

**MADISON AREA CARE FOR THE HOMELESS (MACH) ONEHEALTH, INC.**

**FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION**

December 31, 2023 and 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Madison Area Care for the Homeless (MACH) One Health, Inc.  
Madison, Wisconsin

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

#### ***Opinion***

We have audited the financial statements of Madison Area Care for the Homeless (MACH) One Health, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Madison Area Care for the Homeless (MACH) One Health, Inc. as of December 31, 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 audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Madison Area Care for the Homeless (MACH) One Health, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each the major federal program. Our audit does not provide a legal determination of Madison Area Care for the Homeless (MACH) One Health, Inc.'s compliance with the compliance requirements referred to above.

#### ***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 Madison Area Care for the Homeless (MACH) One Health, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditor's 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 auditor's 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Madison Area Care for the Homeless (MACH) One Health, 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 Madison Area Care for the Homeless (MACH) One Health, 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 audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2024 on our consideration of Madison Area Care for the Homeless (MACH) One Health, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Madison Area Care for the Homeless (MACH) One Health, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison Area Care for the Homeless (MACH) One Health, Inc.'s internal control over financial reporting and compliance.



Wegner CPAs, LLP  
Madison, Wisconsin  
September 18, 2024

**MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
Cash	\$ 113,971	\$ 130,657
Unconditional promises to give	196,109	91,043
Prepaid expenses	10,503	12,549
Operating lease right-of-use asset	100,543	-
Fixed assets, net	69,089	67,122
<b>Total assets</b>	<b>\$ 490,215</b>	<b>\$ 301,371</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 10,639	\$ 16,691
Accrued payroll	56,752	43,762
Refundable advances	104,952	16,783
Operating lease liability	100,543	-
<b>Total liabilities</b>	<b>272,886</b>	<b>77,236</b>
<b>NET ASSETS</b>		
Without donor restrictions	205,760	163,098
With donor restrictions	11,569	61,037
<b>Total net assets</b>	<b>217,329</b>	<b>224,135</b>
<b>Total liabilities and net assets</b>	<b>\$ 490,215</b>	<b>\$ 301,371</b>

See accompanying notes.

**MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions			
Government grants	\$ 1,334,811	\$ -	\$ 1,334,811
Business contributions	75,408	4,000	79,408
Individual contributions	19,425	-	19,425
Contributed nonfinancial assets	7,982	-	7,982
Total support and revenue	1,437,626	4,000	1,441,626
<b>EXPENSES</b>			
Program services			
Health Care Clinics	116,280	-	116,280
Campground	816,206	-	816,206
Outreach	338,435	-	338,435
Management and general	177,511	-	177,511
Total expenses	1,448,432	-	1,448,432
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	53,468	(53,468)	-
<b>Change in net assets</b>	42,662	(49,468)	(6,806)
Net assets at beginning of year	163,098	61,037	224,135
<b>Net assets at end of year</b>	<b>\$ 205,760</b>	<b>\$ 11,569</b>	<b>\$ 217,329</b>

See accompanying notes.

**MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions			
Government grants	\$ 1,374,033	\$ -	\$ 1,374,033
Business contributions	98,160	55,073	153,233
Individual contributions	24,472	-	24,472
Contributed nonfinancial assets	22,451	-	22,451
Other income	544	-	544
	<u>1,519,660</u>	<u>55,073</u>	<u>1,574,733</u>
Total support and revenue	1,519,660	55,073	1,574,733
<b>EXPENSES</b>			
Program services			
Health Care Clinics	130,101	-	130,101
Campground	811,085	-	811,085
Outreach	314,169	-	314,169
Management and general	198,412	-	198,412
	<u>1,453,767</u>	<u>-</u>	<u>1,453,767</u>
Total expenses	1,453,767	-	1,453,767
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	11,313	(11,313)	-
	<u>77,206</u>	<u>43,760</u>	<u>120,966</u>
<b>Change in net assets</b>	77,206	43,760	120,966
Net assets at beginning of year	85,892	17,277	103,169
	<u>85,892</u>	<u>17,277</u>	<u>103,169</u>
<b>Net assets at end of year</b>	<u>\$ 163,098</u>	<u>\$ 61,037</u>	<u>\$ 224,135</u>

See accompanying notes.



**MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2023 and 2022

	2023				
	Health Care Clinics	Campground	Outreach	Management and General	Total Expenses
Salaries, benefits, and payroll taxes	\$ 62,173	\$ 403,751	\$ 286,040	\$ 78,994	\$ 830,958
Subcontractors	-	333,834	-	-	333,834
Travel and training	4,004	27,901	16,445	8,254	56,604
Office expenses	6,501	25,898	811	5,654	38,864
Supplies	42,100	6,133	19,187	7,809	75,229
Professional fees	1,283	138	380	55,730	57,531
Miscellaneous	-	-	-	1,554	1,554
Facilities	-	9,854	9,700	7,320	26,874
Depreciation	-	3,544	3,544	-	7,088
Insurance	30	1,344	1,278	9,417	12,069
Telecommunications	189	3,809	1,050	820	5,868
Events expense	-	-	-	314	314
Credit card processing fees	-	-	-	1,645	1,645
<b>Total expenses</b>	<b>\$ 116,280</b>	<b>\$ 816,206</b>	<b>\$ 338,435</b>	<b>\$ 177,511</b>	<b>\$ 1,448,432</b>
	2022				
	Health Care Clinics	Campground	Outreach	Management and General	Total Expenses
Salaries, benefits, and payroll taxes	\$ 107,565	\$ 430,124	\$ 261,362	\$ 109,306	\$ 908,357
Subcontractors	-	260,891	-	-	260,891
Travel and training	5,253	29,857	22,121	14,355	71,586
Office expenses	1,304	47,248	2,065	1,926	52,543
Supplies	7,805	24,632	16,248	110	48,795
Professional fees	-	1,271	-	32,793	34,064
Miscellaneous	-	-	-	32,351	32,351
Facilities	-	9,660	7,320	3,660	20,640
Depreciation	1,564	3,411	3,677	-	8,652
Electronic health records	6,108	-	-	-	6,108
Insurance	302	1,831	1,376	1,187	4,696
Telecommunications	-	2,160	-	777	2,937
Events expense	-	-	-	1,046	1,046
Credit card processing fees	-	-	-	618	618
Advertising	139	-	-	283	422
Telemedicine	61	-	-	-	61
<b>Total expenses</b>	<b>\$ 130,101</b>	<b>\$ 811,085</b>	<b>\$ 314,169</b>	<b>\$ 198,412</b>	<b>\$ 1,453,767</b>

See accompanying notes.

**MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (6,806)	\$ 120,966
Adjustments to reconcile the change in net assets to net cash flows from operating activities		
Depreciation	7,088	8,652
Amortization of operating lease right-of-use asset	31,863	-
(Increase) decrease in assets		
Unconditional promises to give	(105,066)	(3,612)
Prepaid expenses	2,046	(6,194)
Increase (decrease) in liabilities		
Accounts payable	(6,052)	(13,725)
Accrued payroll	12,990	39,617
Refundable advances	88,169	16,783
Operating lease liability	(31,863)	-
Net cash flows from operating activities	<u>(7,631)</u>	<u>162,487</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	<u>(9,055)</u>	<u>(40,105)</u>
<b>Net change in cash</b>	<u>(16,686)</u>	<u>122,382</u>
Cash at beginning of year	<u>130,657</u>	<u>8,275</u>
<b>Cash at end of year</b>	<u><u>\$ 113,971</u></u>	<u><u>\$ 130,657</u></u>

See accompanying notes.

**MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

Madison Area Care for the Homeless (MACH) One Health, Inc. (MACH) provides medical services to those in the Madison area experiencing homelessness. All amounts received are contributions from individuals and corporations and government grants.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises to give become unconditional. As of December 31, 2023 and 2022, all promises to give are receivable within one year.

**Fixed Assets**

Purchases of fixed assets in excess of \$2,000 are capitalized. Fixed assets are carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method.

**Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other 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.

**Government Grants**

MACH receives grants from government agencies and others that are conditioned upon MACH incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by MACH, both an unconditional promise to give from the grantor agency and revenue are recorded.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

**MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits, and payroll taxes, facilities, office expenses, and telecommunications, which are allocated on the basis of estimates of time and effort. Expenses that are allocated also include personal protective equipment included in supplies and depreciation, which are allocated on the basis of estimates of use.

The following program services and supporting activities are included in the accompanying financial statements:

*Health Care Clinics (makeshift clinics)*— MACH Clinics (dba Madison Street Medicine) are makeshift medical clinics set up at Madison-area shelters to serve the unhoused people of Madison. MACH offers a variety of weekly and monthly clinics at the Beacon Day Shelter and the Madison emergency shelter. We work in collaboration with the organizations and programs that run these sites to best support our clients. The clinic setting allows us to provide acute medical care and follow up to clients in a private one-on-one setting. In 2023 we served 317 unduplicated people (503 services) in our monthly footcare clinic, 240 unduplicated people (488 services) in our weekly men's shelter clinic and 142 unduplicated people (231 services) at the weekly Beacon day resource center.

*Campground (place based care)*— In 2021, MACH was selected to manage the City of Madison's first city-sanctioned campground at Dairy Drive. The campground offers temporary living spaces to people who would otherwise be unsheltered and wrap-around services on site for up to 29 residents at a time. MACH created the programming services and started moving people into the campground in November 2021. Since its inception, the campground has served 89 people and 36 of those have transitioned to housing.

*Outreach (street care)*— MACH Outreach provides medical and housing services to the unsheltered people of Madison on the streets of downtown Madison and at area encampments as they pop up. We meet our clients where they live and respond to their health and housing needs. Staff and volunteers provide direct medical care, social services, and care coordination. The purpose of our healthcare Outreach is to help our clients better navigate the healthcare system, build trust with their providers, decrease fear of judgment or mistreatment at clinical appointments, increase health literacy, and promote adherence to treatment plans. The purpose of our housing Outreach is to ensure our clients are entered in HUD's homeless management information system, assist in housing appointments, and provide any related services needed to get our clients into housing. In 2023 MSM served 96 unduplicated people sleeping unsheltered on the streets, in vehicles and other places not meant for human habitation.

**MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Expense Allocation (continued)**

*Management and General*—Management and general activities related to the overall direction of and include the functions necessary to manage the financial and budgetary responsibilities and perform other administrative functions.

**Leases**

The Organization does not recognize short-term leases in the statements of financial position. For these leases, the Organization recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The Organization also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, the Organization uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**Reclassifications**

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

**Income Tax Status**

MACH is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Date of Management’s Review**

Management has evaluated subsequent events through September 18, 2024, the date which the financial statements were available to be issued.

NOTE 2 – FIXED ASSETS

Fixed assets consist of the following:

	2023	2022
Electronic health record system	\$ -	\$ 7,040
Vehicles	83,265	74,210
Less accumulated depreciation	(14,176)	(14,128)
Fixed assets, net	\$ 69,089	\$ 67,122

**MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

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NOTE 3 – CONDITIONAL GRANTS

MACH has several grants that are conditioned upon MACH incurring qualifying expenses under the grant programs. At December 31, 2023 and 2022, these conditional grants total approximately \$1,851,000 and \$333,000, respectively. These conditional grants will be recognized as revenue when the respective conditions are met in future years.

NOTE 4 – CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, 2023 and 2022, contributed nonfinancial assets recognized in the statements of activities include outreach supplies used in MACH's program services. The fair value of these supplies is determined by volunteers and others familiar with the cost of such supplies used in similar programs and is based on estimates of wholesale values that would be received for selling similar products in the United States. No contributed nonfinancial assets received were restricted for use.

NOTE 5 – ECONOMIC DEPENDENCY

A significant portion of MACH's revenues consists of government grants. Thus, its funding is vulnerable to changes in the legislative priorities of federal, state, and local governments. For the years ended December 31, 2023 and 2022, MACH received 75% and 61%, respectively, its total support and revenue from the City of Madison.

NOTE 6 – LIQUIDITY AND AVAILABILITY

The following table reflects MACH's financial assets as of the date of the statement of financial position, reduced by amounts not available to meet cash needs for general expenditures within one year of the date of the statements of financial position because of donor-imposed restrictions:

	<u>2023</u>	<u>2022</u>
Cash	\$ 113,971	\$ 130,657
Unconditional promises to give	<u>196,109</u>	<u>91,043</u>
Financial assets, at year-end	310,080	221,700
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	<u>(11,569)</u>	<u>(11,037)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 298,511</u>	<u>\$ 210,663</u>

MACH strives to maintain liquid financial assets to cover 90 days of general expenditures. MACH has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31 are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purpose:		
Personal protective equipment supplies	\$ 1,343	\$ 1,343
Community health needs assessment	2,498	2,498
Dairy Drive shelters	-	468
Reindahl Park	1,655	1,655
Moving	2,000	2,000
Medicine and racial equity	73	3,073
Bus passes	4,000	-
Subsequent years activities	-	50,000
	<u>\$ 11,569</u>	<u>\$ 61,037</u>
Net assets with donor restrictions	<u>\$ 11,569</u>	<u>\$ 61,037</u>

**NOTE 8 – LEASE**

MACH One has historically leased office space on an annual basis. In 2023, MACH One signed a long-term lease that expires in December 2026. The office lease requires monthly payments of \$3,000.

Other information related to the operating lease is as follows:

ROU assets obtained in exchange for new operating lease liabilities	100,542
Weighted-average remaining lease term in years for operating leases	3.00
Weighted-average discount rate for operating leases	5%

The maturities of the operating lease liability as of December 31, 2023, are as follows:

2024	\$ 36,000
2025	36,000
2026	36,000
Total undiscounted cash flows	108,000
Less: present value discount	(7,457)
Total operating lease liability	<u>\$ 100,543</u>

**MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>CDBG-Entitlement Grants Cluster</b>				
<b>Department of Housing and Urban Development</b>				
City of Madison				
Community Development Block Grants/Entitlement Grants	14.218	620858B	\$ -	\$ 300,000
<b>Other Programs</b>				
<b>Department of Housing and Urban Development</b>				
City of Madison				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	620858	-	138,883
COVID-19 Emergency Solutions Grant Program	14.231		-	205,726
COVID-19 Emergency Solutions Grant Program	14.231		-	110,000
COVID-19 Emergency Solutions Grant Program	14.231		-	10,000
<b>Total 14.231</b>			-	325,726
Continuum of Care Program	14.267		-	49,883
Continuum of Care Program	14.267		-	645
<b>Total 14.267</b>			-	50,528
<b>Department of the Treasury</b>				
City of Madison				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	620858A	137,187	283,191
<b>Department of Health and Human Services</b>				
State of Wisconsin				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	435100-G24-138371-90	-	49,955
<b>Total expenditures of federal awards</b>			<u>\$ 137,187</u>	<u>\$ 1,148,283</u>



**MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2023

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NOTE 1—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Madison Area Care for the Homeless (MACH) One Health, Inc. under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of MACH, it is not intended to and does not present the financial position, changes in net assets, or cash flows of MACH.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3—INDIRECT COST RATE

MACH has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Madison Area Care for the Homeless (MACH) One Health, Inc.  
Madison, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Madison Area Care for the Homeless (MACH) One Health, Inc., which comprise Madison Area Care for the Homeless (MACH) One Health, Inc.'s statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2024.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Madison Area Care for the Homeless (MACH) One Health, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Madison Area Care for the Homeless (MACH) One Health, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Madison Area Care for the Homeless (MACH) One Health, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Madison Area Care for the Homeless (MACH) One Health, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, slightly slanted style.

Wegner CPAs, LLP  
Madison, Wisconsin  
September 18, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
Madison Area Care for the Homeless (MACH) One Health, Inc.  
Madison, Wisconsin

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Madison Area Care for the Homeless (MACH) One Health, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Madison Area Care for the Homeless (MACH) One Health, Inc.'s major federal programs for the year ended December 31, 2023. Madison Area Care for the Homeless (MACH) One Health, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Madison Area Care for the Homeless (MACH) One Health, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Madison Area Care for the Homeless (MACH) One Health, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Madison Area Care for the Homeless (MACH) One Health, Inc.'s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Madison Area Care for the Homeless (MACH) One Health, Inc.'s federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Madison Area Care for the Homeless (MACH) One Health, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a

reasonable user of the report on compliance about Madison Area Care for the Homeless (MACH) One Health, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Madison Area Care for the Homeless (MACH) One Health, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Madison Area Care for the Homeless (MACH) One Health, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of Madison Area Care for the Homeless (MACH) One Health, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Wegner CPAs, LLP  
Madison, Wisconsin  
September 18, 2024

**MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended December 31, 2023

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**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Is a material weakness in internal control over financial reporting disclosed?	No
Is a significant deficiency in internal control over financial reporting disclosed?	None reported
Is any noncompliance that is material to the financial statements disclosed?	No

**Federal Awards**

Type of report the auditor issued on compliance for major federal programs:	Unmodified
Is a material weakness in internal control over major federal programs disclosed?	No
Is a significant deficiency in internal control over major federal programs disclosed?	None reported
Is any audit finding that is required to be reported under 2 CFR 200.516(a) disclosed?	No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	COVID-19 Coronavirus Statement and Local Fiscal Recovery Funds
14.231	COVID-19 Emergency Solutions Grant Program

Dollar threshold used to distinguish between Type A and Type B programs, as described in 2 CFR 200.518(b)(1):	\$ 750,000
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Did the auditee qualify as a low-risk auditee under 2 CFR 200.520?	No
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**FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.