

Reports of Independent Auditors and
Consolidated Financial Statements with
Supplementary Information

**Albuquerque Community Foundation
and Subsidiaries**

December 31, 2025 and 2024

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Report of Independent Auditors

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Albuquerque, New Mexico

, 2025

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Consolidated Financial Statements

Albuquerque Community Foundation and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 17,644,989	\$ 12,490,298
Contributions receivable	331,990	1,542,505
Prepaid expenses	63,222	96,417
Notes receivable, current portion	<u>153,486</u>	<u>156,119</u>
Total current assets	18,193,687	14,285,339
NONCURRENT ASSETS		
Pooled investments		
Endowment and other	166,220,032	148,186,354
Social impact investments	<u>3,075,437</u>	<u>4,018,953</u>
Total pooled investments	169,295,469	152,205,307
Notes receivable, less current portion	-	25,730
Beneficial interest in charitable remainder trusts	2,084,688	2,751,371
Property and equipment, net	1,766,274	1,796,496
Other noncurrent assets	<u>245,753</u>	<u>197,708</u>
Total noncurrent assets	<u>173,392,184</u>	<u>156,976,612</u>
Total assets	<u><u>\$ 191,585,871</u></u>	<u><u>\$ 171,261,951</u></u>

See accompanying notes.

Albuquerque Community Foundation and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 398,493	\$ 82,063
Accrued payroll liabilities	2,519	5,974
Grants and scholarships payable	<u>656,589</u>	<u>193,626</u>
Total current liabilities	1,057,601	281,663
LONG-TERM LIABILITIES		
Charitable remainder trusts	1,889,189	2,231,774
Liabilities for assets held for community organizations	<u>33,119,566</u>	<u>29,978,744</u>
Total long-term liabilities	<u>35,008,755</u>	<u>32,210,518</u>
Total liabilities	36,066,356	32,492,181
NET ASSETS		
Without donor restrictions	75,661,458	68,181,560
With donor restrictions	<u>79,858,057</u>	<u>70,588,210</u>
Total net assets	<u>155,519,515</u>	<u>138,769,770</u>
Total liabilities and net assets	<u><u>\$ 191,585,871</u></u>	<u><u>\$ 171,261,951</u></u>

See accompanying notes.

Albuquerque Community Foundation and Subsidiaries
Consolidated Statements of Activities
Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Contributions	\$ 6,380,678	\$ 15,625,061	\$ 22,005,739
Gain on investments, net of fees	7,652,030	4,353,768	12,005,798
Federal grant revenues	-	1,500,568	1,500,568
Dividends and interest	1,261,335	1,260,434	2,521,769
Fundraising income	87	138,390	138,477
Management fees and other income, net	419,612	-	419,612
Change in value of charitable remainder trust agreements	-	473,896	473,896
Net assets released from restrictions	14,082,270	(14,082,270)	-
Total revenue and other support	29,796,012	9,269,847	39,065,859
EXPENSES			
Program services			
Distributions and grants	16,161,577	-	16,161,577
Community outreach	1,842,727	-	1,842,727
Total program services	18,004,304	-	18,004,304
Supporting services			
General and administrative	3,529,130	-	3,529,130
Fundraising and development	782,680	-	782,680
Total supporting services	4,311,810	-	4,311,810
Total expenses	22,316,114	-	22,316,114
CHANGE IN NET ASSETS	7,479,898	9,269,847	16,749,745
NET ASSETS, beginning of year	68,181,560	70,588,210	138,769,770
NET ASSETS, end of year	\$ 75,661,458	\$ 79,858,057	\$ 155,519,515

See accompanying notes.

Albuquerque Community Foundation and Subsidiaries
Consolidated Statements of Activities
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Contributions	\$ 5,024,987	\$ 4,379,947	\$ 9,404,934
Gain on investments, net of fees	1,895,414	3,422,940	5,318,354
Federal grant revenues	-	3,805,825	3,805,825
Dividends and interest	1,201,635	1,071,981	2,273,616
Fundraising income	-	-	-
Management fees and other income, net	307,981	-	307,981
Change in value of charitable remainder trust agreements	-	36,715	36,715
Net assets released from restrictions	10,584,512	(10,584,512)	-
Total revenue and other support	19,014,529	2,132,896	21,147,425
EXPENSES			
Program services			
Distributions and grants	12,778,474	-	12,778,474
Community outreach	876,475	-	876,475
Total program services	13,654,949	-	13,654,949
Supporting services			
General and administrative	2,068,554	-	2,068,554
Fundraising and development	436,199	-	436,199
Total supporting services	2,504,753	-	2,504,753
Total expenses	16,159,702	-	16,159,702
CHANGE IN NET ASSETS	2,854,827	2,132,896	4,987,723
NET ASSETS, beginning of year	65,326,733	68,455,314	133,782,047
NET ASSETS, end of year	\$ 68,181,560	\$ 70,588,210	\$ 138,769,770

See accompanying notes.

Albuquerque Community Foundation and Subsidiaries
Consolidated Statements of Functional Expenses
Year Ended December 31, 2025

	Program Services			Supporting Services		Total
	Distributions and Grants	Community Outreach	Program Services Subtotal	General and Administrative	Fundraising and Development	
Grants to organizations	\$ 14,403,236	\$ -	\$ 14,403,236	\$ -	\$ -	\$ 14,403,236
Grants to individuals	257,140	-	257,140	-	-	257,140
Federal awards	1,501,201	-	1,501,201	-	-	1,501,201
Compensation of officers	-	167,819	167,819	326,356	96,875	591,050
Other salaries and wages	-	337,888	337,888	657,090	195,049	1,190,027
Retirement contributions	-	25,109	25,109	48,490	14,039	87,638
Other employee benefits	-	29,870	29,870	58,614	17,139	105,623
Payroll taxes	-	36,647	36,647	77,796	20,189	134,632
Professional fees						
Legal	-	-	-	20,284	-	20,284
Accounting	-	-	-	124,377	-	124,377
Other	-	-	-	93,604	-	93,604
Office expenses	-	746,295	746,295	1,753,576	320,337	2,820,208
Information technology	-	48,555	48,555	95,280	27,860	171,695
Occupancy	-	17,136	17,136	33,626	9,832	60,594
Travel	-	55,021	55,021	29,564	8,645	93,230
Conferences, conventions, and meetings	-	-	-	33,496	-	33,496
Depreciation	-	21,428	21,428	42,048	12,295	75,771
Insurance	-	-	-	88,989	-	88,989
Other expenses						
Donor relations	-	191,079	191,079	18,492	52,393	261,964
Membership dues and fees	-	9,192	9,192	18,039	5,275	32,506
Training and development	-	4,797	4,797	9,409	2,752	16,958
Concours	-	151,891	151,891	-	-	151,891
Total	<u>\$ 16,161,577</u>	<u>\$ 1,842,727</u>	<u>\$ 18,004,304</u>	<u>\$ 3,529,130</u>	<u>\$ 782,680</u>	<u>\$ 22,316,114</u>

See accompanying notes.

Albuquerque Community Foundation and Subsidiaries
Consolidated Statements of Functional Expenses
Year Ended December 31, 2024

	Program Services			Supporting Services		Total
	Distributions and Grants	Community Outreach	Program Services Subtotal	General and Administrative	Fundraising and Development	
Grants to organizations	\$ 8,801,675	\$ -	\$ 8,801,675	\$ -	\$ -	\$ 8,801,675
Grants to individuals	170,974	-	170,974	-	-	170,974
Federal awards	3,805,825	-	3,805,825	-	-	3,805,825
Compensation of officers	-	156,007	156,007	343,382	91,661	591,050
Other salaries and wages	-	274,370	274,370	603,906	161,203	1,039,479
Retirement contributions	-	18,946	18,946	41,585	11,010	71,541
Other employee benefits	-	20,053	20,053	43,994	11,721	75,768
Payroll taxes	-	31,407	31,407	65,800	17,106	114,313
Professional fees						
Legal	-	-	-	8,690	-	8,690
Accounting	-	-	-	251,013	-	251,013
Other	-	-	-	82,517	-	82,517
Office expenses	-	130,106	130,106	315,283	54,406	499,795
Information technology	-	37,446	37,446	82,153	21,887	141,486
Occupancy	-	18,127	18,127	39,770	10,595	68,492
Travel	-	21,446	21,446	11,500	3,064	36,010
Conferences, conventions, and meetings	-	-	-	31,283	-	31,283
Depreciation	-	18,153	18,153	39,826	10,610	68,589
Insurance	-	-	-	73,082	-	73,082
Other expenses						
Donor relations	-	139,952	139,952	13,908	37,378	191,238
Membership dues and fees	-	5,627	5,627	12,346	3,289	21,262
Training and development	-	3,882	3,882	8,516	2,269	14,667
Concours	-	953	953	-	-	953
Total	<u>\$ 12,778,474</u>	<u>\$ 876,475</u>	<u>\$ 13,654,949</u>	<u>\$ 2,068,554</u>	<u>\$ 436,199</u>	<u>\$ 16,159,702</u>

See accompanying notes.

Albuquerque Community Foundation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 16,749,745	\$ 4,987,723
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	75,771	68,589
Gain on investments	(12,005,798)	(5,318,354)
Reinvested dividends and interest	(2,521,769)	(2,273,616)
Change in value of charitable trust agreements	324,098	(36,715)
Changes in operating assets and liabilities		
Contributions receivable	1,210,515	(838,777)
Prepaid expenses	33,195	(59,831)
Other noncurrent assets	(48,045)	(29,590)
Accounts payable	316,430	27,978
Accrued payroll liabilities	(3,455)	(849)
Grants and scholarships payable	462,963	(1,082,609)
Liabilities for assets held for community organizations	3,140,822	5,600,676
Net cash from operating activities	7,734,472	1,044,625
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	23,318,934	7,121,632
Purchases of investments	(25,881,529)	(9,124,066)
Proceeds from note receivables	28,363	2,464
Purchase of property and equipment	(45,549)	(176,184)
Net cash used in investing activities	(2,579,781)	(2,176,154)
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,154,691	(1,131,529)
CASH AND CASH EQUIVALENTS, beginning of year	12,490,298	13,621,827
CASH AND CASH EQUIVALENTS, end of year	\$ 17,644,989	\$ 12,490,298
NONCASH TRANSACTIONS		
Changes in liabilities for assets held for community organizations	\$ 3,140,822	\$ 5,600,676

See accompanying notes.

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Note 1 – Description of the Organization

Albuquerque Community Foundation (ACF or Foundation) is a nonprofit, publicly supported philanthropic institution in Albuquerque, New Mexico, that manages a pool of charitable funds whose income is used to benefit the community through its grants to local nonprofit foundations, educational programs, and student aid awards.

Contributions and bequests are received from individuals and corporations. The Foundation coordinates receipt and investment of charitable contributions, distributes funds for community needs, and serves as a leader and educational resource by encouraging philanthropy.

During 2000, ACF created ACF Holdings, LLC, a wholly owned subsidiary, for the purpose of acquiring, selling, and otherwise dealing with certain property interests periodically conveyed by donors to the Foundation. The LLC will dissolve 60 years from the filing date of the articles of incorporation. ACF Holdings, LLC, is consolidated with the financial statements of ACF.

During 2010, ACF received the donation of a building to be used for the operations of the ACF. The building is a historic building located in downtown Albuquerque. Upon completion of the renovation, ACF moved its operations into the building in June 2012. ACF created a wholly owned subsidiary, Historic Champion Grocery Building, LLC (HCGB), to hold the building. HCGB is consolidated with the financial statements of ACF.

During 2019, ACF created New Mexico Community Trust (NMCT), as a wholly owned nonprofit corporation in the state of New Mexico for the purposes of building, investing, and managing funds to enhance the quality of New Mexico through informed, strategic grant making. NMCT is consolidated with the financial statements of ACF.

Note 2 – Summary of Significant Accounting Policies

Principles of consolidation – The accompanying consolidated financial statements include the accounts of Albuquerque Community Foundation and its for-profit wholly owned subsidiaries, ACF Holdings, LLC; HCGB; and a nonprofit corporation NMCT (collectively referred to as the Foundation or the Organization). All significant intercompany balances and transactions have been eliminated in these consolidated financial statements.

Basis of accounting – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Use of estimates – The preparation of U.S. GAAP consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included in the accompanying consolidated financial statements primarily relate to the value of the Foundation's investment portfolio, the beneficial interest in charitable remainder trusts and the value of the charitable remainder trust liabilities and allocation of functional expenses program and supporting services.

Cash and cash equivalents – Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Contributions receivable – Contributions that are expected to be received within one year are recorded at their estimated net realizable value. Management evaluates the value of contributions receivables on an annual basis in order to identify any circumstances where the Foundation may receive less than what it has recorded. The Foundation has not experienced any such circumstances. As of December 31, 2025 and 2024, all outstanding contributions are expected to be collected within one year. Therefore, no allowance for credit losses has been recorded.

The Foundation is the beneficiary, from time to time, of certain bequests not yet recognized that have various levels of conditions for which the amounts are undeterminable. In addition, conditional promises to give, those with a measurable performance or other barrier and a right of return, are not included as support until the conditions are substantially met. Associated revenue is recognized when all conditions of the promise are substantially met. At December 31, 2025 and 2024, the Foundation has no conditional promises to give.

Notes receivable – The Foundation has two notes receivable related to the sales of real estate from prior periods. The notes bear interest at 3% and 7%, respectively. One note matured in 2025 and the other matures in 2026 and has been classified as a current asset in the accompanying consolidated statements financial position. The notes are secured by the land purchased. The Foundation considers notes receivable to be fully collectible; accordingly, no allowance for credit losses is recorded.

Pooled investments – The Foundation reports investments in marketable securities with readily determinable fair values at their fair values in the consolidated statement of financial position. Investments in private equity funds are reported at their net asset value (NAV) as a practical expedient. Social impact loans are recorded at net realizable value. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

In January 2016, the Foundation's board of trustees engaged in an Impact Investing Initiative and committed up to 5% of endowed assets to impact investments where endowment capital would be invested in projects seeking to provide both social impact and financial return. The Foundation's Impact Investing Initiative is managed according to specific principles including impact investments should be aligned with the Foundation's vision to be a leader in community philanthropy and in consideration of the Foundation's commitment to Diversity, Equity, and Inclusion (DEI); impact investments shall seek to create social impact in the Greater Albuquerque Metropolitan Area; and social impact investments shall seek to provide access to economic opportunities particularly in the areas of economic development, workforce enhancement, education, historic preservation and renovation, and affordable housing. As of December 31, 2025, the Foundation had committed \$4,025,000 of endowed assets to social impact investments; further detail related to social impact investing activity is included in Note 5.

Beneficial interest in charitable remainder trusts – The Foundation has entered into multiple agreements for charitable remainder trusts. Under the terms of the agreements, the Foundation acts as the trustee and has been named as a full or partial beneficiary of the alternative interest. The donors have contributed assets into a trust in exchange for regular distributions over their designated beneficiary's lifetime. Once this period is completed, the Foundation is either a partial or full beneficiary of the remaining interest.

Investments held in charitable remainder trusts are reported at fair value in the Foundation's consolidated statements of financial position. A liability is recognized at inception of the trust at the present value of the estimated payments to beneficiaries over the trust term, which the remainder value to the Foundation recognized as contributions with donor restrictions. The liability is revalued annually using present value techniques. See Note 11.

Property and equipment – All acquisitions of property and equipment in excess of \$2,500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. If donors stipulate how long the assets must be used, the contributed assets are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as net assets without restrictions when the assets are placed in service. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions when the assets are placed in service. The Foundation received no contributed assets in the years ended December 31, 2025 and 2024.

Liability for assets held for community organizations – The Foundation regularly establishes charitable endowment funds with community organizations who specify their own organization as the beneficiary of the fund. The transfer to the Foundation from a community organization is irrevocable and the assets will be invested by the Foundation. The community organization will receive annual distributions from the earnings on their endowment fund.

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

In accordance with accounting standards, assets transferred to a fund in which the donor entity specifies itself or its affiliate as the beneficiary are not considered a contribution by the Foundation, but the Foundation is acting as a trustee or agent for the donor entity. The Foundation maintains variance power and legal ownership of the assets held for community organizations and as such continues to report the funds as cash and investments of the Foundation. However, a liability has been established equivalent to the value of the assets. Both the liability and the assets are measured at fair value.

Net assets – The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and for social impact investing.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue recognition – Management fees, advisory fees, and accounting services are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied.

Contributions are recognized when cash, other assets, an unconditional promise to give or notification of a beneficial interest is received. Conditional promises to give are not recognized until the condition on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

A portion of revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract and grant provisions.

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Endowment administration – Management fees of \$2,280,024 and \$1,766,705 were charged by the Foundation to the funds held at the Foundation for administrative costs for the years ended December 31, 2025 and 2024, respectively. These fees were considered revenue to the Foundation's operating fund and expenses to the funds held under endowment. Management fees are shown net on the consolidated statements of activities with management fees and other income in the amount of \$419,612 and \$307,981 for the years ended December 31, 2025 and 2024, respectively.

Donated assets – Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated services – Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers also provided fundraising services throughout the year that are not recognized as contributions in the consolidated financial statements since recognition criteria were not met.

Functional allocation of expenses – The Foundation reports its expenses according to four functional classifications: distributions and grants, which includes the direct costs of providing benefits and services to the nonprofit community; community outreach; general and administrative; and fundraising and development. Common costs are allocated among the classifications on the basis of estimates of time and effort applied to the various operational areas within the Foundation. Expenses related to maintenance and upkeep of the entire facility are allocated across functional areas based on a fixed percentage.

Grant expenses – Grants awarded are recognized as grant expense in the period the grant is approved unless the grant is subject to future conditions. Conditional grants are recognized as grant expense and grants payable in the period the measurable performance or other barrier and right of return conditions are met. The Foundation has no conditional grants and grants do not contain any exchange components. At December 31, 2025 and 2024, respectively, the consolidated statements of financial position have \$656,589 and \$193,626 in grants and scholarships payable. Grants payable represents \$641,853 and \$193,626, and scholarships payable represents \$14,736 and \$0 at December 31, 2025 and 2024, respectively.

Advertising and donor development – The Foundation uses advertising and donor development activities to promote its programs. Such costs are expensed as incurred. Advertising and donor development expense for the years ended December 31, 2025 and 2024, was \$261,964 and \$191,238, respectively. This is listed on the Foundation's consolidated statements of functional expenses as donor relations expense.

Income taxes – Under section 501(c)(3) of the Internal Revenue Code (IRC), the ACF and NMCT are exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration of self-insurance activities and commissions.

ACF and NMCT may generate income through certain alternative investments that may be subject to unrelated business income tax. Income taxes from such activities are not significant and, accordingly, no provision for income tax has been included in the accompanying consolidated financial statements. ACF Holding, LLC and HCGB are disregarded entities for tax purposes; therefore, no provision for income taxes are provided for in the accompanying consolidated financial statements.

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

The Foundation utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the consolidated financial statements when it is more likely than not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

As of December 31, 2025 and 2024, the Foundation has no uncertain tax provisions that qualify for recognition or disclosure in the consolidated financial statements.

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

Management has evaluated subsequent events for potential recognition and disclosure through , 2026.

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Note 3 – Liquidity and Financial Asset Availability

The Foundation maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Foundation's expenditures come due. The following reflects the Foundation's financial assets as of the consolidated statements of financial position date, reduced by amounts not available for general use within one year of the consolidated statements of financial position date because of contractual or donor-imposed restrictions.

	2025	2024
Total assets at year end	\$ 191,585,871	\$ 171,261,951
Less nonfinancial assets		
Prepaid expenses	(63,222)	(96,417)
Property and equipment, net	(1,766,274)	(1,796,496)
Financial assets at year-end	189,756,375	169,369,038
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Cash and cash equivalents held for community organizations	(93,605)	(255,504)
Pooled investments		
Investments in nonliquid securities	(66,222,862)	(60,314,119)
Social impact investments	(3,075,437)	(4,018,953)
Investments held in restricted endowments	(63,573,475)	(62,258,076)
Total pooled investments and cash held for community organizations	(132,778,169)	(126,335,644)
Long-term portion of note receivable	-	(25,730)
Other noncurrent assets	(245,753)	(197,708)
Investments held in charitable remainder trusts	(2,084,688)	(2,751,371)
Total financial assets not available to be used within one year	(135,108,610)	(129,310,453)
Financial assets available to meet cash needs for general expenditures within one year	\$ 54,647,765	\$ 40,058,585

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions, gifts to establish endowments that will exist in perpetuity which the income generated from such endowments is used to fund programs and contributions without donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs, which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

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General expenditures include administrative and general expenses, fundraising, and development expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its available cash to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability;
- Maintaining adequate liquid assets; and
- Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments and obligations under endowments with donor restrictions will continue to be met, ensuring the sustainability of the Foundation.

The Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative, general, and fund-raising expenses plus an amount that represents the expected payment for annual grant commitments.

Note 4 – Receivables

Receivables consist of the following at December 31:

	2025	2024
Restricted contributions from donors	\$ 331,990	\$ 660,222
Estates receivable	-	882,283
Notes receivable	153,486	181,849
Total receivables	<u>\$ 485,476</u>	<u>\$ 1,724,354</u>

The Foundation expects to receive all contributions and notes receivable within one year of year end. The Foundation considers notes and estates receivable to be fully collectible; accordingly, no allowance for credit losses is recorded. There were no credit losses during 2025 or 2024.

Note 5 – Pooled Investments

The Foundation's policy is to pool cash and investments for greater investment return. Investment income (loss) and realized/unrealized gains (losses) on investments are allocated to each charitable fund based on its share of the pool. The board of trustees of the Foundation, who is responsible for all stewardship of the Foundation, delegated to the Investment Committee the responsibility to ensure that the assets of the Foundation are managed in a manner that is consistent with the policies and objectives of the Foundation.

The Investment Committee elected, as allowed by action of the board of trustees, to engage an independent investment consulting firm to assist the committee's activities.

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The Investment Committee meets at least quarterly with its investment consultant to review investment performance, asset allocation, and all other matters related to fiduciary oversight of investment assets.

Increases or decreases in the fair value of investments are unrealized until the investments are sold. The board of trustees of the Foundation has the authority to change the level of distributions to preserve the assets of the Foundation to benefit future generations. The Foundation holds investments in certain private equity ventures, which require the Foundation to commit capital to these investments as a stipulation of participation. The Foundation has committed capital to these investments of \$63,479,757 and \$56,504,757 for the years ended December 31, 2025 and 2024, respectively, of which \$49,385,097 and \$45,394,214 have been called and remitted as of December 31, 2025 and 2024, respectively. As of December 31, 2025, the remaining capital commitments of \$14,094,659 are callable while the underlying funds are active. Failure to provide capital upon its call would result in the Foundation losing its right to invest in these ventures.

The board of trustees has delegated authority to the Impact Investment Committee to make the specific social impact investments, subject to the Foundation's Impact Investment Policy. The Foundation's Impact Investing Initiative seeks to stimulate entrepreneurial initiatives and inclusive economic development, contribute to the creation and retention of jobs that offer living wages and benefits, increase availability and access to affordable capital, increase access to affordable housing, enhance quality of life through the vitality of the Albuquerque downtown area and other strategic locations, promote a more vibrant community in collaboration with other investors, and promote quality educational opportunities. It does this by investing endowed assets primarily in intermediaries and direct loans. Impact investing is administered by a dedicated Impact Investing Committee comprised of board trustees and independent members of the community. The Impact Investment Committee is directly supported by the Chief Financial Officer and other members of the Foundation staff.

The Foundation has invested over \$5.4 million in 21 investments since 2016. In 2025 and 2024, approximately 56% and 47%, respectively, of the portfolio is invested in five intermediaries managing seed and venture capital funds, a real estate fund with local development projects, and loan portfolios supporting minority entrepreneurs. In 2025 and 2024, approximately 44% and 53% of the portfolio is invested in direct loans funding organizations revitalizing historic properties, improving access to affordable housing and providing working capital to local businesses.

In the summer of 2020, the Impact Investing Committee approved two social impact investments specifically supporting local business relief and recovery from the COVID pandemic. The Foundation makes social impact investments in the form of repayable loans that support grant-making programs in New Mexico. Five loans were outstanding for \$1,350,000 at December 31, 2025. Eight loans were outstanding for \$2,133,458 at December 31, 2024. The interest rates range from 0% to 3%, with interest-only payments and principal payments optional until the maturity dates of the loans. The principal amounts are scheduled to be paid in full to the Foundation by the maturity dates through July 2033. The Foundation records a reserve for potentially uncollected loans based on the risk assessment made by the Foundation staff and the Impact Investment Committee. No loss reserve has been recorded as of December 31, 2025 and 2024. Any costs of making loans are expensed as incurred.

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The nature and carrying value of pooled investments are summarized are as follows at December 31:

	2025	2024
Investments valued at fair market value		
Equities	\$ 69,655,506	\$ 69,685,478
Fixed income	30,341,664	18,186,758
Investments valued at carrying value		
Land in general partnership	270,001	270,001
Alternative investments valued at net asset value		
Fixed income	89,257	90,222
Real asset funds	23,300,670	20,021,652
Multi-strategy funds	23,913,859	22,757,000
Private equity funds	18,649,075	17,175,244
Social impact investments		
Loans	1,350,000	2,133,458
Private equity funds (valued at net asset value)	1,725,437	1,885,494
Total pooled investments	<u>\$ 169,295,469</u>	<u>\$ 152,205,307</u>

Note 6 – Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - ◆ observable; or
 - ◆ can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Beneficial interest in charitable remainder trusts – Assets held are valued using the closing price reported in the active market on which the individual securities are traded as reported by the account managers. These have been classified within Level 1 of the valuation hierarchy.

Equities and fixed income – Assets held are valued using the closing price reported in the active market on which the individual securities are traded. These have been classified within Level 1 of the valuation hierarchy. If quoted prices are not available for a specific security, then the fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, discounted cash flows and other observable inputs. Such securities would be classified within Level 2 of the valuation hierarchy.

Land in general partnership – Valued at the lower of carrying value or fair value in accordance with ASC 958-325-35 by using third-party valuations from the date the asset was donated. Management reviews and evaluates the values provided by all third parties and agrees with the valuation methods and assumptions used in determining the fair value of the investments. There were no purchases and sales of land during the years ended December 31, 2025 and 2024.

The Foundation follows the provisions of ASU 2009-12, *Investments in Certain Entities that Calculate Net Asset Value per Share*. This accounting standard update allows the Foundation to use NAV per share to estimate the fair value of alternative investments as a practical expedient. In accordance with ASU 2015-07 and FASB Topic 820-10, certain investments that are measured at fair value using the NAV practical expedient are not classified in the fair value hierarchy. The Foundation's alternative investments in multi-strategy funds, real assets, private equity funds, and fixed income funds are valued using NAV per share.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

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Assets measured at fair value on a recurring basis, are summarized for the years ended December 31, 2025 and 2024:

	Level 1	Level 2	Level 3	2025 Total
Beneficial interest in charitable remainder trusts	\$ 2,084,688	\$ -	\$ -	\$ 2,084,688
Pooled investments				
Equities	\$ 60,930,437	\$ 8,725,069	\$ -	\$ 69,655,506
Fixed income	21,925,685	8,415,979	-	30,341,664
Pooled investments at fair value	\$ 82,856,122	\$ 17,141,048	\$ -	\$ 99,997,170
Pooled investments valued at net asset value as a practical expedient	\$ -	\$ -	\$ -	\$ 67,678,298
Land in general partnership	-	-	270,001	270,001
Social impact loans	-	-	1,350,000	1,350,000
Total investments	\$ 84,940,810	\$ 17,141,048	\$ 1,620,001	\$ 171,380,157
	Level 1	Level 2	Level 3	2024 Total
Beneficial interest in charitable remainder trusts	\$ 2,751,371	\$ -	\$ -	\$ 2,751,371
Pooled investments				
Equities	\$ 62,182,318	\$ 7,503,160	\$ -	\$ 69,685,478
Fixed income	18,186,758	-	-	18,186,758
Pooled investments at fair value	\$ 80,369,076	\$ 7,503,160	\$ -	\$ 87,872,236
Pooled investments valued at net asset value as a practical expedient	\$ -	\$ -	\$ -	\$ 61,929,612
Land in general partnership	-	-	270,001	270,001
Social impact loans	-	-	2,133,458	2,133,458
Total investments	\$ 83,120,447	\$ 7,503,160	\$ 2,403,459	\$ 154,956,678

Changes in fair value levels – The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the year ended December 31, 2025, there were no significant transfers in or out of Level 1, Level 2, or Level 3.

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Fair value of investments that calculate net asset value – The following table summarizes information related to the investments measured at fair value based on NAV per share as of December 31, 2025 and 2024, respectively. The investments are maintained by investment companies who hold the investments in accordance with a stated set of fund objectives.

Fund	Year End	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Private Equity Funds					
TIFF 07	December 31, 2025	\$ 271,417	\$ 80,000	Ineligible	N/A
	December 31, 2024	\$ 201,401	\$ 80,000	Ineligible	N/A
TIFF 08	December 31, 2025	\$ 119,609	\$ 107,000	Ineligible	N/A
	December 31, 2024	\$ 160,837	\$ 107,000	Ineligible	N/A
TIFF 10	December 31, 2025	\$ 238,564	\$ 130,000	Ineligible	N/A
	December 31, 2024	\$ 249,336	\$ 130,000	Ineligible	N/A
Common Fund Int. VI	December 31, 2025	\$ 1,040	\$ 32,250	Ineligible	N/A
	December 31, 2024	\$ 19,093	\$ 32,250	Ineligible	N/A
Common Fund VII	December 31, 2025	\$ 21,213	\$ 28,250	Ineligible	N/A
	December 31, 2024	\$ 77,670	\$ 30,000	Ineligible	N/A
Common Fund Int. VII	December 31, 2025	\$ 127,894	\$ 28,250	Ineligible	N/A
	December 31, 2024	\$ 167,567	\$ 28,250	Ineligible	N/A
Common Fund VIII	December 31, 2025	\$ 43,681	\$ 5,625	Ineligible	N/A
	December 31, 2024	\$ 81,724	\$ 5,625	Ineligible	N/A
Common Fund IX	December 31, 2025	\$ 649,846	\$ 8,750	Ineligible	N/A
	December 31, 2024	\$ 583,975	\$ 10,000	Ineligible	N/A
Pantheon Global Fund IV	December 31, 2025	\$ 3,440,938	\$ 235,438	Ineligible	N/A
	December 31, 2024	\$ 3,723,496	\$ 235,438	Ineligible	N/A
Audax Private Equity Fund VII	December 31, 2025	\$ 4,080,637	\$ 2,814,420	Ineligible	N/A
	December 31, 2024	\$ 3,029,297	\$ 3,653,237	Ineligible	N/A
Audax Private Equity Fund Aspen	December 31, 2025	\$ 291,951	\$ -	Ineligible	N/A
	December 31, 2024	\$ 221,963	\$ -	Ineligible	N/A
Audax Private Equity Fund V	December 31, 2025	\$ 627,119	\$ 146,589	Ineligible	N/A
	December 31, 2024	\$ 871,949	\$ 146,589	Ineligible	N/A
Audax Private Equity Fund VI	December 31, 2025	\$ 2,992,049	\$ -	Ineligible	N/A
	December 31, 2024	\$ 3,130,356	\$ -	Ineligible	N/A
Blackstone Capital Partners VII	December 31, 2025	\$ 669,213	\$ 40,970	Ineligible	N/A
	December 31, 2024	\$ 741,646	\$ 48,496	Ineligible	N/A
Glouston Private Equity Opportunities IV	December 31, 2025	\$ 5,113	\$ 218,000	Ineligible	N/A
	December 31, 2024	\$ 49,910	\$ 218,000	Ineligible	N/A
Industry Ventures Partnership Holdings VII	December 31, 2025	\$ 1,261,361	\$ 3,998,884	Ineligible	N/A
	December 31, 2024	\$ 393,617	\$ 4,649,695	Ineligible	N/A

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Fund	Year End	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
GI Partners Fund VI-A	December 31, 2025	\$ 3,807,430	\$ 495,469	Ineligible	N/A
	December 31, 2024	\$ 3,471,407	\$ 776,197	Ineligible	N/A
Diversis Capital Partners III	December 31, 2025	\$ -	\$ 5,000,000	Ineligible	N/A
	December 31, 2024	\$ -	\$ -	Ineligible	N/A
Total Private Equity Funds	December 31, 2025	\$ 18,649,075	\$ 13,369,895		
	December 31, 2024	\$ 17,175,244	\$ 10,150,777		
Fixed Income Funds					
PIMCO Bravo II	December 31, 2025	\$ 89,257	\$ -	Ineligible	N/A
	December 31, 2024	\$ 90,222	\$ -	Ineligible	N/A
Total Fixed Income Funds	December 31, 2025	\$ 89,257	\$ -		
	December 31, 2024	\$ 90,222	\$ -		
Real Asset Funds					
Invesco U.S. Income Fund	December 31, 2025	\$ 11,030,841	\$ -	Quarterly	45 Day Notice
	December 31, 2024	\$ 10,595,241	\$ -	Quarterly	45 Day Notice
Kayne Anderson CORE Real Estate Fund	December 31, 2025	\$ 5,738,435	\$ -	Quarterly	45 Day Notice
	December 31, 2024	\$ 2,536,572	\$ -	Quarterly	45 Day Notice
ASB Allegiance Real Estate Fund	December 31, 2025	\$ 6,384,362	\$ -	Quarterly	30 Day Notice
	December 31, 2024	\$ 6,689,712	\$ -	Quarterly	30 Day Notice
Quantum Energy Partners VI	December 31, 2025	\$ 147,032	\$ 26,874	Ineligible	N/A
	December 31, 2024	\$ 200,127	\$ 28,968	Ineligible	N/A
Total Real Assets	December 31, 2025	\$ 23,300,670	\$ 26,874		
	December 31, 2024	\$ 20,021,652	\$ 28,968		
Multi Strategy Funds					
HG Vora Special Opportunities	December 31, 2025	\$ 2,915,418	\$ -	Quarterly	90 Day Notice
	December 31, 2024	\$ 6,121,992	\$ -	Quarterly	90 Day Notice
Balyasny Atlas Enhanced Fund	December 31, 2025	\$ 2,000,000	\$ -	Ineligible	N/A
	December 31, 2024	\$ -	\$ -	Ineligible	N/A
Aleutian Fund Alyeska	December 31, 2025	\$ 11,402,213	\$ -	Monthly	90 Day Notice
	December 31, 2024	\$ 9,558,670	\$ -	Monthly	90 Day Notice
River Birch International	December 31, 2025	\$ -	\$ -	Quarterly	90 Day Notice
	December 31, 2024	\$ 27,316	\$ -	Quarterly	90 Day Notice
Hudson Bay International Fund	December 31, 2025	\$ 7,596,228	\$ -	Quarterly	65 Day Notice
	December 31, 2024	\$ 7,049,022	\$ -	Quarterly	65 Day Notice
Total Multi Strategy Funds	December 31, 2025	\$ 23,913,859	\$ -		
	December 31, 2024	\$ 22,757,000	\$ -		

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Fund	Year End	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Social Impact Investing					
Private Equity Funds					
Verge I II Combined, LP	December 31, 2025	\$ -	\$ -	Ineligible	N/A
	December 31, 2024	\$ 396,141	\$ -	Ineligible	N/A
ABQid Fund I, L.P	December 31, 2025	\$ 145,006	\$ -	Ineligible	N/A
	December 31, 2024	\$ 67,043	\$ -	Ineligible	N/A
ABQid Fund I, L.P, Sidecar, LP	December 31, 2025	\$ 318,394	\$ -	Ineligible	N/A
	December 31, 2024	\$ 474,405	\$ -	Ineligible	N/A
NM Vintage Fund IV	December 31, 2025	\$ 105,618	\$ -	Ineligible	N/A
	December 31, 2024	\$ 100,000	\$ -	Ineligible	N/A
NM Vintage Fund III	December 31, 2025	\$ 59,887	\$ -	Ineligible	N/A
	December 31, 2024	\$ -	\$ -	Ineligible	N/A
Tramway Venture Partners	December 31, 2025	\$ 185,629	\$ 3,287	Ineligible	N/A
	December 31, 2024	\$ 265,890	\$ 6,672	Ineligible	N/A
Tramway Venture Partners II	December 31, 2025	\$ 777,913	\$ 70,449	Ineligible	N/A
	December 31, 2024	\$ 553,658	\$ 188,338	Ineligible	N/A
Tramway Venture Partners III	December 31, 2025	\$ 60,673	\$ 173,123	Ineligible	N/A
	December 31, 2024	\$ 24,607	\$ 215,423	Ineligible	N/A
Titan Development Real Estate Fund	December 31, 2025	\$ 3,750	\$ 20,365	Ineligible	N/A
	December 31, 2024	\$ 3,750	\$ 20,365	Ineligible	N/A
Ingenuity Venture Fund II	December 31, 2025	\$ 68,567	\$ 430,666	Ineligible	N/A
	December 31, 2024	\$ -	\$ 500,000	Ineligible	N/A
Total Social Impact Investing	December 31, 2025	\$ 1,725,437	\$ 697,890		
	December 31, 2024	\$ 1,885,494	\$ 930,798		
Total	December 31, 2025	\$ 67,678,298	\$ 14,094,659		
	December 31, 2024	\$ 61,929,612	\$ 11,110,543		

The Foundation's investment strategy for investments valued at NAV as a practical expedient is as follows:

Private equity funds

TIFF – The investment strategy of the TIFF funds is to assist members in maintaining endowment purchasing power by generating returns greater than those provided by global stock markets. TIFF capital is expected to be allocated primarily among private equity managers pursuing venture, operations-oriented buyout, special situation, and recapitalization strategies. It may make investments in U.S., foreign, and global commingled private equity funds.

Common funds – The investment strategy of the common funds is to invest in target funds, which in turn, make investments in the following strategies with the objective of obtaining long-term growth: Venture capital investments primarily in emerging growth companies; International private equity investments primarily in emerging growth companies; Private limited partnerships, which in turn, make investments in equity securities, warrants or other options that are generally not actively traded at the time of investment; Limited partnerships, which in turn, make international private equity investments.

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Pantheon Global Co-Investment Opportunities Private Equity Fund – Pantheon acquires minority ownership stakes in companies alongside private equity general partners, known as co-investments. Co-investments do not require operational resources associated with majority ownership, but Pantheon may contribute industry-specific expertise, strategic introductions, or add value in other ways. Pantheon Global Co-Investment Opportunities Fund IV, LP, will continue Pantheon's strategy of investing in primarily middle market companies, with a diversified approach to company stage and geography.

Audax Private Equity Funds – Audax Private Equity acquires lower middle market companies as part of a buy and build strategy, bringing both capital and operational resources to bear in creating value, and performing add-on acquisitions for platform companies. Audax Private Equity Fund V, Audax Private Equity Fund VI, Audax Private Equity Fund VII, and Audax Private Equity Fund Aspen will continue Audax's strategy of investing in lower middle market companies, employing a buy and build approach to value creation.

Blackstone Capital Partners VII – Blackstone Capital Partners VII will concentrate on making non-control and control-oriented private equity investments globally on a thematic, sector focused basis. Blackstone takes a value-oriented approach to private equity investing. The team uses a “top down” thematic and sector-based process for deal sourcing and focuses only on those potential deals where it believes the Blackstone platform can be used to add value post-acquisition by improving the operations of the businesses.

Glouston Private Equity Opportunities IV – The investment strategy of the Glouston Private Equity Opportunities IV (formerly Permal Capital) fund is capital appreciation through the purchase of existing limited partnership interests in independently managed private equity funds from third parties seeking liquidity prior to the contractual termination of such funds.

Industry Ventures Partnership Holdings VII – Industry Ventures Partnership Holdings VII allocates to other venture capital funds, secondary funds, and direct company investments. The fund focuses on smaller seed and early-stage funds to avoid competing with the volume of capital raised by larger venture funds, and direct investments will concentrate in mid-stage companies where the fund has an information and access advantage to their primary fund investments.

GI Partners Fund VI-A – GI Partners Fund VI-A was founded in 2001 and offers multiple private market strategies across private equity, real estate, and infrastructure. GI Partners VI Fund will invest over approximately four years in four key sectors to build a high conviction portfolio of 10-12 companies. These focus sectors include healthcare, IT infrastructure, services, and software. Valuation created will be centered around jumpstarting organic growth and developing internal company leadership.

Diversis Capital Partners III – Diversis Capital Partners III is a buyout fund specializing in technology businesses that have strong foundations but are not optimally managed. Diversis looks for tangible value creation opportunities with attractive end markets, focusing on portfolio companies where operational improvements will increase the portfolio firms' growth and profitability.

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Fixed income funds

PIMCO Bravo II – The investment strategy of PIMCO Bravo II is to provide long-term returns through a diversified fixed income philosophy. PIMCO Bravo II attempts to add value through both “top down” (duration, yield curve posture, and sector rotation) and “bottom-up” strategies (individual security analysis). The BRAVO II Fund will continue to capitalize on the ongoing deleveraging by global financial institutions.

Real assets

Invesco U.S. Income Fund – The Invesco U.S. Income Fund is a core-plus, income-focused, open-ended real estate fund with the objective of generating consistent and predictable performance and avoiding capital loss, while increasing the opportunity for capital appreciation.

Kayne Anderson CORE Fund – the Kayne Anderson CORE Fund is an open-ended core real estate fund that targets alternative sectors such as medical offices, senior housing, and student housing, with plans to add to exposure to self-storage. The fund allocates throughout the U.S. with a focus on established and leases properties, rather than development.

ASB Allegiance Real Estate Fund – The ASB Allegiance Real Estate Fund is an open-ended core real estate fund that targets coastal metropolitan regions supplemented by exposure to a small, targeted group of dynamic and economically diverse interior U.S. cities. Properties will be mostly in urban settings of 24-hour cities with high barriers to entry with limited available land for development and where the property is in a high-density populated area near multiple modes of transportation.

Quantum Energy Partners VI – The investment strategy of Quantum Energy Partners VI is to invest the majority of fund capital in the upstream oil and gas sector but make opportunistic investments across the value chain. This includes midstream infrastructure, oil and gas service companies, and power generation. Quantum Energy Partners VI will typically make control investments in its portfolio companies, with an investment size range of \$100 to \$400 million.

Multi-strategy funds

HG Vora Special Opportunities Fund – HG Vora seeks value investments where the team’s experience and industry knowledge can provide an advantage in understanding companies with leveraged capital structures or undergoing complex situations and establish long and short positions in both the debt and equity of those companies.

Balyasny Atlas Enhanced Fund – Balyasny’s Atlas Investments fund utilizes a multi-portfolio manager approach that consists largely of equity-oriented sector specialists to generate returns that have little to no sensitivity to traditional markets. A centralized risk framework is utilized that includes limits on position sizing, drawdown limits, as well as limits on market, sector, and factor specific risks.

Aleutian Fund Aleyska – Aleutian’s sole focus is managing a market neutral long/short equity strategy through a multi-portfolio manager approach. Each portfolio manager runs a sector/strategy focused, beta-neutral sub-portfolio. While the majority of risk comes from fundamental long/short equity strategies, the fund can opportunistically allocate to other strategies, such as convertible arbitrage, risk arbitrage, and volatility, based on the perceived attractiveness.

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River Birch International – River Birch invests primarily in corporate credit situations with the philosophy of a globally focused investment and trading firm. The firm will invest across all levels of the capital structure in high yield and investment grade debt, distressed loans and bonds, special situations, and corporate structured credit. The portfolio aims to isolate credit risk, and as such, hedges out currency and interest rate risk, leading to a portfolio that is agnostic to overall interest rate and foreign exchange movements.

Hudson Bay International Fund – Hudson Bay's strategy is focused on generating investment returns that are uncorrelated to equity and debt markets, through managing capital across an array of investment strategies that are hedged and exhibit low correlations to each other. Hudson Bay allocates capital across a wide variety of trades, within strategies such as event driven equity, convertible arbitrage, volatility trading, and credit trading.

Social Impact Investments

The Foundation's investing strategies for social impact investments that are valued at NAV as a practical expedient are as follows:

Verge I II Combined, LP – The investment strategy of Verge I II Combined, LP, is to build an innovation economy in New Mexico by investing in high growth startups in New Mexico. The Partnership will focus its investment activity in four specific high-technology sectors: clean tech/energy, electronics/instrumentation, human factors, and software-as-a-service (SAAS).

ABQid Fund I, L.P. – The investment strategy of ABQid Fund I, L.P., is to make investments in early stage, high-growth companies, mainly those who participate in an accelerator program operated by ABQid, Inc., a New Mexico nonprofit corporation. The accelerator has been created on the belief that there is substantial untapped entrepreneurial potential in the Albuquerque, New Mexico, area and that training, support, and seed investment are necessary to realize that potential.

ABQid Fund I Sidecar, LP and Ingenuity Venture Fund II – The investment strategy of the ABQid Fund I Sidecar, LP, and Ingenuity Venture Fund II is to foster entrepreneur led economic development by funding high growth startups in New Mexico and connecting them with investors within as well as outside New Mexico.

NM Vintage Fund III and Fund IV – The investment strategy of the fund is to focus on New Mexico based companies, leveraging the robust New Mexico technical community.

Tramway Venture Partners – Tramway Venture Partners, Tramway Venture Partners II, and Tramway Venture Partners III are early-stage funds making equity investments in high return opportunities in health care and the life sciences, primarily in New Mexico. The focus will be business opportunities with products or services that exploit convergent technologies: those that lie at the intersection of physical sciences/information technology with the life sciences and health care.

Titan Development Real Estate Fund – Titan's fund is designed to create development in high growth secondary and tertiary markets. Their strategy is to develop best-in-class assets, lease up to 90% stabilization and sell, returning capital to investors. Their primary asset classes are multifamily, self-storage, senior living and industrial.

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Note 7 – Property and Equipment

The components of property and equipment consist of the following at December 31:

	Estimated Useful Lives (in years)	2025	2024
Building improvements	10–39	\$ 1,693,828	\$ 1,650,664
Hammersley house	30	342,050	342,050
Furniture and fixtures	7–15	175,846	187,360
Computer equipment	3–7	20,805	33,205
Website	3	32,168	32,168
		2,264,697	2,245,447
Less accumulated depreciation		(1,042,423)	(992,951)
		1,222,274	1,252,496
Historic Champion Building and land		544,000	544,000
Property and equipment, net		<u>\$ 1,766,274</u>	<u>\$ 1,796,496</u>

Depreciation expense for the years ended December 31, 2025 and 2024, amounted to \$75,771 and \$68,589, respectively.

Included in the property and equipment of the Foundation are the Historic Champion Grocery Store Building and land. This historical building, built in 1903, is the site of the Foundation's main office. The Foundation does not depreciate the historic building, which is recorded at its fair market value at the time of its donation in 2010. Improvements on the building are depreciated over their estimated useful life.

Note 8 – Net Assets

A summary of net assets without donor restrictions consists of the following at December 31:

	2025	2024
Undesignated	\$ 2,987,860	\$ 1,848,021
Board-designated		
Operating reserve	1,285,185	1,249,576
Endowed net assets		
Donor advised funds	65,745,286	59,891,224
Other board-designated – endowed net assets	5,643,127	5,192,739
Total endowed net assets without donor restrictions	71,388,413	65,083,963
Total net assets without donor restrictions	<u>\$ 75,661,458</u>	<u>\$ 68,181,560</u>

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

For donor-advised funds without donor restrictions, donors may render suggestions and advice as to the distributions from the fund. The Foundation, however, retains sole discretion as to the distributions, in accordance with their purpose and objectives. Other board-designated – endowed net assets are impact funds that the board of trustees will designate for social impact investing based on the needs of the community.

A summary of net assets with donor restrictions consists of the following at December 31:

	2025	2024
Time restricted		
Charitable remainder trusts	\$ 195,543	\$ 519,641
Purpose restricted – endowed net assets		
Field of interest funds	25,940,865	25,638,742
Donor-designated organization funds	36,581,175	29,790,414
Student aid funds	10,890,802	9,607,439
Donor advised funds	4,179,323	4,052,481
	<u>77,592,165</u>	<u>69,089,076</u>
Total purpose restricted – endowed net assets		
Other purpose restricted	1,526,349	435,493
Perpetual in nature		
Historic Champion Building and land	544,000	544,000
	<u>544,000</u>	<u>544,000</u>
Total net assets with donor restrictions	<u>\$ 79,858,057</u>	<u>\$ 70,588,210</u>

A summary of the release of donor restrictions are as follows:

	2025	2024
Purpose restrictions		
Grant distributions	\$ 8,558,056	\$ 4,185,505
Management fees	1,239,395	979,706
Federal grant expense	1,500,568	3,805,825
Other expenses (investment advisory fees)	2,784,251	1,613,476
	<u>14,082,270</u>	<u>10,584,512</u>
Total net assets with donor restrictions	<u>\$ 14,082,270</u>	<u>\$ 10,584,512</u>

Note 9 – Revenue

The Foundation recognizes revenue over time for management fees, advisory fees, and accounting services. Management fees and advisory fees are charged to the donor in accordance with the applicable fee schedule of the Foundation when the fund agreements are signed. The fees are generally charged to the donor quarterly based on the agreement. NMCT provides for financial and back-office support for other community foundations and charge a fee for this service over time when promised services are delivered to the customers in an amount that reflects the consideration the Foundation expects to be entitled to in exchange for those services. Accounting services revenue is recognized when the customer has received the benefit of their services. The hourly rates are predetermined and agreed to between the Foundation and the customer.

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

The Foundation charges a one-time new fund fee when a new fund is set up and is recorded at a point in time. In addition, the Foundation provides for grant making services and charges a one-time fee at the time services are rendered, which is recognized at a point in time.

Disaggregated revenue – A summary of disaggregated revenue information is as follows:

	2025	2024
Contracts with customers (ASC 606)		
Recognized over time	\$ 392,612	\$ 280,981
Recognized at a point of time	27,000	27,000
Not subject to ASC 606		
Contributions and grant revenue	23,506,307	13,210,759
Other revenue		
Fundraising income	138,477	-
Investment income (loss), net	15,001,463	7,628,685
Total revenue and other support	<u>\$ 39,065,859</u>	<u>\$ 21,147,425</u>

As of December 31, 2025 and 2024, all performance obligations have been met. There are no contract assets or liabilities at December 31, 2025 and 2024, and January 1, 2024.

Note 10 – Endowments

In 2009, the state of New Mexico enacted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). Accordingly, in 2009 the Foundation adopted U.S. generally accepted accounting principles as they relate to net asset classification of funds subject to an enacted version of UPMIFA. The board of trustees has determined that the majority of the Foundation's net assets meet the definition of endowment funds under UPMIFA.

The Foundation is governed by the Articles of Incorporation and most contributions are received subject to the terms of the Articles of Incorporation. Under the terms of the Articles of Incorporation, which delegates the distributions of funds to the Investment Committee in its Investment Policies and Procedures, the board of trustees has the ability to distribute so much of the corpus of any trust or separate gift, devise, bequest, or fund as the board in its sole discretion shall determine. In accordance with UPMIFA and as described in the Foundation's Investment Policy, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

As a result of the ability to distribute corpus, the board of trustees has determined that all contributions received subject to the Articles of Incorporation are subject to UPMIFA and are classified as net assets with donor restrictions until appropriated, at which time the appropriation is reclassified to net assets without donor restrictions. Funds that can be spent down immediately and that are not subject to the Foundation's spending policy are classified as net assets without donor restrictions. Contributions that are subject to other gift instruments may be recorded as net assets with donor restrictions (temporary in nature or in perpetuity) or net assets without donor restrictions, depending on the specific terms of the agreement.

Investment return objectives, risk parameters, and strategies – The Foundation has adopted investment and spending policies, approved by the board of trustees for endowment assets. These policies 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. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes.

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 with prudent risk parameters. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

Spending policy – The Foundation has a spending policy that calculates the amount of money annually distributed from the Foundation's various endowed funds for grant making and administration. The spending policy for 2025 and 2024 is to distribute 4% of the time-weighted average balance of each fund for the previous 20 quarters calculated as of December 31. If a fund does not have historical fund balances for 20 quarters, then it shall instead use the total number of historical fund balances that it has. Generally, a fund must have a minimum of four historical quarters before a distribution is made. The time-weighted average will be computed by averaging the funds' monthly ending balances, after allocation of income, gains, and fees, during each quarter, and then averaging the quarter ending balances. Donor advised and organization fund agreements allow additional distributions above the spending policy rates for each respective year with certain conditions as detailed in the agreements.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2025 and 2024, the Foundation did not have any underwater endowments.

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Endowment net asset composition by type of fund consists of the following at December 31:

	2025	2024
Endowment funds with donor restrictions	\$ 77,592,165	\$ 69,089,076
Endowment funds without donor restrictions	71,388,413	65,083,963
Total endowment funds	<u>\$ 148,980,578</u>	<u>\$ 134,173,039</u>

Changes in endowment net assets consists of the following for the year ended December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	2025 Total Endowment Net Assets
Endowment net assets –			
January 1	\$ 65,083,963	\$ 69,089,076	\$ 134,173,039
Contributions	3,553,169	15,745,125	19,298,294
Interest and dividends	1,201,347	1,245,627	2,446,974
Net appreciation, net of fees	7,654,139	4,309,235	11,963,374
Reclassifications	-	19,780	19,780
Amounts appropriated for expenditure	<u>(6,104,205)</u>	<u>(12,816,678)</u>	<u>(18,920,883)</u>
Endowment net assets – December 31	<u>\$ 71,388,413</u>	<u>\$ 77,592,165</u>	<u>\$ 148,980,578</u>

Changes in endowment net assets consists of the following for the year ended December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	2024 Total Endowment Net Assets
Endowment net assets –			
January 1	\$ 61,614,342	\$ 67,115,972	\$ 128,730,314
Contributions	4,004,252	7,130,841	11,135,093
Interest and dividends	1,168,816	1,069,298	2,238,114
Net depreciation, net of fees	3,366,151	1,903,019	5,269,170
Transfers between funds, net	-	1,630,136	1,630,136
Amounts appropriated for expenditure	<u>(5,069,598)</u>	<u>(9,760,190)</u>	<u>(14,829,788)</u>
Endowment net assets – December 31	<u>\$ 65,083,963</u>	<u>\$ 69,089,076</u>	<u>\$ 134,173,039</u>

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Note 11 – Charitable Remainder Trust Assets

For some charitable remainder trusts for which the Foundation is the trustee, the donor has the right to change the beneficiaries, or the percentage allotted to the Foundation for the trusts. These are accounted for as an obligation until the trust principal reverts to the Foundation and is recorded as a contribution. Assets and liabilities held in these charitable remainder trusts totaled \$1,783,804 and \$1,711,938 at December 31, 2025 and 2024, respectively, and are reported at fair value in the Foundation's consolidated statements of financial position.

Additionally, the Foundation is the beneficiary of the residual for other charitable remainder trusts for which the donor does not have the right to change the beneficiary or percentage allotted to the Foundation. Assets held in these trusts totaled \$300,884 and \$1,039,433 at December 31, 2025 and 2024, respectively, and are reported at fair value in the Foundation's consolidated statements of financial position. Annually, the Foundation revalues the liability to make distributions to the designated beneficiaries based on a percentage of the fair value or other amounts as specified by the trust agreement. The present value of the estimated future payments are \$105,385 and \$519,836 at December 31, 2025 and 2024, respectively, and were calculated using mortality tables and the discount rate of 0.06% for both years 2025 and 2024.

The change in value in charitable remainder trusts for which the donor does not have the right to change the beneficiary or percentage allotted to the Foundation is reported on the consolidated statements of activities as \$473,896 and \$36,715 for the years ended December 31, 2025 and 2024, respectively.

Note 12 – Liabilities for Assets Held for Community Organizations

The Foundation accepts assets from other nonprofit organizations and agrees to use those assets and related earnings on behalf of the beneficiary organization. The distribution of these assets follows the Foundation's spending policy as described in Note 10. Administrative fees earned by the Foundation under these arrangements were \$168,243 and \$198,520 for the years ended December 31, 2025 and 2024, respectively.

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

A summary of the activity in the liabilities for assets held for community organizations is as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Balance, beginning of year	\$ 29,978,744	\$ 24,378,068
Additions		
Contributions	354,232	6,061,222
Unrealized/realized gains	3,460,464	1,242,436
Investment income, net of consulting fees	446,931	392,745
Deductions		
Fiscal sponsorship expenses	-	(21,117)
Distributions to beneficiaries	(952,562)	(765,967)
Administration fees paid to Foundation	(168,243)	(132,100)
Reclassification of funds	-	(1,176,543)
Balance, end of year	<u>\$ 33,119,566</u>	<u>\$ 29,978,744</u>

Note 13 – Concentrations of Credit Risk

The Foundation maintains deposit and investment accounts with various financial institutions and investment brokerage firms. Balances in these accounts may, at times, exceed federally or commercially insured limits. Depository accounts with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC). The Foundation maintains cash deposits with financial institutions at December 31, 2025 and 2024, in excess of federally insured limits of approximately \$17.6 million and \$12.5 million, respectively. Insurance limits on investment accounts vary by financial institution and by type of investment. The Foundation's investments are also subject to the inherent risks associated with the securities market.

During the year ended December 31, 2025, the Foundation had two major donors that accounted for \$10,175,000 of donations (43% of total contributions). During the year ended December 31, 2024, the Foundation had five major donors that accounted for \$6,733,933 of donations (72% of total contributions).

Note 14 – Contingencies

Grant monies received and disbursed by the Organization are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the Organization does not believe that such disallowance, if any, would have a material effect on the financial position of the Organization.

Albuquerque Community Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Note 15 – Retirement Plans

In 2013, the Foundation established the Albuquerque Community Foundation 401(k) Profit Sharing Plan. The plan is a self-administered safe harbor plan and allows for additional discretionary and matching employer contributions. The discretionary employer contributions are 100% vested and discretionary matching follow a six-year vesting schedule. Participants must be 21 years of age and have 30 of service. Contributions to this plan were \$87,638 and \$71,541 for the years ended December 31, 2025 and 2024, respectively.

During the year 2020, the Foundation implemented a deferred compensation plan for highly compensated employees under IRC Section 457(b) that became effective January 1, 2021. The Foundation made contributions of \$23,500 and \$23,000 for the years ended December 31, 2025 and 2024, respectively.

Note 16 – Related Parties

Various board members or their companies donate to the Foundation in the form of contributions, in-kind goods or services, grants, and sponsorships. The amounts are recorded at fair value on the date of donation and reflected as either net assets without donor restrictions or net asset with donor restrictions based on the nature of the gift.

The Foundation also does business with vendors who employ board members, family members of executives, or former employees. For the year ended December 31, 2024, this included the Foundation's main bank, at which a board member was employed and the Foundation paid the bank \$89,443 in fees that year. That employee was no longer a board member during the year ended December 31, 2025. Other vendors that employ related parties include those that are used for employee benefits, marketing, communications, legal, utilities, and furnishings, and equipment. Total vendor payments to businesses at which related parties are employed was \$176,363 and \$772,374 for the years ended December 31, 2025 and 2024, respectively.

Note 17 – Fiscal Sponsorships

The Foundation is the fiscal sponsor for a number of organizations. The sponsored organizations are performing work in line with the Foundation's mission. As the fiscal sponsor, the Foundation takes responsibility to accept funding on behalf of the sponsored organizations, and ensuring all funds are spent on those organizations and in accordance with any restrictions in those funds. As of December 31, 2025 and 2024, the Foundation held funds for fiscal sponsors in the amount of \$1,753,921 and \$1,138,144, respectively, and are included in restricted net assets in the accompanying consolidated statements of financial position.

Note 18 – Subsequent Contributions

In April 2026, the Foundation received a \$10,000,000 bequest from the estate of a donor pursuant to the provisions of a revocable trust. The bequest was contributed to a donor-advised fund established to support charitable organizations selected by the appointed donor advisors over an intended ten-year distribution period. The bequest will be recognized as contribution revenue in the year ending December 31, 2026.

**Report of Independent Auditors on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

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Report of Independent Auditors on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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Supplementary Information

Albuquerque Community Foundation and Subsidiaries
Consolidating Statement of Financial Position
Year Ended December 31, 2025

	ASSETS					
	Albuquerque Community Foundation	Albuquerque Community Foundation Holdings, LLC	Historic Champion Grocery Building, LLC	New Mexico Community Trust	Eliminations	Combined Total
CURRENT ASSETS						
Cash and cash equivalents	\$ 7,646,122	\$ 46,556	\$ 16,138	\$ 9,936,173	\$ -	\$ 17,644,989
Contributions receivable	308,200	-	-	23,790	-	331,990
Prepaid expenses and other assets	63,222	-	-	-	-	63,222
Notes receivable, current portion	-	153,486	-	-	-	153,486
Total current assets	8,017,544	200,042	16,138	9,959,963	-	18,193,687
NONCURRENT ASSETS						
Pooled investments						
Endowment and other	158,872,506	-	-	7,347,526	-	166,220,032
Social impact investments	3,075,437	-	-	-	-	3,075,437
Total pooled investments	161,947,943	-	-	7,347,526	-	169,295,469
Beneficial interest in charitable remainder trusts	2,084,688	-	-	-	-	2,084,688
Property and equipment, net	53,448	274,088	1,438,738	-	-	1,766,274
Other noncurrent assets	186,007	-	-	59,746	-	245,753
Intercompany receivable	837,464	-	-	-	(837,464)	-
Total noncurrent assets	165,109,550	274,088	1,438,738	7,407,272	(837,464)	173,392,184
TOTAL ASSETS	\$ 173,127,094	\$ 474,130	\$ 1,454,876	\$ 17,367,235	\$ (837,464)	\$ 191,585,871

Albuquerque Community Foundation and Subsidiaries
Consolidating Statement of Financial Position
Year Ended December 31, 2025

LIABILITIES AND NET ASSETS

	Albuquerque Community Foundation	Albuquerque Community Foundation Holdings, LLC	Historic Champion Grocery Building, LLC	New Mexico Community Trust	Eliminations	Combined Total
CURRENT LIABILITIES						
Accounts payable	\$ 233,936	\$ -	\$ -	\$ 164,557	\$ -	\$ 398,493
Accrued payroll liabilities	2,519	-	-	-	-	2,519
Grants and scholarships payable	51,203	-	-	605,386	-	656,589
Total current liabilities	287,658	-	-	769,943	-	1,057,601
LONG-TERM LIABILITIES						
Charitable remained trusts	1,889,189	-	-	-	-	1,889,189
Liabilities for assets held for community organizations	32,847,226	-	-	272,340	-	33,119,566
Intercompany payable	-	457,439	-	380,025	(837,464)	-
Total long-term liabilities	34,736,415	457,439	-	652,365	(837,464)	35,008,755
TOTAL LIABILITIES	35,024,073	457,439	-	1,422,308	(837,464)	36,066,356
NET ASSETS						
Without donor restrictions	73,092,244		1,454,876	1,114,338	-	75,661,458
With donor restrictions	65,010,777	16,691	-	14,830,589	-	79,858,057
Total net assets	138,103,021	16,691	1,454,876	15,944,927	-	155,519,515
Total liabilities and net assets	<u>\$ 173,127,094</u>	<u>\$ 474,130</u>	<u>\$ 1,454,876</u>	<u>\$ 17,367,235</u>	<u>\$ (837,464)</u>	<u>\$ 191,585,871</u>

Albuquerque Community Foundation and Subsidiaries
Consolidating Statement of Activities
Year Ended December 31, 2025

	Albuquerque Community Foundation	Albuquerque Community Foundation Holdings, LLC	Historic Champion Grocery Building, LLC	New Mexico Community Trust	Eliminations	Combined Total
REVENUE AND OTHER SUPPORT						
Contributions	\$ 12,367,078	\$ -	\$ 177,062	\$ 13,497,877	\$ (4,036,278)	\$ 22,005,739
Gain on investments, net of fees	11,427,970	7,009	-	570,819	-	12,005,798
Federal grant revenues	98,399	-	-	1,402,169	-	1,500,568
Dividends and interest	2,352,325	1,549	-	167,895	-	2,521,769
Fundraising income	138,477	-	-	-	-	138,477
Management fees and other income, net	883,896	-	-	-	(464,284)	419,612
Change in value of charitable remainder trust agreements	473,896	-	-	-	-	473,896
Total revenue and other support	27,742,041	8,558	177,062	15,638,760	(4,500,562)	39,065,859
EXPENSES						
Program services						
Distributions and grants	12,625,237	-	-	7,572,618	(4,036,278)	16,161,577
Community outreach	1,376,575	-	15,158	450,994	-	1,842,727
Total program services	14,001,812	-	15,158	8,023,612	(4,036,278)	18,004,304
Supporting services						
General and administrative	2,406,753	1,893	29,927	1,554,841	(464,284)	3,529,130
Fundraising and development	581,640	-	8,629	192,411	-	782,680
Total supporting services	2,988,393	1,893	38,556	1,747,252	(464,284)	4,311,810
Total expenses	16,990,205	1,893	53,714	9,770,864	(4,500,562)	22,316,114
CHANGE IN NET ASSETS	10,751,836	6,665	123,348	5,867,896	-	16,749,745
NET ASSETS, beginning of year	127,351,185	10,026	1,331,528	10,077,031	-	138,769,770
NET ASSETS, end of year	\$ 138,103,021	\$ 16,691	\$ 1,454,876	\$ 15,944,927	\$ -	\$ 155,519,515

Albuquerque Community Foundation and Subsidiaries
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

<u>Federal Agency / Pass-through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>	<u>Payments to Subrecipients</u>
U.S. Department of Treasury Passed Through New Mexico Department of Finance and Administration COVID-19 Emergency Rental Assistance Program	21.023	ERAE0504	\$ 1,402,169	\$ 1,011,311
U.S. Department of Health and Human Services Passed Through New Mexico Healthcare Authority Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943	90CFPA0063-01-00	98,399	-
Total expenditures of federal awards			<u>\$ 1,500,568</u>	<u>\$ 1,011,311</u>

See accompanying notes to schedule of expenditures of federal awards.

Albuquerque Community Foundation and Subsidiaries
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Albuquerque Community Foundation and Subsidiaries (the Foundation) under programs of the federal government for the year ended December 31, 2025. The Schedule is presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

Note 2 – Indirect Cost Rate

The Foundation did not use the *de minimis* indirect cost rate allowed by the Uniform Guidance.

Albuquerque Community Foundation and Subsidiaries
Schedule of Findings and Questioned Costs
Year Ended December 31, 2025

Section I – Summary of Auditor's Results

Consolidated Financial Statements

Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major federal program:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major federal program and type of auditor's report issued on compliance for major federal program:

<i>Federal Assistance Listing Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Program</i>
21.023	COVID-19 Emergency Rental Assistance Program	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

Albuquerque Community Foundation and Subsidiaries
Schedule of Findings and Questioned Costs
Year Ended December 31, 2025

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.