

NEWMAN CENTER OF OSHKOSH, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020



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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, 2021 and 2020, 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, 2021 and 2020, 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
October 4, 2021

**NEWMAN CENTER OF OSHKOSH, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
ASSETS		
Interest in Cash	\$ 142,276	\$ 94,686
Investments	108,357	8,354
Accounts Receivable	59,069	21,890
Prepaid Expenses	-	3,400
Property and Equipment, Net	797,528	814,331
Total Assets	\$ 1,107,230	\$ 942,661
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 24,472	\$ 3,633
Refundable Advance	-	19,800
Total Liabilities	24,472	23,433
NET ASSETS		
Without Donor Restrictions	1,016,199	878,018
With Donor Restrictions	66,559	41,210
Total Net Assets	1,082,758	919,228
Total Liabilities and Net Assets	\$ 1,107,230	\$ 942,661

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Bishop's Appeal Grant	\$ 277,560	\$ -	\$ 277,560
Contributions	146,807	77,635	224,442
Contributions - Loan Forgiveness	19,800	-	19,800
Other	9,365	-	9,365
Net Assets Released from Restrictions	52,286	(52,286)	-
Total Revenues and Support	505,818	25,349	531,167
EXPENSES			
Salaries and Wages	80,033	-	80,033
Personnel Expenses	38,965	-	38,965
Purchased Services	104,102	-	104,102
Facilities, Buildings, and Grounds	114,195	-	114,195
Office	13,325	-	13,325
Other	17,017	-	17,017
Total Expenses	367,637	-	367,637
CHANGE IN NET ASSETS	138,181	25,349	163,530
Net Assets - Beginning of Year	878,018	41,210	919,228
NET ASSETS - END OF YEAR	\$ 1,016,199	\$ 66,559	\$ 1,082,758

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Bishop's Appeal Grant	\$ 211,908	\$ -	\$ 211,908
Contributions	26,731	25,374	52,105
Other	6,589	-	6,589
Net Assets Released from Restrictions	11,833	(11,833)	-
Total Revenues and Support	257,061	13,541	270,602
EXPENSES			
Salaries and Wages	75,751	-	75,751
Personnel Expenses	35,095	-	35,095
Purchased Services	92,707	-	92,707
Facilities, Buildings, and Grounds	35,802	-	35,802
Office	9,390	-	9,390
Other	13,719	-	13,719
Total Expenses	262,464	-	262,464
CHANGE IN NET ASSETS	(5,403)	13,541	8,138
Net Assets - Beginning of Year	883,421	27,669	911,090
NET ASSETS - END OF YEAR	\$ 878,018	\$ 41,210	\$ 919,228

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributors	\$ 511,364	\$ 290,284
Cash Paid to Suppliers	(244,877)	(140,463)
Cash Paid to and on Behalf of Employees	(118,897)	(111,325)
Net Cash Flows from Operating Activities	<u>147,590</u>	<u>38,496</u>
 CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of Investments	<u>(100,000)</u>	<u>-</u>
 NET CHANGE IN INTEREST IN CASH	47,590	38,496
Interest in Cash - Beginning of Year	<u>94,686</u>	<u>56,190</u>
 INTEREST IN CASH - END OF YEAR	<u><u>\$ 142,276</u></u>	<u><u>\$ 94,686</u></u>
 RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 163,530	\$ 8,138
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	16,803	16,802
Investment Return	(3)	(118)
Changes in Certain Assets and Liabilities:		
Prepaid Expenses	3,400	1,630
Accounts Receivable	(37,179)	(7,441)
Accounts Payable and Accrued Expenses	20,839	(315)
Refundable Advance	(19,800)	19,800
Net Cash Flows from Operating Activities	<u><u>\$ 147,590</u></u>	<u><u>\$ 38,496</u></u>
 NONCASH INVESTING AND FINANCING ACTIVITIES		
Interest Reinvested Directly Back into Investment Funds	<u><u>\$ 3</u></u>	<u><u>\$ 118</u></u>

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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.

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 accompanying statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

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

NEWMAN CENTER OF OSHKOSH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Impairment of Long-Lived Assets

Newman Center reviews long-lived assets, including property and equipment, 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.

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.

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, 2021 AND 2020

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

Refundable Advance

Newman Center received proceeds in the amount of \$19,800 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan) during the year ended June 30, 2020. The PPP Loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act.

Newman Center has classified this loan as a PPP grant for accounting purposes. Newman Center recognized contributions of \$19,800 related to this agreement during the year ended June 30, 2021, which represents the portion of the PPP Loan funds for which the performance barriers have been met. Management believes Newman Center has satisfied the performance barriers attributable to the PPP Loan proceeds and, on May 4, 2021, Newman Center received formal notification from the SBA that the full amount of the PPP Loan has been forgiven.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on Newman Center's financial position.

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 October 4, 2021, the date the financial statements were available to be issued.

NEWMAN CENTER OF OSHKOSH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 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:

	2021	2020
Interest in Cash	\$ 142,276	\$ 94,686
Investments	108,357	8,354
Accounts Receivable	59,069	21,890
Total	<u>309,702</u>	<u>124,930</u>
Less: Donor Restricted Net Assets	<u>(66,559)</u>	<u>(41,210)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 243,143</u>	<u>\$ 83,720</u>

NOTE 3 INVESTMENTS

Investments are held by St. Francis Xavier Investment Corp. (St. Francis Xavier Corp.), an interdiocesan entity. Newman Center's investments consist of \$108,357 and \$8,354 interests in St. Francis Xavier Corp.'s Federal U.S. Treasury Cash Reserve Fund at June 30, 2021 and 2020, respectively. The Federal U.S. Treasury Cash Reserve Fund has a daily redemption frequency, a 30-day termination notice period, and is intended to be utilized by intermediate and short-term money.

As defined by current authoritative guidance, fair value is 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. In determining fair value, Newman Center uses various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible, Newman Center attempts to utilize valuation methods that maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value hierarchy ranks the quality and reliability of the information used to determine the fair values. Assets and liabilities measured, reported, and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

NEWMAN CENTER OF OSHKOSH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 3 INVESTMENTS (CONTINUED)

The table below presents the balances of assets measured at fair value on a recurring basis:

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
St. Francis Xavier Corp. Federal U.S. Treasury Cash Reserve Fund	\$ -	\$ 108,357	\$ -	\$ 108,357
	June 30, 2020			
	Level 1	Level 2	Level 3	Total
St. Francis Xavier Corp. Federal U.S. Treasury Cash Reserve Fund	\$ -	\$ 8,354	\$ -	\$ 8,354

The fair value of the investments in the Federal U.S. Treasury Cash Reserve Fund has been estimated using the net asset value per share of the fund as determined by the fund administrator. The fund is valued on a daily basis.

NOTE 4 PROPERTY AND EQUIPMENT

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

	2021	2020
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	(213,252)	(196,449)
Property and Equipment, Net	\$ 797,528	\$ 814,331

Depreciation expense of \$16,803 and \$16,802 was recorded on the statements of activities in facilities, buildings, and grounds for the years ended June 30, 2021 and 2020, respectively.

NEWMAN CENTER OF OSHKOSH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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:

	2021		
	Program Services	Management and General	Total
Salaries and Wages	\$ 80,033	\$ -	\$ 80,033
Personnel Expenses	38,965	-	38,965
Purchased Services	94,118	9,984	104,102
Maintenance	92,513	-	92,513
Depreciation	16,803	-	16,803
Other Facilities, Buildings, and Grounds	4,879	-	4,879
Office	13,325	-	13,325
Other	17,017	-	17,017
Total Expenses by Function	<u>\$ 357,653</u>	<u>\$ 9,984</u>	<u>\$ 367,637</u>

	2020		
	Program Services	Management and General	Total
Salaries and Wages	\$ 75,751	\$ -	\$ 75,751
Personnel Expenses	35,095	-	35,095
Purchased Services	83,863	8,844	92,707
Maintenance	14,831	-	14,831
Depreciation	16,802	-	16,802
Other Facilities, Buildings, and Grounds	4,169	-	4,169
Office	9,390	-	9,390
Other	13,719	-	13,719
Total Expenses by Function	<u>\$ 253,620</u>	<u>\$ 8,844</u>	<u>\$ 262,464</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, 2021 and 2020 was \$7,523 and \$7,313, respectively.

NEWMAN CENTER OF OSHKOSH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 7 INTERDIOCESAN TRANSACTIONS

Newman Center was a party to various transactions with other diocesan corporations during the years ended June 30, 2021 and 2020. Total revenues and support from other diocesan corporations, in the form of grants, was \$384,629 and \$238,798 for the years ended June 30, 2021 and 2020, respectively. The revenues from other diocesan corporations constitute a substantial portion of Newman Center's total revenues for the years ending June 30, 2021 and 2020. Total expenses paid to other diocesan corporations were \$43,631 and \$39,118 for the years ended June 30, 2021 and 2020, respectively, and related to administrative and support services.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Subject to Expenditure for Specified Purpose:		
Building Fund	\$ 7,279	\$ 7,276
Appliance Purchase Fund	-	27
Housing Fund	223	223
Music Equipment, Fall Retreat, Misc. Fund	38,726	18,434
Welcome Week Fund	3,791	3,791
FOCUS	6,000	424
Titans Against Hunger	765	1,260
Evangelization Events	8,768	8,768
Liturgical Purposes	1,007	1,007
Total Net Assets with Donor Restrictions	<u>\$ 66,559</u>	<u>\$ 41,210</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>2021</u>	<u>2020</u>
Satisfaction of Purpose Restrictions:		
Programs and Initiatives	<u>\$ 52,286</u>	<u>\$ 11,833</u>