

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

FINANCIAL STATEMENTS

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

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

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, 2021 and 2020, 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, 2021 and 2020, and the results of its operations 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 Auditor's Responsibilities for the Audit of the Financial Statements 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 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 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 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 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.



Wegner CPAs, LLP
Madison, Wisconsin
July 25, 2022

MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 8,275	\$ 21,711
Promises to give	87,431	10,334
Prepaid expenses	6,355	2,871
Fixed assets, net of accumulated depreciation of \$5,476 and \$2,738 in 2021 and 2020, respectively	<u>35,669</u>	<u>4,302</u>
Total assets	<u><u>\$ 137,730</u></u>	<u><u>\$ 39,218</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 30,416	\$ 839
Accrued payroll	<u>4,145</u>	<u>-</u>
Total liabilities	34,561	839
NET ASSETS		
Without donor restrictions	85,892	25,348
With donor restrictions	<u>17,277</u>	<u>13,031</u>
Total net assets	<u>103,169</u>	<u>38,379</u>
Total liabilities and net assets	<u><u>\$ 137,730</u></u>	<u><u>\$ 39,218</u></u>

See accompanying notes.

MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions			
Fundraising event income	\$ 3,025	\$ -	\$ 3,025
Business contributions	18,614	10,000	28,614
Individual contributions	21,912	1,740	23,652
Government grants	416,811	-	416,811
Donated goods	40,400	-	40,400
Other income	1,831	-	1,831
	<u>502,593</u>	<u>11,740</u>	<u>514,333</u>
Total support and revenue	502,593	11,740	514,333
EXPENSES			
Program services			
Health Care Clinics	43,529	-	43,529
Community Health Needs Assessment	6,754	-	6,754
Campground	180,940	-	180,940
Outreach	150,367	-	150,367
Management and general	67,953	-	67,953
	<u>449,543</u>	<u>-</u>	<u>449,543</u>
Total expenses	449,543	-	449,543
CHANGES IN NET ASSETS			
Satisfaction of purpose restrictions	7,494	(7,494)	-
	<u>60,544</u>	<u>4,246</u>	<u>64,790</u>
Change in net assets	60,544	4,246	64,790
Net assets at beginning of year	25,348	13,031	38,379
	<u>25,348</u>	<u>13,031</u>	<u>38,379</u>
Net assets at end of year	<u>\$ 85,892</u>	<u>\$ 17,277</u>	<u>\$ 103,169</u>

See accompanying notes.

MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions			
Fundraising event income	\$ 8,548	\$ 6,000	\$ 14,548
Business contributions	10,625	-	10,625
Individual contributions	2,796	-	2,796
Government grants	62,893	-	62,893
Donated goods	1,049	-	1,049
Other income	2,578	-	2,578
	<u>88,489</u>	<u>6,000</u>	<u>94,489</u>
Total support and revenue	88,489	6,000	94,489
EXPENSES			
Program services			
Madison Street Medicine Initiative	13,605	-	13,605
Community Health Needs Assessment	6,991	-	6,991
Foot Care Clinic	10,279	-	10,279
Care Connections	21,444	-	21,444
Management and general	38,122	-	38,122
	<u>90,441</u>	<u>-</u>	<u>90,441</u>
Total expenses	90,441	-	90,441
CHANGES IN NET ASSETS			
Satisfaction of purpose restrictions	2,969	(2,969)	-
	<u>1,017</u>	<u>3,031</u>	<u>4,048</u>
Change in net assets	1,017	3,031	4,048
Net assets at beginning of year	24,331	10,000	34,331
	<u>24,331</u>	<u>10,000</u>	<u>34,331</u>
Net assets at end of year	<u>\$ 25,348</u>	<u>\$ 13,031</u>	<u>\$ 38,379</u>

See accompanying notes.

MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
December 31, 2021 and 2020

2021						
	Health Care Clinics	Community Health Needs Assessment	Campground	Outreach	Management and General	Total Expenses
Salaries, benefits, and payroll taxes	\$ 19,527	\$ 3,960	\$ 73,024	\$ 127,344	\$ 38,819	\$ 262,674
Credit card processing fees	-	-	-	-	308	308
Supplies	2,161	2,794	21,852	7,105	341	34,253
Professional fees	1,600	-	-	1,718	11,506	14,824
Facilities	934	-	6,186	4,090	634	11,844
Electronic health records	6,243	-	-	-	-	6,243
Insurance	55	-	299	242	3,750	4,346
Events expense	-	-	-	-	95	95
Office expenses	8,220	-	28,663	729	5,899	43,511
Telemedicine	2,843	-	-	-	-	2,843
Telecommunications	268	-	47	822	458	1,595
Depreciation	913	-	913	912	-	2,738
Miscellaneous	-	-	-	-	1,176	1,176
Travel and training	765	-	9,977	7,405	524	18,671
Subcontractors	-	-	39,979	-	4,443	44,422
Total expenses	\$ 43,529	\$ 6,754	\$ 180,940	\$ 150,367	\$ 67,953	\$ 449,543
2020						
	Madison Street Medicine Initiative	Community Health Needs Assessment	Foot Care Clinic	Care Connections	Management and General	Total Expenses
Salaries, benefits, and payroll taxes	\$ 7,053	\$ 6,503	\$ 5,493	\$ 14,690	\$ 28,372	\$ 62,111
Supplies	1,319	152	2,138	2,496	-	6,105
Professional fees	-	-	-	-	4,418	4,418
Facilities	750	188	375	1,125	1,312	3,750
Electronic health records	1,196	-	1,196	1,196	-	3,588
Insurance	-	-	-	-	2,888	2,888
Office expenses	652	127	253	759	887	2,678
Depreciation	783	-	782	782	-	2,347
Telemedicine	1,768	-	-	-	-	1,768
Telecommunications	84	21	42	125	146	418
Credit card processing fees	-	-	-	-	99	99
Travel and training	-	-	-	271	-	271
Total expenses	\$ 13,605	\$ 6,991	\$ 10,279	\$ 21,444	\$ 38,122	\$ 90,441

See accompanying notes.

MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.**STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 64,790	\$ 4,048
Adjustments to reconcile the change in net assets to net change in cash		
Depreciation	2,738	2,347
(Increase) decrease in assets		
Promises to give	(77,097)	656
Prepaid expenses	(3,484)	(2,871)
Increase in liabilities		
Accounts payable	29,577	553
Accrued payroll	4,145	-
Net cash flows from operating activities	20,669	4,733
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(34,105)	-
Change in cash	(13,436)	4,733
Cash at beginning of year	21,711	16,978
Cash at end of year	<u>\$ 8,275</u>	<u>\$ 21,711</u>

See accompanying notes.

MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

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.

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, 2021 and 2020, 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.

Grants

MACH receives grants from government agencies and others that are conditioned upon MACH incurring qualifying expenses. Revenue from these grants is generally recognized when qualifying expenses are incurred by MACH. Amounts incurred, but not yet received, are recorded as promises to give from the grantor agency and revenue is 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.

Reclassifications

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

MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

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, electronic health records, office expenses, and telecommunications, which are allocated on the basis of estimates of time and effort. The electronic health records, personal protective equipment supplies, and depreciation are allocated based on estimates of usage across the different programs. All other supplies are directly allocated to programs.

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

Madison Street Medicine Initiative (MSMI)—The MSMI is the primary boots on the ground program to get in touch with and help those currently experiencing homelessness with checkups and direct clinical care.

Health Care Clinics (makeshift clinics)—MACH OneHealth Clinics are makeshift medical clinics set up at Madison-area shelters to serve the unsheltered people of Madison. MACH OneHealth offers a variety of weekly and monthly clinics at the Beacon Day Shelter, the Madison emergency shelter, and the VP hotel. 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 2021, we conducted 646 medical visits and 80 pharmaceutical visits.

Community Health Needs Assessment (CHNA)—The CHNA is an on-street survey that MACH takes of their client base to hear their needs and use this to influence their care offerings.

Campground (home care)—In 2021, MACH OneHealth was selected to manage the City of Madison's first city-sanctioned campground at Dairy Drive. The campground offers transitional living spaces and wrap-around services on site for up to 30 residents at a time. MACH OneHealth created the programming services and started moving people into the campground in November 2021. Since its inception, the campground has served 46 people and 11 of those have transitioned to housing.

Outreach (street care)—MACH OneHealth 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 support, 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 2021, we conducted 501 case management and social service visits.

MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation (continued)

Foot Care Clinic (FCC)—The FCC specifically targets the feet related needs of MACH's client base. Offering feet examination by a trained nurse, new shoes, and other related needs.

Care Connections (CC)—CC aims to help MACH's client base navigate the current health care system. This includes accompanying a client to the doctor, providing transportation, and consultation.

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.

Income Tax Status

The organization 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 July 25, 2022, the date which the financial statements were available to be issued.

NOTE 2 - LEASES

MACH has a month-to-month lease for office space in Madison, Wisconsin that requires payments of \$250 per office occupied. Amounts per the lease range from \$500 to \$7,211 per month. Total lease expense for the years ended December 31, 2021 and 2020 was \$10,737 and \$1,670, respectively.

NOTE 3 – FIXED ASSETS

Fixed assets consist of the following at December 31:

	2021	2020
Electronic health record system	\$ 7,040	\$ 7,040
Van	34,105	-
Less: accumulated depreciation	(5,476)	(2,738)
Fixed assets, net	\$ 35,669	\$ 4,302

NOTE 4 – CONDITIONAL GRANTS

MACH has various grant agreements that are conditioned upon MACH incurring qualifying expenses under the grant programs. At December 31, 2021 and 2020, the remainder of this conditional grant totals approximately \$2,185,000 and \$345,900, respectively. These conditional grants will be recognized as revenue when the respective conditions are met in future years.

MADISON AREA CARE FOR THE HOMELESS (MACH) ONE HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31 are available for the following purposes:

	2021	2020
Subject to expenditure for specified purpose:		
Personal protective equipment supplies	\$ 2,439	\$ 3,183
Community health needs assessment	3,098	9,848
Dairy drive shelters	10,085	-
Reindahl park	1,655	-
	<u>17,277</u>	<u>13,031</u>
Net assets with donor restrictions	<u>\$ 17,277</u>	<u>\$ 13,031</u>

NOTE 6 – LIQUIDITY AND AVAILABILITY

The following table reflects MACH's financial assets at December 31, 2021 and 2020, reduced by amounts not available to meet cash needs for general expenditures within one year of the dates of the statements of financial position because of donor-imposed restrictions:

	2021	2020
Cash	\$ 8,275	\$ 21,711
Promises to give	87,431	10,334
	<u>95,706</u>	<u>32,045</u>
Financial assets, at year-end	\$ 95,706	\$ 32,045
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	<u>(17,277)</u>	<u>(13,031)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 78,429</u>	<u>\$ 19,014</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.