



Consolidated Financial Statements

Oxfam America, Inc. and Affiliates

March 31, 2021 and 2020



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, 2021 and 2020 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, 2021 and 2020 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.

Mayer Hoffmann McCann P.C.

July 26, 2021
Boston, Massachusetts

OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Statement of Financial Position

March 31, 2021
(with comparative totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Assets				
Cash	\$ 26,824,000	\$ 153,000	\$ 26,977,000	\$ 13,180,000
Investments	23,923,000	18,644,000	42,567,000	35,695,000
Investments held in support of split-interest agreements	-	6,321,000	6,321,000	5,422,000
Pledges receivable	14,000	15,827,000	15,841,000	13,696,000
Accounts receivable	3,484,000	-	3,484,000	4,769,000
Prepaid expense	2,695,000	-	2,695,000	3,012,000
Fixed assets, net	1,033,000	-	1,033,000	1,561,000
Other assets	167,000	-	167,000	93,000
Total assets	\$ 58,140,000	\$ 40,945,000	\$ 99,085,000	\$ 77,428,000
Liabilities				
Accounts payable	\$ 1,650,000	\$ -	\$ 1,650,000	\$ 2,199,000
Accrued payroll and other accrued expenses	6,464,000	-	6,464,000	5,062,000
Grants payable	5,937,000	-	5,937,000	4,060,000
Obligations under split-interest agreements	-	2,685,000	2,685,000	1,998,000
Deferred rent	2,300,000	-	2,300,000	2,706,000
Deferred revenue and other liabilities	1,733,000	-	1,733,000	3,284,000
Total liabilities	18,084,000	2,685,000	20,769,000	19,309,000
Net assets:				
Without donor restrictions	40,056,000	-	40,056,000	24,648,000
With donor restrictions	-	38,260,000	38,260,000	33,471,000
Total net assets	40,056,000	38,260,000	78,316,000	58,119,000
Total liabilities and net assets	\$ 58,140,000	\$ 40,945,000	\$ 99,085,000	\$ 77,428,000

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

March 31, 2020

Assets	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Cash	\$ 13,180,000	\$ -	\$ 13,180,000
Investments	15,512,000	20,183,000	35,695,000
Investments held in support of split-interest agreements	5,251,000	171,000	5,422,000
Pledges receivable	579,000	13,117,000	13,696,000
Accounts receivable	4,769,000	-	4,769,000
Prepaid expense	3,012,000	-	3,012,000
Fixed assets, net	1,561,000	-	1,561,000
Other assets	93,000	-	93,000
Total assets	\$ 43,957,000	\$ 33,471,000	\$ 77,428,000
Liabilities			
Accounts payable	\$ 2,199,000	\$ -	\$ 2,199,000
Accrued payroll and other accrued expenses	5,062,000	-	5,062,000
Grants payable	4,060,000	-	4,060,000
Obligations under split-interest agreements	1,998,000	-	1,998,000
Deferred rent	2,706,000	-	2,706,000
Deferred revenue and other liabilities	3,284,000	-	3,284,000
Total liabilities	19,309,000	-	19,309,000
Net assets:			
Without donor restrictions	24,648,000	-	24,648,000
With donor restrictions	-	33,471,000	33,471,000
Total net assets	24,648,000	33,471,000	58,119,000
 Total liabilities and net assets	 \$ 43,957,000	 \$ 33,471,000	 \$ 77,428,000

See accompanying notes to the consolidated financial statements.

OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Statement of Activities

Year Ended March 31, 2021
(with comparative totals for 2020)

	2021			2020
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>	<i>Total</i>
Revenue, gains and other support:				
Contributions	\$ 65,150,000	\$ 33,276,000	\$ 98,426,000	\$ 65,966,000
Contract income	5,782,000	-	5,782,000	7,777,000
Investment return	4,905,000	3,405,000	8,310,000	87,000
Gain on annuities and unitrusts, net of return	128,000	370,000	498,000	344,000
Donated in-kind services	1,547,000	-	1,547,000	915,000
Grant income	4,000,000	-	4,000,000	-
Other	55,000	-	55,000	43,000
Net assets released from restrictions	35,515,000	(35,515,000)	-	-
Total revenue, gains and other support	117,082,000	1,536,000	118,618,000	75,132,000
Expenses:				
Program services:				
Programs to overcome poverty and injustice	22,411,000	-	22,411,000	20,044,000
Saving lives: Emergency response and preparedness	25,419,000	-	25,419,000	19,433,000
Campaigning for social justice	23,065,000	-	23,065,000	21,511,000
Public education	5,018,000	-	5,018,000	5,620,000
Total program services	75,913,000	-	75,913,000	66,608,000
Supporting services:				
Management and general	7,146,000	-	7,146,000	6,840,000
Fundraising	15,362,000	-	15,362,000	15,172,000
Total supporting services	22,508,000	-	22,508,000	22,012,000
Total expenses	98,421,000	-	98,421,000	88,620,000
Increase (decrease) in net assets	18,661,000	1,536,000	20,197,000	(13,488,000)
Change in restriction of split-interest agreements	(3,253,000)	3,253,000	-	-
Net assets, beginning of year	24,648,000	33,471,000	58,119,000	71,607,000
Net assets, end of year	\$ 40,056,000	\$ 38,260,000	\$ 78,316,000	\$ 58,119,000

OXFAM AMERICA, INC. AND AFFILIATES

Consolidated Statement of Activities

Year Ended March 31, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support:			
Contributions	\$ 49,434,000	\$ 16,532,000	\$ 65,966,000
Contract income	7,777,000	-	7,777,000
Investment return	211,000	(124,000)	87,000
Gain or (loss) on annuities and unitrusts, net of return	346,000	(2,000)	344,000
Donated in-kind services	915,000	-	915,000
Other	43,000	-	43,000
Net assets released from restrictions	<u>22,874,000</u>	<u>(22,874,000)</u>	<u>-</u>
Total revenue, gains and other support	<u>81,600,000</u>	<u>(6,468,000)</u>	<u>75,132,000</u>
Expenses:			
Program services:			
Programs to overcome poverty and injustice	20,044,000	-	20,044,000
Saving lives: Emergency response and preparedness	19,433,000	-	19,433,000
Campaigning for social justice	21,511,000	-	21,511,000
Public education	5,620,000	-	5,620,000
Total program services	<u>66,608,000</u>	<u>-</u>	<u>66,608,000</u>
Supporting services:			
Management and general	6,840,000	-	6,840,000
Fundraising	15,172,000	-	15,172,000
Total supporting services	<u>22,012,000</u>	<u>-</u>	<u>22,012,000</u>
Total expenses	<u>88,620,000</u>	<u>-</u>	<u>88,620,000</u>
Decrease in net assets	(7,020,000)	(6,468,000)	(13,488,000)
Net assets, beginning of year	<u>31,668,000</u>	<u>39,939,000</u>	<u>71,607,000</u>
Net assets, end of year	<u>\$ 24,648,000</u>	<u>\$ 33,471,000</u>	<u>\$ 58,119,000</u>

OXFAM AMERICA, INC. AND AFFILIATES
Consolidated Statements of Functional Expenses

Years Ended March 31,

	2021					2021			
	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	\$ 6,228,000	\$ 6,274,000	\$ 11,778,000	\$ 3,564,000	\$ 27,844,000	\$ 4,889,000	\$ 5,821,000	\$ 10,710,000	\$ 38,554,000
Professional fees and services	2,630,000	1,423,000	1,508,000	243,000	5,804,000	903,000	1,506,000	2,409,000	8,213,000
Professional fees and services - in-kind	218,000	-	1,162,000	-	1,380,000	120,000	47,000	167,000	1,547,000
Occupancy costs	892,000	792,000	927,000	408,000	3,019,000	421,000	921,000	1,342,000	4,361,000
Travel, meetings and conferences	218,000	328,000	91,000	-	637,000	4,000	15,000	19,000	656,000
Supplies, postage and printing	98,000	108,000	90,000	94,000	390,000	141,000	3,729,000	3,870,000	4,260,000
Other expenses	1,033,000	1,923,000	731,000	703,000	4,390,000	612,000	3,315,000	3,927,000	8,317,000
Grants and support to partners*	11,023,000	14,497,000	6,619,000	-	32,139,000	-	-	-	32,139,000
Total expenses before depreciation and amortization	22,340,000	25,345,000	22,906,000	5,012,000	75,603,000	7,090,000	15,354,000	22,444,000	98,047,000
Depreciation and amortization	71,000	74,000	159,000	6,000	310,000	56,000	8,000	64,000	374,000
Total expenses	\$ 22,411,000	\$ 25,419,000	\$ 23,065,000	\$ 5,018,000	\$ 75,913,000	\$ 7,146,000	\$ 15,362,000	\$ 22,508,000	\$ 98,421,000

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

* 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,

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 20,197,000	\$ (13,488,000)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized losses (gains) on investments	(7,978,000)	859,000
Depreciation and amortization	374,000	388,000
Loss on disposal of fixed assets	154,000	-
Change in:		
Pledges receivable	(2,145,000)	4,066,000
Prepaid expense	317,000	(725,000)
Accounts receivable	1,285,000	(1,334,000)
Other assets	(74,000)	(71,000)
Accounts payable	(549,000)	205,000
Accrued payroll and other accrued expenses	1,402,000	(530,000)
Grants payable	1,877,000	(1,082,000)
Net assets under split-interest agreements	(212,000)	(825,000)
Deferred rent	(406,000)	(336,000)
Deferred revenue and other liabilities	<u>(1,551,000)</u>	<u>1,885,000</u>
Net cash provided by (used in) operating activities	<u>12,691,000</u>	<u>(10,988,000)</u>
Cash flows from investing activities:		
Purchases of fixed assets	-	(16,000)
Proceeds from sales and maturities of investments	6,288,000	17,863,000
Purchases of investments	<u>(5,182,000)</u>	<u>(2,536,000)</u>
Net cash provided by investing activities	<u>1,106,000</u>	<u>15,311,000</u>
Net change in cash	13,797,000	4,323,000
Cash, beginning of year	<u>13,180,000</u>	<u>8,857,000</u>
Cash, end of year	\$ <u>26,977,000</u>	\$ <u>13,180,000</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 is a member of Oxfam International (“OI”), which is a non-profit organization registered in the Netherlands. OI is the central confederation of twenty independent organizations around the world. As a member of OI, OA works within the OI framework of shared priorities while seeking to leverage best practices in achieving those priorities via on the ground activities in various countries, long-term partnerships with grassroots organizations and collaborations with other OI members to promote sustainable development in Africa, Asia, the Pacific, the Caribbean and the Americas. OA and OI member organizations also provide humanitarian assistance in emergency situations, as well as disaster risk reduction and preparedness programs.

The chairperson of OA’s board is a member of the OI Board of Supervisors. Each OI member organization has one vote on the OI Board of Supervisors. In addition, the executive director of each member serves on the Executive Board of OI to facilitate collaboration on OI priorities. OA made grants and other payments of \$26,388,000 and \$18,179,000 to OI and its member organizations and received \$7,620,000 and \$2,391,000 for the years ended March 31, 2021 and 2020, respectively, from OI and its member organizations for program activities.

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

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

The WISE Women’s Empowerment Management Company, LLC is a wholly owned subsidiary of OA, which serves as primary recordkeeper for the Wise Women’s Empowerment Fund I, LLC, a fund whose primary purpose is to promote women’s economic empowerment within Guatemala’s financial sector. In addition to their recordkeeping responsibilities, OA is a contributing member to the Fund.

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

Basis of Presentation

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

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

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Basis of Presentation (Continued)

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

Principles of Consolidation

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

Cash

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

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

Pledges Receivable

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

Accounts Receivable

Accounts receivable generally represent net amounts due in connection with contract income. Certain contracts require invoicing while others provide for payment-based reporting. Contract arrangements generally require that costs are being incurred in accordance with a specified framework as stipulated by the resource provider. An allowance is provided based on management's estimate of collectability, which includes factors such as historical experience, specific review of circumstances and other factors. The allowance is also used to provide for any post-award audit issues that might arise and are reasonably estimable. Adjustments to the allowance are reflected against contract income. 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) consists of interest, dividends, realized and unrealized gains and losses, less external and direct internal investment expenses. Investment returns are allocated ratably when comingled for investment based on the underlying funds invested in such fund. Certain investments are held directly on behalf of certain groups of funds such as split-interest agreements so the returns on those funds are directly attributable to that element rather than comingled.

Fair Value Measurements

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

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

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

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

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

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

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Split-Interest Agreements

OA receives a variety of split-interest agreements that include charitable gift annuities, interests in pooled income funds and charitable remainder trusts. In cases where OA is the trustee or is otherwise provided the assets which represents the substantial majority of these funds, such amounts are recorded as assets and liabilities using fair value methods which include present value techniques given life expectancy and other like factors implicit in the instrument. The difference between the asset and the obligation at inception is recorded as revenue. In cases where OA is not the trustee, or otherwise in control of the assets, amounts are recorded as revenue and assets at their estimated fair value when OA is notified of the gift likewise using present value techniques as above. Adjustments are made over the term of the agreement based on changes in the fair value of the underlying assets, life expectancies and discount rates associated with obligations. Level 1 and 2 fair value methods are used in the computation of these amounts as per the fair value policies in this section. Effective April 1, 2020, OA determined that its accumulated resources and activity under its annuity program would be better reflected as part of restricted activities until a gift matures, at which time such amounts would be considered released from restriction. As a result, a reclassification of \$3,253,000 was made to increase net assets with restrictions, with a corresponding reduction in net assets without donor restriction.

Fixed Assets, Net

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

Grants Payable

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

Deferred Rent

Rent expense is recorded on the straight-line basis over the lease term with any differences being reflected as deferred rent. The most common reason for the differences are scheduled rent increases and rent abatements which often are offered at the outset of a lease.

Deferred Revenue

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

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Revenue Recognition and Operations

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

Revenue is earned under contribution type transactions as follows:

Contract Income

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

Contributions

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

Grant Income

OA applied for and received a forgivable Paycheck Protection Loan of \$4,000,000 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loan was funded on May 6, 2020. A request for forgiveness was submitted on November 3, 2020 and formally approved on June 12, 2021. OA has used all proceeds on qualified costs and such amount has been reported as grant income in 2021.

Donated In-Kind Services

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

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Functional Allocation of Expenses

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

Use of Estimates

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

Tax Status

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

Uncertain Tax Positions

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

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

Concentration of Credit Risk

OA has a concentration of credit risk associated with pledges receivable, however that risk has been judged to be modest based on history and the wherewithal of donors, most of which are foundations or individuals well known to OA. OA had three donors that collectively represented 60% of pledges receivable as of March 31, 2021 and two donors that collectively represented 64% of pledges receivable at March 31, 2020.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Pending Accounting Pronouncements

A number of new accounting standards are pending adoption in future years. The most significant of these is the Financial Accounting Standards Board Accounting Standards Update (“ASU”) No. 2016-02, *Leases*, which requires a lessee to recognize a right-of-use asset and a lease liability for all leases, initially measured at the present value of the lease payments, in its statement of financial position. The ASU is effective for fiscal year 2023 for OA. Management is evaluating the impact of the new guidance for leases as well as for other standards on the consolidated financial statements.

Reclassifications

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

Subsequent Events

OA has evaluated subsequent events through July 26, 2021, the date the consolidated financial statements were authorized to be issued. As indicated in Note 1, forgiveness was formally received after year end associated with the Payroll Protection Loan. No other events were identified that required recognition or disclosure during that evaluation.

Note 2 - Liquidity and Availability

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

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

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

Although not expected to be needed, the accumulated income on the endowment and certain restricted net assets can also be used to meet cash needs if necessary. OA manages the investment of its reserves to ensure both liquidity and the preservation of the minimum required reserves.

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

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 2 - Liquidity and Availability (Continued)

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

	2021	2020
Financial assets at year end:		
Cash	\$ 26,977,000	\$ 13,180,000
Pledges receivable	15,841,000	13,696,000
Accounts receivable	3,484,000	4,769,000
Investments convertible to cash in the next 12 months (Note 5)	<u>48,448,000</u>	<u>40,696,000</u>
Total financial assets at year end	\$ <u>94,750,000</u>	\$ <u>72,341,000</u>

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

Cash	\$ 26,977,000	\$ 13,180,000
Pledges receivable due in one year	7,338,000	9,523,000
Accounts receivable	3,484,000	4,769,000
Investments not encumbered by donor or board restrictions	<u>30,062,000</u>	<u>20,763,000</u>
Total financial assets available to meet general expenditures over the next 12 months	\$ <u>67,861,000</u>	\$ <u>48,235,000</u>

Note 3 - Pledges Receivable

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

	2021	2020
One year or less	\$ 7,338,000	\$ 9,523,000
Between one and five years	<u>8,941,000</u>	<u>4,519,000</u>
	16,279,000	14,042,000
Less: Present value discount (ranging from 0.30% to 2.94%)	(126,000)	(102,000)
Allowance for uncollectible pledges	<u>(312,000)</u>	<u>(244,000)</u>
Pledges receivable	\$ <u>15,841,000</u>	\$ <u>13,696,000</u>

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 3 - Pledges Receivable (Continued)

OA receives future gift intentions from donors during the ordinary course of its activities. These gift intentions do not constitute a contribution in the current year and, as such, are not recorded on the Consolidated Statements of Activities. There were \$1,905,000 and \$0 in gift intentions at March 31, 2021 and 2020, respectively.

OA has conditional contributions (which are accounted for as contract income) where the related revenue is recognized when the qualified costs are incurred. The total conditional contributions that have been committed but that the barrier of entitlement of incurring qualified cost has not yet been met were \$2,118,000 and \$10,829,000 at March 31, 2021 and 2020, respectively.

Note 4 - Accounts Receivable

Accounts receivable are as follows at March 31:

	2021	2020
Cost reimbursement contracts receivable	\$ 5,193,000	\$ 4,505,000
Other accounts receivable	<u>377,000</u>	<u>517,000</u>
	5,570,000	5,022,000
Reserve for disallowances	<u>(2,086,000)</u>	<u>(253,000)</u>
Accounts receivable	<u><u>\$ 3,484,000</u></u>	<u><u>\$ 4,769,000</u></u>

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 5 - Investments and Fair Value

Investments were as follows at March 31:

	2021		
	Level 1	Level 2	Total
Money market mutual funds	\$ 4,320,000	\$ -	\$ 4,320,000
Mutual funds:			
U.S. equity	11,033,000	-	11,033,000
Fixed income	16,766,000	-	16,766,000
U.S. equities	5,348,000	-	5,348,000
Non-U.S. equity comingled fund	-	4,850,000	4,850,000
	\$ 37,467,000	\$ 4,850,000	42,317,000
Program related investment in another entity			250,000
			\$ 42,567,000
	2020		
	Level 1	Level 2	Total
Money market mutual funds	\$ 4,210,000	\$ -	\$ 4,210,000
Mutual funds:			
U.S. equity	7,958,000	-	7,958,000
Fixed income	14,853,000	-	14,853,000
U.S. equities	4,111,000	-	4,111,000
Non-U.S. equity comingled fund	-	4,188,000	4,188,000
Fixed income:			
U.S. Government and agency bonds	-	125,000	125,000
	\$ 31,132,000	\$ 4,313,000	35,445,000
Program related investment in another entity			250,000
			\$ 35,695,000

The program related investment is carried at cost.

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 5 - Investments and Fair Value (Continued)

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

	2021		
	Level 1	Level 2	Total
Money market mutual funds	\$ -	\$ 242,000	\$ 242,000
U.S. equities	-	3,345,000	3,345,000
Fixed income:			
U.S. Government and agency bonds	-	678,000	678,000
Corporate bonds	-	1,518,000	1,518,000
U.S. Mortgage-backed securities	-	266,000	266,000
Other	-	82,000	82,000
	-	6,131,000	6,131,000
Total investments held in support of split-interest agreements	\$ -	\$ 6,131,000	6,131,000
Charitable remainder unitrusts			190,000
Total investments held in support of split-interest agreements			\$ 6,321,000
	2020		
	Level 1	Level 2	Total
Money market mutual funds	\$ -	\$ 2,498,000	\$ 2,498,000
U.S. equities	-	133,000	133,000
Fixed income:			
U.S. Government and agency bonds	-	867,000	867,000
Corporate bonds	-	1,356,000	1,356,000
U.S. Mortgage-backed securities	-	345,000	345,000
Other	-	52,000	52,000
	-	5,251,000	5,251,000
Total investments held in support of split-interest agreements	\$ -	\$ 5,251,000	5,251,000
Charitable remainder unitrusts			171,000
Total investments held in support of split-interest agreements			\$ 5,422,000

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 5 - Investments and Fair Value (Continued)

Liquidity of investments is as follows at March 31:

	2021	2020
Investment redemption or sale period:		
Daily	\$ 43,598,000	\$ 36,508,000
Monthly	<u>4,850,000</u>	<u>4,188,000</u>
	<u>\$ 48,448,000</u>	<u>\$ 40,696,000</u>

Note 6 - Fixed Assets

Fixed assets consist of the following at March 31:

	2021	2020
Building and building improvements	\$ 3,312,000	\$ 3,312,000
Furniture and equipment	538,000	1,207,000
Computer equipment	4,975,000	5,035,000
Other	<u>132,000</u>	<u>132,000</u>
Total	8,957,000	9,686,000
Less accumulated depreciation and amortization	<u>(7,924,000)</u>	<u>(8,125,000)</u>
Net fixed assets	<u>\$ 1,033,000</u>	<u>\$ 1,561,000</u>

Note 7 - Net Assets and Endowment Matters

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

	2021	2020
Fixed assets, net	\$ 1,033,000	\$ 1,561,000
Other funds without donor restrictions	<u>38,934,000</u>	<u>23,087,000</u>
	<u>\$ 39,967,000</u>	<u>\$ 24,648,000</u>

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 7 - Net Assets and Endowment Matters (Continued)

Net assets with restrictions include the following at March 31:

	2021				
	Beginning Balance	Net Additions	Releases	March 31, 2021 Balance	March 31, 2021 Balance Held in Receivables
<i>Resources with Purpose, Time of Purpose and Time Restrictions:</i>					
Global TAP	\$ 4,747,000	\$ -	\$ (4,004,000)	\$ 743,000	\$ -
New Campaign for Oxfam	424,000	(61,000)	(32,000)	331,000	300,000
Other Donor Designated Funds	4,751,000	12,299,000	(9,666,000)	7,384,000	8,057,000
Advocacy Programs	8,766,000	12,187,000	(11,417,000)	9,536,000	7,611,000
OAAF	12,000	500,000	(359,000)	153,000	-
Time Restricted Funds	1,000,000	-	(1,000,000)	-	-
Humanitarian Relief and Rehabilitation	3,021,000	8,353,000	(8,727,000)	2,647,000	297,000
U.S. Program Investment Fund	1,711,000	575,000	(63,000)	2,223,000	-
Less allowance					(312,000)
Less discount					(126,000)
					\$ 15,827,000
Charitable gift annuities - Reclassification	-	3,253,000	-	3,253,000	
Charitable gift annuities	-	440,000	(247,000)	193,000	
Charitable remainder unitrusts	171,000	19,000	-	190,000	
Total time and purpose restricted funds	<u>24,603,000</u>	<u>37,565,000</u>	<u>(35,515,000)</u>	<u>26,653,000</u>	
Unexpended net appreciation - endowment	6,234,000	2,739,000	-	8,973,000	
Endowment corpus to support operations	<u>2,634,000</u>	<u>-</u>	<u>-</u>	<u>2,634,000</u>	
Total endowment	<u>8,868,000</u>	<u>2,739,000</u>	<u>-</u>	<u>11,607,000</u>	
	\$ 33,471,000	\$ 40,304,000	\$ (35,515,000)	\$ 38,260,000	
2020					
	Beginning Balance	Net Additions	Releases	March 31, 2020 Balance	March 31, 2020 Balance Held in Receivables
<i>Resources with Purpose, Time of Purpose and Time Restrictions:</i>					
Global TAP	\$ 7,963,000	\$ 347,000	\$ (3,563,000)	\$ 4,747,000	\$ 3,288,000
New Campaign for Oxfam	831,000	34,000	(441,000)	424,000	333,000
Other Donor Designated Funds	4,155,000	5,142,000	(4,546,000)	4,751,000	2,459,000
Advocacy Programs	8,548,000	7,563,000	(7,345,000)	8,766,000	7,316,000
OAAF	-	425,000	(413,000)	12,000	-
Time Restricted Funds	2,000,000	-	(1,000,000)	1,000,000	-
Humanitarian Relief and Rehabilitation	5,501,000	3,021,000	(5,501,000)	3,021,000	67,000
U.S. Program Investment Fund	1,796,000	(20,000)	(65,000)	1,711,000	-
Less allowance					(244,000)
Less discount					(102,000)
					\$ 13,117,000
Charitable remainder unitrusts	<u>173,000</u>	<u>(2,000)</u>	<u>-</u>	<u>171,000</u>	
Total time and purpose restricted funds	<u>30,967,000</u>	<u>16,510,000</u>	<u>(22,874,000)</u>	<u>24,603,000</u>	
Unexpended net appreciation - endowment	6,338,000	(104,000)	-	6,234,000	
Endowment corpus to support operations	<u>2,634,000</u>	<u>-</u>	<u>-</u>	<u>2,634,000</u>	
Total endowment	<u>8,972,000</u>	<u>(104,000)</u>	<u>-</u>	<u>8,868,000</u>	
	\$ 39,939,000	\$ 16,406,000	\$ (22,874,000)	\$ 33,471,000	

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 7 - Net Assets and Endowment Matters (Continued)

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

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

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

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original donated value. There were no such deficiencies at March 31, 2021 and 2020.

Return Objectives and Risk Parameters

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

Strategies Employed for Achieving Objectives

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

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 7 - Net Assets and Endowment Matters (Continued)

Spending Policy

OA utilizes a total return spending policy from its endowment to support operations. Under the policy, up to 5% of the three year rolling market value may be utilized. The market value of the endowment includes the corpus of endowment gifts plus accumulated unspent gains that have not been appropriated in prior periods. No distributions were made under the spending policy in 2021 or 2020.

Note 8 - Direct Grants to Partners

OA incurred \$75,125,000 and \$66,608,000 of program expenses during the years ended March 31, 2021 and 2020, respectively. Included in these expenses are direct development, advocacy and humanitarian grants provided to partners as follows for the years ended March 31:

<u>Country/Region of Impact</u>	<u>2021</u>	<u>2020</u>
Regions of Asia and the Pacific	\$ 6,034,000	\$ 2,822,000
Regions of Africa	6,076,000	6,212,000
Latin America and Caribbean	862,000	3,436,000
Global programs	9,882,000	4,675,000
United States and U.S. Territories	<u>6,055,000</u>	<u>1,254,000</u>
Total direct grants to partners for development	28,909,000	18,399,000
Other support to partners	<u>3,230,000</u>	<u>4,556,000</u>
Total direct grants to partners and other support to partners	\$ <u>32,139,000</u>	\$ <u>22,955,000</u>

Note 9 - Retirement Plans

OA maintains a non-contributory defined contribution retirement plan that provides retirement benefits for substantially all U.S. employees who have satisfied the applicable waiting periods. Contributions to the plan are based on a percentage of salary. Expenses associated with the plan were \$1,175,000 and \$1,133,000 net of \$49,000 and \$87,000 of forfeitures for the years ended March 31, 2021 and 2020, respectively. Non U.S. employees have local retirement plans and are subject to local laws relative to severance and other matters.

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

OXFAM AMERICA, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 10 - Commitments and Contingencies

Leases

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

Future minimum lease payments are as follows:

2022	\$	2,354,000
2023		2,411,000
2024		904,000
2025		926,000
2026		948,000
Thereafter		<u>1,560,000</u>
Total	\$	<u>9,103,000</u>

Total rent expense under operating leases was \$2,181,000 and \$2,198,000 for the years ended March 31, 2021 and 2020, respectively.

Litigation

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

Post Award Review

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

In 2020, OA conducted a review of one of its locations and identified a number of areas of concern relative to the handling of certain matters and has reported these matters to funders. As a result of this review, management elected to increase their reserves as it relates to cost reimbursement contracts to \$2,086,000 as of March 31, 2021. Management will continue to monitor the situation and make any adjustments to the reserve amount as needed.

Contracts

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