



Photo Credit: Tourism Harrison

VILLAGE OF HARRISON HOT SPRINGS BRITISH COLUMBIA  
CANADA  
**2017 ANNUAL REPORT**  
FOR THE YEAR ENDED DECEMBER 31, 2017





# HARRISON HOT SPRINGS

*Naturally Refreshed*

## MUNICIPALITY

Village of Harrison Hot Springs

## ANNUAL REPORT

For the year ended December 31, 2017

## PREPARED BY

Financial Services & Community Services

## LOCATION

Harrison Hot Springs  
British Columbia, Canada

## CONTACT

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# VILLAGE OF HARRISON HOT SPRINGS BRITISH COLUMBIA CANADA 2017 ANNUAL REPORT



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Photo Credit: Tourism Harrison

# MAYOR'S MESSAGE



On behalf of the Village of Harrison Hot Springs, I am pleased to present the 2017 Annual Report which highlights our accomplishments and presents our audited financial statements.

As a Resort Municipality, our mandate is unique in serving our 1,468 permanent residents while welcoming around 600,000 visitors a year to the community. We take pride in providing residents and tourists alike opportunities to take in our natural beauty, rich history and relaxed lifestyle.

We are thrilled to see tourism numbers continue to increase each year with more visitors staying overnight and taking in our world-class festivals and events including Canada Day 150 celebrations in 2017.

2017 was a year of development and growth with two major subdivisions being built and a threefold of building permits being issued compared to last year.

Our Council is also committed to infrastructure improvements. Providing a safe, reliable and affordable water supply to residents is a priority of the Village. In the fall of 2017, we were very pleased to announce that the Village received a 2.76 million dollar *Clean Water & Wastewater Fund* grant from the federal and provincial governments to provide infrastructure improvements to the municipal water distribution system.

We continue to foster relationships with our neighbours and have participated in many joint meetings and events. In December 2017, the Village enjoyed hosting Magic of Christmas, a holiday event organized in partnership with Seabird Island, the District of Kent, Agassiz-Harrison Community Services and the Agassiz Library. The Village also continues to actively take part in the Community to Community Forum meetings that brings together Mayors, Chiefs and Councils from the surrounding communities to discuss common goals and issues.

We are proud of all that we accomplished in 2017 and look forward to another exceptional year.

A handwritten signature in black ink, appearing to read 'Leo Facio'.

MAYOR LEO FACIO

“We are proud of all that we accomplished in 2017 and look forward to another exceptional year.”

# VILLAGE COUNCIL



L-R Councillor John Hansen, Councillor Sonja Reyerse, Mayor Leo Facio, Councillor Samantha Piper, Councillor John Buckley

## About Village Council

Harrison Hot Springs Village Council consists of the mayor and four councillors, all of whom are elected village-wide and serve four-year terms. Council's role is to establish policies to guide the growth, development and operation of the Village, set budgets and levy taxes to provide services.

Council meets regularly and the public is welcome to attend any open meeting. Citizens can provide input on items or issues being considered by Council.

Mayor and Council give administrative responsibility to the Chief Administrative Officer who oversees Village operations and ensures that staff work to meet community, corporate and Council priorities.

# VILLAGE COUNCIL



## Mayor Leo Facio

### COUNCIL APPOINTMENTS

Municipal Director,  
Fraser Valley Regional District Board  
  
Liaison,  
Kent Harrison Joint Emergency Program Committee



## Councillor Samantha Piper

### COUNCIL APPOINTMENTS

Municipal Director,  
Fraser Valley Aboriginal Relations Committee  
  
Liaison,  
Fraser Health  
  
Liaison,  
Kent Harrison Joint Emergency Program Committee  
  
Liaison,  
Citizen's Advisory Committee



## Councillor John Buckley

### COUNCIL APPOINTMENTS

Alternate Municipal Director,  
Fraser Valley Regional District Board  
  
Liaison,  
Tourism Harrison  
  
Liaison,  
Kent Harrison Joint Emergency Program Committee





## Councillor John Hansen

### COUNCIL APPOINTMENTS

Alternate Municipal Director,  
Fraser Valley Regional Library Board

Alternate Municipal Director,  
Fraser Valley Aboriginal Relations Committee

Chair,  
Age-Friendly Committee

Liaison,  
Agassiz-Harrison Healthy Communities



## Councillor Sonja Reyerse

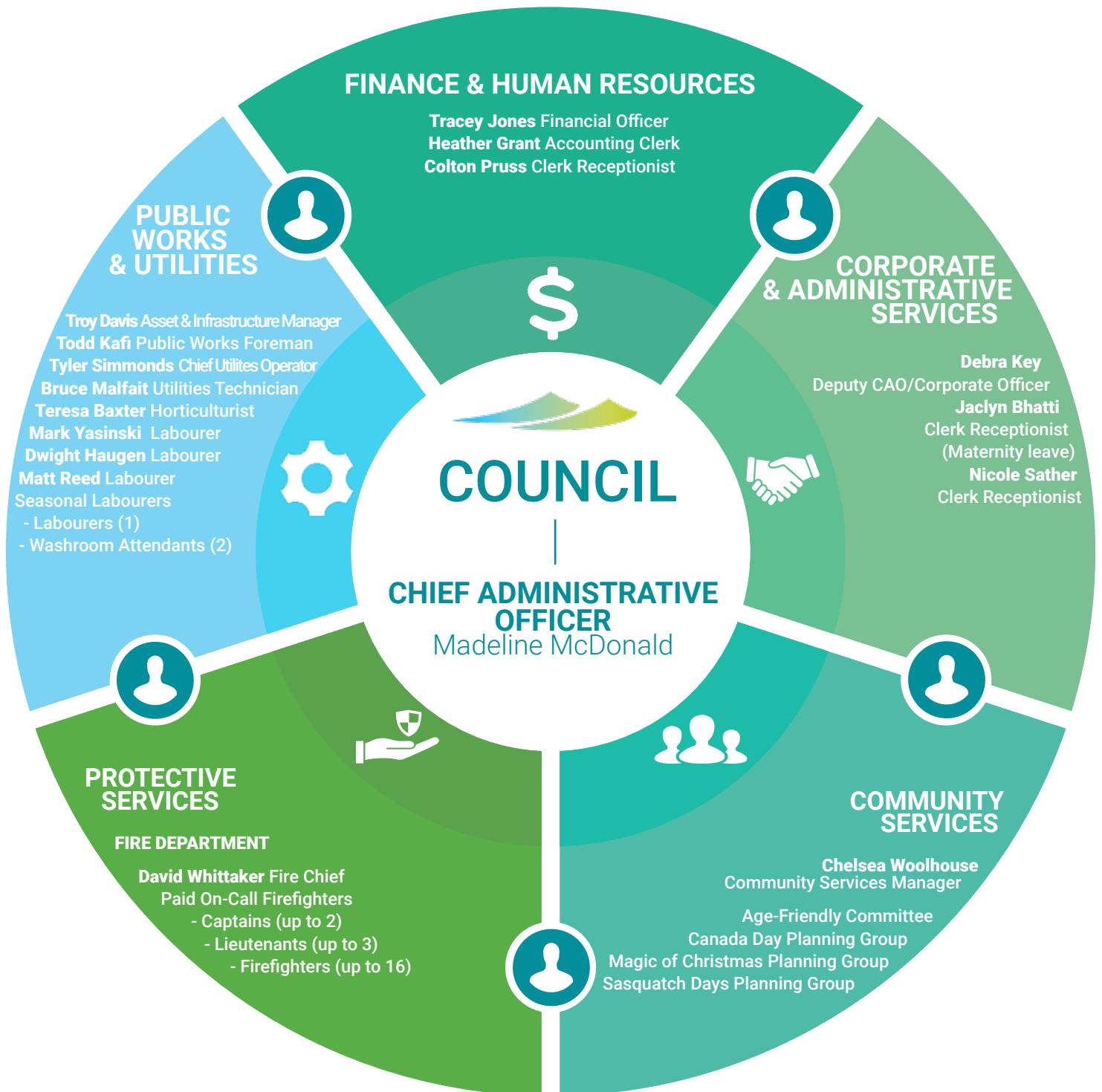
### COUNCIL APPOINTMENTS

Municipal Director,  
Fraser Valley Regional Library Board

Liaison,  
Agassiz-Harrison Chamber of Commerce



# ORGANIZATIONAL CHART







# DEPARTMENTS



## Corporate & Administrative Services

### Corporate & Administrative Services

Corporate Services provides the corporate and administrative communication link between the residents of Harrison Hot Springs and their Village Council. Corporate Services prepare and preserve records of the official business of the corporation, including bylaws, minutes of Council and Committee meetings, and Council policies. The department is also responsible for the coordination of municipal elections, and referendums.

### Bylaw Enforcement Services

Bylaw Enforcement Services supports a safe and healthy environment for the residents of Harrison Hot Springs by ensuring compliance with Village bylaws, from parking to noise complaints. An educational approach is used to resolve infractions whenever possible with a focus on quality customer service.

### Animal Control

Dog control and licencing services are provided to the Village by the Fraser Valley Regional District.



## Financial Services & Human Resources

### Financial Services

Financial Services provides financial reporting and control services, manages Village assets, and offers guidance for maintaining the overall financial stability of the municipality. Specific functions include preparing and monitoring operating and capital budgets, levying and collecting property taxes and utilities, administering payroll, processing accounts payable and accounts receivable and maintaining a high level of client service for municipal payments and inquiries.

### Human Resources

Human Resources supports all stages of the employee experience, from job applications to retirement planning. Human Resources is responsible for providing strategic advice and leadership to managers within the Village to create a culture of employee empowerment and recognition.

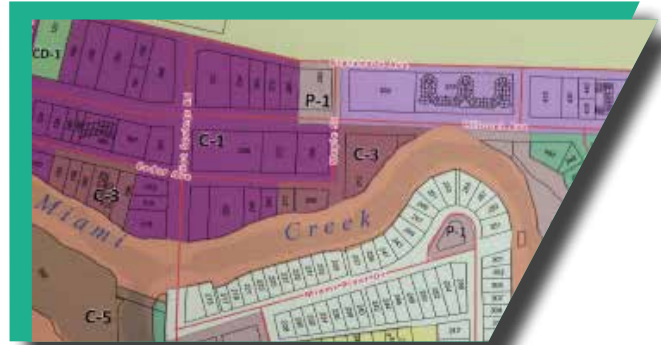




## Community Services

### Community Services

The role of Community Services is to help build strong and healthy relationships with the people and organizations that make up the community. They help coordinate the Resort Municipality Initiative (RMI), organizes community events and promotes effective communications and engagement throughout the Village. Among many things, Community Services helps administer curbside waste collection, pay parking, BC Transit and provides support on emerging projects.



## Planning & Development Services

### Planning & Development Services

Planning and Development Services is responsible for developing a wide range of land use plans and strategies and for processing applications for land use and development. This contracted service provides advice to senior staff and works with Council on the development, implementation and administration of the Official Community Plan and Zoning Bylaws.

Building development and building inspection services are provided by the Fraser Valley Regional District.



*Canada Day*



*Magic of Christmas*

# DEPARTMENTS



## Protective Services

### Fire Protection

The Harrison Hot Springs Fire Department provides fire prevention and awareness information to the Village. The Fire Department is comprised of dedicated paid-on-call fire fighters who are committed to public safety through the delivery of a wide variety of services including fire suppression, first responder medical service, and fire extinguisher training. The Village of Harrison Hot Springs and the District of Kent have a Mutual Aid Agreement in place to lend assistance across jurisdictional boundaries in the case of an emergency.

### Emergency Preparedness

The Kent Harrison Joint Emergency Program Committee oversees the development of the Hazard Emergency Response and Recovery Plan. This plan guides the operations, organization, responsibilities and coordination necessary to provide for effective response and recovery from major emergencies or disasters in the jurisdictional area of the Village of Harrison Hot Springs and the District of Kent.



## Public Works & Utility Services

### Public Works

Public Works is responsible for the repair, maintenance and beautification of Village-owned assets including municipal facilities, beachfront and parks. Public works is also responsible for road maintenance including snow clearing, solid waste collection in public spaces, street maintenance, and flood protection among many other things.

### Utility Services

Utility Services operates and maintains the Village's potable water supply, treatment and distribution system, the sanitary sewer system including a level three secondary waste water treatment facility and the storm water collection system. This critical infrastructure meets or exceeds legislated health and safety requirements and provides high-quality potable water.





# GOALS & OBJECTIVES



Photo Credit: Tourism Harrison







# INFRASTRUCTURE & UTILITIES

## 2017 ACHIEVEMENTS

**Completed a Liquid Waste Management Plan** for storm and waste water

**Completed an Infrastructure Planning Review** of the Waste Water Treatment Plant

**Installed accessible washrooms** at Rendall Park

**Secured a Clean Water and Wastewater Fund Grant** for Water System Upgrades

**Awarded new garbage collection contract** to include organics

## 2018 GOALS

- Improve drainage infrastructure on an incremental basis
- Rebuild Lift Station Number 3 on McCombs Drive to increase capacity
- Install Lift Station Number 7 on Hot Springs Road to increase capacity, replacing 'siphon' infrastructure
- Undertake an I & I study (infiltration and inflow) to identify ways to reduce influent flows and energy consumption at the Waste Water Treatment Plant

- Make improvements to the treatment process at the Waste Water Treatment Plant
- Increase capacity at the Waste Water Treatment Plant

- Build out new park with historical and environmental interpretive signage at the Flood Pump Facility

- Add up to 100 residential properties to the municipal water system
- Replace the supply and return lines to the water reservoir
- Upgrade water mains on Hot Springs Road to improve fire protection
- Expand Water Treatment Plant capacity

- Review garbage collection fees to ensure that service is fully user-pay



# RECREATION, CULTURE & TOURISM

## 2017 ACHIEVEMENTS

## 2018 GOALS

<b>Continued participation in Joint Council Meetings</b> with District of Kent	- Continue to foster and improve partnerships with neighbouring jurisdictions and other agencies
<b>Continued participation in Community to Community Forum</b>	- Continued partnerships with the Community to Community Forum members
<b>Opened renovated Beach Washrooms</b> with a rooftop outdoor fitness area	- Make lagoon improvements including milfoil suppression
<b>Developed a Signage Master Plan</b>	- Improve community signage
<b>Hosted Magic of Christmas event</b> for Harrison, Agassiz and Seabird Island families	- Continue to enhance annual winter light display
<b>Hosted a 100th Anniversary event</b> commemorating the Battle of Vimy Ridge	- Install interpretive signage relating to the history of the region
<b>Hosted Canada Day</b> commemorating 150 years of Confederation	- Continue to host Canada Day featuring high-quality entertainment and activities
<b>Co-hosted Sasquatch Days</b> with the Sts'ailes First Nation	- Continue to co-host Sasquatch Days and build on the relationship with the Sts'ailes First Nation
<b>Completed digital sign design work</b>	- Install digital sign
<b>Assessed additional user pay options</b> to support Agassiz-Harrison Search & Rescue (KHSAR)	- Implement user surcharge at the Harrison Hot Springs Public Boat Launch to support KHSAR
<b>Lobbied provincial government</b> to continue support for the Resort Municipality Initiative (RMI)	- Identify new goals for future RMI projects



# ENVIRONMENT & SUSTAINABILITY

## 2017 ACHIEVEMENTS

**Introduced an expanded organics collection program** to include food waste

**Developed new Dark Sky Friendly standard for street lighting** to reduce light pollution

**Reviewed options for sidewalk weed control**

**Completed the Beach Erosion Project** at the West end of the beach area

## 2018 GOALS

- Assess viability of a plastic bag ban
- Continue to promote waste diversion

- Implement LED street lighting upgrade throughout the Village

- Implement technology to combat nuisance weeds using steam in and around public parks and spaces

- Undertake beach and lagoon safety assessment





# TRANSPORTATION

## 2017 ACHIEVEMENTS

**Upgraded snow clearing equipment** including addition of a new truck with plowing capability

**Applied for funding to develop an Active Transportation Plan**

**New sidewalks** on Hot Springs Road and McCombs Drive

**Began bridge assessments**

**Worked with District of Kent to lobby for a multi-use trail** to link Agassiz & Harrison Hot Springs

## 2018 GOALS

- Upgrade tractor
- Add a snowblower to winter equipment

- Undertake Active Transportation Plan
- Install additional covered bus shelters within the community

- Undertake Roads & Bridges Master Plan

- Link Agassiz and Harrison Hot Springs with a safe multi-use trail for pedestrians and cyclists



Photo Credit: Harrison Festival Society

*Harrison Festival of the Arts*



# FAIRNESS & FISCAL RESPONSIBILITY

## 2017 ACHIEVEMENTS

**Improve tax fairness between** residential, recreational & commercial tax classes

**Began asset inventory & condition assessment**

**Completed core review of water and sewer use fees for equity** between different class of consumer

**Rationalised & simplified capital & operating reserve categories**

## 2018 GOALS

- Continue to pursue tax fairness in all classes

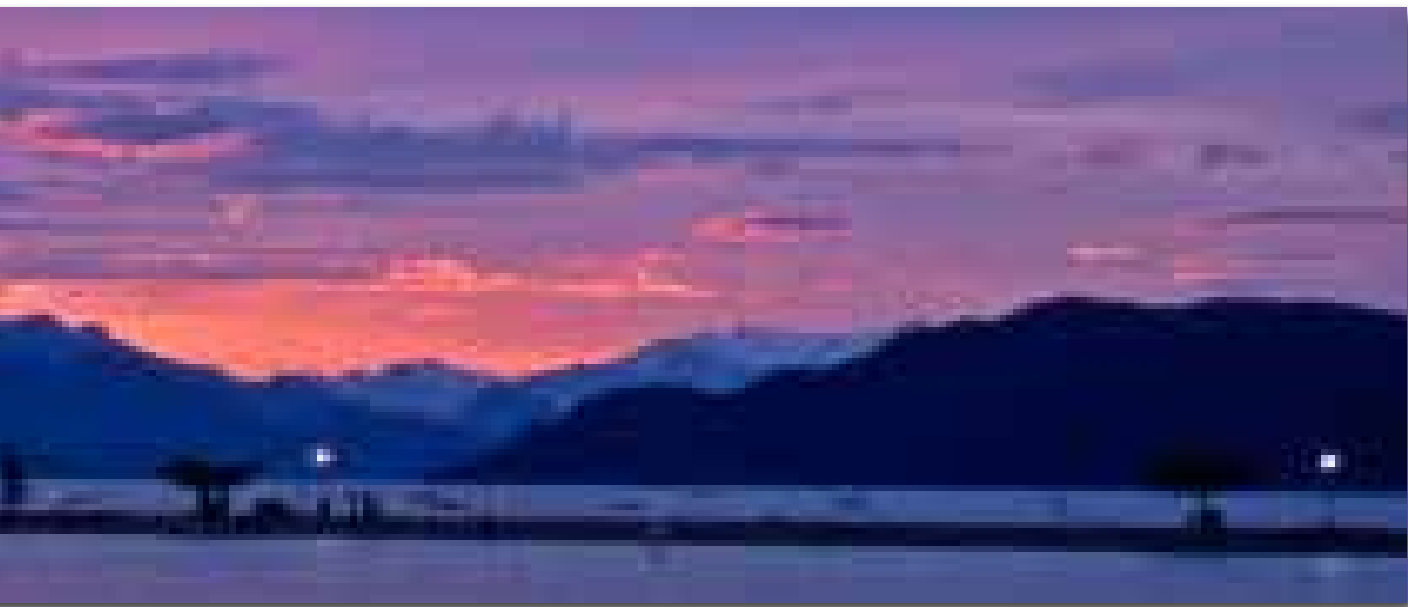
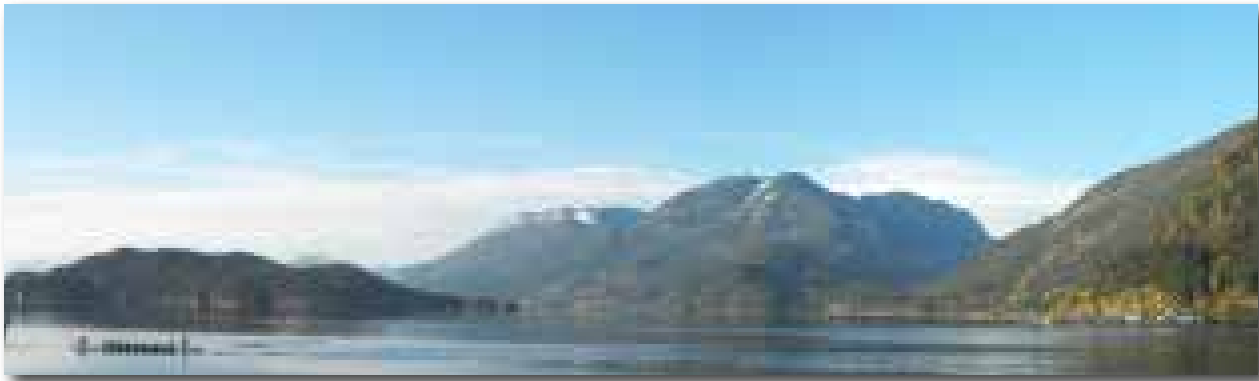
- Develop an Asset Management Strategy, Policy & Plan

- Undertake review of sewer utility billing system & metered rates

- Develop a comprehensive fiscal reserve policy







# FINANCIAL SECTION



Photo Credit: Tourism Harrison






# Management's Responsibility for Financial Reporting

The financial statements of the Village of Harrison Hot Springs (the Village) are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards, consistently applied and appropriate in the circumstances. The preparation of the financial statements requires the use of estimates which have been made using careful judgement. In management's opinion, the financial statements have been properly prepared within the framework of the accounting policies summarized in the financial statements and incorporate within reasonable limits of materiality, all information available as of the audit date. The financial statements have also been reviewed and approved by the Mayor and Council of the Village.

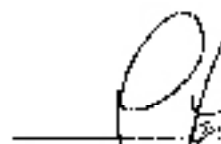
Management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorised and recorded in compliance with legislative and regulatory requirements and that reliable financial information is available on a timely basis. These systems are monitored and evaluated by management. Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The financial statements have been examined by the Village's independent external auditor, BDO Canada LLP in accordance with Canadian generally accepted auditing standards. The external auditor's responsibility is to express their opinion on whether the financial statements, in all material respects, fairly present the Village's financial position, results of operations, changes in net financial assets and cash flows in accordance with Canadian public sector accounting standards. Their Independent Auditor's Report outlines the scope of their examination and their opinion.

The external auditor has full and open access to all records of the Village and has direct access to management and Council when required.



Madeline McDonald  
Chief Administrative Officer  
April 16, 2018



Tracey Jones  
Financial Officer  
April 16, 2018

# Five Year Financial Plan 2018-2022

	2018	2019	2020	2021	2022
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
<b>REVENUE</b>					
PROPERTY TAXES - RESIDENTIAL	1,337,495	1,356,000	1,390,015	1,427,267	1,455,812
PROPERTY TAXES - BUSINESS	823,144	832,000	848,480	865,712	879,027
PROPERTY TAXES - RECREATION/AMPHITHEATRE	103,529	105,000	107,660	110,657	112,820
COLLECTIONS FOR OTHER GOVERNMENTS & AGENCIES	1,743,815	1,773,215	1,809,615	1,803,615	1,839,667
PENALTIES & INTEREST - TAXES	17,837	8,000	4,000	-	-
UTILITY CO. 1% REVENUE TAXES	36,122	36,370	36,370	36,370	37,087
PAYMENTS IN LIEU OF TAXES	4,890	4,380	4,380	4,350	4,437
TOTAL TAXES COLLECTED	3,868,818	3,914,985	3,994,350	4,047,371	4,128,930
REMITTANCES TO OTHER GOVERNMENTS & AGENCIES	(1,743,815)	(1,773,215)	(1,809,615)	(1,803,615)	(1,839,667)
NET TAXES FOR MUNICIPAL PURPOSES	2,122,801	2,141,720	2,190,735	2,244,356	2,289,263
REVENUE FROM OWN SOURCES	1,896,230	1,767,095	1,799,125	1,803,308	1,839,944
GRANTS AND DONATIONS	3,446,731	432,400	432,400	1,497,400	441,048
DCC REVENUES	1,345,000	80,000	-	-	-
TOTAL REVENUE	\$5,804,762	\$4,451,175	\$4,422,260	\$5,485,062	\$4,570,275
<b>EXPENSES</b>					
LEGISLATIVE	129,950	129,950	129,950	129,350	132,349
GENERAL GOVERNMENT	1,641,870	1,039,051	1,049,882	1,083,646	1,084,361
PROTECTIVE SERVICES	276,892	253,644	258,898	258,335	264,134
DEVELOPMENT PLANNING	325,200	87,200	87,200	87,200	88,944
TOURISM AND COMMUNITY IMPROVEMENT	243,022	172,582	174,896	176,312	180,450
ENGINEERING, TRANSPORTATION, STORM WATER	909,409	829,503	828,519	833,721	850,985
SOLID WASTE	187,146	189,121	189,116	198,130	202,093
PAIRDS, RECREATION & CULTURAL SERVICES	483,535	483,029	467,821	472,508	481,941
WASTEWATER UTILITY	737,230	731,555	737,625	722,406	734,954
WATER UTILITY	396,534	362,982	364,733	391,546	399,371
DEBT-INTEREST	28,800	27,300	20,780	15,700	28,214
TOTAL EXPENDITURES	4,731,168	4,961,237	4,311,254	4,350,652	4,447,295
<b>SURPLUS (DEFICIT)</b>	<b>\$1,073,594</b>	<b>\$149,938</b>	<b>\$1,111,006</b>	<b>\$1,135,000</b>	<b>\$123,000</b>
<b>CAPITAL, DEBT, RESERVES, TRANSFERS &amp; BORROWING</b>					
CAPITAL EXPENDITURES	(5,336,300)	(1,423,000)	(564,000)	(1,614,806)	(116,280)
REPAYMENT ON DEBT	(181,400)	(221,900)	(163,180)	(53,106)	(79,662)
PROCEEDS OF DEBT	-	-	-	425,800	-
CONTRIBUTIONS TO RESERVES	(642,578)	(638,098)	(519,965)	(697,506)	(920,347)
TRANSFERS FROM RESERVES	894,580	1,313,000	180,080	114,806	116,280
APPROPRIATION FROM SURPLUS	1,134,492	20,000	130,080	-	-
EQUITY IN TANGIBLE CAPITAL ASSETS	868,000	980,000	860,000	880,806	877,280
	<b>\$1,073,594</b>	<b>\$149,938</b>	<b>\$111,006</b>	<b>\$1,135,000</b>	<b>\$123,000</b>
<b>SURPLUS (DEFICIT) PLUS CAPITAL, DEBT, RESERVE TRANSFERS AND BORROWING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



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BDO Canada LLP  
 600 Cathedral Place  
 925 West Georgia Street  
 Vancouver BC V6C 3L7 Canada

## Independent Auditor's Report

To the Mayor and Council of the Village of Harrison Hot Springs

We have audited the accompanying financial statements of the Village of Harrison Hot Springs, which comprise the Statement of Financial Position as at December 31, 2017, and the Statements of Operations, Changes in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 present fairly, in all material respects, the financial position of the Village of Harrison Hot Springs as at December 31, 2017, and the results of its operations, changes in net financial assets and cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

*BDO Canada LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
 April 16, 2018

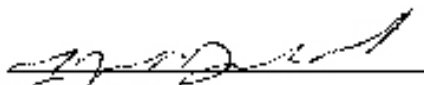
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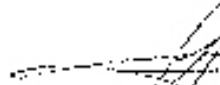
## Village of Harrison Hot Springs

### Statement of Financial Position

As at December 31, 2017

	2017	2016
<b>Financial assets</b>		
Cash (Note 2)	9,216,348	7,208,557
Accounts Receivable (Note 3)	882,299	886,808
MFA Deposits (Note 4)	6,410	6,287
	<b>10,105,057</b>	<b>8,111,750</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	271,924	420,142
Employee Future Benefits (Note 6)	108,727	83,800
Developer's Deposits and Other Trust Liabilities (Note 7)	409,950	377,885
Deferred Revenue (Note 8)	1,899,323	283,083
Development Cost Charges (Note 9)	1,851,562	1,575,819
Liabilities under Agreement (Note 10)	189,524	106,048
Long-term debt (Note 11)	536,721	588,905
Interim financing debt (Note 12)	338,080	440,000
	<b>4,797,731</b>	<b>3,845,470</b>
<b>Net financial assets</b>	<b>5,307,326</b>	<b>4,266,280</b>
<b>Non-financial assets</b>		
Tangible Capital Assets (Note 13, Schedule 1)	34,137,913	33,517,112
Prepaid expenses	68,970	85,840
	<b>34,206,883</b>	<b>33,602,952</b>
<b>Accumulated surplus</b>	<b>39,514,289</b>	<b>37,849,232</b>
<b>Represented by:</b>		
Operating fund (Note 15)	3,545,757	3,147,858
Appropriated Surplus (Note 15)	1,298,522	1,040,150
Statutory Reserves (Note 15)	1,588,261	1,259,080
Equity in tangible capital assets (Note 14)	33,081,669	32,402,164

  
 Madeline McDonald  
 Chief Administrative Officer

  
 Lou Fazio  
 Mayor

The accompanying notes and schedule are an integral part of these financial statements.

## Village of Harrison Hot Springs

### Statement of Operations

for the year ended December 31, 2017

	Budget ( Note 20)	2017	2016
<b>Revenue</b>			
Property Taxes (Note 16)	2,017,285	2,016,765	1,972,080
Sale of Services (Note 17)	1,166,910	1,253,427	1,171,909
Utility Service Fees (Note 18)	397,000	410,951	401,154
Government Transfers (Note 19)	3,103,100	678,512	1,937,988
Investment Income	47,000	85,617	54,750
Penalties and interest	39,000	89,390	57,222
Development Cost Charges (Note 8)	700,000	-	7,085
Contributed Assets	-	993,500	-
Other revenue	50,100	315,837	117,858
	<b>7,520,395</b>	<b>5,843,999</b>	<b>5,720,134</b>
<b>Expenses (Note 21)</b>			
Legislative Services	129,750	113,859	108,704
General Government	989,376	977,516	888,867
Protective Services	267,572	213,754	182,432
Public Works	379,754	328,650	410,781
Transportation Services	549,559	408,422	455,551
Public Health	4,068	4,354	5,857
Planning and Development	286,200	109,754	156,114
Tourism, Community and Economic Development	126,576	186,272	85,242
Sustainability	3,000	-	7,711
Solid Waste Management and Recycling	214,250	210,784	141,200
Beaches, Parks, Recreation and Culture	505,430	447,065	448,300
Water Services	378,014	343,941	308,845
Sewer Services	845,770	754,653	700,942
	<b>4,680,119</b>	<b>4,179,024</b>	<b>3,810,514</b>
<b>Annual surplus</b>	<b>2,840,276</b>	<b>1,664,975</b>	<b>1,909,619</b>
<b>Accumulated surplus, beginning of year (Note 15)</b>	<b>37,849,232</b>	<b>37,849,232</b>	<b>36,030,813</b>
	<b>40,689,588</b>	<b>39,514,209</b>	<b>37,840,232</b>

The accompanying notes and schedule are an integral part of these financial statements.

## Village of Harrison Hot Springs

### Statement of Change in Net Financial Assets

For the Year Ended December 31, 2017

	Budget (Note 20)	2017	2016
Annual Surplus	2,840,276	1,664,975	1,808,819
Acquisition of tangible capital assets	(5,538,700)	(1,524,463)	(3,135,321)
Amortization of tangible capital assets Note 1, Schedule 1	794,000	899,421	852,502
Proceeds from the sale of tangible capital assets	-	1,800	-
(Gain) loss from sale of tangible capital assets	-	(3,759)	-
	(1,904,424)	1,044,176	(473,200)
Acquisition of prepaid expenses	-	(68,970)	(65,840)
Use of prepaid expenses	-	65,840	35,302
	-	(3,130)	(30,538)
Increase (decrease) in net financial assets	(1,904,424)	1,041,046	(503,738)
Net financial assets, beginning of year	4,266,280	4,266,280	4,770,018
Net financial assets, end of year	2,361,856	5,307,326	4,266,280

The accompanying notes and schedule are an integral part of these financial statements.

# Village of Harrison Hot Springs

## Statement of Cash Flows

For the Year Ended December 31, 2017

	2017	2016
<b>Cash provided by (used in):</b>		
<b>Operating Transactions</b>		
Annual surplus	1,664,975	1,809,620
<b>Non Cash items:</b>		
Amortization	899,421	852,502
<b>Changes to cash items:</b>		
Accounts receivable	14,607	(76,202)
MFA Deposits	(123)	(184)
Accounts payable and accrued liabilities	(115,933)	25,976
Prepaid expenses	(3,130)	(30,538)
Employee Future Benefits	14,927	15,800
Deferred revenue	836,230	(237,174)
Development Cost Charges	275,743	363,518
<b>Net change in cash from operating transactions</b>	<b>3,586,717</b>	<b>2,723,318</b>
<b>Capital Transactions:</b>		
Write down of tangible capital assets at net book value	4,241	-
Acquisition of tangible capital assets	(1,524,463)	(3,135,321)
<b>Net change in cash from capital transactions</b>	<b>(1,520,222)</b>	<b>(3,135,321)</b>
<b>Financing Transactions</b>		
Debt repayment	(168,704)	(174,262)
Proceeds from MFA equipment borrowing	110,000	-
<b>Net change in cash from financing transactions</b>	<b>(58,704)</b>	<b>(174,262)</b>
<b>Net change in cash</b>	<b>2,007,791</b>	<b>(586,265)</b>
Cash at beginning of year	7,208,557	7,794,822
<b>Cash , end of year</b>	<b>9,216,348</b>	<b>7,208,557</b>



# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2017

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### 1. Significant Accounting Policies

The Financial Statements of the Village of Harrison Hot Springs (the "Village") which are the representation of management are prepared in accordance with Canadian generally accepted accounting principles for governments as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada. Significant accounting policies adopted by the Village are as follows:

#### a. Basis of reporting

The Financial Statements reflect the combined results and activities of the reporting entity which is comprised of the Operating, Capital and Reserve funds. Inter-fund transactions have been eliminated.

- i. Operating Funds: These funds include the General, Water and Sewer operations of the Village. They are used to record the operating costs of the services provided by the Village.
- ii. Capital funds: These funds include the General, Water and Sewer capital funds. They are used to record the acquisition and disposal of tangible capital assets and their financing.
- iii. Reserve funds: Under the *Community Charter*, Village Council may, by bylaw establish reserve funds for specified purposes. Money in a Statutory Reserve Fund, and interest earned thereon, must be expended by bylaw only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, Village Council may, by bylaw, transfer all or part of the balance to another reserve fund. Non-statutory Reserves require being included in an approved council budget or a resolution before these funds can be expended.

#### b. Revenue Recognition

The Village recognizes the transfer of government funding as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Through the British Columbia Assessments' appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded. Sale of services and fees are recognized when the service or product is provided by the Village. All other revenue is recognized as it is earned and is measurable. Revenue unearned in the current period is recorded as deferred revenue and is recognized as revenue in the fiscal year the services are performed.

Development Cost Charges are restricted revenue liabilities representing funds received from developers and deposited into separate deferred revenue liability accounts for specific future capital expenses. In accordance with Canadian public sector accounting standards, the Village records these funds as restricted revenue which is then recognized when the related costs are incurred.

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2017

### 1. Significant Accounting Policies

#### c. Financial Instruments

The Village's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, long-term debt and interim financing debt. It is management's opinion that the Village is not exposed to significant interest, currency or credit risk arising from these financial instruments.

#### d. Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They may have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

##### i. Tangible Capital Assets

Tangible capital assets, comprised of capital assets and assets under construction, are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing when the asset is put into service.

Asset	Useful Life - Years
Land improvements	10-25
Parks infrastructure	10-50
Buildings	40-50
Machinery, furniture and equipment	5-10
IT infrastructure	4-10
Vehicles	5-20
Roads infrastructure	15-75
Water infrastructure	10-100
Sewer infrastructure	10-100
Drainage infrastructure	10-100

##### ii. Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the time of donation.

##### iii. Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2017

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### 1. Significant Accounting Policies

#### d. Non-financial Assets

##### iv. Leased tangible capital assets

Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets.

#### e. Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from managements's best estimates as additional information becomes available in the future. Areas requiring the greatest degree of estimation include employee future benefits and useful lives of tangible capital assets.

#### f. Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the Village is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

The Village has determined that as of December 31, 2017, no contamination in excess of an environmental standard exists to land not in productive use for which the Village is responsible.

## Village of Harrison Hot Springs

### Notes to the Financial Statements

December 31, 2017

#### 2. Cash

	2017	2016
Restricted cash		
Statutory Reserves	\$ 1,588,261	\$ 1,259,060
Non-Statutory Reserves	1,298,522	1,040,150
Development Cost Charges/Deposits in Trust	3,360,835	2,216,577
	6,247,618	4,515,787
Unrestricted cash	2,968,730	2,692,770
Total cash	\$ 9,216,348	\$ 7,208,557

#### 3. Account Receivable

	2017	2016
Accounts Receivable - Property Taxes	\$ 446,175	\$ 416,984
Accounts Receivable - Other Governments	54,453	150,869
Accounts Receivable - Trade and Other	381,671	329,053
	\$ 882,299	\$ 896,906

#### 4. Municipal Finance Authority Deposits

The Municipal Finance Authority of British Columbia (the MFA) provides capital funding for regional districts and their member municipalities. The MFA is required to establish a Debt Reserve Fund. The MFA must then use this fund if at any time there are insufficient funds to meet payments on its obligations. If this occurs the regional districts may be called upon to restore the fund.

Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve fund, less administrative expenses, becomes an obligation of the MFA to the regional districts.

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2017

### 5. Accounts Payable and Accrued Liabilities

	2017	2016
Trade and Other	\$ 121,680	\$ 230,886
Holdbacks payable	2,655	55,884
Other government	72,511	62,737
Accrued Employee benefits	75,078	70,635
	<b>\$ 271,924</b>	<b>\$ 420,142</b>

### 6. Employee Future Benefits

#### Sick Pay

The Village provides paid sick leave to qualifying employees, this benefit accrues at two days of sick leave per month. At the end of each calendar year 2/3 of the unused portion of sick leave is vested up to a maximum of 360 days. The amount recorded for this benefit is based on an actuarial evaluation prepared by an independent firm and will be reviewed on a periodic basis. The date of the last actuarial evaluation was as of December 31, 2015.

#### Retirement Allowance

A regular employee who retires under the provisions of the Municipal Pension Plan is entitled to a retirement benefit as outlined in the Collective Agreement and Management Policy. In all instances, the rate of pay used in the calculation of the retirement benefit shall be the rate of pay applicable on the last day worked. The amount recorded for this benefit in 2017 is based on an actuarial evaluation prepared by an independent firm and will be reviewed on a periodic basis. The date of the last actuarial evaluation was as of December 31, 2015.

As of December 31, 2017, \$108,727 (2016 - \$93,800) of the accrued benefit liability has been charged to operations. The significant actuarial assumptions adopted in measuring the Village's accrued benefit liability for Sick Pay and Retirement Allowance are as follows:

	2017	2016
Discount rates	1.90%	1.90%
Expected future inflation	1.75	1.75%

## Village of Harrison Hot Springs

### Notes to the Financial Statements

December 31, 2017

#### 6. Employee Future Benefits

##### Accrued Benefit Obligation as at December 31, 2017

	2017	2016
Beginning benefit obligation	\$ 93,800	\$ 78,000
Current service cost	19,052	20,500
Interest on accrued benefit obligation	2,000	1,800
Actuarial (gain) loss	-	-
Benefits paid during the year	(6,125)	(6,500)
Ending benefit obligation	108,727	93,800
Less Unamortized net actuarial (loss)	-	-
Accrued Benefit Liability	\$ 108,727	\$ 93,800

#### 7. Developers Deposits and Other Trust Liabilities

	2017	2016
Property and event damage deposits	\$ 19,100	\$ 40,450
Developers Deposit	340,365	335,959
Community groups funds held in trust	50,485	1,256
	\$ 409,950	\$ 377,665

#### 8. Deferred Revenue

	2017	2016
Prepaid taxes	\$ 120,103	\$ 125,096
Deferred Grant Revenue	972,305	133,702
Facility rentals and other	6,915	4,295
	\$ 1,099,323	\$ 263,093

## Village of Harrison Hot Springs

### Notes to the Financial Statements

December 31, 2017

#### 9. Development Cost Charges

	Opening Balance	Receipts	Interest	Transfers Out	Closing Balance
Sewer DCC	\$ 1,022,125	\$ 98,481	\$ 14,190	\$ -	\$ 1,125,796
Water DCC	373,777	72,855	5,536	-	452,168
Drainage DCC	110,378	58,388	1,956	-	170,732
Parks DCC	89,530	31,144	1,183	-	121,857
	\$ 1,575,810	\$ 252,878	\$ 22,865	\$ -	\$ 1,851,552

#### 10. Liabilities under Agreement

In 2014, the Village entered into a capital lease agreement with Caterpillar Financial Services Limited to finance the acquisition of a new backhoe in the amount of \$132,725. The term of the lease is five years with an option to purchase at the end of the lease of \$47,723. In 2017, the Village entered into an agreement with the Municipal Finance Authority to borrow funds to purchase capital equipment in the amount of \$110,000. The term of the agreement is for five years.

Changes in liabilities under agreement are as follows:

	2017	2016
Balance, January 1,	\$ 106,046	\$ 139,212
Add: Borrowing additions	110,000	-
Less: Principal repayments	(26,522)	(33,188)
Balance, December 31	\$ 189,524	\$ 106,046

The minimum payments over the next five years of the liabilities under agreement are as follows:

2018	\$ 44,482
2019	85,212
2020	23,079
2021	23,079
2022	23,079
Less: Amount representing interest	(3,407)
	\$ 189,524

Total interest expense during the year was \$3,881. Total interest over the term of the agreements is \$26,320.

## Village of Harrison Hot Springs

### Notes to the Financial Statements

December 31, 2017

#### 11. Long-Term Debt

In 2015 the Village borrowed funds under loan authorisation bylaw 1052. MFA Issue 131 has an amortization period of 15 years at 2.2% interest for the first 10 years of the term. Early repayment options exist at the rate reset date of 10 years.

	Balance, beginning of Year	Additions	Principal Repayments	Actuarial * Adjustment	Balance, end of year
General Fund MFA Issue 131	\$ 568,005	\$ -	\$ 31,095	\$ 1,088	\$ 536,721

The following principal amounts are payable over the next five years:

	General	Water	Sewer
2018	\$ 31,095	\$ -	\$ -
2019	\$ 31,095	\$ -	\$ -
2020	\$ 31,095	\$ -	\$ -
2021	\$ 31,095	\$ -	\$ -
2022	\$ 31,095	\$ -	\$ -
Thereafter	\$ 381,246	\$ -	\$ -
Total	\$ 536,721	\$ -	\$ -

\* Actuarial Adjustments represent interest earned on sinking funds held by the Municipal Finance Authority. Such interest is used to reduce the principal amount of outstanding debt.

#### 12. Interim Financing Debt

In 2009 the Village borrowed \$1,500,000 under the Interim Financing Program from the Municipal Finance Authority of British Columbia under Loan Authorisation Bylaw 885, for the purpose of constructing a new water reservoir. In 2015 the Village received an extension and has until 2020 to pay back the principal amount. Any principal balance unpaid will be converted into long-term debt at that time. The Village can pay down any amount on the principal in the next year. Interest was paid monthly in 2017 at daily interest rates that varied between 1.34% and 1.94% . During 2017 the Village paid \$6,578 in interest (2016 \$7,541).

	2017	2016
Beginning Balance Jan 1,	\$ 440,000	\$ 550,000
Principal repayments	(110,000)	(110,000)
Ending Balance, December 31	\$ 330,000	\$ 440,000



# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2017

### 13. Tangible Capital Assets

	2017	2016
Land and improvements	\$ 10,444,913	\$ 9,984,913
Buildings	3,384,007	3,466,349
Machinery, equipment, furniture, IT and vehicles	728,766	666,202
Engineering Structures:		
Engineering structures - water	6,252,781	6,303,179
Engineering structures - sewer and drainage	6,819,201	6,754,558
Engineering structures - roads	4,900,117	4,895,669
Engineering structures - parks and other	1,126,193	1,207,488
Other tangible capital assets	191,507	199,541
Work in Progress	290,428	39,213
Total	\$ 34,137,913	\$ 33,517,112

For additional information, see Schedule of Tangible Capital Assets. (Schedule 1)

Included in equipment, furniture and vehicles are vehicles and equipment purchased under capital lease totalling \$151,342 with accumulated amortization to the end of 2017 of \$52,970.

### 14. Equity in Tangible Capital Assets

Equity in tangible capital assets (TCA) represents the net book value (NBV) of total capital assets less long term obligations assumed to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

	2017	2016
Equity in TCA, beginning of year	\$ 32,402,164	\$ 29,945,082
Add:		
Capital Expenditures	1,524,463	3,135,322
Debt Repayments	168,704	174,262
Less:		
MFA equipment borrowing	(110,000)	-
Dispositions at NBV	(4,241)	-
Amortization	(899,421)	(852,502)
Equity in TCA, end of year	\$ 33,081,669	\$ 32,402,164

## Village of Harrison Hot Springs

### Notes to the Financial Statements

December 31, 2017

#### 15. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2017	2016
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 33,081,669	\$ 32,402,164
Operating Fund	3,545,757	3,147,858
<b>Total surplus</b>	<b>36,627,426</b>	<b>35,550,022</b>
<b>Reserves set aside by Council:</b>		
<b>Appropriated Surplus:</b>		
Community Recreation	-	1,803
Fire Department	26,000	-
Assessment appeal	128,943	127,275
Beach	37,259	36,777
Building	61,436	80,641
Contingencies	11,234	11,088
Dock replacement	21,274	11,064
Boat Launch	45,893	40,332
Flood box / drainage	15,243	15,045
General	28,821	28,440
Insurance	9,762	9,635
Memorial Hall restoration	5,452	5,381
Parking / traffic management	56,239	55,511
Office Equipment	37,959	32,588
Property	46,516	45,914
Road/Sidewalk	13,216	13,048
Sick leave/Retirement	49,965	49,317
Community Works Fund	219,397	117,063
Sewer	401,587	384,470
Water	82,326	14,753
<b>Total Appropriated Surplus</b>	<b>1,298,522</b>	<b>1,040,150</b>
<b>Statutory Fund Reserves:</b>		
Community amenities	151,247	140,280
Fire department capital	421,610	236,640
Land unexpended funds	12,921	12,754
Parkland acquisition	201,930	126,108
Public works capital	70,026	47,968
Sewage treatment replacement	628,167	585,288
Sewer unexpended funds	81,875	80,815
Port Divestiture income	20,485	20,220
<b>Total Statutory Fund Reserves</b>	<b>1,588,261</b>	<b>1,250,060</b>
	<b>\$ 39,514,209</b>	<b>\$ 37,840,232</b>

## Village of Harrison Hot Springs

### Notes to the Financial Statements

December 31, 2017

#### 16. Property Taxes

The Village is reliant upon one taxpayer for approximately 23 % of the municipal property tax revenue. Taxation revenue, reported on the statement of operations, is made up of the following:

	Budget	2017	2016
<b>Taxes collected</b>			
Municipal property taxes	\$ 1,977,660	\$ 1,977,582	\$ 1,832,458
1 % Utility taxes	34,425	34,504	34,331
Payments in lieu of taxes	5,200	4,669	5,352
School taxes	1,303,900	1,262,638	1,240,214
Regional District	145,000	144,549	122,284
Regional hospital district	105,600	95,185	101,842
Police tax	122,900	129,436	120,858
Other agencies	29,900	27,628	27,850
	<b>3,724,585</b>	<b>3,676,261</b>	<b>3,584,985</b>
<b>Less transfers to other governments</b>			
School taxes paid	1,303,900	1,262,638	1,240,214
Regional district taxes paid	145,000	144,549	122,318
Regional hospital district taxes paid	105,600	95,185	101,867
Police taxes paid	122,900	129,436	120,858
Other agencies taxes paid	29,900	27,628	27,850
	<b>1,707,300</b>	<b>1,659,496</b>	<b>1,612,905</b>
	<b>\$ 2,017,285</b>	<b>\$ 2,016,765</b>	<b>\$ 1,972,080</b>

#### 17. Sale of Services

	Budget	2017	2016
Sewer user fees	\$ 538,000	\$ 544,245	\$ 517,845
Water user fees	234,460	303,337	188,483
Curbside collection fees	116,000	116,493	83,101
Pay Parking Revenue	208,000	194,540	201,922
Licenses and permits	27,700	36,025	85,882
Facility rentals	44,500	46,348	46,007
Fines	2,750	8,926	15,141
Other	3,500	3,513	3,818
	<b>\$ 1,166,910</b>	<b>\$ 1,253,427</b>	<b>\$ 1,171,989</b>

## Village of Harrison Hot Springs

### Notes to the Financial Statements

December 31, 2017

#### 18. Utility Service Fees

	Budget	2017	2016
Sewer service utility fee - residential	\$ 182,000	\$ 187,331	\$ 182,549
Sewer service utility fee - business	20,000	20,532	20,540
Water service utility fee - residential	174,000	181,792	176,605
Water service utility fee - business	21,000	21,296	21,460
Total	\$ 397,000	\$ 410,951	\$ 401,154

#### 19. Government Transfers

The Government transfers reported on the Statement of Operations are:

	Budget	2017	2016
Provincial:			
Conditional			
Infrastructure - water	\$ 2,400,000	\$ 128,024	\$ -
Infrastructure - Miami River Dike Pump Station	-	-	437,256
Resort Municipality Initiative	169,000	101,778	613,000
WWTP Assessment	10,000	10,000	-
Other	10,700	2,935	9,972
Unconditional	314,000	316,487	326,087
Federal			
Conditional			
Infrastructure - Miami River Dike Pump Station	80,000	-	437,256
Gas tax	114,400	115,288	114,427
Other	5,000	4,000	-
	\$ 3,103,100	\$ 678,512	\$ 1,937,998

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2017

### 20. Budget Data

The data presented in these financial statements is based upon the 2017 operating and capital budgets adopted by Council on April 3, 2017. The table below reconciles the approved balanced budget to the budget figures reported in these financial statements.

<b>2017 Adopted Operating and Capital Budget</b>	<b>Budget Amount</b>
Revenues:	
Operating budget	\$ 5,474,119
Capital budget	6,097,576
Total revenue	11,571,695
Expenses:	
Operating budget	5,474,119
Capital Budget	6,097,576
Total expenses	11,571,695
Budgeted surplus (deficit)	\$ -
Add:	
Capital expenses	\$ 5,538,700
Transfers to reserves	375,376
Principal repayments	183,500
Less:	
Transfers from reserves	(562,200)
Appropriation from Surplus	(1,761,100)
Borrowing	(140,000)
Amortization	(794,000)
Annual budgeted surplus (see statement of operations)	\$ 2,840,276

### 21. Classification of Expenses by Object

The Schedule of Operating Fund Activities represents the expenditures by function; the following table classifies those same expenditures by object:

	<b>Budget</b>	<b>2017</b>	<b>2016</b>
Salaries, wages and employee benefits	\$ 1,698,049	\$ 1,519,685	\$ 1,402,953
Operating Materials and supplies	854,010	640,129	565,753
Contracted services	542,050	393,917	413,209
Administrative services and supplies	470,890	398,286	375,690
Utilities	187,200	210,124	177,435
Rentals and contractual obligations	105,050	93,824	97,362
Debt financing	28,870	23,638	25,610
Amortization	794,000	899,421	852,502
Total expenditures by object	\$ 4,680,119	\$ 4,179,024	\$ 3,910,514

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2017

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### 22. Commitments and Contingencies

- a. The municipality and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 37,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The Village of Harrison Hot Springs paid \$97,239 (2016 \$87,504) for employer contributions to the Plan in fiscal 2017.

The most recent actuarial valuation as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2018 with results available in 2019. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

- b. Debts of the Fraser Valley Regional District are, under provisions of the Local Government Act, a direct, joint and several liability of the District and each member municipality within the District, including the Village of Harrison Hot Springs.
- c. The Village is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement, the Village is assessed a premium and specific deductible for its claims based on population. The obligation of the Village with respect to the Exchange and/or contracts and obligations entered into by the Exchange are in every case several, not joint and several. The Village irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.
- d. The Village has an agreement with the Harrison Hot Springs Tourism Society to provide annual funding of \$31,000. The term of the agreement ends December 31, 2018.
- e. In 2014, the Ministry of Environment directed the Village to assess any potential effects the closure of the landfill in 1983 has on well water. Water samples were taken and the results prompted the Ministry to direct the Village to drill test wells and monitor the water which began in 2015. The Village is to continue this process for the years 2017-2021 at which time the results will determine if any further action is required.

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2017

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### 23. Segmented Disclosures

The Table of Segmented Information - Schedule 2 has been prepared in accordance with PS2700 Segmented Disclosures. Segmented information has been identified based upon functional activities provided by the Village. For each reported segment, revenue and expenses represent amounts directly attributable to the functional activity and amounts allocated on a reasonable basis. The functional areas that have been separately disclosed in the segmented information, along with services they provide are as follows:

#### **Legislative Services**

Legislative services includes Council and legislative services

#### **General Government**

General government includes taxation, sale of services, government transfers, investment income and administrative services for the general fund

#### **Protective Services**

Protective Services includes the volunteer fire department, emergency measures and bylaw enforcement

#### **Development and Planning**

Development and Planning includes economic development, planning, land development, community development and tourism

#### **Engineering, Transportation and Storm Water**

Engineering, transportation and storm water services include engineering, fleet, public health, roads, sidewalk, storm sewers and transit

#### **Solid Waste**

Solid waste includes sustainability, curbside collection, recycling and organic waste

#### **Parks, Recreation and Cultural Services**

Parks, recreation and cultural services includes the maintenance of the beachfront, parks and cultural facilities within the Village

#### **Wastewater Utility**

Wastewater includes the wastewater collection system, lift stations and wastewater treatment plant

#### **Water Utility**

Water includes the water collection, treatment and distribution of potable water

# Village of Harrison Hot Springs

## Schedule 1 - Statement of Tangible Capital Assets

For the Year Ended December 31, 2017

	Engineered Structures							Other Tangible Capital Assets	Work In Progress	2017	2016
	Land	Building	Equipment Furniture Vehicles	Water	Sewer Drainage	Roads	Other				
<b>COST</b>											
Opening balance	\$9,984,913	\$4,547,770	\$2,110,809	\$7,702,915	\$9,029,627	\$9,399,626	\$1,945,824	\$ 39,214	\$ 371,783	\$ 45,132,481	\$ 41,997,160
Add: Additions	460,000	57,120	156,052	67,500	226,224	306,353	-	251,214	-	1,524,463	3,135,321
Less: Disposals	-	-	(28,254)	-	-	-	-	-	-	(28,254)	-
<b>Closing Balance</b>	<b>10,444,913</b>	<b>4,604,890</b>	<b>2,238,607</b>	<b>7,770,415</b>	<b>9,255,851</b>	<b>9,705,979</b>	<b>1,945,824</b>	<b>290,428</b>	<b>371,783</b>	<b>46,628,690</b>	<b>45,132,481</b>
<b>ACCUMULATED AMORTIZATION</b>											
Opening Balance	-	1,081,421	1,444,607	1,399,736	2,275,070	4,503,957	738,336	-	172,242	11,615,369	10,762,867
Add: Amortization	-	139,462	89,246	117,898	161,580	301,906	81,295	-	8,034	899,421	852,502
Less: Acc. Amortization on Disposals	-	-	(24,013)	-	-	-	-	-	-	(24,013)	-
<b>Closing Balance</b>	<b>-</b>	<b>1,220,883</b>	<b>1,509,840</b>	<b>1,517,634</b>	<b>2,436,650</b>	<b>4,805,863</b>	<b>819,631</b>	<b>-</b>	<b>180,276</b>	<b>12,490,777</b>	<b>11,615,369</b>
	<b>10,444,913</b>	<b>\$3,384,007</b>	<b>\$ 728,767</b>	<b>\$6,252,781</b>	<b>\$6,819,201</b>	<b>\$4,900,116</b>	<b>\$1,126,193</b>	<b>\$ 290,428</b>	<b>\$ 191,507</b>	<b>\$ 34,137,913</b>	<b>\$ 33,517,112</b>

The accompanying notes and schedule are an integral part of these financial statements.



# Village of Harrison Hot Springs

## Schedule 2 - Table of Segmented Information

For the Year Ended December 31, 2017

	Legislative	General Government	Protective Services	Development Planning	Engineering, Transportation & Storm Water	Solid Waste	Parks, Recreation & Cultural Services	Wastewater Utility	Water Utility	Budget	2017	2016
<b>Revenue:</b>												
Property Taxes	\$ -	\$ 2,016,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,017,285	\$ 2,016,765	\$ 1,972,081
Sale of Services	-	243,003	-	-	-	-	46,348	544,246	303,337	1,166,910	1,253,427	1,171,999
Utility Service Fees	-	-	-	-	-	-	-	207,863	203,088	397,000	410,951	401,154
Government Transfers	-	438,710	-	101,778	-	-	-	10,000	128,024	3,103,100	678,512	1,937,998
Investment Income	-	71,043	-	-	-	-	-	13,947	627	47,000	85,617	54,759
Penalties and interest	-	73,335	-	-	-	-	-	7,763	6,739	39,000	89,390	57,222
Development Cost Charges	-	-	-	-	-	-	-	-	-	700,000	-	7,065
Contributed Assets	-	-	-	-	871,000	-	-	55,000	67,500	-	993,500	-
Other revenue	-	270,043	-	-	632	-	-	18,812	26,350	50,100	315,837	117,856
	-	<b>3,112,899</b>	-	<b>101,778</b>	<b>871,632</b>	<b>118,026</b>	<b>46,348</b>	<b>857,651</b>	<b>735,665</b>	<b>7,520,395</b>	<b>5,843,989</b>	<b>5,720,134</b>
<b>Expenses:</b>												
Salaries, wages and employee benefits	91,983	503,242	6,810	87,503	254,390	43,348	221,324	187,524	123,561	1,698,049	1,519,685	1,402,953
Operating Materials and supplies	-	7,255	121,790	3,548	120,307	33,980	80,391	217,497	55,361	854,010	640,129	565,753
Contracted services	-	-	13,911	109,754	44,534	133,456	6,448	85,814	-	542,050	393,917	413,209
Administrative services and supplies	20,699	208,689	20,092	64,221	23,850	-	9,656	39,439	11,640	470,890	398,286	375,690
Utilities	1,177	18,608	5,970	-	38,927	-	35,422	81,115	28,905	187,200	210,124	177,435
Rentals and contractual obligations	-	14,271	39,255	31,000	4,803	-	4,495	-	-	105,050	93,824	97,362
Debt financing	-	17,061	-	-	-	-	-	-	6,577	28,870	23,638	25,610
Amortization	-	208,390	5,926	-	334,614	-	89,329	143,264	117,898	794,000	899,421	852,502
	<b>113,859</b>	<b>977,516</b>	<b>213,754</b>	<b>296,026</b>	<b>821,426</b>	<b>210,784</b>	<b>447,065</b>	<b>754,653</b>	<b>343,942</b>	<b>4,680,119</b>	<b>4,179,024</b>	<b>3,910,514</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ (113,859)</b>	<b>\$ 2,135,383</b>	<b>\$ (213,754)</b>	<b>\$ (194,248)</b>	<b>\$ 50,207</b>	<b>\$ (92,758)</b>	<b>\$ (400,717)</b>	<b>\$ 102,998</b>	<b>\$ 391,723</b>	<b>\$ 2,840,276</b>	<b>\$ 1,664,975</b>	<b>\$ 1,809,620</b>

The accompanying notes and schedule are an integral part of these financial statements.

# STATISTICAL SECTION



Photo Credit: Tourism Harrison



# Statement of Financial Position

Financial Assets	2013	2014	2015	2016	2017
Cash and Equivalents	\$6,361,742	\$6,401,201	\$7,794,822	\$7,208,557	\$9,216,348
Accounts Receivable	\$1,027,857	\$805,739	\$820,704	\$896,906	\$882,299
MFA Deposits	\$0	\$0	\$6,103	\$6,287	\$6,410
	<b>\$7,389,599</b>	<b>\$7,206,940</b>	<b>\$8,621,629</b>	<b>\$8,111,750</b>	<b>\$10,105,057</b>

Financial Liabilities	2013	2014	2015	2016	2017
Accounts Payable & Accrued Liabilities	\$543,247	\$421,257	\$393,735	\$420,142	\$271,924
Employee Future Benefits	\$0	\$0	\$78,000	\$93,800	\$108,727
Developer Deposit & Other Trust Liabilities	\$392,949	\$391,277	\$378,097	\$377,665	\$409,950
Deferred Revenue	\$871,715	\$648,936	\$500,267	\$263,093	\$1,099,323
Development Cost Charges	\$858,814	\$978,021	\$1,212,301	\$1,575,819	\$1,851,562
Liabilities Under Agreement	\$47,768	\$161,989	\$139,211	\$106,046	\$189,524
Long-term Debt	\$0	\$0	\$600,000	\$568,905	\$536,721
Interim Financing Debt	\$700,000	\$600,000	\$550,000	\$440,000	\$330,000
	<b>\$3,414,493</b>	<b>\$3,201,480</b>	<b>\$3,851,611</b>	<b>\$3,845,470</b>	<b>\$4,797,731</b>

	2013	2014	2015	2016	2017
Net Financial Assets	<b>\$3,975,106</b>	<b>\$4,005,460</b>	<b>\$4,770,018</b>	<b>\$4,266,280</b>	<b>\$5,307,326</b>

Non-Financial Assets	2013	2014	2015	2016	2017
Tangible Capital Assets	\$30,082,655	\$31,421,843	\$31,234,292	\$33,517,112	\$34,137,913
Prepaid Expenses	\$95,084	\$54,696	\$35,302	\$65,840	\$68,970
	<b>\$30,177,739</b>	<b>\$31,476,539</b>	<b>\$31,269,594</b>	<b>\$33,582,952</b>	<b>\$34,206,883</b>

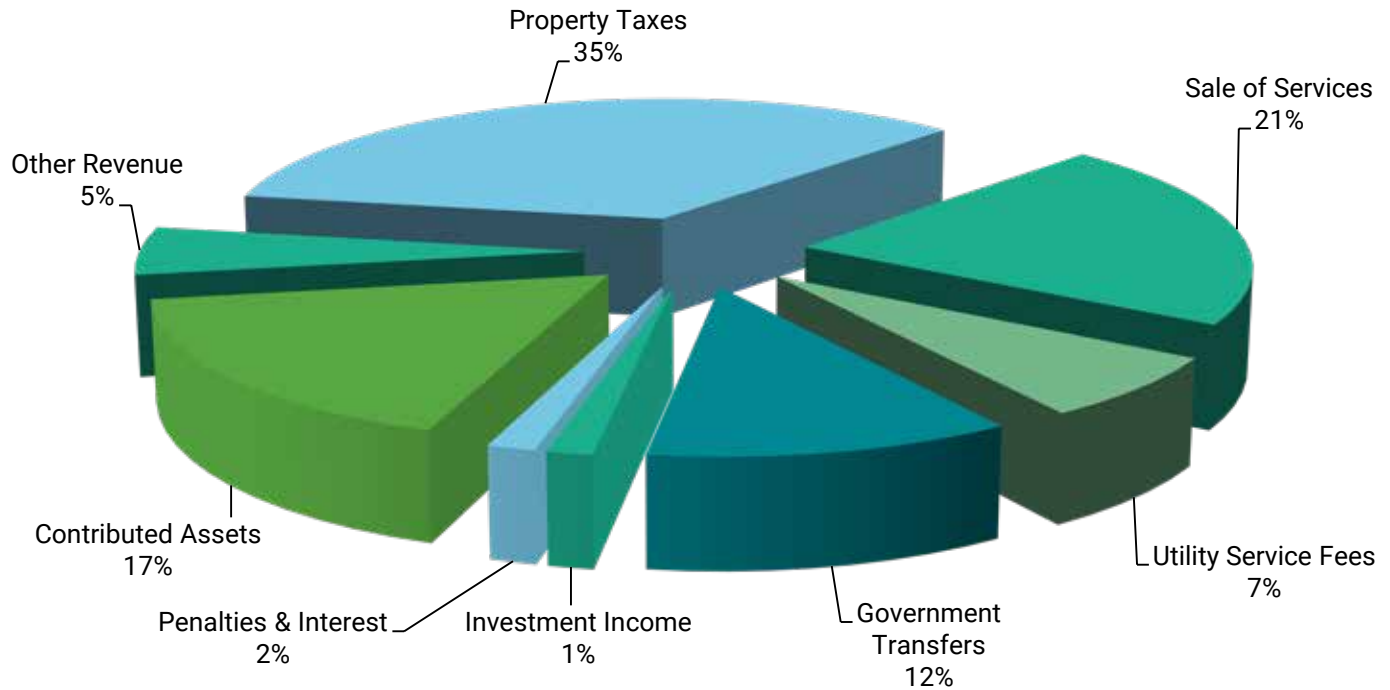
	2013	2014	2015	2016	2017
Accumulated Surplus	<b>\$34,152,845</b>	<b>\$35,481,999</b>	<b>\$36,039,612</b>	<b>\$37,849,232</b>	<b>\$39,514,209</b>

Accumulated Surplus - Represented By	2013	2014	2015	2016	2017
Operating fund	\$2,507,590	\$2,608,376	\$3,385,784	\$3,147,858	\$3,545,757
Appropriated Surplus	\$1,312,385	\$1,389,874	\$1,690,730	\$1,040,150	\$1,298,522
Statutory Reserves	\$1,011,051	\$855,580	\$1,018,016	\$1,259,060	\$1,588,261
Equity in Tangible Capital Assets	\$29,321,819	\$30,628,169	\$29,945,082	\$32,402,164	\$33,081,669
	<b>\$34,152,845</b>	<b>\$35,481,999</b>	<b>\$36,039,612</b>	<b>\$37,849,232</b>	<b>\$39,514,209</b>

	2013	2014	2015	2016	2017
Annual Surplus	<b>\$631,036</b>	<b>\$1,364,821</b>	<b>\$635,613</b>	<b>\$1,809,620</b>	<b>\$1,664,975</b>

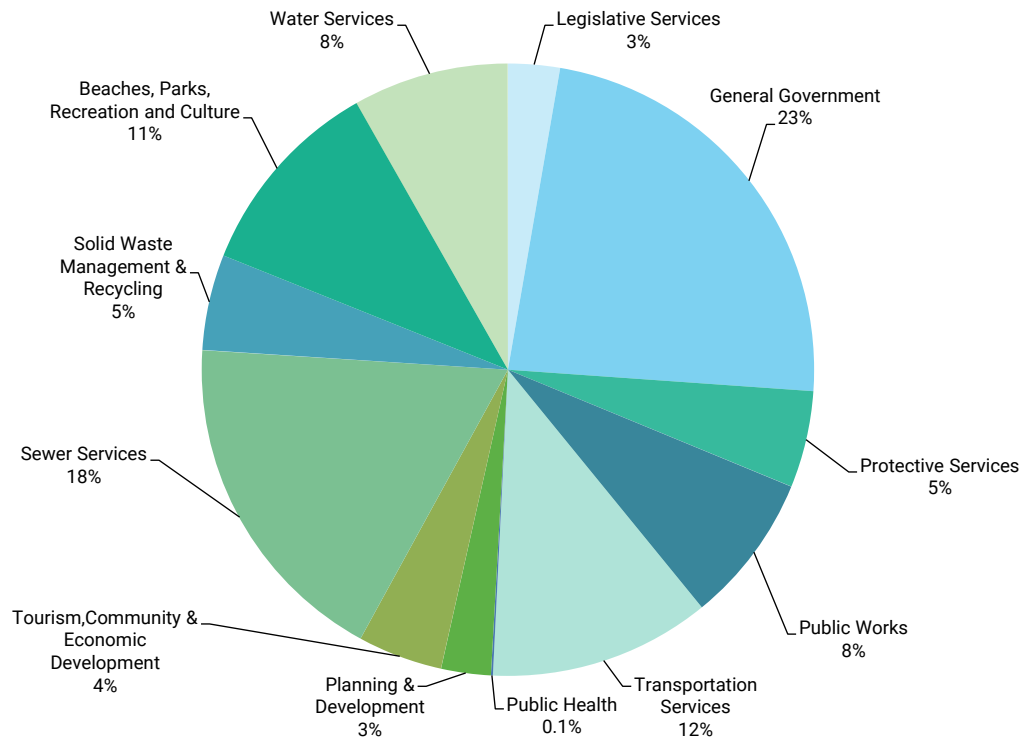
	2013	2014	2015	2016	2017
Acquisition of Tangible Capital Assets	<b>\$788,796</b>	<b>\$2,121,402</b>	<b>\$604,698</b>	<b>\$3,135,321</b>	<b>\$1,524,463</b>

# Revenues by Source



	2013	2014	2015	2016	2017
Property Taxes	\$1,849,972	\$1,886,821	\$1,920,696	\$1,972,080	\$2,016,765
Sale of Services	\$879,967	\$900,016	\$897,704	\$1,171,999	\$1,253,427
Utility Service Fees	\$395,276	\$395,167	\$395,923	\$401,154	\$410,951
Government Transfers	\$943,096	\$1,785,708	\$1,036,076	\$1,937,998	\$678,512
Investment Income	\$32,404	\$28,859	\$56,795	\$54,759	\$85,617
Penalties and Interest	\$28,889	\$39,561	\$44,121	\$57,222	\$89,390
Development Cost Charges	\$0	\$0	\$16,480	\$7,065	\$0
Contributed Assets	\$0	\$0	\$0	\$0	\$993,500
Other Revenue	\$38,418	\$53,308	\$36,548	\$117,856	\$315,837
	\$4,168,022	\$5,089,440	\$4,404,343	\$5,720,134	\$5,843,999

# Expenses by Function

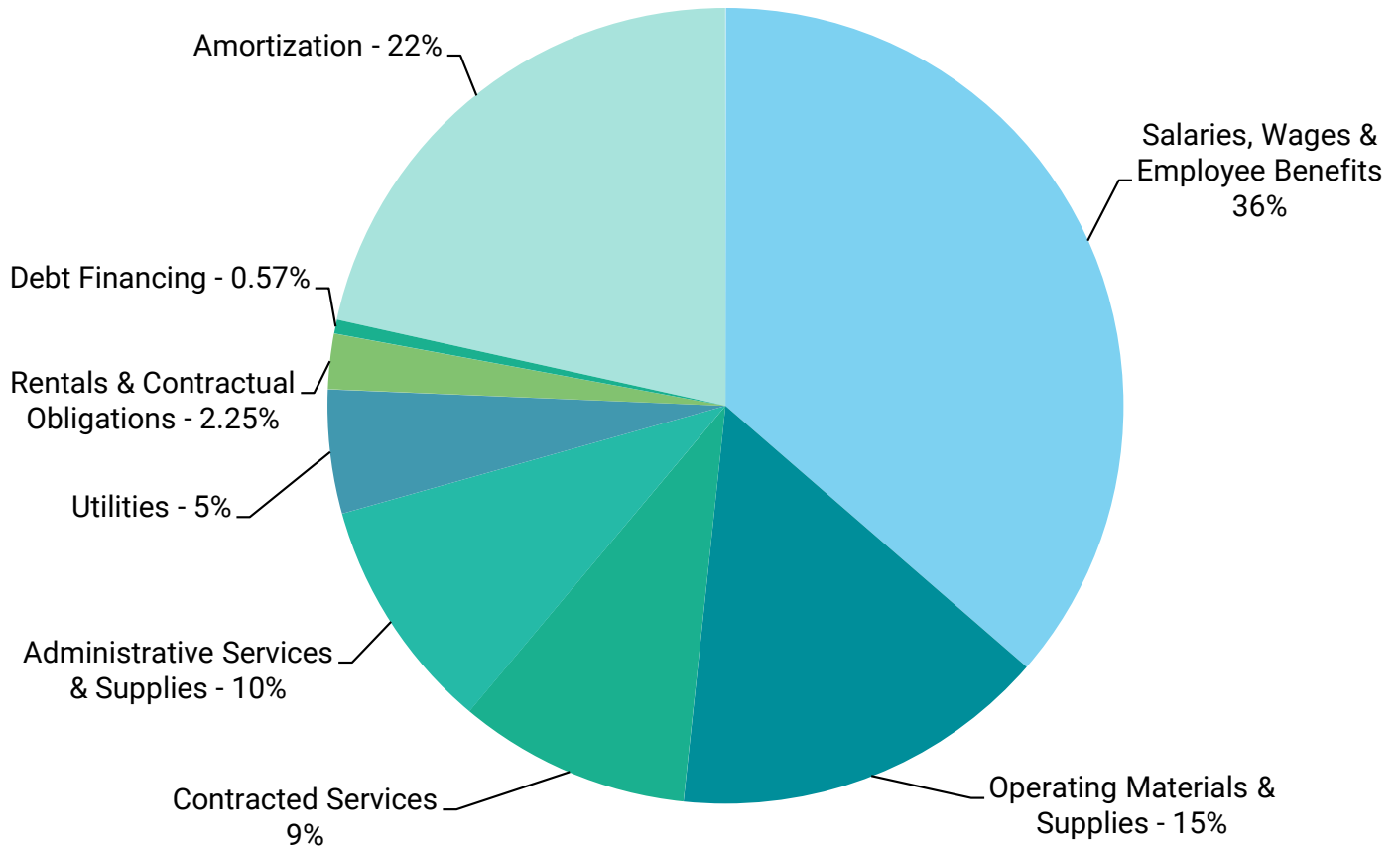


	2013	2014	2015	2016	2017
Legislative Services	\$120,379	\$117,012	\$109,463	\$108,704	\$113,859
General Government	\$876,408	\$900,771	\$1,065,420	\$888,867	\$977,516
Protective Services	\$158,985	\$161,697	\$181,428	\$182,432	\$213,754
Public Works	\$197,265	\$204,036	\$266,367	\$410,781	\$328,650
Transportation Services	\$96,262	\$102,711	\$389,137	\$455,551	\$488,422
Public Health	\$6,110	\$6,284	\$3,838	\$5,657	\$4,354
Planning and Development	\$37,522	\$47,842	\$33,422	\$156,114	\$109,754
Tourism, Community & Economic Development	\$49,070	\$136,406	\$146,511	\$95,242	\$186,272
Sustainability	\$11,831	\$8,856	\$9,559	\$7,711	\$0
Solid Waste Management & Recycling	\$119,056	\$121,232	\$171,070	\$141,299	\$210,784
Beaches, Parks, Recreation & Culture	\$402,372	\$395,987	\$434,127	\$448,369	\$447,065
Water Services	\$146,616	\$238,233	\$358,300	\$308,845	\$343,941
Sewer Services	\$484,559	\$556,318	\$600,088	\$700,942	\$754,653
Non-Capital Items Expensed	\$102,415	\$0	\$0	\$0	\$0
Debt Financing	\$19,345	\$14,987	\$0	\$0	\$0
Amortization	\$708,791	\$747,915	\$0	\$0	\$0
	\$3,536,986	\$3,760,287	\$3,768,730	\$3,910,514	\$4,179,024

Starting in 2015, Debt Financing and Amortization were allocated directly to each function.



# Expenses by Object



	2013	2014	2015	2016	2017
<b>Salaries, Wages &amp; Employee Benefits</b>	\$1,428,395	\$1,477,416	\$1,483,864	\$1,402,953	\$1,519,685
<b>Operating Materials &amp; Supplies</b>	\$509,083	\$645,628	\$565,655	\$565,753	\$640,129
<b>Contracted Services</b>	\$188,945	\$213,005	\$243,202	\$413,209	\$393,917
<b>Administrative Services &amp; Supplies</b>	\$348,422	\$418,462	\$405,967	\$375,690	\$398,286
<b>Utilities</b>	\$135,862	\$149,031	\$153,099	\$177,435	\$210,124
<b>Rentals &amp; Contractual Cbligations</b>	\$95,728	\$93,844	\$97,523	\$97,362	\$93,824
<b>Non-Capital Items Expensed</b>	\$102,415	\$0	\$0	\$0	\$0
<b>Debt Financing</b>	\$19,345	\$14,987	\$27,172	\$25,610	\$23,638
<b>Amortization</b>	\$708,791	\$747,914	\$792,248	\$852,502	\$899,421
	\$3,536,986	\$3,760,287	\$3,768,730	\$3,910,514	\$4,179,024

## Assessed Values

	2013	2014	2015	2016	2017
Residential (Class 1)	\$307,129,795	\$305,450,972	\$309,095,070	\$320,301,375	\$396,052,196
Business (Class 6)	\$63,562,477	\$54,121,470	\$54,119,925	\$58,847,211	\$67,017,223
Recreation/Non-Profit (Class 8)	\$2,591,700	\$4,234,300	\$6,722,800	\$6,837,600	\$7,898,500
	<b>\$373,283,972</b>	<b>\$363,806,742</b>	<b>\$369,937,795</b>	<b>\$385,986,186</b>	<b>\$470,967,919</b>

These totals are Land & Improvements combined.

## Municipal Property Taxes

	2013	2014	2015	2016	2017
Residential (Class 1)	\$1,057,643	\$1,097,135	\$1,098,400	\$1,107,945	\$1,219,829
Business (Class 6)	\$712,486	\$680,474	\$671,716	\$712,151	\$656,319
Recreation/Non-Profit (Class 8)	\$40,224	\$72,252	\$113,478	\$112,361	\$101,444
	<b>\$1,810,353</b>	<b>\$1,849,861</b>	<b>\$1,883,594</b>	<b>\$1,932,456</b>	<b>\$1,977,592</b>

## Debt

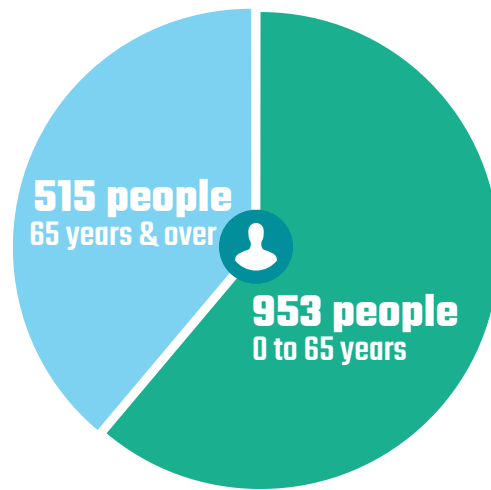
	2013	2014	2015	2016	2017
General	\$0	\$0	\$600,000	\$568,905	\$536,721
Water	\$700,000	\$600,000	\$550,000	\$440,000	\$330,000
Sewer	\$0	\$0	\$0	\$0	\$0
Liabilities Under Agreement	\$47,768	\$161,989	\$139,211	\$106,046	\$189,524
<b>Total Debt</b>	<b>\$747,768</b>	<b>\$761,989</b>	<b>\$1,289,211</b>	<b>\$1,114,951</b>	<b>\$1,056,245</b>

	2013	2014	2015	2016	2017
Population Estimates (BC Stats 2011 and 2016 survey)	1,468	1,468	1,468	1,468	1,468
<b>Debt per Capita</b>	<b>\$509.38</b>	<b>\$519.07</b>	<b>\$878.21</b>	<b>\$759.50</b>	<b>\$719.51</b>

	2013	2014	2015	2016	2017
Principal	\$161,923	\$118,504	\$82,120	\$174,262	\$167,614
Interest	\$19,345	\$14,987	\$23,571	\$25,609	\$23,638
<b>Debt Servicing Costs</b>	<b>\$181,268</b>	<b>\$133,491</b>	<b>\$105,691</b>	<b>\$199,871</b>	<b>\$191,252</b>

	2013	2014	2015	2016	2017
<b>Liability Servicing Limit</b>	<b>\$854,670</b>	<b>\$884,227</b>	<b>\$921,695</b>	<b>\$1,099,511</b>	<b>\$929,651</b>

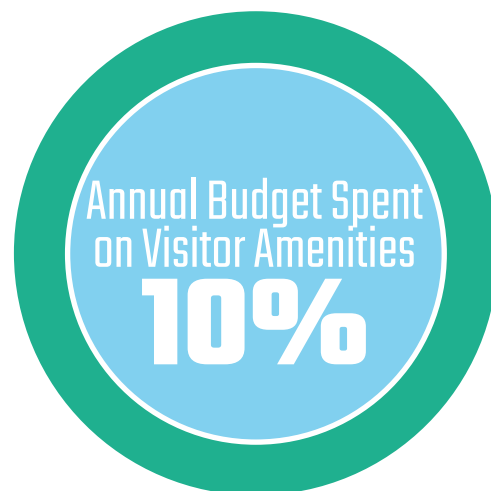
# Demographics & Tourism



\*2016 Statistics Canada

## Who makes up the Village?

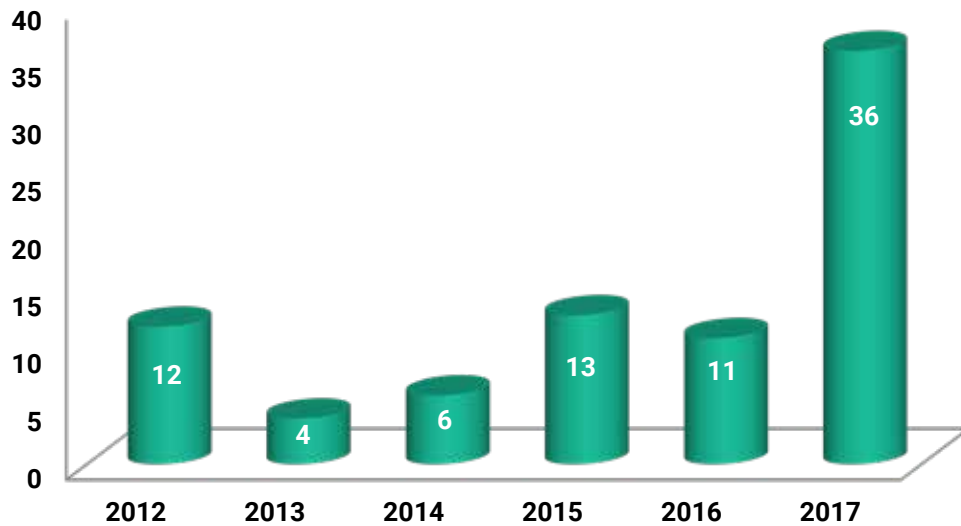
The Village of Harrison Hot Springs is one of 14 Resort Municipalities in British Columbia. We have a full-time resident population of 1,468\* and welcome an estimated 600,000\*\* visitors to the community every year. In 2017, the Village received \$267,500 in Resort Municipality Initiative (RMI) funding from the provincial government which helps maintain and develop tourism infrastructure, creating a more dynamic community for both visitors and residents. On average, the Village spends approximately 10% of the annual budget (general revenues) on visitor amenities including beach-front maintenance.



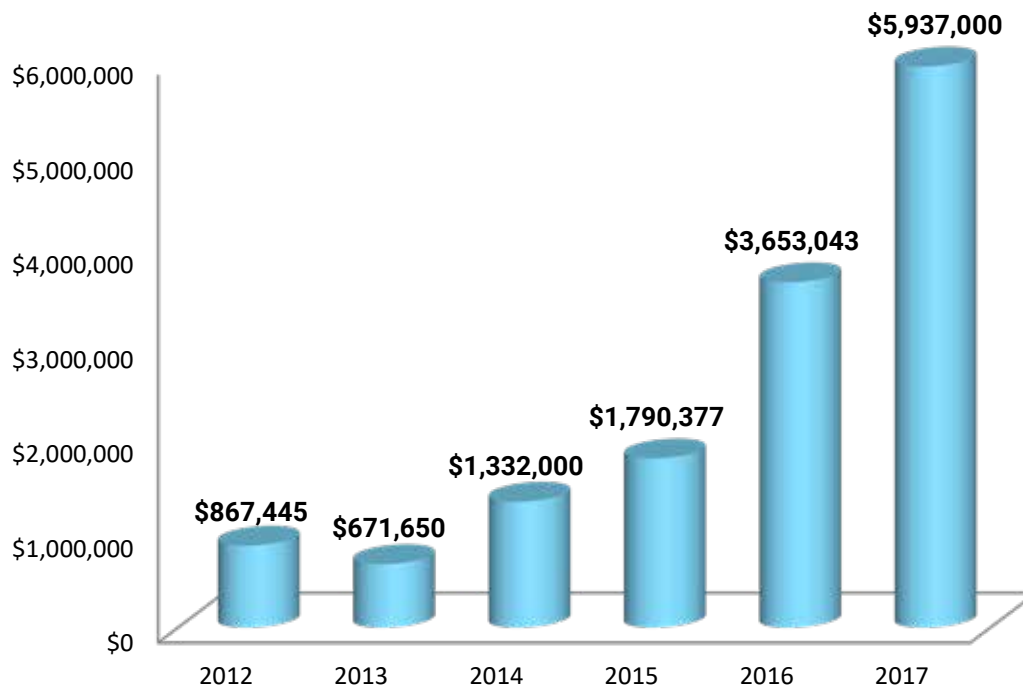
\*2016 Statistics Canada

\*\*Tourism Harrison

## Building Permits Issued



## Value of Building Permits Issued



# Business Licenses Issued

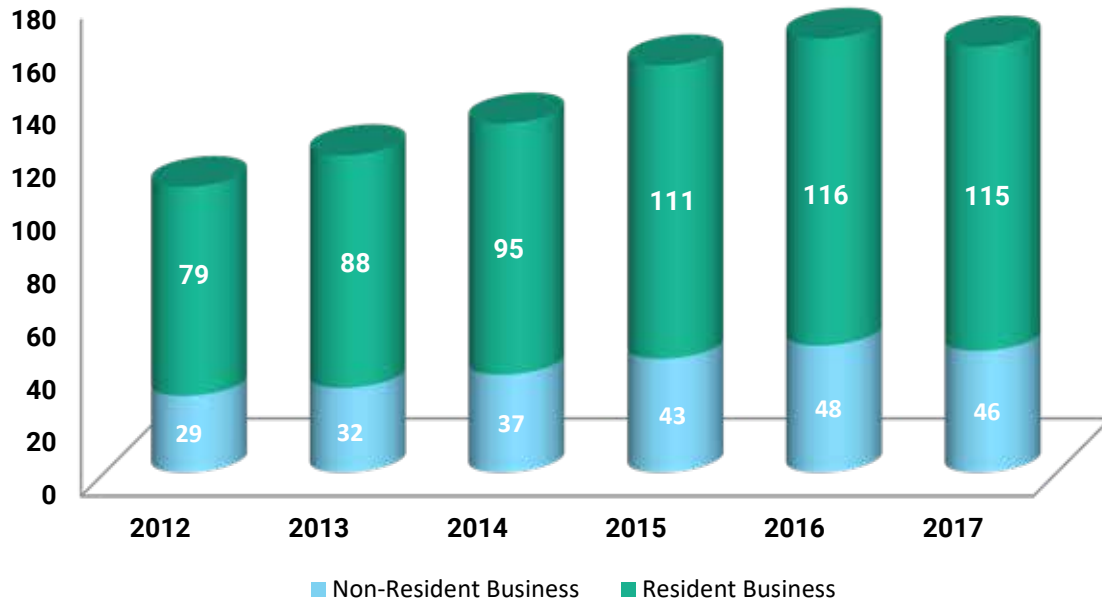




Photo Credit: Tourism Harrison

VILLAGE OF HARRISON HOT SPRINGS BRITISH COLUMBIA  
CANADA  
**2017 ANNUAL REPORT**  
FOR THE YEAR ENDED DECEMBER 31, 2017

