



Consolidated Financial Statements

Oxfam America, Inc. and Affiliates

March 31, 2023 and 2022



OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Financial Statements

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Independent Auditors' Report

Board of Directors
Oxfam America, Inc.
Boston, Massachusetts

Opinion

We have audited the consolidated financial statements of Oxfam America, Inc. ("OA"), which comprise the consolidated statements of financial position as of March 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of OA as of March 31, 2023 and 2022, 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of OA 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.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, effective April 1, 2022, OA adopted Accounting Standards Codification Topic 842, *Leases*, under the modified retrospective transition method. Our opinion is not modified with respect to this matter.

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



Auditors' 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 auditors' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 OA'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about OA'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.

Maya Hoffman McCann P.C.

Boston, Massachusetts
July 24, 2023

OXFAM AMERICA, INC. AND AFFILIATES
Consolidated Statement of Financial Position

March 31, 2023
(with comparative totals for 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Assets				
Cash	\$ 11,769,000	\$ 183,000	\$ 11,952,000	\$ 18,421,000
Investments	25,075,000	17,788,000	42,863,000	48,888,000
Investments held in support of split-interest agreements	-	5,859,000	5,859,000	6,403,000
Pledges receivable, net	500,000	12,471,000	12,971,000	19,820,000
Accounts receivable, net	1,342,000	-	1,342,000	829,000
Prepaid expense	1,482,000	-	1,482,000	2,140,000
Fixed assets, net	733,000	-	733,000	782,000
Right-of-use asset - operating lease	4,480,000	-	4,480,000	-
Other assets	191,000	-	191,000	170,000
Total assets	\$ 45,572,000	\$ 36,301,000	\$ 81,873,000	\$ 97,453,000
Liabilities				
Accounts payable	\$ 2,490,000	\$ -	\$ 2,490,000	\$ 3,224,000
Accrued payroll and other accrued expenses	6,605,000	-	6,605,000	5,196,000
Grants payable	8,484,000	-	8,484,000	8,307,000
Obligations under split-interest agreements	-	2,669,000	2,669,000	2,827,000
Operating lease liabilities	6,045,000	-	6,045,000	-
Deferred rent	-	-	-	1,837,000
Deferred revenue and other liabilities	668,000	-	668,000	927,000
Total liabilities	24,292,000	2,669,000	26,961,000	22,318,000
Net assets:				
Without donor restrictions	21,280,000	-	21,280,000	31,249,000
With donor restrictions	-	33,632,000	33,632,000	43,886,000
Total net assets	21,280,000	33,632,000	54,912,000	75,135,000
Total liabilities and net assets	\$ 45,572,000	\$ 36,301,000	\$ 81,873,000	\$ 97,453,000

OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Statement of Financial Position

March 31, 2022

Assets	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Cash	\$ 18,278,000	\$ 143,000	\$ 18,421,000
Investments	28,291,000	20,597,000	48,888,000
Investments held in support of split-interest agreements	-	6,403,000	6,403,000
Pledges receivable, net	250,000	19,570,000	19,820,000
Accounts receivable, net	829,000	-	829,000
Prepaid expense	2,140,000	-	2,140,000
Fixed assets, net	782,000	-	782,000
Other assets	170,000	-	170,000
Total assets	\$ 50,740,000	\$ 46,713,000	\$ 97,453,000
Liabilities			
Accounts payable	\$ 3,224,000	\$ -	\$ 3,224,000
Accrued payroll and other accrued expenses	5,196,000	-	5,196,000
Grants payable	8,307,000	-	8,307,000
Obligations under split-interest agreements	-	2,827,000	2,827,000
Deferred rent	1,837,000	-	1,837,000
Deferred revenue and other liabilities	927,000	-	927,000
Total liabilities	19,491,000	2,827,000	22,318,000
Net assets:			
Without donor restrictions	31,249,000	-	31,249,000
With donor restrictions	-	43,886,000	43,886,000
Total net assets	31,249,000	43,886,000	75,135,000
Total liabilities and net assets	\$ 50,740,000	\$ 46,713,000	\$ 97,453,000

OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Statement of Activities

Year Ended March 31, 2023
(with comparative totals for 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue, gains and other support:				
Contributions	\$ 52,934,000	\$ 26,899,000	\$ 79,833,000	\$ 95,745,000
Contract income	1,201,000	-	1,201,000	4,920,000
Donated in-kind services	704,000	-	704,000	473,000
Other	81,000	-	81,000	28,000
Net assets released from restrictions	32,895,000	(32,895,000)	-	-
Total revenue, gains and other support	87,815,000	(5,996,000)	81,819,000	101,166,000
Expenses:				
Program services:				
Programs to overcome poverty and injustice	31,652,000	-	31,652,000	30,030,000
Saving lives: Emergency response and preparedness	22,031,000	-	22,031,000	20,947,000
Campaigning for social justice	14,950,000	-	14,950,000	20,973,000
Public education	4,645,000	-	4,645,000	6,530,000
Total program services	73,278,000	-	73,278,000	78,480,000
Supporting services:				
Management and general	6,583,000	-	6,583,000	7,737,000
Fundraising	21,163,000	-	21,163,000	18,430,000
Total supporting services	27,746,000	-	27,746,000	26,167,000
Total expenses	101,024,000	-	101,024,000	104,647,000
Operating change in net assets	(13,209,000)	(5,996,000)	(19,205,000)	(3,481,000)
Other income and charges:				
Investment return	(615,000)	(451,000)	(1,066,000)	281,000
Gain on annuities and unitrusts, net of return	390,000	(342,000)	48,000	19,000
Release from restriction - endowment appropriation	3,465,000	(3,465,000)	-	-
Total other income and charges	3,240,000	(4,258,000)	(1,018,000)	300,000
Change in net assets	(9,969,000)	(10,254,000)	(20,223,000)	(3,181,000)
Net assets, beginning of year	31,249,000	43,886,000	75,135,000	78,316,000
Net assets, end of year	\$ 21,280,000	\$ 33,632,000	\$ 54,912,000	\$ 75,135,000

OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Statement of Activities

Year Ended March 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support:			
Contributions	\$ 57,076,000	\$ 38,669,000	\$ 95,745,000
Contract income	4,920,000	-	4,920,000
Donated in-kind services	473,000	-	473,000
Other	28,000	-	28,000
Net assets released from restrictions	<u>33,251,000</u>	<u>(33,251,000)</u>	<u>-</u>
Total revenue, gains and other support	<u>95,748,000</u>	<u>5,418,000</u>	<u>101,166,000</u>
Expenses:			
Program services:			
Programs to overcome poverty and injustice	30,030,000	-	30,030,000
Saving lives: Emergency response and preparedness	20,947,000	-	20,947,000
Campaigning for social justice	20,973,000	-	20,973,000
Public education	<u>6,530,000</u>	<u>-</u>	<u>6,530,000</u>
Total program services	<u>78,480,000</u>	<u>-</u>	<u>78,480,000</u>
Supporting services:			
Management and general	7,737,000	-	7,737,000
Fundraising	<u>18,430,000</u>	<u>-</u>	<u>18,430,000</u>
Total supporting services	<u>26,167,000</u>	<u>-</u>	<u>26,167,000</u>
Total expenses	<u>104,647,000</u>	<u>-</u>	<u>104,647,000</u>
Operating change in net assets	<u>(8,899,000)</u>	<u>5,418,000</u>	<u>(3,481,000)</u>
Other income and charges:			
Investment return	92,000	189,000	281,000
Gain on annuities and unitrusts, net of return	<u>-</u>	<u>19,000</u>	<u>19,000</u>
Total other income and charges	92,000	208,000	300,000
Change in net assets	(8,807,000)	5,626,000	(3,181,000)
Net assets, beginning of year	<u>40,056,000</u>	<u>38,260,000</u>	<u>78,316,000</u>
Net assets, end of year	<u>\$ 31,249,000</u>	<u>\$ 43,886,000</u>	<u>\$ 75,135,000</u>

See accompanying notes to the consolidated financial statements.

OXFAM AMERICA, INC. AND AFFILIATES
Consolidated Statements of Functional Expenses
Years Ended March 31,

2023									
Program Services					Supporting Services				
Programs to Overcome Poverty and Injustice	Saving Lives: Emergency Response and Preparedness	Campaigning for Social Justice	Public Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expense	
Payroll and related expenses	\$ 9,341,000	\$ 3,020,000	\$ 7,723,000	\$ 3,514,000	\$ 23,598,000	\$ 4,812,000	\$ 5,636,000	\$ 10,448,000	\$ 34,046,000
Professional fees and services	1,574,000	456,000	1,327,000	542,000	3,899,000	766,000	6,061,000	6,827,000	10,726,000
Professional fees and services - in-kind	131,000	-	403,000	5,000	539,000	143,000	23,000	166,000	705,000
Occupancy costs	885,000	200,000	500,000	324,000	1,909,000	65,000	463,000	528,000	2,437,000
Travel, meetings and conferences	866,000	282,000	469,000	85,000	1,702,000	33,000	64,000	97,000	1,799,000
Supplies, postage and printing	324,000	190,000	400,000	158,000	1,072,000	270,000	4,712,000	4,982,000	6,054,000
Other expenses	6,633,000	219,000	1,058,000	15,000	7,925,000	324,000	4,202,000	4,526,000	12,451,000
Grants and support to partners*	11,874,000	17,661,000	3,068,000	-	32,603,000	-	-	-	32,603,000
Total expenses before depreciation and amortization	31,628,000	22,028,000	14,948,000	4,643,000	73,247,000	6,413,000	21,161,000	27,574,000	100,821,000
Depreciation and amortization	24,000	3,000	2,000	2,000	31,000	170,000	2,000	172,000	203,000
Total expenses	\$ 31,652,000	\$ 22,031,000	\$ 14,950,000	\$ 4,645,000	\$ 73,278,000	\$ 6,583,000	\$ 21,163,000	\$ 27,746,000	\$ 101,024,000

2022									
Program Services					Supporting Services				
Programs to Overcome Poverty and Injustice	Saving Lives: Emergency Response and Preparedness	Campaigning for Social Justice	Public Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expense	
Payroll and related expenses	\$ 7,273,000	\$ 4,212,000	\$ 8,813,000	\$ 3,456,000	\$ 23,754,000	\$ 4,931,000	\$ 5,567,000	\$ 10,498,000	\$ 34,252,000
Professional fees and services	2,557,000	806,000	1,307,000	351,000	5,021,000	968,000	4,263,000	5,231,000	10,252,000
Professional fees and services - in-kind	47,000	-	322,000	8,000	377,000	33,000	63,000	96,000	473,000
Occupancy costs	209,000	293,000	676,000	348,000	1,526,000	915,000	522,000	1,437,000	2,963,000
Travel, meetings and conferences	228,000	88,000	120,000	14,000	450,000	12,000	(8,000)	4,000	454,000
Supplies, postage and printing	206,000	149,000	265,000	116,000	736,000	231,000	4,814,000	5,045,000	5,781,000
Other expenses	2,407,000	1,296,000	947,000	2,231,000	6,881,000	461,000	3,204,000	3,665,000	10,546,000
Grants and support to partners*	17,074,000	14,092,000	8,512,000	-	39,678,000	10,000	-	10,000	39,688,000
Total expenses before depreciation and amortization	30,001,000	20,936,000	20,962,000	6,524,000	78,423,000	7,561,000	18,425,000	25,986,000	104,409,000
Depreciation and amortization	29,000	11,000	11,000	6,000	57,000	176,000	5,000	181,000	238,000
Total expenses	\$ 30,030,000	\$ 20,947,000	\$ 20,973,000	\$ 6,530,000	\$ 78,480,000	\$ 7,737,000	\$ 18,430,000	\$ 26,167,000	\$ 104,647,000

* This amount does not include operational assistance to partners which are captured in other program line items.

OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Statements of Cash Flows

Years Ended March 31,

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (20,223,000)	\$ (3,181,000)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized losses on investments	1,586,000	86,000
Depreciation and amortization	203,000	238,000
(Gain) loss on disposal of fixed assets	-	(6,000)
Noncash operating lease expense	460,000	-
Change in:		
Pledges receivable	6,849,000	(3,979,000)
Prepaid expense	658,000	555,000
Accounts receivable	(513,000)	2,655,000
Other assets	(21,000)	(3,000)
Accounts payable	(734,000)	1,574,000
Accrued payroll and other accrued expenses	1,409,000	(1,268,000)
Grants payable	177,000	2,370,000
Net assets under split-interest agreements	386,000	60,000
Operating lease liabilities	(732,000)	-
Deferred rent	-	(463,000)
Deferred revenue and other liabilities	(259,000)	(806,000)
Net cash used in operating activities	<u>(10,754,000)</u>	<u>(2,168,000)</u>
Cash flows from investing activities:		
Purchases of fixed assets	(153,000)	-
Proceeds from sale of fixed assets	-	19,000
Proceeds from sales and maturities of investments	5,080,000	2,005,000
Purchases of investments	(642,000)	(8,412,000)
Net cash provided by (used in) investing activities	<u>4,285,000</u>	<u>(6,388,000)</u>
Net change in cash	<u>(6,469,000)</u>	<u>(8,556,000)</u>
Cash, beginning of year	18,421,000	26,977,000
Cash, end of year	<u>\$ 11,952,000</u>	<u>\$ 18,421,000</u>

See accompanying notes to the consolidated financial statements.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

Oxfam America, Inc. ("OA") is a publicly supported Massachusetts not-for-profit corporation which fights global poverty, hunger and social injustice. OA is a member of Oxfam International ("OI"), which is a non-profit organization registered in the Netherlands. OI is the central confederation of twenty-one independent organizations around the world. As a member of OI, OA works within the OI framework of shared priorities while seeking to leverage best practices in achieving those priorities via on the ground activities in various countries, long-term partnerships with grassroots organizations and collaborations with other OI members to promote sustainable development in Africa, Asia, the Pacific, the Caribbean and the Americas. OA and OI member organizations also provide humanitarian assistance in emergency situations, as well as disaster risk reduction and preparedness programs.

The Chairperson of OA's board is a member of the OI Assembly and the Affiliate Business Meeting (ABM), two bodies within the new governance of the confederation that went into effect in July 2021. In addition, one OA board member is a member of the OI Supervisory Board, and the Executive Director of each affiliate is a member of the Executive Director's Forum (EDF). OA made grants and other payments of \$26,541,000 and \$35,101,000 to OI and its member organizations and received \$2,241,000 and \$3,600,000 for the years ended March 31, 2023 and 2022, respectively, from OI and its member organizations for program activities. OA has pledges receivable from OI affiliated organizations of approximately \$1,649,000 and \$1,666,000 at March 31, 2023 and 2022, respectively. OA also has grants payable to OI affiliated organizations of approximately \$8,123,000 and \$7,515,000 at March 31, 2023 and 2022, respectively.

The consolidated financial statements of OA include the Oxfam America Action Fund ("OAAF"), which is a wholly-owned subsidiary with OA being its sole corporate member. OAAF is a non-profit organization incorporated in Massachusetts, created to foster an environment supportive of long-term development and to serve as an advocate and lobbyist for change in global public policy on issues of poverty and social justice. OAAF promotes policy change at the national and international level and produces educational materials for the U.S. public on these same issues.

The consolidated financial statements of OA also include Oxfam America Real Estate LLC ("Oxfam Real Estate"), which is also a wholly-owned subsidiary of OA. This entity was formed with its sole purpose to receive and liquidate donations of real estate and is inactive.

The consolidated financial statements of OA also include the consolidated financial statements of WISE Women's Empowerment Management Company, LLC. This entity serves as primary recordkeeper for the Wise Women's Empowerment Fund I, LLC, a fund whose primary purpose is to promote women's economic empowerment within Guatemala's financial sector. In addition to their recordkeeping responsibilities, OA is a contributing member to the Fund.

A summary of the accounting policies consistently applied in the consolidated financial statements follows:

Basis of Presentation

The consolidated financial statements of OA have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America which requires that information regarding its financial position and activities are reported based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Net Assets Without Donor Restrictions - Net assets available for general use and not subject to donor restrictions. This category includes fixed assets, net of accumulated depreciation and amortization.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the passage of time, the events specified by the donor or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Principles of Consolidation

In consolidating the financial statements, all inter-entity balances and transactions have been eliminated. All references to OA shall refer to OA as well as its affiliates as consolidated in these financial statements unless otherwise indicated.

Cash

Cash represents routine bank deposits and other such accounts with original maturities of three months or less on the date of purchase. Cash accounts are reported at cost plus accrued interest. Cash and cash equivalents held by investment managers are considered part of investments given that such funds are subject to near term reinvestment.

OA maintains cash in various banking institutions which periodically may exceed federally insured limits. Management monitors its depositary institutions for credit risk and has not experienced losses associated with these accounts.

Pledges Receivable

Pledges receivable represent contributions verifiably committed by donors that are scheduled for payment in the future. Such amounts are initially recorded at fair value using Level 2 inputs as described in the fair value policies later in this section. Those measurements include the effects of estimated collections and risk adjusted discount rates applied to pledges expected to be collected more than one year from the date of the statement of financial position. The estimated collection on pledges is recorded as an allowance for uncollectable pledges and is based on management's estimates including factors such as historical experience, specific review of circumstances and other factors impacting pledges. Adjustments to the allowance are charged to bad debt expense. Uncollectable accounts are written off against the allowance. An account is considered uncollectable when all reasonable collection efforts have been exhausted.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable generally represent net amounts due in connection with contract income. Certain contracts require invoicing while others provide for payment based on reporting. Contract arrangements generally require that costs are being incurred in accordance with a specified framework as stipulated by the resource provider. A reserve for disallowances is provided based on management's estimate of collectability of amounts due, which includes factors such as historical experience, specific review of circumstances and other factors. The reserve for disallowances is also used to provide for any post-award issues that might arise associated with previously billed and collected amounts. Adjustments to the allowance are reflected against contract income. Uncollectable accounts are written off against the allowance. An account is considered uncollectable when all reasonable collection efforts have been exhausted.

Investments

Investments are carried at fair value with the exception of the programmatic equity investment in WISE Empowerment Fund I, which is carried at cost. Fair value is determined as per the fair value policies described in this section.

Investment return (loss) consists of interest, dividends, realized and unrealized gains and losses, less external and direct internal investment expenses. Investment returns are allocated ratably when comingled for investment based on the underlying funds invested in such fund. Certain investments are held directly on behalf of certain groups of funds such as split-interest agreements so the returns on those funds are directly attributable to that element.

Fair Value Measurements

OA reports required types of financial instruments in accordance with fair value accounting standards. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals) to determine fair value. Recurring fair value measurements are OA's investments and assets and obligations under split-interest agreements. Non-recurring measurements include pledges receivable. Fair value standards also require OA to classify financial instruments into a three-level hierarchy, based on the priority of inputs used to value instruments. Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - inputs are quoted prices in active markets for identical assets or liabilities that OA has the ability to access at measurement date.

Level 2 - inputs are other than quoted prices included in Level 1 that are either directly or indirectly observable.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

Level 3 - inputs are derived from valuation methodologies, including pricing models, discounted cash flow models and similar techniques, and are not based on market, exchange, dealer, or broker-traded transactions. In addition, Level 3 valuations incorporate assumptions and projections that are not observable in the market and significant professional judgment is required in determining the fair value assigned to such assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level of input that is significant to the fair value measurement in its entirety.

It is possible that redemption rights may be restricted or eliminated by investment managers in the future in accordance with the underlying fund agreements. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that changes in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements.

Split-Interest Agreements

OA receives a variety of split-interest agreements that include charitable gift annuities, interests in pooled income funds and charitable remainder trusts. In cases where OA is the trustee or is otherwise provided the assets which represents the substantial majority of these funds, such amounts are recorded as assets and liabilities using fair value methods which include present value techniques given life expectancy and other like factors implicit in the instrument. The difference between the asset and the obligation at inception is recorded as revenue. In cases where OA is not the trustee, or otherwise in control of the assets, amounts are recorded as revenue and assets at their estimated fair value when OA is notified of the gift likewise using present value techniques as above. Adjustments are made over the term of the agreement based on changes in the fair value of the underlying assets, life expectancies and discount rates associated with obligations. Level 1 and 2 fair value methods are used in the computation of these amounts as per the fair value policies in this section.

Fixed Assets, Net

Buildings, building improvements, furniture and equipment and computer equipment are capitalized at cost when the useful life is greater than one year and the amount is above a management established capitalization threshold. Depreciation and amortization is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives principally by the straight-line method. Repairs and maintenance costs are expensed as incurred.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Leases

OA leases office space and equipment under operating lease arrangements through 2028 for which expense is recognized on a straight-line basis over the lease term.

Effective April 1, 2022, OA adopted changes required in lease accounting on the modified retrospective method which requires that operating leases be included as operating lease right-of-use (ROU) assets, and operating lease liabilities on the accompanying consolidated statement of financial position as of the date of adoption. The effect of this change was an increase in right-of-use assets of \$3,151,000 and a corresponding liability of \$4,673,000 being recorded as of April 1, 2022. Excluded from ROU assets at inception were deferred rent and lease incentives of \$1,837,000. This change did not impact amounts recognized in the consolidated statement of activities.

ROU assets represent OA's right to use an underlying asset for the lease term and lease liabilities represent OA's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As OA's leases do not provide an implicit rate, OA uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments.

OA has included in its computations of its ROU assets and related obligations operating costs in the base rent agreement of its office space as a single component as permitted under lease accounting standards. These costs are adjusted periodically based on actual period costs and are charged to lease expense as incurred. Lease expense was approximately \$1,905,000 and \$1,990,000 for the years ended March 31, 2023 and 2022, respectively.

Grants Payable

Grants payable include firm commitments to grant funds evidenced by approval of management and, when required, the Board of Directors. Grants payable are generally paid in one year or less and the expense is recognized when the grant is unconditionally committed.

Deferred Rent

As indicated under the lease note above, rent expense is recorded on the straight-line basis over the lease term. Prior to the adoption of the lease accounting standards effective April 1, 2022, any differences between straight line rent expense and rental payments were reflected as deferred rent. The most common reason for the differences are scheduled rent increases and rent abatements which often are offered at the outset of a lease.

Deferred Revenue

Deferred revenue is included in other liabilities and represents funds received in advance for delivery of program services under cost reimbursement contracts. Such amounts will be reported as revenue when earned which generally means that actual costs have been incurred associated with the related program service.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Revenue Recognition and Operations

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Investment returns are reported as increases or decreases in net asset without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets such as the donor stipulated purpose has been fulfilled and/or the stipulated period of time has elapsed are reported as “net assets released from restriction” between the classes of net assets.

Revenue is earned under contribution type transactions as follows:

Contract Income

Contract income represents contributed support that is conditioned upon incurring costs in accordance with specified frameworks by the funder. Revenue is recorded as the related costs are incurred. Payments received in advance of incurring costs are recorded as deferred revenue.

Contributions

Contributions are recorded as support at the time the donor makes an unconditional promise to give. The existence or absence of donor restrictions on the gift determines its classification as being with donor restrictions or without donor restrictions. Conditional contributions are recognized as revenue when the underlying conditions have been met. Contribution intentions are not recorded as revenue.

Donated In-Kind Services

Contributions of services are recognized as revenue at their estimated fair value when provided by individuals or organizations who possess specialized skills and would otherwise need to be purchased if not provided by donation. The value of volunteer time contributed is not reflected in these statements.

Functional Allocation of Expenses

The costs of providing the various programs and activities and supporting services have been summarized on a functional and natural classification basis. Certain costs have been allocated among the programs and supporting services benefited. Depreciation and amortization of facility related assets have been allocated to functional classifications based on estimated use according to headcount. No costs have been allocated to programs for fundraising-related activities.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Use of Estimates

In preparing the consolidated financial statements in conformity with accounting standards generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax Status

OA is recognized by the Internal Revenue Service ("IRS") as an organization described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and, as such, is generally exempt from Federal and state income taxes on related income. OAAF is recognized by the IRS as an organization described in Section 501(c)(4) of the Code and, as such, is generally exempt from Federal and state income taxes on related income. Oxfam Real Estate is a disregarded entity for tax purposes, so the underlying treatment of OA applies to the holding company. WISE Empowerment Fund I is a limited liability company that passes through any income to OA. Given the limited taxable activities of OA, management has concluded that disclosures relative to tax provisions are not necessary.

Uncertain Tax Positions

OA accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. Interest and penalties assessed, if any, are accrued as income tax expense.

OA has identified its tax status and classification of revenue as related or unrelated under that status as its only significant tax positions. OA has determined that such tax positions do not result in uncertainties requiring recognition. OA is not currently under examination by any taxing jurisdiction and its Federal and state income tax returns are generally open for examination for three years following the date filed.

Concentration of Credit Risk

OA has a concentration of credit risk associated with pledges receivable, however that risk has been judged to be modest based on history and the wherewithal of donors, most of which are foundations or individuals well known to OA. OA had five donors that collectively represented 79% of pledges receivable at March 31, 2023 and three donors that collectively represented 70% of pledges receivable at March 31, 2022.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Pending Accounting Pronouncements

A few new accounting standards are pending adoption in future years, which will be evaluated by management for the impact on the consolidated financial statements when those standards are applicable.

Subsequent Events

OA has evaluated subsequent events through July 24, 2023, the date the consolidated financial statements were authorized to be issued. No events were identified during that evaluation requiring recognition or disclosure.

Note 2 - Liquidity and Availability

OA regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. OA has various sources of liquidity at its disposal, including cash and marketable debt and equity securities.

For purposes of analyzing resources available to meet general expenditures, OA considers all expenditures without donor restriction related to its ongoing program and support services to be general expenditures. Resources with restrictions that are expected to be released in the upcoming period are considered part of the available resources.

OA has policies and practices in place to ensure sufficient financial assets are available to meet general expenditures over current and future periods. OA seeks to operate with a sufficient minimum level of reserves to cover general expenses as defined in the Board Reserve Policy. The policy requires that OA maintain at least four months of expenditures in unrestricted liquid net assets (reserve fund) at the end of each fiscal year.

The accumulated income on the endowment and certain restricted net assets can also be used to meet cash needs if necessary. OA manages the investment of its reserves to ensure both liquidity and the preservation of the minimum required reserves. During fiscal 2023, the Board approved a ten-year lookback on endowment funds to adjust for not having applied the Board spending policy for many years. This results in an endowment spend of \$3,465,000 during fiscal 2023. Going forward, the spending policy will be applied on an annual basis.

Reserves in excess of targeted amounts may be utilized to support program services and other OA objectives. The use of any reserve is approved by the board as part of the annual budget approval process.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 2 - Liquidity and Availability (Continued)

The following table shows the total financial assets available within one year to meet general expenditures at March 31:

	2023	2022
Financial assets at year end:		
Cash	\$ 11,952,000	\$ 18,421,000
Pledges receivable	12,971,000	19,820,000
Accounts receivable	1,342,000	829,000
Investments convertible to cash in the next 12 months (Note 5)	<u>48,394,000</u>	<u>54,841,000</u>
Total financial assets at year end	\$ <u>74,659,000</u>	\$ <u>93,911,000</u>
Financial assets available to meet general expenditures over the next 12 months:		
Cash	\$ 11,952,000	\$ 18,421,000
Pledges receivable due in one year	10,860,000	14,512,000
Accounts receivable	1,342,000	829,000
Investments not encumbered by donor or board restrictions	24,685,000	28,291,000
Endowment spending rate appropriations	<u>359,000</u>	<u>-</u>
Total financial assets available to meet general expenditures over the next 12 months	\$ <u>49,198,000</u>	\$ <u>62,053,000</u>

Note 3 - Pledges Receivable

Pledges are expected to be realized as follows at March 31:

	2023	2022
One year or less	\$ 10,860,000	\$ 14,512,000
Between one and five years	<u>3,184,000</u>	<u>6,440,000</u>
	14,044,000	20,952,000
Less: Present value discount (ranging from 0.30% to 2.94%)	(65,000)	(228,000)
Allowance for uncollectible pledges	<u>(1,008,000)</u>	<u>(904,000)</u>
Pledges receivable	\$ <u>12,971,000</u>	\$ <u>19,820,000</u>

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 3 - Pledges Receivable (Continued)

OA receives future gift intentions from donors during the ordinary course of its activities. These gift intentions do not constitute a contribution in the current year and, as such, are not recorded in the consolidated financial statements. There were \$1,115,000 and \$500,000 in gift intentions at March 31, 2023 and 2022, respectively.

OA has conditional contributions (which are accounted for as contract income) where the related revenue is recognized when the qualified costs are incurred. The total conditional contributions that have been committed but that the barrier of entitlement of incurring qualified cost has not yet been met were \$871,000 and \$1,816,000 at March 31, 2023 and 2022, respectively.

Note 4 - Accounts Receivable

Accounts receivable are as follows at March 31:

	2023	2022
Cost reimbursement contracts receivable	\$ 660,000	\$ 1,736,000
Other accounts receivable	<u>682,000</u>	<u>535,000</u>
	1,342,000	2,271,000
Reserve for disallowances	<u>-</u>	<u>(1,442,000)</u>
Accounts receivable	<u>\$ 1,342,000</u>	<u>\$ 829,000</u>

In 2021, OA created a reserve for disallowances account which was charged as a reduction to contract income to address a number of areas of concern relative to the handling of certain matters. During 2022, no additional reserves were determined to be required, however some of the matters as identified were settled with funders. Management continued to carry the remaining reserve to address any remaining issues. In 2023, this amount has been classified as a liability and is included with accrued payroll and other accrued expenses. See Note 12.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 5 - Investments and Fair Value

Investments were as follows at March 31:

	2023		
	Level 1	Level 2	Total
Money market mutual funds	\$ 9,694,000	\$ -	\$ 9,694,000
Mutual funds:			
U.S. equity	6,128,000	-	6,128,000
Fixed income	14,992,000	-	14,992,000
U.S. equities	7,709,000	-	7,709,000
Non-U.S. equity comingled fund	-	4,199,000	4,199,000
Total investments	\$ 38,523,000	\$ 4,199,000	42,722,000
Program related investment in another entity			141,000
Total investments			\$ 42,863,000
	2022		
	Level 1	Level 2	Total
Money market mutual funds	\$ 10,263,000	\$ -	\$ 10,263,000
Mutual funds:			
U.S. equity	12,041,000	-	12,041,000
Fixed income	16,015,000	-	16,015,000
U.S. equities	5,924,000	-	5,924,000
Non-U.S. equity comingled fund	-	4,395,000	4,395,000
Total investments	\$ 44,243,000	\$ 4,395,000	48,638,000
Program related investment in another entity			250,000
Total investments			\$ 48,888,000

The program related investment is carried at cost.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 5 - Investments and Fair Value (Continued)

Investments held in support of split-interest agreements were as follows at March 31:

	2023		
	Level 1	Level 2	Total
Cash and cash equivalents	\$ 146,000	\$ -	\$ 146,000
Money market mutual funds	142,000	-	142,000
Mutual funds:			
U.S. equity	2,971,000	-	2,971,000
Fixed income:			
U.S. Government and agency bonds	-	1,013,000	1,013,000
Corporate bonds	-	1,177,000	1,177,000
U.S. Mortgage-backed securities	-	151,000	151,000
Other	-	72,000	72,000
Total investments held in support of split-interest agreements	\$ 3,259,000	\$ 2,413,000	5,672,000
Charitable remainder unitrusts			187,000
Total investments held in support of split-interest agreements			\$ 5,859,000

	2022		
	Level 1	Level 2	Total
Money market mutual funds	\$ 426,000	\$ -	\$ 426,000
Mutual funds:			
U.S. equity	3,289,000	-	3,289,000
Fixed income:			
U.S. Government and agency bonds	-	757,000	757,000
Corporate bonds	-	1,470,000	1,470,000
U.S. Mortgage-backed securities	-	186,000	186,000
Other	-	75,000	75,000
Total investments held in support of split-interest agreements	\$ 3,715,000	\$ 2,488,000	6,203,000
Charitable remainder unitrusts			200,000
Total investments held in support of split-interest agreements			\$ 6,403,000

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 5 - Investments and Fair Value (Continued)

Liquidity of investments is as follows at March 31:

	2023	2022
Investment redemption or sale period:		
Daily	\$ 44,195,000	\$ 50,446,000
Monthly	4,199,000	4,395,000
Illiquid - program interest	141,000	250,000
Illiquid - charitable remainder unitrust	187,000	200,000
	<u>\$ 48,722,000</u>	<u>\$ 55,291,000</u>

Note 6 - Fixed Assets

Fixed assets consist of the following at March 31:

	2023	2022
Building and building improvements	\$ 3,150,000	\$ 3,285,000
Furniture and equipment	275,000	402,000
Computer equipment	4,653,000	4,867,000
Construction in process	106,000	-
Other	132,000	132,000
	<u>8,316,000</u>	<u>8,686,000</u>
Total	8,316,000	8,686,000
Less accumulated depreciation and amortization	<u>(7,583,000)</u>	<u>(7,904,000)</u>
Net fixed assets	\$ <u>733,000</u>	\$ <u>782,000</u>

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 7 - Leases

OA's operating leases have the following other information for the year ended March 31, 2023:

Cash paid for amounts included in the measurement of lease liabilities	\$ 840,000
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	\$ 1,858,000
Weighted average remaining lease term	4.73 years
Weighted average discount rate	3.07%

Approximate annual minimum non-cancelable rental payments under operating leases for the years ending March 31 are as follows:

2024	\$ 1,209,000
2025	1,356,000
2026	1,388,000
2027	1,420,000
2028	<u>1,051,000</u>
Total future minimum lease payments	6,424,000
Less imputed interest	<u>(379,000)</u>
Total	\$ <u>6,045,000</u>

Note 8 - Net Assets and Endowment Matters

Net assets without donor restrictions include the following at March 31:

	2023	2022
Fixed assets, net	\$ 733,000	\$ 782,000
Other funds without donor restrictions	<u>20,547,000</u>	<u>30,467,000</u>
	\$ <u>21,280,000</u>	\$ <u>31,249,000</u>

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 8 - Net Assets and Endowment Matters (Continued)

Net assets with restrictions include the following at March 31:

	2023			March 31, 2023	March 31, 2023
	Beginning Balance	Net Additions	Releases	Balance	Balance Held in Receivables
<i>Resources with Purpose, Time of Purpose and Time Restrictions:</i>					
Global TAP	\$ 5,475,000	\$ 101,000	\$ (607,000)	\$ 4,969,000	\$ 3,551,000
Other Donor Designated Funds	3,556,000	4,958,000	(6,036,000)	2,478,000	1,795,000
Advocacy Programs	13,923,000	3,599,000	(9,130,000)	8,392,000	4,099,000
OAAF	144,000	250,000	(210,000)	184,000	-
Humanitarian Relief and Rehabilitation	3,364,000	17,991,000	(16,138,000)	5,217,000	4,100,000
U.S. Program Investment Fund	2,012,000	(70,000)	(774,000)	1,168,000	-
Less allowance					(1,009,000)
Less discount					(65,000)
					\$ 12,471,000
Charitable gift annuities	3,376,000	(373,000)	-	3,003,000	
Charitable remainder unitrusts	200,000	(13,000)	-	187,000	
Total time and purpose restricted funds	32,050,000	26,443,000	(32,895,000)	25,598,000	
Unexpended net appreciation - endowment	9,202,000	(337,000)	(3,465,000)	5,400,000	
Endowment corpus to support operations	2,634,000	-	-	2,634,000	
Total endowment	11,836,000	(337,000)	(3,465,000)	8,034,000	
	\$ 43,886,000	\$ 26,106,000	\$ (36,360,000)	\$ 33,632,000	

	2022			March 31, 2022	March 31, 2022
	Beginning Balance	Net Additions	Releases	Balance	Balance Held in Receivables
<i>Resources with Purpose, Time of Purpose and Time Restrictions:</i>					
Global TAP	\$ 743,000	\$ 9,245,000	\$ (4,513,000)	\$ 5,475,000	\$ 6,095,000
New Campaign for Oxfam	331,000	(11,000)	(320,000)	-	-
Other Donor Designated Funds	7,384,000	1,929,000	(5,757,000)	3,556,000	3,226,000
Advocacy Programs	9,536,000	16,511,000	(12,124,000)	13,923,000	10,227,000
OAAF	153,000	250,000	(259,000)	144,000	-
Humanitarian Relief and Rehabilitation	2,647,000	10,745,000	(10,028,000)	3,364,000	1,154,000
U.S. Program Investment Fund	2,223,000	39,000	(250,000)	2,012,000	-
Less allowance					(904,000)
Less discount					(228,000)
					\$ 19,570,000
Charitable gift annuities	3,446,000	(70,000)	-	3,376,000	
Charitable remainder unitrusts	190,000	10,000	-	200,000	
Total time and purpose restricted funds	26,653,000	38,648,000	(33,251,000)	32,050,000	
Unexpended net appreciation - endowment	8,973,000	229,000	-	9,202,000	
Endowment corpus to support operations	2,634,000	-	-	2,634,000	
Total endowment	11,607,000	229,000	-	11,836,000	
	\$ 38,260,000	\$ 38,877,000	\$ (33,251,000)	\$ 43,886,000	

Net additions associated with charitable gift annuities and charitable remainder trusts are the summation of the effects of investment returns, actuarial changes, new gifts and gift terminations and payments to annuitants, which are reflected gross within the consolidated financial statements.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 8 - Net Assets and Endowment Matters (Continued)

OA utilizes the Uniform Prudent Management of Institutional Funds Act as enacted in Massachusetts ("UPMIFA") as the basis for tracking, recording and managing its endowment. OA tracks (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift and instrument at the time the accumulation is added to the fund, as applicable. Investment returns associated with these funds are tracked in separate accounts and are subject to appropriation for expenditure by OA's board in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the following factors are considered in making a determination to appropriate or accumulated donor-restricted endowment funds:

- 1) The duration and preservation of the fund;
- 2) The purposes of the OA and the donor-restricted endowment fund;
- 3) General economic conditions;
- 4) The possible effect of inflation and deflation;
- 5) The expected total return from income and the appreciation of investments;
- 6) Other resources of OA; and
- 7) The investment policies of OA.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original donated value. There were no such deficiencies at March 31, 2023 and 2022.

Return Objectives and Risk Parameters

The investment program of the endowment funds is designed to preserve the funds' purchasing power over the long term and at the same time provide a dependable source of support for current operations and programs when needed. To accomplish this objective, the funds seek to generate a total return over time that will at least meet the needs associated with current spending when considering the effects of inflation.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, OA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). OA targets an asset allocation strategy wherein assets are diversified among several socially responsible asset classes. The pursuit of maximizing total return is tempered by the need to minimize the volatility of returns and preserve capital.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 8 - Net Assets and Endowment Matters (Continued)

Spending Policy

During 2023, the Board approved a spending policy, looking back over past years' unconsumed allocations and determined it prudent to make a current allocation for prior amounts in the amount of \$3,465,000. No amounts were approved for spending in fiscal 2022 or prior years. The Board has approved a spending policy on a forward basis using a three year rolling market value average that will be implemented in the amount of \$359,000 for fiscal year 2024.

Note 9 - Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the consolidated statements of activities consisted entirely of professional services for the years ended March 31, 2023 and 2022.

Professional services recognized are comprised of legal fees from attorneys advising OA on various legal matters. These services are charged to either program costs, administrative expenses or fundraising, depending on the nature of the underlying service. These services are valued and reported at the estimated fair value in the consolidated financial statements based on current rates for similar legal and professional services.

Note 10 - Direct Grants to Partners

OA incurred \$73,278,000 and \$78,480,000 of program expenses during the years ended March 31, 2023 and 2022, respectively. Included in these expenses are direct development, advocacy and humanitarian grants provided to partners as follows for the years ended March 31:

<u>Country/Region of Impact</u>	2023	2022
Regions of Asia and the Pacific	\$ 3,287,000	\$ 5,921,000
Regions of Africa	11,611,000	13,297,000
Latin America and Caribbean	6,753,000	8,078,000
Global programs	9,616,000	9,732,000
United States and U.S. Territories	<u>283,000</u>	<u>657,000</u>
Total direct grants to partners for development	31,550,000	37,685,000
Other support to partners	<u>1,053,000</u>	<u>2,003,000</u>
Total direct grants to partners and other support to partners	\$ <u>32,603,000</u>	\$ <u>39,688,000</u>

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 11 - Retirement Plans

OA maintains a non-contributory defined contribution retirement plan that provides retirement benefits for substantially all U.S. employees who have satisfied the applicable waiting periods. Contributions to the plan are based on a percentage of salary. Expenses associated with the plan were \$1,194,000 and \$1,161,000, net of \$51,000 and \$102,000 of forfeitures for the years ended March 31, 2023 and 2022, respectively. Non U.S. employees have local retirement plans and are subject to local laws relative to severance and other matters.

OA also maintains a 403(b) tax deferred annuity retirement plan, which is funded solely by employee contributions.

Note 12 - Commitments and Contingencies

Litigation

OA is subject to claims that arise primarily in the ordinary course of its activities. Management is not aware of any such claim or claims that could have a material adverse effect on OA.

Post Award Review

Certain contributed and contracted support is subject to post award review by funders. Such reviews could result in the requirement to return amounts to funders or disallow certain incurred costs. Management seeks to allocate proper and supportable costs to its programs in accordance with specific requirements of funders when applicable to reduce this risk of post award returns. Management provides reserves on contract income to address not only risk to collection of amounts included in accounts receivable, but the potential for post award disallowances.

Previously, OA created a reserve for disallowances account which was charged as a reduction to contract income to address a number of areas of concern relative to the handling of certain matters. Management continues to carry the remaining reserve as they believe it more probable than not that certain contract costs that were previously reimbursed will be disallowed, coupled with penalties levied relating to those charges. At March 31, 2023, the total liability reserved is approximately \$1,300,000 and included with accrued payroll and other accrued expenses on the consolidated statement of financial position.

Contracts

OA has union contracts for certain staff in the Boston and Washington, D.C. offices which extend through March 31, 2024.