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:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020 Scen. C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned</td>
<td>$1.6M</td>
<td>$0.4M</td>
</tr>
<tr>
<td>Contributed</td>
<td>$1.3M</td>
<td>$0.5M</td>
</tr>
<tr>
<td>Gala+Glow net</td>
<td>$0.5M</td>
<td>$0.2M</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$3.4M</strong></td>
<td><strong>$1.1M</strong></td>
</tr>
</tbody>
</table>

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

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