



THE 1772 FOUNDATION
Preserving American Historical Treasures

ANNUAL REPORT / 2018



1772 Foundation

Before and After image of 1423 Claiborne Avenue, New Orleans, LA, a former boarding house associated with Straight University, a restoration project of the Preservation Resource Center of New Orleans.

IMAGE COURTESY OF THE PRESERVATION RESOURCE CENTER OF NEW ORLEANS.

THE PRESIDENT'S LETTER

THE 1772 FOUNDATION, INC.



2018 was another productive and exciting year for the Foundation as we continued the work that was so important to our benefactor, Stewart B. Kean, who died almost 17 years ago. Since Stewart's death his foundation has made grants and Program Related Investments of over \$50,000,000 to support historic preservation and farmland preservation.

During 2018 the Foundation made grants totaling \$3,659,698 awarded as follows:

-\$1,511,042 for historic properties redevelopment programs revolving funds in 16 states.

-\$975,000 for land trusts in the Northeast, within 100 miles of Boston or New York City, to help preserve about 1,233 acres of farmland.

-\$635,906 in matching preservation grants of up to \$15,000 each in Connecticut (20 recipients), New Jersey (25 recipients), and Rhode Island (14 recipients.)

-\$384,250 in trustee-sponsored, special purpose grants, and

-\$150,000 in discretionary grants in various states to nonprofits engaged in philanthropic activities of particular interest to the trustees and 1772 staff.

During the year the Foundation embarked on an exciting Neighborhood Revitalization Teaching Practice Pilot Program with Roger Williams University in Rhode Island and the Waterfront Historic Area League (WHALE), in New Bedford, Mass. This new effort brings 1772 Foundation's project-based revolving funds and education efforts together, and allows historic preservation students and faculty to work collaboratively on revolving funded projects in downtown neighborhoods. We fully expect that this pilot project will be replicated with other historic preservation universities and revolving funds in the months ahead.

In February, the Foundation sponsored a Revolving Fund Summit in collaboration with the Historic Macon Foundation in Macon, Georgia. This event brought over 100 attendees, representing over 50 cities and 26 states together to learn, and see how urban revitalization and strategic reinvestment can bring an exciting Renaissance in downtown areas like Macon.

In October 2018 the Foundation Board and staff went to Edinburgh, Scotland to see and learn how Scotland and the UK have so successfully blended historic preservation and land conservation efforts based on community inputs. This is an effort that our Foundation and some others would like to explore with certain communities here in the U.S. and we will be working on this in 2019.

At year end 2018 one of our trustees, Christina Spellman rotated off the board as the Foundation instituted its term limit policy for trustees. Christina's background as an executive director of another nonprofit and her interest in historic preservation have made her deliberations as a trustee invaluable and we are most appreciative of her contributions. Replacing Christina on our board will be Melissa Jest who is the African American Programs Coordinator at the Historic Preservation Division of the Georgia Department of Natural Resources. We have known Melissa for a number of years, and with over 20 years experience with revolving funds and historic preservation, she will hit the ground running, and we look forward to having Melissa on board in 2019.

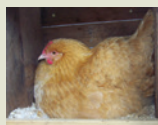
Our dedicated, hardworking Staff Assistant, Mary Albro retired at year end after 7 years of service. We will miss her and wish her well in her retirement.

In September 2018 we brought on board Gillian Lang as Program Officer after having served at Historic New England as Preservation Services Manager. Gillian is a graduate of Brown University and holds a Master of Science degree from the University of Edinburgh.

We look forward to a robust and stimulating 2019 as we continue to explore and support new, innovative, and cutting-edge approaches to historic preservation and farmland preservation.

B. Danforth Ely

President



1772 Foundation Fiscal 2018 – Historic Preservation and Farmland Protection Grants

Applicant	State	Award	Project
Restore Mobile	Alabama	20,000	Revolving fund
American Clock & Watch Museum	Connecticut	4,000	Miles Lewis House
Canton Historical Society	Connecticut	6,000	Collins Company factory building
Cedar Hill Cemetery Foundation	Connecticut	6,500	Superintendent's cottage
The Connecticut Audubon Society	Connecticut	15,000	Edwin Way Teale House
Denison Society	Connecticut	12,000	Denison Homestead barn
The Dudley Foundation	Connecticut	12,000	Dudley Farm Museum barn
The Enfield Historical Society	Connecticut	12,000	Martha Parsons House
Historical Society of East Hartford	Connecticut	7,500	Makens Bemont (Huguenot) House
The Hyland House Museum	Connecticut	12,000	Hyland House
Joshua's Tract Conservation and Historic Trust	Connecticut	15,000	Gurleyville Grist Mill
Lisbon Historical Society	Connecticut	10,000	Burnham Tavern
Mystic Seaport Museum	Connecticut	12,000	Charles Mallory Sail Loft
New Haven Museum	Connecticut	12,000	Museum building
The Norwich Historical Society	Connecticut	5,000	East District Schoolhouse
Old Saybrook Historical Society	Connecticut	12,000	General William Hart House
Pequot Library	Connecticut	1,500	Library building
The Rockfall Foundation	Connecticut	12,000	Captain Benjamin Williams House
Simsbury Historical Society	Connecticut	3,620	Phelps House and four other buildings
Torrington Historical Society	Connecticut	12,000	Carson House
The Trust for Public Land	Connecticut	100,000	Brown's Harvest Conservation Project
Weantinoge Heritage Land Trust	Connecticut	10,000	Smyrski Farm white barn complex
Historic Macon Foundation	Georgia	125,000	Fading Five Fund
Historic Macon Foundation	Georgia	30,000	Revolving Fund Summit
Historic Savannah Foundation	Georgia	25,000	Revolving fund
Madison-Morgan Conservancy	Georgia	125,000	Revolving fund
Landmarks Illinois	Illinois	100,000	Revolving fund
National Main Street Center	Illinois	35,000	Conference sponsorship
National Main Street Center	Illinois	100,000	Historic real estate finance training
Indiana Landmarks	Indiana	25,000	Revolving fund
Preservation Resource Center of New Orleans	Louisiana	75,000	Revolving fund
Maine Farmland Trust	Maine	100,000	Blaisdell Brothers Family Farm
Maine Farmland Trust	Maine	100,000	Old Talbot Farm
Maine Preservation	Maine	50,000	Revolving fund
Preservation Maryland	Maryland	75,000	Revolving fund
East Quabbin Land Trust	Massachusetts	14,000	Wilder Farmland Preservation
Historic Boston Inc.	Massachusetts	100,000	Revolving fund
Mount Grace Land Conservation Trust	Massachusetts	20,000	Sunset View Farm
Sheffield Land Trust	Massachusetts	100,000	Batacchi Agricultural Preservation Restriction
Waterfront Historic Area LeaguE (WHALE)	Massachusetts	100,000	Revolving fund
Southeast Land Trust of New Hampshire	New Hampshire	150,000	Kinney Hill Farm and Scruton's Dairy
Cranbury Historical & Preservation Society	New Jersey	15,000	Cranbury Barn Park corn crib and wagonhouse
Delaware River Mill Society	New Jersey	15,000	John Prall House
The Friends of Millstone Township	New Jersey	6,860	Thomas Baird Homestead
Historic Registered Properties	New Jersey	14,750	Theatre marque
Friends of the Loew's	New Jersey	15,000	Moravian Church
Gloucester County Historical Society	New Jersey	15,000	Clubhouse
The GFWC Woman's Club of Rutherford	New Jersey	15,000	

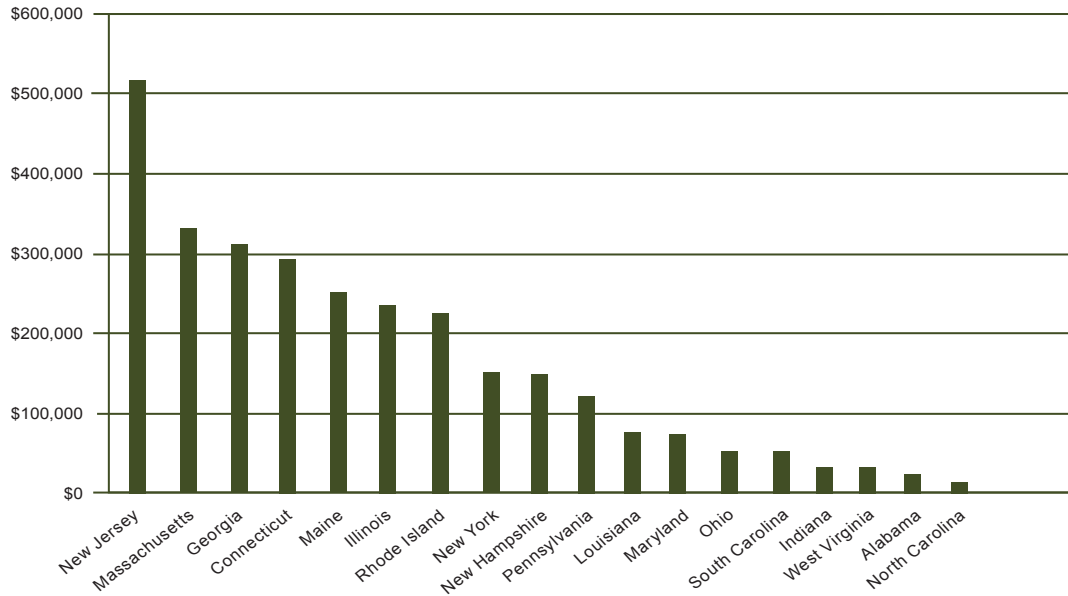
1772 Foundation Fiscal 2018 – Historic Preservation and Farmland Protection Grants

Applicant	State	Award	Project
The Heritage and Agriculture Association, Inc.	New Jersey	14,000	Lusscroft Farm Bunkhouse A and the Isotope Laboratory
Historic Cold Spring Village	New Jersey	13,000	Ezra Norton House & Heislerville Store
Historic Restoration Trust of the Township of Nutley	New Jersey	7,500	Kingsland Manor
Historical Educational Lodge-Hall Preservatory, Inc.	New Jersey	4,000	Richardson Avenue School
Hunterdon Art Museum	New Jersey	5,200	Dunhams Mill
Long Beach Island Historical Association	New Jersey	4,175	Long Beach Island Museum
Mid-Atlantic Center for the Arts & Humanities	New Jersey	15,000	Cape May Lighthouse
Naval Air Station Wildwood Aviation Museum	New Jersey	15,000	Hangar Number 1
New Jersey Community Development Corporation	New Jersey	15,000	Rogers Locomotive Company Frame Fitting Shop
New Jersey Conservation Trust	New Jersey	215,000	Leone Farm
Princeton AlumniCorps	New Jersey	15,000	12 Stockton Street building
Reeves-Reed Arboretum	New Jersey	15,000	Arboretum
Save Ellis Island	New Jersey	15,000	Ellis Island Recreation Pavilion 1
Sourland Conservancy	New Jersey	15,000	Former Mount Zion AME Church
Sparta Historical Society	New Jersey	3,175	Van Kirk Homestead carriage house, milk house, and house
Squan Beach Life Saving Station Preservation Committee	New Jersey	6,581	Station
Stony Brook-Millstone Watershed Association	New Jersey	15,000	Andrew Drake Farmstead barn
Township of Ocean Historical Museum	New Jersey	14,170	Stucile Farms cow barn
Union Township Historical Society	New Jersey	6,000	Caldwell Parsonage
Westampton Township Historical Society	New Jersey	14,375	Rancocas Lyceum
Dutchess Land Conservancy	New York	126,000	Meili Farm
Preservation Buffalo Niagara	New York	25,000	Revolving fund
High Point Preservation Society	North Carolina	10,000	Revolving fund feasibility study
Cleveland Restoration Society	Ohio	50,000	Revolving fund
Fairmount Park Conservancy	Pennsylvania	25,000	Revolving fund
Heritage Conservancy	Pennsylvania	50,000	Maximuck's Farm and Market
Pittsburgh History & Landmarks Foundation	Pennsylvania	50,000	Façade restoration program
The Compass School	Rhode Island	10,000	Seed barn
Dirt Palace	Rhode Island	14,600	Kendrick-Prentice-Tirrochi House
Friends of Linden Place	Rhode Island	10,000	Linden Place Barn
Historic New England	Rhode Island	15,000	Casey Farm cow barn
Mount Hope Farm	Rhode Island	7,500	Governor Bradford House
Newport Art Museum	Rhode Island	15,000	Cushing/Morris Gallery Building
Norman Bird Sanctuary	Rhode Island	10,000	Sanctuary barn
North Smithfield Heritage Association	Rhode Island	15,000	Forestdale Schoolhouse
Preserve Rhode Island	Rhode Island	10,000	Lippitt House Museum
Preserve Rhode Island	Rhode Island	75,000	Revolving fund
Redwood Library & Athenaeum	Rhode Island	5,000	Redwood Library & Athenaeum
The Rhode Island Historical Society	Rhode Island	10,300	Aldrich House
South County History Center	Rhode Island	2,500	Old Washington County Jail
Stadium Theatre & Conservatory for the Performing Arts	Rhode Island	11,600	Theatre façade
The Steel Yard	Rhode Island	13,500	Steel Yard building
Historic Charleston Foundation	South Carolina	50,000	Revolving fund
Preservation Alliance of West Virginia	West Virginia	25,000	Revolving fund

2,905,906

Audited financial statements are available online.

1772 Foundation 2018 Grant Statistics



GRANT DOLLARS BY STATE:

New Jersey	\$508,786
Massachusetts	\$334,000
Georgia	\$305,000
Connecticut	\$292,120
Maine	\$250,000
Illinois	\$235,000
Rhode Island	\$225,000
New York	\$151,000
New Hampshire	\$150,000
Pennsylvania	\$125,000
Louisiana	\$75,000
Maryland	\$75,000
Ohio	\$50,000
South Carolina	\$50,000
Indiana	\$25,000
West Virginia	\$25,000
Alabama	\$20,000
North Carolina	\$10,000

Total **\$2,905,906**

Historic preservation and farmland protection grants ranged from \$3,175 to \$215,000. The average grant was \$31,933.

The top ten grants totaled \$1,241,000 or 43% of the total amount granted in 2018.

New Jersey received the most funding, \$508,786 for 26 projects, followed by Massachusetts with \$334,000 for 5 projects.

In addition to historic preservation and farmland protection grants, \$534,250 in trustee-recommended grants were approved and distributed to the following non-profit organizations:

- Arlington Free Clinic
- Aquidneck Land Trust
- Center for Preservation Initiatives
- Church Community Housing
- Clean Ocean Access
- Coast Guard Foundation
- Cultural Treasures Foundation
- Denver Urban Gardens
- Exponent Philanthropy
- Farm Fresh Rhode Island
- Friends of Dinosaur Ridge
- Friends of Goodwin Forest
- Friends of Herring River
- Friends of Randolph Animal Pound
- Friends of the Newport Public Library
- Friends of Pomfret Public Library
- Grow Smart Rhode Island
- Hamilton Partnership for Paterson
- Historic Madison, Inc.
- Horizon Wings Raptor Rehabilitation & Education
- Hunterdon Land Trust
- Island Institute
- Keeping Track
- Dr. Martin Luther King Jr. Community Center
- Montana Preservation Alliance
- Morristown Memorial Health Foundation
- Mount Vernon Songbird Sanctuary, Inc.
- The National Trust for Scotland Foundation USA
- New Jersey Conservation Foundation
- Newport Historical Society
- newportFILM
- North American Bluebird Society
- Opportunity Works Connecticut, Inc.
- Our Companions Domestic Animal Rescue
- Paws Cat Shelter, Inc.
- A Place Called Hope
- The Preservation Society of Newport County
- The Putney School
- Quiet Corner Garden Club
- Ralston Engine Company No. 1
- Raritan Headwaters Association
- Redwood Library and Athenaeum
- Responsible Hospitality Institute
- Rhode Island Community Food Bank
- Roger Williams University
- The Royal Oak Foundation
- Shelburne Farms
- Tall Timbers
- Tenement Museum
- University of Texas Foundation - School of Architecture
- Vested Interest in K9s
- WGBH Educational Foundation
- The Wildlife-Line

LETTER FROM THE EXECUTIVE DIRECTOR

THE 1772 FOUNDATION, INC.



The Currency of Historic Preservation

During these past fifteen years, we have seen a troubling dynamic develop in the field of historic preservation. While most people, when surveyed, indicate a true interest in old buildings and living in historic, walkable neighborhoods, most historic preservation organizations are not experiencing robust growth in activity or increases in membership. Certain tensions appear to be exacerbating this critical inconsistency.

Our grantees, board and staff have identified the following issues as among the most significant:

Preservation should be **locally-driven**, but is **programmed from the top down**

Preservation should be **proactive**, but is **reactive**

Preservation should be **for everyone**, but is perceived as **elitist**

Preservation should be **collaborative**, but is **isolated from other fields**

Preservation should be **people-centered**, but is **building-centered**

Preservation should be **for the future**, but is **fixed in the past**

Is there a viable strategy to support locally-driven, proactive, inclusive, collaborative, people-centered, future-oriented preservation work? The board at 1772 has encouraged staff to explore these questions and a promising concept has emerged, inspired by the Madison-Morgan Conservancy in Georgia. There, the Trust for Public Land (TPL) worked with the community to take inventory of places that mattered to them. The process piloted by TPL is called Greenprinting.

This type of wholistic planning utilizes resident-driven visioning sessions which in turn inform and populate a series of overlapping GIS data layers. The act of collaboration through the visioning sessions builds consensus amongst residents who care about the character and the health of where they live, work and play. Together, a decision-making tool/road map is built that we believe naturally wraps preservation into a broader vision.

The program undertaken by the Madison-Morgan Conservancy resulted in a series of comprehensive maps; a visualization of high-priority assets as determined by residents that reflect the needs and character of their catchment area. These infographics clearly illustrate how land, water, old buildings, transportation infrastructure, trails, parks, farms, etc. are connected parts of the whole. It is a “blended conservation” model, one that recognizes important places of all types for people of all types.

Historic buildings are not guaranteed to emerge at the top of the priority list but they likely will, as they did in Madison, where the Foster-Thomason-Miller historic house emerged as the top priority. This property includes the historic house, conservation land, trail access and protection of the Horse Branch Creek that runs through the property.

We believe that providing a framework for communities to take inventory is critical to historic preservation efforts for a very practical reason. The real currency of preservation is the love and connection a person feels for a building, and the community support that can be fostered from that. Without cultivating this love and allowing it to blossom from affection into support, the amount of available funding will never be enough to save the places that matter.

Efforts are underway at 1772 to test the theory that, with community asset mapping, historic places will naturally emerge as priorities. We believe that locally-driven, proactive, inclusive, collaborative, people-centered, future-oriented preservation is possible when the real currency of preservation is recognized.

To people-first preservation,

Mary Anthony

A handwritten signature in cursive script that reads "Mary Anthony".

Executive Director

WELCOME TO THE FOUNDATION

THE 1772 FOUNDATION, INC.



WELCOME GILLIAN LANG

In September, The 1772 Foundation welcomed its first program officer, Gillian Lang. Gillian's primary area of focus is the foundation's grantmaking to historic properties redevelopment programs, also known as revolving funds.

Gillian came to 1772 from Historic New England, where she was preservation services manager for the northern New England region. Her historic preservation experience also includes work for the National Trust for Scotland, Historic Boston Incorporated, the Providence Revolving Fund, and the Providence Preservation Society.

Gillian's undergraduate degree is from Brown University. She earned her master's degree in architectural conservation from the University of Edinburgh. Her dissertation title is *The Revolving Fund Model in Scotland and the United States*.

The hiring of a program officer reflects 1772's increasing emphasis on historic properties redevelopment programs and their positive impact on community economic development and neighborhood revitalization.



WELCOME NEW TRUSTEE, MELISSA JEST

Melissa Jest was elected to the board of The 1772 Foundation at its annual meeting, held October 24th. Her three-year term began January 1, 2019.

Melissa has almost 20 years of historic preservation and outreach experience. She is the African American programs coordinator at the Historic Preservation Division of the Georgia Department of Natural Resources. In this position, she assists individuals and communities with the identification and preservation of African American properties and sites of significance to Georgia's heritage. She also develops outreach strategies to initiate, promote and increase engagement of underrepresented communities in historic preservation activities and programs. She

serves as liaison to the Georgia African American Historic Preservation Network (GAAHPN).

Melissa has significant experience with historic properties redevelopment programs (HPRPs), also known as revolving funds, increasingly a focus of The 1772 Foundation's grantmaking. Melissa was the first HPRP manager for the National Trust for Historic Preservation. She also has worked for the Preservation Alliance for Greater Philadelphia and the Historic Savannah Foundation, where she was the revolving fund coordinator.

Melissa has an undergraduate degree from the University of Florida and a master's degree in urban studies from Savannah State University.

Melissa succeeds Dr. Christina M. Spellman, trustee from 2014-2018.



HISTORIC PROPERTIES

Historic Properties Redevelopment Program

The 1772 Foundation has been making grants to historic properties redevelopment programs (HPRPs), also known as revolving funds, since 2005. These proactive preservation programs are versatile and innovative- using conservation easements, options, purchase and resale, tax credits, and other means to preserve historic buildings. When a building is returned to private ownership or creates a revenue stream, any proceeds realized as a result of the transaction are used to sustain that building or rescue another endangered property.

1772 grant recipients have successfully repurposed buildings all across the country. In the process, they have partnered with local stakeholders to tackle big issues, like economic revitalization, neighborhood development, equitable housing, and Smart Growth. Grantees are working not only to stabilize the built environment of their communities, but also to address the social, environmental and economic issues unique to their localities.

Recognized for its leadership in the HPRP world, the Foundation awards grants for real estate education, fellowships, feasibility studies,

and business plans, in addition to increasing the capacity of existing programs through grants and loans.

The Main Street America Facade Improvement Pilot Program is a wonderful example of this model in action. A 1772 Foundation grant to The National Main Street Center funded a three year program that made \$80,000 in grants and no-interest matching loans available to support highly visible improvements to buildings and storefronts in designated Main Street communities. In 2018 this was piloted to great success in San Augustine and Texarkana, Texas with the oversight of the Texas Main Street Program. The projects have made a huge impact on these downtowns both visually and economically, and we look forward to seeing it continue.

The 1772 Foundation is proud to support this work across the country. It firmly believes that active real estate intervention of the kind practiced by HPRPs is critically important to the field of historic preservation. In 2018, the Foundation made grants to 20 organizations in 15 states.





Alabama
Restore Mobile • 20,000
Revolving fund



Georgia
Historic Macon Foundation • 125,000
Fading Five Fund



Georgia
Historic Macon Foundation • 30,000
Revolving Fund Summit



Georgia
Historic Savannah Foundation • 25,000
Revolving fund



Georgia
Madison-Morgan Conservancy • 125,000
Revolving fund



Illinois
Landmarks Illinois • 100,000
Revolving fund



Illinois
National Main Street Center • 35,000
Conference sponsorship



Illinois
National Main Street Center • 100,000
Historic real estate finance training



Indiana
Indiana Landmarks • 25,000
Revolving fund



Louisiana
Preservation Resource Center of New Orleans
75,000
Revolving fund

Historic Properties Redevelopment Programs



Maine
Maine Preservation • 50,000
Revolving fund



New York
Preservation Buffalo Niagara • 25,000
Revolving fund



Pennsylvania
Pittsburgh History & Landmarks Foundation
50,000
Façade restoration program



Maryland
Preservation Maryland • 75,000
Revolving fund



North Carolina
High Point Preservation Society • 10,000
Revolving fund feasibility study



Rhode Island
Preserve Rhode Island • 75,000
Revolving fund



Massachusetts
Historic Boston Inc. • 100,000
Revolving fund



Ohio
Cleveland Restoration Society • 50,000
Revolving fund



South Carolina
Historic Charleston Foundation • 50,000
Revolving fund



Massachusetts
Waterfront Historic Area League (WHALE)
100,000
Revolving fund



Pennsylvania
Fairmount Park Conservancy • 25,000
Revolving fund



West Virginia
Preservation Alliance of West Virginia
25,000
Revolving fund



REVOLVING FUND SUMMIT

The 1772 Foundation

The first Revolving Fund Summit, made possible by The 1772 Foundation, was held in Macon, GA, from February 11-13 2018. It brought together over 100 attendees, representing over 50 cities and 26 states, and provided them a unique opportunity to learn from one another. The Historic Macon Foundation (HMF) hosted the event and, as its executive director Ethiel Garlington stated, the city of Macon was used as a “classroom to demonstrate a variety of revolving fund models.”

Summit attendees checked in and enjoyed an opening reception at the Hay House on Sunday evening. Owned by The Georgia Trust for Historic Preservation, the Johnston-Felton-Hay House was built from 1855-1859 in the Italian Renaissance Revival style. It is one of Georgia’s most historic houses and was designated a National Historic Landmark in 1974. Following welcoming remarks by B. Danforth Ely, the president of The 1772 Foundation, behind-the-scenes tours of the mansion were offered.



The first full day of the Summit, began with a walking/biking tour of Beall’s Hill, where tools such as historic tax credits, public-private partnerships (the City of Macon and Mercy University), and a robust revolving fund transformed a vacant neighborhood into a vibrant community. This was followed by a presentation explaining how a partnership with a land bank authority can be integral to property acquisition, as it was in Beall’s Hill. A lunchtime tour of Mill Hill provided an opportunity to learn about Macon’s latest revolving fund project, focusing on the arts as the core driver of redevelopment. Mill Hill: East Macon Arts Village is developing an artist village in the historic Fort Hawkins neighborhood to address blight issues and foster economic opportunity. The third tour of the day was of downtown Macon. Staff of NewTown Macon and local business owners explained how innovative redevelopment strategies and creating a sense of place have contributed to revitalization. A thriving downtown

requires people who both work and live there. Businesses opening in formerly vacant storefronts and 500 loft units have attracted residents to downtown Macon, which are essential to its economic renaissance.

Monday evening, James Fallows, a national correspondent for *The Atlantic*, gave the keynote address, “It’s Happening Here and Eleven Signs a City Will Succeed.” The signs are those he identified as he traveled across the country. His presentation was followed by a panel discussion with representatives from Macon Action Plan and the National Main Street Center, who explained how the eleven signs are

evident in their communities. Melissa Jest, who is the African American Programs Coordinator at the Historic Preservation Division of the Georgia Department of Natural Resources, moderated the discussion. The entire evening was open to the public- an incredible, free community-wide event.

On the 13th, the day began with a presentation by Michael Sriprasert, the president of Landmarks

Development Corporation and Landmarks Community Capital Corporation of Pittsburgh, PA. He was last year’s recipient of the Richard H. Driehaus Foundation National Preservation Award. Mr. Sriprasert explained how a variety of redevelopment tools were used to save an entire Pittsburgh neighborhood, while maintaining affordability for its residents.

Following this presentation, Mary Anthony, the executive director of The 1772 Foundation, moderated a panel discussion on creative funding strategies. Panelists were Cara Ferrentino of the William Penn Foundation, Lynn Murphey of the Knight Foundation, and Kathy Kottaridis, the executive director of Historic Boston Incorporated.

The Summit wrapped up with a lunchtime recap of key ideas and themes that emerged during the event.



NORTHEAST FARMLAND PROTECTION PROGRAM FOR LAND TRUSTS

Farmland Conservation

This granting program supports sustainable regional food systems by helping conserve critical farmland in the Boston and New York foodsheds. Farms must be located within a 100-mile radius of one of the two cities or anywhere in the state of New Jersey.

In 2018, The 1772 Foundation awarded grants to nine land trusts to help them permanently protect and save from development over 1,200 acres of land, more than 80% of it farmland. Banking such large amounts of land promises to increase the food-producing capacity of the regions, which is the goal of this granting program. The land trusts have inspiring agriculture and food visions, reflected in their strategies for protecting the land from development and assuring its farming future.

The **East Quabbin Land Trust** was one of three Massachusetts grant recipients. It received a grant for its Wilder Farmland preservation effort in Petersham. Once preserved, a local farmer/educator will lease the seven-acre property to expand his farmland acreage and develop a demonstration farm, encouraging more farmers to adopt climate sensitive regenerative agricultural practices.

Mount Grace Land Conservation

Trust is working to preserve Sunset View Farm, located on the cusp of Boston's "sprawl frontier" in Winchendon. It has been continuously farmed for over 230 years. From their farm stand, its owners sell organically grown produce, preserves, maple syrup, and other products. The third Massachusetts grant recipient was **Sheffield Land Trust**. It will preserve the 270-acre Batacchi family farm using an Agricultural Preservation Restriction (APR) to be held by the Massachusetts Department of Agricultural Resources. The farm, an essential part of a dairy operation, is in Sheffield and it includes prime cropland and pasture.

Maine Farmland Trust was awarded funding to preserve two Maine farms- Blaisdell Brothers Family Farm in York and Old Talbot Farm in Arundel. A USDA-designated Bicentennial Farm, the 80-acre Blaisdell Brothers Family Farm produces a variety of vegetables, beef, eggs, honey, maple syrup, cut flowers, and herbs. It also serves as a community center. The farm is situated between two permanently conserved properties. Its preservation will create a corridor of protected land along the York River. The Old Talbot Farm produces Scottish Highland cattle, goats, pigs, chickens, eggs, hay, lumber and cordwood. Preserving it will create another corridor of conserved land, this one reaching to the Kennebunk River.

In New Hampshire, grant funds also will be used to conserve two farms. The **Southeast Land Trust of New Hampshire** will preserve Kinney Hill Farm in South Hampton and Scruton's Dairy in Farmington. Kinney Hill Farm is another diversified operation, raising beef cattle, chickens, goats, pigs and wheat and leasing acreage to a vegeta-

ble grower. Scruton's Dairy has provided fresh milk to the community since 1926. Both farms are approximately 143 acres. Their preservation reflects a holistic approach to farmland conservation in the region and an overall vision of a sustainable food system (local demand for local food, farmers to farm the land, and affordable farmland).

Grant funding was for one farm in each of the following states- Connecticut, New Jersey, New York, and Pennsylvania. In Windsor, CT, **The Trust for Public Land** is working on the Brown's Harvest Conservation Project. The preservation of 102 acres, located on both sides of the Farmington River, is the first step in protecting the entire 300-acre property.

Today, Brown's Harvest offers pick-your-own strawberries, hayrides, an annual corn maze, seasonal festivals with artisan vendors, pumpkin picking, and educational farm tours. It was a much different operation in the past. Part of the Connecticut River Valley's famed tobacco industry, it still has over a dozen tobacco barns and a dormitory that was used by migrant workers.



The New Jersey Conservation Foun-

ation is working to preserve the 60-acre Leone Farm in Pilesgrove Township. Located in the southern part of the state, an area known for its agricultural production, Leone Farm became eligible for a grant because of 1772's decision to change the geographic boundaries of its granting program to the entire state of New Jersey. Preservation of the farm will not only protect highly productive agricultural soil but also help preserve the character and rural context of the area.

Dutchess Land Conservancy is a sophisticated farmland-focused land trust, committed to supporting the local agricultural community. This year, Dutchess received funding for Meili Farm in Amenia, New York. The farm is a multi-generational family operation, employing innovative and sustainable livestock practices. It has tapped into the direct-to-consumer markets in the Hudson Valley and New York City restaurants.

In Doylestown, PA, the **Heritage Conservancy** will place a conservation easement on the 102-acre Maximuck Farm and Market. Its preservation will complete 257 acres of contiguous farmland preservation. A family-owned and operated farm, its onsite market offers fresh produce grown on the farm, including hydroponic lettuce, tomatoes, sweet corn, and other seasonal produce. The farm also grows flowers, its own beef, and the seeds needed to make its locally celebrated bird feed. The family is moving away from traditional farming to eco-friendly growing methods.



Connecticut
The Trust for Public Land • 100,000
 Brown's Harvest Conservation Project



Massachusetts
East Quabbin Land Trust • 14,000
 Wilder Farmland Preservation



New Jersey
New Jersey Conservation Foundation
 215,000
 Leone Farm



Maine
Maine Farmland Trust • 100,000
 Blaisdell Brothers Family Farm



Massachusetts
Mount Grace Land Conservation Trust
 20,000
 Sunset View Farm



New York
Dutchess Land Conservancy • 126,000
 Meili Farm



Maine
Maine Farmland Trust • 100,000
 Old Talbot Farm



Massachusetts
Sheffield Land Trust • 100,000
 Batacchi Agricultural Preservation Restriction



Pennsylvania
Heritage Conservancy • 50,000
 Maximuck's Farm and Market



New Hampshire
Southeast Land Trust of New Hampshire
 150,000
 Kinney Hill Farm

Farmland Protection



CONNECTICUT TRUST FOR HISTORIC PRESERVATION

2018 Matching Grants for Historic Preservation in Connecticut

Since 2011, the Connecticut Trust for Historic Preservation has administered over \$1.5M for 153 repair and maintenance projects by private, nonprofit organizations across the state through its partnership with The 1772 Foundation. During the 2018 grant round, the Connecticut Trust received letters of inquiry for 58 worthy projects, totaling \$700,000 in funding requests. Ultimately, 20 projects were funded for a total of \$192,120. Each grant, ranging from \$1,500 to the grant maximum of \$15,000, required a 1:1 match, meaning that The 1772 Foundation's program leveraged a \$384,240 investment in Connecticut's historic sites this year, and \$3M overall.

These grants are critically important to the historical societies and museums that receive this support. Mystic Seaport Museum, which received funds for repairs to the Mallory Sail Loft, commented on the connection between its historic buildings and its mission connecting visitors to ancient ways of life. "Today [the Mallory Sail Loft] is where the Museum staff and volunteers make and maintain the sails for our fleet of historic vessels. By providing this vital support you enable the Museum to continue to share this historic structure and maritime crafts with future generations." – J. Barclay Collins, Chairman of the Board of Trustees for the Mystic Seaport Museum

And in Lisbon, a small band of dedicated volunteers embarked on a mission to bring back to life its beloved Burnham Tavern. The 1772 Foundation's investment provided enough financial and moral support for the group to continue to make steady progress. "We are thrilled! As you know, we are a tiny historical society with a giant project. This award will allow us to finally complete repairs to the house's crumbling back sill, thus stabilizing that part of the structure. Our repair list is long and expensive, but thanks to the CT Trust and The 1772 Foundation, our list just got a little bit shorter." – Paula Adams, President of the Lisbon Historical Society



The Connecticut Trust, through its Circuit Rider program, works with applicants by making visits to the sites to discuss program requirements, provide guidance on project scope, and review draft and final applications. The partnership between The 1772 Foundation and the Connecticut Trust continues to have a strong impact around the state.



Bristol
American Clock & Watch Museum • 4,000
 Miles Lewis House chimney repair



East Hartford
Historical Society of East Hartford • 7,500
 Makens Bemont (Huguenot) House roof replacement



Guilford
The Dudley Foundation • 12,000
 Dudley Farm Museum barn sill repair



Canton
Canton Historical Society • 6,000
 Collins Company factory building exterior painting and repairs



Enfield
The Enfield Historical Society • 12,000
 Martha Parsons House exterior painting



Hampton
The Connecticut Audubon Society • 15,000
 Edwin Way Teale House chimney restoration and roof repair



Hartford
Cedar Hill Cemetery Foundation • 6,500
 Superintendent's cottage roof replacement

Guilford
The Hyland House Museum • 12,000
 Hyland House roof replacement



Connecticut Preservation



Lisbon
Lisbon Historical Society • 10,000
 Burnham Tavern foundation and sill repairs,
 framing



Mystic
Mystic Seaport Museum • 12,000
 Charles Mallory Sail Loft roof replacement



Old Saybrook
Old Saybrook Historical Society • 12,000
 General William Hart House window repair



Mansfield
Joshua's Tract Conservation and Historic Trust
 15,000
 Gurleyville Grist Mill foundation stabilization
 and roof framing



New Haven
New Haven Museum • 12,000
 Window repair



Simsbury
Simsbury Historical Society • 3,620
 Phelps House and four other buildings
 security upgrades



Middletown
The Rockfall Foundation • 12,000
 Captain Benjamin Williams House exterior
 repairs



New Milford
Weantinoge Heritage Land Trust • 10,000
 Smyrski Farm white barn complex exterior
 repairs



Southport
Pequot Library • 1,500
 Masonry repair



Mystic
Denison Society • 12,000
 Denison Homestead barn roof repair



Norwich
The Norwich Historical Society • 5,000
 East District Schoolhouse roof replacement,
 foundation and drainage repairs



Torrington
Torrington Historical Society • 12,000
 Carson House exterior painting and repairs



NEW JERSEY HISTORIC TRUST

2018 Matching Grants for Historic Preservation

The New Jersey Historic Trust made recommendations to The 1772 Foundation for historic preservation grants totaling \$293,786 to fund 25 nonprofit organizations that provide stewardship to historic sites. Funded work includes painting, surface restoration, fire/security systems, repairs to/restoration of porches, roofs and windows, repairs to foundations and sills, and chimney and masonry repointing.

“We are delighted in the number of applications we received and always grateful to welcome new applicants to the Historic Trust. The funding from The 1772 Foundation reaches all corners of New Jersey and ensures that our history will have a lasting legacy,” said Executive Director Dorothy P. Guzzo.

Of note, the Kingsland Manor was completely transformed with a \$7,500 grant that helped to restore and paint two porches and exterior

trim. Kingsland Manor, constructed in the 1760s, is named for the Kingsland family which inhabited the home from 1796 until 1909 and was largely influential in early Nutley Township history. During the years of prohibition, the McGinnity family ran a speakeasy in the basement beneath the ballroom floor. By the mid-twentieth century, Kingsland Manor had fallen into a state of disrepair until it was purchased by Nutley Township. Today, the Historic Restoration Trust of Nutley oversees the restoration and use of the manor.

The NJ Historic Trust originally received 55 applications requesting \$652,874, demonstrating just how important this program has become to New Jersey’s historic sites.





Beach Haven Borough
Long Beach Island Historical Association
 4,175
 Long Beach Island Museum door and roof replacements



Cranbury Township
Cranbury Historical & Preservation Society
 15,000
 Cranbury Barn Park corn crib and wagonhouse door, foundation, and gable repairs and exterior painting



Cape May Historic
Cold Spring Village • 13,000
 Ezra Norton House roof replacement
 Heislerville Store sill repair, pier replacement



Clinton Town
Hunterdon Art Museum • 5,200
 Dunhams Mill chimney restoration



Cranbury Township
Cranbury Historical & Preservation Society
 15,000
 Cranbury Barn Park corn crib and wagonhouse door, foundation, and gable repairs and exterior painting



Jersey City
Friends of the Loew's • 14,750
 Theater marquee repairs



Liberty Island
Save Ellis Island • 15,000
 Ellis Island Recreation Pavilion 1 brick repair and repointing



Lower Township
Mid-Atlantic Center for the Arts & Humanities • 15,000
 Cape May Lighthouse lantern repainting



Lower Township
Naval Air Station Wildwood Aviation Museum • 15,000
 Hangar Number 1 window repair or replacement



Manasquan Borough
Squan Beach Life Saving Station Preservation Committee • 6,581
 Station foundation repair for stormwater management



Millstone Township
*The Friends of Millstone Township Historic
 Registered Properties • 6,860*
 Thomas Baird Homestead lightning
 protection



Nutley Township
*Historic Restoration Trust of the Township of
 Nutley • 7,500*
 Kingsland Manor porch restoration and
 painting, exterior trim work



Paterson City
*New Jersey Community Development
 Corporation • 15,000*
 Rogers Locomotive Company Frame Fitting
 Shop masonry repointing, window
 restoration



Montgomery Township
Sourland Conservancy • 15,000
 former Mount Zion AME Church foundation
 and sill repair



Ocean Township
*Township of Ocean Historical Museum
 14,170*
 Stucile Farms cow barn siding restoration,
 roof replacement



Pennington Borough
*Stony Brook-Millstone Watershed
 Association • 15,000*
 Andrew Drake Farmstead barn exterior
 painting, surface repair



New Jersey Preservation



Princeton
Princeton AlumniCorps • 15,000
 12 Stockton Street building repainting,
 columns, trim repairs



Summit City
Reeves-Reed Arboretum • 15,000
 Gutter repair, trim repair and repainting



Wantage Township
The Heritage and Agriculture Association, Inc.
 14,000
 Lusscroft Farm Bunkhouse A and the Isotope
 Laboratory exterior painting



Rutherford Borough
The GFWC Woman's Club of Rutherford
 15,000
 Clubhouse window restoration



Swedesboro
*Historical Educational Lodge-Hall
 Preservatory, Inc.* • 4,000
 Richardson Avenue School window
 restoration



Westampton Township
Westampton Township Historical Society
 14,375
 Rancocas Lyceum shutter repair and-or
 replacement



Sparta Township
Sparta Historical Society • 3,175
 Van Kirk Homestead carriage house window
 replacement, milk house roof repair, house
 columns restoration



Union Township
Union Township Historical Society • 6,000
 Caldwell Parsonage exterior painting, roof
 and flashing repair



Woolwich Township
Gloucester County Historical Society • 15,000
 Moravian Church repointing, window
 restoration



Stockton Borough
Delaware River Mill Society • 15,000
 John Prall House door and window repairs or
 restoration



RHODE ISLAND

2018 Matching Grants for Historic Preservation

The 1772 Foundation awarded 14 Rhode Island organizations historic preservation 1:1 matching grants totaling \$150,000 for exterior work: painting, surface restoration, fire/security systems, repairs to/restoration of porches, roofs and windows, repairs to foundations and sills, and chimney and masonry repointing. Individual grants ranged from \$2,500 to the grant maximum of \$15,000. Three organizations received the maximum award amount.

This year's Rhode Island projects included four historic barns, all of which are on the National Register. They are owned by The Compass School, Historic New England, Linden Place, and Norman Bird Sanctuary.

The Compass School is situated on the historic Potter-Peckham/Kingston Hill Farm in Kingston. It is renovating its historic seed barn to become its middle school. The space also will be used for community engagement events at The Compass School Farm, the largest school garden in Rhode Island. The barn was built in 1911 by Omar Fortin, a local carpenter. The farm was purchased in the same year by Arthur Peckham, who ran a successful bent grass seed business. The grass seed threshing/screening machine remains in the barn. The buildings and land are historically significant since they represent important aspects of the history of farming in the area, including the development of grass seed as a major crop. Today, nearby turf farms and the nationally recognized turf grass management program of the University of Rhode Island reflect this history. The 1772 grant was used for exterior siding.

Casey Farm, a 350-acre USDA-certified organic farm in Saunderstown, is owned by Historic New England. Its ca. 1850 cow and calf barns originally were used for dairy operations such as milking, weaning, and storage of winter feed. Today, these barns are the focal point of farm operations, community engagement, and healthy food options. Both barns play vital roles in the Community Supported Agriculture (CSA) program and weekly farmers' market hosted by Casey Farm between May and October. They are used for sorting and prepping of harvested crops, pick up of CSA shares, storing tents and tables of

market vendors, and volunteer signups. There also are informal gatherings and interaction with farm staff, who routinely offer advice and answer questions about growing methods, nutrition, animal care, and the importance of sustainable agriculture. 1772 funds supported the exterior repair/rehabilitation of the historic barn complex.

Bristol's Linden Place Mansion, designed by Rhode Island architect Russell Warren, was built in 1810 for George DeWolf. Its carriage barn was built in 1850 and originally was located beside the mansion. The barn is a three-bay-wide by three-bay-deep, two-story, wood-frame structure, sheathed in wooden clapboards, with pilasters on the corners. It is topped by two skylights and a cupola. The barn was

home to the horse stable, tack, and laundry. In the 1840's, during the time when Linden Place was a hotel/boarding house, the barn housed boarders. Boarders' rooms later became servants' quarters. In 2008, Linden Place offered the Bristol Art Museum an option to lease and repurpose the historic barn into permanent gallery space, classrooms, and artist studios. The Bristol Art Museum opened in 2013. The gallery space also serves as reception space for Linden Place events. The 1772 Foundation's grant helped fund exterior surface repairs and subsequent painting of the exterior of the building.

The Norman Bird Sanctuary (NBS) barn, built about 1850, has been adapted for reuse, now providing space for classes and cultural/environmental programming and, on the second floor, a natural history museum. It is a 60 x 30 New England-type, end gable, hay barn of mortise-and-tenon construction. Part of the Smith-Gardiner-Norman Farm Historic District, the barn has significant historic value as an authentic example of the region's farming past. Aquidneck Island's farming history serves as an important counterpoint to Newport's famed maritime trade and Gilded Age mansion history. The 1772 award funded repair and reshingling of the barn's roof and completion of the last phase of a multi-year interior remodeling and exterior rehabilitation project.





Bristol
Friends of Linden Place • 10,000
 Linden Place barn exterior surface
 restoration and painting



Kingston
South County History Center • 2,500
 Old Washington County Jail security system
 upgrades



Middletown
Norman Bird Sanctuary • 10,000
 Barn roof repair and reshingling



Bristol
Mount Hope Farm • 7,500
 Governor Bradford House door repair,
 restoration and painting



Kingston
The Compass School • 10,000
 Seed barn exterior siding



Newport
Newport Art Museum • 15,000
 Cushing/Morris Gallery Building roof and
 skylight repairs



Rhode Island Preservation



Newport
Redwood Library & Athenaeum • 5,000
 Redwood Library & Athenaeum window
 repair and restoration



Providence
Preserve Rhode Island • 10,000
 Lippitt House Museum gutter repair, roof
 replacement



Saundertown
Historic New England • 15,000
 Casey Farm cow barn gutter system replace-
 ment, siding replacement, corner post and
 sill repairs



North Smithfield
North Smithfield Heritage Association
 15,000
 Forestdale Schoolhouse roof repair



Providence
The Rhode Island Historical Society • 10,300
 Aldrich House balustrade, front pillars, upper
 roof deck repairs and/or replacements



Woonsocket
*Stadium Theatre & Conservatory for the
 Performing Arts* • 11,600
 Theatre masonry façade repair



Providence
Dirt Palace • 14,600
 Kendrick-Prentice-Tirrochi House gutter
 system repair, roof repair



Providence
The Steel Yard • 13,500
 Brick façade repair, foundation repair

1772 Foundation

Independent Auditors' Report

To the Board of Trustees of The 1772 Foundation, Inc.

We have audited the accompanying financial statements of The 1772 Foundation, Inc. (the "Foundation") which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 financial statements referred to above present fairly, in all material respects, the financial position of The 1772 Foundation, Inc. as of December 31, 2018 and 2017, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended December 31, 2018 The 1772 Foundation, Inc. adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

PKF O'Connor Davies, LLP

October 24, 2019

PKF O'CONNOR DAVIES, LLP

20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

The 1772 Foundation, Inc.

Statements of Financial Position

	December 31	
	2018	2017
ASSETS		
Cash and cash equivalents	\$ 1,943,322	\$ 621,464
Due from investment	15,791	33,264
Prepaid expenses	-	1,260
Prepaid federal excise tax	4,731	-
Program related investments	1,863,893	1,238,083
Investments	70,251,658	81,641,793
Security deposits	1,100	1,200
	<u>\$ 74,080,495</u>	<u>\$ 83,537,064</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 31,690	\$ 47,234
Grants payable	125,000	490,750
Federal excise tax payable	-	8,354
Deferred federal excise tax liability	-	123,100
Total Liabilities	<u>156,690</u>	<u>669,438</u>
 Net assets without donor restrictions	<u>73,923,805</u>	<u>82,867,626</u>
	<u>\$ 74,080,495</u>	<u>\$ 83,537,064</u>

See notes to financial statements

The 1772 Foundation, Inc.

Statements of Activities

	Year Ended December 31	
	2018	2017
INVESTMENT RETURN		
Dividends and interest	\$ 1,328,727	\$ 1,678,842
Realized gain on investments	1,285,956	4,050,007
Unrealized (loss) gain on investments	(7,618,601)	5,415,220
Other revenue	85,820	27,173
Total Investment Income	(4,918,098)	11,171,242
Less Expenses Directly Related to Investments		
Investment management fees	453,990	420,339
Deferred excise tax (benefit) expense	(123,100)	115,700
Foreign taxes paid	37,698	39,912
Federal excise tax expense	25,612	53,354
Net Investment Return	(5,312,298)	10,541,937
EXPENSES		
Grants and program services	3,360,615	3,856,797
Operations and governance	270,908	270,463
Total Expenses	3,631,523	4,127,260
Change in Net Assets	(8,943,821)	6,414,677
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	82,867,626	76,452,949
End of year	\$ 73,923,805	\$ 82,867,626

See notes to financial statements

The 1772 Foundation, Inc.

Statements of Functional Expenses

	Year Ended December 31					
	2018			2017		
	Grants and Program Services	Operations and Governance	Total	Grants and Program Services	Operations and Governance	Total
Grants authorized, net refunded amounts of \$25,000 in 2018 and \$0 in 2017	\$ 2,969,179	\$ -	\$ 2,969,179	\$ 3,474,163	\$ -	\$ 3,474,163
Salaries and related expenses	256,671	64,168	320,839	224,846	56,212	281,058
Occupancy	11,072	2,768	13,840	11,904	2,976	14,880
Professional fees	17,804	35,365	53,169	22,142	40,793	62,935
Office expenses	10,644	2,528	13,172	10,656	2,444	13,100
Trustee's fees	16,375	147,375	163,750	17,025	153,225	170,250
Dues and subscriptions	1,105	4,421	5,526	879	3,518	4,397
Travel and meetings	55,731	13,933	69,664	42,831	10,708	53,539
Historic preservation fees	20,630	-	20,630	50,000	-	50,000
Insurance	1,403	351	1,754	2,350	588	2,938
Total	\$ 3,360,615	\$ 270,908	\$ 3,631,523	\$ 3,856,797	\$ 270,463	\$ 4,127,260

See notes to financial statements

The 1772 Foundation, Inc.

Statements of Cash Flows

	Year Ended December 31	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (8,943,821)	\$ 6,414,677
Adjustments to reconcile change in net assets to net cash from operating activities		
Realized gain on investments	(1,285,956)	(4,050,007)
Unrealized loss (gain) on investments	7,618,601	(5,415,220)
Deferred federal excise tax	(123,100)	115,700
Change in operating assets and liabilities		
Due from investment	17,473	(33,264)
Prepaid expenses and other receivables	1,260	(60)
Prepaid federal excise tax	(4,731)	-
Security deposits	100	-
Accounts payable and accrued expenses	(15,544)	160,750
Grants payable	(365,750)	16,134
Federal excise tax payable	(8,354)	8,354
Net Cash from Operating Activities	<u>(3,109,822)</u>	<u>(2,782,936)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disbursement of program related investments	(850,000)	(300,000)
Collection of program related investments	224,190	301,480
Proceeds from sale of investments	42,156,941	59,076,301
Purchase of investments	<u>(37,099,451)</u>	<u>(59,153,947)</u>
Net Cash from Investing Activities	<u>4,431,680</u>	<u>(76,166)</u>
Net Change in Cash and Cash Equivalents	1,321,858	(2,859,102)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>621,464</u>	<u>3,480,566</u>
End of year	<u>\$ 1,943,322</u>	<u>\$ 621,464</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for federal excise taxes	\$ 30,000	\$ 45,000

See notes to financial statements

The 1772 Foundation, Inc.

Notes to Financial Statements
December 31, 2018 and 2017

1. Organization

The 1772 Foundation, Inc. (the Foundation) is a tax-exempt private foundation established by Stewart B. Kean in 1984 for the purpose of preserving and enhancing American historical organizations, especially for entities with particular interest in farming, industrial development, transportation or unusual historical buildings.

The Foundation has received its funding through beneficiary payments received from the Estate of Stewart B. Kean, which was established in June 2002.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which 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 revenue and expenses during the reporting period. Accordingly actual results could differ from those estimates.

Change in Accounting Principle

On January 1, 2018, the Foundation adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires the Foundation to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires the Foundation to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements. The implementation of this new standard has been applied retroactively to all periods presented.

Net Asset Presentation

Net assets without donor restrictions include funds having no restriction as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use is limited by donors to a specific time period or purpose or are limited by donors for investment in perpetuity. As of December 31, 2018 and 2017 all net assets were without donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents consists of highly liquid investments with maturities of ninety days or less at the date of acquisition. Included in cash and cash equivalents are money market funds.

The 1772 Foundation, Inc.

Notes to Financial Statements
December 31, 2018 and 2017

2. Summary of Significant Accounting Policies (*continued*)

Fair Value Measurements

The Foundation follows US GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Pursuant to US GAAP, alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient are not categorized with the fair value hierarchy.

Investment Valuation and Income Recognition

Investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized gains and losses on the sale of investments are computed on the specific identification basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Investments Risks and Uncertainties

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

The Foundation makes investments by either directly purchasing various financial positions, or purchasing a portion of an investment fund's partnership capital or shares representing an NAV investment. NAV investments in funds are classified for financial reporting as limited partnership investments.

The 1772 Foundation, Inc.

Notes to Financial Statements
December 31, 2018 and 2017

2. Summary of Significant Accounting Policies (*continued*)

Property and Equipment

Property and equipment are recorded at cost for assets purchased or fair value for assets contributed and depreciated over their estimated useful lives using the straight-line method of depreciation. The Foundation reviews the property and equipment records for impairment of value and records any adjustments necessary to reflect material impacts in value. As of December 31, 2018 and 2017 property and equipment of \$6,398 is fully depreciated and still in use.

Grants

Grants are recorded when authorized by either the Board of Trustees or by officers of the Foundation within limits specified by the Board of Trustees.

Program Related Investments

The Foundation makes Program Related Investments ("PRIs") to other organizations to achieve charitable purposes in alignment with the Foundation's strategies. The investments are comprised of debt related loans. Loan PRIs consist of loans expiring at various times through 2023 and which bear interest at below-market rates. These loans are measured at cost and recorded on a net basis to reflect a discount on loan receivable or a reasonable loss reserve based on borrower's financial health and/or payment history.

Concentrations of Credit Risk

The Foundation's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents and investments. The Foundation places its cash and cash equivalents with what it believes to be quality financial institutions. At times, cash balances exceeded the federal deposit insurance corporation ("FDIC") insurance limit. However, the Foundation has not experienced any losses in these accounts to date. The Foundation's investments, which consist of money market, common stock, mutual funds and similar type investments, and hedge funds are exposed to various risks such as market volatility, liquidity, interest rate and credit.

Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at December 31, 2018 and 2017. In addition, the Foundation has various program related investments. The Foundation through its investment committee and outside financial advisors routinely assesses the financial strength of its cash and investment portfolio. As a consequence, concentrations of credit risk are limited.

The 1772 Foundation, Inc.

Notes to Financial Statements
December 31, 2018 and 2017

2. Summary of Significant Accounting Policies (*continued*)

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or operations and governance of the Foundation. Expenses reported by functional categories include allocations of occupancy, professional fees, office expenses, trustee fees, dues and subscriptions, travel and meetings, and insurance. The Foundation applies various methods to allocate costs among the program and operations and governance, the most significant of which is by the amount of direct mission-related work.

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition or disclosure. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2015.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is October 24, 2019.

3. Fair Value Measurements

The following are major categories of investments measured at fair value on a recurring basis at December 31, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	2018			
	Level 1	Level 2	Investments Valued Using NAV (*)	Total
Common stock	\$30,804,271	\$ -	\$ -	\$30,804,271
Exchange traded and closed end funds	20,557,507	-	-	20,557,507
Mutual funds	6,295,798	-	-	6,295,798
Municipal bonds	-	594,519	-	594,519
Corporate fixed income	-	1,063,778	-	1,063,778
Government securities	-	1,073,196	-	1,073,196
Hedge funds - multi-strategy	-	-	3,772,751	3,772,751
Private equity funds	-	-	543,505	543,505
Total Investments Measure at Fair Value	<u>\$57,657,576</u>	<u>\$ 2,731,493</u>	<u>\$ 4,316,256</u>	64,705,325
Money market funds, at cost				<u>5,546,333</u>
Total Investments				<u>\$70,251,658</u>

The 1772 Foundation, Inc.

**Notes to Financial Statements
December 31, 2018 and 2017**

3. Fair Value Measurements (continued)

	2017			
	Level 1	Level 2	Investments Valued Using NAV (*)	Total
Common stock	\$36,597,712	\$ -	\$ -	\$36,597,712
Exchange traded and closed end funds	18,963,114	-	-	18,963,114
Mutual funds	9,361,618	-	-	9,361,618
Municipal bonds	-	1,722,112	-	1,722,112
Corporate fixed income	-	2,281,262	-	2,281,262
Government securities	-	1,889,729	-	1,889,729
Hedge funds - multi-strategy	-	-	5,898,045	5,898,045
Private equity funds	-	-	470,228	470,228
Investments at Fair Value	<u>\$64,922,444</u>	<u>\$ 5,893,103</u>	<u>\$ 6,368,273</u>	<u>77,183,820</u>
Money market funds, at cost				<u>4,457,973</u>
Total Investments				<u>\$81,641,793</u>

(*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

Information regarding alternative investments valued at NAV using the practical expedient at December 31, 2018 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds - multi-strategy (see "a" below)	\$3,772,751	\$ -	Quarterly	45-60 days
Private equity funds (see "b" below)	<u>543,505</u>	<u>395,000</u>	N/A	N/A
	<u>\$4,316,256</u>	<u>\$ 395,000</u>		

- a. This category includes a hedge fund investment that invests in long/short strategies in a variety of areas such as US and global equities, event-driven situations and distressed securities and a fund that invests substantially all of its assets in private investment funds managed by a range of alternative investment managers that employ a variety of investment strategies, including, but not limited to, credit and event-oriented investing, hedged credit, convertible arbitrage, long/short equity (low net exposure) and merger arbitrage. Investments in this category can be redeemed on a quarterly basis.
- b. The Fund, through its allocation of assets to the Trading Funds, invests in a range of trading styles, including long-term trend following, short-term systematic, value, discretionary macro and specialists FX strategies. Market exposure is broadly diversified with position in global currency, financial and commodity markets.

The 1772 Foundation, Inc.

Notes to Financial Statements December 31, 2018 and 2017

4. Program Related Investments

The Foundation makes PRIs to other organizations to achieve charitable purposes in alignment with the Foundation's strategies. The Foundation's PRIs bear interest at below-market rates of 2%, generally paid annually. As of December 31, 2018 and 2017, all PRIs are considered performing receivables and none are considered past due.

PRI loan funds are measured at cost of \$1,863,892 and \$1,238,083 at December 31, 2018 and 2017. Management has reviewed the collectability of all loan funds and deemed an allowance to be unnecessary.

The Foundation's PRI portfolio is summarized as follows:

	Year Ended December 31,	
	2018	2017
Balance at beginning of year	\$ 1,238,083	\$ 1,239,563
Loans disbursed	850,000	300,000
Payments received	(224,190)	(301,480)
Balance at end of year	<u>\$ 1,863,893</u>	<u>\$ 1,238,083</u>

Expected repayments are as follows:

2019	\$ 503,996
2020	703,977
2021	99,961
2022	276,960
2023	<u>278,999</u>
	<u>\$ 1,863,893</u>

5. Grants Payable

Grants payable represent unconditional grants that have been authorized by the Foundation's Board of Trustees but remain unpaid as of the statement of financial position date. Such grants payable are recorded at their current face value which is not materially different from the present value using a discount rate commensurate with the risks involved.

6. Retirement Plan

The Foundation has a plan qualifying under Section 403 (b) of the Internal Revenue Code, which covers substantially all employees. Eligible employees can defer up to the maximum limits allowable under the Internal Revenue Code, for which the Foundation matches up to 6% of those employee deferrals. Total matching contributions made for the years ended December 31, 2018 and 2017 amounted to \$19,382 and \$14,088.

The 1772 Foundation, Inc.

**Notes to Financial Statements
December 31, 2018 and 2017**

7. Commitments

The Foundation leases its office in Newport, Rhode Island. The lease expired on April 30, 2018. Total rent expense under the lease agreement amounted to \$13,840 and \$14,880 for the years ended December 31, 2018 and 2017. Commencing May 1, 2018, the Foundation entered into a two year lease in Providence, Rhode Island with annual rent expense of \$14,400 per year.

8. Federal Excise Taxes and Required Distributions

The Foundation is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code") and is classified as a private foundation under Section 509(a) of the Code. The Foundation is subject to Federal excise tax equal to 2% of its net investment income, which includes interest, dividends, net income from limited partnerships and net gain on sale of investments. If the Foundation meets certain criteria, this tax is reduced to 1%. For 2018 and 2017, the Foundation met the criteria and, therefore, paid a 1% excise tax.

The Foundation made provisions for deferred federal excise taxes which were recorded at the expected future 1% excise tax rate.

The Foundation must distribute, as required by the Internal Revenue Service, within one year after the end of each fiscal year, the minimum investment return defined as 5% of the non-charitable use assets. The Foundation was in compliance with the distribution requirements for the years ended December 31, 2018 and 2017.

9. Liquidity and Availability of Financial Assets

The Foundation's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows for December 31, 2018:

Financial assets:	
Cash and cash equivalents	\$ 1,943,322
Due from investment	15,791
Program related investments	1,863,893
Investments	<u>70,251,658</u>
Total financial assets	<u>74,074,664</u>
Less: Contractual Restrictions	
Program related investments to be received in the future periods	1,359,897
Illiquid investments	<u>543,505</u>
	<u>1,903,402</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 72,171,262</u>

The 1772 Foundation, Inc.

Notes to Financial Statements
December 31, 2018 and 2017

9. Liquidity and Availability of Financial Assets (*continued*)

As part of the Foundation's liquidity management strategy, the Foundation structures its financial assets to be available as its grant payments and other general liabilities come due. The withdrawals are adjusted based on the grants to be disbursed and other factors affecting available cash such as capital calls on investments, investment income and capital distributions, general operating expenses, program costs and other factors affecting available cash.

* * * * *





STEWART BARNEY KEAN • 1934-2002
FOUNDER

1772 FOUNDATION TRUSTEES

B. Danforth Ely • Tom Moriarity • Dr. Robert Raynolds
Dr. Christina Spellman • Margaret Waldock

1772 FOUNDATION TRUSTEES EMERITI

G. Stanton Geary • J. David Schardien

WWW.1772FOUNDATION.ORG