



Medic One Foundation

Financial Statements
Years Ended December 31, 2019 and 2018

Medic One Foundation

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Medic One Foundation

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Independent Auditor's Report

To the Board of Directors
Medic One Foundation
Seattle, Washington

We have audited the accompanying financial statements of the Medic One Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matter - Prior-Period Financial Statements

The financial statements of the Foundation as of and for the year ended December 31, 2018, were audited by Peterson Sullivan LLP ("PS"), whose partners and professional staff joined BDO USA, LLP as of November 1, 2019, and has subsequently ceased operations. PS expressed an unmodified opinion on those statements in their report dated June 10, 2019.

BDO USA, LLP

June 29, 2020

Financial Statements

Medic One Foundation
Statements of Financial Position

<i>December 31,</i>	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 379,198	\$ 880,932
Investments	3,330,867	2,790,669
Contributions and bequests receivable	309,000	136,066
Prepaid expenses and other assets	17,950	20,749
Total Current Assets	4,037,015	3,828,416
Endowment investments	1,211,332	1,040,257
Furniture and computer equipment, net of accumulated depreciation of \$34,880 and \$34,551 in 2019 and 2018, respectively	8,351	1,337
Beneficial interest in assets held by the Seattle Foundation	68,679	60,676
Total Assets	\$ 5,325,377	\$ 4,930,686
 Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 52,377	\$ 23,020
Grants payable	102,623	64,564
Accrued wages and benefits	58,800	38,800
Total Current Liabilities	213,800	126,384
Net Assets		
Without donor restrictions	2,904,300	2,767,174
With donor restrictions	2,207,277	2,037,128
Total Net Assets	5,111,577	4,804,302
Total Liabilities and Net Assets	\$ 5,325,377	\$ 4,930,686

See accompanying notes to financial statements.

Medic One Foundation
Statements of Activities

<i>Years Ended December 31,</i>	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions	\$ 1,350,559	\$ 122,970	\$ 1,473,529	\$ 884,908	\$ 134,507	\$ 1,019,415
Bequests	566,752	-	566,752	863,882	-	863,882
Special events revenue	479,381	-	479,381	591,973	-	591,973
Special events - direct benefit to donors	(98,438)	-	(98,438)	(131,543)	-	(131,543)
Grants	-	-	-	63,103	-	63,103
Investment earnings (losses), net	194,400	171,075	365,475	495	(37,036)	(36,541)
Net assets released from restrictions	123,896	(123,896)	-	116,202	(116,202)	-
Total Support and Revenue	2,616,550	170,149	2,786,699	2,389,020	(18,731)	2,370,289
Expenses						
Program expenses:						
Paramedic training and continuing education	904,244	-	904,244	603,327	-	603,327
Community outreach	365,952	-	365,952	197,154	-	197,154
EMS research	184,662	-	184,662	78,690	-	78,690
Community CPR	80,809	-	80,809	80,852	-	80,852
EMS equipment	41,490	-	41,490	53,878	-	53,878
PulsePoint	13,000	-	13,000	63,146	-	63,146
Other programs	39,265	-	39,265	24,153	-	24,153
Total program expenses	1,629,422	-	1,629,422	1,101,200	-	1,101,200
Management and general	326,463	-	326,463	317,507	-	317,507
Fundraising	523,539	-	523,539	500,812	-	500,812
Total Expenses	2,479,424	-	2,479,424	1,919,519	-	1,919,519
Change in Net Assets	137,126	170,149	307,275	469,501	(18,731)	450,770
Net Assets, beginning of year	2,767,174	2,037,128	4,804,302	2,297,673	2,055,859	4,353,532
Net Assets, end of year	\$ 2,904,300	\$ 2,207,277	\$ 5,111,577	\$ 2,767,174	\$ 2,037,128	\$ 4,804,302

See accompanying notes to financial statements.

Medic One Foundation

Statement of Functional Expenses

<i>Year Ended December 31, 2019</i>	Paramedic Training and Continuing Education	Community Outreach	EMS Research	Community CPR	EMS Equipment	PulsePoint	Other Programs	Total Program Services	Management and General	Fundraising	Total
Grants and allocations	\$ 897,675	\$ -	\$ 184,308	\$ -	\$ 41,470	\$ 13,000	\$ 7,000	\$ 1,143,453	\$ -	\$ -	\$ 1,143,453
Salaries and wages	-	145,729	-	58,000	-	-	10,000	213,729	119,098	191,892	524,719
Benefits and payroll taxes	-	65,040	-	3,781	-	-	3,457	72,278	42,847	69,545	184,670
Professional expenses	500	56,044	-	1,387	-	-	-	57,931	43,844	120,809	222,584
Marketing	438	41,395	-	-	-	-	4,396	46,229	573	42,669	89,471
Event catering	-	21,572	-	-	-	-	7,756	29,328	-	46,089	75,417
Printing and publications	1,015	7,436	-	763	-	-	600	9,814	4,093	46,931	60,838
Occupancy	-	8,459	-	8,459	-	-	1,880	18,798	37,555	-	56,353
Event facility costs	-	6,541	-	453	-	-	-	6,994	563	35,193	42,750
Equipment rental and maintenance	-	1,700	-	1,603	-	-	-	3,303	26,943	6,836	37,082
Purchased services	-	-	-	-	-	-	-	-	27,251	9,126	36,377
Postage	200	2,681	-	289	-	-	239	3,409	5,645	26,549	35,603
Supplies	42	836	-	3,088	-	-	100	4,066	6,057	3,472	13,595
Conferences and meetings	735	2,280	306	-	-	-	2,265	5,586	3,053	2,089	10,728
Telephone	-	1,289	-	1,250	-	-	-	2,539	4,439	-	6,978
Travel	2,100	1,200	48	135	20	-	17	3,520	180	2,075	5,775
Depreciation	-	-	-	-	-	-	-	-	329	-	329
Bad debt expense	-	-	-	-	-	-	-	-	800	-	800
Miscellaneous	1,539	3,750	-	1,601	-	-	1,555	8,445	3,193	18,702	30,340
	904,244	365,952	184,662	80,809	41,490	13,000	39,265	1,629,422	326,463	621,977	2,577,862
Less: Special events - direct benefit to donors	-	-	-	-	-	-	-	-	-	(98,438)	(98,438)
Total Expenses Less Special Events - Direct Benefit to Donors	\$ 904,244	\$ 365,952	\$ 184,662	\$ 80,809	\$ 41,490	\$ 13,000	\$ 39,265	\$ 1,629,422	\$ 326,463	\$ 523,539	\$ 2,479,424

See accompanying notes to financial statements.

Medic One Foundation

Statement of Functional Expenses

<i>Year Ended December 31, 2018</i>	Paramedic Training and Continuing Education	Community Outreach	EMS Research	Community CPR	EMS Equipment	PulsePoint	Other Programs	Total Program Services	Management and General	Fundraising	Total
Grants and allocations	\$ 594,898	\$ -	\$ 78,690	\$ -	\$ 53,878	\$ 13,000	\$ 24,153	\$ 764,619	\$ -	\$ -	\$ 764,619
Salaries and wages	-	116,004	-	40,022	-	-	-	156,026	114,338	180,363	450,727
Benefits and payroll taxes	-	33,766	-	26,477	-	-	-	60,243	52,321	72,419	184,983
Professional expenses	1,233	7,453	-	5,000	-	13,573	-	27,259	44,129	91,452	162,840
Marketing	2,000	10,484	-	-	-	36,500	-	48,984	4,806	48,616	102,406
Event catering	-	7,107	-	-	-	-	-	7,107	818	47,414	55,339
Printing and publications	1,667	7,030	-	356	-	44	-	9,097	3,482	45,246	57,825
Occupancy	-	11,568	-	4,820	-	-	-	16,388	12,533	19,281	48,202
Event facility costs	-	-	-	-	-	-	-	-	-	45,758	45,758
Equipment rental and maintenance	-	-	-	-	-	-	-	-	27,446	7,232	34,678
Purchased services	-	-	-	-	-	-	-	-	25,523	11,041	36,564
Postage	-	602	-	-	-	-	-	602	4,772	18,634	24,008
Supplies	-	-	-	1,458	-	-	-	1,458	4,747	2,653	8,858
Conferences and meetings	23	73	-	2,545	-	-	-	2,641	3,080	12,207	17,928
Telephone	-	-	-	-	-	-	-	-	8,661	-	8,661
Travel	2,331	5	-	74	-	29	-	2,439	1,399	3,486	7,324
Depreciation	-	-	-	-	-	-	-	-	1,761	-	1,761
Bad debt expense	-	-	-	-	-	-	-	-	1,300	-	1,300
Miscellaneous	1,175	3,062	-	100	-	-	-	4,337	6,391	26,553	37,281
	603,327	197,154	78,690	80,852	53,878	63,146	24,153	1,101,200	317,507	632,355	2,051,062
Less: Special events - direct benefit to donors	-	-	-	-	-	-	-	-	-	(131,543)	(131,543)
Total Expenses Less Special Events - Direct Benefit to Donors	\$ 603,327	\$ 197,154	\$ 78,690	\$ 80,852	\$ 53,878	\$ 63,146	\$ 24,153	\$ 1,101,200	\$ 317,507	\$ 500,812	\$ 1,919,519

See accompanying notes to financial statements.

Medic One Foundation

Statements of Cash Flows

<i>Years Ended December 31,</i>	2019	2018
Cash Flows from (for) Operating Activities		
Change in net assets	\$ 307,275	\$ 450,770
Adjustments to reconcile change in net assets to net cash flows from (for) operating activities:		
Change in value of beneficial interest in assets held at the Seattle Foundation	(8,003)	7,260
Realized and unrealized (gain) loss on investments	(269,940)	109,998
Depreciation	329	1,761
Bad debts	800	1,300
Changes in operating assets and liabilities:		
Contributions and bequests receivable	(173,734)	19,420
Prepaid expenses and other assets	2,799	(6,360)
Accounts payable	29,357	368
Grants payable	38,059	17,320
Unearned grant revenue	-	(83,737)
Accrued wages and benefits	20,000	(5,800)
Net Cash Flows from (for) Operating Activities	(53,058)	512,300
Cash Flows for Investing Activities		
Purchases of investments	(1,194,363)	(770,870)
Sales of investments	753,030	698,609
Purchases of furniture and computer equipment	(7,343)	(597)
Net Cash Flows for Investing Activities	(448,676)	(72,858)
Change in Cash and Cash Equivalents	(501,734)	439,442
Cash and Cash Equivalents, beginning of year	880,932	441,490
Cash and Cash Equivalents, end of year	\$ 379,198	\$ 880,932

See accompanying notes to financial statements.

Medic One Foundation

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Organization

The Medic One Foundation (the “Foundation”) is located in Bellevue and is an independent not-for-profit corporation. The mission of the Foundation is to save lives by improving pre-hospital emergency care, and the Foundation has been doing it successfully for more than 40 years. Contributions to the Foundation provide the necessary resources to train paramedics to the highest level possible, research new methods of treatment that may save more lives, and purchase emergency medical equipment for use by first responders.

Charitable contributions to the Foundation are the sole source of support for the world-renowned Michael K. Copass Paramedic Training Program. Through private support, the Foundation can ensure that the region’s paramedics, who are among the best in the world, receive an exceptional education that far exceeds national standards.

Beyond training today’s life-saving paramedics, the Foundation funds the research and development of tomorrow’s lifesaving ideas to improve care and prevent sudden cardiac arrest. These ideas become Medic One lifesaving treatments, from its early advances in response time to its role in bringing CPR training to our region’s residents.

Each year, the Foundation identifies communities and fire departments where assistance is needed to purchase critical patient care and training equipment that will improve the quality of care and help save more lives.

The Foundation’s support of a world-class paramedic training program, together with innovative research in new methods of patient care, is one of the primary reasons why Medic One paramedics achieve a survival rate for cardiac arrest that is two to three times greater than other communities.

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 certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

Financial Statement Presentation/Contributions

The Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Support and revenue are recorded depending on the existence and/or nature of any donor restrictions.

Net Assets with and without Donor Restrictions

Net assets without donor restrictions are available for support of the Foundation’s operations.

Some net assets with donor restrictions are temporary in nature and consist of unexpended contributions restricted for particular programs or time periods. Other net assets have perpetual donor restrictions, where the principal of the contributions is restricted in perpetuity and the

Medic One Foundation

Notes to Financial Statements

income from which is utilized for the purposes specified by the donors. Net assets with temporary donor restrictions that are temporary in nature are transferred to net assets without donor restrictions as expenditures are incurred for the restricted programs or as the time restrictions are met. Contributions and investment gains are reported as without donor restrictions if donor restrictions are met in the year the contribution or the investment gain is earned. Net assets with donor restrictions consist of the following:

<i>December 31,</i>	2019	2018
Net Assets with Purpose Restrictions		
Paramedic training:		
General	\$ 55,615	\$ 125,000
Michael K. Copass, MD Fund for Paramedic Training	173,742	173,742
Paramedic Training Room Equipment	9,000	-
Emergency Equipment Fund:		
General	5,727	45
CPR Equipment	18,721	-
W. Hunter Simpson Fund	517,147	517,147
EMS Research	37,625	-
Redmond Fire ALS Fund	102,720	108,289
Leonard A. Cobb, MD Fund	45,868	43,368
Chief Jack N. Richards Memorial Fund	29,780	29,280
Total Net Assets with Purpose Restrictions	995,945	996,871
Net Assets with Endowment Restrictions		
Perpetual endowment restrictions:		
Natcher & Clementine Casey Paramedic Scholarship Endowment Fund	299,333	299,333
Natcher & Clementine Casey Equipment Endowment Fund	299,333	299,333
Mary N. Stowe Endowment Fund for Paramedic Training	303,661	293,801
Medic One Foundation General Endowment Fund	169,058	169,058
Unappropriated endowment earnings (underwater endowments):		
Natcher & Clementine Casey Paramedic Scholarship Endowment Fund	40,460	(7,781)
Natcher & Clementine Casey Equipment Endowment Fund	42,771	(5,469)
Mary N. Stowe Endowment Fund for Paramedic Training	35,138	(2,351)
Medic One Foundation General Endowment Fund	21,578	(5,667)
Total Net Assets With Endowment Restrictions	1,211,332	1,040,257
Total Net Assets With Donor Restrictions	\$ 2,207,277	\$ 2,037,128

The Michael K. Copass, MD Fund is restricted to establish an endowment fund at the University of Washington to benefit the Paramedic Training Program at Harborview Medical Center. The W. Hunter Simpson Fund is restricted to benefit research and development in pre-hospital emergency care. The Leonard A. Cobb, MD Fund is restricted to benefit medical oversight and research. The Chief Jack N. Richards Memorial Fund is restricted to give awards to outstanding paramedics.

Medic One Foundation

Notes to Financial Statements

Cash and Cash Equivalents

Cash includes cash in bank accounts and money market funds (other than money market funds classified with investments). Occasionally, cash and cash equivalents may exceed federally insured limits.

Fair Value Measurements

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The Foundation reports its investments and its beneficial interest in assets held by the Seattle Foundation at fair value.

Investments

Investments are reported at their fair value using quoted prices in an active market (Level 1 inputs such as quoted prices on national exchanges) in the statements of financial position and consist of the following:

<i>December 31,</i>	2019	2018
Money market funds	\$ 1,683,957	\$ 2,115,669
Corporate bonds	903,188	998,387
Equity securities - domestic common stocks	1,099,027	432,662
Mutual funds - short-term bond	400,410	15,906
Balanced funds	20,420	16,155
Mutual funds - equities:		
Small growth funds	92,612	22,613
Large growth funds	129,350	58,208
Small blend funds	44,990	36,953
Large blend funds	65,981	51,234
Foreign large growth funds	38,921	29,907
Foreign large blend funds	33,934	27,887
Diversified emerging markets	29,409	25,345
Total Investments	\$ 4,542,199	\$ 3,830,926

Medic One Foundation
Notes to Financial Statements

Investments are reported in the statements of financial position as follows:

<i>December 31,</i>	2019	2018
Investments - current	\$ 3,330,867	\$ 2,790,669
Endowment investments	1,211,332	1,040,257
Total Investments	\$ 4,542,199	\$ 3,830,926

Investment earnings (losses) consist of the following:

<i>December 31,</i>	2019	2018
Interest and dividends	\$ 87,532	\$ 80,717
Realized and unrealized gains (losses)	269,940	(109,998)
Change in value of beneficial interest in assets held at the Seattle Foundation	8,003	(7,260)
Total	\$ 365,475	\$ (36,541)

Contributions and Bequests Receivable

Contributions and bequests receivable are primarily from individuals, businesses, and estates located in the Puget Sound region. Contributions and bequests receivable are expected to be collected within one year and are recorded at the net realizable value. Management periodically reviews receivables and establishes an allowance for accounts that may not be collectible. Any amounts written off are charged against the allowance. Management has determined that no allowance was necessary at December 31, 2019 or 2018.

One contribution receivable represents 41% and 73% of total contributions and bequests receivable at December 31, 2019 and 2018, respectively.

Charitable Gift Annuity

In 2010, the Foundation entered into a charitable gift annuity agreement with a donor. Under the terms of this agreement, the donor contributed assets to the Foundation in exchange for a promise by the Foundation to pay a fixed amount to the donor for the donor's lifetime.

The assets, composed of cash and cash equivalents, held for the charitable gift annuity are \$21,220 and \$21,008 at December 31, 2019 and 2018, respectively, and are reported within investments on the statements of financial position. The corresponding liability of \$3,292 and \$4,482 at December 31, 2019 and 2018, respectively, for the expected annuity payments is reported at the estimated present value of future cash outflows based on appropriate discount rates and mortality tables. The liability is included within accounts payable on the statements of financial position.

Medic One Foundation

Notes to Financial Statements

Furniture and Computer Equipment

Furniture and computer equipment are recorded at cost if purchased, or at fair value at the date of receipt if donated. The Foundation capitalizes all fixed assets with a cost in excess of \$500 and a useful life longer than one year. Depreciation is computed using the straight-line method over the estimated lives of the assets.

Grants Payable

Grant awards, although not legally binding, are reported as an expense and liability when the unconditional award is made. Grants payable represents payments to be made on education, research, and equipment grant awards.

Contribution and Bequest Revenue

Contribution revenues are recognized when the pledge is made and all conditions have been met. Bequests are recognized when the Foundation is notified by the executor as to the amount to be received and the estate has cleared probate.

One bequest represented 11% and 26% of total support and revenue for 2019 and 2018, respectively.

Special Event Revenue Recognition

Special event revenues are recognized at the time the event occurs. Special event payments received prior to the occurrence of the meeting or event are recognized as unearned contribution revenue.

Grant Revenue

Revenue from conditional grants is recorded when the service is provided or the related qualified expenditure is incurred (when the conditions have been met). Conditional grants received in advance are recognized as unearned grant revenue until the conditions are met.

In-Kind Contributions

A number of volunteers have donated time to the Foundation's programs and fundraising activities. The services of those volunteers are not recorded in the accompanying financial statements, as they do not meet the criteria for recognition.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefitted. Occupancy is allocated based on estimates of the square footage of space supporting those functions. Personnel expenses, professional fees, marketing, event catering, printing and publications, and other are allocated based on estimates of time and effort.

Medic One Foundation

Notes to Financial Statements

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Reclassifications

Certain prior-year balances have been reclassified to conform to the current-year presentation.

Subsequent Events

The Foundation has evaluated subsequent events through the date these financial statements were available to be issued, which was June 29, 2020.

2. Liquidity and Availability of Resources

The Foundation strives to maintain liquid financial assets and reserves sufficient to cover at least 60 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and marketable securities with original maturities of less than one year. Financial assets not available include investments held for endowments, a gift annuity, and net assets with donor restrictions for specific purposes.

The following table reflects the Foundation's financial assets as of December 31, 2019 and 2018, available to meet general expenditures within one year of the financial position date:

<i>December 31,</i>	2019	2018
Financial Assets at Year-End		
Cash and cash equivalents	\$ 379,198	\$ 880,932
Investments	4,542,199	3,830,926
Contributions and bequests receivable	309,000	136,066
	5,230,397	4,847,924
Less: Amounts Not Available to be Used Within One Year		
Endowment investments	(1,211,332)	(1,040,257)
Net assets with purpose restrictions	(995,945)	(996,871)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 3,023,120	\$ 2,810,796

3. Endowment

The Foundation's endowment consists of four individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments ("quasi-endowments"). As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Medic One Foundation

Notes to Financial Statements

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the Washington Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with perpetual endowment restrictions as (a) the original value of gifts donated to the endowment, plus (b) the original value of subsequent gifts to the endowment. In addition, under the terms of the endowment agreement, 20% of the total earnings (if any) from the Mary N. Stowe Endowment Fund for Paramedic Training are classified as endowment net assets with perpetual restrictions. The remaining portion of the donor-restricted endowment earnings are classified as unappropriated endowment earnings until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Endowment net assets consist of the following:

<i>December 31, 2019</i>	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 1,211,332	\$ 1,211,332
Board-designated quasi-endowment funds	-	-	-
Total Funds	\$ -	\$ 1,211,332	\$ 1,211,332

<i>December 31, 2018</i>	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 1,040,257	\$ 1,040,257
Board-designated quasi-endowment funds	-	-	-
Total Funds	\$ -	\$ 1,040,257	\$ 1,040,257

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Changes in endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, December 31, 2017	\$ 220	\$ 1,077,073	\$ 1,077,293
Interest and dividends	-	28,092	28,092
Realized and unrealized losses	-	(65,128)	(65,128)
Transfers	(220)	220	-
Endowment Net Assets, December 31, 2018	-	1,040,257	1,040,257
Interest and dividends	-	24,960	24,960
Realized and unrealized gains	-	146,115	146,115
Endowment Net Assets, December 31, 2019	\$ -	\$ 1,211,332	\$ 1,211,332

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as quasi-endowment funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce returns comparable to the Standard & Poor's 500 and U.S. Treasury Intermediate Lehman Brothers Index while assuming a prudent level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Foundation has a policy of appropriating approximately 4% (depending on the needs of the Foundation, this appropriation may be higher or lower) of the endowment net assets, based on a three-year rolling average. In establishing this policy, the Foundation considered the long-term expected return on its endowment as the objective is to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return. As discussed below, during 2019 and 2018, the Foundation suspended spending from the endowment as the endowment was underwater into 2019. The Foundation will consider future appropriations based on market performance.

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Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature were \$21,268 at December 31, 2018, and were reported in net assets with donor restrictions (see also Note 1). There were no endowment funds with deficiencies at December 31, 2019, as investment returns (combined with the suspension of appropriations) were able to recover the deficiency.

4. Related-Party Transactions

The Board of Directors of the Foundation includes representation from the University of Washington School of Medicine, Harborview Medical Center, King County EMS, and the Seattle Fire Department. Contributions are made to these related parties in the form of grants or contracts for paramedic training, continuing medical education, research grants, and other specific projects in support of the goals and activities of the Foundation. The Board of Directors of the Foundation authorizes the grants. The total amount granted to these organizations during the years ended December 31, 2019 and 2018, was \$1,069,407 and \$669,800, respectively. The total amount payable to these organizations as of December 31, 2019 and 2018, was \$102,623 and \$61,800, respectively.

5. Beneficial Interest in Assets Held by the Seattle Foundation

The Foundation is the beneficiary of a fund (the "Fund") deposited with the Seattle Foundation. The Fund was established by the Foundation and is therefore unrestricted. The Seattle Foundation was given variance power that allows it to modify the distributions of the Fund (either in amount or beneficiary) if the Seattle Foundation's Board of Trustees determines that the distribution is unnecessary, incapable of fulfillment, or inconsistent with the charitable purpose of the Seattle Foundation. However, the Foundation expects to annually receive the income generated by the Fund each year estimated at 4.5% of the market value of the Fund. The Fund is stated at fair value (using Level 3 inputs) of the underlying assets (cash and marketable securities) held by the Foundation. At December 31, 2019 and 2018, the value recognized by the Foundation was \$68,679 and \$60,676, respectively.

Changes in the beneficial interest in assets held by the Seattle Foundation valued using Level 3 inputs for the years ended December 31, 2019 and 2018, are as follows:

Balance, December 31, 2017	\$	67,936
Investment loss		(3,174)
Distributions		(4,086)
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Balance, December 31, 2018		60,676
Investment gain		12,218
Distributions		(4,215)
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Balance, December 31, 2019	\$	68,679

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Notes to Financial Statements

6. Leases

In 2017, the Foundation entered into a noncancelable lease for its operating space in Bellevue. The lease agreement expires on September 30, 2022. Rental expense under this lease was \$56,352 and \$48,202 in 2019 and 2018, respectively.

Future minimum payments under the lease are as follows for the years ending December 31:

2020	\$	54,987
2021		56,825
2022		43,729
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Total	\$	155,541

7. Subsequent Events

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Foundation’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Foundation is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for 2020.

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security (CARES) Act.” The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

It also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. After year-end, the Foundation received a Paycheck Protection Program loan from the SBA of \$95,785.

The Foundation continues to examine the impact that the CARES Act may have on its business. Currently, the Foundation is unable to determine the impact that the CARES Act will have on its financial condition, results of operations, or liquidity.

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Medic One Foundation

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Dear ___:

We want to thank you and your staff for the time and effort given to helping us complete the audit. Please find enclosed **one bound copy** of the audited financial statements of Medic One Foundation for the year ended December 31, 2019.

We appreciate the opportunity to work with you and, as always, we are available throughout the year if you have any questions.

Best regards,

Matthew R. Matson

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Enclosure