2021 Annual Report

Royal Botanical Gardens

Royal Botanical Gardens

Misson

We dedicate our expertise in horticulture, conservation, science, and education to connect people, plants, and place for the purpose of nurturing and preserving healthy growing life on our planet.

Vision

A world in which everyone is awake to the beauty, diversity and necessity of plants.

Royal Botanical Gardens acknowledges the long history of First Nations and Métis People in the Province of Ontario, and pays respect to the Six Nations of the Grand River Territory and the Mississaugas of the Credit First Nation, the holder of the Treaty with the Crown for these lands. The land we steward is within the traditional territories of the Haudenosaunee, Anishinaabe, and Huron-Wendat Nations.

Our Role

Royal Botanical Gardens (RBG) is the largest botanical garden in Canada, a National Historic Site, and registered charitable organization with a mandate to bring together people, plants, and nature.

With the continued support of the Ontario Ministry of Heritage, Sport, Tourism and Culture Industries, Regional Municipality of Halton, City of Hamilton, charitable donations, and self-generated revenue, RBG's initiatives include:

- Protecting and restoring nearly 800 hectares of nature sanctuaries containing environmentally sensitive habitats where over 50 listed species-at-risk have made their home
- Teaching the public and educating school children about the importance of plants and nature, and how to be environmental stewards in their community
- Creating display gardens which beautify our region's landscape and teaching people how to transfer best practices into their own backyard
- Hosting events that celebrate our landscape and highlight our conservation activities (including Fishway demonstrations, nature sanctuary guided tours, children's winter exhibits) which help visitors of all ages engage and connect with nature
- Engaging in research projects and networks to pursue environmental sustainability
    - Project Paradise, one of the largest freshwater marshland restoration projects of its kind in North America. This broader project is part of the Hamilton Harbour Remedial Action Plan, and provides the foundation for our Site-Specific Recovery Plan for native turtle species and Bald Eagle conservation work

These and other leadership initiatives could not be undertaken without the support of our funders, members, donors and volunteers.

Funders

Royal Botanical Gardens is funded by the people of Ontario through Ministry of Heritage, Sport, Tourism and Culture Industries, Regional Municipality of Halton, City of Hamilton, Royal Botanical Gardens' members, and through donations from corporations, foundations and generous individuals.

Ontario

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CEO and Board Chair Message

In 2021, Royal Botanical Gardens (RBG) continued to strategically navigate ongoing challenges presented by the COVID-19 pandemic — our experience from 2020 proved valuable in developing the ability to quickly pivot our programs, operations and approach in order to engage safely with our community.

Incoming CEO Nancy Rowland took up her post at the start of 2021. The leadership team set their efforts on preparing RBG's Strategic Plan, the first step of our 25-Year Master Planning Framework. Year one prioritized undertaking items that would ensure our organization can deliver on the Master Plan and achieve long-term success, with a focus on fostering ecological stewardship, conservation and restoration initiatives, and robust visitor experiences.

January began in lockdown and although the gardens were closed, the trails remained open to allow visitors safe access to nature and physical activity. The Gardens were able to re-open on February 20, unfortunately public health concerns led to subsequent closures from the end of March until we were able to reopen in June. This wave

forced the cancellation of RBG's Winter Exhibit, which typically generates the bulk of our late-winter revenue and visitation. General attendance was dramatically affected by extended closures of our indoor facilities.

Despite these operational setbacks, your support allowed us to continue to successfully engage with the community through science and education — we saw great benefits resulting from our evolving virtual offerings. Engagement increased across our social media platforms and RBG at Home's digital programming in lieu of on-site fieldtrips. Our website saw a 43% increase in users, and YouTube video views for the first five months of the year were three times higher than 2020, thanks to consistent content developed through RBG at Home.

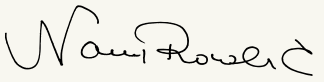
We hit the ground running once the gardens could safely reopen in June. The season kicked off the launch of RBG's new brand and our More to See, Naturally advertising campaign. Alongside the brand's refreshed look, we were still able to pay homage to our history for our 80th anniversary through additional content, and celebrated the opening of the new Healing Garden which brings together medicinal plants and traditions from around the world.

Our team pivoted to modified event formats which allowed the influx of visitors to safely participate as we forged ahead with new and improved experiences. Although general visitation was still low through Ontario's phased re-opening, we brought Winter Wonders back bigger and better, bringing in almost 7,000 more visitors than in 2020. The year's biggest achievement was RBG's participation as a host of the augmented reality art exhibit *Seeing the Invisible*. As a non-profit organization, we are proud to be a part of this unique project through support from the Ontario Cultural Attractions Fund.

RBG staff continued to focus on unique educational experiences while maintaining 900 hectares of environmentally sensitive natural lands within a major urban centre. Climate change resiliency is a central component of RBG's Strategic Plan in response to the increasing need for environmental protection and advocacy. Staff initiated several ambitious conservation projects across RBG properties, including infrastructure repairs at the Fishway and along nature trails, the latter of which saw nearly half a million visitors in 2021. Thanks to funding from the Ontario Trillium Foundation, our team continued the multi-year project to restore grassland prairie habitats across 35 hectares of land at Rock Chapel. Overall, key performance indicators demonstrated that despite challenges across many parts of the organization, there is evidence of a gradual return to normal for RBG.

Through the support of Government of Ontario through the Ministry of Heritage, Sport, Tourism Cultural Industries, Regional Municipality of Halton, City of Hamilton, our Federal Government as well as donors, partners, numerous volunteers, and members, RBG continues to implement objectives outlined in the Master Plan that are aimed at taking RBG to a new level of performance, relevance and financial sustainability as a world-class tourism destination. We look forward to addressing these areas of improvement through the Strategic Plan.

Keith Scott, Board Chair
Royal Botanical Gardens



Nancy Roland, CEO
Royal Botanical Gardens

Board of Directors

Board of Directors 2021-2022

Keith Scott – Board Chair
Larissa Fenn – Board Vice-Chair
Nancy Rowland – Chief Executive Officer

Appointed by Council, City of Hamilton
Keith Scott (May 2015–November 2022)
Councillor Lloyd Ferguson (December 2018–November 2022)

Appointed by Council, Regional Municipality of Halton
Larissa Fenn (June 2019–November 2022)
Councillor Kelvin Galbraith (December 2018–November 2022)

Additional Members in Place of Appointments by the Governor-General-in-Council
Kevin Brady (June 2013–September 2022)
Lisa Marcuzzi (September 2021–September 2024)

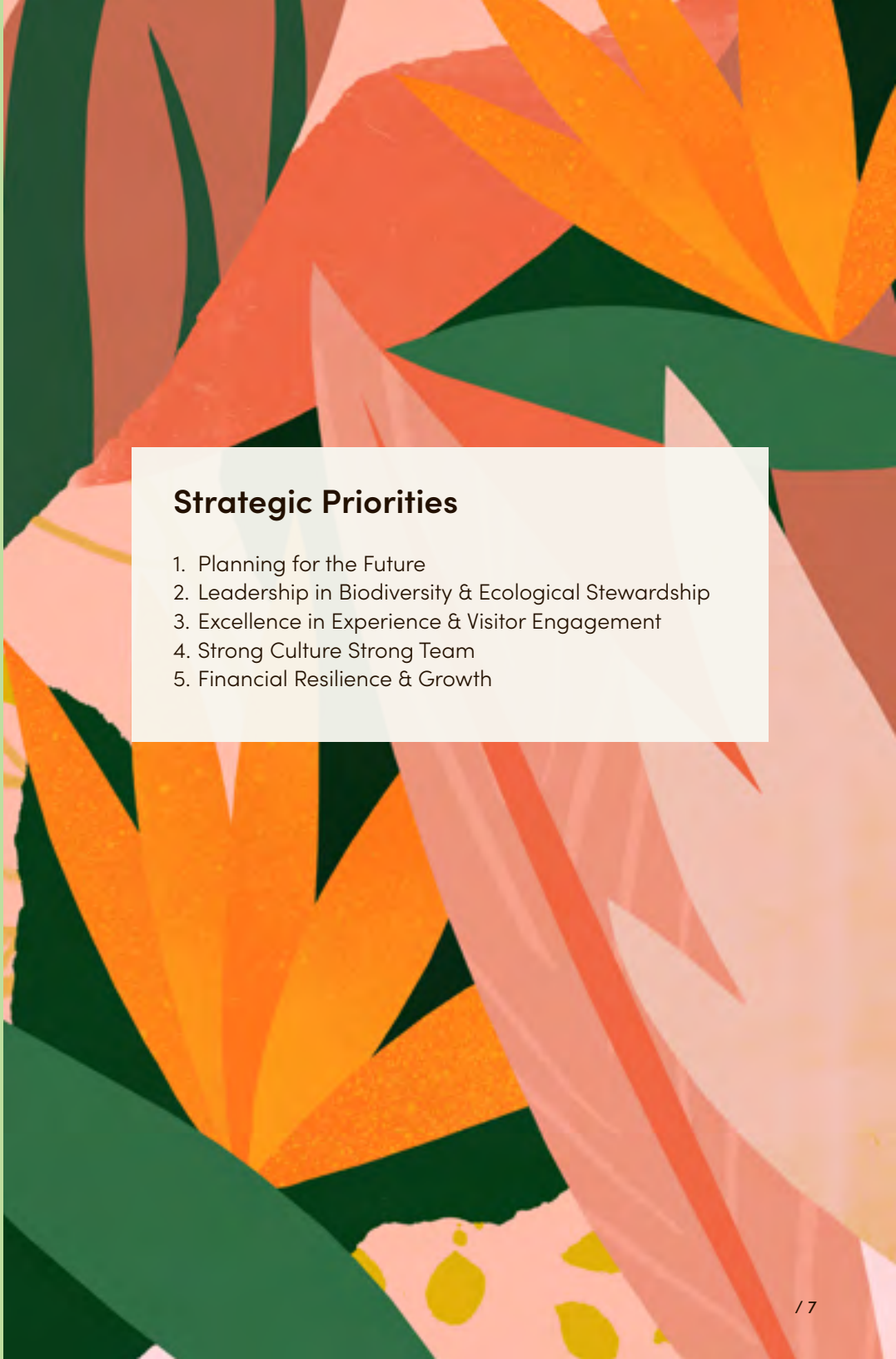
Appointed by the Lieutenant-Governor-in-Council, Province of Ontario
Alexandra Lawson (June 2020–June 2023)
Dan Muys (March 2020–September 2021)

RBG Appointees
Marlis Butcher (March 2021–June 2022)
David Conrath (March 2015–June 2022)
David Farrar (September 2019–June 2022)
Ex-Officio, President & Vice Chancellor, McMaster University
Frank Ferragine (December 2021–June 2022)
Ingrid Hann (May 2020–June 2022)
Deborah Harasysm (March 2018–June 2022)
Matt Johnston (May 2021–June 2022)
Selim Nasrullah (May 2021–September 2021)
Robert Norman (May 2021–June 2022)
Gavin Sheppard (March 2021–June 2022)
Kathy Thomas (May 2021–June 2022)

Representing RBG's Volunteers
Fiona Morrison (May 2020–May 2022)

Strategic Direction

In 2020, the Board of Directors approved a 25-Year Master Planning Framework to guide the future of RBG. The Strategic Plan that follows sets the course for the implementation of the first phase of the 25-Year Master Planning Framework. It is developed to provide RBG with a strong foundation that allows for flexibility to respond to changes and adjust to ensure that long-term objectives can be achieved. The Strategic Plan outlined here was approved in September of 2021, however certain projects were able to begin earlier in the year as already approved within the Master Planning Framework.



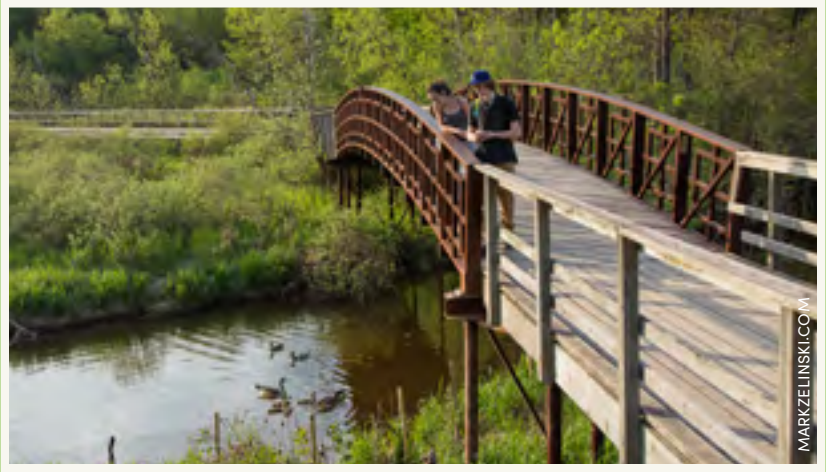
Strategic Priorities

1. Planning for the Future
2. Leadership in Biodiversity & Ecological Stewardship
3. Excellence in Experience & Visitor Engagement
4. Strong Culture Strong Team
5. Financial Resilience & Growth

1. Planning for the Future

Commence implementation of the 25-Year Master Planning Framework.

- Enhance the operations of gardens, natural lands, buildings and programs
- Review and confirm development priorities through space usage assessments, capital and operating cost analysis and alignment with long-term objectives
- Develop and launch capital campaign
- Develop partnerships (Indigenous, universities, private-public partnerships, etc.) to support implementation of the Master Planning Framework



2. Leadership in Biodiversity & Ecological Stewardship

Through the management of the natural sanctuaries and our gardens and through our science and education programs, increase awareness of environmental issues and sustainability practices through action, engagement and communication of science-based information and the importance of plants to peoples and cultures.

- Leverage conservation and restoration work on grasslands, wetlands, and forest ecosystems regionally to bring attention to the importance of our watershed and native species to the sustainability of people and wildlife
- Through our conservation and restoration efforts, reduce and mitigate the impacts of the climate emergency
- Leverage education, visitor engagement programs and experiences to advance RBG's role as a centre of learning and excellence on all issues related to the environment
- Make our living collections distinctive, resilient and relevant
- Review and update the living and non-living collections as resource and for future generations
- Develop partnerships and collaborations to advance biodiversity priorities with a focus on cultural uses of native eastern North American plants
- Inspire the next generation of horticulturists, environmental scientists, conservationists, botanists and environmental educators
- Reduce our greenhouse gases and deliver on commitments made in our Climate Change Resiliency Plan
- Collaborate with local, regional, provincial and federal partners to implement climate change initiatives and priorities
- Influence local, regional and national policy on climate change, invasive species, and protection of endangered plants and species

3. Excellence in Experience & Visitor Engagement

Grow attendance through the development of compelling, diverse, accessible and engaging visitor experiences focused on science, conservation, horticultural displays and collections, and cultural activities.

- Deepen understanding of consumer segments to guide development of visitor experiences and communications
- Make our natural areas obvious and accessible points of connection for visitors to our conservation and restoration work
- Develop compelling and inclusive year-round visitor experiences across all properties that target local and regional audiences and support tourism
- Develop partnerships and collaborations to deliver visitor experiences
- Increase awareness of Royal Botanical Gardens and its offers and visitor experiences
- Strengthen the connections between science, conservation, collections and culture (art, music, performing arts) to build engaging experiences

4. Strong Culture Strong Team

Build an inclusive and diverse team (staff, volunteers and board) and culture that supports the achievement of short- and long-term goals.

- Create a culture of collaboration and innovation
- Develop an organizational development and change management plan
- Develop diverse and inclusive human resources plan and team that align with business priorities
- Develop strong leadership and communication
- Ensure tools and resources are in place to support individuals, teams and the needs of an evolving RBG

5. Financial Resilience & Growth

Grow revenue sources and revenues to support biodiversity programs, and visitor experience and engagement

- Develop a plan that reduces reliance on reserves and generates surplus revenues annually
- Optimize and grow revenues across all visitor and client segments
- Manage external impacts on revenue sources through the development of a comprehensive risk-management plan

RBG Targets and Results

Financial Performance

2021 revenue was 1.8% below target, 10.5% above 2020, and 7.4% below 2019. RBG received $1.1 million in Canada Emergency Wage Subsidy (CEWS) funding to mitigate further losses.

Business Development

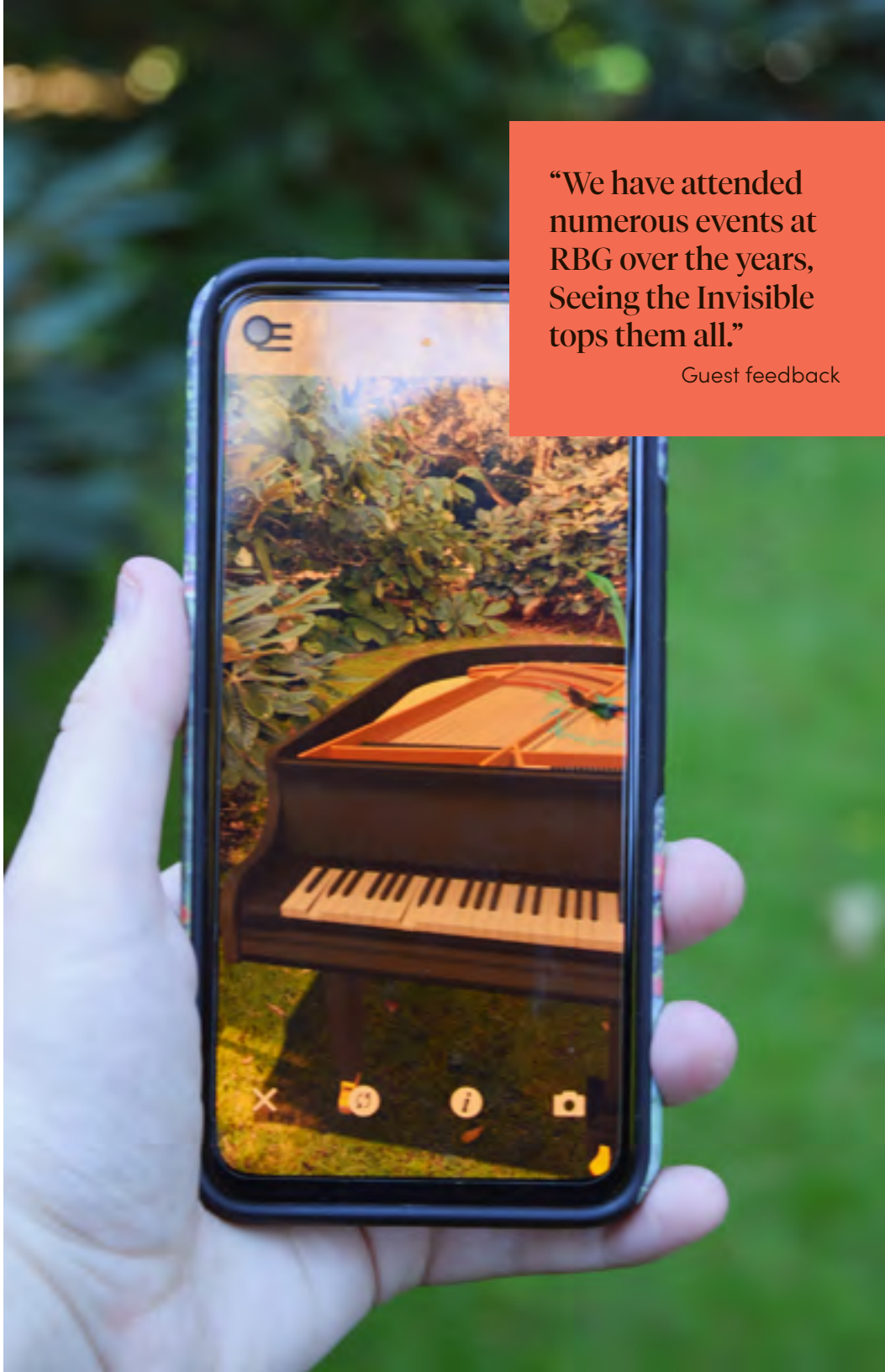
Membership and Donations — Annual revenues increased by 2.4% over 2020.

With COVID-19 restrictions beginning to ease, **membership** saw an increase of 33% in revenues over 2020 and the 2021 year concluded with 12,200 memberships (representing over 20,600 members). The new Charitable Membership program launched in April. 339 members have since joined this new program, providing additional support to RBG.

Annual giving donors increased giving by 25% over 2020 through targeted and segmented direct mail solicitations.

Major gifts and legacy giving came in at 178% over budget with a significant increase in giving through the Tribute and Memorial Dedication Program which had targeted marketing efforts behind it in 2021.

Grant funding saw a 75% increase from 2020 grant funding, due in part to new COVID-19 recovery fund opportunities which aligned with RBG plans.



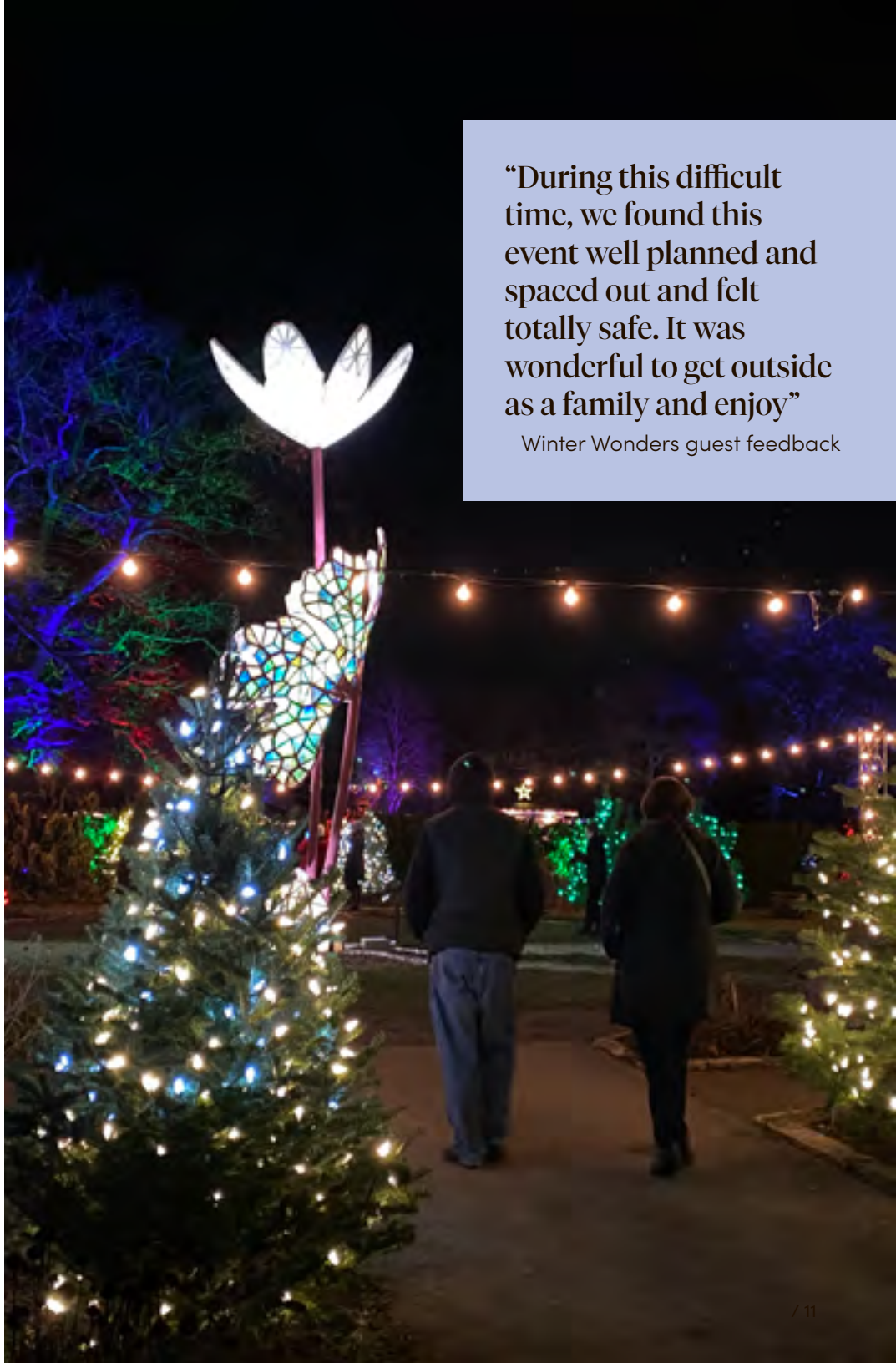
"We have attended numerous events at RBG over the years, Seeing the Invisible tops them all."

Guest feedback

Sales and Attendance

COVID-19 had a significant impact on attendance figures and revenues as the Gardens were either closed or operating under various gathering restrictions throughout the year. Revenue from sales and admission increased by 57% over 2020 but were 20% short of 2019 figures. While our trails were exceptionally busy, the rest of RBG saw attendance drop to 19% less than 2020, and 59% less than 2019.

While attendance figures were well below 2019 and 2020, we were proud to attract 150,900 visitors amidst a series of COVID-19 lockdowns, cancellations and restrictions. Despite this decline in numbers, our sales and admission revenues increased due to several successful evens late in the year, as well as operating food services in-house beginning for much of the second half of the year.



"During this difficult time, we found this event well planned and spaced out and felt totally safe. It was wonderful to get outside as a family and enjoy"

Winter Wonders guest feedback

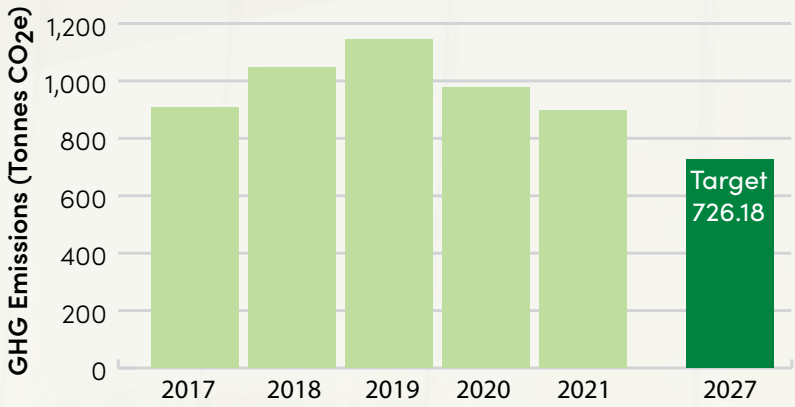
Sustainability Efforts

RBG continues to look for ways to reduce the environmental impact of our day-to-day operations. Our key sustainability focus areas are our greenhouse gas emissions, water consumption and waste diversion.

Greenhouse Gas Emissions

Note that these values may vary between years as emission factors are updated to reflect the most accurate sources available. Our greenhouse gas (GHG) emissions are determined using activity data from our electricity, natural gas and propane utility bills, our internal fuel tracking system, and our employee mileage expenses which are converted to tonnes of CO_2e using the Sustainability Leadership Program's Carbon Accounting Tool.

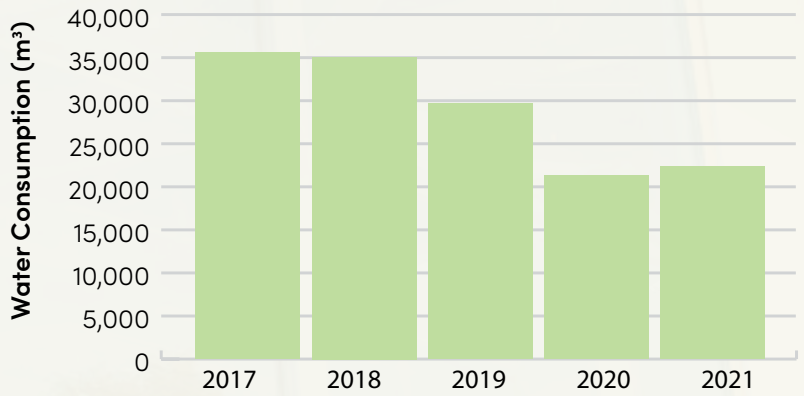
- 2021 was the first year where greenhouse gas emissions fell below our 2017 baseline levels. The work in 2020 to replace old natural gas boilers with newer efficient models played an important role in this reduction
- We acquired more than 20 commercial-grade electric landscaping tools into our equipment fleet in addition to one fully electric ride-on lawnmower
- Work to expand Hendrie Park's electrical capacity was completed, meaning we did not need to use generators for Winter Wonders and should be able to reduce our reliance on them in the future



Water Reduction

Our annual water consumption is calculated using our utility bills.

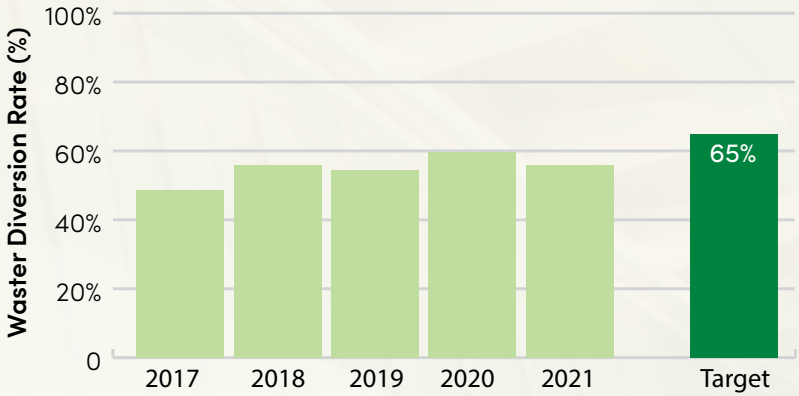
- 2021 water consumption remained relatively similar to the previous year. Part of the increase can be attributed to slightly higher early season irrigation use, which will be looked at in 2022
- On-going monitoring efforts detected three unusual water consumption events. These were addressed, saving an estimated 500m^3 of water
- Irrigation rain sensors were installed in Hendrie Park, RBG Centre, and Rock Garden. These sensors automatically shut-off scheduled irrigation in the event of rain and prevent systems from re-starting until conditions are appropriately dry



Waste Diversion

Waste Diversion is a measure of how much material disposed is diverted away from landfill to be recycled or re-used. A 100% diversion rate would mean nothing is going to landfill, so a higher diversion rate is ideal.

- Our diversion rate has been hovering around 55% since our last major system update. In 2021, audits were completed to help inform updates to outdoor signage planned for 2022
- This year we coordinated the start of an on-site metal recycling service which will allow us to capture and recycle a number of scrap metals from our operations more efficiently. This information has not yet been incorporated into our waste diversion calculation



FOTOFLARE PHOTOGRAPHY

RBG in 2021

9,995 plant accessions
231,432 living plants representing
7,267 taxa representing
157 families,
836 genera and
2,509 species

500,000
trail visitors

813 virtual school programs
delivered to **21,431** students
plus **279** on-site school programs
delivered to **1,990** students

20,000
native plants
added to habitat
restoration sites

50,000+
invasive plants
removed

24,862
volunteer hours

357 active
volunteers

62 fish species

277 bird species
37 mammal species
6 amphibian species
4 turtle species

Green Angels supported

307 students in in-person school programs
498 virtual field trips with 11,487 students
24 campers at summer day camps
193 youth participating in in-person programs at RBG and in schoolyards
80 new Canadians participating in RBG garden tours
38 family memberships
92 family admission passes

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Garden Areas

RBG Centre

The interior is noted for its Mediterranean Garden, tropical plants, living wall, orchid collection, Camilla and Peter Dalglish Atrium, gift shop and Greenhouse Café. The exterior features a diversity of perennials, trees and shrubs, street tree collection, Aldershot Escarpment Garden, courtyard plantings and colourful seasonal displays of bulbs and annuals.

Hendrie Park

Noted for its collection of modern, disease-resistant roses in the Rose Garden as well as the Scented and Morrison Woodland Garden, Helen M. Kippax Garden and Veggie Village. Hendrie Park is the proud location of the new Healing Garden, showcasing 12 garden beds focused on plants from cultures and traditions around the world that are used to treat ailments in specific body systems.

Laking Garden

This garden includes an amazing diversity of iris and peonies, the Heritage Garden, clematis collection and perennial beds with season-long interest.

Rock Garden

First opened in 1932, RBG's oldest garden embraces sustainable trends in garden design and management while respecting the integrity of its heritage setting. Attractions in the David Braley & Nancy Gordon Rock Garden include a stunning visitor centre and Rock Garden Bistro, Dalglish Family Foundation Courtyard, water features and diverse perennials.

Arboretum

Arboretum features more than 500 species and cultivars of lilacs as well as magnolia, crabapple, cherry and redbud collections, Avenues of Trees, a pinetum and a range of unusual tree and shrub cultivars.

Our Mandate

Horticulture

Horticulture contributed 19 published articles to various public outlets including The Weather Network, *Greenhouse Canada Magazine*, *Public Garden Magazine*, and RBG horticulture blogs. In addition, horticulture delivered 42 public presentations this past year through various outlets including RBG Ask the Expert, Burlington TelePals, CBC Radio Online Garden Chats, Perennial Plant Symposium, Humber College Virtual Town Hall, Volunteer Monthly Meetings, Halton Food Week Phenology, Huronia Rose Society, and RBG Blooms Stage presentations in Hendrie Park throughout the summer months.

The majority of horticultural staff worked on-site during lockdowns in 2021, caring for the plant collections, aesthetic displays and garden infrastructure. A new paver walkway was built and opened to visitors in July, connecting two sections of previously paved walkway around Rock Garden's upper garden. In Laking Garden, a large concrete foundation was

installed and enhanced by staff to provide additional tented programming space. In Hendrie Park, the Healing Garden (renovated Medicinal Garden) was officially opened in September. Various improvements were made to our greenhouses at RBG Centre and in the propagation structures at the Arboretum to allow for more efficient and diverse plant material production and display in exterior gardens and interior visitor spaces. Horticultural staff worked with the visitor experience team to provide the backdrop for an exterior film shoot in Hendrie Park in the spring and provided garden ambiance for the international *Seeing the Invisible* exhibition late summer through autumn.

A programmatic research trip was taken by the head of horticulture and chief financial officer to Longwood Gardens, Pennsylvania, in advance of the wintertime Winter Wonders program in Hendrie Park.

2021 was again a productive year for hazard tree mitigation, preventative pruning, and proactive arboriculture practices within our cultivated spaces. This year we accounted for 26 trees which were damaged by storms, mainly from various high wind and snow weather events. RBG was able to optimize the efforts of contracted tree care in the completion of outstanding tree mitigations and in providing proactive work on trees which had not been worked on recently. A total of 19 days and over 500 hours of work was performed on 109 of our cultivated trees and 24 trees were removed.

A total of 124 trees, 3,292 perennials, 21,622 perennial bulbs and an additional 2,565 plants in the new Healing Garden, accounted for a total planting of 25,315 plants representing 436 taxa within the gardens and collections in 2021. Over 1,000 bulbs were planted in Hendrie Park, more than 9,200 bulbs in Laking Garden, and over 11,000 bulbs were planted in the Rock Garden.

This past year, a total of 1,836 volunteer hours were spent working in our outdoor horticultural gardens, including 158 hours reported from our Memorial Watchers group. In addition, volunteers contributed 282 hours within our greenhouses, and another 136 hours on other projects such as Rose Garden evaluations in Hendrie Park, assisting with plant inventories and collecting various information with the plant collections.

Science

As we adapted to the changing conditions of the COVID-19 pandemic, we continued to grow our contributions, collections and capacities. In 2021, our new volunteer-supported seed library grew by 480 users, we installed four new herbarium cabinets with generous support from the Government of Canada, and there are now more than 62,000 recorded specimens in the herbarium. The herbarium was reorganized in 2021 according to APG IV, the Angiosperm Phylogeny Group IV results, an updated family tree of the world's plants. Through an agreement we brought about 3,000 specimens from McMaster University's biology department to RBG's herbarium, and updated the catalogue of our collection of historic nursery and seed trade catalogues, the largest in Canada. Our library and archives also partnered with museums and libraries on exhibits showcasing the horticultural catalogues and RBG's rare book collection.

The Cootes to Escarpment EcoPark System made progress too, completing a new Strategic Plan with targets to 2030, and renewing the founding agreement (an MOU) for another five years. We continued the Sustainable Growth and Climate Resiliency Project in 2021, and with the support of the Greenbelt Foundation studied the value to society of ecosystem services provided by the partner lands.

Throughout 2021, science communication remained an important focus. Primarily delivering content online, we presented seven virtual plant identification workshops and recorded plant ID videos, and ran six outdoor, in-person workshops. Staff presented a total of 26 online talks about plant conservation, horticultural history, RBG's own history and the Cootes to Escarpment EcoPark System for a variety of clubs, societies, conferences and university courses.

We were thrilled to have over 800 people in the online audience for the 2021 Patrick Colgan Memorial Lecture, Bridging Western Science and Traditional Knowledge, moderated by Dr Faisal Moola, University of Guelph, with Indigenous speakers Elder Peter Schuler, Mississaugas of the Credit First Nation, Dr. Nick Reo (New Hampshire), Dr. Wendy Geniusz (Wisconsin), and Dr. Katie Kamelamela (Hawai'i).

We updated and expanded the pages on RBG's website describing our activities and the library, archives and herbarium collections. At year's end staff had nine technical or scientific publications either published or in press, on topics such as invasive species, the history of botany in Canada and plant taxonomy.

Natural Lands

Record visitation to the natural areas continued to pose challenges with regards to sustainable trail use of our properties as 2021 saw an excess of 500,000 visits. Ongoing redevelopment of the nature trail system saw the completion of multiple upgrades to facilitate use during all seasons. The feature accomplishments were at the Arboretum and adjacent areas, where improved linkages to Cootes Paradise Marsh's North Shore Landing (boathouse area) were completed. In addition, various soft ground areas were addressed to create a consistently dry, five-kilometre hiking loop.

Cootes Paradise Marsh's health improved dramatically following several years of degradation, aided by the lowest Lake Ontario water levels since the 1960s. About 10 acres of habitat regenerated overall. This recovery is being complemented by work in the wetland meadow areas to eliminate large areas of smothering invasive grass species. The forest areas saw the removal of over 50,000 individual invasive plants, aided by the support of volunteers, and in the upland meadow restoration sites an endangered bird species, Bobolink, established a successful breeding site. Equally exciting is the successful transfer of 28 hatchling Blanding's Turtles from RBG property to a head-start program at Georgian Bay Turtle Hospital.

Observations through the iNaturalist platform for the property climbed to a total of 27,948 observations overall, including 2,656 species and 5,707 research-grade observations. The most popular observation was the Wood Duck.

Environment and Climate Change Canada continues to be the lead financial supporter of our Great Lakes coastal marsh restoration work.

Education

RBG's ever-creative, flexible and enthusiastic team of educators and interpretive volunteers pivoted, adjusted and programmed their way through our second year of pandemic challenges, reaching a broader audience and exploring new ways to connect people with the world of plants and nature.

The year opened into a lockdown that delayed the launch of our new WinterActive programming until late February, with activities offered from then until the first weekend of spring. Included under this healthy active outdoors banner was a new Tree Mindfulness experience installed at Rock Garden for those looking for some pandemic stress "releaf."

RBG at Home continued to provide parents, teachers and children with materials to help explore nature in their neighbourhood, while regular RBG videos connected our growing online audience with new insights into our collections and nature sanctuaries shared by staff experts from across the Biodiversity Programs division. Hybrid and online programming helped us reach far beyond our boundaries during events like the Patrick Colgan Memorial Lecture, which attracted over 800 people from the US and Canada. Where possible, hands-on adult education courses were adapted to continue even during lockdowns. Many opted to register for a tree or wildflower identification course, download their digital package of pre-recorded videos, maps and GPS points, and head out to our trails for experiential learning, or take a flower arranging workshop by picking up a kit curbside, and Zoom(ing) in for live, interactive, step-by-step instruction at home.

New interpretive programming was offered at the Arboretum through the entire spring bloom season. The return of our on-site summer day camps had almost 1,000 children exploring nature across RBG, and The Enchanted Garden cast its spell on the Rock Garden for two weekends, with educational staff applying a new theatrical approach to engage children in discovering the magic of Monarch butterflies and other pollinators.

2021 turned out to be a banner year for our virtual field trips, with unprecedented demand that resulted in over 800 programs being delivered to almost 22,000 participants in both English and French. Our Green Angels fund helped to provide 366 local schools in Hamilton and Halton with access to these programs. Later in the year, COVID 19 recovery support funding from the Ontario Trillium Foundation helped us acquire the new technology needed to expand and enhance these programs.

While RBG was closed through the winter exhibit season and visitor numbers were intermittently restricted through the rest of 2021, the year ended on a high note with visitor engagements 67% higher than our previous best for the autumn period. This included programming for the new *Seeing the Invisible* augmented reality exhibit, a modified Pumpkin Trail experience at the Rock Garden, and our enhanced Winter Wonders programming.

The Enchanted Garden explores the magic of nature.

Exploring plant potions during Pumpkin Hollow at Rock Garden.

Award-winning Virtual Education

RBG's videoconference programs received a 2020-2021 Pinnacle Award from the US-based Center for Interactive Learning and Collaboration (CILC). Each year, CILC recognizes content providers from around the world for their "Programs of Distinction," and for receiving outstanding ratings on program evaluation by educators and activity directors. With over 12 years experience delivering engaging interactive videoconferencing programs, we offer topics that explore biodiversity, conservation, botany, plant ecology and the environment that reach classrooms near and far.

Demand for French programs continues to climb.

Financial Summary

Risk Discussion

Risk is evaluated regularly and reported and reviewed quarterly by the Audit and Finance Committee. The reports include a description of the risk, an impact and scope description, likelihood of the risk, mitigation strategy and overall risk assessment. The risk mitigation involves development of mitigation strategies designed to manage, eliminate or reduced risk to an acceptable level.

ROYAL BOTANICAL GARDENS
(A Corporation without Share Capital)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

BROWNLOW PARTNERS
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Royal Botanical Gardens

Opinion

We have audited the financial statements of Royal Botanical Gardens (the Organization), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Brownlow Partners

Ancaster, Ontario
March 24, 2022

Chartered Professional Accountants
Licensed Public Accountants

ROYAL BOTANICAL GARDENS
(A Corporation without Share Capital)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

ASSETS

	2021	2020
CURRENT ASSETS		
Cash	$ 610,915	$ 613,720
Accounts receivable	1,284,210	748,944
Government remittances receivable	120,581	89,786
Inventory	243,397	168,664
Prepaid expenses and deposits	436,046	207,180
	2,695,149	1,828,294
INVESTMENTS (note 3)	17,442,204	15,223,956
CAPITAL ASSETS (note 5)	40,378,373	40,950,256
	$ 60,515,726	$ 58,002,506

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 1,789,666	$ 1,106,250
Deferred revenue	2,306,060	1,255,225
Deferred capital funding	340,431	397,652
Deferred operating contributions (note 7)	6,781,630	5,921,939
	11,217,787	8,681,066
DEFERRED CAPITAL CONTRIBUTIONS (note 6)	39,189,364	40,037,421
	50,407,151	48,718,487
NET ASSETS		
Unrestricted (note 8)	3,180,786	2,791,480
Internally restricted (note 9)	4,551,774	4,136,585
Endowments (note 10)	2,376,015	2,355,954
	10,108,575	9,284,019
	$ 60,515,726	$ 58,002,506

Commitments and contingencies (note 11)

Approved by the Board

Director

Director

(The accompanying notes form an integral part of these financial statements)

ROYAL BOTANICAL GARDENS
(A Corporation without Share Capital)
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
REVENUE		
Operating grants		
Ministry of Heritage, Sport, Tourism and Culture Industries	$ 4,036,030	$ 4,036,000
City of Hamilton	647,410	634,738
Regional Municipality of Halton	818,541	802,491
Other government support (note 2a(v))	1,101,122	2,491,578
	6,603,103	7,964,807
Admissions, memberships and other program revenue (note 13a)	4,428,415	3,028,138
Mandated activities (note 13b)	1,249,786	711,041
Development - donations (note 13c)	1,379,204	862,276
Investment income (note 13d)	386,822	151,439
Amortization of deferred capital contributions (note 5)	3,874,741	3,693,393
	17,922,071	16,411,094
EXPENSES		
Admissions, memberships and other program expenses	3,497,129	2,532,470
Maintenance and equipment	2,514,472	2,433,351
Administration	2,305,291	2,440,662
Development fundraising	790,839	700,087
Mandated activities		
Horticulture - gardens, parklands and collections	2,249,226	2,102,697
Conservation and environmental programs	1,067,895	982,234
Scientific and research programs	411,661	456,289
Education programs	1,093,451	901,250
Amortization of capital assets (note 5)	3,874,741	3,693,393
	17,804,705	16,242,433
EXCESS OF REVENUE OVER EXPENSES FOR OPERATIONS	117,366	168,661
Change in unrealized gain on investments	291,642	380,267
Unrestricted estate donation (note 9)	-	905,630
EXCESS	$ 409,008	$ 1,454,558

(The accompanying notes form an integral part of these financial statements)

ROYAL BOTANICAL GARDENS
(A Corporation without Share Capital)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Unrestricted (note 8)	Internally restricted (note 9)	Endowments (note 10)	Total 2021	Total 2020
NET ASSETS, BEGINNING OF THE YEAR	$ 2,791,480	$ 4,136,585	$ 2,355,954	$ 9,284,019	$ 7,617,732
Excess of revenue over expenses for operations	117,366	-	-	117,366	168,661
Unrestricted estate donation	-	-	-	-	905,630
Endowment contributions	-	-	1,500	1,500	1,425
Amortization of investment in capital assets	(19,702)	-	-	(19,702)	(5,340)
Investment income allocations	-	244,921	18,561	263,482	147,351
Change in unrealized gain on investments	291,642	170,268	-	461,910	448,560
NET ASSETS, END OF THE YEAR	$ 3,180,786	$ 4,551,774	$ 2,376,015	$ 10,108,575	$ 9,284,019

(The accompanying notes form an integral part of these financial statements)

ROYAL BOTANICAL GARDENS
(A Corporation without Share Capital)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	$ 409,008	$ 1,454,558
Adjustments for:		
- amortization of deferred capital contributions	(3,855,039)	(3,688,053)
- amortization of investment in capital assets	(19,702)	(5,340)
- deferred operating contributions recognized as revenue	(69,545)	-
- amortization of capital assets	3,874,741	3,693,393
- change in unrealized gain on investments	(291,642)	(380,267)
	47,821	1,074,291
Net changes in non-cash working capital balances from operations	807,370	(1,080,488)
Cash provided by (used in) operating activities	855,191	(6,197)
INVESTING ACTIVITIES		
Acquisition of capital assets	(3,302,858)	(2,165,485)
Increase in endowments	20,061	19,623
Allocated investment income to internally restricted net assets	244,921	129,153
Deferred operating contributions and allocated investment income	534,998	293,318
Capital contributions used during the year	3,006,982	2,167,129
Increase in cost of investments	(1,362,100)	(924,910)
Cash provided by (used in) investing activities	(857,996)	(481,172)
DECREASE IN CASH DURING THE YEAR	(2,805)	(487,369)
CASH AT BEGINNING OF THE YEAR	613,720	1,101,089
CASH AT END OF THE YEAR	$ 610,915	$ 613,720

(The accompanying notes form an integral part of these financial statements)

1. DESCRIPTION

Royal Botanical Gardens (the "RBG") is one of Canada's premier cultural, educational and scientific institutions, comprised of more than 1,100 hectares of horticultural display gardens, arboretum, woodlands, wetlands and 30 kilometres of trails. The RBG receives transfer payments from the Ontario Ministry of Heritage, Sport, Tourism and Culture Industries and receives additional support from the City of Hamilton (the "City"), the Regional Municipality of Halton, the RBG members, many corporations, foundations and individuals.

The RBG is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations applied within the framework of the significant accounting policies summarized below:

(a) Revenue Recognition

(i) Grants are recorded as revenue when the related expenses have been incurred and the applications for the grants have been approved by the relevant government agencies. Grants received in advance of incurring the related expenses are included on the statement of financial position as deferred revenue.

(ii) Unrestricted donations, admission fees, membership fees, other program fees, event revenue, food and beverage revenue, rental revenue and garden shop revenue are recognized as revenue in the year in which they are received. Restricted donations are deferred and recognized as revenue in the year in which the related expenses are incurred.

(iii) Externally restricted contributions for depreciable capital assets are deferred and amortized over the life of the related assets. Externally restricted contributions for non-depreciable capital assets are recorded as a direct increase in unrestricted net assets. Externally restricted capital asset contributions that have not been spent are recorded as part of deferred capital funding on the statement of financial position.

Self-funded contributions for depreciable capital assets are deferred and amortized over the life of the related assets. Self-funded capital asset contributions that have not been expended are recorded as part of net assets invested in capital assets on the statement of financial position.

(iv) Endowment contributions are recognized as a direct increase in endowment net assets in the year in which they are received.

(v) Government assistance is recognized as revenue when the RBG has complied with the terms and conditions of the applicable legislation. During the year, the Organization recognized $1,101,122 (2020: $2,491,578) of assistance relating to the Canada Emergency Wage Subsidy. As at December 31, 2021, no subsidies are included in accounts receivable (2020: $117,369).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Contributed Services

Volunteers contribute numerous hours per year to assist RBG in carrying out its activities. Due to the difficulty in determining their fair value, contributed services have not been recognized in the financial statements.

(c) Donations In-Kind

Donations in-kind are recorded at their estimated fair market value at the date of donation. The RBG received donations in-kind of $95,873 (2020: $71,384).

(d) Measurement of Financial Instruments

The RBG initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The RBG subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments as described in note 2(e).

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable. The RBG has designated all portfolio investments to be measured at fair value as described in note 2(e).

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

(e) Investments

All investments are recorded at fair value. The quoted market price was used to estimate the fair value of the financial instruments held as investments.

Investment income, net of investment management fees, is allocated to the restricted deferred funds and statement of operations on a prorated basis. The ratio of total endowments, internally restricted net assets and deferred operating contributions at the beginning of the month divided by the total average investment cost for the month is calculated. This ratio is then applied to the total net investment income earned for the month to determine the amount of investment income to apply to the deferred operating contributions, internally restricted net assets and endowments. Remaining unallocated net investment income is recorded in the statement of operations.

Unrealized gains and losses on investments are allocated to the restricted deferred funds and unrestricted net assets on a prorated basis. The ratio, described above, is applied to the total unrealized gains and losses at month end to determine the amount of unrealized gains and losses to apply to the deferred operating contributions, internally restricted net assets and endowments. Remaining unallocated unrealized gains and losses are included in unrestricted net assets. The change in unrestricted unrealized gains and losses are recorded in the statement of operations. When investments are sold, realized gains and losses are recognized in investment income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Inventory

Inventory, consisting of food and beverage and items available for sale in the RBG gift shop, is valued at the lower of cost or net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

Included in admissions, memberships and other program expenses is $510,471 (2020: $282,410) of inventory expensed during the year.

(g) Capital Assets

Capital assets are recorded at cost, except for donated assets, which are recorded at fair market value at the date of contribution. The fair market value of previously donated land could not be determined and therefore, the total 1,100 hectares of land have been recorded at a nominal value of $9,428.

Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	40 years
Mechanical equipment	20 years
Gardens and natural area infrastructures	20 years
Roadways and parking lots	20 years
Vehicles and equipment	5 years
Furniture and fixtures	10 years
Computer equipment	3 years
Media stock	5 years
Exhibits	3 years

Contributed capital assets are recognized at the fair value at the date of contribution. The contribution is recognized as revenue on the same basis as the amortization expense of the contributed capital asset.

When a capital asset no longer has any long term service potential to the RBG, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

(h) Use of Estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include the useful lives of capital assets, allowances for inventory obsolescence, allowances for doubtful accounts and accruals. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

3. INVESTMENTS

The investments consist of funds that are professionally managed, diversified and are invested in the following categories: cash and near cash securities, fixed income securities and equity securities.

	2021	2020
Cost of investments at December 31	$ 13,606,347	$ 12,244,247
Unrealized gain on investments	3,835,857	2,979,709
Market value of investments at December 31	$ 17,442,204	$ 15,223,956

Investments are valued at market as at yearend and are composed of the following types of securities:

Cash, cash equivalents and accrued interest	$ 1,188,978	$ 1,080,282
Fixed income securities	5,648,087	4,806,695
Equity securities	10,605,139	9,336,979
	$ 17,442,204	$ 15,223,956

4. DEMAND LOAN

The RBG has the following facilities available:

- Credit facility #1 & 2 - Shared authorization up to $2,000,000. Facility #1 - Overdraft lending account for operating requirements. The facility bears interest at prime plus 0.75%. As at December 31, 2021, the facility was not drawn upon (2020: not drawn). Facility #2 - Demand loan to provide bridge financing for capital projects as required. The facility bears interest at prime plus 0.75%. Repayment terms are determined at time of borrowing. As at December 31, 2021, the facility was not drawn upon (2020: not drawn).
- Credit facility #3 - Overdraft lending account up to $2,000,000 for operating requirements. The facility bears interest at prime plus 0.5%. As at December 31, 2021, the facility was not drawn upon (2020: not drawn).

Security for the facilities includes the following:

- General Security Agreement providing a first charge over all accounts receivable, inventory and equipment other than leased assets, land and buildings, plants, living collections, library artifacts, patents and investments;
- Bank to be named as loss payee on business and fire insurance; and
- Assignment and pledge of investment portfolio registered in Ontario under the Personal Property Security Act (PPSA) with enabling resolution. The market value of the investment portfolio pledged as collateral at December 31, 2021 is $4,659,364 (2020: $3,761,286), which are included with investments on the statement of financial position.

5. CAPITAL ASSETS

The change in net book value of capital assets is due to the following:

	2021	2020
Balance, beginning of the year	$ 40,950,256	$ 42,478,164
Purchase of capital assets funded by deferred capital contributions	3,004,952	2,165,485
Purchase of internally funded capital assets	297,906	-
Amortization of capital assets	(3,874,741)	(3,693,393)
Balance, end of the year	$ 40,378,373	$ 40,950,256

Amortization of capital assets agrees to amortization of deferred capital contributions of $3,855,039 (2020: $3,688,053) and amortization of investment in capital assets of $19,702 (2020: $5,340), which has been recognized as revenue during the year.

Capital assets consist of the following:

	2021			2020
	Cost	Accumulated Amortization	Net	Net
Land	$ 876,681	$ -	$ 876,681	$ 876,681
Buildings	33,886,294	17,322,540	16,563,754	17,375,949
Mechanical equipment	7,410,794	3,645,728	3,765,066	3,652,758
Gardens and natural area infrastructures	27,333,769	11,253,216	16,080,553	16,520,767
Roadways and parking lots	4,785,530	2,929,940	1,855,590	1,490,083
Vehicles and equipment	4,495,935	4,242,994	252,941	691,351
Furniture and fixtures	3,819,087	3,106,642	712,445	342,667
Computer equipment	2,556,016	2,284,673	271,343	-
Media stock	252,244	252,244	-	-
Exhibits	985,806	985,806	-	-
	$ 86,402,156	$ 46,023,783	$ 40,378,373	$ 40,950,256

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions consist of the following:

	2021	2020
Balance, beginning of the year	$ 40,037,421	$ 41,558,345
Capital contributions used during the year	3,006,982	2,167,129
Amortization of deferred capital contributions	(3,855,039)	(3,688,053)
Balance, end of the year	$ 39,189,364	$ 40,037,421

7. DEFERRED OPERATING CONTRIBUTIONS

The change in deferred operating contributions is due to the following:

	2021	2020
Balance, beginning of the year	$ 5,921,939	$ 5,502,308
Contributions received from corporate and private sources	1,500	1,425
Amount drawn from funds during the year	(69,545)	-
Investment income allocation	275,813	165,630
Restricted investment income earned on endowments	257,685	126,263
Change in market value of investments	394,238	126,313
Balance, end of the year	$ 6,781,630	$ 5,921,939

Deferred operating contributions consist of the following major external restrictions:

Operations	$ 128,373	$ 83,335
Gardens and natural lands	3,866,449	3,441,156
Collections	522,742	421,458
Science and education	1,318,306	1,218,692
Staffing and administration	945,760	757,298
	$ 6,781,630	$ 5,921,939

8. UNRESTRICTED NET ASSETS

Unrestricted net assets consists of the following:

	Unrestricted	Invested in capital assets	Total
Balance, beginning of the year	$ 2,747,340	$ 44,140	$ 2,791,480
Excess of revenues over expenses for operations	117,366	-	117,366
Purchase of internally funded capital assets	(297,906)	297,906	-
Amortization of investment in capital assets	-	(19,702)	(19,702)
Funds received relating to prior years' internally funded capital assets	2,030	(2,030)	-
Change in unrealized gain on investments	291,642	-	291,642
Balance, end of the year	$ 2,860,472	$ 320,314	$ 3,180,786

Amounts pledged towards the Rock Garden campaign are not recognized until the cash is received. As cash is received in future periods, amounts will be transferred from net assets invested in capital assets back to unrestricted net assets. All amounts previously pledged have now been received.

9. INTERNALLY RESTRICTED NET ASSETS

During the 2020 fiscal year, the RBG received an unrestricted estate donation in the amount of $905,630. The donation was internally restricted by the RBG. The RBG Board will approve the use of these funds. During the year, no amounts were drawn from the internally restricted net assets (2020: no amounts). Internally restricted net assets consist of the following major internal restrictions:

	2021	2020
Maintaining garden areas and strategic initiatives	$ 3,646,144	$ 3,230,955
COVID-19 recovery	905,630	905,630
	$ 4,551,774	$ 4,136,585

10. ENDOWMENTS

Contributions restricted for endowments consist of donations received by the RBG where the endowment principal is required to remain intact. Accordingly, these amounts are classified as long term investments. The investment income generated from the endowments must be used in accordance with the purposes established by donors.

	2021	2020
Balance, beginning of the year	$ 2,355,954	$ 2,336,331
Endowments received from private sources	1,500	1,425
Investment income required to be held as endowment	18,561	18,198
Balance, end of the year	$ 2,376,015	$ 2,355,954

11. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the RBG may be contingently liable for litigation and claims with customers, suppliers and former employees. Management believes that adequate provisions have been recorded in the accounts where required. Although it is not possible to accurately estimate the extent of potential costs and losses, if any, management believes, but can provide no assurance, that the ultimate resolution of such contingencies would not have a material adverse effect on the financial position of the RBG.

12. RECLASSIFICATION

Certain 2020 comparative amounts were reclassified to conform to the current year's financial statement presentation.

13. REVENUE

	2021	2020
Admissions, memberships and other program revenue consists of:		
Admissions and special events	$ 1,139,175	$ 1,056,474
Membership fees	1,192,609	910,215
Food and beverage	666,279	81,394
Rentals	370,864	186,903
Garden shop sales	604,596	512,198
Other income	454,892	280,954
a) Total admissions, memberships and other programs	$ 4,428,415	$ 3,028,138
Mandated activities consists of:		
Horticulture - gardens, parklands and collections	$ 59,398	$ 62,186
Conservation and environmental programs	488,429	318,152
Scientific and research programs	38,860	101,654
Education programs	663,099	229,049
b) Total mandated activities	$ 1,249,786	$ 711,041
Donations and grants received during the year	$ 2,289,733	$ 2,506,871
Add:		
Restricted donations received in the prior year recognized into development - donations revenue	222,433	173,954
Less:		
Grants deferred and recognized into mandated activities revenue once qualifying expenses incurred	(1,014,765)	(736,407)
Green Angel donations recognized in deferred revenue	(62,328)	(21,995)
Restricted donations recognized in deferred revenue	(31,488)	(141,306)
Restricted donations recognized in deferred operating contributions and endowments	(3,000)	(2,850)
Restricted donations recognized in deferred capital contributions	(21,381)	(10,361)
Donations internally restricted during the year	-	(905,630)
c) Total development - donations	$ 1,379,204	$ 862,276
Investment income earned during the year	$ 1,278,153	$ 674,102
Less: Investment management fees	(94,351)	(83,419)
Net investment funds available for allocation	1,183,802	590,683
Allocation to deferred operating contributions	(533,498)	(291,893)
Allocation to internally restricted net assets	(244,921)	(129,153)
Allocation to endowments	(18,561)	(18,198)
d) Total investment income	$ 386,822	$ 151,439

14. FINANCIAL INSTRUMENTS

Risks and Concentrations

The RBG is exposed to various risks through its financial instruments. The following analysis provides a measure of the RBG's risk exposure and concentrations at December 31, 2021.

(a) Liquidity Risk

Liquidity risk is the risk that the RBG will encounter difficulty in meeting obligations associated with financial liabilities. The RBG is exposed to this risk mainly in respect of its accounts payable. The RBG's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The RBG achieves this by maintaining sufficient cash and cash equivalents. This risk has not changed from the prior year.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The RBG's main credit risks relate to its accounts receivable. The RBG provides credit to its clients in the normal course of its operations. This risk has not changed from the prior year.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The RBG is exposed to currency risk and other price risk. This risk has not changed from the prior year.

(i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Some of the RBG's assets are exposed to foreign exchange fluctuations. As at December 31, 2021, bank indebtedness of $26,331 (2020: $3,036) is recorded in US dollars and converted into Canadian dollars. Approximately 39% (2020: 39%) of the RBG's investments are held in US dollars and converted into Canadian dollars.

(ii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The RBG is exposed to other price risk due to a substantial portion of its assets being held in investments, which are susceptible to fluctuations in market values. To manage this risk, RBG management and the Board of Directors reviews its investment strategies at least annually with the RBG's investment advisor.

680 Plains Road West,
Burlington, ON L7T 4H4
905-527-1158; 1-800-694-4769

rbg.ca

Royal Botanical Gardens

Reverie, P. Roch Smith
Dan Lawrie International Sculpture Collection, installed 2021