

AVANGRID FOUNDATION, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
AND FOR THE YEARS THEN ENDED

AVANGRID FOUNDATION, INC.

DECEMBER 31, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Avangrid Foundation, Inc.

Opinion

We have audited the financial statements of Avangrid Foundation, Inc. (a charitable foundation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Avangrid Foundation, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Avangrid Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Avangrid Foundation, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

YOUR PATH. YOUR FUTURE.

Davidson Fox & Company, LLP

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Avangrid Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Avangrid Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Davidson, Fox & Company, LLP

Binghamton, New York
October 7, 2025

AVANGRID FOUNDATION, INC.

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ <u>6,167,024</u>	\$ <u>4,778,554</u>
TOTAL CURRENT ASSETS	<u>6,167,024</u>	<u>4,778,554</u>
PROPERTY		
Land	354,116	354,116
Buildings and improvements	<u>1,395,884</u>	<u>1,395,884</u>
	1,750,000	1,750,000
Less: accumulated depreciation	<u>803,023</u>	<u>768,087</u>
TOTAL PROPERTY, net	<u>946,977</u>	<u>981,913</u>
TOTAL ASSETS	\$ <u><u>7,114,001</u></u>	\$ <u><u>5,760,467</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants payable	\$ <u>2,407,000</u>	\$ <u>650,000</u>
TOTAL LIABILITIES	<u>2,407,000</u>	<u>650,000</u>
NET ASSETS		
Without donor restrictions	<u>4,707,001</u>	<u>5,110,467</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>7,114,001</u></u>	\$ <u><u>5,760,467</u></u>

See accompanying notes to financial statements

AVANGRID FOUNDATION, INC.

**STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
REVENUES		
Contributions	\$ 2,665,105	\$ 2,699,848
Interest and dividend income	273,490	276,012
Lease income	<u>256,823</u>	<u>229,276</u>
 TOTAL REVENUES	 <u>3,195,418</u>	 <u>3,205,136</u>
 EXPENSES		
Program	3,495,479	2,776,744
Support		
Lease expenses	79,502	35,168
Management and general	<u>23,903</u>	<u>25,429</u>
 TOTAL EXPENSES	 <u>3,598,884</u>	 <u>2,837,341</u>
 CHANGE IN NET ASSETS	 (403,466)	 367,795
 NET ASSETS, beginning	 <u>5,110,467</u>	 <u>4,742,672</u>
 NET ASSETS, ending	 \$ <u><u>4,707,001</u></u>	 \$ <u><u>5,110,467</u></u>

See accompanying notes to financial statements

AVANGRID FOUNDATION, INC.

**STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (403,466)	\$ 367,795
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	34,936	34,936
Decrease in		
Prepaid and refundable taxes	-	8,125
Increase (decrease) in		
Grants payable	<u>1,757,000</u>	<u>(285,000)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,388,470</u>	<u>125,856</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,388,470	125,856
CASH AND CASH EQUIVALENTS, beginning	<u>4,778,554</u>	<u>4,652,698</u>
CASH AND CASH EQUIVALENTS, ending	\$ <u><u>6,167,024</u></u>	\$ <u><u>4,778,554</u></u>

See accompanying notes to financial statements

AVANGRID FOUNDATION, INC.

**STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024				2023			
	<u>Program</u>	<u>Lease</u>	<u>Management & General</u>	<u>Total</u>	<u>Program</u>	<u>Lease</u>	<u>Management & General</u>	<u>Total</u>
Education, training and research grants	\$ 610,000	\$ -	\$ -	\$ 610,000	\$ 807,500	\$ -	\$ -	\$ 807,500
Biodiversity and environment grants	660,000	-	-	660,000	487,010	-	-	487,010
Art and culture grants	90,000	-	-	90,000	115,000	-	-	115,000
Community partnership grants	2,135,479	-	-	2,135,479	1,367,234	-	-	1,367,234
Depreciation	-	34,936	-	34,936	-	34,936	-	34,936
Excise taxes	-	-	6,223	6,223	-	-	4,269	4,269
Other taxes	-	44,566	-	44,566	-	232	-	232
Office expense	-	-	4,107	4,107	-	-	5,160	5,160
Bank fees	-	-	73	73	-	-	-	-
Professional fees	-	-	13,500	13,500	-	-	16,000	16,000
Total expenses	\$ <u>3,495,479</u>	\$ <u>79,502</u>	\$ <u>23,903</u>	\$ <u>3,598,884</u>	\$ <u>2,776,744</u>	\$ <u>35,168</u>	\$ <u>25,429</u>	\$ <u>2,837,341</u>

See accompanying notes to financial statements

AVANGRID FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Avangrid Foundation, Inc. (the Foundation) receives funding from the various subsidiaries of Avangrid, Inc. In addition, the Foundation earns investment income from rental properties and marketable securities. After paying various expenses related to the rental activities, the Foundation distributes monies to charitable organizations at the discretion of the Board of Directors.

Basis of Accounting

The accompanying financial statements are presented using the accrual method of accounting, recognizing revenues as earned and expenses as incurred.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. During 2018, the Foundation adopted the provisions of Accounting Standards Update (ASU) 2016-14: *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*, which improves the current net asset classification and the related information presented in the consolidated financial statements and notes about the Foundation's liquidity, financial performance, and cash flows.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Depreciation

Property additions and improvements are stated at cost; donated property is stated at fair market value at the date of receipt as determined by an outside appraisal. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expenses as they are paid. Depreciation is computed on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	20 - 40

AVANGRID FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Foundation recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Lease income from land and buildings is recognized as earned over the course of the leases.

Net Assets

Net assets without donor restrictions are available for use at the discretion of the Board of Directors for general operating purposes. As of December 31, 2024 and 2023, the Foundation did not have any net assets with donor restrictions.

Income Tax Status

The organization is a private foundation as defined under the Internal Revenue Code of 1986 Section 501(c)(3) and is subject to an annual excise tax on net investment income, including net realized gains. The actual excise tax on net investment income was approximately \$6,200 and \$6,500 for the years ending December 31, 2024 and 2023, respectively.

The Internal Revenue Code requires that certain minimum distributions be made in accordance with a specified formula. As of December 31, 2024, the Foundation had approximately \$15,000,000 in excess distributions, which may be used to satisfy future distribution requirements.

Events Occurring After Reporting Date

The Foundation has evaluated events and transactions that occurred between December 31, 2024 and October 7, 2025, which is the date the financial statements were available to be issued, for possible disclosure in the financial statements.

NOTE 2 - CONCENTRATION OF CREDIT RISK

The Foundation maintains cash and cash equivalent deposits with various institutions. Certain funds are insured up to \$250,000 per institution by the Federal Deposit Insurance Corporation, while other funds are insured by the Securities Investor Protection Corporation up to \$500,000 per institution. At December 31, 2024, the Foundation's uninsured cash and cash equivalents totaled approximately \$5,400,000.

AVANGRID FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Foundation's financial assets as of the statement of financial position date which are available within one year for general expenditures:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ <u>6,167,024</u>	\$ <u>4,778,554</u>
Total financial assets available for general expenditure within one year	\$ <u>6,167,024</u>	\$ <u>4,778,554</u>

As part of the Foundation's liquidity management plan, cash in excess of daily requirements is invested in money market funds. At December 31, 2024 and 2023, no funds have been restricted by donors or designated by the board of directors. The Foundation does not maintain a line of credit.

NOTE 4 - GRANTS PAYABLE

The Foundation has pledged, at the direction of its Board of Directors, the following multi-year grant commitments as of December 31, 2024:

<u>Organization</u>	<u>Year Pledge Made</u>	<u>Original Amount</u>	<u>Remaining pledges expected to be paid in:</u>		<u>Total Remaining</u>
			<u>2025</u>	<u>2026 and Later</u>	
University of Southern Maine	2022	\$ 1,200,000	\$ <u>300,000</u>	\$ <u> - </u>	\$ <u>300,000</u>

The Foundation had pledged, at the direction of its Board of Directors, the following grants payable as of December 31, 2023:

<u>Organization</u>	<u>Year Pledge Made</u>	<u>Original Amount</u>	<u>Remaining pledges expected to be paid in:</u>		<u>Total Remaining</u>
			<u>2024</u>	<u>2025 and Later</u>	
University of Southern Maine	2022	\$ 1,200,000	\$ <u>300,000</u>	\$ <u>300,000</u>	\$ <u>600,000</u>

AVANGRID FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 - LEASE COMMITMENTS

The Foundation leases building space in Augusta, Maine under an operating lease through December 2025. The future minimum lease payments to be received under this lease are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ <u>234,979</u>

NOTE 6 - DONATED SERVICES

Board members provide time and services to the Foundation without compensation. No amounts have been included in the accompanying financial statements since no objective basis is available to measure the value of such services.