

Natural Heritage Trust

Performance Measures Report FY 2017-18

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 2017-18, the NHT brought in approximately \$15.5 million in restricted gifts, grants and other funds in support of these purposes. As of year-end, the NHT had assets totaling about \$43.8 million, topping last fiscal year's record total.

- ➔ *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.

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 2017-18 showed about a 5% return, remaining relatively consistent with the 2016-17 levels where the total return on the portfolio averaged about 6%.

As of Fiscal Year-End, the NHT had 16 investment accounts that generated about \$714,000 in income. Each investment strategy was relatively consistent with its comparative benchmark. The total returns (including income and changes in market value) equated to:

- -0.5 % return on the Main Management (Operating) account (benchmark= 0.09%)
 - As of FY End the Main Management Account was valued at \$14.1 million (representing about 34% of total investments)
- Average return of about 2.15% on the Capital/Reserve accounts (benchmark= 2.17%)
 - These accounts include: Main Reserve and BCA Trust.
 - In the aggregate, the Capital/Reserve accounts were valued at \$1.4 million (about 3% of total investments)
 - This year, the Hallock State Park account was transferred from a Capital/Reserve strategy to a Long-Term/Endowment strategy.
- An average of about 8.12% on longer term (Endowment) accounts (benchmark= 8.41%)
 - These accounts include: Mount Loretto, Emma Treadwell Thacher, Huttleston, Four Freedoms Memorial, Main LTI, Minnewaska, Rockefeller State Park Preserve, Sampson Veteran's Navy Museum, Hempstead Lake State Park and the Humphrey Nature Center.
 - As of November 2017, the Harriman Stewardship and Environmental Education accounts were added to the portfolio.

- As of FYE, Endowment accounts were valued at \$26.2 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 63 employees on the payroll in support of these programmatic purposes. This is a small decrease (about 6%) compared to FY 2016-17 staffing levels, but generally the overall staffing levels remained constant.

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

In total, the NHT expended about \$10.8 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.

➔ *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 the Minna Anthony Common Nature Center in fundraising efforts for the renovation of the Center. The NHT continued its partnership with the Open Space Institute (OSI) and Alliance for New York State Parks. OSI transferred funds to the NHT to create two new endowment accounts for the benefit of Harriman State Park. Additionally, OSI/the Alliance facilitated a major gift for the renovation of the Riverbank State Park Cultural Center; the NHT accepted this private funding for the project, which will be completed in 2018-19.

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 Annual Report summarizes many of these collaborative efforts and includes a full list of supporters.

➔ *Solicit private sponsorships*

The NHT received support from over 150 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 6 years.

Specifically:

- Total Fiduciary Revenue has INCREASED by 63%
- Total Fiduciary Expenditures have INCREASED by 13%
- Fiduciary Assets have INCREASED by 84%
- Number of Donor Acknowledgements processed has INCREASED by 76%
- Number of Program Staff to support various OPRHP, DEC and DOS initiatives has INCREASED by 34%

The number of NHT Administrative staff providing the services related to managing all of this growth has DECREASED by 27% with an operating budget that's been REDUCED by 15%.

Summary of NHT Fiduciary (Parks, DEC, DOS) Revenues, Expenditures and Changes in Net Position

	2013	2014	2015	2016	2017	2018	Percentage Increase/Decrease
Net Position at Beginning of Year	\$ 21,885,195	\$ 21,751,927	\$ 24,820,565	\$ 28,611,594	\$ 34,766,563	\$ 35,545,785	62.42
Revenues							
Grants & Contracts	\$ 3,366,595	\$ 3,528,895	\$ 3,360,832	\$ 2,728,440	\$ 4,120,911	\$ 5,207,476	54.68
Gifts, Donations & Private Grants	\$ 2,290,342	\$ 3,982,386	\$ 5,420,638	\$ 8,516,103	\$ 5,695,461	\$ 4,814,073	110.19
Fringe Benefit Income	\$ 914,632	\$ 1,088,639	\$ -	\$ -	\$ -	\$ -	
Activity & Program Income	\$ 673,342	\$ 651,934	\$ 772,473	\$ 1,223,294	\$ 1,184,222	\$ 1,118,560	66.12
Merchandise Sales	\$ 642,495	\$ 711,839	\$ 977,074	\$ 1,016,578	\$ 1,138,611	\$ 1,178,345	83.40
Mitigation & Environmental Benefits	\$ 509,109	\$ 373,738	\$ -	\$ 933,296	\$ 439,508	\$ 970,755	90.68
Sponsorship & Advertising	\$ 270,204	\$ 383,421	\$ 266,600	\$ 402,435	\$ 311,856	\$ 266,962	-1.20
Investment Income	\$ 190,578	\$ 185,830	\$ 224,992	\$ 299,659	\$ 405,464	\$ 432,250	126.81
Realized Gains (Losses) on Investments	\$ 12,619	\$ 246,962	\$ 167,830	\$ 158,580	\$ 767,510	\$ 375,917	2878.98
Unrealized Gains (Losses) on Investments	\$ 521,200	\$ 580,893	\$ 398,774	\$ (402,823)	\$ 728,556	\$ 936,508	79.68
Other Revenue	\$ 79,012	\$ 51,017	\$ 60,004	\$ 922,379	\$ 135,958	\$ 147,220	86.33
Total Revenue	\$ 9,470,128	\$ 11,785,554	\$ 11,649,217	\$ 15,797,941	\$ 14,928,057	\$ 15,448,066	63.12
Expenditures							
Promotional Materials & Merchandise for Resale	\$ 464,780	\$ 628,493	\$ 706,821	\$ 782,167	\$ 738,307	\$ 735,450	58.24
Program Support & Personnel (Materials and Program Staff)	\$ 4,775,524	\$ 4,860,326	\$ 3,726,863	\$ 4,468,542	\$ 5,302,283	\$ 5,734,065	20.07
Activity & Event Support	\$ 1,458,583	\$ 1,611,505	\$ 1,600,245	\$ 2,241,810	\$ 2,185,371	\$ 2,177,306	49.28
Professional Services	\$ 262,939	\$ 283,525	\$ 377,420	\$ 262,874	\$ 113,437	\$ 268,377	2.07
Miscellaneous	\$ 7,689	\$ 6,923	\$ 3,386	\$ 79,353	\$ 69,325	\$ 214,397	2688.36
Gift Reassignment	\$ 1,679,700	\$ 290,249	\$ 363,080	\$ 862,338	\$ 656,964	\$ 618,482	-63.18
Capital Construction & Maintenance	\$ 933,595	\$ 1,056,481	\$ 1,080,373	\$ 945,888	\$ 5,083,148	\$ 1,080,562	15.74
Total Expenses	\$ 9,582,810	\$ 8,737,502	\$ 7,858,188	\$ 9,642,972	\$ 14,148,835	\$ 10,828,639	13.00
Net Position at End of Year	\$ 21,751,927	\$ 24,820,565	\$ 28,611,594	\$ 34,766,563	\$ 35,545,785	\$ 40,165,212	84.65
NHT Administration							
(Bookkeeping, Accounting, Finance, Human Resources, Contract Management, Compliance, Fundraising and Donor Relations Related to Management of Fiduciary Funds)							
	2013	2014	2015	2016	2017	2018	Percentage Increase/Decrease
Number of NHT Administrative Staff	7.5	7	5.5	5.5	5.5	5.5	-26.67
NHT Administrative Operating Budget	\$ 721,000	\$ 721,000	\$ 770,000	\$ 610,000	\$ 610,000	\$ 610,000	-15.40
Selected Metrics Related to NHT Admin							
	2013	2014	2015	2016	2017	2018	Percentage Increase/Decrease
Number of Program Staff NHT Employs for Parks, DEC and DOS	44	53	54	52	61	59	34.09
Number of Donor Acknowledgements Processed	515	875	691	1,100	1,050	910	76.70
Number of Batches Cash & Check Deposits Processed	1,600	1,774	2,214	2,631	3,033	3,118	94.88
Number of Credit Card Batches Processed	785	1,337	1,677	2,065	2,353	2,824	259.75
Number of Vendor Check Payments Processed	2,464	2,582	2,660	2,732	2,739	2,568	4.22
Number of NHT Procurement Card Transactions Processed	650	1,275	1,765	2,100	2,500	2,746	322.46