



Consolidated Financial Statements

Oxfam America, Inc. and Affiliates

March 31, 2020 and 2019



OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Financial Statements

Table of Contents

Consolidated Financial Statements:

Independent Auditors' Report	1-2
Consolidated Statements of Financial Position	3-4
Consolidated Statements of Activities	5-6
Consolidated Statements of Functional Expenses	7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9-26



Mayer Hoffman McCann P.C.
500 Boylston Street ■ Boston, MA 02116
Main: 617.761.0600 ■ Fax: 617.761.0601
www.cbiz.com/newengland

Independent Auditors' Report

Board of Directors
Oxfam America, Inc.
Boston, Massachusetts

We have audited the accompanying consolidated financial statements of Oxfam America, Inc. and Affiliates ("OA"), which comprise the consolidated statements of financial position as of March 31, 2020 and 2019 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Oxfam America, Inc. and Affiliates as of March 31, 2020 and 2019 and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective April 1, 2019, OA adopted Accounting Standards Update ("ASU") No. 2018-08, *Not-for-Profit Entities, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Maye Hoffman McCann P.C.

October 6, 2020
Boston, Massachusetts

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

March 31, 2020
(with comparative totals for 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Assets				
Cash	\$ 13,180,000	\$ -	\$ 13,180,000	\$ 8,857,000
Investments	15,512,000	20,183,000	35,695,000	51,019,000
Investments held in support of split interest agreements	5,251,000	171,000	5,422,000	5,940,000
Pledges receivable	579,000	13,117,000	13,696,000	17,762,000
Accounts receivable	4,769,000	-	4,769,000	3,435,000
Prepaid expense	3,012,000	-	3,012,000	2,287,000
Fixed assets, net	1,561,000	-	1,561,000	1,933,000
Other assets	93,000	-	93,000	22,000
Total assets	\$ 43,957,000	\$ 33,471,000	\$ 77,428,000	\$ 91,255,000
Liabilities				
Accounts payable	\$ 2,199,000	\$ -	\$ 2,199,000	\$ 1,994,000
Accrued payroll and other accrued expenses	5,062,000	-	5,062,000	5,592,000
Grants payable	4,060,000	-	4,060,000	5,142,000
Obligations under split-interest agreements	1,998,000	-	1,998,000	2,479,000
Deferred rent	2,706,000	-	2,706,000	3,042,000
Deferred revenue and other liabilities	3,284,000	-	3,284,000	1,399,000
Total liabilities	19,309,000	-	19,309,000	19,648,000
Net assets:				
Without donor restrictions	24,648,000	-	24,648,000	31,668,000
With donor restrictions	-	33,471,000	33,471,000	39,939,000
Total net assets	24,648,000	33,471,000	58,119,000	71,607,000
Total liabilities and net assets	\$ 43,957,000	\$ 33,471,000	\$ 77,428,000	\$ 91,255,000

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

March 31, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Cash	\$ 8,857,000	\$ -	\$ 8,857,000
Investments	28,947,000	22,072,000	51,019,000
Investments held in support of split interest agreements	5,767,000	173,000	5,940,000
Pledges receivable	68,000	17,694,000	17,762,000
Accounts receivable	3,435,000	-	3,435,000
Prepaid expense	2,287,000	-	2,287,000
Fixed assets, net	1,933,000	-	1,933,000
Other assets	22,000	-	22,000
Total assets	\$ 51,316,000	\$ 39,939,000	\$ 91,255,000
Liabilities			
Accounts payable	\$ 1,994,000	\$ -	\$ 1,994,000
Accrued payroll and other accrued expenses	5,592,000	-	5,592,000
Grants payable	5,142,000	-	5,142,000
Obligations under split-interest agreements	2,479,000	-	2,479,000
Deferred rent	3,042,000	-	3,042,000
Deferred revenue and other liabilities	1,399,000	-	1,399,000
Total liabilities	19,648,000	-	19,648,000
Net assets:			
Without donor restrictions	31,668,000	-	31,668,000
With donor restrictions	-	39,939,000	39,939,000
Total net assets	31,668,000	39,939,000	71,607,000
Total liabilities and net assets	\$ 51,316,000	\$ 39,939,000	\$ 91,255,000

See accompanying notes to the consolidated financial statements.

OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Statement of Activities

Year Ended March 31, 2020
(with comparative totals for 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue, gains and other support:				
Contributions	\$ 49,434,000	\$ 16,532,000	\$ 65,966,000	\$ 80,087,000
Contract income	7,777,000	-	7,777,000	4,531,000
Investment return	199,000	(124,000)	75,000	3,117,000
Gain or (loss) on annuities and unitrusts, net of return	358,000	(2,000)	356,000	(52,000)
Donated in-kind services and materials	915,000	-	915,000	309,000
Other	43,000	-	43,000	47,000
Net assets released from restrictions	<u>22,874,000</u>	<u>(22,874,000)</u>	<u>-</u>	<u>-</u>
Total revenue, gains and other support	<u>81,600,000</u>	<u>(6,468,000)</u>	<u>75,132,000</u>	<u>88,039,000</u>
Expenses:				
Program services:				
Programs to overcome poverty and injustice	20,044,000	-	20,044,000	18,933,000
Saving lives: Emergency response and preparedness	19,433,000	-	19,433,000	24,078,000
Campaigning for social justice	21,511,000	-	21,511,000	19,144,000
Public education	<u>5,620,000</u>	<u>-</u>	<u>5,620,000</u>	<u>5,311,000</u>
Total program services	<u>66,608,000</u>	<u>-</u>	<u>66,608,000</u>	<u>67,466,000</u>
Supporting services:				
Management and general	6,840,000	-	6,840,000	6,360,000
Fundraising	<u>15,172,000</u>	<u>-</u>	<u>15,172,000</u>	<u>14,168,000</u>
Total supporting services	<u>22,012,000</u>	<u>-</u>	<u>22,012,000</u>	<u>20,528,000</u>
Total expenses	<u>88,620,000</u>	<u>-</u>	<u>88,620,000</u>	<u>87,994,000</u>
Increase (decrease) in net assets	<u>(7,020,000)</u>	<u>(6,468,000)</u>	<u>(13,488,000)</u>	<u>45,000</u>
Net assets, beginning of year	<u>31,668,000</u>	<u>39,939,000</u>	<u>71,607,000</u>	<u>71,562,000</u>
Net assets, end of year	<u>\$ 24,648,000</u>	<u>\$ 33,471,000</u>	<u>\$ 58,119,000</u>	<u>\$ 71,607,000</u>

OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Statement of Activities

Year Ended March 31, 2019

	2019		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Revenue, gains and other support:			
Contributions	\$ 48,473,000	\$ 31,614,000	\$ 80,087,000
Contract income	4,531,000	-	4,531,000
Investment return	2,347,000	770,000	3,117,000
Gain or (loss) on annuities and unitrusts, net of return	(68,000)	16,000	(52,000)
Donated in-kind services and materials	309,000	-	309,000
Other	47,000	-	47,000
Net assets released from restrictions	28,687,000	(28,687,000)	-
Total revenue, gains and other support	84,326,000	3,713,000	88,039,000
Expenses:			
Program services:			
Programs to overcome poverty and injustice	18,933,000	-	18,933,000
Saving lives: Emergency response and preparedness	24,078,000	-	24,078,000
Campaigning for social justice	19,144,000	-	19,144,000
Public education	5,311,000	-	5,311,000
Total program services	67,466,000	-	67,466,000
Supporting services:			
Management and general	6,360,000	-	6,360,000
Fundraising	14,168,000	-	14,168,000
Total supporting services	20,528,000	-	20,528,000
Total expenses	87,994,000	-	87,994,000
Increase (decrease) in net assets	(3,668,000)	3,713,000	45,000
Net assets, beginning of year	35,336,000	36,226,000	71,562,000
Net assets, end of year	\$ 31,668,000	\$ 39,939,000	\$ 71,607,000

See accompanying notes to the consolidated financial statements.

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

	2020									
	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	\$ 6,709,000	\$ 6,099,000	\$ 10,550,000	\$ 3,656,000	\$ 27,014,000	\$ 4,613,000	\$ 6,157,000	\$ 10,770,000	\$ 37,784,000	
Professional fees and services	1,516,000	942,000	1,620,000	510,000	4,588,000	718,000	1,231,000	1,949,000	6,537,000	
Professional fees and services - in-kind	104,000	-	642,000	21,000	767,000	120,000	28,000	148,000	915,000	
Occupancy costs	1,018,000	904,000	1,077,000	518,000	3,517,000	401,000	986,000	1,387,000	4,904,000	
Travel, meetings and conferences	1,607,000	896,000	1,242,000	178,000	3,923,000	171,000	310,000	481,000	4,404,000	
Supplies, postage and printing	119,000	158,000	122,000	82,000	481,000	115,000	3,734,000	3,849,000	4,330,000	
Other expenses	928,000	887,000	576,000	648,000	3,039,000	646,000	2,718,000	3,364,000	6,403,000	
Grants and support to partners*	7,963,000	9,474,000	5,518,000	-	22,955,000	-	-	-	22,955,000	
Total expenses before depreciation and amortization	19,964,000	19,360,000	21,347,000	5,613,000	66,284,000	6,784,000	15,164,000	21,948,000	88,232,000	
Depreciation and amortization	80,000	73,000	164,000	7,000	324,000	56,000	8,000	64,000	388,000	
Total expenses	\$ 20,044,000	\$ 19,433,000	\$ 21,511,000	\$ 5,620,000	\$ 66,608,000	\$ 6,840,000	\$ 15,172,000	\$ 22,012,000	\$ 88,620,000	

	2019									
	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	\$ 6,514,000	\$ 7,216,000	\$ 9,060,000	\$ 3,462,000	\$ 26,252,000	\$ 4,146,000	\$ 5,684,000	\$ 9,830,000	\$ 36,082,000	
Professional fees and services	1,126,000	1,095,000	1,720,000	301,000	4,242,000	809,000	1,496,000	2,305,000	6,547,000	
Professional fees and services - in-kind	28,000	-	130,000	32,000	190,000	61,000	58,000	119,000	309,000	
Occupancy costs	864,000	1,104,000	877,000	531,000	3,376,000	406,000	946,000	1,352,000	4,728,000	
Travel, meetings and conferences	1,283,000	1,061,000	1,292,000	190,000	3,826,000	183,000	193,000	376,000	4,202,000	
Supplies, postage and printing	101,000	167,000	122,000	79,000	469,000	89,000	3,268,000	3,357,000	3,826,000	
Other expenses	1,112,000	1,589,000	638,000	694,000	4,033,000	610,000	2,460,000	3,070,000	7,103,000	
Grants and support to partners*	7,835,000	11,762,000	5,170,000	-	24,767,000	-	2,000	2,000	24,769,000	
Total expenses before depreciation and amortization	18,863,000	23,994,000	19,009,000	5,289,000	67,155,000	6,304,000	14,107,000	20,411,000	87,566,000	
Depreciation and amortization	70,000	84,000	135,000	22,000	311,000	56,000	61,000	117,000	428,000	
Total expenses	\$ 18,933,000	\$ 24,078,000	\$ 19,144,000	\$ 5,311,000	\$ 67,466,000	\$ 6,360,000	\$ 14,168,000	\$ 20,528,000	\$ 87,994,000	

* 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,

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ (13,488,000)	\$ 45,000
Reconciliation to cash flow:		
Net realized and unrealized losses (gains) on investments	871,000	(1,987,000)
Net realized and unrealized losses (gains) on annuities	(356,000)	52,000
Depreciation and amortization	388,000	428,000
Gain on disposal of fixed assets	-	(5,000)
Change in:		
Pledges receivable	4,066,000	(2,053,000)
Prepaid expense	(725,000)	(607,000)
Accounts receivable	(1,334,000)	(297,000)
Other assets	(71,000)	-
Accounts payable	205,000	375,000
Accrued payroll and other accrued expenses	(530,000)	584,000
Grants payable	(1,082,000)	252,000
Obligations under split-interest agreements	(481,000)	(106,000)
Deferred rent	(336,000)	(280,000)
Deferred revenue and other liabilities	1,885,000	755,000
Net cash used by operating activities	<u>(10,988,000)</u>	<u>(2,844,000)</u>
Cash flows from investing activities:		
Purchases of fixed assets	(16,000)	(311,000)
Proceeds from sale of fixed assets	-	5,000
Proceeds from sales and maturities of investments	17,863,000	17,541,000
Purchases of investments	(2,536,000)	(11,419,000)
Net cash provided by investing activities	<u>15,311,000</u>	<u>5,816,000</u>
Net change in cash	<u>4,323,000</u>	<u>2,972,000</u>
Cash, beginning of year	8,857,000	5,885,000
Cash, end of year	<u>\$ 13,180,000</u>	<u>\$ 8,857,000</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 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 Board of Supervisors. Each OI member organization has one vote on the OI Board of Supervisors. In addition, the executive director of each member serves on the Executive Board of OI to facilitate collaboration on OI priorities. OA made grants and other payments of \$18,179,000 and \$19,860,000 to Oxfam International and its member organizations and received \$2,391,000 and \$5,397,000 for the years ended March 31, 2020 and 2019, respectively, from Oxfam International and its member organizations for program activities.

Oxfam America Action Fund ("OAAF") 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.

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

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

New Accounting Pronouncement

Effective April 1, 2019, OA adopted ASU No. 2018-08, *Not-for-Profit Entities, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*.

The standard addresses inconsistency in revenue recognition with contributed support and when an item should be considered a contribution or an exchange type transaction. This standard also provides guidance as to when a contribution should be considered conditional. For example, when funds are received under certain arrangements where a condition of receipt of such funds is incurring costs in accordance with a specified framework or other indicators of limited discretion over the use of such funds. Conditional contributions have different revenue recognition when compared to nonreciprocal transfers of resources in that amounts are reflected as earned when barriers to entitlement are overcome with any difference being deferred or a receivable as applicable.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

New Accounting Pronouncement (Continued)

The standard was applied using the modified retrospective method. This method was applied to transactions that were not complete or had otherwise already been recognized as of the beginning of fiscal year 2020. There was no impact of adopting the new standard on 2020 results.

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:

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

The consolidated financial statements include the accounts of OA, OAAF and Oxfam Real Estate (collectively, "OA"). All inter-entity balances and transactions have been eliminated in consolidation.

Cash

Cash includes routine bank deposits. 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 depository institutions and has not experienced losses associated with these accounts.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

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 market 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 over a period of one year at the date of commitment. The allowance 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. Uncollectible accounts are written off against the allowance. An account is considered uncollectible when all reasonable collection efforts have been exhausted.

Accounts Receivable

Accounts receivable generally represent amounts net amounts due in connection with contract income. Certain contracts require invoicing while others provide for payments based reporting. Contract arrangements generally required that cost being incurred in accordance with a specified framework as stipulated by the resource provider. An allowance is provide based on management's estimates of collectability including factors such as historical experience, specific review of circumstances and other factors. The allowance also is used to provide any post award audit issues that might arise of those are reasonably estimable. Adjustments to the allowance are charged to bad debt expense. Uncollectible accounts are written off against the allowance. An account is considered uncollectible 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 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 based on the underlying funds if such funds are with donor restrictions.

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

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. Non-recurring measurements include pledges receivable and assets of and obligations under split-interest agreements. 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 - Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments which are generally included in this category include actively traded publically listed equity and debt securities.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

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. It is possible that redemption rights may be restricted or eliminated by investment managers in the future in accordance with the underlying fund agreements.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

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, 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 and life expectancies as appropriate, however the original discount rate is maintained over the life of such arrangements. 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.

Grants Payable

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

Deferred Rent

Rent expense is recorded on the straight-line basis over the lease term with any differences being 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.

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 conditions have been met. Contribution intentions are not recorded as revenue.

Contract Income

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

Donated In-Kind Services and Materials

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. Materials are recognized as revenue when committed. Donated items are recorded at their estimated fair market value per the fair value policies in this section. 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 based on headcount. No costs have been allocated to programs for fundraising-related activities.

Use of Estimates

In preparing 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.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

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. 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 two donors that collectively represented 64% and 57% of pledges receivable as of March 31, 2020 and 2019, respectively.

Pending Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board issued ASU No. 2016-02, *Leases*, which requires a lessee to recognize a right-of-use asset and a lease liability for all leases, initially measured at the present value of the lease payments, in its statement of financial position. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for fiscal year 2022 for OA. Oxfam is evaluating the impact of the new guidance on the consolidated financial statements.

Management does not believe that other pending accounting pronouncements will have a notable impact.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Reclassifications

Certain amounts from the prior year's financial statements were reclassified in order to conform to the current year's financial statements.

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.

Although not expected to be needed, 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.

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:

	2020	2019
Financial assets at year end:		
Cash	\$ 13,180,000	\$ 8,857,000
Pledges receivable	13,696,000	17,762,000
Accounts receivable	4,769,000	3,435,000
Investments convertible to cash in the next 12 months (note 4)	<u>40,696,000</u>	<u>7,272,000</u>
Total financial assets at year end	\$ <u>72,341,000</u>	\$ <u>37,326,000</u>
Financial assets available to meet general expenditures over the next 12 months:		
Cash	\$ 13,180,000	\$ 8,857,000
Pledges receivable due in one year	9,523,000	11,859,000
Accounts receivable	4,769,000	3,435,000
Investments not encumbered by donor or board restrictions	<u>20,763,000</u>	<u>34,484,000</u>
Total financial assets available to meet general expenditures over the next 12 months	\$ <u>48,235,000</u>	\$ <u>58,635,000</u>

Note 3 - Pledges Receivable

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

	2020	2019
One year or less	\$ 9,523,000	\$ 11,859,000
Between one and five years	<u>4,519,000</u>	<u>6,545,000</u>
	14,042,000	18,404,000
Less: Present value discount (ranging from 0.30% to 2.18%)	(102,000)	(398,000)
Allowance for uncollectible pledges	<u>(244,000)</u>	<u>(244,000)</u>
Pledges receivable	\$ <u>13,696,000</u>	\$ <u>17,762,000</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 on the Consolidated Statements of Activities. There were no gift intentions at March 31, 2020. Gift intentions were \$2,669,000 at March 31, 2019.

OA is committed to several cost reimbursement contracts where the related revenue cannot be recognized until qualified costs are incurred. The total of committed cost reimbursement contracts where qualified costs have not yet been incurred were \$10,829,000 and \$2,179,000 at March 31, 2020 and 2019, respectively.

Note 4 - Accounts Receivable

Accounts receivable are as follows at March 31:

	2020	2019
Cost reimbursment contracts receivable	\$ 4,505,000	\$ 2,785,000
Other accounts receivable	<u>517,000</u>	<u>650,000</u>
	5,022,000	3,435,000
Reserve for disallowances	<u>(253,000)</u>	<u>-</u>
Accounts receivable	<u>\$ 4,769,000</u>	<u>\$ 3,435,000</u>

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 5 - Investments and Fair Value

Investments were as follows at March 31:

	2020		
	Level 1	Level 2	Total
Money market mutual funds	\$ 4,210,000	\$ -	\$ 4,210,000
Mutual funds:			
U.S. equity	7,958,000	-	7,958,000
Fixed income	14,853,000	-	14,853,000
U.S. equities	4,111,000	-	4,111,000
Non-U.S. equity comingled fund	-	4,188,000	4,188,000
Fixed income:			
U.S. Government and agency bonds	-	125,000	125,000
Total investments	\$ 31,132,000	\$ 4,313,000	35,445,000
Program related investment in another entity			250,000
Total investments			\$ 35,695,000

	2019		
	Level 1	Level 2	Total
Money market mutual funds	\$ 17,582,000	\$ -	\$ 17,582,000
Mutual funds:			
U.S. equity	10,982,000	-	10,982,000
Fixed income	12,143,000	-	12,143,000
U.S. equities	5,372,000	-	5,372,000
Non-U.S. equity comingled fund	-	4,566,000	4,566,000
Fixed income:			
U.S. Government and agency bonds	-	124,000	124,000
Total investments	\$ 46,079,000	\$ 4,690,000	50,769,000
Program related investment in another entity			250,000
Total investments			\$ 51,019,000

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:

	2020		
	Level 1	Level 2	Total
Money market mutual funds	\$ 2,498,000	\$ -	\$ 2,498,000
U.S. equities	133,000	-	133,000
Fixed income:			
U.S. Government and agency bonds	-	867,000	867,000
Corporate bonds	-	1,356,000	1,356,000
U.S. Mortgage-backed securities	-	345,000	345,000
Other	-	52,000	52,000
Total investments held in support of split interest agreements	\$ 2,631,000	\$ 2,620,000	5,251,000
Charitable remainder unitrusts			171,000
Total investments held in support of split interest agreements			\$ 5,422,000
	2019		
	Level 1	Level 2	Total
Money market mutual funds	\$ 136,000	\$ -	\$ 136,000
U.S. equities	3,049,000	-	3,049,000
Fixed income:			
U.S. Government and agency bonds	-	1,287,000	1,287,000
Corporate bonds	-	1,295,000	1,295,000
Total investments held in support of split interest agreements	\$ 3,185,000	\$ 2,582,000	5,767,000
Charitable remainder unitrusts			173,000
Total investments held in support of split interest agreements			\$ 5,940,000

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:

	2020	2019
Investment redemption or sale period:		
Daily	\$ 36,508,000	\$ 51,970,000
Monthly	<u>4,188,000</u>	<u>4,566,000</u>
	<u>\$ 40,696,000</u>	<u>\$ 56,536,000</u>

Note 6 - Fixed Assets

Fixed assets consist of the following at March 31:

	2020	2019
Building and building improvements	\$ 3,312,000	\$ 3,312,000
Furniture and equipment	1,207,000	1,875,000
Computer equipment	5,035,000	5,150,000
Other	<u>132,000</u>	<u>132,000</u>
Total	9,686,000	10,469,000
Less accumulated depreciation and amortization	<u>(8,125,000)</u>	<u>(8,536,000)</u>
Net fixed assets	<u>\$ 1,561,000</u>	<u>\$ 1,933,000</u>

Note 7 - Net Assets and Endowment Matters

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

	2020	2019
Fixed assets, net	\$ 1,561,000	\$ 1,933,000
Other funds without donor restrictions	<u>23,087,000</u>	<u>29,735,000</u>
	<u>\$ 24,648,000</u>	<u>\$ 31,668,000</u>

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 7 - Net Assets and Endowment Matters (Continued)

Net assets with restrictions include the following at March 31:

	2020				
	April 1, 2019 Balance	Net Additions	Releases	March 31, 2020 Balance	March 31, 2020 Balance Held in Receivables
<i>Resources with Purpose, Time of Purpose and Time Restrictions:</i>					
Global TAP	\$ 7,963,000	\$ 347,000	\$ (3,563,000)	\$ 4,747,000	\$ 3,288,000
New Campaign for Oxfam	831,000	34,000	(441,000)	424,000	333,000
Other Donor Designated Funds	4,155,000	5,142,000	(4,546,000)	4,751,000	2,459,000
Advocacy Programs	8,548,000	7,563,000	(7,345,000)	8,766,000	7,316,000
OAAF	-	425,000	(413,000)	12,000	-
Time Restricted Funds	2,000,000	-	(1,000,000)	1,000,000	-
Humanitarian Relief and Rehabilitation	5,501,000	3,021,000	(5,501,000)	3,021,000	67,000
U.S. Program Investment Fund	1,796,000	(20,000)	(65,000)	1,711,000	-
Less allowance					(244,000)
Less discount					(102,000)
					\$ 13,117,000
Charitable remainder unitrusts	173,000	(2,000)	-	171,000	
Total time and purpose restricted funds	30,967,000	16,510,000	(22,874,000)	24,603,000	
Unexpended net appreciation - endowment	6,338,000	(104,000)	-	6,234,000	
Endowment corpus to support operations	2,634,000	-	-	2,634,000	
Total endowment	8,972,000	(104,000)	-	8,868,000	
	\$ 39,939,000	\$ 16,406,000	\$ (22,874,000)	\$ 33,471,000	
	2019				
	April 1, 2018 Balance	Net Additions	Releases	March 31, 2019 Balance	March 31, 2019 Balance Held in Receivables
<i>Resources with Purpose, Time of Purpose and Time Restrictions:</i>					
Global LEAP	\$ 566,000	\$ -	\$ (566,000)	\$ -	\$ -
Global TAP	-	11,033,000	(3,070,000)	7,963,000	6,951,000
New Campaign for Oxfam	2,170,000	267,000	(1,606,000)	831,000	479,000
Other Donor Designated Funds	2,949,000	4,407,000	(3,201,000)	4,155,000	2,061,000
Advocacy Programs	7,548,000	9,120,000	(8,120,000)	8,548,000	7,075,000
Time Restricted Funds	-	3,000,000	(1,000,000)	2,000,000	-
Humanitarian Relief and Rehabilitation	12,706,000	3,768,000	(10,973,000)	5,501,000	1,770,000
U.S. Program Investment Fund	1,689,000	136,000	(29,000)	1,796,000	-
Less allowance					(244,000)
Less discount					(398,000)
					\$ 17,694,000
Charitable remainder unitrusts	279,000	16,000	(122,000)	173,000	
Total time and purpose restricted funds	27,907,000	31,747,000	(28,687,000)	30,967,000	
Unexpended net appreciation - endowment	5,685,000	653,000	-	6,338,000	
Endowment corpus to support operations	2,634,000	-	-	2,634,000	
Total endowment	8,319,000	653,000	-	8,972,000	
	\$ 36,226,000	\$ 32,400,000	\$ (28,687,000)	\$ 39,939,000	

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 7 - 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, 2020 and 2019.

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 7 - Net Assets and Endowment Matters (Continued)

Spending Policy

OA utilizes a total return spending policy from its endowment to support operations. Under the policy, up to 5% of the three year rolling market value may be utilized. The market value of the endowment includes the corpus of endowment gifts plus accumulated unspent gains that have not been appropriated in prior periods. No distributions were made under the spending policy in 2020 or 2019.

Note 8 - Direct Grants to Partners

OA incurred \$65,981,000 and \$67,466,000 of program expenses during the years ended March 31, 2020 and 2019, 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>	<u>2020</u>	<u>2019</u>
Regions of Asia and the Pacific	\$ 2,822,000	\$ 4,224,000
Regions of Africa	6,212,000	8,032,000
Latin America and Caribbean	3,436,000	4,843,000
Global programs	4,675,000	3,719,000
United States and U.S. Territories	1,254,000	692,000
	<hr/>	<hr/>
Total direct grants to partners for development	18,399,000	21,510,000
	<hr/>	<hr/>
Other support to partners	4,556,000	3,259,000
	<hr/>	<hr/>
Total direct grants to partners and other support to partners	\$ 22,955,000	\$ 24,769,000

Note 9 - 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 \$1,133,000 and \$1,056,000 net of \$87,000 and \$133,000 of forfeitures for the years ended March 31, 2020 and 2019, 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.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 10 - Commitments and Contingencies

Leases

OA leases office space both domestically and internationally under operating lease arrangements that expire through 2027. Certain leases contain other provisions such as passing through as additional rent the effects of increases in operating costs.

Future minimum lease payments are as follows:

2021	\$ 2,502,000
2022	2,553,000
2023	2,622,000
2024	1,131,000
2025	1,156,000
Thereafter	<u>2,465,000</u>
Total	\$ <u>12,429,000</u>

Total rent expense under operating leases was \$2,198,000 and \$2,135,000 for the years ended March 31, 2020 and 2019, respectively.

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 any requirements of funders to reduce this risk of post award returns. As discussed in Note 4, management does provide reserves on contacted income to address not only risk to collection, but the potential for post award disallowances.

In 2020, OA conducted a review of one of its locations and identified a number of areas of concern relative to the handling of certain matters and has reported these matters to funders. Management is working to resolve these matters but is presently unable to determine the amount, if any, associated with potential disallowances.

Contracts

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

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 10 - Commitments and Contingencies (Continued)

COVID

Management is currently unable to accurately forecast the future impact resulting from the Coronavirus (COVID-19) pandemic which could impact contributions and contract support on a prospective basis. This could impact the future results of operations, however management believes they have the ability to scale operations based on resources available.

Note 11 - Subsequent Events

OA has evaluated subsequent events through October 6, 2020, the date the consolidated financial statements were authorized to be issued.

OA received \$4,000,000 on May 6, 2020 in the form of a Payroll Protection Payroll loan under the Coronavirus Aid, Relief and Economic Security ("CARES") Act. While technically structured as a loan, the practical effect of this that this will be considered grant income as eligible costs are incurred.