Motion Picture and Television Fund and Affiliated Entities

Consolidated Financial Statements
December 31, 2020 and 2019

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Report of Independent Auditors

The Board of Directors
Motion Picture and Television Fund and Affiliated Entities

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Motion Picture and Television Fund and Affiliated Entities, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Motion Picture and Television Fund and Affiliated Entities as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Moss Adams LLP

Los Angeles, California
April 30, 2021

Motion Picture and Television Fund and Affiliated Entities
Consolidated Balance Sheets
December 31, 2020 and 2019

	2020	2019
Assets		
Current assets		
Cash and cash equivalents	$ 4,775,000	$ 5,032,000
Patient accounts receivable	2,943,000	1,789,000
Other receivables	835,000	831,000
Pledges receivable, net	7,661,000	6,412,000
Other current assets	1,240,000	1,087,000
Total current assets	17,454,000	15,151,000
Investments	67,387,000	67,507,000
Land, buildings and equipment, net	22,625,000	25,042,000
Insurance recoveries receivable, net of current portion	3,175,000	3,355,000
Pledges receivable, net of current portion	15,594,000	21,402,000
Assets held under split-interest agreements	477,000	535,000
Other assets	457,000	367,000
Total assets	$ 127,169,000	$ 133,359,000
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 4,603,000	$ 3,854,000
Accrued liabilities	6,513,000	8,451,000
Current portion of long-term debt	1,220,000	1,175,000
Current portion of Paycheck Protection Program loan	4,095,000	-
Total current liabilities	16,431,000	13,480,000
Long-term debt, net of current portion	14,928,000	16,121,000
Paycheck Protection Program loan, net of current portion	3,288,000	-
Accrued pension benefits, net of current portion	30,964,000	24,600,000
Insurance claim liability, net of current portion	6,746,000	6,943,000
Interest rate swap liability	813,000	900,000
Actuarial liability under split-interest agreements	355,000	357,000
Total liabilities	73,525,000	62,401,000
Commitments and contingencies (Note 15)		
Net assets (deficit)		
Without donor restrictions	(140,000)	13,890,000
With donor restrictions	53,784,000	57,068,000
Total net assets	53,644,000	70,958,000
Total liabilities and net assets	$ 127,169,000	$ 133,359,000

The accompanying notes are an integral part of these consolidated financial statements.

Motion Picture and Television Fund and Affiliated Entities
Consolidated Statement of Operations and Changes in Net Assets
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Patient service and resident revenue	$ 25,421,000	$ -	$ 25,421,000
Other operating revenue	1,940,000	-	1,940,000
Provider Relief Fund grant income	1,213,000	-	1,213,000
Contributions	27,159,000	3,092,000	30,251,000
Investment income	765,000	427,000	1,192,000
Loss on sale of investments	(120,000)	(177,000)	(297,000)
Unrealized gain (loss) on investments	1,922,000	(90,000)	1,832,000
Net assets released from restrictions used for operations	6,512,000	(6,512,000)	-
Total revenues, gains, and other support	64,812,000	(3,260,000)	61,552,000
Expenses			
Salaries, wages and benefits	41,897,000	-	41,897,000
Purchased services	11,955,000	-	11,955,000
Professional fees	6,356,000	-	6,356,000
Supplies	4,052,000	-	4,052,000
Depreciation	2,914,000	-	2,914,000
Market adjustment on interest rate swap	325,000	-	325,000
Interest and financing costs	274,000	-	274,000
Other expenses	6,037,000	-	6,037,000
Total expenses	73,810,000	-	73,810,000
Deficiency of revenues, gains, and other support over expenses	(8,998,000)	(3,260,000)	(12,258,000)
Other changes in net assets			
Minimum pension liability adjustment	(5,036,000)	-	(5,036,000)
Net assets released from restrictions used for purchase of property and equipment	4,000	(4,000)	-
Change in split-interest agreements	-	(20,000)	(20,000)
Total other changes in net assets	(5,032,000)	(24,000)	(5,056,000)
Total changes in net assets	(14,030,000)	(3,284,000)	(17,314,000)
Net assets (deficit)			
Beginning of year	13,890,000	57,068,000	70,958,000
End of year	$ (140,000)	$ 53,784,000	$ 53,644,000

The accompanying notes are an integral part of these consolidated financial statements.

Motion Picture and Television Fund and Affiliated Entities
Consolidated Statement of Operations and Changes in Net Assets
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Patient service and resident revenue	$ 23,511,000	$ -	$ 23,511,000
Other operating revenue	2,016,000	-	2,016,000
Contributions	17,738,000	2,935,000	20,673,000
Investment income	1,110,000	603,000	1,713,000
Gain on sale of investments	110,000	106,000	216,000
Unrealized gain on investments	3,174,000	780,000	3,954,000
Net assets released from restrictions used for operations	6,470,000	(6,470,000)	-
Total revenues, gains, and other support	54,129,000	(2,046,000)	52,083,000
Expenses			
Salaries, wages and benefits	37,587,000	-	37,587,000
Purchased services	12,443,000	-	12,443,000
Professional fees	6,801,000	-	6,801,000
Supplies	1,830,000	-	1,830,000
Depreciation	3,034,000	-	3,034,000
Market adjustment on interest rate swap	264,000	-	264,000
Interest and financing costs	506,000	-	506,000
Other expenses	1,996,000	-	1,996,000
Total expenses	64,461,000	-	64,461,000
Deficiency of revenues, gains, and other support over expenses	(10,332,000)	(2,046,000)	(12,378,000)
Other changes in net assets			
Minimum pension liability adjustment	(5,332,000)	-	(5,332,000)
Net assets released from restrictions used for purchase of property and equipment	157,000	(157,000)	-
Change in split-interest agreements	-	32,000	32,000
Total other changes in net assets	(5,175,000)	(125,000)	(5,300,000)
Total changes in net assets	(15,507,000)	(2,171,000)	(17,678,000)
Net assets			
Beginning of year	29,397,000	59,239,000	88,636,000
End of year	$ 13,890,000	$ 57,068,000	$ 70,958,000

The accompanying notes are an integral part of these consolidated financial statements.

Motion Picture and Television Fund and Affiliated Entities
Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Changes in net assets	$ (17,314,000)	$ (17,678,000)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Unrealized gain on investments	(1,832,000)	(3,954,000)
Loss (gain) on sale of investments	297,000	(216,000)
Gain on sale or disposal of land, buildings and equipment	(10,000)	-
Minimum pension liability adjustment	5,036,000	5,332,000
Depreciation and amortization, including bond issuance costs	2,941,000	3,061,000
Receipt of contributed securities	(703,000)	(591,000)
Change in fair value of interest rate swap	(87,000)	(54,000)
Contributions restricted for buildings and equipment	(213,000)	(180,000)
Changes in annuity and trust liabilities	105,000	36,000
Contributions restricted for long-term investment	(200,000)	(200,000)
Changes in assets and liabilities:		
Patient accounts receivable	(1,154,000)	6,000
Other receivables	(34,000)	1,980,000
Insurance recoveries receivable	210,000	241,000
Pledges receivable	4,559,000	3,801,000
Other current assets and other assets	(243,000)	236,000
Accounts payable and accrued liabilities	(1,155,000)	1,842,000
Accrued pension benefits	1,328,000	371,000
Insurance claim liability	(223,000)	57,000
Cash used in operating activities	(8,692,000)	(5,910,000)
Cash flows from investing activities		
Purchases of buildings and equipment	(523,000)	(1,032,000)
Proceeds from sale of land, buildings and equipment	28,000	-
Purchases of investments	(70,953,000)	(19,535,000)
Proceeds from sales of investments	73,369,000	28,725,000
Cash provided by investing activities	1,921,000	8,158,000
Cash flows from financing activities		
Principal payment on long-term debt	(1,175,000)	(1,125,000)
Payments made under split-interest agreements	(107,000)	(79,000)
Proceeds from Paycheck Protection Program loan	7,383,000	-
Proceeds from contributions for		
Buildings and equipment	213,000	180,000
Long-term investment	200,000	200,000
Cash provided by (used in) financing activities	6,514,000	(824,000)
Net (decrease) increase in cash and cash equivalents	(257,000)	1,424,000
Cash and cash equivalents		
Beginning of year	5,032,000	3,608,000
End of year	$ 4,775,000	$ 5,032,000
Supplemental disclosures of cash flow information		
Contributed securities	$ 703,000	$ 591,000
Interest paid	247,000	509,000
Accrued purchases of buildings and equipment	19,000	27,000

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

Founded in 1921, Motion Picture and Television Fund ("MPTF") is an integrated health and social service organization that supports eligible active and retiree members of the entertainment industry (the "Industry") and their families in Southern California. MPTF's operations include various community-based programs and the MPTF campus with a 122-bed multilevel care hospital and skilled nursing facility, and a 186-unit retirement community with independent, assisted living and memory care accommodations. MPTF's activities include providing inpatient psychiatric and residential care, social services, palliative care, temporary financial assistance, various wellness and education programs, and daycare in our freestanding child care facility.

MPTF is the sole member of The Industry Advantage, LLC, f/k/a, The Industry Health Network LLC ("TIA LLC"). TIA LLC provides health insurance services to the entertainment community.

MPTF and its affiliated entities are consolidated for financial statement presentation. All intercompany balances and transactions have been eliminated in the consolidated financial statements.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). MPTF classifies resources into two categories: without donor restrictions and with donor restrictions.

- *Without Donor Restrictions* – All revenues, expenditures, gains and losses that are not restricted by donors are included in net assets without donor restrictions. Expenditures funded by restricted contributions are also reported in the without donor restrictions net asset class because funds used in accordance with donor stipulations result in the release of such restrictions.

- *With Donor Restrictions* – Net assets with donor restrictions can only be used in accordance with stipulations imposed by the donor and include unconditional pledges and accumulated appreciation on restricted endowments. Restrictions may either expire with the passage of time, be satisfied by action of MPTF, or may require that the funds be held in perpetuity. The donors of substantially all net assets held in perpetuity permit MPTF to use the income earned on the related investments for specific purposes.

Expiration of donor-imposed restrictions – Net assets are released from donor restrictions by incurring expenses to satisfy the restricted purpose and/or by occurrence of an event specified by the donor, including passage of time. Donor restrictions on long-lived assets or cash to construct or acquire long-lived assets are considered to have expired when the assets are placed in service or expenditures exceed the amount of the gift.

MPTF has elected to present contributions with donor-imposed restrictions that are fulfilled in the same period as donated within the net assets without donor restrictions classification.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, and cash in checking and savings accounts. Marketable securities purchased with original maturities of three months or less are considered cash equivalents.

Investments

Investments consist of money market funds, mutual funds (including fixed income and equity funds), U.S. government notes, municipal bonds, and other holdings comprised of non-publicly traded investments ("alternative investments"). Investments are classified as noncurrent as investments are not expected to be used for current operations in the next year. Marketable securities and alternative investments are valued in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements*. Investment earnings (including gains and losses on investments, interest, dividends and other than temporary impairments) are included in operating revenue unless the income or loss is restricted by donor or law. MPTF records its investment income and realized and unrealized gains and losses on investments of donor-restricted funds as additions to or deductions from the appropriate net asset category based on the donor's restriction.

Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost except for donated assets, which are recorded at fair market value at the date of donation. Depreciation is calculated on the straight-line basis over each asset's estimated useful life, which ranges from 5 to 40 years for building and improvements, 3 to 20 years for furniture and equipment, and 10 years for land improvements. Estimated useful lives are assigned based on the Estimated Useful Lives of Depreciable Hospital Assets guide published by the American Hospital Association. In addition, MPTF records a liability for the fair value of any conditional asset retirement obligation, if determinable.

Significant replacements and improvements are capitalized, while maintenance and repairs, which do not improve or extend the life of the respective asset, are charged to expense as incurred. Upon sale or disposal of land, buildings, and equipment, the cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in the consolidated statements of operations. MPTF capitalizes all expenditures for land, buildings, and equipment in excess of $1,000.

Pledges Receivable

Unconditional promises to give ("pledges") are recorded as receivables and contribution revenue and require MPTF to distinguish between contributions received for each net asset category in accordance with donors' wishes. Multi-year pledges are recorded at fair value on the date of donation. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved and applicable to the years in which the pledges are received and recorded in their respective net asset category. Amortization of the discount is calculated using the effective interest method and included in contribution revenue in the consolidated statements of operations. Conditional promises to give are not included as support until the conditions have been substantially met.

Split-Interest Agreements

Split-interest gift agreements consist primarily of irrevocable charitable gift annuities and a charitable remainder unitrust. Using the actuarial method, when a gift is received, the present value of estimated future payments to be made to the beneficiaries is recorded as a liability, based upon life expectancy tables and appropriate discount rates. The remainder is recorded as contribution revenue in the appropriate net asset category.

The actuarial liability is based on the present value of future payments discounted at rates ranging from 2.7% to 9.1% over estimated time periods derived from the Internal Revenue Service ("IRS") actuarial tables on life expectancy. Liabilities are adjusted during the term of the agreements for changes in the fair value of the assets, accretion of discounts, and other changes in the estimates of future benefits. Valuation follows generally accepted actuarial methods and is based on the requirements of FASB ASC 958. Assets held under split-interest agreements are stated at fair market value and are invested in publicly traded securities.

Debt Issuance Costs

Costs incurred in the issuance of long-term debt, including legal fees, bank fees, and accounting and consulting costs are amortized on the straight-line basis over the term of the related long-term debt. The straight-line method approximates the effective interest method. Unamortized debt issuance costs are presented as a reduction to long-term debt in accordance with FASB's Accounting Standards Update ("ASU") No. 2015-03, *Interest—Imputation of Interest (Subtopic 835-30)*: *Simplifying the Presentation of Debt Issuance Costs*. Unamortized debt issuance costs totaling $277,000 and $304,000 at December 31, 2020 and 2019, respectively, are included as a reduction of long-term debt in the consolidated balance sheets.

Interest Rate Swap Agreement

MPTF uses an interest rate swap to manage the interest rate exposure of its variable rate bonds. The swap is recognized on the consolidated balance sheets at its fair value and changes in the fair value and net cash payments or receipts are recorded in the consolidated statements of operations and changes in net assets, respectively.

Excess (Deficiency) of Revenues, Gains, and Other Support over Expenses

The consolidated statements of operations include the caption excess (deficiency) of revenues, gains, and other support over expenses ("operating indicator"). Consistent with industry practice, changes in unrestricted net assets which are excluded from the operating indicator include unrealized gains and losses on investments other than trading securities, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets), changes in split-interest agreements, and minimum pension liability adjustments. As such, MPTF's operating indicator was ($8,998,000) and ($10,332,000) for the years ended December 31, 2020 and 2019, respectively.

Revenue Recognition

Patient service and resident revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

The following table shows patient service and residential revenue by line of service:

	Year Ended December 31, 2020	2019
Long-term care services		
Medi-Cal	$ 13,016,000	$ 11,463,000
Private	2,801,000	1,982,000
Other	464,000	259,000
Acute in-patient services		
Medicare	683,000	1,155,000
Kaiser Permanente Health Plan	1,635,000	1,447,000
Other	142,000	97,000
Residential services		
Private	6,680,000	7,108,000
	$ 25,421,000	$ 23,511,000

Bequests and Trusts
Amounts to be received from bequests and trusts are recorded at the time MPTF becomes entitled to the assets and the amounts to be received are assured and reasonably determined. Amounts to be received are recorded as other receivables on the consolidated balance sheets.

At December 31, 2020, MPTF has been named as a beneficiary in certain bequests and trusts which have not been recorded as they do not meet all the criteria for income recognition.

Charity Care and Community Benefit
MPTF provides charity care for certain non-elective healthcare services to qualifying individuals who complete an application which is based on Federal Poverty Guidelines. MPTF also provides various community services including retirement housing and assisted living services, as well as various social service and community welfare programs and direct emergency financial assistance to eligible Industry employees, retirees, and their immediate families.

Professional and General Liability
MPTF has a claims-made policy for all professional and general liability coverage, with nominal deductibles, that was purchased on January 1, 2003. Liabilities for MPTF's retained risk related to the professional and general liability coverage are determined by an actuary. The amounts representing the current portion of the professional and general liability and insurance recoveries receivable are $183,000 and $193,000 in both other current assets and accrued liabilities at December 31, 2020 and 2019, respectively. The amounts representing the long-term components of the professional and general liability are $1,555,000 and $1,620,000 in insurance recoveries receivable and $1,758,000 and $1,845,000 in insurance claims liability approximating a net liability of $203,000 and $225,000 at December 31, 2020 and 2019, respectively.

Workers' Compensation Insurance
MPTF has a workers' compensation insurance policy for its employees with a $250,000 per occurrence deductible and $2,750,000 annual aggregate which was purchased in November 2020. During the period of November 2012 through November 2020, MPTF maintained a workers' compensation insurance policy with a $250,000 per occurrence deductible and an annual aggregate of $3,000,000. Liabilities for MPTF's retained risk related to the coverage are

determined by an actuary. The amounts representing the current portion of the workers' compensation liability are $335,000 and $356,000 in other receivables and $1,029,000 and $1,045,000 in accrued liabilities at December 31, 2020 and 2019, respectively. The amounts representing the long-term components of the workers' compensation liability are $1,620,000 and $1,735,000 in insurance recoveries receivable and $4,988,000 and $5,098,000 in insurance claims liability approximating a net liability of $4,062,000 and $4,052,000 at December 31, 2020 and 2019, respectively.

MPTF had $2,772,000 and $2,316,000 held by the bank as collateral for the workers' compensation insurance carrier at December 31, 2020 and 2019, respectively. All deposited amounts are included in investments in the consolidated balance sheets.

Income Taxes

MPTF is a nonprofit organization determined by the IRS and the California Franchise Tax Board to be exempt from federal and state income taxes, except to the extent of any unrelated business income. Certain of the affiliated entities included in the consolidated financial statements are subject to federal and state income taxes.

Concentration of Credit Risk

Financial instruments, which potentially subject MPTF to credit risk, consist principally of temporary cash investments, receivables, and investments in marketable equity and other securities.

MPTF invests its excess cash in deposits with major financial institutions. MPTF has not experienced any losses on its temporary cash investments.

MPTF receives payment for services rendered to patients from the federal and state governments under the Medicare and Medi-Cal programs and other payors. The following table summarizes the percentages of gross patient accounts receivable from all payors:

	December 31,	
	2020	**2019**
Medi-Cal	52 %	64 %
Medicare	7 %	10 %
Kaiser	36 %	20 %
Others	5 %	6 %
	100 %	100 %

MPTF believes there is no significant credit risk associated with patient receivables from government programs. MPTF continually monitors and adjusts the reserves associated with patient receivables. MPTF estimates bad debt expense and the allowance for doubtful accounts based on historical collection experience.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

MPTF applies the provision of FASB ASC 820, *Fair Value Measurements*, which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the respective measurement date. The assets reported at fair value by MPTF on a recurring basis include investments, assets held under split-interest agreements, and interest rate swap obligation. At December 31, 2020 and 2019, MPTF's financial instruments included accounts receivable, accounts payable, and other liabilities. The fair values of these financial instruments approximate their carrying values due to their short-term maturities.

The following describes the hierarchy of inputs and the primary valuation methodologies used by MPTF for financial instruments measured at fair value on a recurring basis. The three level inputs are as follows:

- *Level 1* – Quoted prices in active markets for identical assets or liabilities.
- *Level 2* – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.
- *Level 3* – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Significant increases or decreases in these inputs in isolation may result in a significantly lower or higher fair value measurement, respectively.

Assets and liabilities measured at fair value are based on one or more of the following three valuation techniques:

- *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- *Cost approach* – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and
- *Income approach* – Techniques to convert future amounts to a single present value amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The valuation techniques above may be used for assets and liabilities measured using Level 3 inputs and may use unobservable inputs such as projections, estimates and management's interpretation of current market data. These unobservable inputs are only utilized to the extent that observable inputs are not available, or not cost effective to obtain.

MPTF applies the authoritative guidance contained in FASB 820-10, *Fair Value Measurements and Disclosures*, for estimating the fair value of investment funds that have calculated Net Asset Value ("NAV") per Share in accordance with FASB ASC 946-10, *Financial Services-Investment Companies* (formerly the American Institute of Certified Public Accountants Audit and Accounting Guide, Investment Companies). According to the guidance, in circumstances in which NAV per share of an investment is not determinative of fair value, a reporting entity is permitted to estimate the fair value of an investment in an investment fund using the NAV per share of the investment (or its equivalent) without further adjustment, if the NAV per share of the investment is determined in accordance with FASB ASC 946-10 as of the reporting entity's measurement date. Accordingly, MPTF uses NAV as reported by money managers as a practical expedient, to determine fair value of investments in investment funds which (a) do not have a readily determinable fair value and

(b) either have the attributes of an investment fund or prepare their financial statements consistent with the measurement principles of an investment fund.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis:

- *Money Market Funds:* Valued at the closing price reported on the active market on which the individual securities are traded at the measurement date.

- *Mutual Funds:* Mutual Funds classified as Level 1 under the fair value hierarchy are valued using the unadjusted quoted prices in active markets that are available at the measurement date. The composition of MPTF's investments in mutual funds at December 31, 2020 was approximately 72% fixed income, 10% equity securities and 18% U.S. notes. Investments in mutual funds consist primarily of large capitalization securities, and are diversified among several industries, issuers and growth, value, indexed, bond and international funds.

- *Alternative Investments:* These investments are valued at the NAV of the investments.

- *Interest rate swap obligation:* Valued at the net present value of future cash flows based on quotes from pricing sources and market data.

The following methods were used to estimate the fair value of all other financial instruments:

- *Cash and cash equivalents:* The carrying amount approximates fair value.

- *Long-term debt:* The carrying value of MPTF's long-term debt approximates fair value due to the variable nature of the interest rates.

Recent Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842),* which increases transparency and comparability among entities by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements in the financial statements of lessees. For MPTF, the amendments in this update are effective for fiscal years beginning after December 15, 2021, and interim periods in the subsequent fiscal year. Early adoption is permitted. Management is currently evaluating the impact of the provisions of ASU 2016-02 on the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-14, *Compensation – Retirement Benefits – Disclosure Framework – Changes to the Disclosure Framework for Defined Benefit Plans (Topic 715-20),* to improve the effectiveness of disclosures in the notes to financial statements by facilitating clear communication of the information required by generally accepted accounting principles that is most important to users of financial statements through the removal, clarification, and addition of disclosure requirements. For MPTF, the update is effective for fiscal years ending after December 15, 2021, with early adoption permitted. Management is currently evaluating the impact of the provisions of this update on the consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting,* to provide optional guidance, if certain criteria are met, for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. This update will become effective for MPTF no later than December 31, 2022. Management is currently evaluating the impact of the provisions of this update on the consolidated financial statements.

Reclassifications
Certain prior period amounts have been reclassified to conform to current year presentation.

Subsequent Events
Subsequent events are events or transactions that occur after the balance sheet date but before consolidated financial statements are issued. MPTF recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated balance sheet, including the estimates inherent in the process of preparing the consolidated financial statements. MPTF's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated balance sheet but arose after the consolidated balance sheet date and before the consolidated financial statements are issued.

3. COVID-19 Pandemic

In March 2020, the World Health Organization declared COVID-19 a global pandemic ("COVID-19" or the "Pandemic") and recommended containment and mitigation measures worldwide. The related adverse public health developments, including orders to shelter-in-place, travel restrictions, and mandated business closures, adversely affected workforces, organizations, patients, customers, economies, and financial markets globally, leading to increased market volatility and disruptions in normal business operations.

As MPTF operates both a residential living community for seniors and a congregate living health facility on its campus, the impact to MPTF was significant. In addition to sourcing personal protective equipment, adapting precautionary protocols and navigating myriad staffing challenges throughout the year, MPTF incurred substantial costs to create, manage and staff a COVID-19 testing laboratory and an isolation unit for residents who contracted the virus on its campus. Additionally, ongoing concerns and regulations surrounding the Pandemic precluded MPTF from admitting new residents during much of 2020, negating anticipated income from filling expanded capacity in its memory care and long-term care units.

MPTF's social services professionals were also entrusted with managing and distributing relief funds established by multiple industry guilds, unions and organizations on behalf of their respective members/employees and the wider entertainment industry workforce who were struggling as a result of the Pandemic work shutdowns.

In March 2020, the U. S. Congress passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") that includes monetary provisions for healthcare under the Provider Relief Fund ("PRF"). During the year, MPTF received approximately $1,213,000 from the PRF, administered by the U.S. Department of Health & Human Services ("HHS"), accepting the requisite reporting and compliance mandates. As provided under the CARES Act, HHS and its Office of the Inspector General will perform anti-fraud monitoring and auditing to assure that monies provided via the PRF were used in accordance with its guidelines. Management believes it has complied with all terms and conditions and has recorded the entire amount of the PRF in other operating revenue on its consolidated statement of operations and changes in net assets for the year ended December 31, 2020.

In April 2020, MPTF was granted a loan approximating $7,383,000 pursuant to the Paycheck Protection Program ("PPP') within the CARES Act. The loan is subject to forgiveness as long as MPTF used all proceeds for eligible purposes (as defined in the PPP), maintained certain employment levels, and maintained certain compensation levels, all in accordance with and subject to the CARES Act requirements. Management believes it has complied with these terms and conditions.

The loan bears interest at 1% and matures on April 30, 2022. MPTF submitted documentation to the lender to apply for forgiveness of the PPP loan; the lender has approved the application and it is currently in its final review by the Small Business Administration ("SBA"). Should the SBA not forgive any portion of the loan, payments to the lender would begin at the time of such notification.

Management continues to monitor and evaluate the effects of the Pandemic on the economy, the entertainment industry, and the general population. However, MPTF cannot estimate the future impact, the duration, the intensity, or the ongoing disruption COVID-19 will have on its operations and financial results. Management feels confident that its mitigation measures for residents and staff on campus, including ongoing testing and a very high vaccination percentage, and its financial reserves will buffer MPTF's operations from future COVID-19 related disruptions.

4. Investments

The following is a summary of investments at fair value at December 31:

	2020	2019
Money market funds	$ 3,429,000	$ 2,457,000
Mutual funds	42,803,000	43,436,000
Equities	507,000	-
U.S. government notes/municipal bonds	9,332,000	8,924,000
Alternative investments	11,316,000	12,690,000
Total investments	$ 67,387,000	$ 67,507,000

MPTF reviews its investment portfolio to identify and evaluate investments that have indications of possible impairment. Factors considered in determining whether a loss is temporary include the length of time and extent to which fair value has been less than the cost basis, the financial condition and near-term prospects of the issuer, credit quality and MPTF's ability to hold the investment for a period sufficient to allow for any anticipated recovery in fair value. General market conditions have caused the declines in fair value over the past two years.

Investment return on investments consist of the following for the years ended December 31:

	2020	2019
Investment income	$ 1,192,000	$ 1,713,000
Realized (loss) gain on investments	(297,000)	216,000
Unrealized gain on investments	1,832,000	3,954,000
	$ 2,727,000	$ 5,883,000

Management fees paid were $127,000 and $159,000 for the years ended December 31, 2020 and 2019, respectively, and are net against investment income on the consolidated statements of operations and changes in net assets.

5. Fair Value Measurements

The tables below present the assets and liabilities measured at fair value on a recurring basis at December 31, categorized by the level of inputs used in the valuation:

	2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Assets				
Assets included in investments				
Money market funds	$ 3,429,000	$ -	$ -	$ 3,429,000
Mutual funds				
Domestic fixed income	42,803,000	-	-	42,803,000
Domestic equity	507,000	-	-	507,000
U.S. government notes	9,332,000	-	-	9,332,000
Alternative investments	1,451,000	-	-	1,451,000
Total assets included in investments at fair value	$ 57,522,000	$ -	$ -	57,522,000
Investments measured at NAV (practical expedient)				9,865,000
Investments at fair value				$ 67,387,000
Liabilities				
Interest rate swap liability	$ -	$ 813,000	$ -	$ 813,000

	2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Assets				
Assets included in investments				
Money market funds	$ 2,457,000	$ -	$ -	$ 2,457,000
Mutual funds				
Domestic fixed income	43,436,000	-	-	43,436,000
U.S. government notes	8,924,000	-	-	8,924,000
Alternative investments	6,631,000	-	-	6,631,000
Total assets included in investments at fair value	$ 61,448,000	$ -	$ -	61,448,000
Investments measured at NAV (practical expedient)				6,059,000
Investments at fair value				$ 67,507,000
Liabilities				
Interest rate swap liability	$ -	$ 900,000	$ -	$ 900,000

MPTF's policy is to recognize the transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels 1, 2 or 3 during the year ended December 31, 2020.

The following table shows the fair value and redemption restrictions for investments valued at NAV at December 31:

	2020			
	Fair Value	Redemption Frequency	Redemption Notice Period	Strategies and Other Restrictions
Limited partnerships				
Hedge funds	$ 2,318,000	monthly	10 business days	(1)
Hedge funds	2,908,000	monthly	15 calendar days	(1)
Hedge funds	4,342,000	quarterly	65 calendar days	(1)
Multi-strategy hedge funds	297,000	monthly	14 calendar days	(1)
Totals	$ 9,865,000			

	2019			
	Fair Value	Redemption Frequency	Redemption Notice Period	Strategies and Other Restrictions
Limited partnerships				
Hedge funds	$ 1,204,000	monthly	15 or 30 calendar days	(1)
Hedge funds	1,779,000	monthly	10 business days	(1)
Hedge funds	1,693,000	monthly	15 calendar days	(1)
Multi-strategy hedge funds	1,383,000	monthly	14 calendar days	(1)
Totals	$ 6,059,000			

(1) Limited partnerships are invested with managers whose investment strategies include, but are not limited to, absolute return, capital appreciation with low volatility relative to equity markets, global fixed income and equity, currencies, EFTs, futures, forwards, options, swaps, asset and security mispricings capture, commodities, and other derivatives.

6. Government Reimbursement Programs

MPTF has contractual agreements with government sponsored programs, Medicare and Medi-Cal. Some revenues received under these reimbursement agreements are subject to retroactive adjustment based upon cost reports prepared by MPTF and subsequent audits by fiscal intermediaries for these programs.

Acute in-patient services are reimbursed by Medicare under the prospective payment system, which provides for payment at predetermined amounts based on the discharge diagnosis. Medicare reimburses for covered outpatient services rendered to its beneficiaries by way of an outpatient prospective payment system based on ambulatory payment classifications. The difference between customary charges and actual third-party payments is accounted for as a contractual allowance, which is a deduction from patient service and resident revenue.

Long-term care services are reimbursed by Medi-Cal on a per-diem basis. MPTF is licensed as a Distinct-Part Long-Term Care Facility for provision of these services.

Medicare cost reports have been finalized through December 31, 2017. Medi-Cal cost reports have been finalized through December 31, 2018. Reserves, where applicable, have been accrued for all years subject to adjustment. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is a risk that recorded estimates will change in the near term. In the opinion of management, subsequent settlement adjustments, if any, would not have a materially adverse effect on MPTF's consolidated financial position.

7. Pledges Receivable

Unconditional promises to give are included in the consolidated financial statements as pledges receivable and contribution revenue in the appropriate net asset category. Pledges are recorded at the discounted net present value of the future cash flows, using discount rates ranging from 3.2% to 9.9% at December 31, 2020.

Unconditional promises to give are expected to be realized in the following periods:

	2020	2019
In one year or less	$ 7,661,000	$ 6,412,000
Between one year and five years	13,230,000	19,447,000
Five years and more	14,734,000	15,963,000
Total pledges receivable, gross	35,625,000	41,822,000
Less: Discount for pledges receivable	(12,370,000)	(14,008,000)
Total pledges receivable, net	23,255,000	27,814,000
Less: Current portion	(7,661,000)	(6,412,000)
Pledges receivable, net of current portion	$ 15,594,000	$ 21,402,000

Pledges receivable at December 31 have the following restrictions:

	2020	2019
Program expenses	$ 25,879,000	$ 30,438,000
Building construction	2,325,000	2,400,000
Permanent endowment - other program support	600,000	800,000
Time restricted/general benefit	6,821,000	8,184,000
Total pledges receivable, gross	$ 35,625,000	$ 41,822,000

8. Land, Buildings and Equipment

A summary of land, buildings, and equipment at December 31 is as follows:

	2020	2019
Buildings and improvements	$ 79,580,000	$ 79,513,000
Furniture and equipment	37,830,000	37,402,000
Land and improvements	13,757,000	13,751,000
Construction-in-progress	286,000	306,000
	131,453,000	130,972,000
Less: Accumulated depreciation	(108,828,000)	(105,930,000)
Land, buildings, and equipment	$ 22,625,000	$ 25,042,000

Total depreciation expense was $2,914,000 and $3,034,000 for the years ended December 31, 2020 and 2019, respectively.

9. Long-Term Debt

A summary of long-term debt at December 31 follows:

	2020	2019
Series 2017A Variable Rate Revenue Bonds	$ 16,425,000	$ 17,600,000
Unamortized debt issuance costs	(277,000)	(304,000)
Long-term debt, including current portion	16,148,000	17,296,000
Current portion of long-term debt	(1,220,000)	(1,175,000)
Long-term debt, net of current portion	$ 14,928,000	$ 16,121,000

On December 28, 2017, the California Statewide Communities Development Authority ("CSCDA") issued, on behalf of MPTF, its Series 2017A Variable Rate Revenue Bonds (the "2017 Bonds") in the aggregate principal amount of $19,805,000. The 2017 Bonds were issued for the purpose of retiring the 2001 Bonds and to pay certain costs of issuance related to the 2017 Bonds.

The 2017 Bonds bear interest at variable rates (0.778374% as of December 31, 2020), which are reset and payable monthly in arrears. Principal on the 2017 Bonds is payable March 1 of each year beginning March 1, 2018. Principal payment amounts range from $1,080,000 to $1,795,000, with final payment due in 2031.

The 2017 Bonds may be redeemed early at the request of MPTF through the CSCDA in whole or part, on any interest payment date. Payment of principal and interest on the 2017 Bonds is collateralized by a pledge against the gross revenue of MPTF.

MPTF uses an interest rate swap, with a notional value of $13,250,000 at December 31, 2020, to manage the interest rate exposure of the 2017 Bonds. The swap agreement was amended and restated in October 2012. Under the terms of the restated swap agreement, which expires January 1, 2024, MPTF pays the counter-party a fixed interest rate of 3.533% and receives a variable rate, indexed at 67% of the one-month London Interbank Offered Rate ("LIBOR") (0.10368% at December 31, 2020), on the notional principal amount of the swap.

The interest rate swap agreement is recognized on the consolidated balance sheets at its estimated fair market value, corroborated by market data and therefore classified within Level 2 (See Note 5). The estimated fair value of the interest rate swap is recorded as a liability of $813,000 and $900,000 for the years ended December 31, 2020 and 2019, respectively.

The interest rate swap has not been designated as a hedge under ASC 825, *Derivatives and Hedging,* and as such the change in fair value is recorded as decreases of $87,000 and $54,000 in the consolidated statements of operations and changes in net assets for the years ended December 31, 2020 and 2019, respectively. In addition, cash payments and receipts resulted in net cash disbursements of $412,000 and $317,000 for the years ended December 31, 2020 and 2019, respectively.

The 2017 Bonds are subject to certain restrictive covenants requiring certain quarterly and annual financial information, both unaudited and audited, and compliance with liquidity and debt service coverage requirements.

The amounts due on the 2017 Bonds at December 31, 2020 are as follows:

Year Ending December 31,	
2021	$ 1,220,000
2022	1,270,000
2023	1,315,000
2024	1,370,000
2025	1,430,000
Thereafter	9,820,000
Total long-term debt	$ 16,425,000

10. Net Assets with Donor Restrictions

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

	2020	2019
Subject to expenditure for specified purpose:		
Buildings and equipment	$ 1,035,000	$ 958,000
Patient and resident support	370,000	398,000
Emergency financial assistance	1,454,000	92,000
	2,859,000	1,448,000
Subject to the passage of time:	22,467,000	27,473,000
	22,467,000	27,473,000
Subject to endowment spending policy and appropriation:		
Patient and resident support	11,012,000	10,760,000
Grounds maintenance	4,811,000	4,776,000
Other program support	12,635,000	12,611,000
	28,458,000	28,147,000
Total net assets with donor restrictions	$ 53,784,000	$ 57,068,000

Net assets released from restrictions by incurring expenses satisfying the restricted purpose or by the passage of time comprise the following at December 31:

	2020	2019
Buildings and equipment	$ 4,000	$ 157,000
Emergency Financial Assistance	67,000	-
Other program support	6,445,000	6,470,000
Total releases from restriction	$ 6,516,000	$ 6,627,000

11. Endowments

As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. MPTF's seventeen endowments are donor-restricted and established for a variety of purposes. MPTF does not have any Board-designated endowments at December 31, 2020 or 2019.

MPTF classifies as net assets with donor restrictions: (a) the portion of the gift explicitly stipulated to be retained permanently in the subject gift instrument, or (b) in the absence of such stipulation, the fair value of the endowment gift as of the gift date. Investment income relating to an endowment gift, including interest, dividends, and realized net gains is temporarily classified as net assets with donor restrictions until such amounts are appropriated for expenditure, unless otherwise explicitly stipulated in the gift instrument.

Changes in endowment net assets with donor restrictions for the years ended December 31 had the following activity:

	2020	**2019**
Endowment net assets, beginning of year	$28,147,000	$26,663,000
Investment income	409,000	582,000
Net realized and unrealized appreciation (depreciation)	394,000	1,886,000
Total investment return	803,000	2,468,000
Contributions	168,000	199,000
Appropriation of endowment net assets for expenditure	(660,000)	(1,183,000)
Endowment net assets, end of year	$28,458,000	$28,147,000

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (i.e., deficit). When donor endowment deficits exist, they are classified as a reduction of net assets without donor restrictions. No such deficiencies existed at December 31, 2020 and 2019.

MPTF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments. Endowment assets include those assets of donor-restricted funds that MPTF must hold in perpetuity or for donor-specified period(s). Under the investment policy, as approved by the Board, the endowment assets are invested primarily in fixed income securities that are intended to produce results that exceed the results of the Merrill Lynch Domestic Master Bond Index. The endowment funds, over time, provide an average rate of return of approximately six percent annually. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, MPTF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized) and current yield (the interest, realized capital appreciation related to the gains and dividends).

MPTF's Board has established a spending policy whereby expenditures shall not exceed seven percent of the endowment fund's fair market value in any year.

12. Functional Expenses

Expenses incurred comprise the following program and support services for the years ended December 31:

2020

	Program Services				Support Services			
	Inpatient	Residential	Other	Program Subtotal	Management and General	Fundraising	Support Subtotal	2020 Total
Salaries, wages and benefits	$ 19,124,000	$ 11,384,000	$ 4,313,000	$ 34,821,000	$ 5,633,000	$ 1,443,000	$ 7,076,000	$ 41,897,000
Purchased services	2,795,000	4,676,000	1,239,000	8,710,000	1,501,000	1,744,000	3,245,000	11,955,000
Professional fees	3,505,000	1,631,000	451,000	5,587,000	368,000	401,000	769,000	6,356,000
Supplies	2,092,000	1,682,000	55,000	3,829,000	156,000	67,000	223,000	4,052,000
Depreciation	1,235,000	631,000	744,000	2,610,000	196,000	108,000	304,000	2,914,000
Other	345,000	1,255,000	4,688,000	6,288,000	178,000	170,000	348,000	6,636,000
Total expenses	$ 29,096,000	$ 21,259,000	$ 11,490,000	$ 61,845,000	$ 8,032,000	$ 3,933,000	$ 11,965,000	$ 73,810,000

2019

	Program Services				Support Services			
	Inpatient	Residential	Other	Program Subtotal	Management and General	Fundraising	Support Subtotal	2019 Total
Salaries, wages and benefits	$ 16,133,000	$ 10,830,000	$ 4,065,000	$ 31,028,000	$ 5,198,000	$ 1,361,000	$ 6,559,000	$ 37,587,000
Purchased services	2,689,000	4,174,000	786,000	7,649,000	1,362,000	3,432,000	4,794,000	12,443,000
Professional fees	3,909,000	1,669,000	249,000	5,827,000	458,000	516,000	974,000	6,801,000
Supplies	1,130,000	365,000	79,000	1,574,000	139,000	117,000	256,000	1,830,000
Depreciation	1,334,000	643,000	742,000	2,719,000	201,000	114,000	315,000	3,034,000
Other	386,000	1,226,000	846,000	2,458,000	196,000	112,000	308,000	2,766,000
Total expenses	$ 25,581,000	$ 18,907,000	$ 6,767,000	$ 51,255,000	$ 7,554,000	$ 5,652,000	$ 13,206,000	$ 64,461,000

Expenses are summarized and categorized based upon their functional classification as either program or support services. Specific expenses readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses attributable to more than one program or support service require allocation on a reasonable basis that is consistently applied. Allocated expenses include salaries, wages and benefits, dietary, plant maintenance, and housekeeping which are allocated based on estimates of time and effort; and depreciation expense which is allocated based on usage of the underlying assets. Management and general expenses are support services that are not directly identifiable with any specific program service function but provide for the overall support and direction of MPTF.

13. Pension Plan

MPTF sponsors a defined benefit pension plan (the “Plan”) that was frozen for represented and non-represented employees on February 28, 2014 and July1, 2011, respectively. Benefits are based on service with MPTF and the highest five years of earnings. MPTF’s policy is to fund pension costs at a level at least as great as the required minimum contribution under the Employee Retirement Income Security Act (“ERISA”).

The following table sets forth the Plan's funded status and amounts recognized, shown in MPTF's consolidated financial statements, as of and at December 31:

	2020	2019
Change in benefit obligation		
Projected benefit obligation at beginning of year	$ 79,313,000	$ 70,445,000
Service cost	911,000	635,000
Interest cost	2,323,000	2,815,000
Benefits paid	(4,280,000)	(4,669,000)
Actuarial loss	7,480,000	10,087,000
Projected benefit obligation at end of year	85,747,000	79,313,000
Change in plan assets		
Fair value of plan assets at beginning of year	55,290,000	52,209,000
Actual return on plan assets	3,383,000	6,750,000
Employer contributions	1,000,000	1,000,000
Benefits paid	(3,458,000)	(3,810,000)
Adminstrative expenses	(821,000)	(859,000)
Fair value of plan assets at end of year	55,394,000	55,290,000
Net amount recognized (unfunded status) at year-end	$ (30,353,000)	$ (24,023,000)

Amounts recognized in the balance sheet are included in noncurrent liabilities.

Net benefit expense for the years ended December 31 includes the following components:

	2020	2019
Components of net periodic benefit cost		
Service cost	$ 911,000	$ 635,000
Interest cost	2,323,000	2,815,000
Expected return on plan assets	(3,234,000)	(3,564,000)
Recognized net actuarial loss	2,379,000	1,520,000
Total net periodic benefit cost	2,379,000	1,406,000
Changes in plan asset and benefit obligations recognized in net assets without donor restrictions		
Net actuarial loss arising during the year	7,331,000	6,901,000
Amounts recognized as a component of net periodic benefit cost		
Amortization of loss	(2,379,000)	(1,520,000)
Total recognized in net assets without donor restrictions	4,952,000	5,381,000
Total recognized in net periodic benefit cost and net assets without donor restrictions	$ 7,331,000	$ 6,787,000
Estimated amounts that will be amortized from net assets without donor restrictions over the next year		
Unrecognized loss	(2,995,000)	$ (2,379,000)
Total	$ (2,995,000)	$ (2,379,000)

Additional information and assumptions are as follows:

	2020	2019
Assumptions		
Weighted-average assumptions used to determine benefit obligations at December 31		
Discount rate	2.2%	3.0%
Rate of compensation increase	N/A	N/A
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31		
Discount rate	3.0%	4.1%
Expected long-term rate of return on plan assets	6.0%	7.0%
Rate of compensation increase	N/A	N/A

The expected long-term rate of return on Plan assets was selected by MPTF based on investment return modeling which incorporates historical returns and future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio. The compensation increase assumption for the Plan is no longer applicable, as compensation increases and service accruals were frozen as of February 28, 2014 and July 1, 2011, for represented and non-represented employees, respectively.

Plan assets

The primary investment objective is to provide capital appreciation of the investment portfolio over long periods of time. The portfolio is perpetual in nature and is invested to withstand the loss of purchasing power from inflation.

The table below presents the pension plan assets at fair value on a recurring basis at December 31, categorized by inputs used in the valuation of each investment:

	2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Plan Assets at Fair Value				
Cash equivalents	$ 1,992,000	-	-	$ 1,992,000
Mutual funds				
Domestic fixed income	18,176,000	-	-	18,176,000
Domestic equity	7,675,000	-	-	7,675,000
International equity	3,672,000	-	-	3,672,000
Global equity	7,205,000	-	-	7,205,000
Alternative investments	2,858,000	-	-	2,858,000
Plan assets in fair value hierarchy	$ 41,578,000	$ -	$ -	41,578,000
Plan assets measured at NAV (practical expedient)				13,816,000
Total plan assets at fair value				$ 55,394,000

	2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Plan Assets at Fair Value				
Cash equivalents	$ 730,000	-	-	$ 730,000
Mutual funds				
Domestic fixed income	16,440,000	-	-	16,440,000
Domestic equity	6,647,000	-	-	6,647,000
International equity	3,187,000	-	-	3,187,000
Global equity	6,173,000	-	-	6,173,000
Alternative investments	5,312,000	-	-	5,312,000
Plan assets in fair value hierarchy	$ 38,489,000	$ -	$ -	38,489,000
Plan assets measured at NAV (practical expedient)				16,801,000
Total plan assets at fair value				$ 55,290,000

Allocation of assets
The year-end asset allocation, which approximates the weighted-average allocation for the Plan assets as of December 31 in comparison to the current investment policy established ranges for each category, is as follows:

	2020	2019	Investment Policy Range
Asset Category			
Equity securities	33.5 %	28.9 %	20% to 40%
Debt securities (fixed income)	36.4 %	31.1 %	30% to 50%
Alternative investments	30.1 %	40.0 %	20% to 40%
	100.0 %	100.0 %	

Inappropriate investments, according to the Plan's investment policy, include options, futures and unregistered securities, and short sales or the use of margin. All investments are valued at the closing price reported on the active market on which the mutual funds are traded. As described in Note 2, MPTF uses a hierarchy to report invested assets, including the invested assets of the Plan.

MPTF expects to contribute $1,100,000 to its pension plan in 2021.

Estimated Future Benefit Payments
The following benefit payments, which reflect expected future service and compensation, as appropriate, are expected to be paid by MPTF:

	Expected Benefits
Year Ending December 31,	
2021	$ 3,974,000
2022	4,041,000
2023	4,189,000
2024	4,300,000
2025	4,430,000
2026 - 2030	21,999,000

14. Supplemental Executive Retirement Plan

MPTF provides supplemental executive retirement plan ("SERP") benefits to certain executives. The SERP provides benefits which are not subject to regulatory controls requiring funding of the obligation, and consequently, the benefits are payable out of general corporate assets. The projected SERP benefit obligation assuming a 2.90% and 4.00% discount rate and a 0% and 0% annual compensation increase is $614,000 and $582,000 at December 31, 2020 and 2019, respectively. Effective January 1, 2002, MPTF's defined benefit pension plan, as described in Note 13, was amended to provide supplemental retirement benefits to certain plan participants, which participants are also participants in the SERP.

The following amounts are recognized, as shown in MPTF's consolidated financial statements, as of and at December 31:

	2020	2019
Benefit cost charged for the year	$ (8,000)	$ 2,000
Accrued benefit cost recognized in accrued pension benefits on the consolidated balance sheets	$ 614,000	$ 582,000

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service and compensation, as appropriate, are expected to be paid by MPTF:

	Expected Benefits
Year Ending December 31,	
2021	$ 35,000
2022	35,000
2023	35,000
2024	35,000
2025	34,000
2026-2030	164,000

15. Commitments and Contingencies

Future minimum rental payments required under operating leases for real property as of December 31, 2020, are as follows:

	Operating
Year Ending December 31,	
2021	$ 242,000
2022	197,000
2023	185,000
2024	190,000
2025	196,000
Total	$ 1,010,000

Building rental expense totaled $245,000 and $254,000 for the years ended December 31, 2020 and 2019, respectively, and is included in purchased services in the accompanying consolidated statements of operations and changes in net assets.

MPTF is involved in various legal proceedings that are incidental to the conduct of its operations. In the opinion of management, based on the current facts and circumstances known by MPTF, the resolution of these matters will not have a material adverse effect on the financial position or results of operations of MPTF.

16. Available Resources and Liquidity

The following reflects MPTF's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions:

	2020
Cash and cash equivalents	$ 4,775,000
Patient accounts receivable, net	2,943,000
Other receivables	835,000
Pledges receivable, net	7,661,000
Other current assets	1,240,000
Investments	67,387,000
Land, buildings and equipment, net	22,625,000
Insurance recoveries receivable, net of current portion	3,175,000
Pledges, net of current portion	15,594,000
Assets held under split-interest agreements	477,000
Other assets	457,000
Total assets	127,169,000
Exclude nonfinancial assets:	
Other current assets - prepaid insurance and inventory	(1,240,000)
Land, buildings and equipment, net	(22,625,000)
Other assets	(457,000)
Total assets, excluding nonfinancial assets	102,847,000
Less:	
Receivables scheduled to be collected in more than one year:	
Insurance recoveries receivable	(3,693,000)
Pledges, net of current portion	(15,594,000)
Contractual or donor-imposed restrictions:	
Assets held under split-interest agreements	(477,000)
Investments - endowment funds	(28,458,000)
Investments - workers comp insurance trusts	(2,772,000)
Current portion of long-term debt	(1,220,000)
Current portion of payroll protection program loan	(4,095,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 46,538,000

Management monitors and reviews MPTF's liquidity requirements with the Board of Directors (the Board) and relevant committees of the Board during the annual budget process and periodically throughout the year. The General Fund investment policy is designed to ensure adequate liquidity to meet obligations of MPTF as they come due.

17. Subsequent Events

MPTF has evaluated events through April 30, 2021, which represents the date these consolidated financial statements were issued. As of April 30, 2021, there were no subsequent events which require recognition or disclosure in the consolidated financial statements.