Assets	$ 284,784	$ 288,656
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 118,224	$ 107,998
Accrued payroll	13,314	9,980
Deferred revenue	5,157	2,467
Operating lease liability	21,374	4,383
Loan payable	9,773	9,624
Total current liabilities	167,842	134,452
Long Term Liabilities		
Loan payable, non-current portion	10,191	19,422
Total long term liabilities	10,191	19,422
Total liabilities	178,032	153,873
Net Assets		
Net assets without donor restrictions	106,751	134,783
Total net assets	106,751	134,783
Total Liabilities and Net Assets	$ 284,783	$ 288,656

"The accompanying notes are an integral part of the financial statements"

LIGHT HEALTH AND WELLNESS COMPREHENSIVE SERVICES, INC.
Statements of Activities and Change in Net Assets
Years Ended February 28, 2025 and 2024

	2025	2024
Changes in Net Assets Without Donor Restrictions		
Support and revenue		
Federal grants	$ 653,697	$ 614,063
Childcare revenue	363,561	310,536
Foundation and corporate grants	100,505	56,900
Fundraising	57,395	44,479
Fiscal Sponsor revenue	7,500	-
Other income	3,778	94,803
Corporate and individual contributions	1,909	14,729
Psychiatric Rehabilitation Services	378	-
Interest income	45	64
Other non-federal grants	-	10,000
Total support and revenue	1,188,768	1,145,575
Expenses		
Program expenses		
Program services	997,865	907,684
Supporting services		
General and administrative	215,737	178,982
Fundraising	3,197	8,539
Total supporting services	218,934	187,521
Total expenses	1,216,799	1,095,205
(Decrease)/increase in net assets without donor restrictions	(28,031)	50,370
Net assets without donor retrictions at beginning of year	134,783	84,414
Net Assets Without Donor Restrictions at End of Year	$ 106,751	$ 134,783

"The accompanying notes are an integral part of the financial statements"

LIGHT HEALTH AND WELLNESS COMPREHENSIVE SERVICES, INC.
Statement of Functional Expenses
Year Ended February 28, 2025

	Program Services	Supporting Services: General & Administrative	Supporting Services: Fundraising	Total Supporting Services	2025 Total
Personnel costs	$ 649,101	$ 67,495	$ -	$ 67,495	$ 716,596
Employee benefits	58,425	566	-	566	58,991
Administrative expenses	930	8,227	-	8,227	9,157
Advertising	2,264	-	3,197	3,197	5,461
Audit fees	4,800	3,700	-	3,700	8,500
Bad debt expense	-	410	-	410	410
Bank/credit card charges & fees	237	436	-	436	673
Client transportation	12,265	29	-	29	12,294
Client/consumer activities	14,086	10	-	10	14,096
Communications	36,435	1,154	-	1,154	37,589
Conferences/meetings	25,065	4,890	-	4,890	29,955
Consultants	-	1,100	-	1,100	1,100
Depreciation	-	560	-	560	560
Direct child care expenses	30,567	2,420	-	2,420	32,987
Donation/gift	-	1,383	-	1,383	1,383
EFA food vouchers	5,773	-	-	-	5,773
Emergency financial assistance - rental assistance	65,695	-	-	-	65,695
Emergency financial assistance - utilities	23,978	-	-	-	23,978
Employee travel/mileage reimbursement	-	29	-	29	29
Equipment	650	-	-	-	650
Informational materials costs/printing	-	2,865	-	2,865	2,865
Insurance commerical	12,455	542	-	542	12,997
Interest paid	-	12,194	-	12,194	12,194
Janitorial services	13,485	13,484	-	13,484	26,969
Membership fee dues	81	1,378	-	1,378	1,459
Office supplies	8,352	284	-	284	8,636
Other miscellaneous service cost	-	43	-	43	43
Payroll expenses	-	7,036	-	7,036	7,036
Postage & delivery	927	-	-	-	927
Rent & lease	30,600	51,849	-	51,849	82,449
Staff training	250	138	-	138	388
Transportation/travel	-	9	-	9	9
Utilities	-	33,068	-	33,068	33,068
Van expenses	1,444	438	-	438	1,882
Total Expenses	**$ 997,865**	**$ 215,737**	**$ 3,197**	**$ 218,934**	**$ 1,216,799**

"The accompanying notes are an integral part of the financial statements"

LIGHT HEALTH AND WELLNESS COMPREHENSIVE SERVICES, INC.
Statement of Functional Expenses
Year Ended February 28, 2024

	Program Services	Supporting Services: General & Administrative	Supporting Services: Fundraising	Total Supporting Services	2024 Total
Personnel costs	$ 549,341	$ 77,086	$ -	$ 77,086	$ 626,427
Employee benefits	106,198	5,831	-	5,831	112,029
Administrative costs	726	5,955	-	5,955	6,681
Advertising	415	1,294	8,539	9,833	10,248
Bank charges	401	113	-	113	514
Classroom supplies	20,762	952	-	952	21,714
Client/consumer acitivies	6,754	-	-	-	6,754
Communications	40,094	1,427	-	1,427	41,521
Conferences & meetings	10,940	2,497	-	2,497	13,437
Donation	-	1,000	-	1,000	1,000
Dues & subscriptions	228	653	-	653	881
EFA food vouchers	1,725	86	-	86	1,811
Emergency financial assistance	77,963	127	-	127	78,090
Equipment	1,702	50	-	50	1,752
Food	8,975	279	-	279	9,254
Interest expense	-	14,183	-	14,183	14,183
Janitoral service	14,541	3,285	-	3,285	17,826
Office supplies	7,487	386	-	386	7,873
Other expense	-	3,077	-	3,077	3,077
Postage and delivery	902	29	-	29	931
Printing	9,155	127	-	127	9,282
Rent	20,656	51,344	-	51,344	72,000
Staff training	809	-	-	-	809
Travel	112	125	-	125	237
Utilities	27,798	9,076	-	9,076	36,874
Total Expenses	**$ 907,684**	**$ 178,982**	**$ 8,539**	**$ 187,521**	**$ 1,095,205**

"The accompanying notes are an integral part of the financial statements"

LIGHT HEALTH AND WELLNESS COMPREHENSIVE SERVICES, INC.
Statements of Cash Flows
Years Ended February 28, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ (28,031)	$ 50,370
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	560	-
Changes in assets and liabilities		
Decrease (increase) in assets		
Grants receivable	9,022	(27,847)
Prepaid expenses	-	8,988
Increase (decrease) in liabilities		
Accounts payable	10,226	2,557
Accrued payroll	3,334	5,046
Deferred revenue	2,690	(31,534)
Total adjustments	25,832	(42,790)
Net cash provided (used) by operating activities	(2,199)	7,580
Cash Flows from Investing Activities		
Net (purchase) of property	(6,878)	-
Net cash (used) by investing activities	(6,878)	-
Cash Flows from Financing Activities		
Payment of loan payable	(9,082)	(8,510)
Net cash (used) by financing activities	(9,082)	(8,510)
Net (decrease) in cash, cash equivalents and restricted cash	(18,160)	(930)
Cash, cash equivalents and restricted cash at beginning of year	102,424	103,354
Cash, Cash Equivalents and Restricted Cash at End of Year	$ 84,264	$ 102,424
Supplemental disclosure of cash flow information:		
Interest expense paid during the year	$ 12,194	$ 14,183

"The accompanying notes are an integral part of the financial statements"

1. NATURE OF ACTIVITIES

LIGHT Health and Wellness Comprehensive Services, Inc. (the Organization) is a nonprofit corporation that provides information, guidance and treatment services to individuals and families impacted by poverty, substance abuse, mental illness, HIV/AIDS, and other long term health challenges as well as quality child care to the community. The organization community services include Psychosocial Support, Client Advocacy, Outreach, Health Education/Risk Reduction, as well as Emergency Financial Assistance for those that qualify. The mission of LIGHT is to promote the health and wellness and education of children, families, and individuals impacted by health and social disparities.

Major components of funding Ryan White Part A and other grants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements of the Organization are prepared in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as the source of authoritative accounting principles generally accepted in the United States of America on the accrual basis of accounting.

B. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with United States generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are reported based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

For the years ended February 28, 2025 and 2024, the Organization did not have any net assets with donor restrictions.

C. Revenue Recognition (gifts and donations)

All types of contributions received are deemed without donor restrictions in nature unless otherwise designated by the donor.

D. Revenue and Grants Receivable

Revenue is recorded as received and as earned from grants and contracts. Grants receivable are recorded upon accrual of earned revenue. No allowance for doubtful accounts is recorded, as management believes all receivables are fully collectible.

E. Income Tax

Under the provisions of Section 501(c)(3) of the Internal Revenue Code, LIGHT Health and Wellness Comprehensive Services, Inc. is exempt from Federal and state income taxes, except for unrelated business income, if any. Accordingly, no provision for income taxes has been made in the accompanying financial statements. An informational return Form 990 is filed annually.

The Internal Revenue Service has not examined (audited) any income tax returns of the Organization; thus, the previous three years are subject to examination. The Organization has not taken any questionable tax positions.

F. Cash, Cash Equivalents and Restricted Cash

The Organization considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

The Organization retroactively adopted the requirements in accordance with Accounting Standards Board's Accounting Standards Update ASU No. 2016-15-*Not-for-Profit Entities* (Topic: 230): *Classification of Certain Cash Receipts and Cash Payments*. This update addresses diversity in presentation of the Statement of Cash Flows. Cash, cash equivalents, restricted cash, and restricted cash equivalents that are presented in more than one line on the statements of financial position are now required to either be presented on the face of the statements of cash flows or disclosed in the notes to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash, Cash Equivalents and Restricted Cash (continued)

The ASU did not have a material effect on the Organization's financial statements.

G. Property and Equipment

Assets are recorded at cost and are depreciated on a straight-line basis over the life of the asset. It is the Organization's policy to capitalize assets with a cost of $500 or greater, with depreciable lives ranging from 5 to 7 years.

Depreciation expense for the years ended February 28, 2025 and 2024 was $560 and $0, respectively.

H. Operating Lease Right-Of-Use Assets and Liabilities

The Organization has an operating lease for a copier. The Organization determines if an arrangement is a lease at inception. In FY 2022, the Organization adopted FASB ASC 842, *Leases*, which required it to recognize right-of use lease assets and lease liabilities on its statement of financial position for all leases in excess of one year in duration.

Right-of-use assets, (ROU), represent the Organization's right to use the underlying asset for the lease term. Operating lease right-of-use assets and related liabilities are recognized at the commencement date based on the net present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. The Organization uses this rate in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Transition Consideration

1. Leases previously classified as operating leases under ASC 840 will be classified as operating leases under ASC 842 if they have a lease term greater than 12 months (ASC 842-10-65-1f).

2. The Organization will use the modified retrospective approach (ASU 842-10-65-1) under which leases existing at or entered after January 1, 2022, will be recognized and measured. Prior period amounts are not adjusted and continue to be reflected in accordance with the company's historical accounting.

3. The Organization will not recognize short term leases under one year as a ROU asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Operating Lease Right-Of-Use Assets and Liabilities (continued)

Lease Terms

The remaining lease term of the leases under ASC 840 will be used in measuring the initial lease liability and the right-of-use asset.

Valuation Operating Leases

The Organization will measure the lease liability based on the remaining lease payments from the transition date.

I. Use of Estimates

The preparation of financial statements in the 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 and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

J. Reclassification

Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

K. 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. Accordingly, certain costs have been allocated among the program and supporting services.

L. Advertising

All advertising costs are expensed as incurred. Advertising expense for the years ended February 28, 2025 and 2024 was $5,461 and $10,248, respectively.

3. GRANTS RECEIVABLE

The Organization receives several grants from funding agencies. As of February 28, 2025 and 2024, grants receivable consisted of the following:

	2025	2024'
Ryan White Part A	$ 163,331	$ 171,943
COVID-19 Relief Grant	4,315	4,315
Center for Urban Families	-	410
Total Grants Receivable	$ 167,646	$ 176,668

4. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at February 28, 2025 and 2024:

	2025	2024
Financial assets at year end:		
Cash	$ 84,264	$ 102,424
Grants receivable	167,646	176,668
Financial assets available to meet general expenses over the next twelve months	$ 251,910	$ 279,092

The Organization's goal is to generally maintain financial assets to meet 90 days of operating expenses.

5. CREDIT CARDS

Interest expense on credit cards was $11,193 and $12,059 for the years ended February 28, 2025 and 2024, respectively.

6. LOAN PAYABLE

In January 2020, the Organization converted the remaining line of credit balance into a term loan in the amount of $60,000. The loan bears interest at 6.50 percent and is payable in monthly payments in the amount of $893.68 through January 13, 2027.

Future minimum principal payments as of February 28, 2025 are as follows:

Year Ending February 28	Amount
2026	9,773
2027	10,191
Total	$ 19,964

Interest expense on the loan payable was $1,001 and $2,124 for the years ended February 28, 2025 and 2024, respectively.

7. LOAN COVENANTS

The Organization has a list of covenants and agreements relating to the loan. Analysis of the Organization's compliance with the covenants at February 28, 2025 and 2024 reveals that the Organization was in compliance with all its loan covenants.

8. LEASES

The Organization entered into an office lease agreement on May 1, 2015. The lease agreement was for five years and expires June 30, 2021. The base rent for the first three years was $78,000. Rental payments were $6,500 per month. The rent increased by $500 per year every year thereafter.

Credits were applied since the Organization paid for the utilities that, per the lease agreement, should be included in the base rent.

In September 2020, the lease was amended by changing the term to month-to-month commencing September 1, 2020 with a base rent of $4,000 per month.

On November 1, 2021, the lease was amended again by changing the term to a one-year lease commencing on November 1, 2021 and ending October 31, 2022, with a base rent of $5,000 per month. During 2024, the lease changed from a month to month to an annual lease at $6,500 per month. Rent expense for the years ended February 28, 2025 and 2024 was $82,449 and $72,000, respectively.

8. LEASES (Continued)

Future minimum lease payments under the agreement as of February 28, 2025, are as follows:

Year Ending February 28	Amount
2026	$ 21,374
Total undiscounted cash flows	21,374
Total lease liabilities	$ 21,374

9. DEFERRED REVENUE

Deferred revenue is the result of funds paid by the grantor that have not been utilized or expended for restricted program purposes as of the fiscal year end. Such funds are designated to be used during the subsequent fiscal years, at which time the conditions on the grants will be met and the grant revenue will be recognized. At year end, deferred revenue are as follows:

	2025	2024
RICH	$ 2,690	$ -
Lorece Edwards MSU	2,173	2,173
Sherman Foundation	294	294
	$ 5,157	$ 2,467

10. COMMITMENTS AND CONTINGENCIES

The Organization receives a substantial portion of its revenue from government grants, all of which are subject to audit by the government. Until audits have been completed and final settlement reached, there exists a contingent liability to refund any amounts received in excess of allowable costs. Management is of the opinion that no significant liability, if any, would result from such audits.

11. CONCENTRATION AND RISKS

The Organization receives a substantial percent of its revenue from Federal, State, and local grants and, therefore, puts the Organization at some risk if funding is reduced.

12. PENSION

The Organization sponsors a defined contribution plan under Section 403(b) of the Internal Revenue Code. Benefits are based on the amounts of plan contributions from eligible employees and related earnings, if any. Employer contributions to the plan for 2025 and 2024 were, $7,596 and $7,487, respectively.

13. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 27, 2026, the date the financial statements were available to be issued. Except for the information disclosed above, no events require recognition in the financial statements or disclosures of the Organization according to the definitions and requirements of FASB Accounting Standards Codification ASC 855, *Subsequent Events*.



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