

AVANGRID FOUNDATION, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024
AND FOR THE YEARS THEN ENDED

AVANGRID FOUNDATION, INC.

DECEMBER 31, 2025 AND 2024

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April 29, 2026

To the Board of Directors of
Avangrid Foundation, Inc.

We have audited the financial statements of Avangrid Foundation, Inc. for the year ended December 31, 2025, and have issued our report thereon dated April 29, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 7, 2026, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Avangrid Foundation, Inc. solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

YOUR PATH. YOUR FUTURE.

Davidson Fox & Company, LLP

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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
April 29, 2026

AVANGRID FOUNDATION, INC.

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,461,399	\$ 6,167,024
Prepaid and refundable taxes	<u>41,875</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>5,503,274</u>	<u>6,167,024</u>
PROPERTY		
Land	-	354,116
Buildings and improvements	<u>-</u>	<u>1,395,884</u>
	-	1,750,000
Less: accumulated depreciation	<u>-</u>	<u>803,023</u>
TOTAL PROPERTY, net	<u>-</u>	<u>946,977</u>
TOTAL ASSETS	<u>\$ 5,503,274</u>	<u>\$ 7,114,001</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants and other expenses payable	\$ <u>540,923</u>	\$ <u>2,407,000</u>
TOTAL LIABILITIES	<u>540,923</u>	<u>2,407,000</u>
NET ASSETS		
Without donor restrictions	<u>4,962,351</u>	<u>4,707,001</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,503,274</u>	<u>\$ 7,114,001</u>

See accompanying notes to financial statements

AVANGRID FOUNDATION, INC.

**STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
REVENUES		
Contributions	\$ 2,434,310	\$ 2,665,105
Interest and dividend income	184,462	273,490
Gain on sale of property	626,764	-
Lease income	<u>264,297</u>	<u>256,823</u>
TOTAL REVENUES	<u>3,509,833</u>	<u>3,195,418</u>
EXPENSES		
Program	3,151,911	3,495,479
Support		
Lease expenses	78,783	79,502
Management and general	<u>23,789</u>	<u>23,903</u>
TOTAL EXPENSES	<u>3,254,483</u>	<u>3,598,884</u>
CHANGE IN NET ASSETS	255,350	(403,466)
NET ASSETS, beginning	<u>4,707,001</u>	<u>5,110,467</u>
NET ASSETS, ending	<u>\$ 4,962,351</u>	<u>\$ 4,707,001</u>

See accompanying notes to financial statements

AVANGRID FOUNDATION, INC.

**STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 255,350	\$ (403,466)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	32,926	34,936
Gain on sale of property	(626,764)	-
Increase (decrease) in Grants payable	<u>(1,866,077)</u>	<u>1,757,000</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(2,204,565)</u>	<u>1,388,470</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, net of expenses	<u>1,498,940</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(705,625)	1,388,470
CASH AND CASH EQUIVALENTS, beginning	<u>6,167,024</u>	<u>4,778,554</u>
CASH AND CASH EQUIVALENTS, ending	\$ <u>5,461,399</u>	\$ <u>6,167,024</u>

See accompanying notes to financial statements

AVANGRID FOUNDATION, INC.

**STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025				2024			
	<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	\$ 400,000	\$ -	\$ -	\$ 400,000	\$ 610,000	\$ -	\$ -	\$ 610,000
Biodiversity and environment grants	520,000	-	-	520,000	660,000	-	-	660,000
Art and culture grants	175,000	-	-	175,000	90,000	-	-	90,000
Community partnership grants	2,056,911	-	-	2,056,911	2,135,479	-	-	2,135,479
Depreciation	-	32,926	-	32,926	-	34,936	-	34,936
Excise taxes	-	-	3,400	3,400	-	-	6,223	6,223
Other taxes	-	45,857	-	45,857	-	44,566	-	44,566
Office expense	-	-	3,680	3,680	-	-	4,107	4,107
Bank fees	-	-	-	-	-	-	73	73
Professional fees	-	-	16,709	16,709	-	-	13,500	13,500
	<u>\$ 3,151,911</u>	<u>\$ 78,783</u>	<u>\$ 23,789</u>	<u>\$ 3,254,483</u>	<u>\$ 3,495,479</u>	<u>\$ 79,502</u>	<u>\$ 23,903</u>	<u>\$ 3,598,884</u>
Total expenses	<u>\$ 3,151,911</u>	<u>\$ 78,783</u>	<u>\$ 23,789</u>	<u>\$ 3,254,483</u>	<u>\$ 3,495,479</u>	<u>\$ 79,502</u>	<u>\$ 23,903</u>	<u>\$ 3,598,884</u>

See accompanying notes to financial statements

AVANGRID FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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, 2025 AND 2024**

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, 2025 and 2024, 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 \$13,700 and \$6,200 for the years ending December 31, 2025 and 2024, respectively.

The Internal Revenue Code requires that certain minimum distributions be made in accordance with a specified formula. As of December 31, 2025, the Foundation had approximately \$14,400,000 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, 2025 and April 29, 2026, 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, 2025, the Foundation's uninsured cash and cash equivalents totaled approximately \$4,700,000.

AVANGRID FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

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>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 5,461,399	\$ 6,167,024
Prepaid and refundable taxes	<u>41,875</u>	<u>-</u>
 Total financial assets available for general expenditure within one year	 \$ <u>5,503,274</u>	 \$ <u>6,167,024</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, 2025 and 2024, 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 had pledged, at the direction of its Board of Directors, the following grants payable 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>

NOTE 5 - LEASE COMMITMENTS

The Foundation leased building space in Augusta, Maine under an operating lease through December 2025. This property was sold during 2025 and no further lease commitments exist as of December 31, 2025.

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.