S. B. Kean • 1934-2002
Founder
THE PRESIDENT’S LETTER

THE 1772 FOUNDATION

In 2013, the Foundation continued to have a strong, well-positioned and effective granting program in its key areas of focus: Historic Properties Redevelopment Programs (revolving funds), small matching grants in Connecticut and New Jersey, and Farmland Preservation in the Northeast. Additionally, the Foundation made 11 Innovation grants to applicants proposing innovative, critical and replicable programs.

2013 grant awards totaled $2,854,490, allocated as follows: $1,161,490 to 24 revolving fund projects in 12 states and the District of Columbia, $955,000 to 20 land trusts for farmland preservation within 100 miles of Boston and New York City, $480,000 in small matching grants of up to $15,000 in Connecticut (16 recipients) and New Jersey (27 recipients), and $258,000 in innovation grants to 11 applicants. A breakdown of these grants is shown in the following pages of this report.

Revolving funds have become such an effective tool in historic preservation that 1772 feels strongly the revolving fund movement should be expanded. To that end, it has been working with its revolving fund partners and the National Trust for Historic Preservation to find ways to “get the word out” about this preservation tool. During 2013, the 1772 Foundation had several convenings, helped design and fund a real estate finance course for revolving fund directors who lacked this important skill set, and sponsored a number of sessions and a real estate charrette at the Trust’s conference in Indianapolis in October. Additionally, 1772 is working with the Trust to establish a Historic Properties Redevelopment Programs Office at the Trust, with a full time coordinator to manage this work. We hope to have this person in place in early 2014.

In April, the Foundation received the 2013 Harlan H. Griswold Award for Historic Preservation from the Connecticut State Historic Preservation Office. Kip Bergstrom, Deputy Commissioner, Connecticut Department of Economic and Community Development, made the presentation at the State Capitol in Hartford. He noted that more than any other private funder, 1772 had demonstrated a commitment to investing in historic properties in Connecticut, granting them more than $1,200,000 since 1997. A large measure of this recognition is due to the incredible efforts of Executive Director, Mary Anthony, over the past ten years.

For the past seven years, the Board of Trustees has been fortunate to have the talents of Dr. Nancy Davis, Curator of Home and Community Life at the Smithsonian and Dr. Gretchen Sorin, Director/Distinguished Professor of Museum Studies at the Cooperstown Graduate Program. Their knowledge of historic preservation and their insights and wisdom have been invaluable. The Board is grateful for their contributions during these past seven years. Nancy and Gretchen are stepping down at year-end. At the Foundation’s October meeting, Margaret Waldock, Program Director at the Geraldine R. Dodge Foundation and Christina Spellman, Executive Director of the Mayday Fund, were elected to the Board. We are delighted to have Margaret’s and Christina’s experience and knowledge and welcome them to the Board in 2014.

As we enter 2014, the Foundation acknowledges the generosity of its benefactor, Stewart B. Kean, and will continue to work diligently to ensure it awards its grants in a way that will further his desire to do all we can to preserve America’s historical treasures.

B. Danforth Ely

President
### 1772 Foundation Fiscal 2013 - Historic Preservation Grants

<table>
<thead>
<tr>
<th>Applicant</th>
<th>State</th>
<th>Award</th>
<th>Project</th>
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In addition to historic preservation and farmland protection grants, $154,000 in director-recommended grants were approved and distributed to the following non-profit organizations:

- Aquidneck Land Trust
- Boys & Girls Clubs of Newark LifeCamp
- Christ Church, Pomfret, CT
- Church of the Good Shepherd, Rahway, NJ
- Civic Works at The Clifton Mansion
- Connecticut Audubon Society Center at Pomfret
- Connecticut Humanities Council
- Cool Culture
- The Cooperstown Art Association
- Day Kimball Healthcare
- Eastern Shore Land Conservancy
- The Foundation for Morristown Medical Center
- Franklin Stage Company
- Friends of Dinosaur Ridge
- The Friends of the Clarence Dillon Public Library
- Friends of the Pomfret Public Library
- Hamilton Partnership for Paterson
- Historic London Town and Gardens
- Lake Waramaug Association
- The L’Enfant Trust
- Michigan Land Use Institute
- New Jersey Conservation Foundation
- North Country Trail Association
- Plaid House
- The Preservation Society of Newport County
- The Putney School
- Quinebaug Valley Community College Foundation
- Raritan Headwaters Association
- The Rectory School
- Saint Mary’s Episcopal Church, Springfield, NY
- Springfield Fire Department, NY
- The State University College at Oneonta Foundation
- Weeksville Heritage
- Windham County 4-H Foundation, Inc.
- Woodstock Academy
- Wyndham Land Trust, Inc.
- YMCA of Greater Hartford

Historic preservation and farmland protection grants ranged from $682 to $155,000. The average grant was $27,985.

The top ten grants totaled $715,000 or 25% of the total amount granted in 2013.

Massachusetts received the most funding, $428,000 for 11 projects, followed by Connecticut with $425,990 for 22 projects.
LETTER FROM THE EXECUTIVE DIRECTOR

THE 1772 FOUNDATION

We catch on to the truth and technique of expectation in those rare moments when we are stirred by an awareness of a guidance seemingly higher and greater than our own, when for a little while we are taken over by a force and an intelligence above and beyond those commonly felt. Confident and free, filled with wonder and ready acceptance, we permit ourselves to be taken over by our unquestioning self. – Marcus Bach

Impact reports, investment returns, budgets, process improvement, strategic plans, meetings, audits. The business of being a business. Even as a non-profit foundation, we are wrapped in the layers of responsibility of being in business and accountability for the use of tax-exempt funds. And that means numbers and reports and meetings; all that is necessary and critical to keeping the ship on course.

1772 does not exist to be in the business of being a foundation. We exist to bring historic places back to life, and we do that because there is real proof that historic preservation matters: it is an economic driver, it has significant environmental benefit, it provides people with quality spaces to live and work. It matters, and we can measure our impact in these areas.

Those of us with left-brain orientations are comfortable with the trappings of business, the veneer over the organic reasons we do what we do. We initially may face uneasiness when we delve too deeply into the “soft” side of our work, the part that exposes our connection to the artistry and magic of the field of historic preservation. That unease dissipates as we allow ourselves to experience the emotions and thoughtfulness attributed to the right side of the brain.

It is important to pause and recognize those moments that fuel our imagination and enthusiasm through the more mundane tasks of being in business. Our group has experienced these special moments of clarity, where the magic is revealed and we know without a doubt that what we do is important. They come upon us unexpectedly.

Among them, a hushed moment after our board and staff, one by one, ducked under an old rusted chain link fence on a drizzly April afternoon in gritty Paterson, NJ to get a glimpse of the abandoned Hinchliffe Stadium. The glory of it was palpable through the crumbling walls and graffiti; once a Field of Dreams for African-American ball players and still echoing their triumphs and struggles.

And again, feeling the weight of the most priceless of gems in a handful of beans at Seed Savers Exchange, passed down from the Cherokees who brought them on their forced march west in 1838. The beans are named “Trail of Tears” and carry with them a painful history and the hope for a better future. Heirlooms like these represent an incredible effort to protect us all from genetic erosion and may well be the salvation of our future food supply. They are kept viable on an overwhelmingly important field of dreams, Noah’s Ark and the Garden of Eden wrapped into one, at Heritage Farm in Decorah, IA. We felt the weight of history and the promise for our future on an early summer afternoon on that sacred ground.

And, forever imprinted in my mind - the lush humidity that sinks around us while we soak in the sight of a fragile Gullah cottage framed by a majestic live oak on Daufuskie Island in South Carolina, a perfect metaphor for the strength and vulnerability of the people who once lived there.

And, even on a routine trip to Providence, RI, smelling fresh coffee and feeling the distinct hum of vibrant arts and culture in a neighborhood that was written off thirty years ago.

These experiences are familiar to all of us who care about preserving the sense of place through preservation. We need these moments to remind us of what really matters and to be inspired to do more. Maya Angelou’s quotation about life is aptly applied to work which cannot always be measured: “not measured by the number of breaths we take, but by the moments that take our breath away.”

Mary Anthony

Executive Director
The Land Trust Alliance, with its mission to save the places people love by strengthening land conservation across America, partnered with The 1772 Foundation in 2013 to manage its Northeast Land Trusts Engaged in Farmland Protection Program. The goal of the program is to address issues of food security within 100 miles of New York and Boston through conserving farmland critical for the advancement of local and regional food production. Investments are focused specifically on supporting land trust led farmland protection projects in the region.

There are over 160 land trusts working in the region with farmland protection as a conservation priority. These organizations, from the all volunteer-led to the largest land trusts in the Northeast, count on strong partnerships, creativity and patience when undertaking what can often be complex farmland protection projects. Funding from The 1772 Foundation helped close the gap for land trusts working to cover acquisition and transactions costs. In 2013, the Program received 31 applications and funded 21 projects that supported conserving nearly 3,000 acres of farmland in the region.

Projects receiving support included large scale rural farms as well as inner-city community gardens, reflecting the diversity of food production in the Northeast. From multi-farm initiatives in northern New Jersey, to a one-acre community garden in Chelsea, MA, to a 300-acre farm in Kittery, ME, the breadth and diversity of the farms, the geography and the partnerships that put together these projects represent the opportunities and the challenges of achieving meaningful farmland conservation. The future of food security in the Northeast relies on a healthy and available land base. The work of the land trust community and its partners is critical to the long-term viability of local food production. The Land Trust Alliance and The 1772 Foundation were pleased to be able support these initiatives that advanced farmland preservation success across the region.

Kevin Case
Northeast Director
Land Trust Alliance

Our Mission: To save the places people love by strengthening land conservation across America.
Southbury Land Trust  
Connecticut • 50,000  
Stillmeadow Farm

East Quabbin Land Trust  
Massachusetts • 30,000  
Patterson Farm

The Trust for Public Land  
Connecticut • 50,000  
Coogan Farm

Franklin Land Trust  
Massachusetts • 50,000  
Five farms in Franklin and Hampshire Counties

Wintonbury Land Trust  
Connecticut • 50,000  
Hawk Hill Farm

Mount Grace Land Conservation Trust  
Massachusetts • 50,000  
Red Fire Farm

The Trustees of Reservations  
Massachusetts • 50,000  
Haskell Property

Sheffield Land Trust  
Massachusetts • 50,000  
Chase-Bow Wow Farm

The Trust for Public Land  
Massachusetts • 50,000  
Chelsea Community Garden

The Trust for Public Land  
Massachusetts • 50,000  
Tedeschi Farm
Farmland Conservation

The Land Conservancy of New Jersey
New Jersey • 50,000
Beaver Brook Farm

Kittery Land Trust
Maine • 50,000
Rustlewood Farm

Upper Valley Land Trust
New Hampshire • 50,000
Foulks Farm

Hunterdon Land Trust
New Jersey • 15,000
Farms in Hunterdon County
New Jersey Conservation Foundation
New Jersey • 50,000
Wister Farm and Hill and Dale Farm

Open Space Institute
New York • 25,000
Wallkill View Farm

Peconic Land Trust
New York • 50,000
Leucadia National farm properties

Heritage Conservancy
Pennsylvania • 50,000
Casey Farm

Scenic Hudson
New York • 50,000
Kesike Farm

The Westerly Land Trust
Rhode Island • 35,000
Hence Farm

Vermont Land Trust
Vermont • 50,000
Cassidy Farm
In 2013, The 1772 Foundation continued to use both direct granting and non-granting work to make its efforts in the field of Historic Properties Redevelopment Programs impactful. Its non-traditional involvement included training, conferences, fellowships, convenings, publications, website, social media, peer review, and collaboration with other funders. Its funding in this field totaled $1,161,490, in 12 states and the District of Columbia, in grants ranging from $990 to $155,000.
The Connecticut Trust for Historic Preservation
Connecticut • 75,000
Revolving fund

Hartford Preservation Alliance
Connecticut • 990
Convening

Hartford Preservation Alliance
Connecticut • 75,000
Revolving fund

Historic Augusta
Georgia • 75,000
Goodale (1799 plantation house)

Historic Macon Foundation
Georgia • 155,000
Revolving fund

Historic Savannah Foundation
Georgia • 37,500
Revolving fund

The Georgia Trust
Georgia • 37,500
Revolving fund: Sustainable Sparta

Preservation Resource Center of New Orleans
Louisiana • 25,000
Revolving fund

Historic Boston Incorporated
Massachusetts • 25,000
Alva Kittredge House

The L’Enfant Trust
District of Columbia • 50,000
Revolving fund
Historic Properties
Historic Salisbury Foundation  
North Carolina • 50,000  
Fulton-Mock-Blackmer House  

Fairmount Park Historic Preservation Trust  
Pennsylvania • 20,000  
Revolving fund  

New Hampshire Preservation Alliance  
New Hampshire • 25,000  
Revolving fund  

Preservation Society of Charleston  
South Carolina • 30,000  
Revolving fund  

Knox Heritage  
Tennessee • 25,000  
Revolving fund  

Providence Revolving Fund  
Rhode Island • 60,000  
Revolving fund  

The Palmetto Trust for Historic Preservation  
South Carolina • 73,000  
Revolving fund: Daufuskie Island Gullah cottages
In the third year of a granting partnership between The 1772 Foundation and the Connecticut Trust for Historic Preservation, $190,000 was invested in 16 historic sites. Since the partnership began in 2011, the Foundation has distributed $575,000 to 53 historical societies and museums across the state, by far the most any private foundation has committed to the preservation of Connecticut’s heritage sites.

The Connecticut Trust utilizes its three Circuit Riders in vetting the applications submitted to the Foundation by making site visits to all prospective grant recipients. Many of the organizations have received earlier planning grants through the Connecticut Trust’s Historic Preservation Technical Assistance Grants, which help inform an appropriate scope of work for each project. In all, 63 Letters of Inquiry requesting $670,000 in maintenance and repair projects were evaluated by Connecticut Trust staff. About half of those were recommended to submit a full application.

The Connecticut Trust for Historic Preservation is a non-profit, state-wide membership organization, with a 33-member board, three of whom are appointed by the governor. It was established by a special act of the Connecticut General Assembly in 1975 and is dedicated to preserving the state’s historic architecture, streetscapes, urban neighborhoods and country landscapes.
Bristol Historical Society
Connecticut • 8,720
Former Bristol High School window and sill restoration

Bushnell Park Foundation
Connecticut • 15,000
Soldiers & Sailors Memorial Arch brownstone restoration and window repair

Connecticut River Foundation at Steamboat Dock
Connecticut • 12,655
Hayden Chandlery exterior painting

The Connecticut Daughters of the American Revolution, Inc.
Connecticut • 5,500
Governor Jonathan Trumbull, Jr. House exterior painting

Deep River Historical Society
Connecticut • 12,750
Stone House chimney, roof and window repairs

Keeler Tavern Preservation Society, Inc.
Connecticut • 10,500
Keeler Tavern roof repair

New London Ledge Lighthouse Foundation
Connecticut • 12,000
New London Ledge Lighthouse roof and window repairs

Railroad Museum of New England
Connecticut • 15,000
Thomaston Station masonry repair

Scotland Historical Society
Connecticut • 6,000
Edward Waldo House exterior painting
Sharon Historical Society
Connecticut • 15,000
Gay-Hoyt House masonry repair

The Deacon John Grave Foundation
Connecticut • 4,500
Deacon John Grave House chimney repair

The Legacy Theatre
Connecticut • 12,500
Stony Creek Puppet House roof replacement

Torrington Historical Society
Connecticut • 15,000
Hotchkiss-Fyler House Museum roof restoration

Wallingford Historic Preservation Trust, Inc.
Connecticut • 15,000
Nehemiah Royce House security and fire detection system

Wethersfield Historical Society
Connecticut • 15,000
Captain James Francis House exterior painting and brownstone restoration

Windsor Historical Society
Connecticut • 14,875
Strong-Howard House exterior restoration
For the third year, the New Jersey Historic Trust was thrilled to partner with The 1772 Foundation to provide crucial funding for New Jersey’s historic sites. The Historic Trust evaluated 37 applications requesting a total of $382,300. It ultimately recommended funding totaling $290,000 for 27 applicants. Window restoration, porch repair, cedar roofs, exterior painting and sill repair are just a few of the projects that this funding made possible.

Pictured below is the Bainbridge House in Princeton. The Historical Society of Princeton was awarded $5,000 to help fund installation of a fire detection and security system. “The new system will protect the historic building, the people who visit our museums and research area, our staff and volunteers, and our precious object and archive collections that are the basis of all our important work,” according to Executive Director Erin Dougherty.

“This funding has had a huge impact on our nonprofit history community and leveraged a great deal of private giving as a result. Lasting effects from the recession and impacts from the dramatic weather patterns of the past few years have challenged our smaller organizations. These matching grants have made it possible to better protect and sustain the state’s historical legacy,” said Dorothy P. Guzzo, Executive Director of the New Jersey Historic Trust. She added, “We are extremely grateful to The 1772 Foundation for this opportunity.”
Alice Paul Institute
New Jersey • 11,978
Paulsdale porch restoration

Atlantic Highlands Historical Society
New Jersey • 15,000
Strauss Mansion window repair and restoration

Bordentown Historical Society
New Jersey • 15,000
Bordentown Friends Meeting House roof replacement

Burlington County Lyceum
New Jersey • 5,000
Mount Holly Library roof restoration

Camden County Historical Society
New Jersey • 15,000
Pomona Hall roof restoration

Cedar Grove Historical Society
New Jersey • 8,860
Canfield-Morgan Farmhouse roof and porch repairs

New Jersey Preservation
Cooper’s Ferry Partnership  
New Jersey • 15,000  
Benjamin Cooper House roof restoration

Crosswicks Community Association  
New Jersey • 13,931  
Crosswicks Community House security and fire detection system

Durand-Hedden House and Garden Association  
New Jersey • 15,000  
Durand-Hedden House exterior painting

Evergreen Cemetery  
New Jersey • 2,650  
Administration building and chapel exterior painting and roof and porch repairs

Historical Society of Plainfield  
New Jersey • 10,567  
Drake House Museum security and fire detection system

Historical Society of Princeton  
New Jersey • 5,500  
Bainbridge House security and fire detection system

Information Age Learning Center  
New Jersey • 15,000  
Marconi Hotel roof repair

Long Beach Island Foundation of the Arts & Sciences  
New Jersey • 1,375  
Main building security and fire detection system

Mid-Atlantic Center for the Arts and Humanities  
New Jersey • 15,000  
Emlen Physick Estate outbuildings roof repairs

Musconetcong Watershed Association  
New Jersey • 15,000  
Asbury Mill masonry repair
Ocean County Historical Society  
New Jersey • 7,575  
Pierson-Sculthorp House conditions assessment and maintenance plan

Perkins Center for the Arts  
New Jersey • 15,000  
Arts Center roof restoration

Preservation New Jersey  
New Jersey • 9,000  
1867 Sanctuary masonry, window and door repairs

Port Norris Historical Society  
New Jersey • 1,500  
1890 building window restoration

Reeves-Reed Arboretum  
New Jersey • 8,000  
Wisner House roof, porch and door repairs

The Friends of the Kennedy Martin Stelle Farmstead  
New Jersey • 11,500  
English barn exterior painting and wood trim restoration, lightning protection and roof replacement

Trustees of the Lambertville Free Public Library  
New Jersey • 15,000  
Lilly Mansion exterior painting and masonry repair

Twin Lights Historical Society  
New Jersey • 15,000  
Spermaceti Cove Boat Building security and fire detection system

Union Forge Heritage Association  
New Jersey • 682  
Joseph Turner House security and fire detection system

Waldwick Community Alliance  
New Jersey • 11,882  
Waldwick Train Station window restoration
During the course of the year, the Foundation extends invitations to organizations to apply for special grants. These grants are for projects that we consider to be innovative, critical, and replicable.

**Land Trust Alliance**
Connecticut • 10,000
Convening

**National Geographic Society**
District of Columbia • 25,000
The Future of Food series

**Seed Savers Exchange**
Iowa • 30,000
CORE (Collection Origins Research Effort)

**Jefferson Davis Grant Foundation**
Maine • 10,000
On the Edge documentary film

**Island Institute**
Maine • 25,000
Community-based island energy efficiency/weatherization program

**City Lore, Inc.**
New York • 30,000
The Pilgrims documentary film

**Historic House Trust of New York City**
New York • 20,000
Anarchist Guide to House Museums initiative

**Partners for Sacred Places**
Pennsylvania • 30,000
Food in Sacred Places program

**The Livestock Conservancy**
North Carolina • 40,000
Discover, Secure, and Sustain program

**South Carolina African American Heritage Foundation**
South Carolina • 30,000
Slave Dwelling Project conference
At its annual meeting in October, the Trustees elected two new members to the Board: Dr. Christina Spellman and Ms. Margaret Waldock. They fill positions held for seven years by Dr. Nancy Davis and Dr. Gretchen Sorin.

**Dr. Spellman** is the Executive Director of the Mayday Fund, a family foundation dedicated to alleviating pain and active in health philanthropy. In that role, she brings experience with best practices of foundation management and governance. She has served as a member of a funders collaborative for palliative care and brings Mayday’s experience with best practices through membership in Philanthropy New York and the Council on Foundations. Prior to joining Mayday, as an urban sociologist, her research focused on the role of culture in 19th and 20th century European and American cities, with emphasis on the role of urban planning and spatial arrangements in influencing habits. Her last faculty appointment was with New York University. In New York in the policy sector, she also worked as a researcher for the Comptroller’s Office, for the waterfront section of the New York City Commission on the Year 2000 Report, and as a field researcher on federal grants involving anti-poverty programs. Dr. Spellman holds a PhD in Sociology from New York University.

**Ms. Waldock** brings extensive environment and nonprofit experience to her current position as Environment Program Director at the Geraldine R. Dodge Foundation based in Morristown, New Jersey. In her current role, she manages all of the foundation’s grantmaking in the environment, focused specifically on supporting watershed protection, urban greening, and regional food systems in New Jersey. Previously, she worked for over 15 years in nonprofit land conservation and stewardship, beginning her career with the American Farmland Trust in Washington, DC, working on national farmland preservation initiatives, and working for the Trust for Public Land and the New Jersey Green Acres Program on open space preservation in New Jersey. For eight years, she was the executive director of the Hunterdon Land Trust, a land conservation organization working to preserve the rural landscapes of Hunterdon County. During her time at the land trust, Ms. Waldock built the organization from its early, volunteer origins to a professionally staffed land trust, facilitating the permanent preservation of over 5,000 acres of farmland and open space in the county. She is a 1992 graduate of Vermont Law School with a Juris doctor and Masters of Studies in Environmental Law, as well as a graduate of S.U.N.Y College at Brockport, with a Bachelors of Science degree in Biology.
On April 4th, The 1772 Foundation received the 2013 Harlan H. Griswold Award for Historic Preservation from the Connecticut State Historic Preservation Office at the Department of Economic and Community Development (DECD) and the Connecticut Trust for Historic Preservation. Harlan H. Griswold was an incorporator of the Connecticut Trust and longtime chairman of the Connecticut Historical Commission. The award in his name recognizes individuals, corporations or organizations whose activities exemplify Mr. Griswold’s leadership, vision, and dedication to preserving Connecticut’s heritage. The awards ceremony took place in the Hall of Flags at the State Capitol in Hartford. B. Danforth Ely, President, G. Stanton Geary, Vice President, and Mary Anthony, Executive Director, accepted the award. Deputy Commissioner, Connecticut Department of Economic and Community Development, Kip Bergstrom made the presentation.

During the ceremony, it was noted that The 1772 Foundation, more than any other private funder, had demonstrated a commitment to investing in Connecticut’s historic museums and other historic properties in need of maintenance and restoration. The Foundation distributes grants of up to $15,000 for smaller bricks and mortar, mainly maintenance, projects to 501c3 nonprofits. Since 2011, it has invested $385,000 in 37 historical societies, museums, and other heritage groups across the state. All grants are matched with cash and often leverage state dollars. The 1772 Foundation’s granting program is “a huge and highly unusual private foundation commitment to historic preservation” and historical societies, museums, and other nonprofit stewards of significant sites in every part of the state have been able to better care for their historic treasures thanks to the Foundation.

The Foundation was praised for its recognition of the crucial importance of regular maintenance and maintenance planning by providing matching grants for exterior painting; fire detection and/or security systems; roof, porch, and window restoration; sill and foundation repair/replacement; and chimney repointing.

Mary Anthony, Executive Director, G. Stanton Geary, Vice President, Kip Bergstrom, Deputy Commissioner, Connecticut Department of Economic and Community Development, B. Danforth Ely, President
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., (a non-profit organization), which comprise of the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these 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 of 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 auditor’s 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, 2013 and 2012 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Leshner, Franchino & Company LLP

Morristown, New Jersey
May 19, 2014
## THE 1772 FOUNDATION, INC.  
STATEMENTS OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 8,507,183</td>
</tr>
<tr>
<td>Investments at fair market value</td>
<td>72,248,009</td>
</tr>
<tr>
<td>Prepaid expenses and other receivables</td>
<td>58,550</td>
</tr>
<tr>
<td>Program-related investments</td>
<td>428,147</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>1,288</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 81,243,176</td>
</tr>
</tbody>
</table>

## LIABILITIES AND UNRESTRICTED NET ASSETS

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and other liabilities</td>
<td>$ 83,234</td>
</tr>
<tr>
<td>Grants payable</td>
<td>175,000</td>
</tr>
<tr>
<td>Deferred excise taxes payable</td>
<td>96,400</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>354,634</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted net assets</strong></td>
<td>80,888,542</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$ 81,243,176</td>
</tr>
</tbody>
</table>

See the Auditor's Report and the accompanying Notes to Financial Statements.
## THE 1772 FOUNDATION, INC.
### STATEMENTS OF ACTIVITIES

<table>
<thead>
<tr>
<th>Years Ended December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
</tbody>
</table>

### Revenues and gains

**Investment income**

- Interest, dividends and other income $1,767,021
- Unrealized gains $6,091,463
- Realized gains $1,346,026
- **Total investment income** $9,204,510

**Less: expenses directly related to investments**

- Investment management and custodial fees $237,529
- Current and deferred excise taxes $89,566
- **Total investment expenses and taxes** $327,095

**Net investment income** $8,877,415

**Contributions** $2,000,000

**Total revenues and gains** $8,877,415

### Expenses

**Grant expenses**

- Grants $2,814,490
- Fellowship grants $27,000
- Historic preservation conference $75,000
- **Total grants** $2,916,490

**Operating expenses**

- Trustees' fees $189,750
- Salaries and wages $143,600
- Meetings, travel, and site visits $74,206
- Professional fees $35,501
- Office supplies and expenses $12,680
- Payroll taxes $11,379
- Employee benefits $10,432
- Rent $9,630
- Pension $7,074
- Insurance $6,627
- Dues and subscriptions $5,190
- Telephone $3,847
- Outside service fees $3,393
- Utilities $2,561
- Depreciation $1,258
- **Total operating expenses** $517,127

**Total expenses** $3,433,617

### Change in unrestricted net assets

- $5,443,798

### Unrestricted net assets at beginning of year

- $75,444,744

### Unrestricted net assets at end of year

- $80,888,542
- $75,444,744

---

See the Auditor's Report and the accompanying Notes to Financial Statements.
THE 1772 FOUNDATION, INC.
STATEMENTS OF CASH FLOWS

Cash flows from operating activities:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in unrestricted net assets</td>
<td>$5,443,798</td>
<td>$4,855,579</td>
</tr>
<tr>
<td>Adjustments to reconcile change in unrestricted net assets to net cash provided by (used for) operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,258</td>
<td>1,258</td>
</tr>
<tr>
<td>Realized (gains) on sale of investments</td>
<td>(1,346,026)</td>
<td>(589,846)</td>
</tr>
<tr>
<td>Unrealized (gains) on investments</td>
<td>(6,091,463)</td>
<td>(4,514,699)</td>
</tr>
<tr>
<td>Deferred excise taxes</td>
<td>60,900</td>
<td>35,500</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other receivables</td>
<td>630</td>
<td>5,040</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>27,915</td>
<td>(4,867)</td>
</tr>
<tr>
<td>Excise taxes payable</td>
<td>(3,100)</td>
<td>6,700</td>
</tr>
<tr>
<td>Grants payable</td>
<td>(150,000)</td>
<td>325,000</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>(7,499,886)</td>
<td>(4,735,914)</td>
</tr>
<tr>
<td>Net cash provided by (used for) operating activities</td>
<td>(2,056,089)</td>
<td>119,665</td>
</tr>
</tbody>
</table>

Cash flows from investing activities:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding of program-related investments</td>
<td>(500,000)</td>
<td>---</td>
</tr>
<tr>
<td>Returns of principal program-related investments</td>
<td>71,853</td>
<td>---</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>17,170,466</td>
<td>16,950,024</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(15,055,347)</td>
<td>(15,503,705)</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>1,686,971</td>
<td>1,446,319</td>
</tr>
</tbody>
</table>

Net increase (decrease) in cash and cash equivalents | (369,118) | 1,565,983 |

Cash and cash equivalents at beginning of year | 8,876,301 | 7,310,318 |

Cash and cash equivalents at end of year | $8,507,183 | $8,876,301 |

Supplemental disclosure of cash flow information:

Cash payments for excise taxes | $31,761 | $15,040 |

See the Auditor's Report and the accompanying Notes to Financial Statements.
THE 1772 FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 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 though beneficiary payments received from the Estate of Stewart B. Kean which was established in June 2002. During the year ended December 31, 2012 the Foundation received $2,000,000 in contributions from the estate, no contributions were received in 2013.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
Financial statement presentation has been prepared on the accrual basis of accounting, which includes the recognition of income and expenses as earned or incurred.

Cash Equivalents
The Foundation considers cash and all other highly liquid investments with original maturities of three months or less at date of acquisition to be cash equivalents.

Investments
Investments in marketable securities are stated at fair value. Investment transactions are recorded on the trade date, which may result in receivables and payables on trades that have not settled as of the financial statement date. Dividend income is recorded based on the ex-dividend date, and interest income is recorded as earned on the accrual basis. Realized gains and losses are recorded as the difference between historical cost and fair value, and are shown on a net basis. Unrealized gains and losses are recorded for the change in fair value of investments between reporting periods.

Alternative investments include private equity interests, commingled funds, hedge funds and limited partnership interests. These investments are recorded at net asset value (NAV) in accordance with the practical expedient for the estimation of fair value under ASC Subtopic 820-10, Fair Value Measurements. The Foundation also reviews audited financial statements of the underlying funds or partnerships, when available, and other information provided by fund managers or general partners. Investments in such funds do carry certain risks, including lack of regulatory oversight, interest rate risk and market risk. Due to the level of risk associated with these investments, it is at least reasonably possible that changes in risk factors could affect the amounts reported in the statements of financial position.

Grant Expense
Grants are recognized in the period the grant is approved, provided the grant is not subject to future contingencies. Conditional grants are recognized in the period in which the grantee meets the conditions of the grant.
NOTE 2  SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program-Related Investments (PRIs)
The Foundation makes PRIs to other organizations to achieve charitable purposes in alignment with the Foundation’s strategies. The investments are comprised of debt related instruments.

Debt PRIs consist of loans outstanding through 2018 bearing a below-market interest rate. Loans are measured at fair value 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.

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.

Total depreciation expense charged to operations amounted to $1,258 for both of the years ended December 31, 2013 and 2012.

Fair Value of Financial Instruments
In determining the fair value of investments, the Foundation utilizes valuation techniques established that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Foundation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Valuations based on observable inputs (other than Level 1 prices) such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly.
- Level 3 Inputs: Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management’s assumptions and judgment.
NOTE 2  SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications
Certain reclassifications have been made to the 2012 financial statements to conform to the 2013 presentation. These reclassifications had no effect upon the net assets of the Foundation at December 31, 2012.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts that are reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions that the company may undertake in the future, actual results may be different from the estimates.

Tax-Exempt Status
The Foundation is exempt from federal income taxes under Section 501(c)(3) and is classified as a private foundation under section 509(a) of the Internal Revenue Code. The Foundation is subject to federal excise taxes as well as federal and state unrelated business income tax. In addition, some investments in foreign countries are subject to foreign income tax.

NOTE 3  INVESTMENTS

Summary of investments held, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>FMV</td>
</tr>
<tr>
<td>Common stocks</td>
<td>$12,290,084</td>
<td>$19,781,229</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>40,742,900</td>
<td>41,725,924</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>1,990,000</td>
<td>2,100,000</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>7,484,149</td>
<td>8,638,536</td>
</tr>
<tr>
<td>Mortgage-backed</td>
<td>2,083</td>
<td>2,320</td>
</tr>
<tr>
<td></td>
<td>$62,509,216</td>
<td>$72,248,009</td>
</tr>
</tbody>
</table>
NOTE 4  PROGRAM-RELATED INVESTMENTS

At December 31, 2013, the Foundation’s PRIs portfolio is summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
</tr>
<tr>
<td>Debt principal amount</td>
<td>$ 428,147</td>
</tr>
<tr>
<td>Debt uncollectible allowance</td>
<td>$ ---</td>
</tr>
<tr>
<td>Program-related investments</td>
<td>$ 428,147</td>
</tr>
</tbody>
</table>

NOTE 5  CONCENTRATIONS

The Foundation places its cash investments with high-credit-quality financial institutions and limits the amount of credit exposure to any one financial institution. At times such amounts may be in excess of $250,000 FDIC insurance limits.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities could occur in the near term and that, such changes could materially affect the value of investments.

NOTE 6  FEDERAL EXCISE TAXES AND REQUIRED DISTRIBUTIONS

The Foundation is subject to federal excise taxes imposed on private foundations at 2%, or at 1% if certain conditions are met. The excise tax is imposed on net investment income, as defined under federal law, which includes interest, dividends, and net realized gains on the sale of investments. The current portion of federal excise tax expense is $28,666 and $21,740 for the years ended December 31, 2013 and 2012, respectively.

The Foundation made provisions for deferred federal excise taxes which were recorded at the 1% excise tax rate in 2013 and 2012.

Deferred excise tax expense was $60,900 and $35,500 for the years ended December 31, 2013 and 2012 respectively, and computed on the net unrealized gains on investments.

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 December 31, 2013 and 2012.
NOTE 7  FAIR VALUE MEASUREMENTS

The following tables present the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at December 31, 2013 and 2012:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2013</th>
<th>Quoted prices in active markets for identical assets (Level 1)</th>
<th>Significant other observable inputs (Level 2)</th>
<th>Significant unobservable inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stocks</td>
<td>$ 19,781,229</td>
<td>$ 19,781,229</td>
<td>$ --</td>
<td>$ --</td>
</tr>
<tr>
<td>Global balanced funds</td>
<td>19,241,830</td>
<td>19,241,830</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Equity based funds</td>
<td>5,712,441</td>
<td>5,712,441</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Debt:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>2,100,000</td>
<td>2,100,000</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Debt based funds</td>
<td>16,771,653</td>
<td>16,771,653</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Mortgage-backed</td>
<td>2,320</td>
<td>---</td>
<td>2,320</td>
<td>---</td>
</tr>
<tr>
<td><strong>Alternative investments</strong></td>
<td>8,638,536</td>
<td>---</td>
<td>8,638,536</td>
<td>---</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 72,248,009</strong></td>
<td><strong>$ 63,607,153</strong></td>
<td><strong>$ 8,640,856</strong></td>
<td><strong>$ ---</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>Quoted prices in active markets for identical assets (Level 1)</th>
<th>Significant other observable inputs (Level 2)</th>
<th>Significant unobservable inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stocks</td>
<td>$ 15,420,775</td>
<td>$ 15,420,775</td>
<td>$ --</td>
<td>$ --</td>
</tr>
<tr>
<td>Global balanced funds</td>
<td>18,390,556</td>
<td>18,390,556</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Equity based funds</td>
<td>3,364,722</td>
<td>3,364,722</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Debt:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>2,162,500</td>
<td>2,162,500</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Debt based funds</td>
<td>19,742,522</td>
<td>19,742,522</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Mortgage-backed</td>
<td>2,567</td>
<td>---</td>
<td>2,567</td>
<td>---</td>
</tr>
<tr>
<td><strong>Alternative investments</strong></td>
<td>7,841,996</td>
<td>---</td>
<td>7,841,996</td>
<td>---</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 66,925,638</strong></td>
<td><strong>$ 59,081,075</strong></td>
<td><strong>$ 7,844,563</strong></td>
<td><strong>$ ---</strong></td>
</tr>
</tbody>
</table>
NOTE 8  GRANTS PAYABLE

Grants payable represents 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 present values using a discount rate commensurate with the risks involved. Total approved grants payable amounted to $175,000 and $325,000 at December 31, 2013 and 2012, respectively.

NOTE 9  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 Company matches up to 6% of those employee deferrals. Total matching contributions made for the years ended December 31, 2013 and 2012 amounted to $7,074 and $6,816, respectively.

NOTE 10  COMMITMENTS

The Foundation leases office space located in Putnam, Connecticut under an operating lease agreement dated September 1, 2009 with a base rental of $600 per month for the first year and $630 per month for the second year which expired on August 31, 2011. Since August 31, 2011 the Foundation has continued to lease the office space on a month to month basis under the expired lease agreement terms. Total rent expense under this lease agreement amounted to $9,630 and $8,600 for the years ended December 31, 2013 and 2012, respectively.

No future minimum lease payments are required under the month to month lease agreement.

NOTE 11  SUBSEQUENT EVENTS

The Foundation evaluated subsequent events from December 31, 2013 through May 19, 2014, the date the financial statements were available to be issued.
1772 FOUNDATION TRUSTEES

From left to right

Mary Anthony, Executive Director, Dr. Robert Raynolds, Dr. Gretchen Sorin, B. Danforth Ely, President
Dr. Nancy Davis, G. Stanton Geary, Vice President, Mary Albro, Staff

The Elms, Newport, RI, October 2013
www.1772FOUNDATION.ORG