



Financial Statements
Oxfam America Action Fund, Inc.
March 31, 2019 and 2018



OXFAM AMERICA ACTION FUND, INC.

Financial Statements

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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 Action Fund, Inc.
Boston, Massachusetts

We have audited the accompanying financial statements of Oxfam America Action Fund, Inc. ("OAAF"), which comprise the statements of financial position as of March 31, 2019 and 2018 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Oxfam America Action Fund, Inc. as of March 31, 2019 and 2018 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.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, in 2019, OAAF adopted Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Mayer Hoffmann McCann P.C.

July 29, 2019
Boston, Massachusetts

OXFAM AMERICA ACTION FUND, INC.

Statements of Financial Position

March 31,

	2019	2018
Assets		
Cash	\$ 65,958	\$ 93,818
Investments	650,058	747,778
Prepaid expenses	49,000	49,000
Accounts receivable	4,403	4,573
	<u> </u>	<u> </u>
Total assets	\$ 769,419	\$ 895,169
	<u> </u>	<u> </u>
Liabilities and Net Assets		
Accounts payable	\$ 97,114	\$ 80,152
Accrued payroll and other accrued expenses	15,041	10,855
Other liabilities	1,951	1,951
	<u> </u>	<u> </u>
Total liabilities	114,106	92,958
	<u> </u>	<u> </u>
Net assets:		
Without donor restrictions	655,313	802,211
	<u> </u>	<u> </u>
Total net assets	655,313	802,211
	<u> </u>	<u> </u>
Total liabilities and net assets	\$ 769,419	\$ 895,169
	<u> </u>	<u> </u>

OXFAM AMERICA ACTION FUND, INC.

Statements of Activities

Years Ended March 31,

	2019	2018
Without donor restrictions:		
Revenue and other support:		
Contributions	\$ 226,721	\$ 399,539
Donated in-kind services	-	351
Investment return	2,280	-
Other income	107	-
	<hr/>	<hr/>
Total revenue	229,108	399,890
	<hr/>	<hr/>
Expenses:		
Program services:		
Saving lives: Emergency response and preparedness	8,558	26,041
Campaigning for social justice	214,195	399,918
Public education	34,735	55,233
	<hr/>	<hr/>
Total program services	257,488	481,192
	<hr/>	<hr/>
Supporting services:		
Management and general	54,972	76,907
Fundraising	63,546	70,306
	<hr/>	<hr/>
Total supporting services	118,518	147,213
	<hr/>	<hr/>
Total expenses	376,006	628,405
	<hr/>	<hr/>
Change in net assets without donor restrictions	(146,898)	(228,515)
Net assets, beginning of year	802,211	1,030,726
	<hr/>	<hr/>
Net assets, end of year	\$ 655,313	\$ 802,211
	<hr/>	<hr/>

See accompanying notes to the financial statements.

OXFAM AMERICA ACTION FUND, INC.

Statements of Functional Expenses

Years Ended March 31,

	2019							
	<i>Program Services</i>			<i>Supporting Services</i>				
	<i>Saving Lives: Emergency Response and Preparedness</i>	<i>Campaigning for Social Justice</i>	<i>Public Education</i>	<i>Total Program Services</i>	<i>Management and General</i>	<i>Fundraising</i>	<i>Total Supporting Services</i>	<i>Total Expense</i>
Payroll and related expenses	\$ -	\$ 144,379	\$ 9,299	\$ 153,678	\$ 9,786	\$ 9,087	\$ 18,873	\$ 172,551
Professional fees and services	-	9,179	5,060	14,239	12,000	6,454	18,454	32,693
Occupancy costs	-	58	2,459	2,517	16,284	2,461	18,745	21,262
Travel, meetings and conferences	-	58,480	-	58,480	-	-	-	58,480
Supplies, postage and printing	-	1,781	17,917	19,698	145	34,153	34,298	53,996
Other expenses	8,558	318	-	8,876	16,757	11,391	28,148	37,024
Total expenses	\$ 8,558	\$ 214,195	\$ 34,735	\$ 257,488	\$ 54,972	\$ 63,546	\$ 118,518	\$ 376,006

	2018							
	<i>Program Services</i>			<i>Supporting Services</i>				
	<i>Saving Lives: Emergency Response and Preparedness</i>	<i>Campaigning for Social Justice</i>	<i>Public Education</i>	<i>Total Program Services</i>	<i>Management and General</i>	<i>Fundraising</i>	<i>Total Supporting Services</i>	<i>Total Expense</i>
Payroll and related expenses	\$ 567	\$ 234,732	\$ 17,663	\$ 252,962	\$ 7,560	\$ 9,459	\$ 17,019	\$ 269,981
Professional fees and services	674	33,985	3,053	37,712	12,200	12,923	25,123	62,835
Occupancy costs	10	20	34,517	34,547	25,996	3,375	29,371	63,918
Travel, meetings and conferences	8,146	75,793	-	83,939	3	-	3	83,942
Supplies, postage and printing	580	2,580	-	3,160	418	33,112	33,530	36,690
Other expenses	16,055	16,856	-	32,911	30,730	11,437	42,167	75,078
Grants and support to partners	9	35,952	-	35,961	-	-	-	35,961
Total expenses	\$ 26,041	\$ 399,918	\$ 55,233	\$ 481,192	\$ 76,907	\$ 70,306	\$ 147,213	\$ 628,405

OXFAM AMERICA ACTION FUND, INC.

Statements of Cash Flows

Years Ended March 31,

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (146,898)	\$ (228,515)
Reconciliation to cash flow:		
Net realized and unrealized gains on investments	(2,280)	(351)
Change in:		
Accounts receivable	170	23,260
Accounts payable and accrued payroll and other accrued expenses	<u>21,148</u>	<u>(65,645)</u>
Net cash used by operating activities	<u>(127,860)</u>	<u>(271,251)</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	100,000	150,000
Purchases of investments	<u>-</u>	<u>(84,988)</u>
Net cash provided by investing activities	<u>100,000</u>	<u>65,012</u>
Net decrease in cash	(27,860)	(206,239)
Cash, beginning of year	<u>93,818</u>	<u>300,057</u>
Cash, end of year	\$ <u>65,958</u>	\$ <u>93,818</u>

OXFAM AMERICA ACTION FUND, INC.

Notes to Financial Statements

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

Oxfam America Action Fund (“OAAF”) is a wholly-owned subsidiary of Oxfam America, Inc. (“OA”). OA is OAAF’s sole corporate member and as such appoints the board to OAAF. 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.

OA provides certain supporting and other services to OAAF for which Oxfam charges the actual cost of services rendered.

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

New Accounting Pronouncement

The Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. OAAF has adjusted the presentation to all periods presented, however such reclassifications had no effect on changes in net assets.

Basis of Presentation

The financial statements of OAAF 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.

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. OAAF has no net assets with donor restrictions.

Cash

OAAF 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 ACTION FUND, INC.

Notes to Financial Statements

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

Investments

Investments are carried at fair value. Fair value is determined as per the fair value policies described in this section.

Investment return (loss) is reported in the Statements of Activities and consists of interest, dividends, realized and unrealized gains and losses, less external and direct internal investment expenses. Returns are allocated based on the underlying funds if such funds are with donor restrictions.

Fair Value Measurements

OAAF reports required types of financial instruments in accordance with fair value accounting standards. 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 OAAF's investments. Fair value standards also require OAAF 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 listed equity and debt securities publicly traded on a stock exchange.

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.

All of OAAF's investments were valued using Level 1 methods for the years ended March 31, 2019 and 2018.

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 ACTION FUND, INC.

Notes to 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 assets 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 time period 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 not recognized as revenue until the conditions have been met. Contribution intentions are not recorded as revenue. It is OAAF’s policy to recognize real estate contributions when a fair market value is determinable.

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. In addition, a substantial number of unpaid volunteers have made significant contributions of their time to develop and maintain OAAF’s programs. 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 basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. No costs have been allocated to programs for fundraising-related activities.

Estimates Used in the Preparation of the Financial Statements

In preparing 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 financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

OXFAM AMERICA ACTION FUND, INC.

Notes to Financial Statements

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

Tax Status

OAAF is recognized by the Internal Revenue Service (“IRS”) as an organization described in Section 501(c)(4) of the Internal Revenue Code (the “Code”) and, as such, it is generally exempt from Federal and state income taxes on related income. Given the limited taxable activities of OAAF, management has concluded that disclosures relative to tax provisions are not necessary.

Uncertain Tax Positions

OAAF 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.

OAAF has identified its tax status as a tax exempt entity as its only significant tax position; however, OAAF has determined that such tax position does not result in an uncertainty requiring recognition. OAAF is not currently under examination by any taxing jurisdiction. Its Federal and state income tax returns are generally open for examination for three years following the date filed.

Subsequent Events

OAAF has evaluated subsequent events through July 29, 2019, the date the financial statements were authorized to be issued.

Note 2 - Liquidity and Availability

OAAF regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. OAAF 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 over a 12-month period, OAAF considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to the financial assets available to meet general expenditures over the next 12 months, OAAF seeks to operate within its available resources from the current period or accumulated from the past based on current priorities. Operations can be scaled as needed to ensure of match of resources.

OXFAM AMERICA ACTION FUND, INC.

Notes to Financial Statements

Note 2 - Liquidity and Availability (Continued)

As of March 31, 2019, the following tables shows the total financial assets available within one year of the Statement of Financial Position date to meet general expenditures:

Financial assets available to meet general expenditures over the next 12 months:

Cash	\$	65,958
Accounts receivable		4,403
Investments not encumbered by donor or board restrictions		<u>650,058</u>

Total financial assets available to meet general expenditures over the next 12 months	\$	<u>720,419</u>
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Note 3 - Related Party Transactions

A summary of transactions between OAAF and OA are as follows for the years ended March 31:

	2019	2018
Amounts prepaid to OA	\$ 49,000	\$ 49,000
Amounts due to OA (included in accounts payable and accrued payroll and other accrued expenses)	\$ (94,999)	\$ (80,545)
Total charges to OAAF from OA for payroll, fringe, facilities, publicity and related costs	\$ 392,931	\$ 419,303