

**NEWMAN CENTER OF OSHKOSH, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**



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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Newman Center of Oshkosh, Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Newman Center of Oshkosh, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Newman Center of Oshkosh, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Newman Center of Oshkosh, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Newman Center of Oshkosh, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.



**CliftonLarsonAllen LLP**

Oshkosh, Wisconsin  
September 29, 2023

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
<b>ASSETS</b>		
Interest in Cash	\$ 110,856	\$ 158,230
Investments	112,339	108,496
Accounts Receivable	8,043	39,753
Prepaid Expenses	785	1,200
Property and Equipment, Net	825,443	784,012
Total Assets	\$ 1,057,466	\$ 1,091,691
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 5,118	\$ 20,794
<b>NET ASSETS</b>		
Without Donor Restrictions	1,012,536	958,229
With Donor Restrictions	39,812	112,668
Total Net Assets	1,052,348	1,070,897
Total Liabilities and Net Assets	\$ 1,057,466	\$ 1,091,691

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT</b>			
Bishop's Appeal Grant	\$ 198,525	\$ -	\$ 198,525
Contributions of Cash and Other Financial Assets	116,284	8,087	124,371
Other	2,842	-	2,842
Net Assets Released from Restrictions	80,943	(80,943)	-
Total Revenues and Support	398,594	(72,856)	325,738
<b>EXPENSES</b>			
Salaries and Wages	98,492	-	98,492
Personnel Expenses	42,576	-	42,576
Purchased Services	109,516	-	109,516
Facilities, Buildings, and Grounds	50,288	-	50,288
Office	15,622	-	15,622
Other	27,793	-	27,793
Total Expenses	344,287	-	344,287
<b>CHANGE IN NET ASSETS</b>	54,307	(72,856)	(18,549)
Net Assets - Beginning of Year	958,229	112,668	1,070,897
<b>NET ASSETS - END OF YEAR</b>	\$ 1,012,536	\$ 39,812	\$ 1,052,348

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT</b>			
Bishop's Appeal Grant	\$ 168,025	\$ -	\$ 168,025
Contributions of Cash and Other Financial Assets	96,778	76,039	172,817
Other	2,174	-	2,174
Net Assets Released from Restrictions	29,930	(29,930)	-
Total Revenues and Support	296,907	46,109	343,016
<b>EXPENSES</b>			
Salaries and Wages	84,673	-	84,673
Personnel Expenses	37,407	-	37,407
Purchased Services	121,892	-	121,892
Facilities, Buildings, and Grounds	82,528	-	82,528
Office	7,326	-	7,326
Other	21,051	-	21,051
Total Expenses	354,877	-	354,877
<b>CHANGE IN NET ASSETS</b>	(57,970)	46,109	(11,861)
Net Assets - Beginning of Year	1,016,199	66,559	1,082,758
<b>NET ASSETS - END OF YEAR</b>	\$ 958,229	\$ 112,668	\$ 1,070,897

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Contributors	\$ 321,895	\$ 342,877
Cash Paid to Suppliers	(164,606)	(201,968)
Cash Paid to and on Behalf of Employees	(143,725)	(121,669)
Net Cash Flows from Operating Activities	13,564	19,240
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of Property and Equipment	(60,938)	(3,286)
<b>NET CHANGE IN INTEREST IN CASH</b>	(47,374)	15,954
Interest in Cash - Beginning of Year	158,230	142,276
<b>INTEREST IN CASH - END OF YEAR</b>	\$ 110,856	\$ 158,230
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (18,549)	\$ (11,861)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	19,507	16,802
Investment Return	(3,843)	(139)
Changes in Certain Assets and Liabilities:		
Prepaid Expenses	415	(1,200)
Accounts Receivable	31,710	19,316
Accounts Payable and Accrued Expenses	(15,676)	(3,678)
Net Cash Flows from Operating Activities	\$ 13,564	\$ 19,240
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Interest Reinvested Directly Back into Investment Funds	\$ 3,843	\$ 139

See accompanying Notes to Financial Statements.



**NEWMAN CENTER OF OSHKOSH, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**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, 2023 AND 2022**

**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, 2023 AND 2022**

**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.

**Accounting Standards Update**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations related to leasing activities. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Implementation of the new standard did not result in material changes to amounts reported in the financial statements. Newman Center adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, with certain practical expedients available. Newman Center has elected to adopt the package of practical expedients available in the year of adoption.

Newman Center has no long-term leases that would require the recognition of right-of use (ROU) assets and lease liabilities on the statements of financial position. Therefore, the standard has no impact on the statements of financial position, activities, or cash flows.

**Subsequent Events**

In preparing these financial statements, Newman Center has evaluated events and transactions for potential recognition or disclosure through September 29, 2023, the date the financial statements were available to be issued.

**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:

	<u>2023</u>	<u>2022</u>
Interest in Cash	\$ 110,856	\$ 158,230
Investments	112,339	108,496
Accounts Receivable	8,043	39,753
Total	<u>231,238</u>	<u>306,479</u>
Less: Donor Restricted Net Assets	<u>(39,812)</u>	<u>(112,668)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 191,426</u>	<u>\$ 193,811</u>

**NEWMAN CENTER OF OSHKOSH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**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 \$112,339 and \$108,496 interests in St. Francis Xavier Corp.'s treasury money market fund at June 30, 2023 and 2022, respectively. The treasury money market 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.

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

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
St. Francis Xavier Corp. Treasury Money Market Fund	\$ -	\$ 112,339	\$ -	\$ 112,339

  

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
St. Francis Xavier Corp. Treasury Money Market Fund	\$ -	\$ 108,496	\$ -	\$ 108,496

The fair value of the investments in the treasury money market 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.

**NEWMAN CENTER OF OSHKOSH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 4 PROPERTY AND EQUIPMENT**

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

	2023	2022
Land and Improvements	\$ 347,524	\$ 347,524
Buildings and Improvements	710,572	650,583
Furniture and Equipment	16,908	15,959
Total at Cost	1,075,004	1,014,066
Less: Accumulated Depreciation	(249,561)	(230,054)
Property and Equipment, Net	\$ 825,443	\$ 784,012

Total depreciation expense was \$19,507 and \$16,802 for the years ended June 30, 2023 and 2022, respectively.

**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:

	2023		
	Program Services	Management and General	Total
Salaries and Wages	\$ 98,492	\$ -	\$ 98,492
Personnel Expenses	42,576	-	42,576
Purchased Services	97,084	12,432	109,516
Maintenance	24,401	-	24,401
Depreciation	19,507	-	19,507
Other Facilities, Buildings, and Grounds	7,085	-	7,085
Office	14,917	-	14,917
Other	27,793	-	27,793
Total Expenses by Function	\$ 331,855	\$ 12,432	\$ 344,287

**NEWMAN CENTER OF OSHKOSH, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

	2022		
	Program Services	Management and General	Total
Salaries and Wages	\$ 84,673	\$ -	\$ 84,673
Personnel Expenses	37,407	-	37,407
Purchased Services	111,284	10,608	121,892
Maintenance	59,211	-	59,211
Depreciation	16,802	-	16,802
Other Facilities, Buildings, and Grounds	6,515	-	6,515
Office	7,326	-	7,326
Other	21,051	-	21,051
Total Expenses by Function	\$ 344,269	\$ 10,608	\$ 354,877

**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, 2023 and 2022 was \$8,784 and \$7,673, respectively.

**NOTE 7 INTERDIOCESAN TRANSACTIONS**

Newman Center was a party to various transactions with other diocesan corporations during the years ended June 30, 2023 and 2022. Total revenues and support from other diocesan corporations, in the form of grants, was \$274,782 and \$236,068 for the years ended June 30, 2023 and 2022, respectively. The revenues from other diocesan corporations constitute a substantial portion of Newman Center's total revenues for the years ending June 30, 2023 and 2022. Total expenses paid to other diocesan corporations were \$44,972 and \$45,605 for the years ended June 30, 2023 and 2022, respectively, and related to administrative and support services.

**NEWMAN CENTER OF OSHKOSH, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Building Fund	\$ 6,900	\$ 7,288
Housing Fund	-	223
Music Equipment, Fall Retreat, Misc. Fund	27,115	84,030
Welcome Week Fund	300	3,791
FOCUS	4,732	7,130
Titans Against Hunger	765	765
Evangelization Events	-	8,768
Liturgical Purposes	-	673
Total Net Assets with Donor Restrictions	<u>\$ 39,812</u>	<u>\$ 112,668</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>2023</u>	<u>2022</u>
Satisfaction of Purpose Restrictions:		
Programs and Initiatives	<u>\$ 80,943</u>	<u>\$ 29,930</u>



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