

# **Consolidated Financial Statements**

## **Oxfam America, Inc. and Affiliates**

**March 31, 2016 and 2015**



**Mayer Hoffman McCann P.C.**  
**Tofias New England Division**  
An Independent CPA Firm

# 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	7-8
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	10-25



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## *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 (“Oxfam”), which comprise the consolidated statements of financial position as of March 31, 2016 and 2015 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.



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*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, 2016 and 2015 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.

*Mayer Heffman McCann P.C.*

July 25, 2016  
Boston, Massachusetts

**OXFAM AMERICA, INC. AND AFFILIATES**

*Consolidated Statements of Financial Position*

March 31,

	2016			2015	
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>	<i>Total</i>
<b>Assets</b>					
Cash	\$ 8,151,000	\$ -	\$ -	\$ 8,151,000	\$ 5,640,000
Investments	33,680,000	18,884,000	1,797,000	54,361,000	57,292,000
Pledges receivable	75,000	16,517,000	-	16,592,000	24,065,000
Prepaid expense	1,940,000	-	-	1,940,000	2,452,000
Accounts receivable	1,227,000	-	-	1,227,000	1,570,000
Notes receivable	-	-	-	-	190,000
Assets of split-interest agreements	-	271,000	-	271,000	279,000
Net fixed assets	2,194,000	-	-	2,194,000	2,839,000
Other assets	200,000	-	-	200,000	280,000
	<b>\$ 47,467,000</b>	<b>\$ 35,672,000</b>	<b>\$ 1,797,000</b>	<b>\$ 84,936,000</b>	<b>\$ 94,607,000</b>
<b>Liabilities</b>					
Accounts payable	\$ 1,715,000	\$ -	\$ -	\$ 1,715,000	\$ 1,920,000
Accrued payroll and other accrued expenses	4,983,000	-	-	4,983,000	4,520,000
Grants payable	1,614,000	-	-	1,614,000	1,596,000
Obligations under split-interest agreements	2,637,000	-	-	2,637,000	2,585,000
Deferred rent	3,286,000	-	-	3,286,000	2,712,000
Other liabilities	708,000	-	-	708,000	965,000
	<b>14,943,000</b>	<b>-</b>	<b>-</b>	<b>14,943,000</b>	<b>14,298,000</b>
Net assets:					
Unrestricted	32,524,000	-	-	32,524,000	37,875,000
Temporarily restricted	-	35,672,000	-	35,672,000	40,637,000
Permanently restricted	-	-	1,797,000	1,797,000	1,797,000
	<b>32,524,000</b>	<b>35,672,000</b>	<b>1,797,000</b>	<b>69,993,000</b>	<b>80,309,000</b>
<b>Total net assets</b>	<b>\$ 47,467,000</b>	<b>\$ 35,672,000</b>	<b>\$ 1,797,000</b>	<b>\$ 84,936,000</b>	<b>\$ 94,607,000</b>
<b>Total liabilities and net assets</b>	<b>\$ 47,467,000</b>	<b>\$ 35,672,000</b>	<b>\$ 1,797,000</b>	<b>\$ 84,936,000</b>	<b>\$ 94,607,000</b>

See accompanying notes to the consolidated financial statements.

**OXFAM AMERICA, INC. AND AFFILIATES**

*Consolidated Statement of Financial Position*

*March 31, 2015*

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
<b>Assets</b>				
Cash	\$ 5,640,000	\$ -	\$ -	\$ 5,640,000
Investments	39,158,000	16,337,000	1,797,000	57,292,000
Pledges receivable	44,000	24,021,000	-	24,065,000
Prepaid expense	2,452,000	-	-	2,452,000
Accounts receivable	1,570,000	-	-	1,570,000
Notes receivable	190,000	-	-	190,000
Assets of split-interest agreements	-	279,000	-	279,000
Net fixed assets	2,839,000	-	-	2,839,000
Other assets	280,000	-	-	280,000
	<b>\$ 52,173,000</b>	<b>\$ 40,637,000</b>	<b>\$ 1,797,000</b>	<b>\$ 94,607,000</b>
<b>Liabilities and Net Assets</b>				
Accounts payable	\$ 1,920,000	\$ -	\$ -	\$ 1,920,000
Accrued payroll and other accrued expenses	4,520,000	-	-	4,520,000
Grants payable	1,596,000	-	-	1,596,000
Obligations under split-interest agreements	2,585,000	-	-	2,585,000
Deferred rent	2,712,000	-	-	2,712,000
Other liabilities	965,000	-	-	965,000
	<b>14,298,000</b>	<b>-</b>	<b>-</b>	<b>14,298,000</b>
<b>Net assets:</b>				
Unrestricted	37,875,000	-	-	37,875,000
Temporarily restricted	-	40,637,000	-	40,637,000
Permanently restricted	-	-	1,797,000	1,797,000
	<b>37,875,000</b>	<b>40,637,000</b>	<b>1,797,000</b>	<b>80,309,000</b>
<b>Total net assets</b>	<b>\$ 37,875,000</b>	<b>\$ 40,637,000</b>	<b>\$ 1,797,000</b>	<b>\$ 80,309,000</b>
<b>Total liabilities and net assets</b>	<b>\$ 52,173,000</b>	<b>\$ 40,637,000</b>	<b>\$ 1,797,000</b>	<b>\$ 94,607,000</b>

See accompanying notes to the consolidated financial statements.

**OXFAM AMERICA, INC. AND AFFILIATES**

*Consolidated Statements of Activities*

*For the Years Ended March 31,*

	<u>2016</u>			<u>2015</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
Revenue, gains and other support:					
Contributions	\$ 43,421,000	\$ 31,221,000	\$ -	\$ 74,642,000	\$ 87,254,000
Contract income	4,541,000	-	-	4,541,000	3,880,000
Investment returns and interest income	(163,000)	(45,000)	-	(208,000)	3,167,000
Donated in-kind services and materials	384,000	-	-	384,000	619,000
Other	95,000	-	-	95,000	117,000
Net assets released from restrictions	36,141,000	(36,141,000)	-	-	-
<b>Total revenue, gains and other support</b>	<b>84,419,000</b>	<b>(4,965,000)</b>	<b>-</b>	<b>79,454,000</b>	<b>95,037,000</b>
Expenses:					
Program services:					
Programs to overcome poverty and injustice	26,101,000	-	-	26,101,000	26,630,000
Saving lives: emergency response and preparedness	23,965,000	-	-	23,965,000	16,785,000
Campaigning for social justice	16,815,000	-	-	16,815,000	14,724,000
Public education	4,528,000	-	-	4,528,000	5,303,000
<b>Total program services</b>	<b>71,409,000</b>	<b>-</b>	<b>-</b>	<b>71,409,000</b>	<b>63,442,000</b>
Supporting services:					
Management and general	5,793,000	-	-	5,793,000	6,439,000
Fundraising	12,568,000	-	-	12,568,000	12,403,000
<b>Total supporting services</b>	<b>18,361,000</b>	<b>-</b>	<b>-</b>	<b>18,361,000</b>	<b>18,842,000</b>
<b>Total expenses</b>	<b>89,770,000</b>	<b>-</b>	<b>-</b>	<b>89,770,000</b>	<b>82,284,000</b>
<b>(Decrease) increase in net assets</b>	<b>(5,351,000)</b>	<b>(4,965,000)</b>	<b>-</b>	<b>(10,316,000)</b>	<b>12,753,000</b>
Net assets, beginning of year	37,875,000	40,637,000	1,797,000	80,309,000	67,556,000
<b>Net assets, end of year</b>	<b>\$ 32,524,000</b>	<b>\$ 35,672,000</b>	<b>\$ 1,797,000</b>	<b>\$ 69,993,000</b>	<b>\$ 80,309,000</b>

See accompanying notes to the consolidated financial statements.

**OXFAM AMERICA, INC. AND AFFILIATES**

*Consolidated Statement of Activities*

*For the Year Ended March 31, 2015*

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Revenue, gains and other support:				
Contributions	\$ 48,511,000	\$ 38,743,000	\$ -	\$ 87,254,000
Contract income	3,880,000	-	-	3,880,000
Investment returns and interest income	2,502,000	665,000	-	3,167,000
Donated in-kind services and materials	619,000	-	-	619,000
Other	117,000	-	-	117,000
Net assets released from restrictions	28,222,000	(28,222,000)	-	-
	<b>83,851,000</b>	<b>11,186,000</b>	<b>-</b>	<b>95,037,000</b>
Expenses:				
Program services:				
Programs to overcome poverty and injustice	26,630,000	-	-	26,630,000
Saving lives: emergency response and preparedness	16,785,000	-	-	16,785,000
Campaigning for social justice	14,724,000	-	-	14,724,000
Public education	5,303,000	-	-	5,303,000
<b>Total program services</b>	<b>63,442,000</b>	<b>-</b>	<b>-</b>	<b>63,442,000</b>
Supporting services:				
Management and general	6,439,000	-	-	6,439,000
Fundraising	12,403,000	-	-	12,403,000
<b>Total supporting services</b>	<b>18,842,000</b>	<b>-</b>	<b>-</b>	<b>18,842,000</b>
<b>Total expenses</b>	<b>82,284,000</b>	<b>-</b>	<b>-</b>	<b>82,284,000</b>
<b>Increase in net assets</b>	<b>1,567,000</b>	<b>11,186,000</b>	<b>-</b>	<b>12,753,000</b>
Net assets, beginning of year	36,308,000	29,451,000	1,797,000	67,556,000
<b>Net assets, end of year</b>	<b>\$ 37,875,000</b>	<b>\$ 40,637,000</b>	<b>\$ 1,797,000</b>	<b>\$ 80,309,000</b>

See accompanying notes to the consolidated financial statements.



**OXFAM AMERICA, INC. AND AFFILIATES**

*Consolidated Statement of Functional Expenses*

*For the Year Ended March 31, 2016*

	<u>Program Services</u>					<u>Supporting Services</u>			<u>Total</u>
	<u>Programs to Overcome Poverty and Injustice</u>	<u>Saving Lives: Emergency Response and Preparedness</u>	<u>Campaigning for Social Justice</u>	<u>Public Education</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Payroll and related expenses	\$ 8,971,000	\$ 5,646,000	\$ 8,667,000	\$ 3,113,000	\$ 26,397,000	\$ 4,287,000	\$ 4,317,000	\$ 8,604,000	\$ 35,001,000
Professional fees and services	2,902,000	1,029,000	1,316,000	139,000	5,386,000	273,000	1,551,000	1,824,000	7,210,000
Professional fees and services - in-kind	19,000	-	162,000	21,000	202,000	162,000	20,000	182,000	384,000
Occupancy costs	1,109,000	894,000	885,000	577,000	3,465,000	271,000	923,000	1,194,000	4,659,000
Travel, meetings and conferences	2,011,000	1,401,000	1,167,000	201,000	4,780,000	246,000	166,000	412,000	5,192,000
Supplies, postage and printing	268,000	112,000	120,000	233,000	733,000	58,000	4,159,000	4,217,000	4,950,000
Other expenses	865,000	937,000	630,000	205,000	2,637,000	283,000	1,348,000	1,631,000	4,268,000
Grants and support to partners*	9,798,000	13,800,000	3,720,000	-	27,318,000	-	-	-	27,318,000
<b>Total expenses before depreciation and amortization</b>	<b>25,943,000</b>	<b>23,819,000</b>	<b>16,667,000</b>	<b>4,489,000</b>	<b>70,918,000</b>	<b>5,580,000</b>	<b>12,484,000</b>	<b>18,064,000</b>	<b>88,982,000</b>
Depreciation and amortization	158,000	146,000	148,000	39,000	491,000	213,000	84,000	297,000	788,000
<b>Total expenses</b>	<b>\$ 26,101,000</b>	<b>\$ 23,965,000</b>	<b>\$ 16,815,000</b>	<b>\$ 4,528,000</b>	<b>\$ 71,409,000</b>	<b>\$ 5,793,000</b>	<b>\$ 12,568,000</b>	<b>\$ 18,361,000</b>	<b>\$ 89,770,000</b>

\* This amount does not include operational assistance to partners.

**OXFAM AMERICA, INC. AND AFFILIATES**

*Consolidated Statement of Functional Expenses*

*For the Year Ended March 31, 2015*

	<u>Program Services</u>					<u>Supporting Services</u>			<u>Total</u>
	<u>Programs to Overcome Poverty and Injustice</u>	<u>Saving Lives: Emergency Response and Preparedness</u>	<u>Campaigning for Social Justice</u>	<u>Public Education</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Payroll and related expenses	\$ 8,634,000	\$ 5,545,000	\$ 7,296,000	\$ 3,252,000	\$ 24,727,000	\$ 4,455,000	\$ 3,937,000	\$ 8,392,000	\$ 33,119,000
Professional fees and services	2,734,000	695,000	1,168,000	366,000	4,963,000	565,000	2,233,000	2,798,000	7,761,000
Professional fees and services - in-kind	32,000	-	304,000	8,000	344,000	206,000	70,000	276,000	620,000
Occupancy costs	1,158,000	804,000	728,000	614,000	3,304,000	321,000	832,000	1,153,000	4,457,000
Travel, meetings and conferences	2,044,000	1,259,000	1,188,000	288,000	4,779,000	232,000	156,000	388,000	5,167,000
Supplies, postage and printing	188,000	89,000	112,000	433,000	822,000	112,000	3,994,000	4,106,000	4,928,000
Other expenses	817,000	351,000	494,000	282,000	1,944,000	349,000	1,094,000	1,443,000	3,387,000
Grants and support to partners*	10,760,000	7,878,000	3,336,000	-	21,974,000	-	-	-	21,974,000
<b>Total expenses before depreciation and amortization</b>	<b>26,367,000</b>	<b>16,621,000</b>	<b>14,626,000</b>	<b>5,243,000</b>	<b>62,857,000</b>	<b>6,240,000</b>	<b>12,316,000</b>	<b>18,556,000</b>	<b>81,413,000</b>
Depreciation and amortization	263,000	164,000	98,000	60,000	585,000	199,000	87,000	286,000	871,000
<b>Total expenses</b>	<b>\$ 26,630,000</b>	<b>\$ 16,785,000</b>	<b>\$ 14,724,000</b>	<b>\$ 5,303,000</b>	<b>\$ 63,442,000</b>	<b>\$ 6,439,000</b>	<b>\$ 12,403,000</b>	<b>\$ 18,842,000</b>	<b>\$ 82,284,000</b>

\* This amount does not include operational assistance to partners.

# OXFAM AMERICA, INC. AND AFFILIATES

## *Consolidated Statements of Cash Flows*

*For the Years Ended March 31,*

	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (10,316,000)	\$ 12,753,000
Reconciliation to cash flow:		
Net realized and unrealized gains on investments	932,000	(2,104,000)
Depreciation and amortization	789,000	871,000
Loss on disposal of fixed assets	-	22,000
Change in:		
Pledges receivable	7,473,000	(13,267,000)
Prepaid expense	512,000	(486,000)
Accounts receivable	343,000	(612,000)
Notes receivable	190,000	209,000
Assets of split-interest agreements	8,000	(55,000)
Other assets	13,000	(3,000)
Accounts payable	(205,000)	625,000
Accrued payroll and other accrued expenses	463,000	494,000
Grants payable	18,000	(638,000)
Obligations under split-interest agreements	52,000	(11,000)
Deferred rent	574,000	(82,000)
Other liabilities	(257,000)	507,000
	<b>589,000</b>	<b>(1,777,000)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>589,000</b>	<b>(1,777,000)</b>
<b>Cash flows from investing activities:</b>		
Purchases of fixed assets	(77,000)	(417,000)
Purchases of intangible assets	-	(64,000)
Proceeds from sales and maturities of investments	14,040,000	6,675,000
Purchases of investments	(12,041,000)	(12,281,000)
	<b>1,922,000</b>	<b>(6,087,000)</b>
<b>Net cash provided by (used in) investing activities</b>	<b>1,922,000</b>	<b>(6,087,000)</b>
<b>Net change in cash</b>	<b>2,511,000</b>	<b>(7,864,000)</b>
Cash, beginning of year	5,640,000	13,504,000
<b>Cash, end of year</b>	<b>\$ 8,151,000</b>	<b>\$ 5,640,000</b>

*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. (“Oxfam”) is a publicly supported Massachusetts not-for-profit corporation which fights global poverty, hunger and social injustice. Oxfam works in long-term partnership with grassroots organizations and other Oxfam International member organizations to promote sustainable development in Africa, Asia, the Caribbean and the Americas. Oxfam and Oxfam International member organizations also provide humanitarian assistance in emergency situations, as well as disaster risk reduction and preparedness programs.

Oxfam is a member of Oxfam International which is a non-profit organization registered in the Netherlands, comprised of seventeen independent organizations around the world. Oxfam’s chair is a member of the Oxfam International Board of Supervisors. Each Oxfam International member organization has one vote on the Oxfam International Board of Supervisors. Oxfam made grants and other payments of \$16,032,000 and \$11,034,000 to Oxfam International and its member organizations and received \$3,226,000 and \$3,940,000 in the years ended March 31, 2016 and 2015, respectively, from Oxfam International and its member organizations for program activities.

Oxfam is the sole member of the Oxfam America Advocacy Fund (“OAAF”), a non-profit organization incorporated in Massachusetts, created to foster an environment supportive of long-term development and to serve as advocate and lobbyist for change in global public policy on 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 is affiliated with the Oxfam America Real Estate LLC (“Real Estate”). This entity was formed and its sole purpose is to receive donations of real estate, and to hold title to such property until such time as the donated real estate is liquidated or otherwise disposed of. Proceeds from donated real estate are transferred to Oxfam upon receipt. The Real Estate entity is operating solely in furtherance of Oxfam’s mission. It is Oxfam’s policy to recognize real estate contributions when a fair market value is determinable.

In January 2014, Oxfam established a Massachusetts limited liability company, WISE Women’s Empowerment Management Company, LLC (“WISE Management”) to serve as manager for the WISE Women’s Empowerment Fund I, LLC (“WISE Fund”) (a Delaware limited liability company in which Oxfam has a minority interest). WISE Management and WISE Fund commenced operations in July 2014. The WISE Fund was formed to provide women access to traditional bank credit services from which they have been historically excluded.

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

#### *Principles of Consolidation*

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

# OXFAM AMERICA, INC. AND AFFILIATES

## *Notes to Consolidated Financial Statements*

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

#### ***Financial Statement Preparation***

The consolidated financial statements have been prepared on the accrual basis of accounting.

The consolidated financial statements of Oxfam are categorized into classes of net assets based on the existence of donor-imposed restrictions as follows:

*Unrestricted Net Assets* - are net assets that are not restricted by donors as to their use or for which restrictions have expired.

*Temporarily Restricted Net Assets* - carry specific, donor-imposed restrictions on the expenditure or other use of the funds. Temporary restrictions may expire either because of passage of time or because certain actions are taken by Oxfam which fulfill the restriction. Temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the Consolidated Statements of Activities as net assets released from restrictions in the period in which the donor-imposed condition is met or the stipulated time restrictions have passed. Accumulated unspent gains on permanently restricted net assets are also included in temporarily restricted net assets until appropriated by the Board.

*Permanently Restricted Net Assets* - are those that are subject to donor-imposed restrictions which will never lapse, thus requiring the funds be retained permanently, but permit Oxfam to use or expend part or all of the economic benefits derived from the donated assets. Portions of the endowment are restricted for the support of Oxfam's programs.

#### ***Investments***

Oxfam reports investments 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 more fully described under fair value measurements below. Investment returns are reported as follows:

- as increases in permanently restricted net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund;
- as increases in temporarily restricted net assets if the terms of the gift or state law impose restrictions on the current use of the income or net gains; and
- as increases in unrestricted net assets in all other cases.

#### ***Contributions and Pledges***

Contributions and pledges are recorded as support at the time the donor makes an unconditional promise to give. The existence or absence of restrictions on the gift determines its classification as unrestricted, temporarily restricted or permanently restricted. Pledges not expected to be collected within one year are recorded at the estimated present value of future cash flows, utilizing a risk-adjusted rate.

#### ***Contract Income***

Contract income is recognized when earned, which is when activities required under the contract have been accomplished. Contract payments received in advance are recorded as deferred revenue.

# 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*

Oxfam 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 Oxfam's investments. Non-recurring measurements include pledge receivable and obligations under split-interest agreements. Fair value standards also require Oxfam 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. Level 3 also includes practical expedient investments that cannot be redeemed within 90 days.

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.

For more information on the fair value of Oxfam's financial instruments, see Note 2 - Fair Values of Financial Instruments.

#### *Fixed Assets*

Acquisitions of buildings, furniture and computer equipment are capitalized at cost. Depreciation 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)*

#### *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. As of March 31, 2016, approximately 9.9% of the balance extends beyond one year.

#### *Split-Interest Agreements*

Oxfam receives a variety of split-interest agreements that include charitable gift annuities, interest in pooled income funds, and charitable remainder trusts. In cases where Oxfam is the trustee or is otherwise provided the assets, such amounts are invested and a liability is recorded for the present value of the estimated payments to the beneficiary. In cases where Oxfam is not the trustee, or otherwise in control of the assets, amounts are recorded at their estimated present value in assets of split-interest agreements on the Consolidated Statement of Financial Position. Assets and liabilities of split-interest agreements are recorded at fair value using Level 2 inputs when the agreements are executed.

#### *Deferred Rent*

Oxfam has entered into operating lease agreements for various office spaces, some of which contain provisions for future rent increases, periods in which rent payments are reduced (abated) or concessions for tenant improvements and other costs (including landlord funded improvements). In accordance with generally accepted accounting principles, Oxfam records monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of the lease term. The difference between rent expense recorded and the amount paid plus concessions is charged to "Deferred Rent" which is reflected as a separate line item in the accompanying Consolidated Statements of Financial Position.

#### *Contributed Services and Gifts In-Kind*

Contributions of services are recognized when provided by individuals or organizations whose skills would 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 Oxfam's programs. The value of volunteer time contributed is not reflected in these statements.

#### *Allocation of Functional Expenses*

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities. Accordingly, certain costs have been allocated among programs and supporting services. Oxfam incurred certain costs which benefited both public education activities and fundraising activities. These costs have been allocated to the functions benefiting in accordance with the standards for accounting for joint 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 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. Allowances for uncollectible pledges, depreciation, allocation of operating costs, valuation of split-interest agreements, valuation of alternative investments, and quantification of consumption of restricted resources and identification of donor restrictions are the significant estimates that are included in the consolidated financial statements. Actual results could differ from those estimates.

#### *Tax Status*

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

#### *Uncertain Tax Positions*

Oxfam 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.

Oxfam has identified its tax status as a tax exempt entity as a tax position; however, Oxfam has determined that such tax position does not result in an uncertainty requiring recognition. In addition to its tax status, Oxfam has other tax positions that have been determined to be highly certain and, therefore, no reserve for unrecognized tax liability is deemed necessary. Oxfam 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.



# OXFAM AMERICA, INC. AND AFFILIATES

## *Notes to Consolidated Financial Statements*

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

#### ***Concentration of Credit Risk***

Oxfam maintains a concentration of cash with banks and other institutions in excess of insured amounts and in uninsured money market mutual funds. Money market mutual funds are included in investments. At March 31, 2016, Oxfam had 44% of its cash invested in funds managed by three major financial institutions, which held more than 15%, 14% and 13%, respectively. At March 31, 2016 and 2015, \$16,674,000 and \$13,924,000, respectively, was invested in money market funds. Oxfam monitors its exposure associated with cash and has not experienced any losses in these accounts.

Amounts that potentially subject Oxfam to concentration of credit risk consist primarily of pledges receivable. Oxfam judges credit risk with these receivables to be minimal based on history and the financial wherewithal of donors, most of which are foundations or individuals well known to Oxfam. As of March 31, 2016 and 2015, Oxfam had one donor that accounted for approximately 41% and 62%, respectively, of gross pledges receivable. Another donor accounted for approximately 16% of gross pledges receivable. Payments on both donor pledges are scheduled through 2018 as of March 31, 2016.

#### ***Reclassifications***

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported changes in net assets.

#### ***Subsequent Events***

Oxfam has evaluated subsequent events through July 25, 2016, the date the financial statements were authorized to be issued. Effective April 1, 2016, the name of Oxfam America Advocacy Fund, a Massachusetts Nonprofit Corporation, was changed to Oxfam America Action Fund, Inc. In addition, as part of Oxfam International's strategy to simplify its global operations, it has been determined that Oxfam Novib ("Netherlands") shall become the designated affiliate to manage operations in Cambodia on behalf of all Oxfam affiliates. As a result, Oxfam America transferred substantially all of its assets and programs in Cambodia to Oxfam Novib as of April 1, 2016.

# OXFAM AMERICA, INC. AND AFFILIATES

## Notes to Consolidated Financial Statements

### Note 2 - Fair Value of Financial Instruments

Financial instruments based on the three-level hierarchy of fair value were as follows at March 31:

	<i>2016</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Money market mutual funds	\$ 16,674,000	\$ -	\$ -	\$ 16,674,000
Mutual funds:				
U.S. equity	14,208,000	-	-	14,208,000
Fixed income	8,078,000	-	-	8,078,000
U.S. equities	7,886,000	-	-	7,886,000
Non-U.S. equity comingled fund	-	5,402,000	-	5,402,000
Fixed income:				
U.S. Government and agency bonds	-	870,000	-	870,000
Corporate bonds	-	1,193,000	-	1,193,000
	<b>\$ 46,846,000</b>	<b>\$ 7,465,000</b>	<b>\$ -</b>	<b>54,311,000</b>
Minority interest in WISE Fund I				50,000
<b>Total investments</b>				<b>\$ 54,361,000</b>

	<i>2015</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Money market mutual funds	\$ 13,924,000	\$ -	\$ -	\$ 13,924,000
Mutual funds:				
U.S. equity	13,629,000	-	-	13,629,000
Fixed income	8,610,000	-	-	8,610,000
U.S. equities	7,747,000	-	-	7,747,000
Non-U.S. equity commingled fund	-	5,308,000	-	5,308,000
Fixed income:				
U.S. Government and agency bonds	-	5,909,000	-	5,909,000
Corporate bonds	-	2,135,000	-	2,135,000
	<b>\$ 43,910,000</b>	<b>\$ 13,352,000</b>	<b>\$ -</b>	<b>57,262,000</b>
Minority interest in WISE Fund I				30,000
<b>Total investments</b>				<b>\$ 57,292,000</b>

# OXFAM AMERICA, INC. AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### *Note 2 - Fair Value of Financial Instruments (Continued)*

The minority interest in WISE Fund I is a programmatic equity investment and is carried at cost. Oxfam contributed \$30,000 to the first call upon investors by the WISE Fund I, plus an additional \$20,000 in 2016, and has an outstanding subscription payable of \$200,000 under the subscription agreements signed August 2015 and 2014.

The following table lists the maturities of fixed income securities held at March 31, 2016:

Due in one year or less	\$	60,000
Due after one year through five years		1,223,000
Due after five years		<u>780,000</u>
	\$	<u><b>2,063,000</b></u>

Investment returns and other interest income consisted of the following for the years ended March 31, 2016 and 2015:

	<i>2016</i>	<i>2015</i>
Investment income	\$ 768,000	\$ 1,048,000
Net realized and unrealized gain on investments	(932,000)	2,104,000
Net change in present value of split-interest agreements	(44,000)	8,000
Interest on note receivable	<u>-</u>	<u>7,000</u>
	<u><b>\$ (208,000)</b></u>	<u><b>\$ 3,167,000</b></u>

Investment management fees of \$123,000 and \$136,000 are included in management and general expense for the years ended March 31, 2016 and 2015, respectively.

# OXFAM AMERICA, INC. AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### *Note 3 - Pledges Receivable*

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

	<i>2016</i>	<i>2015</i>
One year or less	\$ 11,790,000	\$ 15,096,000
Between one and five years	<u>5,538,000</u>	<u>9,829,000</u>
	17,328,000	24,925,000
Less: Present value discount (ranging from 1.41% to 1.69%)	(296,000)	(512,000)
Allowance for uncollectible pledges	<u>(440,000)</u>	<u>(348,000)</u>
<b>Pledges receivable</b>	<b>\$ <u>16,592,000</u></b>	<b>\$ <u>24,065,000</u></b>

### *Note 4 - Notes Receivable*

The notes receivable represent two promissory three-year notes made by Oxfam Italy to Oxfam in April 2012, one in the amount of \$250,000 and the other in the amount of €171,585.45 (\$253,473). Each note was payable in installments of 25%, 35% and 40% over a three-year term, plus 4% interest per annum. The first installment was paid in fiscal 2014, the second in fiscal 2015 and the final installment of \$190,000 of notes receivable was received in April 2015. The balance of notes receivable was as follows at March 31:

	<i>2016</i>	<i>2015</i>
Notes receivable	\$ <u>-</u>	\$ <u>190,000</u>

# OXFAM AMERICA, INC. AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### *Note 5 - Fixed Assets*

Fixed assets consist of the following at March 31:

	<i>2016</i>	<i>2015</i>
Building and building improvements	\$ 3,254,000	\$ 3,251,000
Furniture and equipment	1,527,000	1,488,000
Computer equipment	4,844,000	4,992,000
Other	<u>132,000</u>	<u>132,000</u>
Total	9,757,000	9,863,000
Less accumulated depreciation and amortization	<u>(7,616,000)</u>	<u>(7,057,000)</u>
Total	2,141,000	2,806,000
Computer equipment not yet in service	<u>53,000</u>	<u>33,000</u>
<b>Net fixed assets</b>	<b><u>\$ 2,194,000</u></b>	<b><u>\$ 2,839,000</u></b>

Depreciation expense amounted to \$722,000 and \$809,000 for the years ended March 31, 2016 and 2015, respectively. During the years ended March 31, 2016 and 2015, Oxfam disposed of \$163,000 and \$354,000 of fixed assets, respectively, and recognized a loss on the disposal of \$0 and \$22,000, respectively. When property and equipment are retired, sold or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations.

### *Note 6 - Retirement Plan*

Oxfam 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. Contributions to the plan were \$941,000 and \$920,000 for the years ended March 31, 2016 and 2015, respectively, and are reflected as part of payroll and related expenses in the accompanying Consolidated Statements of Functional Expenses. Oxfam 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 7 - Temporarily Restricted Net Assets*

Temporarily restricted net assets include the following at March 31, 2016:

	<i>April 1, 2015 Balance</i>	<i>Net Additions</i>	<i>Releases</i>	<i>March 31, 2016 Balance</i>
<i>Resources with Purpose or Purpose and Time Restrictions:</i>				
Global LEAP	\$ 14,550,000	\$ 220,000	\$ (4,841,000)	\$ 9,929,000
New Campaign for Oxfam	11,885,000	10,822,000	(11,005,000)	11,702,000
Other Donor Designated Funds	2,966,000	3,467,000	(4,109,000)	2,324,000
Advocacy Programs	2,103,000	1,718,000	(2,998,000)	823,000
Humanitarian Relief and Rehabilitation	2,383,000	15,061,000	(12,505,000)	4,939,000
U.S. Program Investment Fund	1,817,000	(26,000)	(255,000)	1,536,000
Haiti Earthquake Relief	122,000	8,000	(121,000)	9,000
Agriculture Program - Ethiopia	289,000	-	(289,000)	-
	<u>36,115,000</u>	<u>31,270,000</u>	<u>(36,123,000)</u>	<u>31,262,000</u>
<i>Resources with Time Restrictions:</i>				
Split-interest agreements	279,000	(8,000)	-	271,000
Funds designated for future periods	-	-	-	-
	<u>279,000</u>	<u>(8,000)</u>	<u>-</u>	<u>271,000</u>
Unexpended net appreciation - endowment	4,243,000	(86,000)	(18,000)	4,139,000
	<u>\$ 40,637,000</u>	<u>\$ 31,176,000</u>	<u>\$ (36,141,000)</u>	<u>\$ 35,672,000</u>

# OXFAM AMERICA, INC. AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### *Note 7 - Temporarily Restricted Net Assets (Continued)*

Temporarily restricted net assets include the following at March 31, 2015:

	<i>April 1, 2014 Balance</i>	<i>Net Additions</i>	<i>Releases</i>	<i>March 31, 2015 Balance</i>
<i>Resources with Purpose or Purpose and Time Restrictions:</i>				
Global LEAP	\$ 4,229,000	\$ 14,212,000	\$ (3,891,000)	\$ 14,550,000
New Campaign for Oxfam	7,446,000	15,743,000	(11,304,000)	11,885,000
Other Donor Designated Funds	4,403,000	2,084,000	(3,521,000)	2,966,000
Advocacy Programs	3,154,000	1,843,000	(2,894,000)	2,103,000
Humanitarian Relief and Rehabilitation	1,980,000	4,798,000	(4,395,000)	2,383,000
U.S. Program Investment Fund	1,668,000	154,000	(5,000)	1,817,000
Haiti Earthquake Relief	1,196,000	7,000	(1,081,000)	122,000
Agriculture Program - Ethiopia	1,031,000	-	(742,000)	289,000
Campaign for Oxfam	83,000	-	(83,000)	-
	<u>25,190,000</u>	<u>38,841,000</u>	<u>(27,916,000)</u>	<u>36,115,000</u>
<i>Resources with Time Restrictions:</i>				
Split-interest agreements	224,000	55,000	-	279,000
Funds designated for future periods	288,000	-	(288,000)	-
	<u>512,000</u>	<u>55,000</u>	<u>(288,000)</u>	<u>279,000</u>
Unexpended net appreciation - endowment	3,749,000	512,000	(18,000)	4,243,000
	<u>\$ 29,451,000</u>	<u>\$ 39,408,000</u>	<u>\$ (28,222,000)</u>	<u>\$ 40,637,000</u>

### *Note 8 - Permanently Restricted Net Assets*

Permanently restricted net assets consist of gifts which are to be invested in perpetuity with income to be used for general purposes of Oxfam. As of March 31, 2016 and 2015, these gifts totaled \$1,797,000. The unexpended net appreciation on these gifts is reflected in the temporarily restricted net assets detailed in Note 7.

# OXFAM AMERICA, INC. AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### *Note 9 - Endowment Matters*

A summary of significant matters relative to net assets and endowment matters follows.

#### *Interpretation of Relevant Law and Spending Policy*

The Attorney General of Massachusetts has issued written guidance that all gains on permanently restricted endowment funds that have not been appropriated in accordance with the law should be classified as temporarily restricted net assets unless otherwise restricted by the donor.

State law allows the Board of Directors to appropriate a percentage of net appreciation as is prudent considering Oxfam America's long- and short-term needs, present and anticipated financial requirements, and expected total return on its investments, price level trends, and general economic conditions.

#### *Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Oxfam to retain as a fund of perpetual duration. There were no such deficiencies at March 31, 2016 and 2015.

#### *Spending Policy*

Oxfam utilizes a total return spending policy spending 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 permanently restricted net assets plus accumulated unspent gains included in temporarily restricted net assets. No distributions under the spending policy were taken in 2016 or 2015.

#### *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, Oxfam 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). Oxfam 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 9 - Endowment Matters (Continued)*

#### *Endowment*

The following represents required disclosure relative to the composition and activities of endowment for the years ended March 31, 2016 and 2015:

	<i>Temporarily Restricted Net Assets</i>	<i>Permanently Restricted Net Assets</i>	<i>Total</i>
Endowment at April 1, 2014	\$ 3,749,000	\$ 1,797,000	\$ 5,546,000
Total investment returns	512,000	-	512,000
Fees and reclassifications	<u>(18,000)</u>	<u>-</u>	<u>(18,000)</u>
Endowment at March 31, 2015	4,243,000	1,797,000	6,040,000
Total investment returns	(86,000)	-	(86,000)
Fees and reclassifications	<u>(18,000)</u>	<u>-</u>	<u>(18,000)</u>
<b>Endowment at March 31, 2016</b>	<b><u>\$ 4,139,000</u></b>	<b><u>\$ 1,797,000</u></b>	<b><u>\$ 5,936,000</u></b>

### *Note 10 - Donated Services*

Oxfam received and recognized contributed services and materials (primarily legal services) of approximately \$384,000 and \$619,000 for the years ended March 31, 2016 and 2015, respectively. The contributed services are recognized if the services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

### *Note 11 - Commitments and Contingencies*

Oxfam leases a substantial portion of its office space, domestically and internationally, under operating lease arrangements that expire through 2027. Certain leases contain other provisions such as future increased rents and intermediate rental negotiations, as applicable. In addition, certain of the leases include terms that allow for any increase in operating costs to be charged to Oxfam.

# OXFAM AMERICA, INC. AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### *Note 11 - Commitments and Contingencies (Continued)*

Future minimum lease payments are as follows:

2017		\$	1,878,000
2018			2,175,000
2019			2,169,000
2020			2,225,000
2021			2,374,000
Thereafter			8,888,000
<b>Total</b>		<b>\$</b>	<b>19,709,000</b>

Total rent expense under operating leases was \$2,203,000 and \$1,864,000 for the years ended March 31, 2016 and 2015, respectively.

Oxfam has union contracts for certain staff in the Boston and Washington, D.C. offices which extend through March 31, 2020.

### *Note 12 - Direct Grants to Partners*

Oxfam incurred \$71,409,000 and \$63,442,000 of program expenses during the years ended March 31, 2016 and 2015, respectively. Included in these expenses are direct development, advocacy and humanitarian grants provided to partners as follows for the years ended March 31:

<u><i>Country/Region of Impact</i></u>	<i>2016</i>	<i>2015</i>
Regions of Asia	\$ 9,016,000	\$ 2,069,000
Regions of Africa	7,457,000	8,662,000
Latin America and Caribbean	4,217,000	4,355,000
Global programs	3,263,000	3,915,000
United States	1,132,000	754,000
Total direct grants to partners for development	25,085,000	19,755,000
Other support to partners	2,233,000	2,219,000
<b>Total direct grants to partners and other support to partners</b>	<b>\$ 27,318,000</b>	<b>\$ 21,974,000</b>

# OXFAM AMERICA, INC. AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### *Note 13 - Reserves*

Because it receives a substantial portion of its support from individual contributions, Oxfam is subject to substantial risk in the event of a sudden downturn in the economy. Consequently, the Board of Directors has adopted a policy of maintaining a reserve sufficient to ensure the continuity of Oxfam's operations and programming in years of revenue shortfall. Reserves in excess of targeted amounts may be utilized to support program services and other Oxfam objectives.