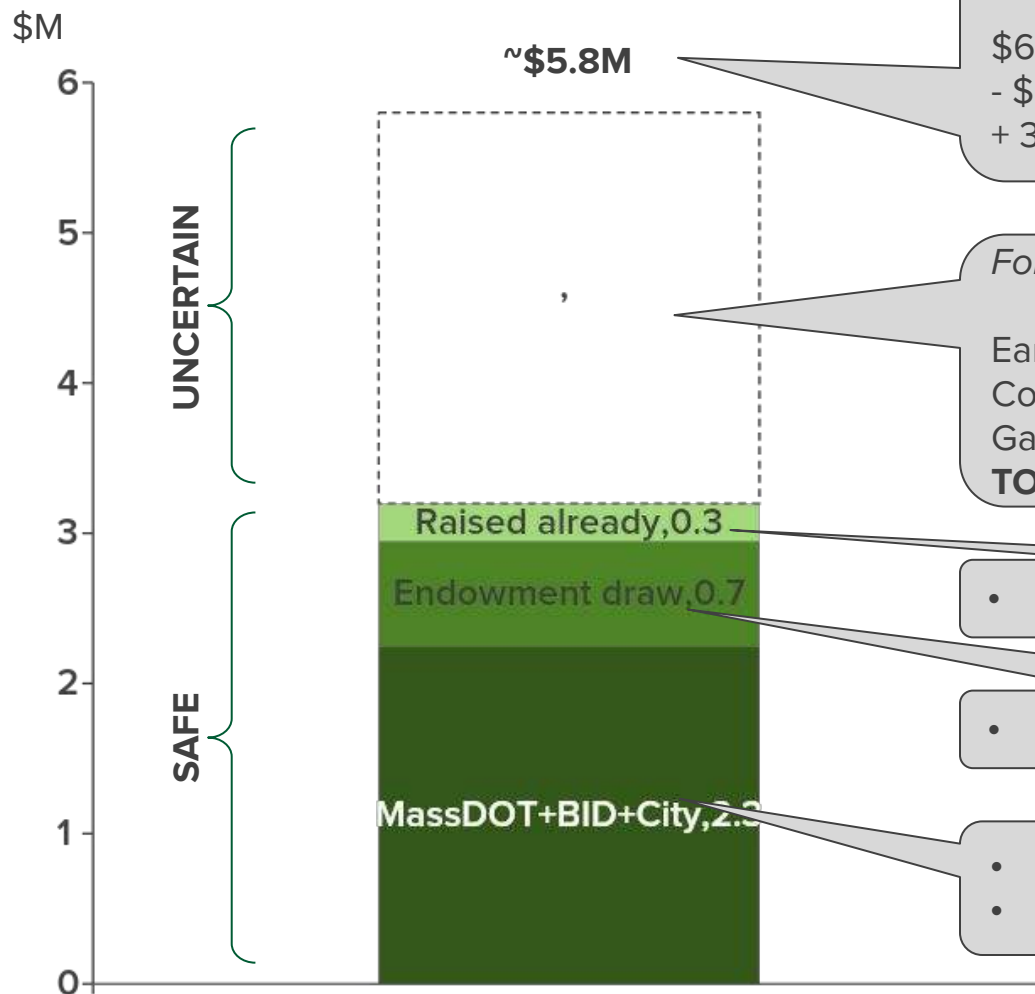


Thought Exercise, 2021 Budgeting: Context



Baseline operating expenses for 2021 =

\$6.3M [2020 Board-approved op budget]
 - \$0.7M [budget reductions approved 3/24/20]
 + 3% [cost inflation]

For comparison:

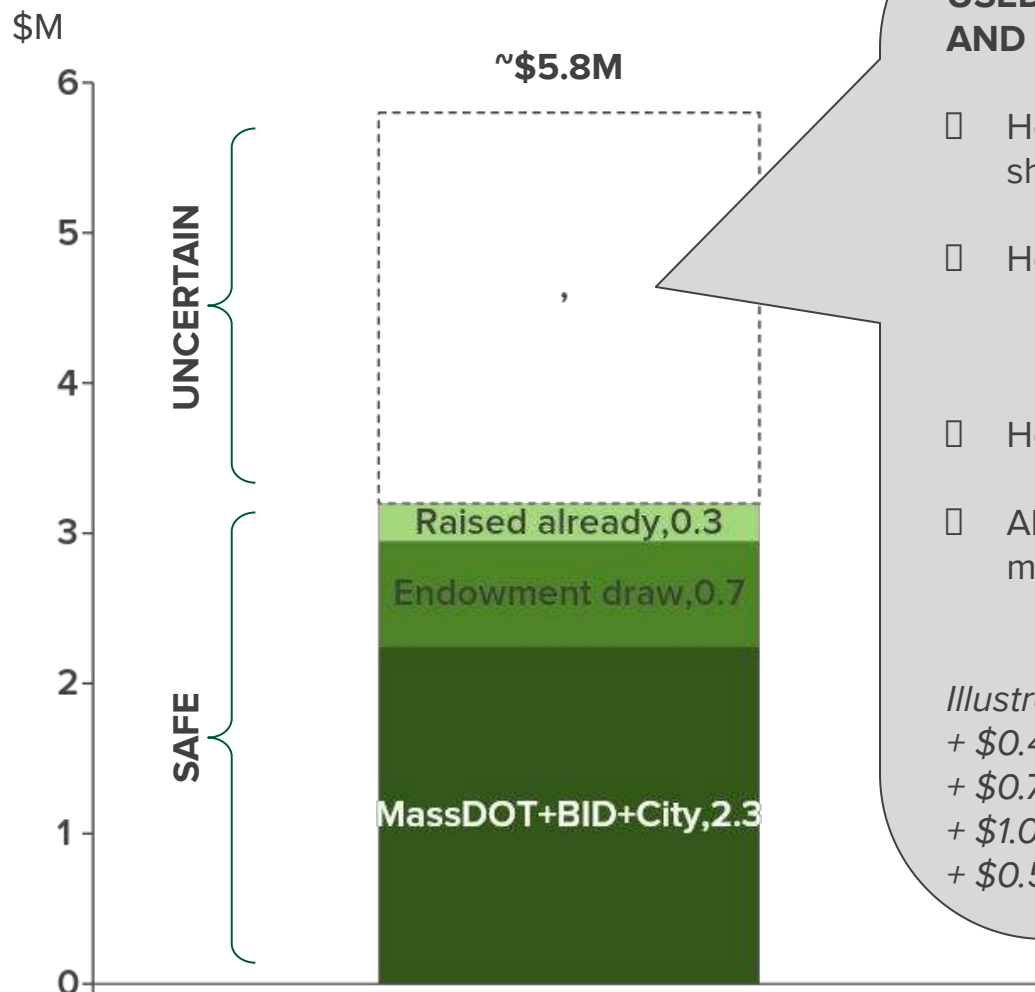
	2019	2020 Scen. C
Earned	\$1.6M	\$0.4M
Contributed	\$1.3M	\$0.5M
Gala+Glow net	\$0.5M	\$0.2M
TOTAL	\$3.4M	\$1.1M

- For example, Barr Foundation

- 4.5% draw on 12-quarter average

- MassDOT & BID restricted to M&H
- City unrestricted, but has been spent similarly

Thought Exercise, 2021 Budgeting: Key Revenue Questions



HOW MUCH SHOULD RESERVES AND CUTS BE USED TO OFFSET UNCERTAIN PHILANTHROPY AND EARNED INCOME?

- How much **philanthropic and earned revenue** should be forecast for 2021?
- How much of ~\$2.7M **reserves** should be used?
 - May need some in 2020
 - Market risk: ~40% invested
- How much further should **expenses** be reduced?
- Also, could some of \$0.5M BID Enhancements might be allocated?

Illustrative \$2.6M “answer”:

- + \$0.4M Forecast earned [2020 Scenario C level]
- + \$0.7M Forecast philanthropy [2020 Scen. C level]
- + \$1.0M Reserves
- + \$0.5M Further expense reductions

Illustrative numbers; Includes cash+in-kind; excludes depreciation