

**NEWMAN CENTER OF OSHKOSH, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2018 AND 2017**

**NEWMAN CENTER OF OSHKOSH, INC.  
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## 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, 2018 and 2017, 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, 2018 and 2017, 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 17, 2018

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2018 AND 2017**

	2018	2017
<b>ASSETS</b>		
<b>ASSETS</b>		
Interest in Cash	\$ 104,378	\$ 95,585
Investments	8,069	8,315
Prepaid Expenses	-	755
Property and Equipment, Net	847,935	864,737
Total Assets	\$ 960,382	\$ 969,392
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 4,813	\$ 4,425
<b>NET ASSETS</b>		
Unrestricted	924,375	929,141
Temporarily Restricted	31,194	35,826
Total Net Assets	955,569	964,967
Total Liabilities and Net Assets	\$ 960,382	\$ 969,392

See accompanying Notes to Financial Statements.

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<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	<u>261,664</u>	<u>(4,632)</u>	<u>257,032</u>
<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	<u>266,430</u>	<u>-</u>	<u>266,430</u>
<b>CHANGE IN NET ASSETS</b>	(4,766)	(4,632)	(9,398)
Net Assets - Beginning of Year	<u>929,141</u>	<u>35,826</u>	<u>964,967</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 924,375</u>	<u>\$ 31,194</u>	<u>\$ 955,569</u>

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND SUPPORT</b>			
Bishop's Appeal Grant	\$ 155,595	\$ -	\$ 155,595
Contributions	14,257	15,407	29,664
Other	7,771	-	7,771
Net Assets Released from Restrictions	2,284	(2,284)	-
Total Revenues and Support	179,907	13,123	193,030
 <b>EXPENSES</b>			
Salaries and Wages	69,739	-	69,739
Personnel Expenses	34,841	-	34,841
Purchased Services	84,461	-	84,461
Facilities, Buildings, and Grounds	37,414	-	37,414
Office	11,624	-	11,624
Other	9,100	-	9,100
Total Expenses	247,179	-	247,179
 <b>CHANGE IN NET ASSETS</b>	(67,272)	13,123	(54,149)
 Net Assets - Beginning of Year	996,413	22,703	1,019,116
 <b>NET ASSETS - END OF YEAR</b>	\$ 929,141	\$ 35,826	\$ 964,967

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Contributors	\$ 256,943	\$ 193,003
Cash Paid to Suppliers	(149,979)	(101,629)
Cash Paid to and on Behalf of Employees	(98,506)	(104,129)
Net Cash Flows from Operating Activities	<u>8,458</u>	<u>(12,755)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Proceeds from Sale of Investments	<u>335</u>	<u>-</u>
<b>NET CHANGE IN INTEREST IN CASH</b>	8,793	(12,755)
Interest in Cash - Beginning of Year	<u>95,585</u>	<u>108,340</u>
<b>INTEREST IN CASH - END OF YEAR</b>	<u>\$ 104,378</u>	<u>\$ 95,585</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (9,398)	\$ (54,149)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	16,802	16,802
Investment Return	(89)	(27)
Changes in Certain Assets and Liabilities:		
Prepaid Expenses	755	8,245
Accounts Receivable	-	18,000
Accounts Payable and Accrued Expenses	388	(1,626)
Net Cash Flows from Operating Activities	<u>\$ 8,458</u>	<u>\$ (12,755)</u>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Interest Reinvested Directly Back into Investment Funds	<u>\$ 89</u>	<u>\$ 27</u>

See accompanying Notes to Financial Statements.



**NEWMAN CENTER OF OSHKOSH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 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 into one of three classes of net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Newman Center are classified and reported as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted – Net assets that result from contributions whose use by Newman Center is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of Newman Center pursuant to those stipulations.

Permanently Restricted – Net assets resulting from contributions with donor-imposed stipulations that require Newman Center to hold the gift in perpetuity. Newman Center does not have any permanently restricted net assets as of June 30, 2018 and 2017.

**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 unrestricted net assets unless the income or loss is restricted by donor or law.

**NEWMAN CENTER OF OSHKOSH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 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 as revenue when they are received or unconditionally pledged. Contributions that are unrestricted by the donor are reported as increases in unrestricted net assets. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets 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, 2018 AND 2017**

**NOTE 1 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 17, 2018, the date the financial statements were available to be issued.

**NOTE 2 NEW ACCOUNTING GUIDANCE**

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*, which is expected to impact the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The guidance is required to be applied by Newman Center for the year ended June 30, 2019; however, early application is permitted. Newman Center is currently evaluating the impact this guidance will have on its financial statements.

**NOTE 3 PROPERTY AND EQUIPMENT**

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

	<u>2018</u>	<u>2017</u>
Land and Improvements	\$ 347,524	\$ 347,524
Buildings and Improvements	650,583	650,583
Furniture and Equipment	<u>12,673</u>	<u>12,673</u>
Total at Cost	1,010,780	1,010,780
Less: Accumulated Depreciation	<u>(162,845)</u>	<u>(146,043)</u>
Property and Equipment, Net	<u>\$ 847,935</u>	<u>\$ 864,737</u>

Depreciation expense of \$16,802 was recorded on the statements of activities in facilities, buildings, and grounds for the years ended June 30, 2018 and 2017.

**NEWMAN CENTER OF OSHKOSH, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**NOTE 4 FUNCTIONAL EXPENSES**

The costs of providing program and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited.

	2018	2017
Program Services	\$ 254,658	\$ 235,419
Management and General	11,772	11,760
Total	\$ 266,430	\$ 247,179

**NOTE 5 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, 2018 and 2017 was \$6,756 and \$6,599, respectively.

**NOTE 6 INTERDIOCESAN TRANSACTIONS**

Newman Center was a party to various transactions with other diocesan corporations during the years ended June 30, 2018 and 2017. Total revenues and support from other diocesan corporations, in the form of grants, was \$225,237 and \$167,620 for the years ended June 30, 2018 and 2017, respectively. The revenues from other diocesan corporations constitute a substantial portion of Newman Center's total revenues for the years ending June 30, 2018 and 2017. Total expenses paid to other diocesan corporations were \$37,415 and \$41,848 for the years ended June 30, 2018 and 2017, respectively, and related to administrative and support services.

**NEWMAN CENTER OF OSHKOSH, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**NOTE 7 RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets were available for the following purposes as of June 30:

	<u>2018</u>	<u>2017</u>
Building Fund	\$ 7,050	\$ 7,314
Appliance Purchase Fund	27	27
Housing Fund	223	223
Music Equipment, Fall Retreat, Misc. Fund	771	2,740
Welcome Week Fund	3,790	3,790
Christ Life Program Fund	2,654	6,572
FOCUS	324	3,700
Titans Against Hunger	1,260	1,412
Evangelization Events	11,172	6,125
Liturgical Purposes	3,923	3,923
Total	<u>\$ 31,194</u>	<u>\$ 35,826</u>