



CONSOLIDATED FINANCIAL STATEMENTS

ALIGHT AND RELATED ENTITIES

**FOR THE YEARS ENDED
MARCH 31, 2022 AND 2021**

ALIGHT AND RELATED ENTITIES

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Alight and Related Entities
Minneapolis, Minnesota

Opinion

We have audited the accompanying consolidated financial statements of Alight and related entities, which comprise the consolidated statements of financial position as of March 31, 2022 and 2021, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Alight and related entities as of March 31, 2022 and 2021, and the consolidated 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 and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Alight and related entities and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 and *Government 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 consolidated 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 consolidated 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 consolidated 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 Alight and related entities' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Alight and related entities' 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 Alight and related entities' 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated August 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Financial Position, Consolidating Schedule of Activities and Consolidating Schedule of Change in Net Assets on pages 26 - 28 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2022, on our consideration of Alight and related entities' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Alight and related entities' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alight and related entities' internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Gelman Rosenberg & Freedman". The signature is cursive and fluid, with "Gelman" on the first line, "Rosenberg" on the second line, and "& Freedman" on the third line.

August 23, 2022

ALIGHT AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2022 AND 2021

ASSETS	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 19,676,852	\$ 11,912,046
Investments	982,571	898,420
Grants receivable	28,159,127	32,540,306
Pledges receivable	278,200	186,800
Other receivables	186,254	90,469
Inventory	127,514	117,029
Prepaid expenses	1,233,974	864,023
Property, furniture, equipment and software, net of accumulated depreciation and amortization of \$2,027,734 and \$1,575,163 at March 31, 2022 and 2021, respectively	2,829,834	2,344,336
Deposits	<u>120,548</u>	<u>116,943</u>
TOTAL ASSETS	\$ 53,594,874	\$ 49,070,372
LIABILITIES AND NET ASSETS		
LIABILITIES		
Loan payable	\$ 200,000	\$ -
Accounts payable and accrued expenses	2,280,324	1,904,362
Grants payable	391,678	910,343
Accrued salaries and benefits	6,393,743	5,888,345
Deferred revenue	<u>-</u>	<u>6,334</u>
Total liabilities	<u>9,265,745</u>	<u>8,709,384</u>
NET ASSETS		
Without donor restrictions:		
Alight	3,449,225	1,492,046
Related Entities:		
Controlling interest	4,820,787	2,712,787
Noncontrolling interest	<u>91,199</u>	<u>195,704</u>
Total net assets without donor restrictions	<u>8,361,211</u>	<u>4,400,537</u>
With donor restrictions:		
Alight	33,469,305	30,652,992
Related Entities:		
Controlling interest	<u>2,498,613</u>	<u>5,307,459</u>
Total net assets with donor restrictions	<u>35,967,918</u>	<u>35,960,451</u>
Total net assets	<u>44,329,129</u>	<u>40,360,988</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 53,594,874	\$ 49,070,372

ALIGHT AND RELATED ENTITIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2022

	Without Donor Restrictions	With Donor Restrictions	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and grants:			
Contributions	\$ 10,282,079	\$ 6,426,129	\$ 16,708,208
U.S. Government grants	-	28,215,629	28,215,629
United Nations grants	-	18,264,871	18,264,871
Private and other support	629,710	6,053,893	6,683,603
Interest and investment income, net	(3,511)	72,379	68,868
Other revenue	544,677	-	544,677
Net assets released from donor restrictions	<u>59,025,434</u>	<u>(59,025,434)</u>	<u>-</u>
Total revenue and support	<u>70,478,389</u>	<u>7,467</u>	<u>70,485,856</u>
EXPENSES			
Program Services:			
International Programs	<u>57,941,725</u>	<u>-</u>	<u>57,941,725</u>
Supporting Services:			
General and Administrative	6,280,123	-	6,280,123
Fundraising	<u>2,295,867</u>	<u>-</u>	<u>2,295,867</u>
Total supporting services	<u>8,575,990</u>	<u>-</u>	<u>8,575,990</u>
Total expenses	<u>66,517,715</u>	<u>-</u>	<u>66,517,715</u>
CHANGE IN NET ASSETS	\$ 3,960,674	\$ 7,467	\$ 3,968,141

ALIGHT AND RELATED ENTITIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions and grants:			
Contributions	\$ 7,296,035	\$ 3,300,317	\$ 10,596,352
U.S. Government grants	-	28,471,577	28,471,577
United Nations grants	-	22,167,767	22,167,767
Private and other support	642,614	9,002,389	9,645,003
Interest and investment (loss) income, net	(1,070)	213,494	212,424
Other revenue	1,519,858	-	1,519,858
Net assets released from donor restrictions	<u>56,667,966</u>	<u>(56,667,966)</u>	<u>-</u>
Total revenue and support	<u>66,125,403</u>	<u>6,487,578</u>	<u>72,612,981</u>
EXPENSES			
Program Services:			
International Programs	<u>58,245,252</u>	<u>-</u>	<u>58,245,252</u>
Supporting Services:			
General and Administrative	6,071,182	-	6,071,182
Fundraising	<u>2,588,957</u>	<u>-</u>	<u>2,588,957</u>
Total supporting services	<u>8,660,139</u>	<u>-</u>	<u>8,660,139</u>
Total expenses	<u>66,905,391</u>	<u>-</u>	<u>66,905,391</u>
CHANGE IN NET ASSETS	\$ (779,988)	\$ 6,487,578	\$ 5,707,590

ALIGHT AND RELATED PARTIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2022

	Program Services		Supporting Services		Total Supporting Services	Total Expenses
	International Programs	General and Administrative	Fundraising			
Salaries	\$ 23,059,635	\$ 3,087,529	\$ 1,029,721	\$ 4,117,250	\$ 27,176,885	
Employee benefits	5,098,417	660,689	236,517	897,206	5,995,623	
Payroll taxes	998,394	203,270	79,716	282,986	1,281,380	
Printing and publishing	117,449	8,860	1,531	10,391	127,840	
Education and training	1,754,035	72,632	-	72,632	1,826,667	
Legal	77,489	66,305	34,690	100,995	178,484	
Occupancy	1,786,019	177,934	59,568	237,502	2,023,521	
Accounting	200,218	78,335	-	78,335	278,553	
Insurance	381,009	53,418	5,577	58,995	440,004	
Depreciation and amortization	169,709	287,632	2,669	290,301	460,010	
Telephone	565,551	29,976	1,419	31,395	596,946	
Travel and transportation	3,494,677	239,370	19,425	258,795	3,753,472	
Postage and delivery	91,939	14,105	62,514	76,619	168,558	
Office supplies	487,781	43,227	7,864	51,091	538,872	
Membership and dues	61,271	41,857	11,263	53,120	114,391	
Meetings and conferences	113,798	65,406	6,044	71,450	185,248	
Advertising and recruiting	76,937	48,241	66,046	114,287	191,224	
Currency (gain)	(160,944)	-	-	-	(160,944)	
Bank charges and interest expense	193,024	51,505	205,802	257,307	450,331	
Equipment maintenance	596,732	6,014	85	6,099	602,831	
Purchased services	1,572,000	846,527	446,067	1,292,594	2,864,594	
Equipment	1,314,088	197,122	19,349	216,471	1,530,559	
Grants	1,303,319	-	-	-	1,303,319	
Construction	2,887,000	-	-	-	2,887,000	
Program supplies	11,698,883	-	-	-	11,698,883	
Other	3,295	169	-	169	3,464	
TOTAL	\$ 57,941,725	\$ 6,280,123	\$ 2,295,867	\$ 8,575,990	\$ 66,517,715	

ALIGHT AND RELATED PARTIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2021

	Program Services		Supporting Services		Total Supporting Services	Total Expenses
	International Programs	General and Administrative	Fundraising			
Salaries	\$ 23,237,650	\$ 3,006,678	\$ 1,144,510	\$ 4,151,188	\$ 27,388,838	
Employee benefits	4,897,560	689,473	255,007	944,480	5,842,040	
Payroll taxes	1,025,430	189,832	84,044	273,876	1,299,306	
Printing and publishing	108,402	9,847	3,337	13,184	121,586	
Education and training	2,794,511	1,271	-	1,271	2,795,782	
Legal	88,010	99,780	43,211	142,991	231,001	
Occupancy	1,984,077	240,453	71,562	312,015	2,296,092	
Accounting	286,727	154,646	-	154,646	441,373	
Insurance	321,515	40,394	5,709	46,103	367,618	
Depreciation and amortization	227,067	216,079	2,702	218,781	445,848	
Telephone	597,535	17,907	3,521	21,428	618,963	
Travel and transportation	3,500,449	37,764	7,257	45,021	3,545,470	
Postage and delivery	103,271	15,346	88,883	104,229	207,500	
Office supplies	476,492	41,148	6,569	47,717	524,209	
Membership and dues	43,529	81,939	1,405	83,344	126,873	
Meetings and conferences	84,870	22,215	1,434	23,649	108,519	
Advertising and recruiting	109,190	145,812	247,490	393,302	502,492	
Currency loss	84,088	(1,838)	-	(1,838)	82,250	
Bank charges and interest expense	183,174	46,028	74,944	120,972	304,146	
Equipment maintenance	602,376	7,756	48	7,804	610,180	
Purchased services	2,091,388	943,735	539,748	1,483,483	3,574,871	
Equipment	747,265	59,852	7,576	67,428	814,693	
Grants	2,291,251	-	-	-	2,291,251	
Construction	1,964,539	-	-	-	1,964,539	
Program supplies	10,350,737	-	-	-	10,350,737	
Other	44,149	5,065	-	5,065	49,214	
TOTAL	\$ 58,245,252	\$ 6,071,182	\$ 2,588,957	\$ 8,660,139	\$ 66,905,391	

ALIGHT AND RELATED ENTITIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

	Without Donor Restrictions				With Donor Restrictions			
	Alight	Related Entities			Total	Alight	Related Entities	
		Controlling Interest	Noncontrolling Interest	Total			Controlling Interest	Total
BALANCE AT MARCH 31, 2020	\$ 629,419	\$ 3,346,100	\$ -	\$ 3,975,519	\$ 23,680,374	\$ 5,792,499	\$ 29,472,873	\$ 33,448,392
Stock issuance	-	-	1,205,041	1,205,041	-	-	-	1,205,041
Stock redemption	-	-	(35)	(35)	-	-	-	(35)
Changes in net assets	<u>862,627</u>	<u>(633,313)</u>	<u>(1,009,302)</u>	<u>(779,988)</u>	<u>6,972,618</u>	<u>(485,040)</u>	<u>6,487,578</u>	<u>5,707,590</u>
BALANCE AT MARCH 31, 2021	1,492,046	2,712,787	195,704	4,400,537	30,652,992	5,307,459	35,960,451	40,360,988
Changes in net assets	<u>1,957,179</u>	<u>2,108,000</u>	<u>(104,505)</u>	<u>3,960,674</u>	<u>2,816,313</u>	<u>(2,808,846)</u>	<u>7,467</u>	<u>3,968,141</u>
BALANCE AT MARCH 31, 2022	<u>\$ 3,449,225</u>	<u>\$ 4,820,787</u>	<u>\$ 91,199</u>	<u>\$ 8,361,211</u>	<u>\$ 33,469,305</u>	<u>\$ 2,498,613</u>	<u>\$ 35,967,918</u>	<u>\$ 44,329,129</u>

See accompanying notes to consolidated financial statements.

ALIGHT AND RELATED ENTITIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 3,968,141	\$ 5,707,590
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	460,010	445,848
Net realized and unrealized loss (gain) on investments	2,064	(208,286)
Alight investment in Kuja Kuja	-	205,041
Decrease (increase) in:		
Grants receivable	4,381,179	(4,751,856)
Pledges receivable	(91,400)	170,600
Other receivables	(95,785)	308,510
Inventory	(10,485)	11,801
Prepaid expenses	(369,951)	213,240
Deposits	(3,605)	(9,316)
Increase (decrease) in:		
Accounts payable and accrued expenses	375,962	(753,698)
Grants payable	(518,665)	332,177
Accrued salaries and benefits	505,398	1,253,663
Deferred revenue	<u>(6,334)</u>	<u>6,334</u>
Net cash provided by operating activities	<u>8,596,529</u>	<u>2,931,648</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, furniture, equipment and software	(945,508)	(2,000)
Net purchase of investments	<u>(86,215)</u>	<u>(50,081)</u>
Net cash used by investing activities	<u>(1,031,723)</u>	<u>(52,081)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of stock	-	1,000,000
Redemption of stock	-	(35)
Proceeds from loan payable	<u>200,000</u>	<u>-</u>
Net cash provided by financing activities	<u>200,000</u>	<u>999,965</u>
Net increase in cash and cash equivalents	7,764,806	3,879,532
Cash and cash equivalents at beginning of year	<u>11,912,046</u>	<u>8,032,514</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 19,676,852</u>	<u>\$ 11,912,046</u>
SUPPLEMENTAL INFORMATION:		
Interest Paid	<u>\$ 11,719</u>	<u>\$ 10,679</u>

ALIGHT AND RELATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Alight is a non-profit organization, incorporated in 1978, working to build a meaningful life for and with the displaced. Alight's work includes providing health care, clean water, shelter, protection and other essential services to more than 3 million people each year. Alight believes there is simple human justice in the chance to build a life, and lives of dignity, connection, joy and purpose are what we aim for. Alight is pioneering a new kind of human institution oriented to people and their abundance. One that centers itself on the lived experience of the people it serves and provides them with just, human-worthy services. One that lionizes proximity to the customer and invites all people to envision and co-create solutions. Alight's programs during the two years ending March 31, 2022 and 2021 operated in Rwanda, Somalia, Uganda, Sudan, South Sudan, Pakistan, Thailand, Democratic Republic of the Congo, Syria, Jordan, Myanmar, Columbia, Ethiopia, Mexico, El Salvador, the USA, Cambodia, Vietnam, Laos, Ukraine, and Poland.

The consolidated financial statements include the operations of Alight, two for-profit organizations, and several non-profit organizations (collectively, related entities) in which Alight's Board of Directors maintain control through governance arrangements with each organization. The agreements with the related entities allow each of the organizations to retain their unique identities, values and leadership, while leveraging each entities strengths and unique qualities.

Following is a description of each of the related entities:

- WikiRelief, LLC. is an inactive for-profit wholly owned organization established in April 2013. As of March 31, 2021, Alight liquidated and dissolved WikiRelief, LLC.
- Kuja Kuja, Inc. is a for-profit majority owned organization incorporated as a Delaware C-corporation to operate as a for-profit social enterprise. The formation of Kuja Kuja, Inc. was completed effective April 1, 2020, whereby Alight transferred its Kuja Kuja business unit valued at \$1,230,000 to Kuja Kuja, Inc. and received Kuja Kuja, Inc. Common Stock in exchange. As of March 31, 2022 and 2021, Alight held 583,700 shares of Kuja Kuja's Common Stock representing 82.739% equity and voting ownership. Two individuals and two organizations own the remaining 17.261% equity and voting ownership, which represents the noncontrolling interest in the accompanying consolidated financial statements.
- Questscope, LTD. is a non-profit organization with registration in the United States. Questscope, LTD. is a supporting organization for Questscope. Questscope is a UK registered charity under the United Kingdom Articles of Charitable Companies. Questscope is also legally registered to conduct business in the Hashemite Kingdom of Jordan (Jordan). Both Questscope, LTD. and Questscope receive grants and contributions to manage educational and refugee programs in Jordan and Syria.
- ORAM – Organization for Refuge, Asylum and Migration (ORAM), is a non-profit organization incorporated in 2008 in the state of California and registered in Germany. ORAM advocates for the protection and well-being of extremely vulnerable LGBTIQ asylum seekers and refugees globally and is recognized as the first international non-profit to assist people fleeing persecution based on their sexual orientation or gender identity and has since become a thought leader in LGBTIQ migration.

ALIGHT AND RELATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

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

Organization (continued) -

- ORAM (continued) – ORAM has a long history educating and training refugee professionals on the particular needs of LGBTIQ asylum seekers and refugees and supporting them navigate the long asylum and resettlement process. ORAM collaborates with international organizations, local partners and its beneficiaries to ensure that the programmatic work is built from the ground up and meets the needs of people where they are, focusing on empowerment of the community and sustainability of its programs.
- ECI - Eastern Congo Initiative and Affiliate (ECI) is a public charity incorporated in 2011 in the state of Washington and registered in the Democratic Republic of Congo (DRC). ECI is the first U.S. based advocacy and grant making initiative wholly focused on working with and for the people of the DRC. ECI joined the Alight organization on September 30th, 2019 with Alight established as the sole voting member. By this agreement, Alight moved the Asili project into the ECI organization. Asili is a social enterprise organization in the DRC that supports water, medical care, and agricultural services to local communities. ECI's mission is to increase the quality and quantity of investments into DRC through Congolese led solutions, collaborative partnerships, and by promoting public policy changes through grassroots advocacy.

Principles of consolidation -

The consolidated financial statements include the assets, liabilities and activities and changes in net assets of Alight and related entities, WikiRelief, LLC., Kuja Kuja, Inc., Questscope, LTD., Questscope, ORAM and ECI. All material intercompany accounts and transactions have been eliminated in consolidation.

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) ASC 958-810, *Not-for-Profit Entities, Consolidation* and with the 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. In addition, the balance of Kuja Kuja includes all equity and capital contributions.
- **Net Assets With Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are more restrictive than Alight and related entities' mission and purpose. 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. Donor imposed restrictions are released when the 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. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

ALIGHT AND RELATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

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

Cash and cash equivalents -

Alight and related entities consider all cash and other highly liquid investments with initial maturities of three months or less, and funds invested with local banks in foreign countries, 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, Alight and related entities maintain cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Alight and related entities had approximately \$10,800,000 and \$6,712,400 of cash on hand and cash at financial institutions in foreign countries at March 31, 2022 and 2021, respectively. The majority of such funds are not insured.

Foreign currency translation -

The U.S. Dollar (Dollars) is the functional currency of Alight and related entities' worldwide operations. Transactions in currencies other than dollars are re-measured into dollars at the rate of exchange in effect at the time of the transaction. Current assets and liabilities denominated in non-U.S. currency are translated into dollars at the exchange rate in effect at the date of the Consolidated Statements of Financial Position. The effect of these conversions are recorded in the Consolidated Statement of Activities.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in interest and investment (loss) income net of investment expenses provided by external investment advisors in the Consolidated Statement of Activities.

Grants, pledges and other receivables -

Grants, pledges and other receivables are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectable within one year. Accordingly, an allowance for doubtful accounts has not been established.

Inventory -

Inventory consists of water, medicine and water system construction supplies and is measured at the lower of cost and net realizable value using the first-in, first-out method of inventory under FASB ASU 2015-11 Simplifying the Measurement of Inventory.

Property, furniture, equipment and software -

Property, furniture, equipment and software, which cost in excess of \$5,000, are capitalized and stated at cost. Depreciation of furniture and equipment is depreciated over useful lives ranging from three to five years.

Buildings and water systems, all of which are located in the Democratic Republic of Congo (DRC), are being depreciated over 10 years for buildings and 20 years for water systems.

ALIGHT AND RELATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

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

Property, furniture, equipment and software (continued) -

Computer software including internally developed software is being amortized over five years.

Income taxes -

Alight is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Alight is not a private foundation.

For the purpose of corporate tax reporting, WikiRelief, LLC is considered a disregarded entity and all financial transactions are reported with Alight.

Kuja Kuja, Inc. is considered a for-profit C-corporation for Federal income tax purposes and is subject to tax on any profit during the given fiscal year. Kuja Kuja, Inc. incurred a net operating loss for the years ended March 31, 2022 and 2021. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements.

Questscope, LTD., ORAM and ECI are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements.

Questscope is registered under the United Kingdom Articles of Charitable Companies, as a charity within the definition of Section 506(1) Income and Corporation Tax Act 1988, and is therefore able to take advantage of the relief given by Section 505 of that act.

Eastern Congo Initiative – Democratic Republic of Congo and Asili have been granted tax exempt status within the Democratic Republic of Congo. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements.

The aforementioned entities are not private foundations.

Uncertain tax positions -

For the years ended March 31, 2022 and 2021, Alight and related entities have documented their consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and have determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Revenue and support -

The majority of Alight and related entities' revenue is received through grants and contributions from the U.S. and foreign governments, international organizations and other entities. Grants and contributions are recognized in the appropriate category of net assets in the period received. Alight and related entities perform an analysis of the individual grant and contribution to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

ALIGHT AND RELATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

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

Revenue and support (continued) -

Grants and contributions that are deemed to be nonreciprocal in nature that have donor restrictions are recorded as "with donor restrictions" revenue until such actual expenses have been incurred or through the passage of time that satisfies the donor-imposed restrictions.

Upon the satisfaction of the donor-imposed restrictions, net assets are reclassified from "with donor restriction" revenue to "without donor restrictions" revenue.

Funds received from donor restricted grants and contributions in excess of expenses incurred or for which the time restriction has not passed are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Advertising -

Included in total expenses are advertising costs in the amount of \$122,553 and \$449,320 for the years ended March 31, 2022 and 2021, respectively.

Use of estimates -

The preparation of the consolidated 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 consolidated 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 Consolidated Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of Alight and related entities 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.

Risks and uncertainties -

Alight and related entities invest in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Kuja Kuja, Inc. has incurred net losses, and utilized cash in operations since inception, has an accumulated deficit as of March 31, 2021, of \$1,701,612, as well as expects to incur future additional losses. Kuja Kuja, Inc. has cash available on hand and bridge loan commitments in the total amount of \$400,000 from two of the stockholders and believes that this cash and the bridge loans, if needed, will be sufficient to fund operations and meet its obligations as they come due within one year from the date these financial statements are issued.

ALIGHT AND RELATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022 AND 2021

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

Risks and uncertainties (continued) -

In the event that the Company does not achieve revenue anticipated in its current operating plan, management has the ability and commitment to reduce operating expenses as necessary.

The Company's long-term success is dependent upon its ability to successfully raise additional capital, market its existing services, increase revenues, and, ultimately, to achieve profitable operations. Kuja Kuja, Inc.'s financial statements have been prepared on a going-concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Fair value measurement -

Alight and related entities adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements.

Alight and related entities account for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

New accounting pronouncement 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 an 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 requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Consolidated Statements of Financial Position and disclosure of 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.

Alight and related entities plan to adopt the new ASUs at the required implementation dates and management is currently in the process of evaluating the adoption methods and the impact of the new standards on its accompanying consolidated financial statements.

ALIGHT AND RELATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

2. INVESTMENTS

Investments consisted of the following at March 31, 2022 and 2021:

	2022	2021
	Fair Value	Fair Value
U.S. Treasury Notes	\$ 60,244	\$ 61,507
S&P 500 Index Mutual Fund	598,920	518,119
Certificates of Deposit	<u>323,407</u>	<u>318,794</u>
TOTAL INVESTMENTS	\$ 982,571	\$ 898,420

Included in interest and investment income, net of investment management fees, are the following at March 31, 2022 and 2021:

	2022	2021
Interest and dividends, net	\$ 70,932	\$ 4,138
Net realized and unrealized (loss) gain on investments	<u>(2,064)</u>	<u>208,286</u>
TOTAL INTEREST AND INVESTMENT INCOME, NET OF INVESTMENT EXPENSES	\$ 68,868	\$ 212,424

3. PROPERTY, FURNITURE, EQUIPMENT AND SOFTWARE

The cost and accumulated depreciation and amortization of property, furniture, equipment and software at March 31, 2022 and 2021 were as follows:

	2022	2021
Land	\$ 153,303	\$ 153,303
Buildings	817,431	606,274
Furniture	181,361	181,361
Equipment	669,928	542,426
Software	1,125,142	1,111,338
Water system	<u>1,910,403</u>	<u>1,324,797</u>
Subtotal	4,857,568	3,919,499
Less: Accumulated depreciation and amortization	<u>(2,027,734)</u>	<u>(1,575,163)</u>
PROPERTY, FURNITURE, EQUIPMENT AND SOFTWARE, NET	\$ 2,829,834	\$ 2,344,336

4. LOAN PAYABLE

The loan payable balance consists of Kuja Kuja's convertible promissory loan payable to one of its stockholders. The loan payable accrues interest at 4% on the outstanding principal balance until paid in full or converted and matures on September 14, 2023. In the event that Kuja Kuja issues or sells any stock of Kuja Kuja for cash in which the gross proceeds is at least \$600,000, the outstanding balance will be automatically converted into shares calculated by dividing the outstanding balance by the applicable conversion price.

ALIGHT AND RELATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

4. LOAN PAYABLE (Continued)

In the event that there is a merger or consolidation with any other entity in which an excess of 50% of Kuja Kuja's voting power is transferred, the outstanding balance shall be automatically converted into the right to receive cash proceeds from the event equaling the greater of the outstanding balance at the time of the event multiplied by two or the amount the loan would have received in such event if the loan had converted immediately prior to such event into shares of common stock at a price per share equal to the maturity conversion price. In the event Kuja Kuja sells shares of the common stock of Kuja Kuja to the public in a firm-commitment underwritten public offering resulting in at least \$10,000,000 of gross proceeds to Kuja Kuja, the outstanding balance shall automatically be converted into such shares of common stock.

5. PAYCHECK PROTECTION PROGRAM

On April 15, 2020, Alight received loan proceeds in the amount of \$972,700 under the Paycheck Protection Program (PPP). The loan proceeds were allocated to Alight's related entities in the following manner:

Questscope					
Alight	LTD.	ORAM	ECI	Kuja Kuja	Total
\$ <u>781,981</u>	\$ <u>81,810</u>	\$ <u>20,830</u>	\$ <u>54,200</u>	\$ <u>33,879</u>	\$ <u>972,700</u>

Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note must be used for certain expenditures within a 24-week period to ultimately be forgiven by the Small Business Administration.

During the year ended March 31, 2021, Alight and related entities expended and tracked the PPP funds for purposes outlined in the CARES Act guidance and received full forgiveness from the SBA in March 2021. Accordingly, under guidance found in FASB ASC 470, Alight and related entities have recorded the PPP funding as a loan payable and upon forgiveness, by which all conditions have been met, have recognized the funding as a gain on extinguishment of debt. Each entity has recognized their portion of the PPP funds as revenue during the year ended March 31, 2021. The amounts are included in other income on the accompanying Consolidated Statement of Activities.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at March 31, 2022 and 2021:

	2022	2021
Subject to expenditure for specific purposes:		
Alight Programs	\$ 32,322,836	\$ 29,548,902
Alight - Accumulated Gains on Donor Restricted Endowments (Note 14)	198,214	155,835
Questscope, LTD. Programs	164,356	166,952
Questscope Programs	939,992	2,781,884
ORAM Programs	80,140	-
ECI Programs	<u>1,314,125</u>	<u>2,358,623</u>
Subtotal net assets subject to expenditure for specific purposes	35,019,663	35,012,196
Endowments to be invested in-perpetuity - Alight (Note 13)	<u>948,255</u>	<u>948,255</u>
NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 35,967,918</u>	<u>\$ 35,960,451</u>

ALIGHT AND RELATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

7. NET ASSETS RELEASED FROM RESTRICTIONS

The following net assets with donor restrictions were released from donor restrictions at March 31, 2022 and 2021, by incurring expenses, which satisfied the restricted purposes specified by the donors:

	2022	2021
Purpose restrictions accomplished:		
Alight Programs	\$ 52,582,102	\$ 49,340,642
Alight - Appropriation of endowment assets for expenditure	30,000	100,000
Questscope, LTD. Programs	332,163	130,642
Questscope Programs	2,949,232	5,163,878
ORAM Programs	97,739	52,649
ECI Programs	<u>3,034,198</u>	<u>1,880,155</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ <u>59,025,434</u>	\$ <u>56,667,966</u>

8. LIQUIDITY AND AVAILABILITY

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

	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 19,676,852	\$ 11,912,046
Investments	982,571	898,420
Grants receivable	28,159,127	32,540,306
Pledges receivable	278,200	186,800
Other receivables	<u>186,254</u>	<u>90,469</u>
Subtotal financial assets	49,283,004	45,628,041
Less: Donor restricted funds for specific purposes	(35,019,663)	(35,012,196)
Less: Donor restricted endowment funds	<u>(948,255)</u>	<u>(948,255)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ <u>13,315,086</u>	\$ <u>9,667,590</u>

Alight and related entities have a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, Alight and related entities have a line of credit agreement (as further discussed in Note 10) which allows for additional available borrowings up to \$6,500,000. These funds can be used to mitigate the impact of unbudgeted financial events or pursue opportunities of strategic importance.

9. LEASE COMMITMENTS

Alight and related entities have operating lease agreements for office space. The leases have termination clauses that allow termination under certain conditions.

ALIGHT AND RELATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

9. LEASE COMMITMENTS (Continued)

In December 2021, Alight entered into a 125-month agreement to lease office space in Minneapolis, Minnesota. The lease began April 1, 2022 and will terminate on January 31, 2033. Base rent is \$133,110 per annum, increasing by a factor of 3% per year. Under the lease agreement, Alight received rent abatement for the first month of each calendar year of the lease.

The following is a schedule of future minimum payments required under the leases:

Year Ending March 31.

2023	\$ 133,110
2024	137,103
2025	141,216
2026	145,453
2027	149,816
Thereafter	<u>998,147</u>
	<u>\$ 1,704,845</u>

Alight and related entities' total occupancy expense for the years ended March 31, 2022 and 2021 totaled approximately \$444,000 and \$532,000, respectively.

In addition, Alight's foreign field locations have various short-term leases for operating space that individually have terms of less than one year. During the years ended March 31, 2022 and 2021, Alight incurred approximately \$1,212,000 and \$1,400,000, respectively, in rental expense related to these leases and rental expenses.

10. LINE OF CREDIT

Alight has a \$6,500,000 line of credit with a local financial institution. Borrowings on the line of credit bear interest at NYFRB SOFR plus 2.76% (3.05% and 2.64% at March 31, 2022 and 2021, respectively). There were no outstanding borrowings on the line of credit at March 31, 2022 or 2021. The line of credit is secured by the general assets of Alight.

11. EMPLOYEE BENEFIT PLAN

Alight and related entities have a tax-deferred annuity plan for substantially all long-term U.S.-based employees and U.S. expatriate employees. Alight and related entities contributed an amount equal to six percent of the employees' salaries to the Plan in 2022 and 2021.

Employees have the option to contribute up to \$20,500 and \$19,500 of their salaries annually in 2022 and 2021 calendar years, respectively. Contributions by Alight and related entities for the years ended March 31, 2022 and 2021 totaled \$599,381 and \$644,171, respectively.

Additionally, Alight and related entities have taxable and tax-deferred employee benefit plans for substantially all long-term non-U.S.-based employees and non-U.S. expatriate employees specific to the employee's status and location of employment. Contributions by Alight and related entities to these employee benefit plans for the years ended March 31, 2022 and 2021 totaled \$61,083 and \$136,245, respectively.

ALIGHT AND RELATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

12. CONTINGENCIES

U.S. Government awards -

Alight and related entities receive grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2022. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

Foreign operations -

Alight and related entities provide capital assistance, technical assistance and training in numerous developing countries through its field offices in each of those countries. The future results of those programs could be adversely affected by a number of potential factors, such as currency devaluations or changes in the political climate.

As of March 31, 2022 and 2021, Alight and related entities had cash, property, furniture, equipment and software and prepaid expenses in various countries in Africa, Middle East and Asia, totaling approximately \$20,256,000 and \$8,800,000, which represented approximately 38% and 18%, respectively, of Alight and related entities' total assets.

13. TRANSFER OF NET ASSETS

Kuja Kuja, Inc. -

On April 1, 2020, Alight transferred its Kuja Kuja business unit valued at \$1,230,000 to Kuja Kuja, Inc. and received Kuja Kuja, Inc. Common Stock in exchange. As the formation and transfer occurred after March 31, 2020, Kuja Kuja, Inc. activity is included within Alight for the fiscal year ending March 31, 2020; and is included as a separate entity for the fiscal year ending March 31, 2021. Accordingly, the net assets of Kuja Kuja, Inc. as of April 1, 2020, are reported as a transfer of net assets into the accompanying Consolidated Statement of Activities. As of March 31, 2022, Alight held 583,700 shares of Kuja Kuja's Common Stock representing 82.739% equity and voting ownership.

14. ENDOWMENT

Alight's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

ALIGHT AND RELATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

14. ENDOWMENT (Continued)

As a result of this interpretation, Alight classifies as net assets with restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Net investment income earned on the endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by Alight in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, Alight considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of Alight and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of Alight.

Endowment net asset composition by type of fund as of March 31, 2022:

	<u>With Donor Restrictions</u>
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor:	
Ball Fund	\$ 637,500
Bridge Fund	124,326
Mellon Fund	186,429
Accumulated investment earnings	<u>198,214</u>
TOTAL ENDOWMENT FUNDS	\$ <u>1,146,469</u>

Changes in endowment net assets for the year ended March 31, 2022 are as follows:

	<u>With Donor Restrictions</u>
Endowment net asset, beginning of year	\$ 1,104,090
Net investment income	72,379
Appropriation of endowment assets for expenditure	<u>(30,000)</u>
ENDOWMENT NET ASSETS, END OF YEAR	\$ <u>1,146,469</u>

ALIGHT AND RELATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

14. ENDOWMENT (Continued)

Endowment net asset composition by type of fund as of March 31, 2021:

	<u>With Donor Restrictions</u>
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor:	
Ball Fund	\$ 637,500
Bridge Fund	124,326
Mellon Fund	186,429
Accumulated investment earnings	<u>155,835</u>
TOTAL ENDOWMENT FUNDS	<u>\$ 1,104,090</u>

Changes in endowment net assets for the year ended March 31, 2021 are as follows:

	<u>With Donor Restrictions</u>
Endowment net assets, beginning of year	\$ 890,596
Net investment income	100,000
Transfer to net assets without donor restrictions	213,494
Appropriation of endowment assets for expenditure	<u>(100,000)</u>
ENDOWMENT NET ASSETS, END OF YEAR	<u>\$ 1,104,090</u>

15. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, Alight has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Consolidated Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market Alight has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

ALIGHT AND RELATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

15. FAIR VALUE MEASUREMENT (Continued)

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used or transfers between levels as of March 31, 2022 and 2021.

- *U.S. Treasury Notes* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by Alight and related entities are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value and to transact at that price. Mutual funds held by Alight and related entities are deemed to be actively traded.
- *Certificates of Deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.

The table below summarizes, by level within the fair value hierarchy, Alight's investments as of March 31, 2022:

	Level 1	Level 2	Level 3	Total
Asset Class:				
U.S. Treasury Notes	\$ 60,244	\$ -	\$ -	\$ 60,244
S&P 500 Index Mutual Fund	598,920	-	-	598,920
Certificates of Deposit	-	323,407	-	323,407
TOTAL	\$ 659,164	\$ 323,407	\$ -	\$ 982,571

The table below summarizes, by level within the fair value hierarchy, Alight's investments as of March 31, 2021:

	Level 1	Level 2	Level 3	Total
Asset Class:				
U.S. Treasury Notes	\$ 61,507	\$ -	\$ -	\$ 61,507
S&P 500 Index Mutual Fund	518,119	-	-	518,119
Certificates of Deposit	-	318,794	-	318,794
TOTAL	\$ 579,626	\$ 318,794	\$ -	\$ 898,420

16. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, Alight and related entities have evaluated events and transactions for potential recognition or disclosure through August 23, 2022, the date the consolidated financial statements were issued.

SUPPLEMENTAL INFORMATION

ALIGHT AND RELATED ENTITIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF MARCH 31, 2022

	Alight	Questscope	ORAM	Eastern Congo Initiative	Kuja Kuja	Eliminations	Total
ASSETS							
Cash and cash equivalents	\$ 12,809,844	\$ 1,939,820	\$ 143,162	\$ 4,463,569	\$ 320,457	\$ -	\$ 19,676,852
Investments	1,444,400	-	-	-	-	(461,829)	982,571
Grants receivable	26,627,516	761,358	-	749,673	20,580	-	28,159,127
Pledges receivable	6,500	-	-	271,700	-	-	278,200
Other receivables	1,327,449	4,740	354	18,131	7,541	(1,171,961)	186,254
Inventory	-	-	-	127,514	-	-	127,514
Prepaid expenses	1,175,236	40,235	1,265	17,110	146	(18)	1,233,974
Property, furniture and equipment, net of accumulated depreciation and amortization	130,776	-	-	2,280,710	418,348	-	2,829,834
Deposits	78,181	1,589	-	6,200	34,578	-	120,548
Intangible assets	-	-	-	-	191,916	(191,916)	-
TOTAL ASSETS	\$ 43,599,902	\$ 2,747,742	\$ 144,781	\$ 7,934,607	\$ 993,566	\$ (1,825,724)	\$ 53,594,874
LIABILITIES AND NET ASSETS							
LIABILITIES							
Line of credit	\$ -	\$ 500,000	\$ 31,080	\$ -	\$ 400,000	\$ (731,080)	\$ 200,000
Accounts payable and accrued expenses	557,160	1,472,628	33,786	626,687	30,962	(440,899)	2,280,324
Grants payable	391,678	-	-	-	-	-	391,678
Accrued salaries and benefits	6,060,011	79,780	19,951	199,750	34,251	-	6,393,743
Total liabilities	7,008,849	2,052,408	84,817	826,437	465,213	(1,171,979)	9,265,745
NET ASSETS							
Without donor restrictions	3,121,748	(409,014)	(20,176)	5,794,045	528,353	(653,745)	8,361,211
With donor restrictions	33,469,305	1,104,348	80,140	1,314,125	-	-	35,967,918
Total net assets	36,591,053	695,334	59,964	7,108,170	528,353	(653,745)	44,329,129
TOTAL LIABILITIES AND NET ASSETS	\$ 43,599,902	\$ 2,747,742	\$ 144,781	\$ 7,934,607	\$ 993,566	\$ (1,825,724)	\$ 53,594,874

*Questscope and Questscope, LTD have been consolidated above for financial statement presentation purposes.

ALIGHT AND RELATED ENTITIES

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2022

	Alight	Questscope	ORAM	Eastern Congo Initiative	Kuja Kuja	Eliminations	Total
WITHOUT DONOR RESTRICTIONS							
REVENUE AND SUPPORT							
Contributions and grants:							
Contributions	\$ 6,547,804	\$ 1,306,078	\$ 201,939	\$ 2,226,258	\$ -	\$ -	\$ 10,282,079
Private and other support	-	-	250,000	-	489,710	(110,000)	629,710
Interest and investment income, net	(468,132)	-	(63)	-	50	464,634	(3,511)
Other revenue	588,901	37,815	12,838	219,648	(6,274)	(308,251)	544,677
Net assets released from donor restrictions	52,612,102	3,281,395	97,739	3,034,198	-	-	59,025,434
Total revenue and support	59,280,675	4,625,288	562,453	5,480,104	483,486	46,383	70,478,389
EXPENSES							
Program Services:							
International Programs	50,939,437	3,685,000	328,590	2,605,780	641,079	(258,161)	57,941,725
Supporting Services:							
General and Administrative	4,372,495	1,060,478	149,772	445,237	447,845	(195,704)	6,280,123
Fundraising	2,011,564	149,910	55,660	78,733	-	-	2,295,867
Total supporting services	6,384,059	1,210,388	205,432	523,970	447,845	(195,704)	8,575,990
Total expenses	57,323,496	4,895,388	534,022	3,129,750	1,088,924	(453,865)	66,517,715
CHANGE IN NET ASSETS WITHOUT RESTRICTIONS	\$ 1,957,179	\$ (270,100)	\$ 28,431	\$ 2,350,354	\$ (605,438)	\$ 500,248	\$ 3,960,674
WITH DONOR RESTRICTIONS							
REVENUE AND SUPPORT							
Contributions and grants:							
Contributions	\$ 4,060,192	\$ 1,068,358	\$ 57,879	\$ 1,239,700	\$ -	\$ -	\$ 6,426,129
U.S. Government grants	27,446,067	19,562	-	750,000	-	-	28,215,629
United Nations grants	18,658,296	(393,425)	-	-	-	-	18,264,871
Private and other support	5,191,481	742,412	120,000	-	-	-	6,053,893
Interest and investment income, net	72,379	-	-	-	-	-	72,379
Net assets released from donor restrictions	(52,612,102)	(3,281,395)	(97,739)	(3,034,198)	-	-	(59,025,434)
CHANGE IN NET ASSETS WITH RESTRICTIONS	\$ 2,816,313	\$ (1,844,488)	\$ 80,140	\$ (1,044,498)	\$ -	\$ -	\$ 7,467

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ALIGHT AND RELATED ENTITIES

CONSOLIDATING SCHEDULE OF CHANGE IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022

	Alight	Questscope	ORAM	Eastern Congo Initiative	Kuja	Kuja	Eliminations	Total
WITHOUT DONOR RESTRICTIONS								
Net assets at beginning of year	\$ 1,164,569	\$ (138,914)	\$ (48,607)	\$ 3,443,691	\$ 1,133,791	\$ (1,153,993)	\$ 4,400,537	
Change in net assets	1,957,179	(270,100)	28,431	2,350,354	(605,438)	500,248		3,960,674
END OF YEAR NET ASSETS								
	\$ 3,121,748	\$ (409,014)	\$ (20,176)	\$ 5,794,045	\$ 528,353	\$ (653,745)		\$ 8,361,211
WITH DONOR RESTRICTIONS								
Net assets at beginning of year	\$ 30,652,992	\$ 2,948,836	\$ -	\$ 2,358,623	\$ -	\$ -	\$ 35,960,451	
Change in net assets	2,816,313	(1,844,488)	80,140	(1,044,498)	-	-		7,467
END OF YEAR NET ASSETS								
	\$ 33,469,305	\$ 1,104,348	\$ 80,140	\$ 1,314,125	\$ -	\$ -		\$ 35,967,918
TOTAL								
Net assets at beginning of year	\$ 31,817,561	\$ 2,809,922	\$ (48,607)	\$ 5,802,314	\$ 1,133,791	\$ (1,153,993)	\$ 40,360,988	
Change in net assets	4,773,492	(2,114,588)	108,571	1,305,856	(605,438)	500,248		3,968,141
NET ASSETS AT END OF YEAR								
	\$ 36,591,053	\$ 695,334	\$ 59,964	\$ 7,108,170	\$ 528,353	\$ (653,745)		\$ 44,329,129

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