

**NEWMAN CENTER OF OSHKOSH, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2019 AND 2018**

**NEWMAN CENTER OF OSHKOSH, INC.  
TABLE OF CONTENTS  
YEARS ENDED JUNE 30, 2019 AND 2018**

|  |          |
|--|----------|
| <b>INDEPENDENT AUDITORS' REPORT.....</b>     | <b>1</b> |
| <b>FINANCIAL STATEMENTS</b>                  |          |
| <b>STATEMENTS OF FINANCIAL POSITION.....</b> | <b>3</b> |
| <b>STATEMENTS OF ACTIVITIES .....</b>        | <b>4</b> |
| <b>STATEMENTS OF CASH FLOWS .....</b>        | <b>6</b> |
| <b>NOTES TO FINANCIAL STATEMENTS.....</b>    | <b>7</b> |



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Newman Center of Oshkosh, Inc.  
Green Bay, Wisconsin

We have audited the accompanying financial statements of Newman Center of Oshkosh, Inc. (a Wisconsin corporation), which comprise the statements of financial position as of June 30, 2019 and 2018, 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 audit 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.

Board of Directors  
Newman Center of Oshkosh, Inc.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Newman Center of Oshkosh, Inc. as of June 30, 2019 and 2018, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Oshkosh, Wisconsin  
September 20, 2019

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2019 AND 2018**

|                                       | 2019       | 2018       |
|---------------------------------------|------------|------------|
| <b>ASSETS</b>                         |            |            |
| <b>ASSETS</b>                         |            |            |
| Interest in Cash                      | \$ 56,190  | \$ 104,378 |
| Investments                           | 8,236      | 8,069      |
| Accounts Receivable                   | 14,449     | -          |
| Prepaid Expenses                      | 5,030      | -          |
| Property and Equipment, Net           | 831,133    | 847,935    |
| Total Assets                          | \$ 915,038 | \$ 960,382 |
| <b>LIABILITIES AND NET ASSETS</b>     |            |            |
| <b>LIABILITIES</b>                    |            |            |
| Accounts Payable and Accrued Expenses | \$ 3,948   | \$ 4,813   |
| <b>NET ASSETS</b>                     |            |            |
| Without Donor Restrictions            | 883,421    | 924,375    |
| With Donor Restrictions               | 27,669     | 31,194     |
| Total Net Assets                      | 911,090    | 955,569    |
| Total Liabilities and Net Assets      | \$ 915,038 | \$ 960,382 |

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

|                                       | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total      |
|---------------------------------------|-------------------------------|----------------------------|------------|
| <b>REVENUES AND SUPPORT</b>           |                               |                            |            |
| Bishop's Appeal Grant                 | \$ 178,928                    | \$ -                       | \$ 178,928 |
| Contributions                         | 32,679                        | 19,234                     | 51,913     |
| Other                                 | 8,204                         | -                          | 8,204      |
| Net Assets Released from Restrictions | 22,759                        | (22,759)                   | -          |
| Total Revenues and Support            | 242,570                       | (3,525)                    | 239,045    |
| <br><b>EXPENSES</b>                   |                               |                            |            |
| Salaries and Wages                    | 74,639                        | -                          | 74,639     |
| Personnel Expenses                    | 30,966                        | -                          | 30,966     |
| Purchased Services                    | 105,343                       | -                          | 105,343    |
| Facilities, Buildings, and Grounds    | 44,492                        | -                          | 44,492     |
| Office                                | 12,210                        | -                          | 12,210     |
| Other                                 | 15,874                        | -                          | 15,874     |
| Total Expenses                        | 283,524                       | -                          | 283,524    |
| <br><b>CHANGE IN NET ASSETS</b>       | (40,954)                      | (3,525)                    | (44,479)   |
| <br>Net Assets - Beginning of Year    | 924,375                       | 31,194                     | 955,569    |
| <br><b>NET ASSETS - END OF YEAR</b>   | \$ 883,421                    | \$ 27,669                  | \$ 911,090 |

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

|                                       | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total      |
|---------------------------------------|-------------------------------|----------------------------|------------|
| <b>REVENUES AND SUPPORT</b>           |                               |                            |            |
| Bishop's Appeal Grant                 | \$ 209,860                    | \$ -                       | \$ 209,860 |
| Contributions                         | 27,843                        | 11,597                     | 39,440     |
| Other                                 | 7,732                         | -                          | 7,732      |
| Net Assets Released from Restrictions | 16,229                        | (16,229)                   | -          |
| Total Revenues and Support            | 261,664                       | (4,632)                    | 257,032    |
| <b>EXPENSES</b>                       |                               |                            |            |
| Salaries and Wages                    | 69,570                        | -                          | 69,570     |
| Personnel Expenses                    | 29,175                        | -                          | 29,175     |
| Purchased Services                    | 97,753                        | -                          | 97,753     |
| Facilities, Buildings, and Grounds    | 39,493                        | -                          | 39,493     |
| Office                                | 13,391                        | -                          | 13,391     |
| Other                                 | 17,048                        | -                          | 17,048     |
| Total Expenses                        | 266,430                       | -                          | 266,430    |
| <b>CHANGE IN NET ASSETS</b>           | (4,766)                       | (4,632)                    | (9,398)    |
| Net Assets - Beginning of Year        | 929,141                       | 35,826                     | 964,967    |
| <b>NET ASSETS - END OF YEAR</b>       | \$ 924,375                    | \$ 31,194                  | \$ 955,569 |

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2019 AND 2018**

|   | 2019        | 2018       |
|---|-------------|------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |             |            |
| Cash Received from Contributors   | \$ 238,878  | \$ 256,943 |
| Cash Paid to Suppliers  | (182,038)   | (149,979)  |
| Cash Paid to and on Behalf of Employees   | (105,028)   | (98,506)   |
| Net Cash Flows from Operating Activities  | (48,188)    | 8,458      |
| <b>CASH FLOWS FROM INVESTING ACTIVITY</b>   |             |            |
| Proceeds from Sale of Investments   | -           | 335        |
| <b>NET CHANGE IN INTEREST IN CASH</b>   | (48,188)    | 8,793      |
| Interest in Cash - Beginning of Year  | 104,378     | 95,585     |
| <b>INTEREST IN CASH - END OF YEAR</b>   | \$ 56,190   | \$ 104,378 |
| <b>RECONCILIATION OF CHANGE IN NET ASSETS TO<br/>NET CASH FLOWS FROM OPERATING ACTIVITIES</b> |             |            |
| Change in Net Assets  | \$ (44,479) | \$ (9,398) |
| Adjustments to Reconcile Change in Net Assets to<br>Net Cash Flows from Operating Activities: |             |            |
| Depreciation  | 16,802      | 16,802     |
| Investment Return   | (167)       | (89)       |
| Changes in Certain Assets and Liabilities:  |             |            |
| Prepaid Expenses  | (5,030)     | 755        |
| Accounts Receivable   | (14,449)    | -          |
| Accounts Payable and Accrued Expenses   | (865)       | 388        |
| Net Cash Flows from Operating Activities  | \$ (48,188) | \$ 8,458   |
| <b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>   |             |            |
| Interest Reinvested Directly Back into Investment Funds                                       | \$ 167      | \$ 89      |

See accompanying Notes to Financial Statements.



**NEWMAN CENTER OF OSHKOSH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Newman Center of Oshkosh, Inc. (Newman Center) is a nonprofit corporation organized under the laws of the state of Wisconsin for the purpose of providing spiritual direction to the community in and around University of Wisconsin — Oshkosh.

**Use of Estimates**

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

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions**

Net assets available for use in general operation and not subject to donor (or certain grantor) restrictions.

**Net Assets With Donor Restrictions**

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Interest in Cash**

Newman Center participates in a pooled cash account with an interdiocesan entity. This account sweeps daily to a zero balance. The total of the pooled cash account, at times, may exceed federally insured limits. Newman Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

**Investments**

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Investment income or loss and unrealized gains or losses are included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

**NEWMAN CENTER OF OSHKOSH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Property and Equipment**

Property and equipment are stated at cost, if purchased or fair market value at date of the gift, if donated. All acquisitions of property in excess of \$5,000 and equipment in excess of \$1,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Property and equipment are depreciated using the straight-line method over their estimated useful lives.

|                           |               |
|---------------------------|---------------|
| Land Improvements         | 20 Years      |
| Building and Improvements | 40 Years      |
| Furniture and Equipment   | 4 to 10 Years |

**Impairment of Long-Lived Assets**

Newman Center reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

**Contribution Recognition**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Newman Center.

In connection with its annual budget process, Newman Center is made aware of an estimated grant for its support from The Catholic Foundation for the Diocese of Green Bay, Inc. (the Foundation). Management does not consider this estimated grant as an unconditional promise to pay by the Foundation. The grant is recorded as revenue in the year in which it is actually received.

**NEWMAN CENTER OF OSHKOSH, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Tax-Exempt Status**

Newman Center has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) covered by the Internal Revenue Service group exemption letter of the United States Conference of Catholic Bishops and corresponding provisions of state law and, accordingly, is not subject to federal or state income taxes.

**Subsequent Events**

In preparing these financial statements, Newman Center has evaluated events and transactions for potential recognition or disclosure through September 20, 2019, the date the financial statements were available to be issued.

**NOTE 2 ACCOUNTING STANDARDS UPDATES**

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Newman Center adopted this standard on July 1, 2018. Accordingly, the required presentation and disclosure changes have been retrospectively applied to the prior period presented as if the policy had been used in that year.

In June 2018, the FASB issued ASU 2018-08 to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The guidance is required to be applied by Newman Center for the year ending June 30, 2020. Newman Center is currently evaluating the impact this guidance will have on its financial statements.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

Newman Center regularly monitors liquidity required to meet its operating needs, liabilities, and other obligations as they become due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

|   | 2019             | 2018             |
|---|------------------|------------------|
| Interest in Cash  | \$ 56,190        | \$ 104,378       |
| Investments   | 8,236            | 8,069            |
| Accounts Receivable   | 14,449           | -                |
| Total   | <u>78,875</u>    | <u>112,447</u>   |
| Less: Donor Restricted Net Assets                           | <u>(27,669)</u>  | <u>(31,194)</u>  |
| Total Financial Assets Available<br>for General Expenditure | <u>\$ 51,206</u> | <u>\$ 81,253</u> |

**NEWMAN CENTER OF OSHKOSH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30:

|                                | 2019       | 2018       |
|--------------------------------|------------|------------|
| Land and Improvements          | \$ 347,524 | \$ 347,524 |
| Buildings and Improvements     | 650,583    | 650,583    |
| Furniture and Equipment        | 12,673     | 12,673     |
| Total at Cost                  | 1,010,780  | 1,010,780  |
| Less: Accumulated Depreciation | (179,647)  | (162,845)  |
| Property and Equipment, Net    | \$ 831,133 | \$ 847,935 |

Depreciation expense of \$16,802 was recorded on the statements of activities in facilities, buildings, and grounds for the years ended June 30, 2019 and 2018.

**NOTE 5 FUNCTIONAL CLASSIFICATION OF EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include facilities, buildings, and grounds, which are allocated on a square footage basis, while the remaining natural expense categories are allocated on the basis of estimates of time and effort.

Expenses by function for the years ended June 30 are as follows:

|   | 2019                |                           |            |
|---|---------------------|---------------------------|------------|
|   | Program<br>Services | Management<br>and General | Total      |
| Salaries and Wages                          | \$ 74,639           | \$ -                      | \$ 74,639  |
| Personnel Expenses                          | 30,966              | -                         | 30,966     |
| Purchased Services                          | 93,475              | 11,868                    | 105,343    |
| Maintenance                                 | 22,417              | -                         | 22,417     |
| Depreciation                                | 16,802              | -                         | 16,802     |
| Other Facilities, Buildings,<br>and Grounds | 5,273               | -                         | 5,273      |
| Office                                      | 12,210              | -                         | 12,210     |
| Other                                       | 15,874              | -                         | 15,874     |
| Total Expenses by Function                  | \$ 271,656          | \$ 11,868                 | \$ 283,524 |

**NEWMAN CENTER OF OSHKOSH, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 5 FUNCTIONAL CLASSIFICATION OF EXPENSES (CONTINUED)**

|   | 2018                |                           |                   |
|---|---------------------|---------------------------|-------------------|
|   | Program<br>Services | Management<br>and General | Total             |
| Salaries and Wages                          | \$ 69,570           | \$ -                      | \$ 69,570         |
| Personnel Expenses                          | 29,175              | -                         | 29,175            |
| Purchased Services                          | 85,981              | 11,772                    | 97,753            |
| Maintenance                                 | 18,190              | -                         | 18,190            |
| Depreciation                                | 16,802              | -                         | 16,802            |
| Other Facilities, Buildings,<br>and Grounds | 4,501               | -                         | 4,501             |
| Office                                      | 13,391              | -                         | 13,391            |
| Other                                       | 17,048              | -                         | 17,048            |
| Total Expenses by Function                  | <u>\$ 254,658</u>   | <u>\$ 11,772</u>          | <u>\$ 266,430</u> |

**NOTE 6 RETIREMENT PLAN**

Newman Center participates in the Catholic Diocese of Green Bay Employees' Retirement Plan. The defined contribution retirement plan covers most lay employees. The vesting period of the Plan is six months. Contributions are 9% of an employee's wages and are made each pay period. Retirement plan expense for the years ended June 30, 2019 and 2018 was \$6,926 and \$6,756, respectively.

**NOTE 7 INTERDIOCESAN TRANSACTIONS**

Newman Center was a party to various transactions with other diocesan corporations during the years ended June 30, 2019 and 2018. Total revenues and support from other diocesan corporations, in the form of grants, was \$186,728 and \$225,237 for the years ended June 30, 2019 and 2018, respectively. The revenues from other diocesan corporations constitute a substantial portion of Newman Center's total revenues for the years ending June 30, 2019 and 2018. Total expenses paid to other diocesan corporations were \$42,263 and \$37,415 for the years ended June 30, 2019 and 2018, respectively, and related to administrative and support services.

**NEWMAN CENTER OF OSHKOSH, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes as of June 30:

|   | <u>2019</u>      | <u>2018</u>      |
|---|------------------|------------------|
| Subject to Expenditure for Specified Purpose: |                  |                  |
| Building Fund                                 | \$ 7,183         | \$ 7,050         |
| Appliance Purchase Fund                       | 27               | 27               |
| Housing Fund                                  | 223              | 223              |
| Music Equipment, Fall Retreat, Misc. Fund     | 3,753            | 771              |
| Welcome Week Fund                             | 3,790            | 3,790            |
| Christ Life Program Fund                      | 1,234            | 2,654            |
| FOCUS   | 424              | 324              |
| Titans Against Hunger                         | 1,260            | 1,260            |
| Evangelization Events                         | 8,768            | 11,172           |
| Liturgical Purposes                           | 1,007            | 3,923            |
| Total Net Assets with Donor Restrictions      | <u>\$ 27,669</u> | <u>\$ 31,194</u> |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

|                                       | <u>2019</u>      | <u>2018</u>      |
|---------------------------------------|------------------|------------------|
| Satisfaction of Purpose Restrictions: |                  |                  |
| Programs and Initiatives              | <u>\$ 22,759</u> | <u>\$ 16,229</u> |