

Natural Heritage Trust
Performance Measures Report FY 2018-19

Report Background

The 2009 Public Authorities Reform Act requires public authorities to develop performance measures to assist their organization in determining how effectively it is fulfilling its mission. The Natural Heritage Trust (NHT) submitted its performance measures to the Authorities Budget Office in March 2010. The NHT is required to prepare a measurement report annually to ensure the performance goals continue to support NHT's mission.

Mission Statement

The NHT's mission is to receive and administer gifts, grants, devises and bequests of real and personal property to further conservation, outdoor recreation, historic preservation and waterfront and community revitalization.

The NHT accomplishes its mission by facilitating private investment for these purposes. The NHT ensures the safekeeping, prudent investment and appropriate expenditure of funds on cooperative programs and projects with its agency partners: New York State Office of Parks, Recreation and Historic Preservation (OPRHP), Department of Environmental Conservation (DEC) and the Department of State (DOS). The NHT also partners with other public and private entities, not-for-profits and friends groups that share mission-compatible goals and purposes.

Measure 1

Assist agency partners in facilitating private investment in New York State parks and historic sites, environmental conservation and education and waterfront restoration/revitalization efforts.

- ➔ *Utilize the Trust's 501(c)(3) not-for-profit status and ability to accept restricted gifts to increase donation potential*

The NHT has continued to support its agency partners by securing private resources for environment, preservation and recreational programs and projects in a variety of ways. In FY 2018-19, the NHT brought in approximately \$19.6 million in gifts, grants and other funds in support of these purposes, the most ever for the NHT. As of year-end, the NHT had assets totaling over \$51.6 million, also the highest ever for the NHT.

- ➔ *Increase public awareness of the existence of the NHT through promotional materials*
- ➔ *Adhere to donor requirements as specified in gift agreements*

Although the majority of donations to the NHT are of smaller dollar amounts, the larger gifts generally have an associated gift agreement. While each agreement varies depending on the nature and duration of the project, the NHT has complied with the terms of each gift agreement by ensuring that all expenditures are made in accordance with the specified terms and by providing income and expense reports, investment summaries and other reports relating to the administration of the gift.

The NHT also uses Donor Perfect fundraising software. In addition to keeping track of donation information, the software also has features that provides reminders for deadlines for completion of foundation grants.

Measure 2

Ensure continued receipt of revenues and safekeeping of funds held in the Trust.

- ➔ Invest funds in a manner consistent with the objective(s) of the gift, grant, program and/or project
- ➔ Maximize investment returns consistent with the investment policy statements for operating funds, capital/reserve funds, and endowment funds

The Board has adopted three Investment Policy Statements (IPS's) that supplement the NHT's Investment Policy. Each IPS serves as the blueprint of the investment strategy for the types of funds the NHT manages: Operating, Capital/Reserve and Endowment funds.

Investments in FY 2018-19 had about an overall return of about 4.22% remaining relatively consistent with the 2017-18 levels where the total return on the portfolio averaged about 4.88%. The returns on the Main Management and Endowment accounts were slightly below the targeted benchmarks and the return on the Capital Reserve accounts were slightly above the benchmark.

As of Fiscal Year-End, the NHT had 16 investment accounts that generated about \$880,000 in investment income. The total returns (including income and changes in market value) equated to:

- 3.13% return on the Main Management account (benchmark= 3.30%)
 - Although slightly lower than benchmark, last year's return was -.05%
 - As of FY End the Main Management Account was valued at \$15.1 million (representing about 33% of total investments)
- Average return of about 3.93% on the Capital/Reserve accounts (benchmark= 2.39%)
 - These accounts include: Main Reserve and BCA Trust.
 - In the aggregate, the Capital/Reserve accounts were valued at \$1.47 million (about 4% of total investments)
- An average of about 4.82% on longer term (Endowment) accounts (benchmark= 5.53%)
 - These accounts include: Mount Loretto, Emma Treadwell Thacher Nature Center, Huttleston, Four Freedoms Memorial, Main LTI, Minnewaska, Rockefeller State

Park Preserve, Sampson Veteran's Navy Museum, Hempstead Lake State Park Humphrey Nature Center, Harriman Stewardship and Harriman Environmental Education

- As of FYE, Endowment accounts were valued at \$28.7 million (about 63% of total investments)

Measure 3

Participate in cooperative programs and projects with the Trust's agency partners: Office of Parks, Recreation and Historic Preservation, Department of Environmental Conservation, and Department of State.

➔ *Where applicable, provide goods and services, including staffing resources to complete projects and program objectives*

As of FYE, the NHT supported 14 program areas that required full-time staff including: Historic Preservation, Natural Resource Stewardship, Master Park Planning, Recreational Trails Program, Bayard Cutting/Community Sponsored Farming, Marketing and Development, South Shore Estuary, Brownfield Opportunity Areas, Coastal Consistency Review, 3 Habitat Programs, Ocean and Great Lakes, the Niagara River Greenway and Rockefeller State Park Preserve.

As of FYE, there were 51 employees on the payroll in support of these programmatic purposes. This decrease (about 19%) compared to FY 2017-18 staffing levels is largely due to the transfer of federally funded Historic Preservation staff and OPRHP Stewardship program staff to state payroll. Otherwise, staffing levels remain relatively constant compared to last year.

The NHT was also instrumental in facilitating several large equipment purchases, capital expenses as well as smaller purchases for seasonal recreational and environmental education programs and projects.

In total, the NHT expended about \$12.8 million on capital projects, program staffing, and goods and services in support of cooperative programs and initiatives undertaken with the NHT's agency and other partners, approximately \$2million more compared to FY 2017-18.

➔ *Adhere to requirements as specified in grant and funding agreements*

The NHT has complied with the terms of its funding agreements. Where applicable, financial and grant status and budget reports have been submitted in a timely manner. Program expenses have also remained within budget targets.

Measure 4

Build partnerships with other public and private entities having mutual interests and purposes.

- ➔ *Collaborate with Friends Groups*
- ➔ *Provide support to committees, boards and commissions that share mission-compatible goals*

This year, the NHT supported the Friends group for Midway State Park in fundraising efforts for their “Transforming History into New Memories” campaign. As one of the oldest continually operating amusement parks in the country, Midway State Park’s campaign aims to support the purchase and restoration of two historical rides, with the NHT receiving gifts and assisting in grant applications. Additionally, the NHT is partnering with the Empire State Trail and Western NY Greenways to facilitate improvements to regional trailways through the acceptance of a \$6.5 million grant from the Ralph C. Wilson, Jr. Foundation.

Throughout the fiscal year, the NHT and its agency partners worked in partnership with over 55 Foundations, not-for-profits, commissions and other government partners. The NHT year in review summarizes many of these collaborative efforts and includes a full list of supporters.

- ➔ *Solicit private sponsorships*

The NHT received support from over 105 corporate contributors and activity sponsors, including in-kind donations. These contributors and sponsors provided extra support for many projects and programs that would not happen otherwise.

Supplemental Information

The attached chart shows the growth and selected metrics of the NHT over the last 7 years.

Specifically:

- Total Fiduciary Fund assets have more than doubled.
- Number of Donor Acknowledgements processed has increased by over 70%
- Number of Deposit Batches and Payments processed has increased threefold