



MEMO

To: Board of Trustees
From: Nick Williams, CFO
Date: December 2, 2025
Re: 2026 Proposed Budget

The Finance Committee met on November 13th and November 15th. At these meetings the Finance Committee did a deep dive on the proposed 2026 budget for the Albuquerque Community Foundation (“ACF”). In addition to this deep dive the Committee also reviewed the proposed 2026 budget for the New Mexico Community Trust (“NMCT”) as well as budget projections for 2027 and 2028 for both organizations. While the Finance Committee is not responsible for approving the NMCT budget it did feel a review was warranted based on the financial interconnectedness of the two organizations.

The Finance Committee reviewed the assumptions and methodology used to budget the Endowment Management Fee Revenue line item. Staff performed several tests to assess this budgeted amount of \$2,093,996 and based on this analysis the Committee felt comfortable with this number.

Additionally the Committee did a deep dive on the ACF budget line item related to the New Mexico Community Trust. This line item is budgeted for \$1,483,000, an increase of \$976,300. This increase represents an increase in expected work by ACF staff on NMCT related projects and is related to planned increases in revenue for NMCT related to Fiscal Sponsorship / Regranting Fees as well as External Grant Support. The Finance Committee reviewed detailed projections and confidence level assumptions made by staff for NMCT regranting programs, fiscal sponsorships, back office accounting support and external grants. Based on this analysis the Finance Committee was able to get comfortable with the proposed budgeted revenue for ACF.

The Committee also discussed how this planned growth and the transition of the Foundation’s CEO impacts the 2026 budget for Salaries & Fringe Benefits. 2026 Salaries & Fringe Benefits increase consists of the following:

- 30% of the increase relates to planned FTE’s to be funded by external grant awards. If these grant awards are not received by NMCT the hires will not be made.
- 30% of the increase relates to raises and promotions planned for throughout 2026
- 27% of the increase relates to planned additional staff to be hired throughout 2026
- 13% of the increase relates to one time contract payments to the outgoing President & CEO

Lastly, the Committee reviewed additional expense categories based on staff analysis of large changes. In the event of unexpected revenue shortfalls, staff have identified \$474,615 of budgeted expense which could be cut without affecting existing FTE’s. This includes \$82,850 from Philanthropic Services Expense, \$88,103 from Management &

General Expense, \$294,663 from Salaries & Fringe Benefits and \$9,000 from Transition Costs.

Based on this deep dive the Committee has approved the 2026 ACF Proposed Budget and will be making a motion at the Board meeting for its approval by the Board.

Based on the growing level of complexity of the financials and operating budget the Finance Committee will be working on several projects in 2026. These include working with staff to do a deep cost accounting of the various revenue sources for ACF and NMCT. The Finance committee will also be closely tracking operating revenue and expense and continuing to monitor staff projections to ensure no issues with the budget occur. Lastly, the Finance Committee plans to review its committee charter to add language regarding NMCT as the Committee and Board discuss the Committee's responsibilities in regards to NMCT.