CONSOLIDATED FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ALBUQUERQUE COMMUNITY FOUNDATION AND SUBSIDIARIES

December 31, 2012 and 2011

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Albuquerque Community Foundation and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Albuquerque Community Foundation and Subsidiaries (the Foundation), which comprise the consolidated statements of financial position as of December 31, 2012 and 2011 and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Albuquerque Community Foundation and Subsidiaries as of December 31, 2012 and 2011, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming opinions on the consolidated financial statements as a whole. The consolidating statements of financial position and the consolidating statements of activities and changes in net assets on pages 28-31 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Atkinson & Co., Ltd.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
May 30, 2013

Albuquerque Community Foundation and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS

	2012	2011
ASSETS		
Cash and cash equivalents	$ 2,380,277	$ 2,900,250
Investments	49,239,426	45,164,863
Pledge receivables, net of allowance for doubtful accounts and unamortized discount of $1,436 and $0 at December 31, 2012 and 2011, respectively	150,272	183,079
Bequests receivable	680,000	120,000
Prepaid expenses	7,265	9,515
Other assets	104,654	104,696
Beneficial interest in charitable remainder trusts	3,729,965	3,601,860
Property and equipment, net	2,191,954	1,321,263
Total assets	$ 58,483,813	$ 53,405,526

LIABILITIES AND NET ASSETS

	2012	2011
LIABILITIES		
Accounts payable and accrued expenses	$ 38,936	$ 507,722
Grants payable	42,500	-
Charitable remainder trusts	3,246,650	3,156,150
Liability for assets held for community organizations	8,925,175	10,221,988
Total liabilities	12,253,261	13,885,860
COMMITMENTS AND CONTINGENCIES	-	-
NET ASSETS		
Unrestricted	17,552,373	17,215,553
Temporarily restricted	28,134,179	21,760,113
Permanently restricted	544,000	544,000
Total net assets	46,230,552	39,519,666
Total liabilities and net assets	$ 58,483,813	$ 53,405,526

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

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT				
Contributions	$ 1,123,469	$ 3,452,881	$ -	$ 4,576,350
Dividends and interest	204,518	227,199	-	431,717
Gain on investments	1,311,325	1,824,221	-	3,135,546
In-kind contributions	55,295	260,083	-	315,378
Other income	32,750	119	-	32,869
Total revenue and support	2,727,357	5,764,503	-	8,491,860
Net assets released from restrictions	2,123,525	(2,123,525)	-	-
EXPENSES				
Program:				
Distributions and grants	3,038,416	-	-	3,038,416
Community outreach	963,381	-	-	963,381
Support:				
Management and general	427,849	-	-	427,849
Fundraising	84,416	-	-	84,416
Total expenses	4,514,062	-	-	4,514,062
CHANGES IN NET ASSETS	336,820	3,640,978	-	3,977,798
Net assets, beginning of year	17,215,553	21,760,113	544,000	39,519,666
Transfer from community organization	-	2,733,088	-	2,733,088
Net assets, end of year	$ 17,552,373	$ 28,134,179	$ 544,000	$ 46,230,552

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

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED

Year ended December 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT				
Contributions	$ 1,506,786	$ 2,971,432	$ -	$ 4,478,218
Dividends and interest	248,635	210,221	-	458,856
Loss on investments	(506,454)	(769,539)	-	(1,275,993)
In-kind contributions	62,085	58,606	-	120,691
Other income	105,498	-	-	105,498
Total revenue and support	1,416,550	2,470,720	-	3,887,270
Net assets released from restrictions	2,556,237	(2,556,237)	-	-
EXPENSES				
Program:				
Distributions and grants	2,211,285	-	-	2,211,285
Community outreach	1,058,065	-	-	1,058,065
Support:				
Management and general	659,322	-	-	659,322
Fundraising	58,051	-	-	58,051
Total expenses	3,986,723	-	-	3,986,723
CHANGES IN NET ASSETS	(13,936)	(85,517)	-	(99,453)
Net assets, beginning of year	17,229,489	21,845,630	544,000	39,619,119
Net assets, end of year	$ 17,215,553	$ 21,760,113	$ 544,000	$ 39,519,666

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

Albuquerque Community Foundation and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,

Increase (Decrease) in Cash and Cash Equivalents

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 3,977,798	$ (99,453)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Transfer from community organizations	2,733,088	-
Depreciation	80,652	35,260
Loss on disposal of assets	52,720	-
(Gain) loss on investments	(3,503,801)	668,445
(Gain) loss on assets held for community organizations	(748,978)	238,095
Change in value of split interest agreements	(37,605)	(62,905)
Discount on long-term pledges	1,436	-
(Gain) on sale of donated asset	-	(8,929)
Donated stock	(142,523)	(484,623)
Donated property and equipment	(248,133)	(4,896)
Net changes in assets and liabilities		
Bequests receivable	(560,000)	664,000
Pledge receivables	31,371	(114,068)
Prepaid expenses	2,250	534
Other assets	42	(9,585)
Accounts payable and accrued expenses	(468,786)	370,953
Grants payable	42,500	(13,500)
Liability for assets held for community organizations	(1,296,813)	(314,056)
Net cash (used in) provided by operating activities	(84,782)	865,272
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(15,655,358)	(25,661,935)
Proceeds from sales of investments	15,976,097	25,869,324
Proceeds from sale of donated asset	-	84,826
Purchase of property and equipment	(755,930)	(618,474)
Net cash used in investing activities	(435,191)	(326,259)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(519,973)	539,013
Cash and cash equivalents, beginning of year	2,900,250	2,361,237
Cash and cash equivalents, end of year	$ 2,380,277	$ 2,900,250

SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES

Changes in charitable remainder trusts liability	$ (90,500)	$ 402,195
In-kind contributions	$ 315,378	$ 115,845

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

NOTE A – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Organization

Albuquerque Community Foundation (the 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 organizations, 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.

2. 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 and The Historic Champion Grocery Building, LLC. All significant intercompany balances and transactions have been eliminated.

3. Estimates

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

4. Income Tax Status

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an entity that is not a private foundation. Management of the Foundation believes that the activities of the Foundation are within their tax-exempt purpose. ACF Holdings, LLC and The Historic Champion Grocery Building, LLC are disregarded entities for tax purposes, therefore, no provision for income taxes is provided for in the accompanying consolidated financial statements.

The Foundation does not have any uncertain tax positions for the years ended December 31, 2012 and 2011. Any interest and penalties associated with a tax position, when applicable, are classified according to their natural classification in the Foundation's financial statements. Under the statute of limitations, the Foundation's tax returns are no longer subject to examination by tax authorities for years prior to 2009.

NOTE A – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Cash and Cash Equivalents

For purposes of the accompanying consolidated statements of cash flows, the Foundation considers all cash depository accounts and highly liquid investments with original maturities of less than 90 days to be cash equivalents. Certain money market funds within the investment portfolio classification are donor restricted and are not considered cash equivalents.

6. Investments

Investments in marketable securities are carried at fair value; investments in closely held businesses are carried at their estimated net realizable value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized gains and losses are recorded on a specific identification method upon the sale of investment assets. The fair value of investments is subject to ongoing fluctuation. The amount ultimately realized upon disposition may differ than the amounts reported in these consolidated financial statements.

7. Concentrations of Credit Risk

The Foundation maintains depository and investment accounts with various financial institutions and investment brokerage firms. Depository accounts with financial institutions are insured by the Federal Depository Insurance Corporation; insurance limits on investment accounts vary by financial institution and by type of investment. Balances in these accounts may at times, exceed federally or commercially insured limits. The Foundation has not experienced any losses on such accounts, and management believes it is not exposed to significant credit risk from these accounts.

8. Property and Equipment

Property and equipment are stated at cost. Depreciation is provided for all depreciable assets on a straight-line basis over the estimated useful lives of the assets, and is allocated to each functional category based on utilization. The Foundation capitalizes all asset acquisitions over $1,000. Depreciation expense for December 31, 2012 and 2011 was $80,652 and $35,260, respectively. Construction in progress and land are not depreciated.

The Foundation reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Donated property is recorded at estimated fair value as of the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. 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 restricted support.

NOTE A – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Charitable Remainder Trusts

The Foundation has been named as a beneficial recipient in several charitable remainder trusts. Under the terms of the trust agreements, the Foundation acts as the trustee. The donor has the right to change 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 held in charitable remainder trusts totaled $2,828,906 in 2012 and $2,737,938 in 2011 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 several other charitable remainder trusts. Assets held in these trusts totaled $901,059 in 2012 and $863,922 in 2011 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. The present value of the estimated future payments using discount rates ranging from 5.6 - 7.7% was $475,116 in 2012 and $472,549 in 2011.

10. Contributions

Contributions received, including unconditional promises to give (pledges and bequests), are recognized at fair value as revenues in the period received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Bequests are deemed unconditional promises to give and are recognized as revenue and receivables when the probate court declares the will valid and the fair value of the Foundation's interest in the estate is determinable.

Pledges and bequests that are expected to be received within one year are recorded at their estimated net realizable value. Pledges and bequests that are expected to be received in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free discount rates applicable when the promises are received. Amortization of the discounts is included in contribution revenue. Management has not provided an allowance for doubtful unconditional promises, as they believe all such amounts are fully collectible. Management evaluates the value of pledges and bequest receivables on an annual basis in order to identify any circumstances where the Foundation may receive less than what they have recorded. The Foundation has not experienced any such circumstances.

Conditional promises to give are not included as support until the conditions are substantially met. The Foundation is the beneficiary from time to time of certain bequests not yet recognized that have various levels of conditions. Associated revenue is recognized when all conditions of the promise are substantially met.

11. Liability for Assets Held for Community Organizations

Contributions are not recognized as revenue when the Foundation functions in the capacity of an intermediary, trustee, or agent; in these situations, contributions are recognized as a liability for assets held for community organizations.

NOTE A – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Net Assets

The accompanying consolidated financial statements are prepared in accordance with generally accepted accounting principles for nonprofit organizations. Under these provisions, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets – net assets that are not subject to donor-imposed stipulations or subject to the Foundation's spending policy. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees.

Temporarily Restricted Net Assets – net assets that are subject to donor-imposed stipulations or that are subject to the Foundation's spending policy that may or will be met by the occurrence of a specific event or the passage of time. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated statements of activities and changes in net assets as net assets released from restrictions.

Permanently Restricted Net Assets – net assets required to be maintained in perpetuity, with only the income used for operating activities, due to donor-imposed restrictions. Permanently restricted net assets consist of a donated building of $544,000 at December 31, 2012 and 2011.

13. Donations and In-Kind Contributions

Donated cash, securities, real estate, furniture and equipment, and in-kind contributions of services that qualify are recorded as assets or contributions at their estimated fair value at date of receipt. As donations and in-kind contributions are utilized, expense is recorded. Total donation and in-kind contributions were $315,378 and $120,691 for the years ended December 31, 2012 and 2011, respectively.

14. Endowment Administration

Management fees of $429,747 and $419,057 were charged by the Foundation for administrative costs for the years ended December 31, 2012 and 2011, respectively.

15. Marketing

The Foundation uses marketing/donor development to promote its programs. Such costs are expensed as incurred. Marketing/donor development expense for the years ended December 31, 2012 and 2011 was $106,319 and $107,228, respectively.

NOTE A – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

16. Functional 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 not-for-profit community; Community Outreach; Management and General; and Fundraising. Common costs are allocated among the classifications on the basis of actual direct staff resources applied to the various operational areas within the Foundation.

17. Subsequent Events

The Foundation has evaluated all events occurring subsequent to December 31, 2012 and through May 30, 2013, which is the date that the consolidated financial statements were available to be issued, and has disclosed or recognized any events occurring during this period that require either recognition or disclosure in the accompanying consolidated financial statements. See Note O.

NOTE B – UNCONDITIONAL PROMISES TO GIVE

The Foundation has outstanding promises to give from various donors. The balance of the outstanding unconditional promises to give is expected to be received as follows:

	2012	2011
Less than one year	$ 95,708	$ 170,579
One to five years	56,000	12,500
	151,708	183,079
Less unamortized discount	(1,436)	-
	$ 150,272	$ 183,079

NOTE C – BEQUESTS RECEIVABLE

In 2012, the Foundation received legal notification that it was named as a beneficiary of one bequest. The Foundation is not acting as trustee of the bequest. The trust assets include cash and cash equivalents and property; as of December 31, 2012, management determined an adequate estimate of the net realizable value, which is recorded as a receivable of $680,000. The Foundation received $150,000 of cash in February 2013.

NOTE C – BEQUESTS RECEIVABLE – CONTINUED

In 2010, the Foundation received legal notification that it was named as a beneficiary of one bequest. The Foundation is not acting as trustee of the bequest. The trust assets include cash and cash equivalents; and, as of December 31, 2010, management determined an adequate estimate of the net realizable value, which was recorded as a receivable of $700,000. The Foundation received $832,000 in April 2011. As of December 31, 2011, management recorded an additional receivable of $120,000, which represents the final payment of the bequest. This final payment was received in January 2012.

In 2009, the Foundation received legal notification that it was named as beneficiary of two bequests. The Foundation is not acting as trustee in either of the bequests. Many of the assets of the two trusts were not easily valued and include property that is currently in probate. Additionally, each trust has multiple beneficiaries, and some of the beneficiaries are contesting the trust. Due to these factors, the Foundation did not record the realizable value of the bequests during 2009. In 2011, the Foundation collected $84,000 from one bequest with no additional amounts outstanding. Additionally in 2011, the Foundation received the first installment for the second bequest of $166,655; however, the remainder of the bequest still contains uncertainties, therefore the Foundation elected not to record the remaining realizable value of the bequest as of December 31, 2012 and 2011, respectively.

NOTE D – PROPERTY AND EQUIPMENT

	2012	2011
Building improvements	$ 1,559,889	$ -
Building	544,000	544,000
Furniture and fixtures	181,911	147,559
Computer equipment	86,588	83,140
Website	25,095	25,095
Construction-in-progress	-	619,046
Tenant improvements	-	91,024
	2,397,483	1,509,864
Less accumulated depreciation	(205,529)	(188,601)
Property and equipment, net	$ 2,191,954	$ 1,321,263

The Foundation is not depreciating the building as it is registered as a local historical landmark. However, depreciation has been recognized on the cost of the renovation.

NOTE E – CHARITABLE REMAINDER TRUST ASSETS

The beneficial interest in charitable remainder trusts are comprised of the following at December 31:

	2012	2011
Cash	$ 140,586	$ 93,012
Investments	3,446,665	3,379,834
Cash surrender value of life insurance	142,714	129,014
	$ 3,729,965	$ 3,601,860

NOTE F – INVESTMENTS

The Foundation's policy is to pool cash and investments for greater investment return. Investment income (loss) and unrealized gain (loss) on investments are allocated to each charitable fund based on its share of the pool. Investments are summarized as follows:

	2012	2011
Cash	$ 2,135,771	$ 5,682,330
International equity	11,245,826	9,401,560
Fixed income	9,331,720	9,632,002
Domestic equity	5,101,769	4,836,864
Multi strategy funds	10,512,165	7,418,031
Real assets	6,063,116	-
Private equity	4,579,058	3,290,413
Real estate	-	4,633,662
Other	270,001	270,001
	$ 49,239,426	$ 45,164,863

The Foundation was transitioning its investment pool as of December 31, 2011, resulting in a large amount of cash of which a large portion was subsequently reinvested during the first quarter of 2012.

Investment returns consist of the following:

	2012	2011
Interest and dividends	$ 431,717	$ 458,856
Realized and unrealized gains (losses)	3,135,546	(1,275,993)
	$ 3,567,263	$ (817,137)

NOTE F – INVESTMENTS – CONTINUED

Investment consulting fees were $71,279 and $73,683 for the years ended December 31, 2012 and 2011, respectively.

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, to engage an independent investment-consulting firm to assist the Committee's activities. 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.

Declines or increases 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, the provisions of which call for the Foundation to commit capital to these investments as a stipulation of participation. The Foundation has committed capital to these investments of $7,750,000 and $6,750,000, of which $4,936,607 and $3,396,625 have been called and remitted as of December 31, 2012 and 2011, respectively. The remaining capital commitments of $2,813,393 and $3,353,375 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.

NOTE G – 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 I.

Administrative fees earned by the Foundation under these arrangements were $50,699 and $63,543 for the years ended December 31, 2012 and 2011, respectively.

During 2011, a nonprofit organization that had two funds totaling $2,733,088 with the Foundation, that were recorded as liabilities for assets held for community organizations, filed for bankruptcy. In accordance with the agreements with the nonprofit organization and the Foundation, the fund balances were transferred from a liability to a temporarily restricted endowment. During 2012, the Board of Trustees used the variance power given to them under the Foundation's governing documents to grant as allowed by the Foundation's spending policy a total of $123,224 of funds to organizations with a similar mission. The bankruptcy had not been finalized as of December 31, 2012 and 2011.

NOTE G – LIABILITIES FOR ASSETS HELD FOR COMMUNITY ORGANIZATIONS – CONTINUED

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

	2012	2011
Balance, beginning of year	$ 10,221,988	$ 10,536,044
Additions:		
Contributions	875,693	313,143
Investment income (loss) net of investment consulting fees of $13,398 for 2012 and $17,779 for 2011	735,580	(255,874)
Deductions:		
Transfers to the Foundation	(2,733,088)	-
Distributions to beneficiaries	(124,299)	(307,782)
Administration fee paid to the Foundation	(50,699)	(63,543)
Balance, end of year	$ 8,925,175	$ 10,221,988

NOTE H – FAIR VALUE MEASUREMENTS

U.S. generally accepted accounting principles establish a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- 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 for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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.

NOTE H – FAIR VALUE MEASUREMENTS – CONTINUED

The asset's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2012.

Marketable Securities, Multi Strategy Funds, Real Estate, and Real Assets:

Level 1 Fair value determined using quoted prices of securities held in active markets at year-end.

Level 2 Fair value determined using quoted process for similar assets for substantially the full term through corroboration with observable market data.

Level 3 Fair value determined using unobservable inputs as determined in good faith by the investment manager of each investment.

Private Equity: Fair value determined using net asset value as determined in good faith by the general partner in each investment.

Land: Fair value determined based on comparable land values.

Remainder Trust Assets: Fair value determined using net asset value of quoted prices of securities held in active markets at year-end, as well as the present values of future cash flows, based on the Foundation's ownership percentage of the fair value of the remainder trust assets.

Remainder Trust Liabilities: Fair value determined as the present values of future cash outflows, based on the Foundation's ownership percentage of the fair value of the remainder trust assets.

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

NOTE H – FAIR VALUE MEASUREMENTS – CONTINUED

Assets/Liabilities at Fair Value as of December 31, 2012

	Level 1	Level 2	Level 3	Total
Marketable securities	$ 25,623,164	$ 2,191,922	$ -	$ 27,815,086
Multi strategy funds	23,248	4,830,512	5,658,405	10,512,165
Real assets	1,848,802	4,214,314	-	6,063,116
Private equity	-	-	4,579,058	4,579,058
Land	-	270,001	-	270,001
Remainder trust assets	3,391,783	240,603	97,579	3,729,965
Remainder trust liabilities	(2,908,468)	(240,603)	(97,579)	(3,246,650)
	$ 27,978,529	$ 11,506,749	$ 10,237,463	$ 49,722,741

The following table sets forth a summary of changes in the fair value of the Foundation's level 3 assets for the year ended December 31, 2012:

	Multi Strategy Funds	Real Estate	Private Equity	Remainder trust assets/liabilities
Balance, beginning of year	$ 3,554,872	$ 1,286,496	$ 3,290,413	$ 254,389
Realized and unrealized gains	284,400	139,184	353,403	(1,356)
Gross purchases, contributions, and settlements	3,151,734	-	1,143,025	-
Gross sales, redemptions, and settlements	(936,126)	(1,425,680)	(207,783)	(155,454)
Transfers to level 1 or 2 investments	(396,475)	-	-	-
Balance, end of year	$ 5,658,405	$ -	$ 4,579,058	$ 97,579

Assets/Liabilities at Fair Value as of December 31, 2011

	Level 1	Level 2	Level 3	Total
Marketable securities	$ 27,538,441	$ 2,014,315	$ -	$ 29,552,756
Multi strategy funds	32,232	3,830,927	3,554,872	7,418,031
Real estate	2,850,158	497,008	1,286,496	4,633,662
Private equity	-	-	3,290,413	3,290,413
Land	-	270,001	-	270,001
Remainder trust assets	3,086,713	260,758	254,389	3,601,860
Remainder trust liabilities	(2,641,003)	(260,758)	(254,389)	(3,156,150)
	$ 30,866,541	$ 6,612,251	$ 8,131,781	$ 45,610,573

NOTE H – FAIR VALUE MEASUREMENTS – CONTINUED

The following table sets forth a summary of changes in the fair value of the Foundation's level 3 assets for the year ended December 31, 2011:

	Multi Strategy Funds	Real Estate	Private Equity	Remainder trust assets/liabilities
Balance, beginning of year	$ 4,616,451	$ 641,380	$ 2,325,207	$ 257,016
Realized and unrealized gains	80,113	104,434	278,697	(2,627)
Purchases, sales, issuances, and settlements, net	(657,182)	-	686,509	-
Transfers to level 1 or 2 investments	(484,510)	540,682	-	-
Balance, end of year	$ 3,554,872	$ 1,286,496	$ 3,290,413	$ 254,389

The following table sets forth additional disclosures of the Foundation's investments whose fair value is estimated using net asset value per share as of December 31:

2012

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Private equity funds:				
Common Fund VI	$ 368,097	$ 145,845	Ineligible	
Common Fund VII	285,480	214,420	Ineligible	
Common Fund VIII	218,093	61,128	Ineligible	
Common Fund IX	192,535	302,500	Ineligible	
Common Fund Int. VII	112,379	374,500	Ineligible	
Total Common Fund	1,176,584	1,098,393		
TIFF 06	1,057,118	315,000	Ineligible	
TIFF 07	698,196	20,000	Ineligible	
TIFF 08	653,801	310,000	Ineligible	
TIFF 10	446,678	570,000	Ineligible	
Total TIFF	2,855,793	1,215,000		
Permal Capital	546,681	500,000	Ineligible	
Multi strategy funds, real assets, and marketable securities:				
Blackstone	4,214,314	-	Monthly	10 Day Notice
Blackrock	3,079,679	-	Semi-Annual	120 Day Notice
Common Sense	2,299,397	-	Quarterly	100 Day Notice
Colchester Global Bond	2,222,594	-	Monthly	10 Day Notice
Magnitude	1,946,162	-	Quarterly	65 Day Notice
Corbin Pinehurst	1,921,329	-	Quarterly	100 Day Notice
Silver Creek	1,265,599	-	Quarterly	120 Days*
	$ 21,528,132	$ 2,813,393		

NOTE H – FAIR VALUE MEASUREMENTS – CONTINUED

2011

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Private equity funds:				
Common Fund VI	$ 265,424	$ 247,500	Ineligible	
Common Fund VII	237,458	273,250	Ineligible	
Common Fund VIII	189,037	90,625	Ineligible	
Common Fund IX	98,484	412,500	Ineligible	
Common Fund Int. VII	41,435	459,500	Ineligible	
Total Common Fund	831,838	1,483,375		
TIFF 06	1,044,303	330,000	Ineligible	
TIFF 07	671,999	340,000	Ineligible	
TIFF 08	540,166	440,000	Ineligible	
TIFF 10	202,107	760,000	Ineligible	
Total TIFF	2,458,575	1,870,000		
Multi strategy funds and marketable securities:				
Corbin Pinehurst	3,542,009	-	Quarterly	100 Day Notice
Common Sense	2,414,782	-	Quarterly	100 Day Notice
Colchester Global Bond	2,042,502	-	Monthly	10 Day Notice
Silver Creek	1,461,240	-	Quarterly	120 Days*
Real estate funds:				
Guggenheim	2,326,815	-	Quarterly	120 Days
	$ 15,077,761	$ 3,353,375		

*All redemptions were suspended in December 2008. Redemptions began again in March 2010. Silver Creek anticipates completing all redemptions by 2013. Balance as of December 31, 2008 was $2,277,257. The Foundation has received $1,767,716 to date or 76% of its investment back.

<u>Private Equity Funds</u>

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.

NOTE H – FAIR VALUE MEASUREMENTS – CONTINUED

Private Equity Funds – Continued

The investment strategy of the TIFF funds are 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.

The investment strategy of the Permal Capital fund is capital appreciation through the purchase of existing limited partnership interests in independently management private equity funds from third parties seeking liquidity prior to the contractual termination of such funds.

Multi Strategy Funds

Blackstone: The Blackstone Resources Select Fund is a long-biased, multi-manager commodity fund, designed to outperform traditional commodity index products. The Blackstone Resources Select Fund is invested with five underlying fund managers that Blackstone believes are the best traders in their respective commodity groups (Natural Gas, Crude Oil, Metals, Agriculture and Softs).

BlackRock Tempus: The BlackRock Tempus Fund seeks to exploit intermediate-term opportunities that straddle the public and private markets, and invests primarily through custom fund structures that BlackRock establishes with underlying managers.

Common Sense: Invests almost exclusively in long/short U.S.-based equity hedge funds that attempt to stress capital preservation by actively managing market and sector exposures. Hedge fund investments emphasize long-biased managers who employ very little hedging, although managers may be net short to the market in certain environments.

Colchester Global Bonds: Colchester is a value-oriented manager. The investment approach is therefore based on the analysis of inflation, real interest rates and real exchange rates, supplemented by an assessment of sovereign financial balances - fiscal, external, and monetary. Portfolios are constructed to benefit from those opportunities with the greatest relative investment potential for a given level of risk. Sovereign bonds form the majority of Colchester's portfolio.

Magnitude: Magnitude offers one core strategy across three different funds of hedge fund vehicles. The investment process includes evaluating the overall risks and rewards of an investment by using top-down strategy level decisions with bottom-up manager selection.

Corbin Pinehurst: Corbin's investment philosophy centers on the belief that a successful approach to managing a fund of hedge funds requires the same skills, tools, and flexible fundamental discipline as running a successful hedge fund. Corbin does not seek to cover the entirety of the hedge fund universe, but rather focuses on uncovering a small number of compelling new investments. The primary focus is to build a portfolio that seeks to achieve an attractive return on capital with limited volatility by investing in a concentrated portfolio of high conviction managers.

NOTE H – FAIR VALUE MEASUREMENTS – CONTINUED

Multi Strategy Funds – Continued

Silver Creek: Silver Creek has put an emphasis on creating a portfolio of managers displaying low correlations with each other and diversification of styles. The principal belief behind portfolio diversification is that proper manager and strategy diversification smoothes investment returns while mitigating risk.

Real Estate Fund

Guggenheim: The strategy is to provide investors with an open-ended, actively managed core real estate strategy taking advantage of arbitrage opportunities between public and private markets. The fund will invest in direct real estate deals, public REIT managers including long/short real estate security managers, as well as private real estate firms including commercial mortgage backed securities firms. Property focus will be industrial, multi-family residential, office, and retail with the 55 largest metropolitan areas of the United States as the geographic focus.

NOTE I – ENDOWMENT FUNDS

1. Net Asset Classification

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 the 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:

a. The duration and preservation of the fund
b. The purposes of the organization and the donor-restricted endowment fund
c. General economic conditions
d. The possible effect of inflation and deflation
e. The expected total return from income and the appreciation of investments
f. Other resources of the organization
g. The investment policies of the organization

NOTE I – ENDOWMENT FUNDS – CONTINUED

1. Net Asset Classification – Continued

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 temporarily restricted until appropriated, at which time the appropriation is reclassified to unrestricted net assets. Funds that can be spent down immediately and that are not subject to the Foundation's spending policy are classified as unrestricted. Contributions that are subject to other gift instruments may be recorded as permanently restricted, temporarily restricted, or unrestricted, depending on the specific terms of the agreement.

Generally, if the corpus of a contribution will at some future time become available for spending it is recorded as temporarily restricted, if the corpus never becomes available for spending it will be reported as permanently restricted. In addition, contributions that are promised to be given in a future period are presented as temporarily restricted until the payments are received.

2. Endowment Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that 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.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds for grant making and administration. The spending policy for 2012 is to distribute 4.5% of the time-weighted average balance of each fund for the previous twelve quarters. If a fund does not have historical fund balances for twelve 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 4.5%, with certain conditions as detailed in the agreements.

NOTE I – ENDOWMENT FUNDS – CONTINUED

2. Endowment Investment and Spending Policies – Continued

Effective for 2013, the spending policy was modified to distribute 4% of the time-weighted average balance of each fund for the previous twenty quarters calculated as of December 31st. The time-weighted average will be computed by first taking the funds' monthly ending balance after allocation of income, gains, and fees and averaging it for the quarter and then averaging the quarter ending balances.

Endowment Net Asset Composition by Type of Fund as of December 31, 2012

	Unrestricted	Temporarily Restricted	Total
Donor advised funds	$ 15,334,625	$ 1,864,090	$ 17,198,715
Field of interest funds	-	12,967,798	12,967,798
Donor designated organization funds	-	5,863,712	5,863,712
Student aid funds	-	4,060,737	4,060,737
Undesignated donor restricted	-	190,613	190,613
Board designated	87,220	-	87,220
	$ 15,421,845	$ 24,946,950	$ 40,368,795

Changes in Endowment Net Assets for the Year Ended December 31, 2012

	Unrestricted	Temporarily Restricted	Total
Endowment net assets, beginning of year	$ 15,095,554	$ 20,297,643	$ 35,393,197
Contributions	790,289	911,319	1,701,608
Transfer from community organization	-	2,733,088	2,733,088
Interest and dividends	202,532	226,504	429,036
Net appreciation	1,311,325	1,786,464	3,097,789
Reclassifications	(99,998)	99,998	-
Amounts appropriated for expenditure	(1,877,857)	(1,108,066)	(2,985,923)
Changes in endowment net assets	326,291	4,649,307	4,975,598
Endowment net assets, end of year	$ 15,421,845	$ 24,946,950	$ 40,368,795

NOTE I – ENDOWMENT FUNDS – CONTINUED

Endowment Net Asset Composition by Type of Fund as of December 31, 2011

	Unrestricted	Temporarily Restricted	Total
Donor advised funds	$ 15,095,554	$ 1,764,092	$ 16,859,646
Field of interest funds	-	9,059,689	9,059,689
Donor designated organization funds	-	6,119,616	6,119,616
Student aid funds	-	3,182,409	3,182,409
Undesignated donor restricted	-	171,837	171,837
	$ 15,095,554	$ 20,297,643	$ 35,393,197

Changes in Endowment Net Assets for the Year Ended December 31, 2011

	Unrestricted	Temporarily Restricted	Total
Endowment net assets, beginning of year	$ 15,326,735	$ 20,252,545	$ 35,579,280
Contributions	979,794	1,411,455	2,391,249
Interest and dividends	244,773	207,850	452,623
Net depreciation	(515,342)	(576,347)	(1,091,689)
Reclassifications	(56,658)	56,658	-
Amounts appropriated for expenditure	(883,748)	(1,054,518)	(1,938,266)
Changes in endowment net assets	(231,181)	45,098	(186,083)
Endowment net assets, end of year	$ 15,095,554	$ 20,297,643	$ 35,393,197

NOTE J – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following purpose and time restrictions at December 31:

	2012	2011
Field of interest funds	$ 12,967,798	$ 9,059,689
Donor designated organization funds	5,863,837	6,119,616
Student aid funds	4,060,737	3,182,409
Donor advised funds	1,864,090	1,764,092
Pass through funds	1,842,338	451,126
Champion building sponsorships	834,582	401,269
Charitable remainder trusts	483,316	445,711
Undesignated donor restricted	190,613	171,837
Operating fund	20,788	57,814
Community initiative funds	6,080	106,550
	$ 28,134,179	$ 21,760,113

The following temporarily restricted net assets were released from donor restrictions by the fulfillment of program and passage of time restrictions as of December 31:

	2012	2011
Grant distributions	$ 1,392,514	$ 1,554,830
Other expenses	456,755	738,704
Management fees	236,941	229,890
Investment consulting fees	37,315	32,813
	$ 2,123,525	$ 2,556,237

NOTE K – COMMITMENTS AND CONTINGENCIES

1. Leases

The Foundation leased certain office space and currently leases certain equipment. The office space lease agreement expired in January 2013. The equipment lease agreements expire at various times through July 2015. Future minimum lease payments follow:

NOTE K – COMMITMENTS AND CONTINGENCIES – CONTINUED

1. Leases – Continued

2013	$	7,774
2014		6,352
2015		812
	$	14,938

Rent expense was $38,780 and $66,530 for years ended December 31, 2012 and 2011, respectively. The Foundation vacated its office space in June 2012 and moved to the Historic Champion Grocery Building. The landlord of the leased space agreed to waive the lease payments due between June 2012 and January 2013 and the Foundation did not incur any penalties for early termination of the lease.

2. Major Contributors

For the year ended December 31, 2012, the Foundation received contributions totaling $2,441,897 from six major contributors. For the year ended December 31, 2011, the Foundation received contributions totaling $2,635,007 from seven major contributors.

3. Simplified Employee Pension Plan

Effective July 1, 2000, the Board of Trustees established a Simple Employee Pension Plan. The Foundation's discretionary contribution to the Plan is determined by the Board of Trustees. Participants must be 21 years of age and have one year of service. Contributions to this Plan were $0 and $33,368 for the years ended December 31, 2012 and 2011, respectively. The Plan was replaced with a 401(k) Profit Sharing Plan. See Note O.

NOTE L – RELATED PARTY TRANSACTIONS

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 unrestricted or temporarily restricted based on the nature of the gift. Donations totaled $537,569 and $352,947 at December 31, 2012 and 2011, respectively.

NOTE M – DONATED BUILDING

During 2010, the Foundation received the donation of a building to be used for the operations of the Foundation. The building is a historic building located in downtown Albuquerque. Upon completion of the renovation, the Foundation moved its operations into the building in June 2012. The Foundation created a wholly-owned subsidiary, Historic Champion Grocery Building, LLC ("HCGB LLC") to hold the building. HCGB LLC is consolidated with the financial statements of the Foundation. As of December 31, 2012, the renovation costs are recorded as a depreciable asset. No additional commitments related to the renovation exist at December 31, 2012.

NOTE N – GRANT ADVANCE

In 2010, the Foundation received an advance on a grant from the W.F. Kellogg Foundation. During 2011, the Foundation returned $256,076 of this advance as the Foundation was unable to meet the stipulation of the agreement. This amount has been recorded in the loss on investments in the accompanying financial statements.

NOTE O – SUBSEQUENT EVENT

Subsequent to December 31, 2012, 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 contributions follow a 6 year vesting schedule. Participants must be 21 years of age and have one year of service.

SUPPLEMENTARY INFORMATION

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

December 31, 2012

ASSETS

	Albuquerque Community Foundation	ACF Holdings, LLC	The Historic Champion Grocery Building, LLC	Eliminating Entries	Total
ASSETS					
Cash and cash equivalents	$ 2,322,676	$ 14,034	$ 43,567	$ -	$ 2,380,277
Investments	49,239,426	-	-	-	49,239,426
Pledge receivables, net	29,786	-	120,486	-	150,272
Bequests receivable	680,000	-	-	-	680,000
Intercompany receivable	352,556	-	-	(352,556)	-
Prepaid expenses	7,265	-	-	-	7,265
Other assets	104,654	-	-	-	104,654
Beneficial interest in charitable remainder trusts	3,729,965	-	-	-	3,729,965
Property and equipment, net	77,723	-	2,114,231	-	2,191,954
Total assets	$ 56,544,051	$ 14,034	$ 2,278,284	$ (352,556)	$ 58,483,813

LIABILITIES AND NET ASSETS

	Albuquerque Community Foundation	ACF Holdings, LLC	The Historic Champion Grocery Building, LLC	Eliminating Entries	Total
LIABILITIES					
Accounts payable and accrued expenses	$ 38,936	$ -	$ -	$ -	$ 38,936
Grants payable	42,500	-	-	-	42,500
Intercompany payable	-	-	352,556	(352,556)	-
Charitable remainder trusts	3,246,650	-	-	-	3,246,650
Liability for assets held for community organizations	8,925,175	-	-	-	8,925,175
Total liabilities	12,253,261	-	352,556	(352,556)	12,253,261
COMMITMENTS AND CONTINGENCIES	-	-	-	-	-
NET ASSETS					
Unrestricted	17,552,373	-	-	-	17,552,373
Temporarily restricted	26,738,417	14,034	1,381,728	-	28,134,179
Permanently restricted	-	-	544,000	-	544,000
Total net assets	44,290,790	14,034	1,925,728	-	46,230,552
Total liabilities and net assets	$ 56,544,051	$ 14,034	$ 2,278,284	$ (352,556)	$ 58,483,813

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION - CONTINUED

December 31, 2011

ASSETS

	Albuquerque Community Foundation	ACF Holdings, LLC	The Historic Champion Grocery Building, LLC	Eliminating Entries	Total
ASSETS					
Cash and cash equivalents	$ 2,880,574	$ 13,909	$ 5,767	$ -	$ 2,900,250
Investments	45,164,863	-	-	-	45,164,863
Pledge receivables, net	66,179	-	116,900	-	183,079
Bequests receivable	120,000	-	-	-	120,000
Intercompany receivable	-	-	646,860	(646,860)	-
Prepaid expenses	9,515	-	-	-	9,515
Other assets	104,696	-	-	-	104,696
Beneficial interest in charitable remainder trusts	3,601,860	-	-	-	3,601,860
Property and equipment, net	158,217	-	1,163,046	-	1,321,263
Total assets	$ 52,105,904	$ 13,909	$ 1,932,573	$ (646,860)	$ 53,405,526

LIABILITIES AND NET ASSETS

	Albuquerque Community Foundation	ACF Holdings, LLC	The Historic Champion Grocery Building, LLC	Eliminating Entries	Total
LIABILITIES					
Accounts payable and accrued expenses	$ 20,416	$ -	$ 487,306	$ -	$ 507,722
Grants payable	-	-	-	-	-
Intercompany payable	646,860	-	-	(646,860)	-
Charitable remainder trusts	3,156,150	-	-	-	3,156,150
Liability for assets held for community organizations	10,221,988	-	-	-	10,221,988
Total liabilities	14,045,414	-	487,306	(646,860)	13,885,860
COMMITMENTS AND CONTINGENCIES	-	-	-	-	-
NET ASSETS					
Unrestricted	17,215,553	-	-	-	17,215,553
Temporarily restricted	20,844,937	13,909	901,267	-	21,760,113
Permanently restricted	-	-	544,000	-	544,000
Total net assets	38,060,490	13,909	1,445,267	-	39,519,666
Total liabilities and net assets	$ 52,105,904	$ 13,909	$ 1,932,573	$ (646,860)	$ 53,405,526

Albuquerque Community Foundation and Subsidiaries

CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2012

	Albuquerque Community Foundation	ACF Holdings, LLC	The Historic Champion Grocery Building, LLC	Eliminating Entries	Total
UNRESTRICTED REVENUE AND SUPPORT					
Contributions	$ 1,123,469	$ -	$ -	$ -	$ 1,123,469
Dividends and interest	204,518	-	-	-	204,518
Gain on investments	1,311,325	-	-	-	1,311,325
In-kind contributions	55,295	-	-	-	55,295
Other income	32,750	-	-	-	32,750
Total revenue and support	2,727,357	-	-	-	2,727,357
Net assets released from restrictions	2,044,755	-	78,770	-	2,123,525
EXPENSES					
Program:					
Distributions and grants	3,038,416	-	-	-	3,038,416
Community outreach	963,381	-	-	-	963,381
Support:					
Management and general	349,079	-	78,770	-	427,849
Fundraising	84,416	-	-	-	84,416
Total expenses	4,435,292	-	78,770	-	4,514,062
Changes in unrestricted net assets	336,820	-	-	-	336,820
Unrestricted net assets, beginning of year	17,215,553	-	-	-	17,215,553
Unrestricted net assets, end of year	$ 17,552,373	$ -	$ -	$ -	$ 17,552,373
TEMPORARILY RESTRICTED REVENUE AND SUPPORT					
Contributions	$ 3,187,930	$ -	$ 264,951	$ -	$ 3,452,881
Dividends and interest	227,193	6	-	-	227,199
Gain on investments	1,824,221	-	-	-	1,824,221
In-kind contributions	12,950	-	247,133	-	260,083
Other income	-	119	-	-	119
Total revenue and support	5,252,294	125	512,084	-	5,764,503
Net assets released from restrictions	(2,044,755)	-	(78,770)	-	(2,123,525)
Changes in temporarily restricted net assets	3,207,539	125	433,314	-	3,640,978
Temporarily restricted net assets, beginning of year	20,844,937	13,909	901,267	-	21,760,113
Transfer from community organization	2,733,088	-	-	-	2,733,088
Temporarily restricted net assets, end of year	$ 26,785,564	$ 14,034	$ 1,334,581	$ -	$ 28,134,179

CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED

Year ended December 31, 2011

	Albuquerque Community Foundation	ACF Holdings, LLC	The Historic Champion Grocery Building, LLC	Eliminating Entries	Total
UNRESTRICTED REVENUE AND SUPPORT					
Contributions	$ 1,506,786	$ -	$ -	$ -	$ 1,506,786
Dividends and interest	248,635	-	-	-	248,635
Loss on investments	(506,454)	-	-	-	(506,454)
In-kind contributions	62,085	-	-	-	62,085
Other income	105,498	-	-	-	105,498
Total revenue and support	1,416,550	-	-	-	1,416,550
Net assets released from restrictions	2,552,087	202	3,948	-	2,556,237
EXPENSES					
Program:					
Distributions and grants	2,211,285	-	-	-	2,211,285
Community outreach	1,058,065	-	-	-	1,058,065
Support:					
Management and general	655,172	202	3,948	-	659,322
Fundraising	58,051	-	-	-	58,051
Total expenses	3,982,573	202	3,948	-	3,986,723
Changes in unrestricted net assets	(13,936)	-	-	-	(13,936)
Unrestricted net assets, beginning of year	17,229,489	-	-	-	17,229,489
Unrestricted net assets, end of year	$ 17,215,553	$ -	$ -	$ -	$ 17,215,553
TEMPORARILY RESTRICTED REVENUE AND SUPPORT					
Contributions	$ 2,243,932	$ -	$ 727,500	$ -	$ 2,971,432
Dividends and interest	209,845	4	372	-	210,221
Loss on investments	(769,539)	-	-	-	(769,539)
In-kind contributions	58,606	-	-	-	58,606
Other income	-	-	-	-	-
Total revenue and support	1,742,844	4	727,872	-	2,470,720
Net assets released from restrictions	(2,552,087)	(202)	(3,948)	-	(2,556,237)
Changes in temporarily restricted net assets	(809,243)	(198)	723,924	-	(85,517)
Temporarily restricted net assets, beginning of year	21,654,180	14,107	177,343	-	21,845,630
Temporarily restricted net assets, end of year	$ 20,844,937	$ 13,909	$ 901,267	$ -	$ 21,760,113

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