



Consolidated Financial Statements

Oxfam America, Inc. and Affiliates

March 31, 2019 and 2018



OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Financial Statements

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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 ("OA"), which comprise the consolidated statements of financial position as of March 31, 2019 and 2018 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, 2019 and 2018 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 a Matter

As discussed in Note 1 to the consolidated financial statements, in 2019, OA 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 Hoffman McCann P.C.

July 29, 2019
Boston, Massachusetts

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

March 31, 2019
(with comparative totals for 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Assets				
Cash	\$ 8,857,000	\$ -	\$ 8,857,000	\$ 5,885,000
Investments	34,714,000	22,072,000	56,786,000	60,867,000
Pledges receivable	68,000	17,694,000	17,762,000	15,709,000
Accounts receivable	3,435,000	-	3,435,000	3,138,000
Prepaid expense	2,287,000	-	2,287,000	1,680,000
Assets of split-interest agreements	-	173,000	173,000	279,000
Fixed assets, net	1,933,000	-	1,933,000	1,983,000
Other assets	22,000	-	22,000	89,000
Total assets	\$ 51,316,000	\$ 39,939,000	\$ 91,255,000	\$ 89,630,000
Liabilities				
Accounts payable	\$ 1,994,000	\$ -	\$ 1,994,000	\$ 1,619,000
Accrued payroll and other accrued expenses	5,592,000	-	5,592,000	5,008,000
Grants payable	5,142,000	-	5,142,000	4,890,000
Obligations under split-interest agreements	2,479,000	-	2,479,000	2,585,000
Deferred rent	3,042,000	-	3,042,000	3,322,000
Other liabilities	1,399,000	-	1,399,000	644,000
Total liabilities	19,648,000	-	19,648,000	18,068,000
Net assets:				
Without donor restrictions	31,668,000	-	31,668,000	35,336,000
With donor restrictions	-	39,939,000	39,939,000	36,226,000
Total net assets	31,668,000	39,939,000	71,607,000	71,562,000
Total liabilities and net assets	\$ 51,316,000	\$ 39,939,000	\$ 91,255,000	\$ 89,630,000

OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Statement of Financial Position

March 31, 2018

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Cash	\$ 5,885,000	\$ -	\$ 5,885,000
Investments	40,623,000	20,244,000	60,867,000
Pledges receivable	6,000	15,703,000	15,709,000
Accounts receivable	3,138,000	-	3,138,000
Prepaid expense	1,680,000	-	1,680,000
Assets of split-interest agreements	-	279,000	279,000
Fixed assets, net	1,983,000	-	1,983,000
Other assets	89,000	-	89,000
Total assets	\$ 53,404,000	\$ 36,226,000	\$ 89,630,000
Liabilities			
Accounts payable	\$ 1,619,000	\$ -	\$ 1,619,000
Accrued payroll and other accrued expenses	5,008,000	-	5,008,000
Grants payable	4,890,000	-	4,890,000
Obligations under split-interest agreements	2,585,000	-	2,585,000
Deferred rent	3,322,000	-	3,322,000
Other liabilities	644,000	-	644,000
Total liabilities	18,068,000	-	18,068,000
Net assets:			
Without donor restrictions	35,336,000	-	35,336,000
With donor restrictions	-	36,226,000	36,226,000
Total net assets	35,336,000	- 36,226,000	- 71,562,000
Total liabilities and net assets	\$ 53,404,000	\$ 36,226,000	\$ 89,630,000

OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Statement of Activities

Year Ended March 31, 2019
(with comparative totals for 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue, gains and other support:				
Contributions	\$ 48,473,000	\$ 31,614,000	\$ 80,087,000	\$ 87,130,000
Contract income	4,531,000	-	4,531,000	6,641,000
Investment return	2,279,000	786,000	3,065,000	4,194,000
Donated in-kind services and materials	309,000	-	309,000	1,301,000
Other	47,000	-	47,000	38,000
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	99,304,000
Expenses:				
Program services:				
Programs to overcome poverty and injustice	18,933,000	-	18,933,000	23,244,000
Saving lives: Emergency response and preparedness	24,078,000	-	24,078,000	21,881,000
Campaigning for social justice	19,144,000	-	19,144,000	20,648,000
Public education	5,311,000	-	5,311,000	5,043,000
Total program services	67,466,000	-	67,466,000	70,816,000
Supporting services:				
Management and general	6,360,000	-	6,360,000	7,198,000
Fundraising	14,168,000	-	14,168,000	15,486,000
Total supporting services	20,528,000	-	20,528,000	22,684,000
Total expenses	87,994,000	-	87,994,000	93,500,000
Increase (decrease) in net assets	(3,668,000)	3,713,000	45,000	5,804,000
Net assets, beginning of year	35,336,000	36,226,000	71,562,000	65,758,000
Net assets, end of year	\$ 31,668,000	\$ 39,939,000	\$ 71,607,000	\$ 71,562,000

OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Statement of Activities

Year Ended March 31, 2018

	2018		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Revenue, gains and other support:			
Contributions	\$ 51,043,000	\$ 36,087,000	\$ 87,130,000
Contract income	6,641,000	-	6,641,000
Investment return	3,245,000	949,000	4,194,000
Donated in-kind services and materials	1,301,000	-	1,301,000
Other	38,000	-	38,000
Net assets released from restrictions	32,543,000	(32,543,000)	-
Total revenue, gains and other support	94,811,000	4,493,000	99,304,000
Expenses:			
Program services:			
Programs to overcome poverty and injustice	23,244,000	-	23,244,000
Saving lives: Emergency response and preparedness	21,881,000	-	21,881,000
Campaigning for social justice	20,648,000	-	20,648,000
Public education	5,043,000	-	5,043,000
Total program services	70,816,000	-	70,816,000
Supporting services:			
Management and general	7,198,000	-	7,198,000
Fundraising	15,486,000	-	15,486,000
Total supporting services	22,684,000	-	22,684,000
Total expenses	93,500,000	-	93,500,000
Increase in net assets	1,311,000	4,493,000	5,804,000
Net assets, beginning of year	34,025,000	31,733,000	65,758,000
Net assets, end of year	\$ 35,336,000	\$ 36,226,000	\$ 71,562,000

See accompanying notes to the consolidated financial statements.

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

	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	

	2018									
	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	\$ 6,302,000	\$ 6,244,000	\$ 9,140,000	\$ 3,598,000	\$ 25,284,000	\$ 3,964,000	\$ 5,636,000	\$ 9,600,000	\$ 34,884,000	
Professional fees and services	1,911,000	770,000	1,188,000	149,000	4,018,000	1,156,000	2,059,000	3,215,000	7,233,000	
Professional fees and services - in-kind	19,000	-	998,000	36,000	1,053,000	163,000	86,000	249,000	1,302,000	
Occupancy costs	891,000	900,000	911,000	526,000	3,228,000	527,000	909,000	1,436,000	4,664,000	
Travel, meetings and conferences	1,472,000	1,073,000	1,188,000	210,000	3,943,000	281,000	175,000	456,000	4,399,000	
Supplies, postage and printing	125,000	178,000	104,000	86,000	493,000	90,000	3,898,000	3,988,000	4,481,000	
Other expenses	1,013,000	1,049,000	679,000	415,000	3,156,000	946,000	2,662,000	3,608,000	6,764,000	
Grants and support to partners*	11,440,000	11,600,000	6,311,000	-	29,351,000	10,000	-	10,000	29,361,000	
Total expenses before depreciation and amortization	23,173,000	21,814,000	20,519,000	5,020,000	70,526,000	7,137,000	15,425,000	22,562,000	93,088,000	
Depreciation and amortization	71,000	67,000	129,000	23,000	290,000	61,000	61,000	122,000	412,000	
Total expenses	\$ 23,244,000	\$ 21,881,000	\$ 20,648,000	\$ 5,043,000	\$ 70,816,000	\$ 7,198,000	\$ 15,486,000	\$ 22,684,000	\$ 93,500,000	

* 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,

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 45,000	\$ 5,804,000
Reconciliation to cash flow:		
Net realized and unrealized gains on investments	(2,041,000)	(3,334,000)
Depreciation and amortization	428,000	412,000
(Gain) loss on disposal of fixed assets	(5,000)	62,000
Change in:		
Pledges receivable	(2,053,000)	(3,098,000)
Prepaid expense	(607,000)	145,000
Accounts receivable	(297,000)	(1,085,000)
Assets of split-interest agreements	106,000	(15,000)
Accounts payable	375,000	(295,000)
Accrued payroll and other accrued expenses	584,000	210,000
Grants payable	252,000	1,090,000
Obligations under split-interest agreements	(106,000)	21,000
Deferred rent	(280,000)	(226,000)
Other liabilities	755,000	18,000
Net cash used by operating activities	<u>(2,844,000)</u>	<u>(291,000)</u>
Cash flows from investing activities:		
Purchases of fixed assets	(311,000)	(316,000)
Proceeds from sale of fixed assets	5,000	-
Proceeds from sales and maturities of investments	17,541,000	17,016,000
Purchases of investments	<u>(11,419,000)</u>	<u>(16,494,000)</u>
Net cash provided by investing activities	<u>5,816,000</u>	<u>206,000</u>
Net change in cash	2,972,000	(85,000)
Cash, beginning of year	<u>5,885,000</u>	<u>5,970,000</u>
Cash, end of year	\$ <u>8,857,000</u>	\$ <u>5,885,000</u>

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 works in long-term partnership with grassroots organizations and other Oxfam International member organizations to promote sustainable development in Africa, Asia, the Pacific, the Caribbean and the Americas. OA and Oxfam International member organizations also provide humanitarian assistance in emergency situations, as well as disaster risk reduction and preparedness programs.

OA is a member of Oxfam International, which is a non-profit organization registered in the Netherlands, comprised of twenty independent organizations around the world. OA’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. OA made grants and other payments of \$19,860,000 and \$22,316,000 to Oxfam International and its member organizations and received \$5,397,000 and \$3,428,000 for the years ended March 31, 2019 and 2018, 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 (“Real Estate”) is also a wholly-owned subsidiary of OA. 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 OA upon receipt. The Real Estate entity is operating solely in furtherance of OA’s mission. This entity is considered a disregarded entity and had no assets or activity in recent years.

A summary of the accounting policies consistently applied in the consolidated 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. OA has adjusted the presentation to all periods presented, however such reclassifications had no effect on changes in net assets.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Basis of Presentation

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. Net assets without donor restrictions also include investments, and 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 Real Estate (collectively, "OA"). All inter-entity balances and transactions have been eliminated in consolidation.

Cash

Cash includes routine bank deposits. Such amounts 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.

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. An allowance for uncollectible amounts is based on management's estimates including factors such as historical experience, specific review of circumstances and other factors. 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.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

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) is reported in the Consolidated 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

OA 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 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 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.

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, interest 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 including present value techniques on the date of receipt with the difference being 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 with adjustments over the term of the agreement, based on the fair value of 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.

Fixed Assets, Net

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.

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 authorized.

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 are present in certain of OA's leases. OA 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, OA 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.

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 that 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.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

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 and conditional promises to give are not recorded as revenue. It is OA's policy to recognize real estate contributions when a fair market value is determinable.

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.

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 at their estimated fair market value. In addition, a substantial number of unpaid volunteers have made significant contributions of their time to develop and maintain OA'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 Consolidated Statements of Activities. The Consolidated 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. Depreciation and amortization of facility related assets have been allocated to functional classifications based on actual use of square footage of facilities. No costs have been allocated to programs for fundraising-related activities.

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 and amortization, allocation of operating costs, valuation of assets of and obligations under split-interest agreements, 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.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Tax Status

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

Concentration of Credit Risk

Concentration of credit risk is associated with pledges receivable. OA 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 OA. As of March 31, 2019 and 2018, OA had two and three donors that collectively represented 57% and 55% of pledges receivable, respectively.

Subsequent Events

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

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 cash equivalents and marketable debt and equity securities.

For purposes of analyzing resources available to meet general expenditures over any period, OA considers all unrestricted expenditures related to its ongoing support services and program activities as well as expenses which may be necessary to bridge expenses otherwise funded by restricted resources to be general expenditures.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 2 - Liquidity and Availability (Continued)

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 unrestricted 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.

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

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

Cash	\$ 8,857,000
Pledges receivable due in one year which will be used for current program purposes	11,859,000
Accounts receivable	3,435,000
Investments not encumbered by donor restrictions	<u>34,464,000</u>
Total financial assets available to meet general expenditures over the next 12 months	\$ <u>58,615,000</u>

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:

	2019	2018
One year or less	\$ 11,859,000	\$ 12,536,000
Between one and five years	<u>6,545,000</u>	<u>3,778,000</u>
	18,404,000	16,314,000
Less: Present value discount (ranging from 1.41% to 2.94%)	(398,000)	(324,000)
Allowance for uncollectible pledges	<u>(244,000)</u>	<u>(281,000)</u>
Pledges receivable	<u>\$ 17,762,000</u>	<u>\$ 15,709,000</u>

Note 4 - Investments and Fair Value

Investments were as follows at March 31:

	2019			
	Level 1	Level 2	Level 3	Total
Money market mutual funds	\$ 17,718,000	\$ -	\$ -	\$ 17,718,000
Mutual funds:				
U.S. equity	10,982,000	-	-	10,982,000
Fixed income	12,143,000	-	-	12,143,000
U.S. equities	8,421,000	-	-	8,421,000
Non-U.S. equity comingled fund	-	4,566,000	-	4,566,000
Fixed income:				
U.S. Government and agency bonds	-	1,411,000	-	1,411,000
Corporate bonds	-	1,295,000	-	1,295,000
Total investments	49,264,000	7,272,000	-	56,536,000
Assets of split-interest agreements	-	-	-	-
	<u>\$ 49,264,000</u>	<u>\$ 7,272,000</u>	<u>\$ -</u>	<u>56,536,000</u>
Program related investment in another entity				250,000
Total investments				<u>\$ 56,786,000</u>

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 4 - Investments and Fair Value (Continued)

	2018			
	Level 1	Level 2	Level 3	Total
Money market mutual funds	\$ 22,704,000	\$ -	\$ -	\$ 22,704,000
Mutual funds:				
U.S. equity	13,744,000	-	-	13,744,000
Fixed income	8,524,000	-	-	8,524,000
U.S. equities	8,154,000	-	-	8,154,000
Non-U.S. equity comingled fund	-	5,353,000	-	5,353,000
Fixed income:				
U.S. Government and agency bonds	-	987,000	-	987,000
Corporate bonds	-	1,213,000	-	1,213,000
Total investments	53,126,000	7,553,000	-	60,679,000
Assets of split-interest agreements	-	-	-	-
	\$ 53,126,000	\$ 7,553,000	\$ -	60,679,000
Program related investment in another entity				188,000
Total investments				\$ 60,867,000

The program related investment is carried at cost. OA has no outstanding subscription payable associated with this investment of as of March 31, 2019.

Liquidity of investments is as follows at March 31:

	2019	2018
Investment redemption or sale period:		
Daily	\$ 51,970,000	\$ 55,326,000
Monthly	4,566,000	5,353,000
	\$ 56,536,000	\$ 60,679,000

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 5 - Fixed Assets

Fixed assets consist of the following at March 31:

	2019	2018
Building and building improvements	\$ 3,312,000	\$ 3,294,000
Furniture and equipment	1,875,000	1,510,000
Computer equipment	5,150,000	5,146,000
Other	<u>132,000</u>	<u>132,000</u>
Total	10,469,000	10,082,000
Less accumulated depreciation and amortization	<u>(8,536,000)</u>	<u>(8,188,000)</u>
Total	1,933,000	1,894,000
Computer equipment not yet in service	<u>-</u>	<u>89,000</u>
Net fixed assets	\$ <u>1,933,000</u>	\$ <u>1,983,000</u>

Depreciation and amortization expense is included in the Consolidated Statements of Functional Expenses. OA disposed of \$13,000 and \$113,000 of fixed assets, and recognized a gain on the disposal of \$5,000 and a loss on the disposal of \$62,000 for the years ended March 31, 2019 and 2018, respectively.

Note 6 - Net Assets and Endowment Matters

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

	2019	2018
Fixed assets, net	\$ 1,933,000	\$ 1,983,000
Other funds without donor restrictions	<u>29,735,000</u>	<u>33,353,000</u>
	\$ <u>31,668,000</u>	\$ <u>35,336,000</u>

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 6 - Net Assets and Endowment Matters (Continued)

Net assets with restrictions include the following at March 31:

	2019			March 31, 2019	March 31, 2019
	Beginning Balance	Net Additions	Releases	Balance	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
Split-interest agreements	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	
<i>2018</i>					
	Beginning Balance	Net Additions	Releases	March 31, 2018	March 31, 2018
	Balance	Additions	Releases	Balance	Balance Held in Receivables
<i>Resources with Purpose, Time of Purpose and Time Restrictions:</i>					
Global LEAP	\$ 6,287,000	\$ 164,000	\$ (5,885,000)	\$ 566,000	\$ -
New Campaign for Oxfam	5,784,000	887,000	(4,501,000)	2,170,000	2,228,000
Other Donor Designated Funds	3,406,000	3,820,000	(4,277,000)	2,949,000	2,635,000
Advocacy Programs	5,304,000	10,769,000	(8,525,000)	7,548,000	5,466,000
Humanitarian Relief and Rehabilitation	2,317,000	19,595,000	(9,206,000)	12,706,000	5,979,000
U.S. Program Investment Fund	1,638,000	200,000	(149,000)	1,689,000	-
Less allowance					(281,000)
Less discount					(324,000)
					\$ 15,703,000
Split-interest agreements	264,000	15,000	-	279,000	
Total time and purpose restricted funds	25,000,000	35,450,000	(32,543,000)	27,907,000	
Unexpended net appreciation - endowment	4,936,000	749,000	-	5,685,000	
Endowment corpus to support operations	1,797,000	837,000	-	2,634,000	
Total endowment	6,733,000	1,586,000	-	8,319,000	
	\$ 31,733,000	\$ 37,036,000	\$ (32,543,000)	\$ 36,226,000	

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 6 - Net Assets and Endowment Matters (Continued)

The Board has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, OA retains in perpetuity: (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. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by OA in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, OA considers the following factors 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 level that the donor requires OA to retain as a fund of perpetual duration. There were no such deficiencies at March 31, 2019 and 2018.

Return Objectives and Risk Parameters

The investment objective of the endowment funds, through the careful management of assets, is designed to preserve the funds' purchasing power and to ensure a total return (income plus capital appreciation) necessary to preserve and enhance (in real dollar terms) the principal of the funds, and at the same time provide a dependable source of income for current operations and programs when needed. To accomplish this objective, the funds seek to generate a total return that will exceed not only its spending authority, but also the eroding effects of inflation and its operating expenses over the long term. To meet this long-term objective, all total return (interest income, dividends, realized gains and unrealized gains), above and beyond the amount approved for expenditures, will be reinvested in the funds.

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 6 - 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 2019 or 2018.

Note 7 - Direct Grants to Partners

OA incurred \$67,466,000 and \$70,816,000 of program expenses during the years ended March 31, 2019 and 2018, 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>	2019	2018
Regions of Asia and the Pacific	\$ 4,224,000	\$ 3,283,000
Regions of Africa	8,032,000	10,672,000
Latin America and Caribbean	4,843,000	5,884,000
Global programs	3,719,000	5,272,000
United States and U.S. Territories	<u>692,000</u>	<u>951,000</u>
Total direct grants to partners for development	21,510,000	26,062,000
Other support to partners	<u>3,257,000</u>	<u>3,289,000</u>
Total direct grants to partners and other support to partners	\$ <u>24,767,000</u>	\$ <u>29,351,000</u>

Note 8 - 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. Contributions to the plan were \$1,056,000 and \$1,067,000 net of \$133,000 and \$266,000 of forfeitures for the years ended March 31, 2019 and 2018, respectively.

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 9 - Commitments and Contingencies

OA 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 OA.

Future minimum lease payments are as follows:

2020	\$ 2,449,000
2021	2,532,000
2022	2,603,000
2023	2,672,000
2024	1,182,000
Thereafter	<u>3,348,000</u>
Total	\$ <u>14,786,000</u>

Total rent expense under operating leases was \$2,135,000 and \$2,111,000 for the years ended March 31, 2019 and 2018, respectively.

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