

Financial Statements

Oxfam America Advocacy Fund, Inc. (Oxfam America Action Fund, Inc. as of April 1, 2016)

March 31, 2016 and 2015



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

OXFAM AMERICA ADVOCACY FUND, INC.

Financial Statements

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

500 Boylston Street ■ Boston, MA 02116
Tel: 617.761.0600 ■ Fax: 617.761.0601 ■ www.cbiztofias.com

Independent Auditors' Report

Board of Directors
Oxfam America Advocacy Fund, Inc.
Boston, Massachusetts

We have audited the accompanying financial statements of Oxfam America Advocacy Fund, Inc. ("OAAF"), which comprise the statements of financial position as of March 31, 2016 and 2015 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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





Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oxfam America Advocacy Fund, Inc. as of March 31, 2016 and 2015 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Mayer Hoffmann McCann P.C.

July 25, 2016
Boston, Massachusetts

OXFAM AMERICA ADVOCACY FUND, INC.

Statements of Financial Position

March 31,

	<i>2016</i>	<i>2015</i>
Assets		
Cash	\$ 154,462	\$ 82,282
Investments	851,802	876,000
Prepaid expenses	49,000	49,000
Pledges receivable	26,558	-
Accounts receivable	3,072	31,252
	<u> </u>	<u> </u>
Total assets	\$ <u>1,084,894</u>	\$ <u>1,038,534</u>
Liabilities and Net Assets		
Accounts payable	\$ 84,642	\$ 100,471
Accrued payroll and other accrued expenses	11,600	14,001
Other liabilities	1,951	55
	<u> </u>	<u> </u>
Total liabilities	<u>98,193</u>	<u>114,527</u>
Net assets:		
Unrestricted	<u>986,701</u>	<u>924,007</u>
	<u> </u>	<u> </u>
Total net assets	<u>986,701</u>	<u>924,007</u>
	<u> </u>	<u> </u>
Total liabilities and net assets	\$ <u>1,084,894</u>	\$ <u>1,038,534</u>

OXFAM AMERICA ADVOCACY FUND, INC.

Statements of Activities

Years Ended March 31,

	<i>2016</i>	<i>2015</i>
Revenue and other support:		
Contributions	\$ 430,158	\$ 458,674
Donated in-kind services	8,719	-
Investment income	839	847
	<u>439,716</u>	<u>459,521</u>
Total revenue	439,716	459,521
Expenses:		
Program services:		
Campaigning for social justice	124,188	200,578
Public education	82,323	84,507
	<u>206,511</u>	<u>285,085</u>
Total program services	206,511	285,085
Supporting services:		
Management and general	46,723	39,988
Fundraising	123,788	150,427
	<u>170,511</u>	<u>190,415</u>
Total supporting services	170,511	190,415
Total expenses	377,022	475,500
Increase (decrease) in net assets	62,694	(15,979)
Net assets, beginning of year	924,007	939,986
Net assets, end of year	\$ <u>986,701</u>	\$ <u>924,007</u>

OXFAM AMERICA ADVOCACY FUND, INC.

Statements of Cash Flows

Years Ended March 31,

	<i>2016</i>	<i>2015</i>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 62,694	\$ (15,979)
Reconciliation to cash flow:		
Net realized and unrealized gains on investments	(839)	(847)
Change in:		
Pledges receivable	(26,558)	-
Accounts receivable	28,180	(15,019)
Accounts payable and accrued payroll expenses	(18,230)	28,288
Other liabilities	1,896	55
	<u>47,143</u>	<u>(3,502)</u>
Net cash provided by (used in) operating activities		
	<u>47,143</u>	<u>(3,502)</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	225,000	250,000
Purchases of investments	(199,963)	(234,952)
	<u>25,037</u>	<u>15,048</u>
Net cash provided by investing activities		
	<u>25,037</u>	<u>15,048</u>
Net change in cash	72,180	11,546
Cash, beginning of year	82,282	70,736
	<u>82,282</u>	<u>70,736</u>
Cash, end of year	\$ <u>154,462</u>	\$ <u>82,282</u>

OXFAM AMERICA ADVOCACY FUND, INC.

Notes to Financial Statements

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

Oxfam America Advocacy Fund, Inc. (“OAAF”) is a non-profit organization incorporated in Massachusetts, created to foster an environment supportive of long-term development and to serve as advocate and lobbyist for change in global public policy on poverty and social justice. OAAF promotes policy change at the national level and produces educational materials for the United States public on these same issues. OAAF is related to Oxfam America, Inc. (“Oxfam”). Oxfam appoints the Board of Directors to OAAF and is the sole corporate member of OAAF. In addition, Oxfam provides certain supporting and other services to OAAF for which Oxfam charges the actual cost of services rendered.

Oxfam International is a non-profit organization comprised of seventeen independent members around the world which includes Oxfam. Oxfam’s board chair is a member of the Oxfam International Board.

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

Financial Statement Preparation

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

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

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

Temporarily Restricted Net Assets - carry specific, donor-imposed restrictions on the expenditure or other use of the funds. Temporary restrictions may expire either because of passage of time or because certain actions are taken by OAAF which fulfilled the restriction. Temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the Statements of Activities as net assets released from restrictions in the period in which the donor-imposed condition is met or the stipulated time restrictions have passed. OAAF had no temporarily restricted net assets at March 31, 2016 and 2015.

Permanently Restricted Net Assets - are those that are subject to donor-imposed restrictions which will never lapse, thus requiring the funds be retained permanently, but permit OAAF to use or expend part or all of the economic benefits derived from the donated assets. OAAF had no permanently restricted net assets at March 31, 2016 and 2015.

Contributions and Pledges

Contributions are recorded as support at the time the donor makes an unconditional promise to give. The existence or absence of restrictions on the gift will determine if it should be classified as unrestricted, temporarily restricted or permanently restricted. Contributions not expected to be collected within one year are recorded at the estimated present value of future cash flows, utilizing a risk-adjusted rate of return. Pledges receivable are reviewed annually and an allowance for uncollectible amounts due is recorded if amounts are deemed uncollectible. There was no allowance at March 31, 2016.

OXFAM AMERICA ADVOCACY FUND, INC.

Notes to Financial Statements

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

Donated In-Kind Services

Contributions of services are recognized when provided by individuals or organization whose skills would be purchased if not provided by donation. In addition, the value of services received from volunteers are not reflected in these statements.

Estimates Used in the Preparation of the Financial Statements

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

Tax Status

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

Uncertain Tax Positions

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

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

Cash

OAAF maintains its cash in bank deposit accounts, which at times exceed federally insured limits. OAAF monitors its exposure associated with cash and has not experienced any losses in such accounts.

OXFAM AMERICA ADVOCACY FUND, INC.

Notes to Financial Statements

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

Investments and Fair Value Measurements

OAAF reports investments and other required types of financial instruments in accordance with the fair value measurement accounting standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals) to determine fair value. Recurring fair value measurements are OAAF's investments. Non-recurring measurements are OAAF's pledge receivable. Fair value standards also require OAAF to classify financial instruments into a three-level hierarchy, based on the priority of inputs used to value instruments. Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments which are generally included in this category include listed equity and debt securities publicly traded on a stock exchange. As of March 31, 2016 and 2015, respectively, OAAF had \$851,802 and 876,000 of investments (money market funds) measured and reported at fair value that were categorized as Level 1.

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. OAAF had no instruments measured and reported at fair value that were categorized as Level 2 as of March 31, 2016 and 2015.

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. OAAF had no instruments measured and reported at fair value that were categorized as Level 3 as of March 31, 2016 and 2015.

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.

Allocation of Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among programs and supporting services. Management and general expenses include expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of OAAF.

OXFAM AMERICA ADVOCACY FUND, INC.

Notes to Financial Statements

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

Reclassifications

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

Subsequent Events

OAAF has evaluated subsequent events through July 25, 2016, the date the financial statements were authorized to be issued. On April 1, 2016, OAAF changed its name to Oxfam America Action Fund, Inc.

Note 2 - Related Party Transactions

OAAF purchases a significant portion of its services from Oxfam including management services. Oxfam and OAAF have executed an agreement whereby Oxfam charges OAAF actual costs incurred for services provided.

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

	2016	2015
Amounts prepaid to Oxfam America	\$ 49,000	\$ 49,000
Amounts due to Oxfam America (included in accounts payable)	\$ (76,264)	\$ (67,194)
Total charges to OAAF from Oxfam America for payroll, fringe, facilities, publicity and related costs	\$ 104,854	\$ 229,519