



VILLAGE OF HARRISON HOT SPRINGS BRITISH COLUMBIA  
CANADA  
**2019 ANNUAL REPORT**  
FOR THE YEAR ENDED DECEMBER 31, 2019





# HARRISON HOT SPRINGS

*Naturally Refreshed*

## MUNICIPALITY

Village of Harrison Hot Springs

## ANNUAL REPORT

For the year ended December 31, 2019

## 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 2019 ANNUAL REPORT



Photo Credit: Tourism Harrison



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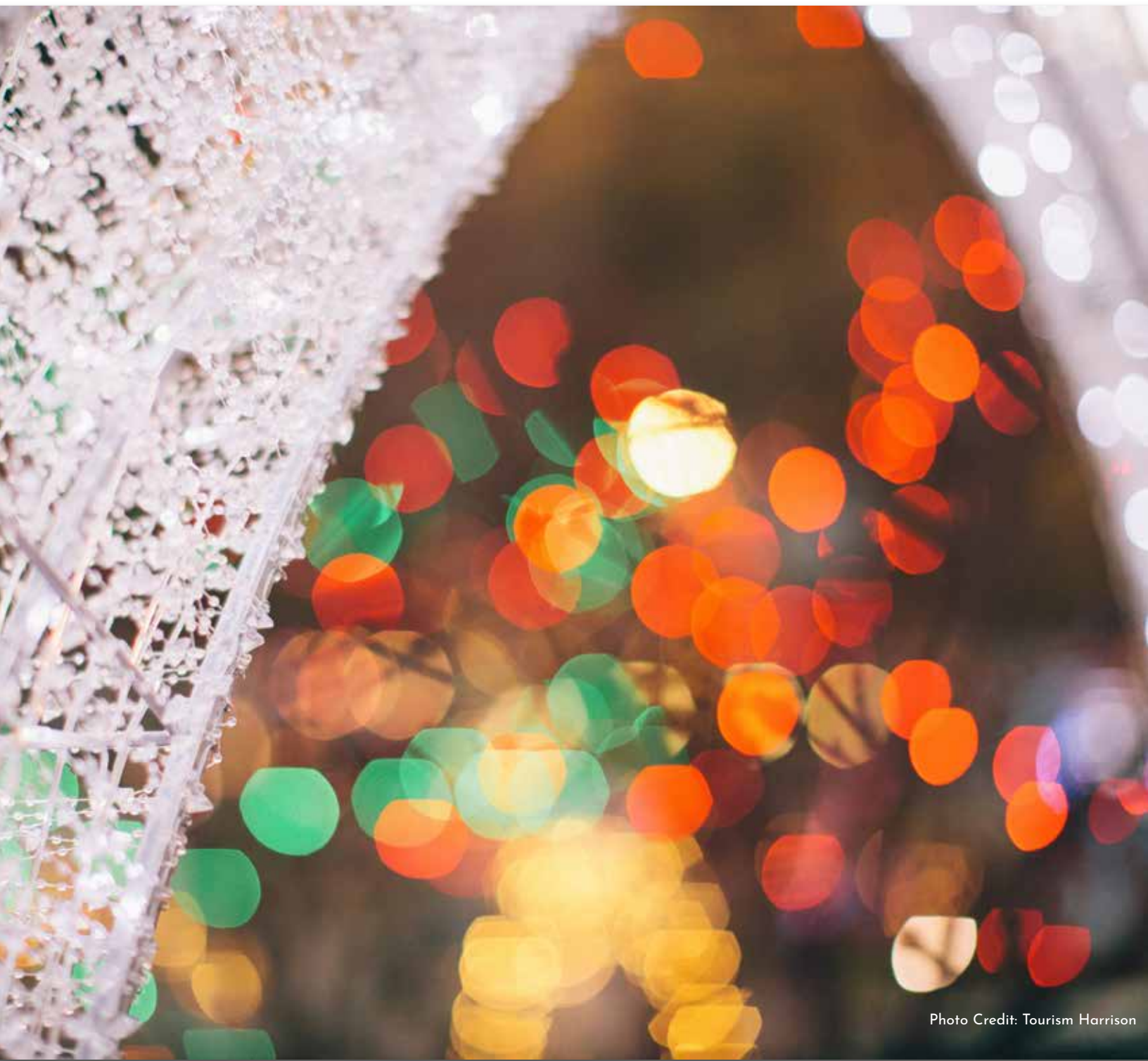


Photo Credit: Tourism Harrison



## MAYOR'S MESSAGE

In 2019, the Village of Harrison Hot Springs continued to experience significant growth in residential development. There was also modest growth in the business sector with a small increase in business licenses issued over the prior year. In 2019, infrastructure improvements included a new waste water lift station on McCombs Drive and upgrades to LED lighting throughout the community.

The Village of Harrison Hot Springs continues to work on strengthening relations with neighbouring communities. The Village and Sts'ailes have a strong relationship built on mutual respect, trust, and partnership. It is in this spirit of respect that we raised the Sts'ailes flag displayed next to ours in the Civic Plaza, a prominent place in our village. This flag will serve as a constant recognition of the traditional lands that this community calls home. This flag will also serve to educate our visitors from all over the world that the land is shared among us all. We enjoy excellent relationships with all of our neighbouring communities and will continue to actively take part in the Community to Community Forum meetings. This important Forum brings together Mayors, Chiefs and Councils from the surrounding communities to discuss common goals and issues.

In 2019, we officially opened and named Qwólts Park which is located at the end of the Miami River where it meets Harrison Lake. Qwólts refers to both the hot spring and the ancestral Sts'ailes village at this location. The development of this park has evolved quite a bit over the last few years. This project started with the replacement of a 60-year-old flood pump with a brand-new state-of-the-art fish friendly flood pump facility, funded by the Canada - BC Building Canada Grant. This pump station removes water from the Miami River drainage basin and discharges it into Harrison Lake during times when the level of the lake on one side of the dyke is higher than the level of the river to prevent flooding in the village. It's really fascinating to watch this pump in action. Around the building you'll find various paintings of sturgeon and salmon and a depiction of the Sasquatch along with interpretive signage that provides information about the Sts'ailes connection to this land, hot springs, and the Sasquatch. Sitting on top of the building, there are five bronze statues that were donated by the 2014-2018 Council. On the Harrison Lake side across from the flood pump we have tiered seating to relax and enjoy the scenery, breathe in the fresh air and, if you time it right, admire the mountains and sky during a sunset. We hope that this park provides an opportunity for people to connect with one another and with nature and learn about the history and people of the area.

As a Resort Municipality, we continue to fulfill our mandate to provide both residents and tourists opportunities to take in our natural beauty, rich history and relaxed lifestyle. The Provincial Resort Municipality Initiative (RMI) funding allowed us to invest in diversifying the seasonal nature of our tourism industry by adding additional winter amenities. The boat launch building was winterized for public washroom access and the parking lot was paved in preparation for an eco-friendly outdoor synthetic skating rink. In partnership with Tourism Harrison, we invested in adding to the Lights by the Lake displays which is another draw for tourist in the winter which will be expanded again in 2020. We look forward to welcoming you to the 3rd Annual Lights by the Lake Festival next winter.

MAYOR LEO FACIO

# VILLAGE COUNCIL



L-R Councillor Ray Hooper, Councillor Michie Vidal, Mayor Leo Facio, Councillor Gerry Palmer, Councillor Samantha Piper

## 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 and participate in the question period at the end of the meeting. To make a presentation or address Council, a delegation request may be submitted to the Village.

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

Fraser Valley Regional District Board,  
Municipal Director

Fraser Valley Regional Hospital District Board,  
Municipal Director

Kent Harrison Joint Emergency Program Committee



## Councillor Samantha Piper

### COUNCIL APPOINTMENTS

Corrections Canada Citizen's Advisory Committee

Harrison Agassiz Chamber of Commerce

Kent Harrison Joint Emergency Program Committee

Resort Development Strategy Committee, Chair

Tourism Harrison



## Councillor Gerry Palmer

### COUNCIL APPOINTMENTS

Fraser Valley Aboriginal Relations Committee

Fraser Valley Regional Library, Municipal Director

Kent Harrison Joint Emergency Program Committee



## Councillor Ray Hooper

### COUNCIL APPOINTMENTS

Age-Friendly Committee, Chair  
 Agassiz Harrison Healthy Communities  
 Fraser Health Authority  
 Agassiz Harrison Historical Society



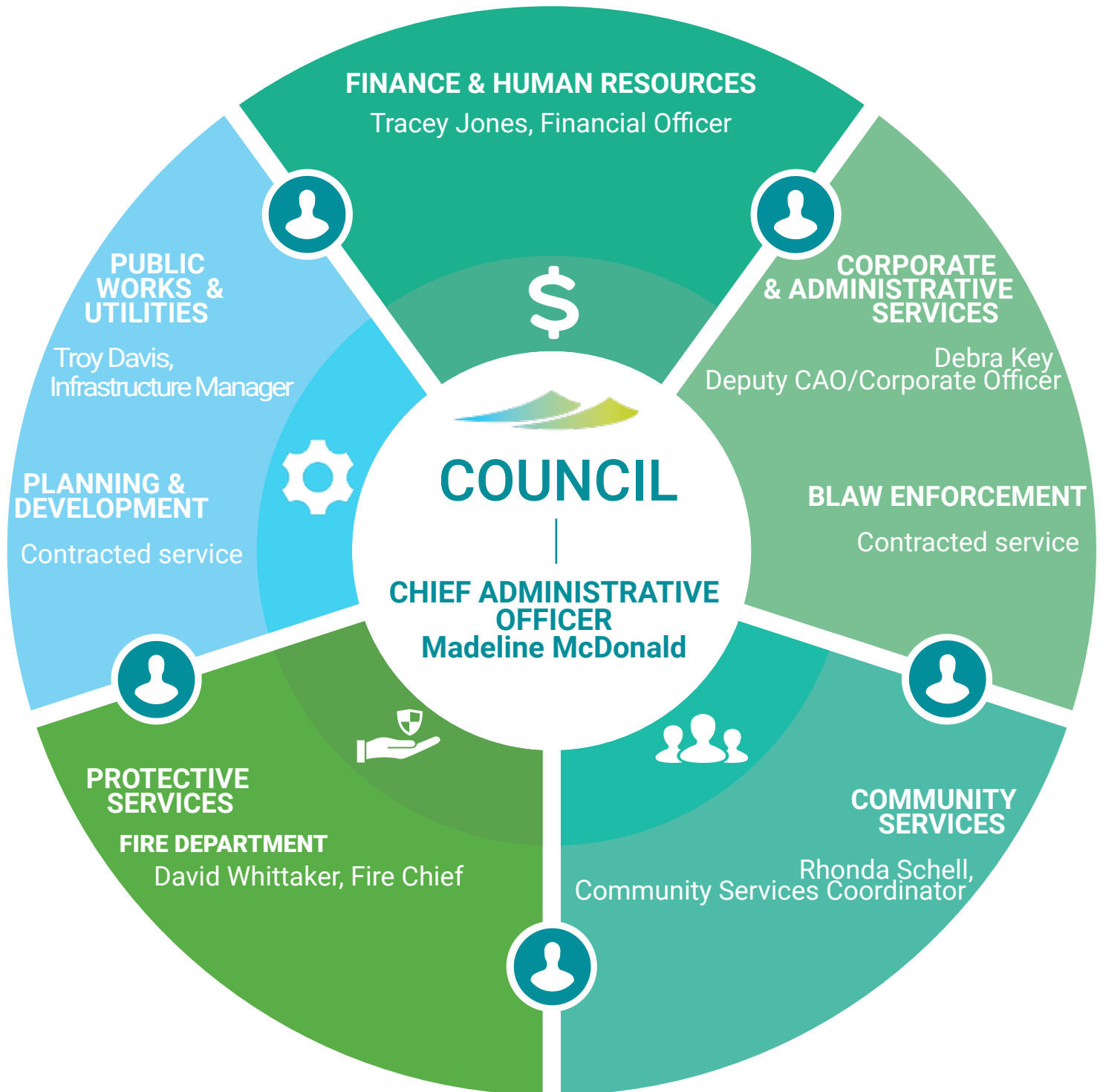
## Councillor Michie Vidal

### COUNCIL APPOINTMENTS

Fraser Valley Aboriginal Relations Committee  
 Fraser Valley Regional District Board,  
 Alternate Municipal Director  
 Fraser Valley Regional Hospital District Board,  
 Alternate Municipal Director  
 Fraser Valley Regional Library, Alternate Municipal Director  
 Agassiz Harrison Healthy Communities



# ORGANIZATIONAL CHART







Government Finance Officers Association

# **Canadian Award for Financial Reporting**

Presented to

**Village of Harrison Hot Springs  
British Columbia**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2018**

*Christopher P. Morrell*

Executive Director/CEO

"The GFOA established the Canadian Award for Excellence in Financial Reporting Program (CAnFR Program) in 1986 to encourage and assist Canadian local governments to go beyond the minimum requirements of generally accepted accounting principles, as set by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

Reports submitted to the CAnFR program are reviewed by selected members of the GFOA professional staff and a review committee, which comprises individuals with expertise in Canadian public-sector financial reporting and includes financial statement preparers, independent auditors, academics, and other finance professionals." - Government Finance Officers Association

May 8, 2020

To the Mayor and Council,

It is my pleasure to submit the 2019 Annual Report for the Village of Harrison Hot Springs (the Village). The purpose of this report is to present the financial results for the fiscal year ended December 31, 2019 in accordance with the Community Charter and the Local Government Act. This report includes the Audit Report from BDO Canada LLP, the Financial Statements of the Village, and supplementary information for the year ended December 31, 2019. In 2019 the Village was a first-time recipient of a Canadian Award for Financial Reporting (CAnFR) from the Government Finance Officers Association for its 2018 Annual Report. The CAnFR recognizes excellence in governmental accounting and financial reporting and represents a significant accomplishment by a local government and its management. Staff are proud of what they have accomplished and we hope to continue on this path in the future.

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 authorized 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.

This report presents fairly and accurately the financial position of the Village of Harrison Hot Springs. The purpose is to provide readers with a clear understanding of the financial information and operations of the Village. The report is divided into three sections:

1. Introductory Section: Provides an overview of the Village and our role, vision and strategic direction. It includes the nature and scope of the services provided as well as highlights and accomplishments.
2. Financial Section: Presents the 2019 financial statements, notes, supplementary schedules and the independent Auditors' Report for the Village.
3. Statistical Section: Presents a variety of statistical and financial information on a five year comparative basis.

## **Financial Overview**

### **Significant Financial Management Policies:**

The Village of Harrison Hot Springs is governed by bylaws and policies, many of which are financial in nature. Significant accounting policies are described in Note One (1) to the financial statements.

### **Statement of Financial Position:**

The statement of financial position shows the results of net financial assets and tangible capital assets. Tangible capital assets are accounted for at net value (acquisition cost less accumulated amortization). In 2019 there was a net increase to tangible capital assets in the amount of \$878,398, this was primarily as a result of an expansion to the capacity of Lift Station #3 which was required due to new developments. In addition, all street lighting in the Village was replaced with more sustainable LED lighting fixtures.

Development cost charges (DCC's) are contributions collected from developers to pay for growth in infrastructure and to support new development in the future. In 2019 DCC's were collected for Sewer, Water, Drainage and Parks and the net increase to DCC's was \$150,211. DCC funds are budgeted to be spent to increase the capacity at the Wastewater Treatment Plant in 2020.

Long -term debt, interim debt and liabilities under agreement were reduced overall by \$225,250. Interim debt relating to the Water Fund in the amount of \$110,000 will be fully paid by 2020 and is serviced through water fees. All other debt relates to the General Fund and is serviced by taxation.

Accumulated surplus includes investment in tangible capital assets. Equity in tangible capital assets is the net Tangible Capital Assets less debt used to purchase the assets. The Village's investment increased by \$1,103,644 in 2019 and totaled \$36,951,284. The majority of assets purchased were wastewater infrastructure assets and were funded by Development Cost Charges and Reserves.



**Statement of Operations:****Revenues**

In 2019 total revenues decreased by over \$874,700 compared to 2018. Government transfers for grant funding contributed to most of this amount as there were less projects funded by grants in 2019 compared to the large grant funded projects in 2018. Utility service fees increased due to new participants from developments in the service area and an increase in sewer user fees starting in the second quarter of 2019. Increases in property taxes collected included properties added to the rolls from growth within the Village and a general increase of 2.37% . Sale of services increased in 2019 as pay parking rates increased also. Investment income was approximately \$43,000 more in 2019 than 2018 as bank rates for term deposits improved along with increased reserve balances.

**Expenses**

Expenses include operational items, capital expenditures that do not meet the requirement for capitalization and amortization. Negotiated wage and benefit contracts saw a 2% increase and amortization of new asset acquisitions increased the expense by \$50,000. Planning, development and asset management projects increased expenditures by \$122,000 which were largely grant funded. Overall expenses increased in 2019 by just over \$274,000 compared to 2018 but still remained within budget.

**Reserves**

Reserve funds provide a mechanism to set aside funds to:

- Finance all or part of future infrastructure or equipment requirements
- Provide a degree of financial stability
- Provide a budgetary option to mitigate the need to cut service or raise taxes in uncertain economic times

All of these funds are intended to accomplish two goals:

- Achieve tax stability, and
- Contribute to the orderly provision of services

Additions to reserves consist of transfers from operations and interest earnings on those reserve funds. A net amount of over \$283,000 increased reserves to fund future capital projects (Note 15).

**Financial Planning Process**

The Community Charter section 165 and 166 require the Village to complete a five year Financial Plan and institute a public process for consultation on the plan. The Financial Plan in the form of a bylaw must be adopted by May 15th of each year. On March 2nd, 2020, Council adopted the 2020-2024 Financial Plan as part of its financial planning process. A summary can be found within the "Five Year Financial Plan" section of the Annual Report.

## Future Outlook

The Village of Harrison Hot Springs is a resort municipality which presents both opportunities and challenges. Non-resident property owners hold over 40% of the properties within the Village and while census population statistics show no growth, demands on services remain high when the non-resident owners and tourists arrive during the summer season.

While the traditional summer season is a popular time for tourist visits the impact of the global COVID-19 pandemic and the closing of borders to non-essential travel will affect the local businesses that are predominantly tourism driven. The gradual re-opening of the BC Economy will take time and it is unknown at this time the extent of the impact that the pandemic will have on the business community and the residents of Harrison Hot Springs. The Village has adjusted the ratio of business and recreational property tax classes compared to residential tax rate for 2020 in an effort to support local business during these times. Higher levels of government have adjusted tax penalty application deadlines for business class properties and the Village has included all classes of properties in this initiative. The Village will closely monitor cashflows and continue to focus on collecting receivables, managing expenditures, and, if necessary, leveraging existing reserves and credit facilities to ensure it is able to continue providing essential services to its citizens.

The Village is committed to fiscal responsibility and will continue to seek out grants as they become available for specific eligible and relevant projects. Grants remain a key source of funding for the Village as large projects are most often not possible without supplemental funding sources or the need for debt borrowing. The Village is unable to generate the level of taxation revenues necessary to fund certain large projects without grant funding; a 1% tax increase generates just over \$22,000.

The Village has a limited amount of land available for development. While a modest growth of 2% had been estimated for the Village during 2020, it is difficult to predict whether it will be realized. Real estate transactions which had slowed at the latter part of 2019 have been significantly impacted in March and April of 2020 for the Fraser Valley due to the current pandemic and long-term effects are as yet unknown.

Respectfully Submitted



Tracey Jones, Financial Officer



# 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

Community Services helps build strong and healthy relationships with the people and organizations that make up the community. They coordinate the Resort Municipality Initiative (RMI), organize community events and promote 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.



*Starlight Skating Rink*



*Beach Mobi-Mat Installation*

# 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.





Photo Credit: Tourism Harrison

*Dragon Boat Festival*



Photo Credit: Tourism Harrison

*Harrison Uncorked Wine Fest*



Photo Credit: Tourism Harrison

*Harrison Beer Fest*

# GOALS & OBJECTIVES



Photo Credit: Tourism Harrison







# INFRASTRUCTURE & UTILITIES

## 2019 ACHIEVEMENTS

**Rebuilt** Lift Station Number 3 on McCombs Drive to increase carrying capacity

**Refinished** Memorial Hall floors and added additional lighting and Wi-Fi

**Added** bay doors to the Public Works building

**Upgraded** storm pipe on McCombs Drive

**Completed** Water System Upgrades and added up to 100 residential properties to the municipal water system

**Increased** the capacity at the Waste Water Treatment Plant by upgrading RAS lines and pumps

**Construction** of a gantry to aide in maintenance of the membranes at the Waste Water Treatment Plant

**Installed** a back up power generator at the Beach Pump Station

**Winterized** boat launch building washrooms

**Paved** the boat launch parking lot and added lighting

## 2020 GOALS

- Upgrade decking on government wharf
- Finalise and Adopt New Subdivision Servicing Standards
- Expand storm water collection system on Alder Avenue
- Replace culvert on McPherson Road
- Upgrade membranes at the Waste Water Treatment Plant to increase capacity
- Undertake accessibility upgrades to the Ranger Station Art Gallery
- Renovate and expand the boat launch building



*Memorial Hall Refinished Floor*



# RECREATION, CULTURE & TOURISM

## 2019 ACHIEVEMENTS

**Continued participation in Joint Council Meetings** with Sts'ailes

**Continued** participation in Lets'mot Community to Community Forum

**Continued** partnership with Tourism Harrison for the 2nd Annual Lights by the Lake event

**Hosted Canada Day**

**Co-hosted Sasquatch Days** with the Sts'ailes

**Opened** Qwólts park with interpretive signage at the Flood Pump Facility

**Completed** beach and lagoon safety assessment and installed recommended signage & safety equipment

**Completed** Housing Needs Assessment

**Reviewed** Memorial Recognition Policy

**Created** the 2019 - 2021 Resort Development Strategy

**Opened** an eco-friendly outdoor synthetic skating rink, rental shop and temporary concession

## 2020 GOALS

- Continue to foster and improve partnerships with neighbouring jurisdictions and other agencies
- Continued partnerships with the Lets'mot Community to Community Forum members
- Continue to enhance annual Lights on the Lake Event in partnership with Tourism Harrison
- Continue to co-host Sasquatch Days and build on the relationship with Sts'ailes
- Install wayfinding signage kiosks on the waterfront
- Install picnic tables and barbeque stands in a newly designated area in the beachfront area
- Start a block party program
- Reintroduce the Memorial Bench Program



## ENVIRONMENT & SUSTAINABILITY

### 2019 ACHIEVEMENTS

**Completed** LED street lighting upgrade throughout the Village

**Received** a UBCM Community Excellence Awards Honorable Mention for Excellence in Sustainability for the LED Lighting Upgrade

**Upcycled** HPS lights to send to El Salvador

**Created** Lagoon Redesign Master Plan

**Received** the FireSmart Canada Community Protection Achievement Certificate

### 2020 GOALS

- Continue to promote waste diversion
- Implement waste sorting in municipal facilities
- Work with the Ministry of Environment to regulate and reduce the use of single use plastics
- Expand the knotweed control program on municipal properties



## TRANSPORTATION

### 2019 ACHIEVEMENTS

**Completed** Active Transportation Plan

**Completed** Roads & Bridges Master Plan

### 2020 GOALS

- Work with the Ministry of Transportation & Infrastructure to partner on an improved drainage plan for Hot Springs Road
- Work with the Province to promote a reduced speed limit on Hot Springs Road



# Harrison street lights heading to El Salvador

Grace Kennedy  
The Observer

Harrison Hot Springs is the first B.C. municipality to send its old streetlights to El Salvador, as part of a new partnership between an Agassiz company and the University of the Fraser Valley.

In mid-March, the Village of Harrison Hot Springs retrofitted 75 streetlights with LEDs. The \$250,000 project, funded by the Union of BC Municipalities federal gas tax priorities fund, covered 14 streets and eight cul-de-sacs in the village. (Hot Springs Road and Lillooet Avenue were not included in the retrofit, as they are under Ministry of Transportation and Infrastructure jurisdiction.)

The new LED lights will significantly reduce the amount of electricity consumed by streetlights in the village. According to Keith McPherson, owner of Agassiz's Lux Measurement, they will be even more efficient than other LEDs.

"It was a lot more cost effective and a lot more energy efficient than anything around at the mo-

ment," he said.

Harrison was the first municipality to use Lux Measurement to assess the lighting needs on different streets and create a conversion plan to LEDs. But it was also the first community to participate in Lux Measurement's Street Light Program, which sends old street lights to Central America to be repurposed.

The Street Light Program, which operates in partnership with UFV's trades and technology centre, sees students clean and break down the old street lights so they can be mailed to communities in El Salvador.

"It generates a bit of employment there, and it means our old lights here are being put to good use," McPherson said.

Harrison's old lights are currently at the university now, and are expected to be mailed to El Salvador in the coming weeks. With any luck, they'll be installed in rural communities that are currently without street lights within the next few months.



*Before*



*After*





# FAIRNESS & FISCAL RESPONSIBILITY

## 2019 ACHIEVEMENTS

**Received the Canadian Award for Financial Reporting** for the 2018 Annual Report

**Continued** to pursue tax fairness with respect to all classes of taxpayers

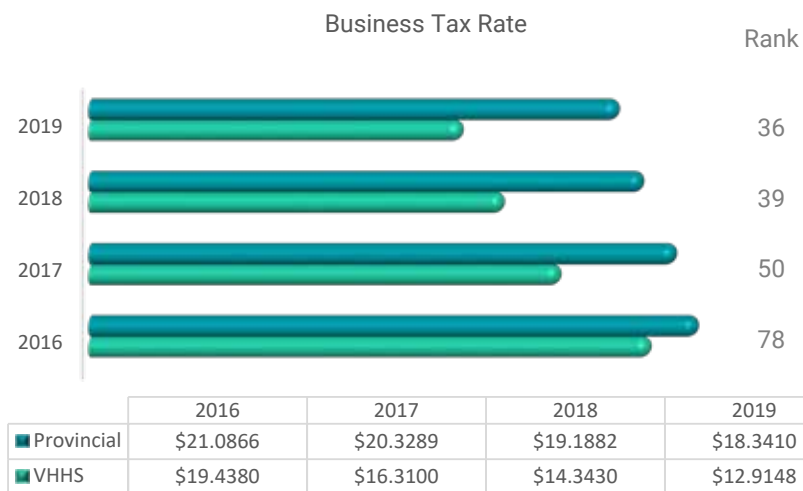
**Completed** an Asset Management Plan

**Updated** Sewer Regulation Bylaw to reflect full cost recovery for operational needs

## 2020 GOALS

- Continue to review property taxation policies to reflect Council's goals & objectives
- Establish annual utility billing for residential properties
- Pursue membership in the Fraser Valley Inter-Municipal Business Licensing Program to promote business mobility within our region
- Pursue grant opportunities for capital projects
- Develop a community recovery plan in relation to the COVID-19 Pandemic Event

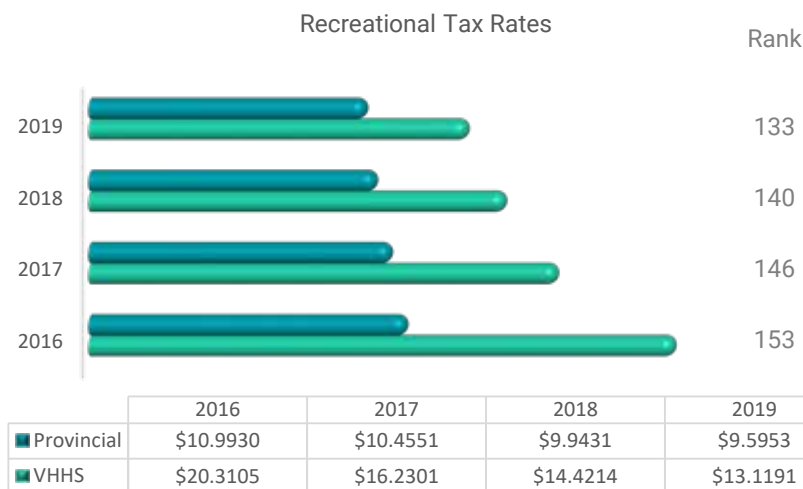




**1 = Lowest Tax Rates**

*These rankings  
are from lowest to  
highest out of 162  
municipalities  
in British Columbia.*

**162 = Highest Tax Rates**



Average tax rates for all purposes includes:  
Municipal, Regional District, Hospital District, School and Other



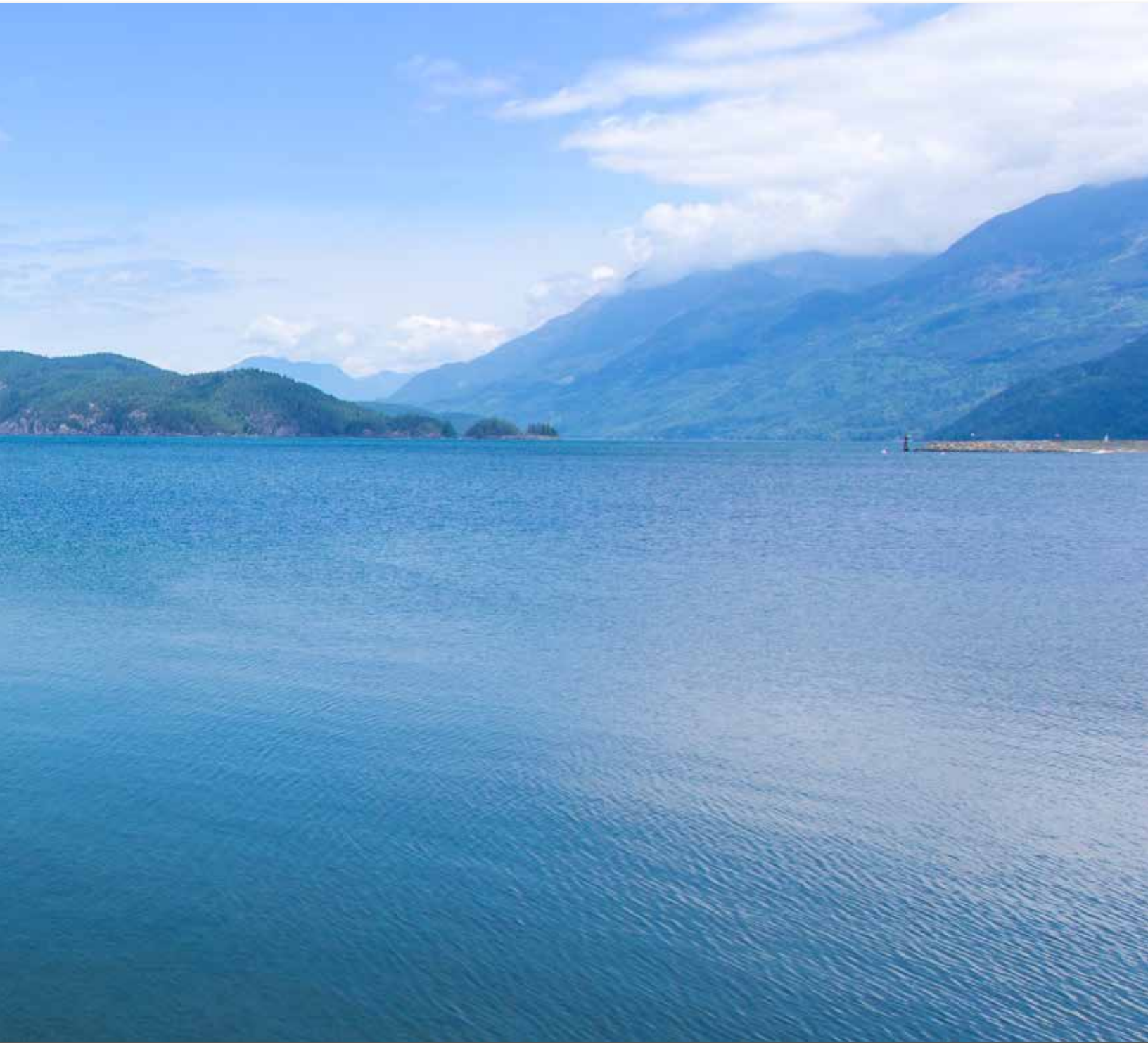


# FINANCIAL SECTION



Photo Credit: Cheryl Uphill






## 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 20, 2020  
\_\_\_\_\_  
Tracey Jones  
Financial Officer  
April 20, 2020

# Five Year Financial Plan 2020-2024

	2020	2021	2022	2023	2024
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
<b>REVENUES:</b>					
PROPERTY TAXES - RESIDENTIAL	1,517,232	1,520,548	1,546,932	1,573,647	1,604,485
PROPERTY TAXES - BUSINESS	683,402	712,257	712,557	712,815	727,071
PROPERTY TAXES - RECREATION/NON-PROFIT	122,266	142,895	143,095	143,143	146,005
COLLECTIONS FOR OTHER GOVERNMENTS & AGENCIES	1,903,160	1,918,941	1,933,250	1,946,312	1,985,238
PENALTIES & INTEREST - TAXES	4,000	-	-	-	-
UTILITY CO. 1% REVENUE TAXES	37,901	38,029	38,085	38,296	39,062
PAYMENTS IN LIEU OF TAXES	4,050	4,450	4,530	4,612	4,704
<b>TOTAL TAXES COLLECTED</b>	<b>4,272,011</b>	<b>4,337,120</b>	<b>4,378,449</b>	<b>4,418,825</b>	<b>4,506,566</b>
REMITTANCES TO OTHER GOVERNMENTS & AGENCIES	(1,903,160)	(1,918,941)	(1,933,250)	(1,946,312)	(1,985,238)
<b>NET TAXES FOR MUNICIPAL PURPOSES</b>	<b>2,368,851</b>	<b>2,418,179</b>	<b>2,445,199</b>	<b>2,472,513</b>	<b>2,521,328</b>
REVENUE FROM OWN SOURCES	1,984,320	2,008,620	2,046,610	2,056,259	2,121,796
GRANTS AND DONATIONS	2,930,150	536,000	541,030	555,410	566,519
DCC	248,400	650,000	-	-	-
CONTRIBUTED ASSETS	174,000	-	-	-	-
<b>TOTAL REVENUE</b>	<b>\$7,705,721</b>	<b>\$5,612,799</b>	<b>\$5,032,839</b>	<b>\$5,084,182</b>	<b>\$5,209,643</b>
<b>EXPENSES:</b>					
LEGISLATIVE	131,350	131,350	132,285	134,855	137,552
GENERAL GOVERNMENT	1,171,897	1,148,090	1,182,445	1,190,859	1,214,671
PROTECTIVE SERVICES	269,057	269,057	271,414	274,347	279,204
DEVELOPMENT PLANNING	313,700	122,700	122,814	125,230	127,735
TOURISM AND COMMUNITY IMPROVEMENT	280,197	255,308	257,684	262,838	268,094
ENGINEERING, TRANSPORTATION, STORM WATER	874,509	846,843	853,835	864,344	881,630
SOLID WASTE	201,946	210,948	197,785	201,741	205,775
PARKS, RECREATION & CULTURAL SERVICES	511,845	507,903	514,556	521,764	532,199
WASTEWATER UTILITY	803,620	803,620	828,352	843,389	860,257
WATER UTILITY	499,000	509,875	505,693	491,153	525,388
DEBT- INTEREST	20,700	15,700	16,014	16,335	16,661
<b>TOTAL EXPENDITURES</b>	<b>5,077,821</b>	<b>4,821,394</b>	<b>4,882,877</b>	<b>4,926,854</b>	<b>5,049,167</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$2,627,900</b>	<b>\$791,405</b>	<b>\$149,962</b>	<b>\$157,327</b>	<b>\$160,476</b>
<b>CAPITAL, DEBT, RESERVES, TRANSFERS &amp; BORROWING</b>					
CAPITAL EXPENDITURES	(3,410,500)	(1,019,500)	(1,319,000)	(111,180)	(113,404)
REPAYMENT ON DEBT	(163,100)	(53,100)	(54,162)	(55,245)	(56,350)
PROCEEDS OF DEBT	-	-	110,000	-	-
CONTRIBUTIONS TO RESERVES	(902,900)	(948,305)	(1,105,799)	(1,132,284)	(1,154,930)
TRANSFERS FROM RESERVES	763,600	219,500	1,209,000	111,180	113,404
APPROPRIATION FROM SURPLUS	75,000	-	-	-	-
EQUITY IN TANGIBLE CAPITAL ASSETS	1,010,000	1,010,000	1,010,000	1,030,200	1,050,804
	<b>\$(2,627,900)</b>	<b>\$(791,405)</b>	<b>\$(149,961)</b>	<b>\$(157,329)</b>	<b>\$(160,476)</b>
<b>SURPLUS (DEFICIT) PLUS CAPITAL, DEBT,</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>RESERVE TRANSFERS AND BORROWING</b>					



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## Independent Auditor's Report

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

### Opinion

We have audited the financial statements of Village of Harrison Hot Springs (the Village), which comprise the Statement of Financial Position as at December 31, 2019, and the Statement of Operations, Changes in Net Financial Assets, and Cash Flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at *December 31, 2019*, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### 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 Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 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.

In preparing the financial statements, management is responsible for assessing the Village'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 Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village'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 an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.





- 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 Village'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 Village'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 Village 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.

*BDO Canada LLP*

Chartered Professional Accountants

Vancouver, British Columbia

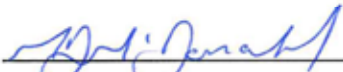
April 20, 2020

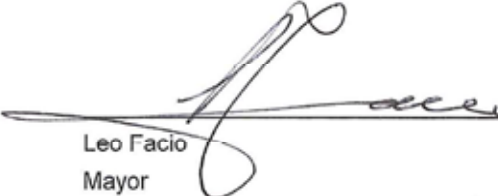
## Village of Harrison Hot Springs

### Statement of Financial Position

As at December 31, 2019

	2019	2018
<b>Financial assets</b>		
Cash (Note 2)	\$ 11,041,504	\$ 9,847,890
Accounts Receivable (Note 3)	1,290,694	1,188,913
MFA Deposits (Note 4)	6,702	6,549
	<b>12,338,900</b>	<b>11,043,352</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	422,212	363,287
Employee Future Benefits (Note 6)	128,696	113,696
Developer's Deposits and Other Trust Liabilities (Note 7)	563,839	199,320
Deferred Revenue (Note 8)	721,107	702,726
Development Cost Charges (Note 9)	3,256,483	3,106,272
Liabilities under Agreement (Note 10)	68,109	148,883
Long-term debt (Note 11)	468,936	503,412
Interim financing debt (Note 12)	110,000	220,000
	<b>5,739,382</b>	<b>5,357,596</b>
<b>Net financial assets</b>	<b>6,599,518</b>	<b>5,685,756</b>
<b>Non-financial assets</b>		
Tangible Capital Assets (Note 13, Schedule 1)	37,598,330	36,719,932
Prepaid expenses	73,853	61,981
	<b>37,672,183</b>	<b>36,781,913</b>
<b>Accumulated surplus</b>	<b>44,271,701</b>	<b>42,467,669</b>

  
 Madeline McDonald,  
 Chief Administrative Officer

  
 Leo Facio  
 Mayor

# Village of Harrison Hot Springs

## Statement of Operations

for the year ended December 31, 2019

	Budget (Note 20)	2019	2018
<b>Revenue</b>			
Property Taxes (Notes 23, 16)	\$ 2,219,176	\$ 2,219,454	\$ 2,095,811
Sale of Services (Note 17)	1,382,760	1,400,567	1,239,637
Utility Service Fees (Note 18)	455,800	465,436	440,408
Government Transfers (Note 19)	3,001,645	1,416,400	2,745,539
Investment Income	47,000	152,635	109,545
Penalties and interest	8,000	79,712	78,006
Development Cost Charges (Note 9)	865,000	605,799	130,059
Contributed Assets	-	-	509,800
Other revenue	85,297	112,813	(21,279)
	<b>8,064,678</b>	<b>6,452,816</b>	<b>7,327,526</b>
<b>Expenses (Note 21)</b>			
Legislative Services	142,280	125,585	113,230
General Government	1,129,073	1,034,926	1,047,620
Protective Services	254,266	226,299	205,814
Public Works	318,486	319,425	360,080
Transportation Services	539,288	448,533	495,319
Public Health	4,260	2,932	3,317
Planning and Development	362,200	329,723	167,128
Tourism, Community and Economic Development	285,211	260,108	193,985
Solid Waste Management and Recycling	199,145	184,757	179,929
Beaches, Parks, Recreation and Culture	523,270	516,963	483,909
Water Services	481,172	464,768	419,994
Sewer Services	800,360	734,766	703,739
	<b>5,039,011</b>	<b>4,648,785</b>	<b>4,374,064</b>
<b>Annual surplus</b>	<b>3,025,667</b>	<b>1,804,031</b>	<b>2,953,462</b>
Accumulated surplus, beginning of year (Note 15 )	42,467,669	42,467,669	39,514,207
	<b>\$ 45,493,336</b>	<b>\$ 44,271,700</b>	<b>\$ 42,467,669</b>



## Village of Harrison Hot Springs

### Statement of Change in Net Financial Assets

For the Year Ended December 31, 2019

	Budget ( Note 20)	2019	2018
Annual Surplus	3,025,667	1,804,031	2,953,462
Acquisition of tangible capital assets	(4,024,274)	(1,887,011)	(4,041,405)
Amortization of tangible capital assets Note 1., Schedule 1	1,010,000	984,985	965,112
Proceeds from the sale of tangible capital assets	-	-	10,250
Loss on disposal of tangible capital assets	-	23,628	484,024
	11,393	925,633	371,443
Acquisition of prepaid expenses	-	(73,853)	(61,981)
Use of prepaid expenses	-	61,981	68,970
	-	(11,872)	6,989
<b>Increase in net financial assets</b>	<b>11,393</b>	<b>913,761</b>	<b>378,432</b>
Net financial assets, beginning of year	5,685,756	5,685,756	5,307,326
<b>Net financial assets, end of year</b>	<b>5,697,149</b>	<b>6,599,517</b>	<b>5,685,756</b>

# Village of Harrison Hot Springs

## Statement of Cash Flows

For the Year Ended December 31, 2019

	2019	2018
<b>Cash provided by (used in):</b>		
<b>Operating Transactions</b>		
Annual surplus	1,804,031	2,953,462
<b>Non Cash items:</b>		
Amortization	984,985	965,112
Loss on disposal of tangible capital assets	23,629	484,024
<b>Changes to cash items:</b>		
Accounts receivable	(101,781)	(306,614)
MFA deposits	(153)	(139)
Accounts payable and accrued liabilities	58,924	91,363
Developer's deposits and other trust liabilities	364,519	(210,630)
Prepaid expenses	(11,872)	6,989
Employee future benefits	15,000	4,969
Deferred revenue	18,381	(396,597)
Development cost charges	150,211	1,254,710
<b>Net change in cash from operating transactions</b>	<b>3,305,874</b>	<b>4,846,649</b>
<b>Capital Transactions:</b>		
Proceeds from sale of tangible capital assets	-	10,250
Acquisition of tangible capital assets	(1,887,011)	(4,041,405)
<b>Net change in cash from capital transactions</b>	<b>(1,887,011)</b>	<b>(4,031,155)</b>
<b>Financing Transactions</b>		
Debt repayment	(225,249)	(183,952)
<b>Net change in cash from financing transactions</b>	<b>(225,249)</b>	<b>(183,952)</b>
<b>Net change in cash</b>	<b>1,193,614</b>	<b>631,542</b>
Cash , beginning of year	9,847,890	9,216,348
<b>Cash , end of year</b>	<b>11,041,504</b>	<b>9,847,890</b>

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2019

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### 1. Significant Accounting Policies

The Financial Statements combine the activities of the various funds of the reporting entity - 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. Interfund transactions and fund balances have been eliminated for reporting purposes. There are no other organizations under the control of the Village Council that meet the criteria for inclusion and consolidation in these statements. 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

Sources of revenue are recorded on an accrual basis and recognized in the period in which they are earned. Unearned revenue in the current period is reported on the statement of Financial Position as deferred revenue.

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 met.

#### c. Expense Recognition



# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2019

### 1. Significant Accounting Policies (continued)

#### c. Expense Recognition (continued)

Operating expenses are recognized on an accrual basis in the period they are incurred.

#### d. 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.

#### e. 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. Cost includes the capital expenditure, excluding interest, directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. 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 receipt.

#### 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.

#### iv. Leased tangible capital assets

Leases that transfer substantially all the benefits and risks incidental to ownership of property are

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2019

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### 1. Significant Accounting Policies (continued)

#### e. Non-financial Assets (continued)

- iv. **Leased tangible capital assets (continued)**  
accounted for as leased tangible capital assets.

#### f. 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 management'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.

#### g. 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, 2019, 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, 2019

### 2. Cash

	2019	2018
Restricted cash		
Statutory Reserves	\$ 1,983,066	\$ 1,850,350
Non-Statutory Reserves	1,768,398	1,617,960
Development Cost Charges/Deposits in Trust	4,541,429	4,008,320
	8,292,893	7,476,630
Unrestricted cash	2,748,611	2,371,260
Total cash	\$ 11,041,504	\$ 9,847,890

### 3. Account Receivable

	2019	2018
Accounts Receivable - Property Taxes	\$ 411,446	\$ 495,739
Accounts Receivable - Other Governments	399,430	226,842
Accounts Receivable - Trade and Other	479,818	466,332
	\$ 1,290,694	\$ 1,188,913

### 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, 2019

#### 5. Accounts Payable and Accrued Liabilities

	2019	2018
Trade and Other	\$ 169,076	\$ 198,062
Holdbacks payable	137,025	24,252
Other government	11,944	59,040
Accrued Employee benefits	104,167	81,933
	<b>\$ 422,212</b>	<b>\$ 363,287</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 a valuation prepared by an independent firm of actuaries. The date of the last full actuarial evaluation was as of December 31, 2018.

##### 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 2019 is based on a valuation prepared by an independent firm of actuaries. The date of the last actuarial evaluation was as of December 31, 2018.

As of December 31, 2019, \$128,696 (2018 - \$113,696) of the accrued benefit liability has been charged to operations. The significant actuarial assumptions adopted in measuring the Village's accrued benefit liability are as follows:

	2019	2018
Discount rates	3.00%	3.00%
Expected future inflation	2.00%	2.00%

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2019

### 6. Employee Future Benefits (continued)

Accrued Benefit Obligation as at December 31, 2019

	2019	2018
Beginning benefit obligation	\$ 113,696	\$ 108,727
Current service cost	18,800	20,776
Actuarial (gain) loss	-	-
Benefits paid during the year	(3,800)	(15,807)
Ending benefit obligation	128,696	113,696
Less Unamortized net actuarial (loss)	-	-
Accrued Benefit Liability	\$ 128,696	\$ 113,696

### 7. Developers Deposits and Other Trust Liabilities

	2019	2018
Property and event damage deposits	\$ 134,298	\$ 146,948
Developers Deposit	373,848	-
Funds held on behalf of community groups	55,693	52,372
	\$ 563,839	\$ 199,320

### 8. Deferred Revenue

	Opening Balance	Externally Restricted Inflows	Revenue Earned	December 31, 2019
Prepaid taxes	\$ 138,471	\$ 275,959	\$ (259,860)	\$ 154,570
Resort Municipality Initiative	513,639	529,969	(502,542)	541,066
Deferred Revenue	40,137	440	(21,714)	18,863
Facility rentals and other	10,479	6,183	(10,054)	6,608
	\$ 702,726	\$ 812,551	\$ (794,170)	\$ 721,107

## Village of Harrison Hot Springs

### Notes to the Financial Statements

December 31, 2019

#### 9. Development Cost Charges

	Opening Balance	Receipts	Interest	Transfers Out	Closing Balance
Sewer DCC	\$ 1,542,234	\$ 234,192	\$ 37,577	\$ 553,943	\$ 1,260,060
Water DCC	802,676	188,573	21,399	-	1,012,648
Drainage DCC	485,877	157,154	13,445	-	656,476
Parks DCC	275,485	96,638	7,032	51,856	327,299
	\$ 3,106,272	\$ 676,557	\$ 79,453	\$ 605,799	\$ 3,256,483

#### 10. Liabilities under Agreement

In 2017, the Village entered into an agreement with the Municipal Finance Authority to borrow funds in the amount of \$110,000 to purchase capital equipment. The term of the agreement is for five years. In 2019 the Village completed a five year capital lease agreement with Caterpillar Financial Services Limited to finance the acquisition of a backhoe. The Village exercised its option to purchase the backhoe at the end of the lease in the amount of \$47,723.

Changes in liabilities under agreement are as follows:

	2019	2018
Balance, January 1,	\$ 148,883	\$ 189,524
Less: Principal repayments	(80,773)	(40,641)
Balance, December 31	\$ 68,110	\$ 148,883

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

2020	\$ 23,079
2021	23,079
2022	24,657
Less: Amount representing interest	(2,705)
	\$ 68,110

Total interest expense during the year was \$3,395. Total interest over the term of the agreements is \$26,320.



# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2019

### 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	\$ 503,412	\$ -	\$ 31,095	\$ 3,381	\$ 468,936

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

	General	Water	Sewer
2020	\$ 31,095	\$ -	\$ -
2021	\$ 31,095	\$ -	\$ -
2022	\$ 31,095	\$ -	\$ -
2023	\$ 31,095	\$ -	\$ -
2024	\$ 31,095	\$ -	\$ -
Thereafter	\$ 313,461	\$ -	\$ -
Total	\$ 468,936	\$ -	\$ -

\* 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 2019 at daily interest rates that varied between 2.44% and 2.81%. During 2019 the Village paid \$5,304 in interest (2018 \$6,899).

	2019	2018
Beginning Balance Jan 1,	\$ 220,000	\$ 330,000
Principal repayments	(110,000)	(110,000)
Ending Balance, December 31	\$ 110,000	\$ 220,000

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2019

### 13. Tangible Capital Assets

	2019	2018
Land and improvements	\$ 10,680,913	\$ 10,680,913
Buildings	3,124,797	3,244,548
Machinery, equipment, furniture, IT and vehicles	758,664	815,384
Engineering Structures:		
Engineering structures - water	8,021,526	8,188,220
Engineering structures - sewer and drainage	7,987,916	7,012,899
Engineering structures - roads	5,127,608	5,178,987
Engineering structures - parks and other	1,457,329	1,162,765
Other tangible capital assets	355,694	225,086
Work in Progress	83,883	211,130
<b>Total</b>	<b>\$ 37,598,330</b>	<b>\$ 36,719,932</b>

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

There were no contributed assets recognized in 2019

### 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:

	2019	2018
Equity in TCA, beginning of year	\$ 35,847,640	\$ 33,081,669
Add:		
Capital Expenditures	1,887,010	4,041,406
Debt Repayments	221,867	181,737
Actuarial adjustment	3,381	2,215
Less:		
Net Book Value of dispositions	(23,629)	(494,274)
Amortization	(984,985)	(965,112)
<b>Equity in TCA, end of year</b>	<b>\$ 36,951,284</b>	<b>\$ 35,847,640</b>

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2019

### 15. Accumulated Surplus

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

	2019	2018
Surplus:		
Invested in tangible capital assets	\$ 36,951,284	\$ 35,847,640
Operating Fund	3,568,952	3,151,719
Total surplus	40,520,236	38,999,359
Reserves set aside by Council:		
<b>Appropriated Surplus:</b>		
Fire Department	27,154	26,521
Assessment appeal	134,669	131,529
Beach	38,913	38,006
Building	64,164	62,667
Contingencies	11,733	11,459
Dock replacement	42,668	31,793
Boat Launch	58,156	51,860
Flood box / drainage	15,919	15,548
General	241,583	63,357
Insurance	10,195	9,957
Memorial Hall restoration	-	5,561
Parking / traffic management	55,196	57,366
Office Equipment	36,244	44,501
Property	48,582	47,449
Road/Sidewalk	13,804	13,482
Sick leave/Retirement	52,182	50,966
Community Works Fund	199,458	222,969
Sewer	388,523	529,639
Water	329,255	203,330
Total Appropriated Surplus	1,768,398	1,617,960
Statutory Fund Reserves:		
Community amenities	157,962	154,279
Fire department capital	557,473	464,293
Land unexpended funds	50,231	13,180
Parkland acquisition	355,935	347,635
Public works capital	23,130	32,789
Sewage treatment replacement	731,429	733,761
Sewer unexpended funds	85,511	83,517
Port Divestiture income	21,395	20,896
Total Statutory Fund Reserves	1,983,066	1,850,350
	\$ 44,271,700	\$ 42,467,669

## Village of Harrison Hot Springs

### Notes to the Financial Statements

December 31, 2019

#### 16. Property Taxes

The Village is reliant upon one taxpayer for approximately 19 % of municipal property tax revenue. Taxation revenue, reported on the statement of operations, is made up of the following:

	Budget	2019	2018
Taxes collected			
Municipal property taxes	\$ 2,177,875	\$ 2,178,194	\$ 2,055,178
1 % Utility taxes	36,951	36,952	36,121
Payments in lieu of taxes	4,350	4,308	4,512
School taxes	1,355,000	1,413,230	1,327,913
Regional District	145,600	160,489	145,369
Regional hospital district	103,000	104,693	99,962
Police tax	146,500	154,306	142,410
Other agencies	31,150	32,763	29,912
	4,000,426	4,084,935	3,841,377
Less transfers to other governments			
School taxes paid	1,355,000	1,413,230	1,327,913
Regional district taxes paid	145,600	160,489	145,369
Regional hospital district taxes paid	103,000	104,693	99,962
Police taxes paid	146,500	154,306	142,410
Other agencies taxes paid	31,150	32,763	29,912
	1,781,250	1,865,481	1,745,566
	\$ 2,219,176	\$ 2,219,454	\$ 2,095,811

#### 17. Sale of Services

	Budget	2019	2018
Sewer user fees	\$ 642,860	\$ 615,571	\$ 537,118
Water user fees	316,500	332,196	306,627
Curbside collection fees	130,000	121,249	117,742
Pay Parking Revenue	212,000	238,425	185,378
Licenses and permits	33,200	42,340	42,535
Facility rentals	42,000	40,682	42,300
Fines	2,700	6,109	4,312
Other	3,500	3,995	3,626
	\$ 1,382,760	\$ 1,400,567	\$ 1,239,638



# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2019

### 18. Utility Service Fees

	Budget	2019	2018
Sewer service utility fee - residential	\$ 193,000	\$ 201,256	\$ 195,196
Sewer service utility fee - business	20,000	20,462	20,601
Water service utility fee - residential	221,500	222,505	203,231
Water service utility fee - business	21,300	21,213	21,380
Total	\$ 455,800	\$ 465,436	\$ 440,408

### 19. Government Transfers

Government transfers reported on the Statement of Operations are:

	Budget	2019	2018
Provincial:			
Conditional			
Infrastructure	\$ 250,000	\$ 239,047	\$ 854,431
Resort Municipality Initiative	723,600	502,542	132,166
Other	40,545	64,015	2,986
Unconditional	317,500	323,888	317,314
Federal			
Conditional			
Infrastructure	1,500,000	-	1,314,652
Gas tax	120,000	236,908	119,990
Other	50,000	50,000	4,000
	\$ 3,001,645	\$ 1,416,400	\$ 2,745,539

## Village of Harrison Hot Springs

### Notes to the Financial Statements

December 31, 2019

#### 20. Budget Data

The data presented in these financial statements is based upon the 2019 operating and capital budgets adopted by Council on March 4, 2019. The table below reconciles the approved balanced budget to the budget figures reported in these financial statements.

2019 Adopted Operating and Capital Budget	Budget Amount
Revenues:	
Operating budget	\$ 5,039,011
Capital budget	5,018,841
Total revenue	10,057,852
Expenses:	
Operating budget	5,039,011
Capital Budget	5,018,841
Total expenses	10,057,852
Budgeted surplus (deficit)	\$ -
Add:	
Capital expenses	\$ 4,024,274
Transfers to reserves	809,880
Principal repayments	221,355
Less:	
Transfers from reserves	(846,800)
Appropriation from Surplus	(173,042)
Amortization	(1,010,000)
Annual budgeted surplus (see statement of operations)	\$ 3,025,667

#### 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:

	Budget	2019	2018
Salaries, wages and employee benefits	\$ 1,763,198	\$ 1,656,280	\$ 1,605,894
Operating Materials and supplies	694,552	663,998	637,291
Contracted services	621,044	541,797	415,582
Administrative services and supplies	610,517	490,148	438,966
Utilities	213,800	203,715	192,575
Rentals and contractual obligations	99,450	85,963	93,188
Debt financing	26,450	21,899	25,456
Amortization	1,010,000	984,985	965,112
Total expenditures by object	\$ 5,039,011	\$ 4,648,785	\$ 4,374,064

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2019

### 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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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 may be adjusted for the amortization of any funding surplus and will be adjusted for the amortization of any unfunded actuarial liability. The Village of Harrison Hot Springs paid \$114,100 (2018 \$110,951) for employer contributions to the Plan in fiscal 2019. Employee contributions in fiscal 2019 were \$101,769 (2018 \$95,835). The most recent valuation for the Municipal Pension Plan as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2021 with results available in 2022. 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 entered into various agreements and contracts for the provision of services and the construction of assets that extend beyond the current year. Substantive obligations include contracts for garbage and recycling collection, IT services, bylaw enforcement, pay parking, tourist information centre services and auditing services. These contractual obligations will become liabilities in the future when the terms of the contract are met. The following amounts relate to the unperformed portion of the contracts: 2020 - \$276,000, 2021 - \$211,700, 2022 - \$60,700, 2023 - \$60,700.
- 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, 2019

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### 23. Subsequent Event

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be specific impact on the Village, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Village's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Village is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Village's ability to continue delivering non-essential services and employ related staff will depend on the legislative mandates from the various levels of government. The Village will continue to focus on collecting receivables, managing expenditures, and, if necessary, leveraging existing reserves and credit facilities to ensure it is able to continue providing essential services to its citizens.



# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2019

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### 24. 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, 2019

	Engineered Structures							Other Tangible Capital Assets	Work In Progress	2019	2018
	Land	Building	Equipment Furniture Vehicles	Water	Sewer Drainage	Roads	Other				
<b>COST</b>											
Opening balance	\$ 10,680,913	\$ 4,604,890	\$ 2,319,673	\$ 9,769,752	\$ 9,588,385	\$ 10,020,164	\$ 2,067,662	\$ 211,132	\$ 414,463	\$ 49,677,034	\$ 46,628,690
Add: Additions	-	12,006	37,853	6,187	1,177,418	239,047	399,189	(127,249)	142,559	1,887,011	4,041,405
Less: Disposals	-	-	(66,881)	-	(94,579)	-	-	-	-	(161,460)	(993,061)
<b>Closing Balance</b>	<b>10,680,913</b>	<b>4,616,896</b>	<b>2,290,645</b>	<b>9,775,939</b>	<b>10,671,224</b>	<b>10,259,211</b>	<b>2,466,851</b>	<b>83,883</b>	<b>557,022</b>	<b>51,402,585</b>	<b>49,677,034</b>
<b>ACCUMULATED AMORTIZATION</b>											
Opening Balance	-	1,360,342	1,504,289	1,581,532	2,575,488	4,841,177	904,897	-	189,377	12,957,102	12,490,777
Add: Amortization	-	131,757	93,456	172,881	179,889	290,426	104,625	-	11,951	984,985	965,112
Less: Acc. Amortization on Disposals	-	-	(65,764)	-	(72,068)	-	-	-	-	(137,832)	(498,787)
<b>Closing Balance</b>	<b>-</b>	<b>1,492,099</b>	<b>1,531,981</b>	<b>1,754,413</b>	<b>2,683,309</b>	<b>5,131,603</b>	<b>1,009,522</b>	<b>-</b>	<b>201,328</b>	<b>13,804,255</b>	<b>12,957,102</b>
	<b>\$ 10,680,913</b>	<b>\$ 3,124,797</b>	<b>\$ 758,664</b>	<b>\$ 8,021,526</b>	<b>\$ 7,987,916</b>	<b>\$ 5,127,608</b>	<b>\$ 1,457,329</b>	<b>\$ 83,883</b>	<b>\$ 355,694</b>	<b>\$ 37,598,330</b>	<b>\$ 36,719,932</b>

# Village of Harrison Hot Springs

## Schedule 2 - Table of Segmented Information

For the Year Ended December 31, 2019

	Legislative	General Government	Protective Services	Development Planning	Engineering, Transportation & Storm Water	Solid Waste	Parks, Recreation & Cultural Services	Wastewater Utility	Water Utility	Budget	2019	2018
<b>Revenue:</b>												
Property Taxes	\$ -	\$ 2,219,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,219,176	\$ 2,219,454	\$ 2,095,811
Sale of Services	-	290,869	-	-	-	121,249	40,681	615,572	332,196	1,382,760	1,400,567	1,239,637
Utility Service Fees	-	-	-	-	-	-	-	221,718	243,718	455,800	465,436	440,408
Government Transfers	-	913,857	-	502,543	-	-	-	-	-	3,001,645	1,416,400	2,745,539
Investment Income	-	115,805	-	-	-	-	-	31,534	5,296	47,000	152,635	109,545
Penalties and interest	-	61,282	-	-	-	1,619	-	8,894	7,917	8,000	79,712	78,006
Development Cost Charges	-	51,856	-	-	-	-	-	553,943	-	885,000	605,799	130,059
Contributed Assets	-	-	-	-	-	-	-	-	-	-	-	509,800
Other revenue	-	98,563	-	-	-	-	-	2,250	12,000	85,297	112,813	(21,279)
	-	<b>3,751,687</b>	-	<b>502,543</b>	-	<b>122,868</b>	<b>40,681</b>	<b>1,433,911</b>	<b>601,127</b>	<b>8,064,678</b>	<b>6,452,816</b>	<b>7,327,526</b>
<b>Expenses:</b>												
Salaries, wages and employee benefits	97,852	551,518	7,428	100,826	206,920	42,862	240,939	237,725	170,210	1,763,198	1,656,280	1,605,896
Operating Materials and supplies	-	4,574	144,833	523	127,557	2,884	98,780	215,599	69,249	694,552	663,998	637,291
Contracted services	-	9,250	5,643	309,707	38,798	139,011	14,271	23,012	2,105	621,044	541,797	415,581
Administrative services and supplies	26,412	219,364	14,861	157,775	13,116	-	11,227	36,391	11,002	610,517	490,148	438,965
Utilities	1,321	19,859	6,256	-	45,515	-	31,800	64,946	34,018	213,800	203,715	192,576
Rentals and contractual obligations	-	12,642	43,367	21,000	5,585	-	3,369	-	-	99,450	85,963	93,188
Debt financing	-	16,595	-	-	-	-	-	-	-	26,450	21,899	25,456
Amortization	-	201,123	3,911	-	333,399	-	116,576	157,095	172,881	1,010,000	984,985	985,112
	<b>125,585</b>	<b>1,034,926</b>	<b>226,299</b>	<b>589,831</b>	<b>770,890</b>	<b>184,757</b>	<b>516,963</b>	<b>734,766</b>	<b>464,768</b>	<b>5,039,011</b>	<b>4,648,785</b>	<b>4,374,065</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ (125,585)</b>	<b>\$ 2,716,761</b>	<b>\$ (226,299)</b>	<b>\$ (87,288)</b>	<b>\$ (770,890)</b>	<b>\$ (61,889)</b>	<b>\$ (476,281)</b>	<b>\$ 699,143</b>	<b>\$ 136,358</b>	<b>\$ 3,025,667</b>	<b>\$ 1,804,031</b>	<b>\$ 2,953,461</b>

# STATISTICAL SECTION



Photo Credit: Tourism Harrison





# Statement of Financial Position

Financial Assets	2015	2016	2017	2018	2019
Cash and Equivalents	\$7,794,822	\$7,208,557	\$9,216,348	\$9,847,890	\$11,041,504
Accounts Receivable	\$820,704	\$896,906	\$882,299	\$1,188,913	\$1,290,694
MFA Deposits	\$6,103	\$6,287	\$6,410	\$6,549	\$6,702
	<b>\$8,621,629</b>	<b>\$8,111,750</b>	<b>\$10,105,057</b>	<b>\$11,043,352</b>	<b>\$12,338,900</b>

Financial Liabilities	2015	2016	2017	2018	2019
Accounts Payable & Accrued Liabilities	\$393,735	\$420,142	\$271,924	\$363,287	\$422,212
Employee Future Benefits	\$78,000	\$93,800	\$108,727	\$113,696	\$128,696
Developer Deposit & Other Trust Liabilities	\$378,097	\$377,665	\$409,950	\$199,320	\$563,839
Deferred Revenue	\$500,267	\$263,093	\$1,099,323	\$702,726	\$721,107
Development Cost Charges	\$1,212,301	\$1,575,819	\$1,851,562	\$3,106,272	\$3,256,483
Liabilities Under Agreement	\$139,211	\$106,046	\$189,524	\$148,883	\$68,109
Long-term Debt	\$600,000	\$568,905	\$536,721	\$503,412	\$468,936
Interim Financing Debt	\$550,000	\$440,000	\$330,000	\$220,000	\$110,000
	<b>\$3,851,611</b>	<b>\$3,845,470</b>	<b>\$4,797,731</b>	<b>\$5,357,596</b>	<b>\$5,739,382</b>

	2015	2016	2017	2018	2019
Net Financial Assets	<b>\$4,770,018</b>	<b>\$4,266,280</b>	<b>\$5,307,326</b>	<b>\$5,685,756</b>	<b>\$6,599,518</b>

Non-Financial Assets	2015	2016	2017	2018	2019
Tangible Capital Assets	\$31,234,292	\$33,517,112	\$34,137,913	\$36,719,934	\$37,598,330
Prepaid Expenses	\$35,302	\$65,840	\$68,970	\$61,981	\$73,853
	<b>\$31,269,594</b>	<b>\$33,582,952</b>	<b>\$34,206,883</b>	<b>\$36,781,915</b>	<b>\$37,672,183</b>

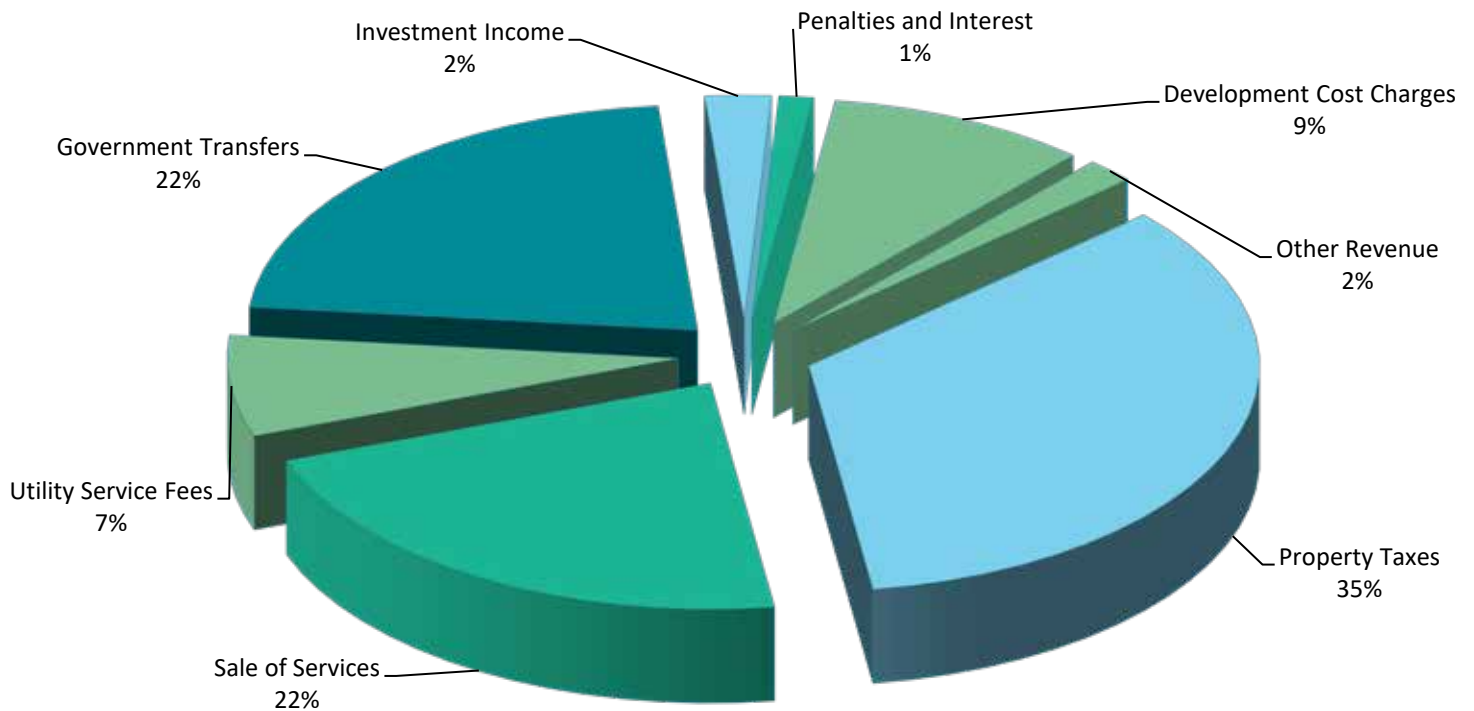
	2015	2016	2017	2018	2019
Accumulated Surplus	<b>\$36,039,612</b>	<b>\$37,849,232</b>	<b>\$39,514,209</b>	<b>\$42,467,671</b>	<b>\$44,271,701</b>

Accumulated Surplus - Represented By	2015	2016	2017	2018	2019
Operating fund	\$3,385,784	\$3,147,858	\$3,545,757	\$3,151,721	\$3,568,952
Appropriated Surplus	\$1,690,730	\$1,040,150	\$1,298,522	\$1,617,960	\$1,768,398
Statutory Reserves	\$1,018,016	\$1,259,060	\$1,588,261	\$1,850,350	\$1,983,066
Equity in Tangible Capital Assets	\$29,945,082	\$32,402,164	\$33,081,669	\$35,847,640	\$36,951,284
	<b>\$36,039,612</b>	<b>\$37,849,232</b>	<b>\$39,514,209</b>	<b>\$42,467,671</b>	<b>\$44,271,700</b>

	2015	2016	2017	2018	2019
Annual Surplus	<b>\$635,613</b>	<b>\$1,809,620</b>	<b>\$1,664,975</b>	<b>\$2,953,462</b>	<b>\$1,804,031</b>

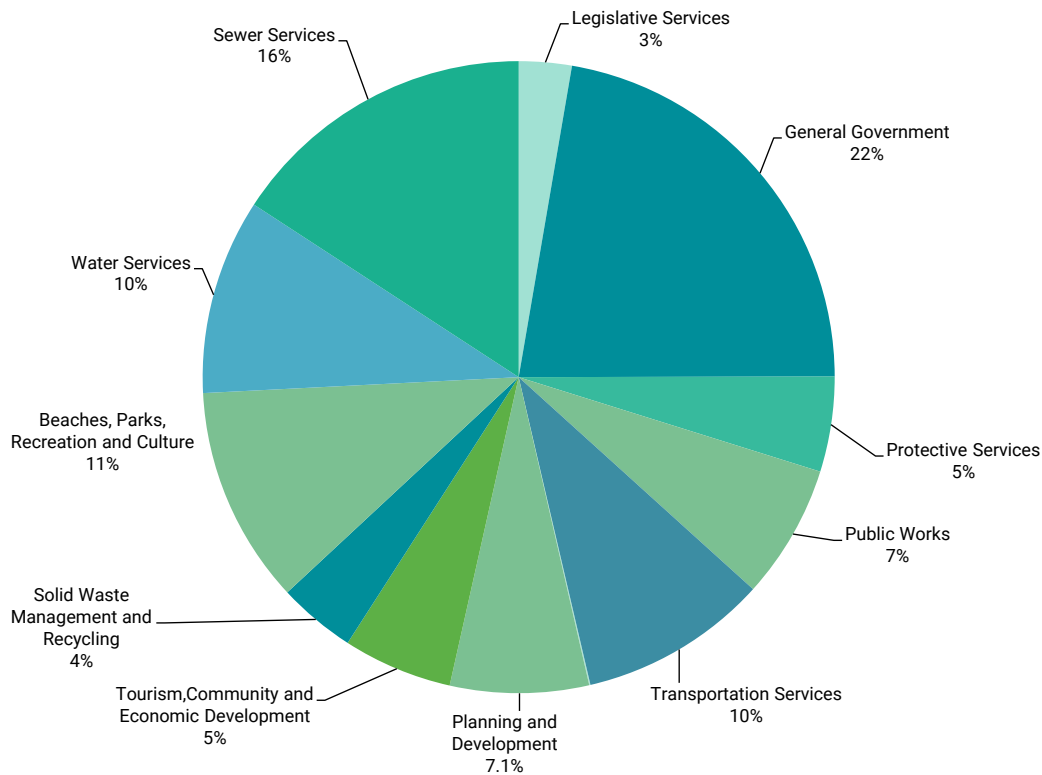
	2015	2016	2017	2018	2019
Acquisition of Tangible Capital Assets	<b>\$604,698</b>	<b>\$3,135,321</b>	<b>\$1,524,463</b>	<b>\$4,041,405</b>	<b>\$1,887,011</b>

# Revenues by Source



	2015	2016	2017	2018	2019
<b>Property Taxes</b>	\$1,920,696	\$1,972,081	\$2,016,765	\$2,095,811	\$2,219,454
<b>Sale of Services</b>	\$897,704	\$1,171,999	\$1,253,427	\$1,239,637	\$1,400,567
<b>Utility Service Fees</b>	\$395,923	\$401,154	\$410,951	\$440,408	\$465,436
<b>Government Transfers</b>	\$1,036,076	\$1,937,998	\$678,512	\$2,745,539	\$1,416,400
<b>Investment Income</b>	\$56,795	\$54,759	\$85,617	\$109,545	\$152,635
<b>Penalties and Interest</b>	\$44,121	\$57,222	\$89,390	\$78,006	\$79,712
<b>Development Cost Charges</b>	\$16,480	\$7,065	-	\$130,059	\$605,799
<b>Contributed Assets</b>	-	-	\$993,500	\$509,800	-
<b>Other Revenue</b>	\$36,548	\$117,856	\$315,837	\$(21,279)	\$112,813
	\$4,404,343	\$5,720,134	\$5,843,999	\$7,327,526	\$6,452,816

# Expenses by Function

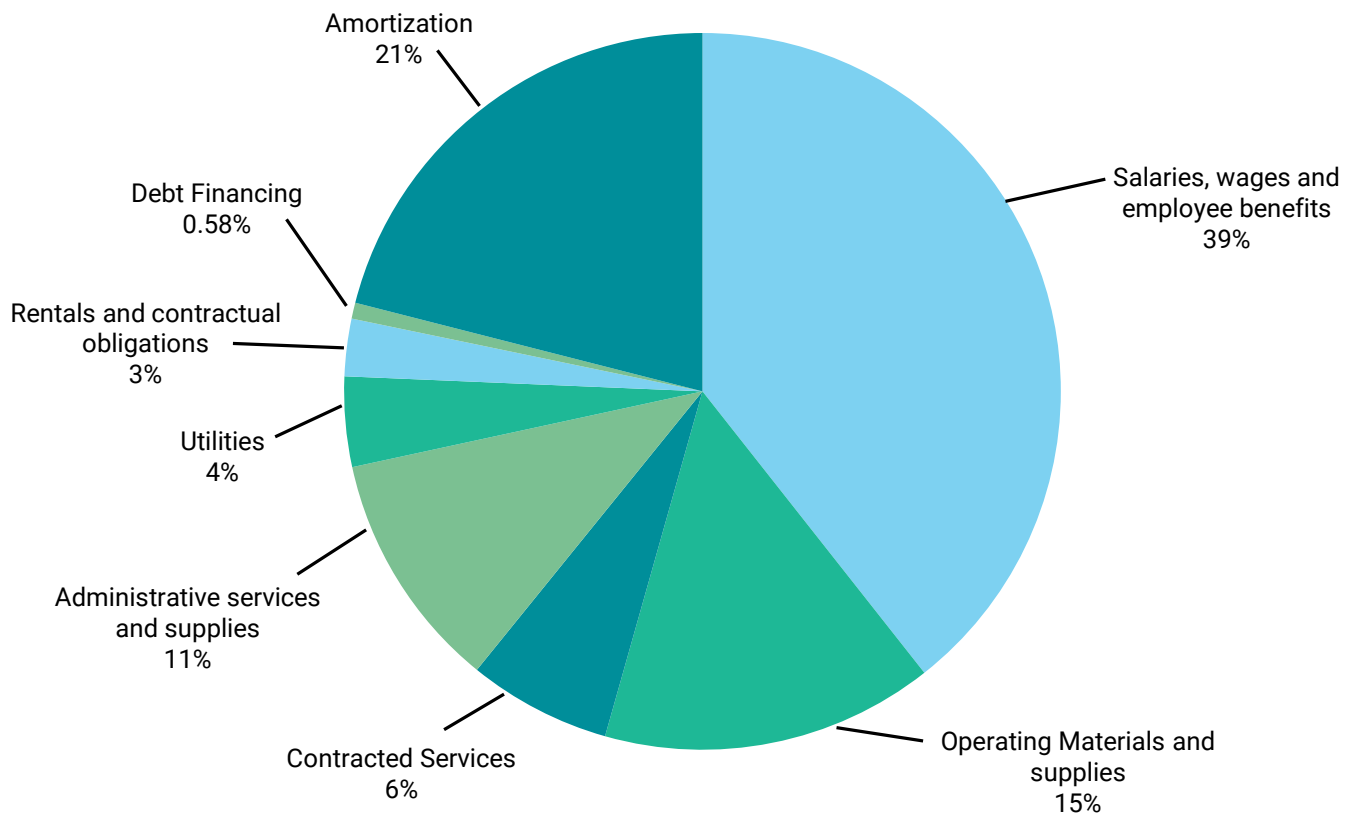


	2015	2016	2017	2018	2019
<b>Legislative Services</b>	\$109,463	\$108,704	\$113,859	\$113,230	\$125,585
<b>General Government</b>	\$1,065,420	\$888,867	\$977,516	\$1,047,620	\$1,034,926
<b>Protective Services</b>	\$181,428	\$182,432	\$213,754	\$205,814	\$226,299
<b>Public Works</b>	\$266,367	\$410,781	\$328,650	\$360,080	\$319,425
<b>Transportation Services</b>	\$389,137	\$455,551	\$488,422	\$495,319	\$448,533
<b>Public Health</b>	\$3,838	\$5,657	\$4,354	\$3,317	\$2,932
<b>Planning and Development</b>	\$33,422	\$156,114	\$109,754	\$167,128	\$329,723
<b>Tourism, Community and Economic Dev.</b>	\$146,511	\$95,242	\$186,272	\$193,985	\$260,108
<b>Sustainability</b>	\$9,559	\$7,711	-	-	-
<b>Solid Waste Management and Recycling</b>	\$171,070	\$141,299	\$210,784	\$179,929	\$184,757
<b>Beaches, Parks, Recreation and Culture</b>	\$434,127	\$448,369	\$447,065	\$483,909	\$516,963
<b>Water Services</b>	\$358,300	\$308,845	\$343,941	\$419,994	\$464,768
<b>Sewer Services</b>	\$600,088	\$700,942	\$754,653	\$703,739	\$734,766
<b>Debt Financing</b>	\$14,987	-	-	-	-
<b>Amortization</b>	\$747,915	-	-	-	-
	\$4,531,632	\$3,910,514	\$4,179,024	\$4,374,064	\$4,648,785

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



# Expenses by Object



	2015	2016	2017	2018	2019
Salaries, Wages & Employee Benefits	\$1,483,864	\$1,402,953	\$1,519,685	\$1,605,894	\$1,656,280
Operating Materials & Supplies	\$565,655	\$565,753	\$640,129	\$637,291	\$663,998
Contracted Services	\$243,202	\$413,209	\$393,917	\$415,582	\$541,797
Administrative Services & Supplies	\$405,967	\$375,690	\$398,286	\$438,966	\$490,148
Utilities	\$153,099	\$177,435	\$210,124	\$192,575	\$203,715
Rentals & Contractual Cbligations	\$97,523	\$97,362	\$93,824	\$93,188	\$85,963
Debt Financing	\$27,172	\$25,610	\$23,638	\$25,456	\$21,899
Amortization	\$792,248	\$852,502	\$899,421	\$965,112	\$984,985
	\$3,768,730	\$3,910,514	\$4,179,024	\$4,374,064	\$4,648,785

## Assessed Values

	2015	2016	2017	2018	2019
Residential (Class 1)	\$309,095,070	\$320,301,375	\$396,052,196	\$495,974,100	\$589,035,900
Business (Class 6)	\$54,119,925	\$58,847,211	\$67,017,223	\$71,206,624	\$88,024,598
Recreation/Non-Profit (Class 8)	\$6,722,800	\$6,837,600	\$7,898,500	\$9,218,900	\$11,774,700
	<b>\$369,937,795</b>	<b>\$385,986,186</b>	<b>\$470,967,919</b>	<b>\$576,399,624</b>	<b>\$688,835,198</b>

These totals are Land & Improvements combined.

## Municipal Property Taxes

	2015	2016	2017	2018	2019
Residential (Class 1)	\$1,098,400	\$1,107,945	\$1,219,829	\$1,345,575	\$1,450,193
Business (Class 6)	\$671,716	\$712,151	\$656,319	\$614,322	\$617,232
Recreation/Non-Profit (Class 8)	\$113,478	\$112,361	\$101,444	\$104,295	\$110,451
	<b>\$1,883,594</b>	<b>\$1,932,456</b>	<b>\$1,977,592</b>	<b>\$2,064,192</b>	<b>\$2,177,876</b>

## Debt

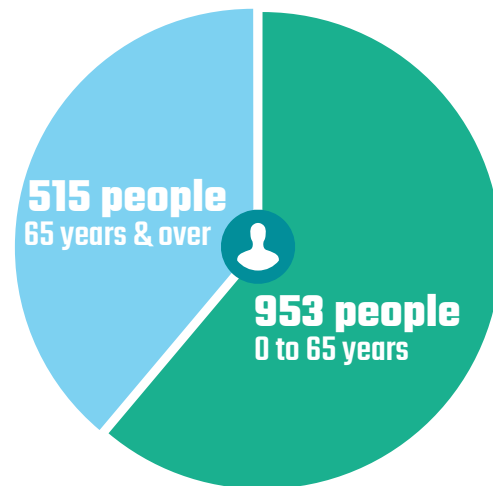
	2015	2016	2017	2018	2019
General		\$568,905	\$536,721	\$503,412	\$468,936
Water	\$550,000	\$440,000	\$330,000	\$220,000	\$110,000
Sewer					
Liabilities Under Agreement	\$139,211	\$106,046	\$189,524	\$148,883	\$68,110
<b>Total Debt</b>	<b>\$1,289,211</b>	<b>\$1,114,951</b>	<b>\$1,056,245</b>	<b>\$872,295</b>	<b>\$647,046</b>

	2015	2016	2017	2018	2019
Population Estimates (BC Stats 2011 and 2016 survey)	1,468	1,468	1,468	1,468	1,468
<b>Debt per Capita</b>	<b>\$519.07</b>	<b>\$878.21</b>	<b>\$759.50</b>	<b>\$719.51</b>	<b>\$594.21</b>

	2015	2016	2017	2018	2019
Principal		\$174,262	\$167,614	\$183,950	\$225,249
Interest	\$23,571	\$25,609	\$23,638	\$25,456	\$21,899
<b>Debt Servicing Costs</b>	<b>\$105,691</b>	<b>\$199,871</b>	<b>\$191,252</b>	<b>\$209,406</b>	<b>\$247,148</b>

	2015	2016	2017	2018	2019
<b>Liability Servicing Limit</b>	<b>\$921,695</b>	<b>\$1,099,511</b>	<b>\$930,155</b>	<b>\$978,731</b>	<b>\$950,705</b>

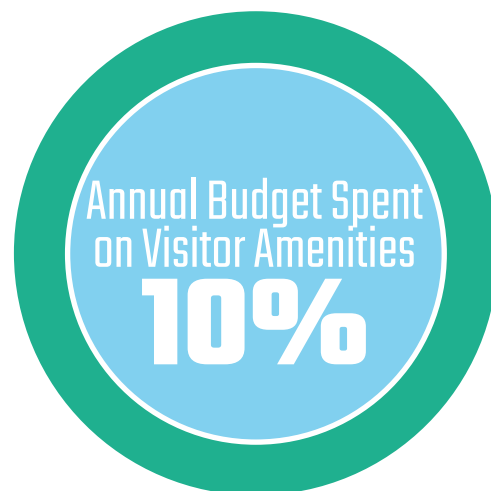
# Demographics & Tourism



\*2016 Statistics Canada

## Who makes up the Village?

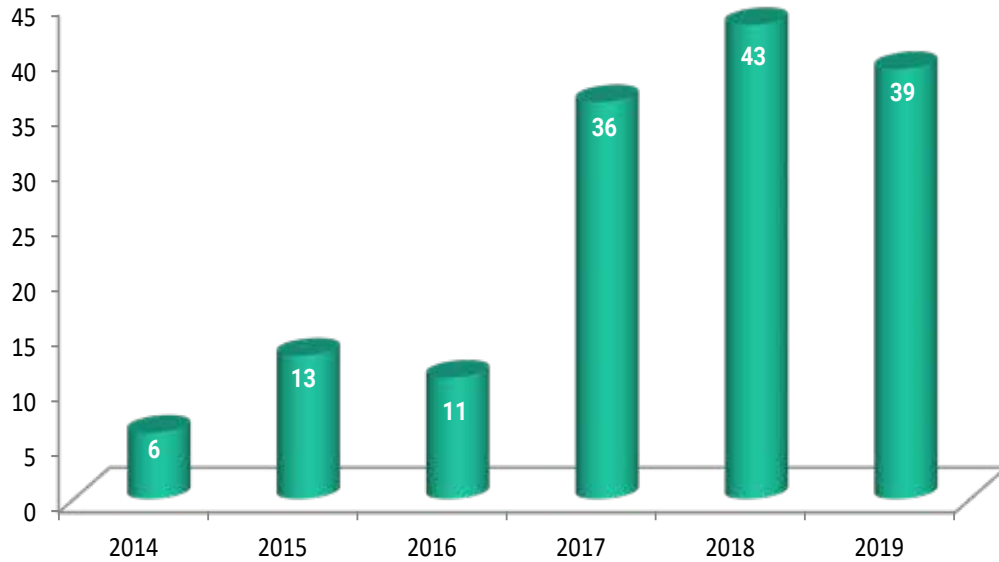
The Village of Harrison Hot Springs is one of 14 Resort Municipalities in British Columbia. We have a full-time resident population of 1,468\* and welcome an estimated 700,000\*\* visitors to the community every year. In 2019, the Village received \$514,823 in Resort Municipality Initiative (RMI) funding from the provincial government. This program 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.



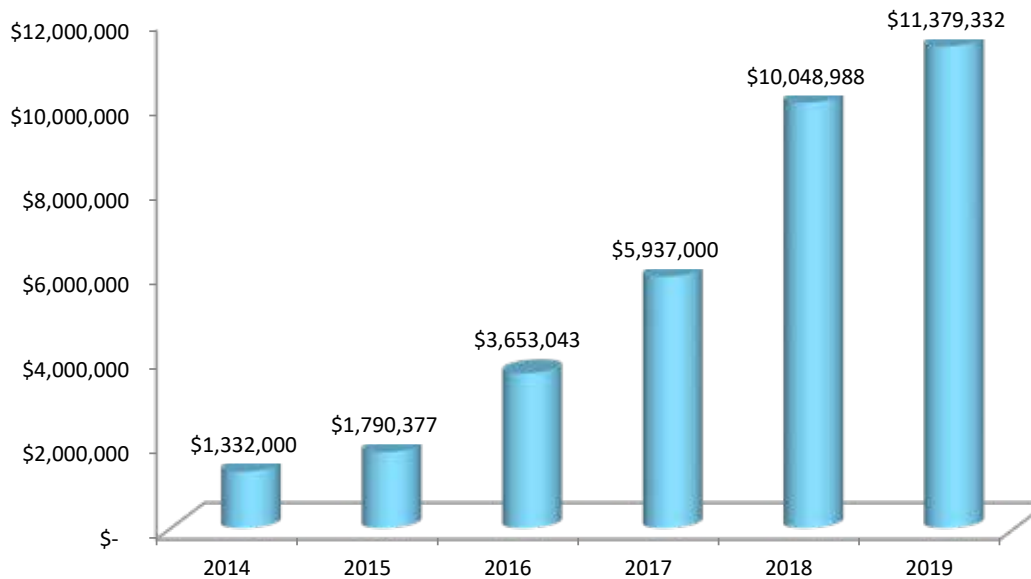
\*2016 Statistics Canada

\*\*Tourism Harrison

## Building Permits Issued



## Value of Building Permits Issued



# Business Licenses Issued







# HARRISON HOT SPRINGS

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*Naturally Refreshed*