



**HARRISON HOT SPRINGS**

*Naturally Refreshed*



VILLAGE OF HARRISON HOT SPRINGS BRITISH COLUMBIA  
CANADA

# 2020 ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020



# HARRISON HOT SPRINGS

*Naturally Refreshed*

## MUNICIPALITY

Village of Harrison Hot Springs

## ANNUAL REPORT

For the year ended December 31, 2020

## PREPARED BY

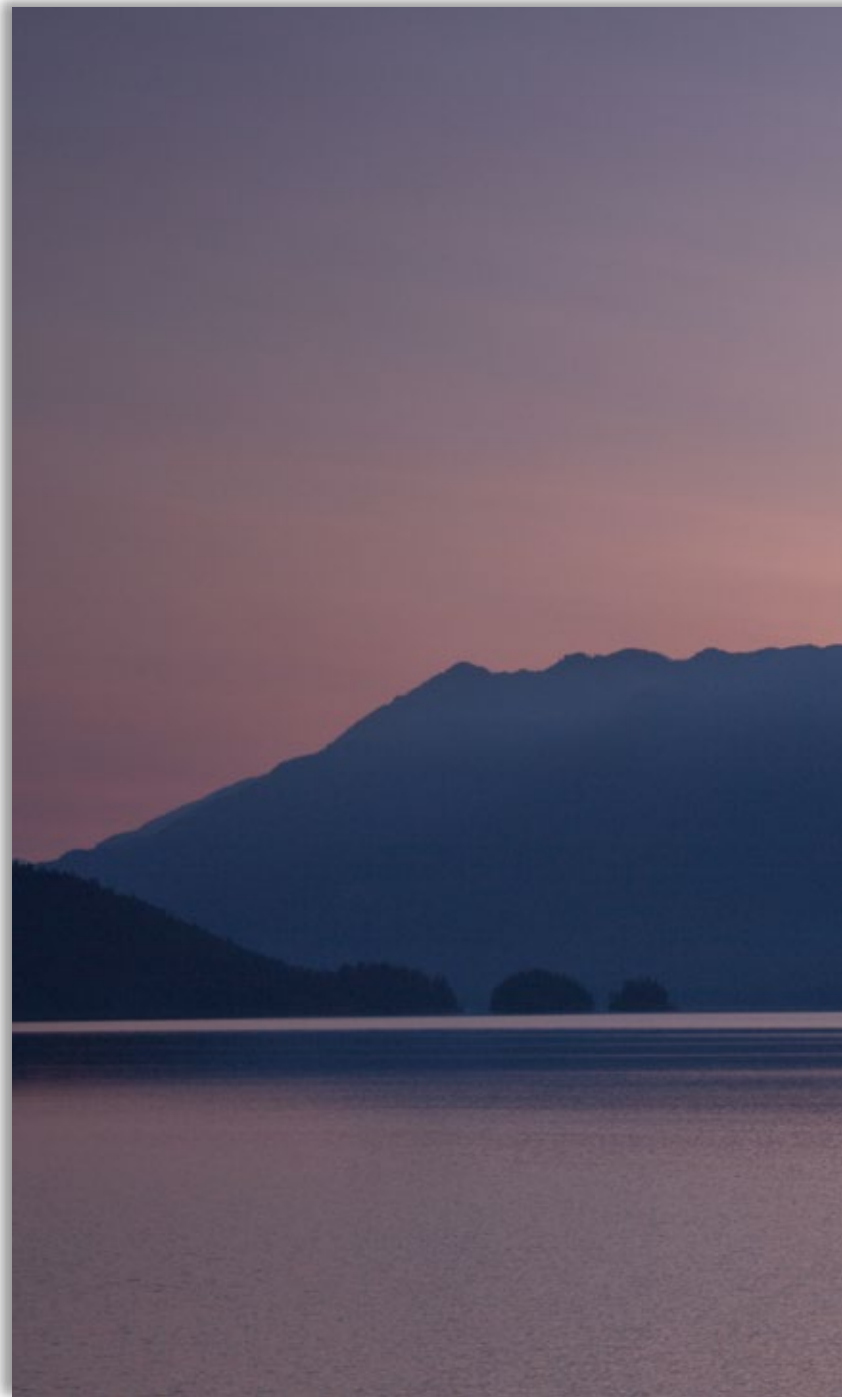
Financial Services & Community Services

## LOCATION

Harrison Hot Springs  
British Columbia, Canada

## CONTACT

604-796-2171  
[info@harrisonhotsprings.ca](mailto:info@harrisonhotsprings.ca)  
[www.harrisonhotsprings.ca](http://www.harrisonhotsprings.ca)



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# VILLAGE OF HARRISON HOT SPRINGS BRITISH COLUMBIA CANADA 2020 ANNUAL REPORT

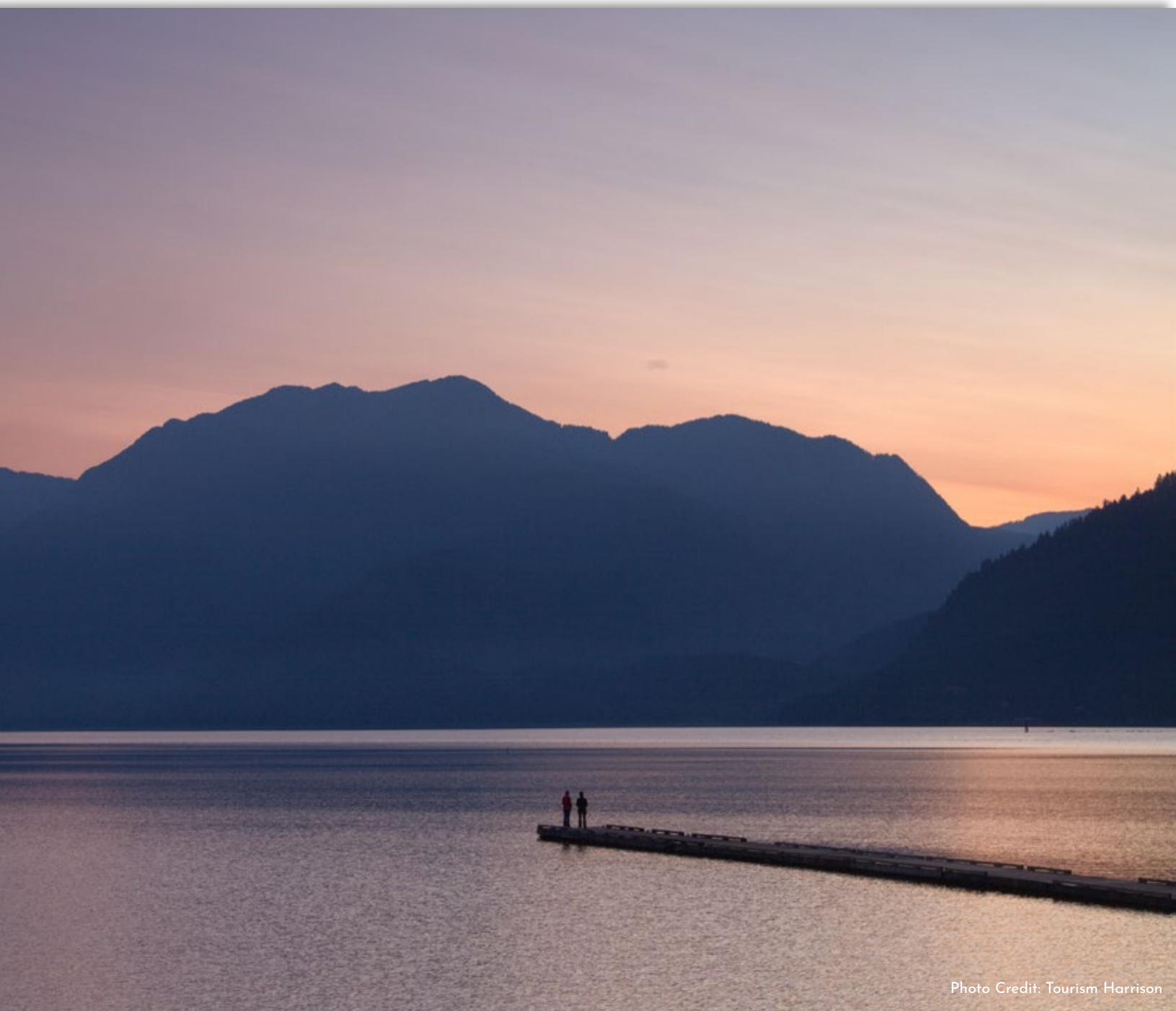


Photo Credit: Tourism Harrison



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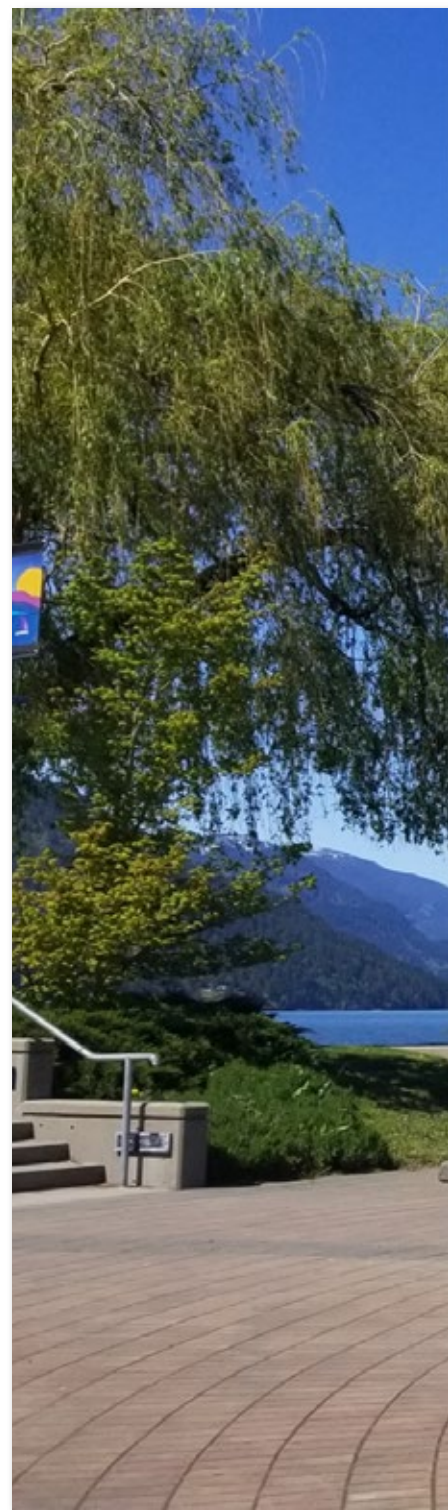
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## MAYOR'S MESSAGE

The Village of Harrison Hot Springs, like most other communities worldwide, did not escape the effects of the COVID-19 Pandemic. The year 2020 was marked with unprecedented challenges in the ways we operate as a corporation and as a community. Despite these challenges, I also witnessed great acts of kindness and I am grateful to our community for pulling together. From the early days of the pandemic in March, the Village took extraordinary steps to protect and keep our residents safe. Some highlights of the actions taken can be viewed in the Pandemic Response Section of this report.

Adjusting to new technologies and ways of communicating was a learning curve for many of us this year! Due to Provincial Health Orders to shelter in place in our communities, we quickly adapted to meet regularly with neighbouring communities and other levels of government via video communication applications. This allowed us to maintain our strong relationships and cooperative efforts when establishing protocols for the health and safety of residents, businesses, and potential visitors. When the Ministerial Order was issued directing municipalities to close Council Meetings to in-person attendance by the public, Council made the decision to go beyond Provincial requirements and implement video conferencing capabilities and associated technology upgrades to allow for public participation. I encourage all residents to log on and take advantage of the opportunity to get involved from the comfort of your own home. Connection details are available on the Village website.

When reviewing the 2020 Accomplishments, I feel very proud of the team that we have here who successfully completed many projects in the face of exceptionally difficult circumstances. Some of these projects include the fountain and aeration system in the lagoon, the barbeque stands and picnic tables that created a safe and socially distanced space to enjoy the waterfront, and the accessibility upgrades at the Ranger Station Art Gallery in partnership with the Rick Hansen Foundation. We also replaced the inter-municipal McPherson culvert, upgraded membranes at the Waste Water Treatment Plant to increase redundancy in the event of an emergency, upgraded Lift Stations 4 and 5 to increase reliability and efficiency, and extended the storm water collection system on Alder Avenue.

I want to express my ongoing gratitude for all of you who continue to follow Provincial Health Orders, check in on neighbours, volunteer, and especially those of you who work on the front lines. I also want to offer my condolences to anyone who has lost a loved one this year due to this virus. My heart goes out to families who are grieving, while staying apart.

We must not lose sight of the fact that our businesses have been heavily impacted by restrictions on travel. When the pandemic is over, we will need all of our businesses to still be here to re-energize our tourism economy. Please continue to support our local businesses.

No one expected the pandemic to go on this long and pandemic fatigue is taking a toll on many. Please continue to hold the line and diligently follow guidelines from public health authorities to protect yourself and your family from the virus. Let us all continue to be calm, be safe, and be kind.

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

Kent Harrison Joint Emergency Program Committee

Harrison Agassiz Chamber of Commerce

Tourism Harrison



## Councillor Gerry Palmer

### COUNCIL APPOINTMENTS

Fraser Valley Regional Library, Municipal Director

Kent Harrison Joint Emergency Program Committee

Public Art Committee, Chair





## Councillor Ray Hooper

### COUNCIL APPOINTMENTS

Fraser Health Authority

Agassiz Harrison Historical Society

Fraser Valley Regional Library, Alternate Municipal Director



## Councillor Michie Vidal

### COUNCIL APPOINTMENTS

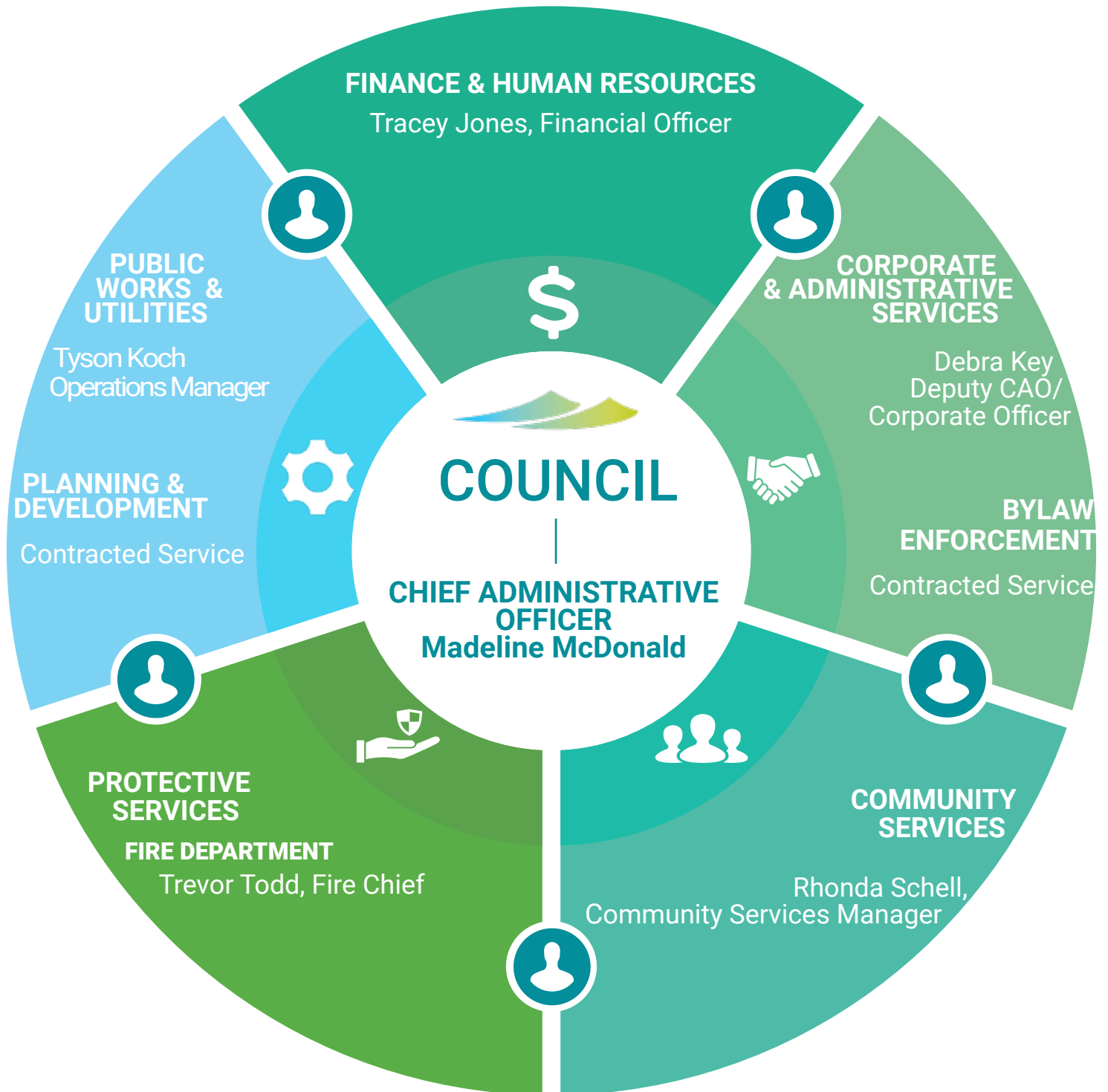
Fraser Valley Regional District Board,  
Alternate Municipal Director

Fraser Valley Regional Hospital District Board,  
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, 2019**

*Christopher P. Morrell*

Executive Director/CEO



April 26, 2021

To the Mayor and Council,

It is my pleasure to submit the 2020 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, 2020 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, 2020. In 2020, the Village was a recipient of a Canadian Award for Financial Reporting (CANFR) from the Government Finance Officers Association for its 2019 Annual Report, having won it for the first time in 2019 for the 2018 Annual Report.

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the Village of Harrison Hot Springs for its annual financial report for the fiscal year ended December 31, 2019. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we will be submitting it to GFOA to determine its eligibility for another award. 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 2020 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 2020 there was a small net increase to tangible capital assets in the amount of \$6,424, this occurred when the additions to tangible capital assets were almost equal to the amount of amortization that the tangible capital assets incurred during the year. Additions in the amount of \$1,060,303 included the replacement of SCBA equipment for the fire department, membranes at the wastewater treatment plant, replacement and addition of storm sewers as well as additional picnic benches and a lagoon fountain.

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 2020 DCC's were collected for Sewer, Water, Drainage and Parks and the net increase to DCC's was \$1,490,671. Sewer DCC funds were 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 \$163,095. Interim debt relating to the Water Fund in the amount of \$110,000 was fully paid in 2020. 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 \$174,166 in 2020 and totaled \$37,125,450.

## **Statement of Operations:**

### **Revenues**

2020 was a challenging year for the Village due to the unknown impacts that the COVID-19 pandemic might have on revenue and expenditures. Budgeted revenue projections and cash flow were closely monitored to ensure that services could continue to be delivered. The Province changed due dates for business property taxes to October 1st and Council changed penalty dates for all other class of properties to October 1st while maintaining a due date of July 2nd. The Village saw minimal impact as most taxes were paid by the original due date but saw significant reduction in penalties on current property taxes compared to previous years as more payments were received on time. While rental income for municipal facilities declined due to cancellation of programs and events, pay parking and boat launch revenues increased significantly over previous years as more day trippers visited the Village availing themselves of the outdoor beaches and boat launch facilities. In 2020 total revenues were under budget by about \$1.3 million, however this was mostly related to government grant applications that were still in process and not awarded. Revenues for wastewater were negatively impacted by the closure of the Harrison public pool, which is not a Village owned facility, and the pool remains closed to date due to the pandemic. Investment income was approximately \$43,888 less in 2020 than 2019 as bank rates decreased.

### **Expenses**

Expenses include operational items, capital expenditures that do not meet the requirement for capitalization and amortization. During 2020, the uncertainty due to the impacts of the pandemic resulted in a number of planned projects being deferred until 2021. While the Village experienced additional costs due to the added visitor load in the summer months and increased safety requirements, overall expenditures remained within budgeted allowances in all areas.

### **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 \$541,000 increased reserves to fund future capital projects and contingencies. In addition, the Village received \$675,000 in funding from the COVID-19 Restart grant which provided an operating reserve of \$509,000 in unspent funds at the end of 2020 to assist with costs related to the pandemic in 2021 and 2022 (Note 15, 23).



## 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 1st, 2021, Council adopted the 2021-2025 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

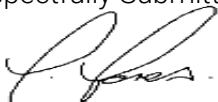
The Village of Harrison Hot Springs is a resort municipality which presents both opportunities and challenges. Non-resident property owners hold over 40% of the properties within the Village and while census population statistics show no growth, demands on services remain high when the non-resident owners 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 public health order restrictions, as well as the closing of borders to non-essential travel, has affected the local businesses that are predominantly tourism driven. The impacts of the pandemic are continuing into 2021 and until the lifting of restrictions occur and the gradual re-opening of the BC Economy takes place, 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 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 and has returned to the 2019 ratios for the 2021 tax year. Higher levels of government had adjusted tax penalty application deadlines for business class properties however those adjustments have been returned to the usual timeline for 2021. 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 as we move forward to recovering from the impacts of COVID-19.

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 \$24,000.

The Village has a limited amount of land available for development, however there continues to be consistent interest in new development projects which include both residential and mixed commercial/residential opportunities. Real estate transactions, which had been significantly impacted in March and April of 2020 for the Fraser Valley due to the pandemic, rebounded with strong demand and significant increase in selling prices during the latter part of 2020 and into the first quarter of 2021. If it continues then it is expected to translate into an increase in assessed values for 2022.

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 administers curbside waste collection, pay parking, BC Transit, filming, 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.





# 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, flood protection, and the storm water collection system among many other things.

### Utility Services

Utility Services operates and maintains the Village's potable water supply, treatment and distribution system. This critical infrastructure meets or exceeds legislated health and safety requirements and provides high-quality potable water. The Utility Services is also responsible for flood protection and operates and maintains the sanitary sewer system including a level four secondary waste water treatment facility.

# COVID-19 PANDEMIC RESPONSE



HARRISON HOT SPRINGS PRESENTS

# CANADA DAY

JULY 1

CELEBRATION

## VIRTUAL SCHEDULE

9:15 - 10:15	Virtual Yoga with Crystal Spirit	ONLINE
10:30 - 10:45	Virtual Pet Parade	ONLINE
12:00 - 12:45	Opening Ceremony	ONLINE
1:30 - 2:15	Andy Hillhouse with Mark Sullivan	ONLINE
2:30 - 2:45	Magic Moments by Nigel Harrison	ONLINE
3:30 - 4:15	Ryan McAllister	ONLINE
4:30 - 5:15	Todd Richard and the TR Trio	ONLINE
7:00 - 10:00	Rockwell	ONLINE
10:00 - 10:05	Virtual Fireworks	ONLINE





## A Look Back on COVID-19

- In March 2020, facilities were closed and event applications cancelled.
- Playground and recreation equipment were closed until public health agencies offered guidance on safe operations.
- Access to Esplanade Avenue was blocked off to deter visitors to our parks and beaches.
- Additional measures were taken in an attempt to deter visitors from visiting the community using social media to spread the word and increased Bylaw Enforcement Officer presence.
- A mail out to all residents was sent in the spring to identify resources that were available to all during the pandemic.
- COVID-19 physical distancing signage was designed and installed at all civic facilities and the water front.
- The Mayor struck an Economic Recovery Task Force to liaise with the business community.
- Council meetings were moved to Memorial Hall to accommodate in person meetings with the public in attendance. A video system was installed to record council meetings at this temporary location.
- When Provincial Health Orders required Council Meetings to close to the public, meetings via Zoom were instituted to allow for public participation and viewing.







Photo Credit: Agassiz-Harrison Observer



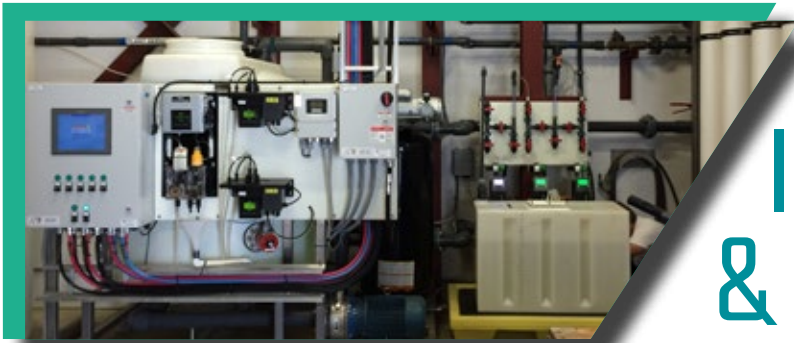
# GOALS & OBJECTIVES







Photo Credit: Zack Martyn



# INFRASTRUCTURE & UTILITIES

## 2020 ACHIEVEMENTS

**Expanded** drainage collection system on Alder Avenue

**Replaced** inter-municipal culvert on McPherson Road

**Upgraded** membranes at the Waste Water Treatment Plant to increase redundancy in the event of an emergency

**Improved** lift stations 4 and 5 to increase reliability and efficiency

**Major valve upgrade** at the Waste Water Treatment Plant

**Completed** accessibility upgrades to the Ranger Station Art Gallery

## 2021 GOALS

- Renovate and expand the boat launch building
- Develop a Geographic Information System (GIS) platform
- Realign and Upgrade sanitary and storm service lines on St. Alice Street
- Extend water main on St. Alice Street from Lillooet Avenue to Cedar Street
- Upgrade generators at both the Water Treatment Plant and the Water Intake Facility
- Complete engineering for upgrade to Lift Station #1
- Upgrade UV treatment system at the Waste Water Treatment Plant
- Install new street lighting on Chehalis Street
- Upgrade and expand off-site archives

### What is a membrane?

Hollow fiber membranes are long, narrow tubes with billions of microscopic pores on the surface that are thousands of times smaller in diameter than a human hair.

The tiny pores filter water, allowing clean water to pass through, while preventing virtually all particles from entering the environment.

Our membrane system is an effective, reliable way to treat our waste water that exceeds government water quality regulations.







# TRANSPORTATION & SAFETY

## 2020 ACHIEVEMENTS

**Replaced** government wharf with new decking and railings

**Upgraded** the decking on the boat launch

**Applied** for funding for a Dike & Flood Assessment

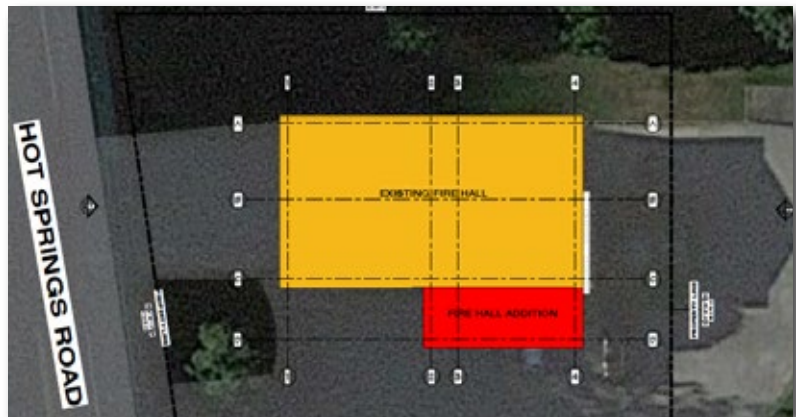
**Developed** Fire Department Self Contained Breathing Apparatus (SCBA) equipment replacement plan

**Expanded** crew turn out gear change area for fire fighters

**Applied** for funding to expand & undertake seismic upgrades to the Fire Hall

## 2021 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
- Install an additional bus shelter on McCombs Drive
- Prepare a Parking Master Plan
- Install Block Watch Signage
- Assess Miami River bridge abutments on McCombs Drive
- Purchase new utility vehicle for Public Works
- Complete SCBA replacement program
- Replace Fire Department compressor system
- Scope and order new Fire Engine Pumper Truck for Fire Department
- Undertake expansion & seismic upgrade to the Fire Hall



# RECREATION, CULTURE & TOURISM

## 2020 ACHIEVEMENTS

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

**Continued** participation in Lets'emot Community to Community Forum to work with our closest neighbours: District of Kent, Stó:lō Tribal Council, Sts'ailes, Cheam, Seabird, and Scowlitz First Nations

**Continued** partnership with Tourism Harrison for the 3rd Annual Lights by the Lake event

**Co-Hosted** our first ever Virtual Canada Day

**Designed and installed** wayfinding and safety signage kiosks on the waterfront

**Reintroduced** the Memorial Bench Program

**Installed** fourteen new concrete picnic tables and barbeque stands in a designated area on the beach front

**Expanded** the eco-friendly outdoor synthetic skating rink

**Hosted** two filming productions

**Installed** additional water safety equipment and signage

## 2021 GOALS

- Continue to foster and improve partnerships with neighbouring jurisdictions and other agencies
- Continued partnerships with the Lets'emot 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
- Continue the Memorial Bench Program
- Start a block party program
- Update the Filming Policy
- Install water bottle filling station in Rendall Park
- Construct new pedestrian trail along McCombs Drive
- Complete Miami River Greenway Trail
- Upgrade lagoon area with new berm and patio



# ENVIRONMENT & SUSTAINABILITY

## 2020 ACHIEVEMENTS

**Implemented** waste sorting in municipal facilities

**Drafted** a Single Use Plastics Bylaw for Ministerial Review

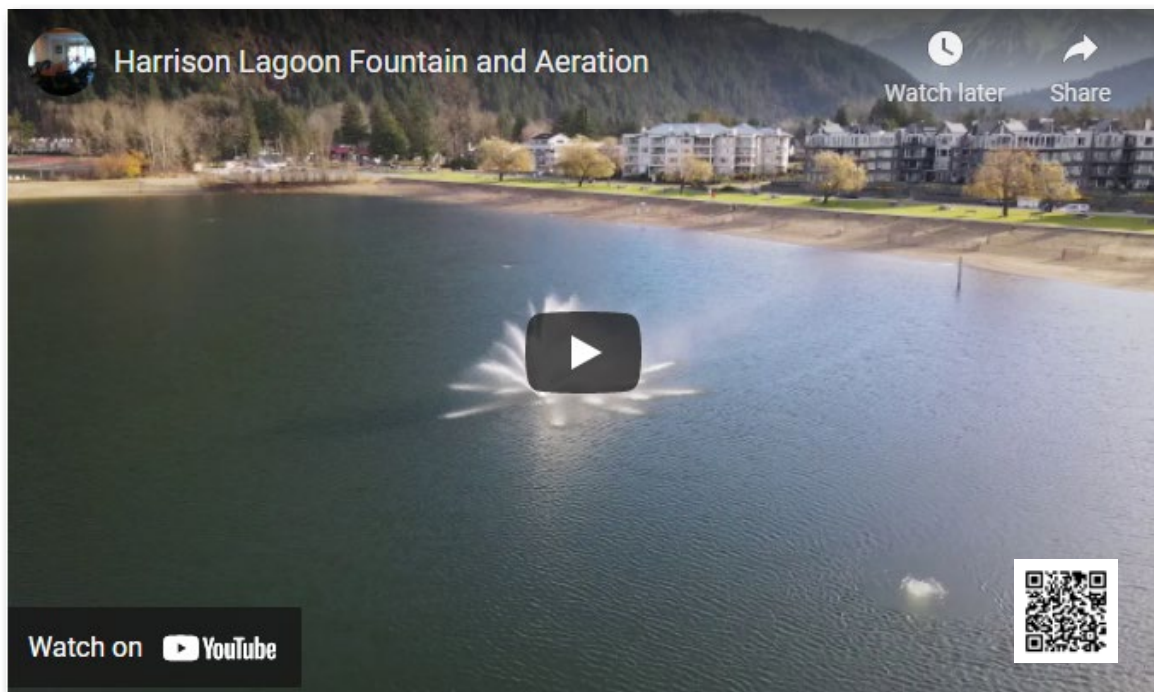
**Expanded** the knotweed control program on municipal properties

**Installed** 14 self-service recycling containers on the waterfront to encourage waste diversion

**Installed** aeration system at the lagoon to improve environmental water quality

## 2021 GOALS

- Continue to promote waste diversion
- Work with the Ministry of Environment to regulate and reduce the use of single use plastics
- Undertake an Urban Forest Master Plan
- Undertake hazard assessment of the Harrison Lake Dike
- Perform environmental assessment to upgrade Lagoon Walkway







# FAIRNESS & FISCAL RESPONSIBILITY

## 2020 ACHIEVEMENTS

**Received the Canadian Award for Financial Reporting** for the 2019 Annual Report

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

**Established** annual collection system for utilities for residential customers

**Achieved** membership in the Fraser Valley Inter-Municipal Business Licensing Program to promote business mobility within our region

**Managed** pandemic related shortfalls & additional expenses within the approved 2020 budget

## 2021 GOALS

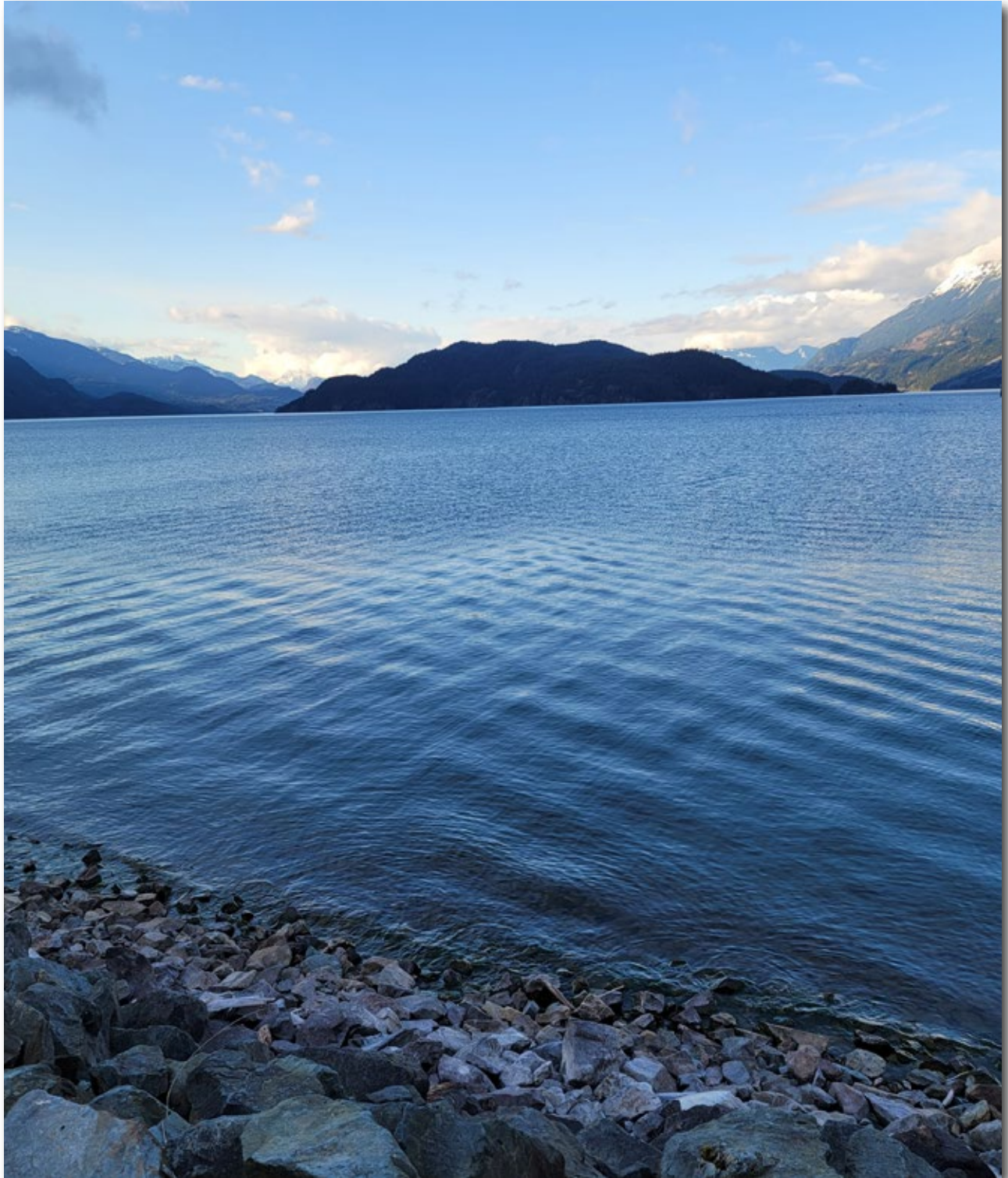
- Continue to review property taxation policies to reflect Council's goals & objectives
- Pursue grant opportunities for capital projects
- Apply COVID-19 Restart Funding to mitigate additional costs related to the ongoing pandemic
- Develop a Reserve Policy to set goals for the future
- Develop a plan to implement Public Sector Accounting Standard PS3280 Asset Retirement Obligations to be implemented by fiscal year 2023



*Ranger Station Art Gallery Accessibility Upgrades  
Funding Provided by the Rick Hanson Foundation*



# FINANCIAL SECTION




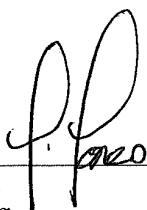
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The financial statements of the Village of Harrison Hot Springs (the Village) are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards, consistently applied and appropriate in the circumstances. 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 6, 2021  
\_\_\_\_\_  
Tracey Jones  
Financial Officer  
April 6, 2021

## Five Year Financial Plan 2021-2025

	2021	2022	2023	2024	2025
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
<u>REVENUES:</u>					
PROPERTY TAXES - MUNICIPAL	2,425,128	2,484,634	2,505,482	2,545,173	2,594,700
COLLECTIONS OTHER GOVERNMENTS & AGENCIES	2,053,715	2,143,210	2,223,856	2,307,654	2,353,807
PENALTIES & INTEREST - TAXES	-	-	-	-	-
UTILITY CO. 1% REVENUE TAXES	38,524	38,878	38,935	39,505	40,296
PAYMENTS IN LIEU OF TAXES	5,500	5,500	5,500	5,500	5,610
TOTAL TAXES COLLECTED	4,522,867	4,672,222	4,773,773	4,897,833	4,994,413
REMITTANCES OTHER GOVERNMENTS & AGENCIES	(2,053,715)	(2,143,210)	(2,223,859)	(2,307,654)	(2,353,807)
NET TAXES FOR MUNICIPAL PURPOSES	2,469,152	2,529,012	2,549,914	2,590,179	2,640,606
REVENUE FROM OWN SOURCES	2,014,763	2,083,398	2,111,671	2,147,159	2,188,863
GRANTS AND DONATIONS	6,100,000	2,328,000.00	550,000.00	550,000.00	561,000.00
DCC	1,175,000	-	-	-	-
CONTRIBUTED ASSETS	-	-	-	-	-
TOTAL REVENUE	\$11,758,915	\$6,940,410	\$5,211,585	\$5,287,338	\$5,390,469
<u>EXPENSES:</u>					
LEGISLATIVE	131,350	131,360	133,150	134,950	137,649
GENERAL GOVERNMENT	1,264,720	1,209,086	1,215,650	1,236,041	1,260,762
PROTECTIVE SERVICES	333,027	294,364	273,226	276,681	282,215
DEVELOPMENT PLANNING	487,300	122,700	122,700	122,700	125,154
TOURISM AND COMMUNITY IMPROVEMENT	289,483	293,909	298,135	302,573	308,624
ENGINEERING, TRANSPORTATION, STORM WATER	924,816	882,512	889,141	904,710	922,164
SOLID WASTE	212,948	192,505	193,575	194,667	198,560
PARKS, RECREATION & CULTURAL SERVICES	535,558	518,122	525,085	534,927	545,626
WASTEWATER UTILITY	819,500	838,352	850,029	863,470	880,739
WATER UTILITY	509,513	505,693	515,087	525,388	535,896
DEBT- INTEREST	15,700	15,700	15,700	15,700	16,014
TOTAL EXPENDITURES	5,523,915	5,004,303	5,031,479	5,111,805	5,213,402
SURPLUS (DEFICIT)	\$6,235,000	\$1,936,107	\$180,106	\$175,533	\$177,067
<u>CAPITAL, DEBT, RESERVES, TRANSFERS &amp; BORROWING</u>					
CAPITAL EXPENDITURES	(6,841,958)	(2,544,000)	(109,000)	(109,000)	(111,180)
REPAYMENT ON DEBT	(53,100)	(53,100)	(53,100)	(53,100)	(54,162)
PROCEEDS OF DEBT	-	110,000	-	-	-
CONTRIBUTIONS TO RESERVES	(997,200)	(1,148,007)	(1,164,209)	(1,177,176)	(1,195,365)
TRANSFERS FROM RESERVES	581,458	479,000	109,000	109,000	111,180
APPROPRIATION FROM SURPLUS	55,800	200,000	-	-	-
EQUITY IN TANGIBLE CAPITAL ASSETS	1,020,000	1,020,000	1,037,200	1,054,744	1,075,839
	\$(6,235,000)	\$(1,936,107)	\$(180,109)	\$(175,532)	\$(173,688)
SURPLUS (DEFICIT) PLUS CAPITAL, DEBT,	\$ -	\$ -	\$ -	\$ -	\$ -



Tel: 604 688 5421  
Fax: 604 688 5132  
vancouver@bdo.ca  
www.bdo.ca

BDO Canada LLP  
Unit 1100 -Royal Centre  
1055 West Georgia Street  
Vancouver, BC V6E 3P3 Canada

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## Independent Auditor's Report

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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, 2020, and the Statement of Operations, Changes in Net Financial Assets, and Cash Flows for the year then ended, and notes 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, 2020, 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.

### Unaudited Information

We have not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the schedules or exhibits on page 25 of the Village's financial statements.

### 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:

- 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 6, 2021

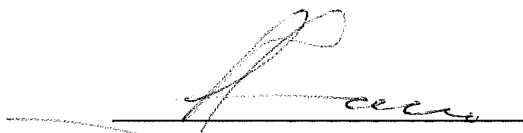
# Village of Harrison Hot Springs

## Statement of Financial Position

As at December 31, 2020

	2020	2019
<b>Financial assets</b>		
Cash (Note 2)	\$ 16,030,448	\$ 11,041,504
Accounts Receivable (Note 3)	557,582	1,290,694
MFA Deposits (Note 4)	6,840	6,702
	<b>16,594,870</b>	<b>12,338,900</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	196,005	422,212
Employee Future Benefits (Note 6)	129,402	128,696
Developer's Deposits and Other Trust Liabilities (Note 7)	1,529,365	563,839
Deferred Revenue (Note 8)	819,225	721,107
Development Cost Charges (Note 9)	4,747,153	3,256,483
Liabilities under Agreement (Note 10)	46,051	68,110
Long-term debt (Note 11)	433,254	468,936
Interim financing debt (Note 12)	-	110,000
	<b>7,900,455</b>	<b>5,739,383</b>
Net financial assets	<b>8,694,415</b>	<b>6,599,517</b>
<b>Non-financial assets</b>		
Tangible Capital Assets (Note 13, Schedule 1)	37,604,754	37,598,330
Prepaid expenses	72,155	73,853
	<b>37,676,909</b>	<b>37,672,183</b>
<b>Accumulated surplus</b>	<b>46,371,324</b>	<b>44,271,700</b>

  
 Madeline McDonald,  
 Chief Administrative Officer

  
 Leo Facio  
 Mayor

# Village of Harrison Hot Springs

## Statement of Operations

for the year ended December 31, 2020

	Budget (Note 20)	2020	2019
<b>Revenue</b>			
Property Taxes (Notes 23, 16)	\$ 2,364,851	\$ 2,366,532	\$ 2,219,454
Sale of Services (Note 17)	1,412,020	1,491,805	1,400,567
Utility Service Fees (Note 18)	476,300	472,607	465,436
Government Transfers (Note 19)	2,910,050	1,546,263	1,416,400
Investment Income	47,000	108,747	152,635
Penalties and interest	4,000	68,661	79,712
Development Cost Charges (Note 9)	248,400	224,144	605,799
Contributed Assets	174,000	-	-
Other revenue	69,100	108,197	112,813
	<b>7,705,721</b>	<b>6,386,956</b>	<b>6,452,816</b>
<b>Expenses (Note 21)</b>			
Legislative Services	131,350	99,355	125,585
General Government	1,187,597	986,955	1,034,926
Protective Services	264,797	229,207	226,299
Public Works	329,127	261,635	319,425
Transportation Services	545,382	434,214	448,533
Public Health	4,260	3,487	2,932
Planning and Development	313,700	79,809	329,723
Tourism, Community and Economic Development	280,197	275,123	260,108
Solid Waste Management and Recycling	201,946	198,311	184,757
Beaches, Parks, Recreation and Culture	504,845	486,818	516,963
Water Services	504,000	446,337	464,768
Sewer Services	803,620	781,462	734,766
Non-capital items expensed	7,000	4,619	-
	<b>5,077,821</b>	<b>4,287,332</b>	<b>4,648,785</b>
<b>Annual surplus</b>	<b>2,627,900</b>	<b>2,099,624</b>	<b>1,804,031</b>
Accumulated surplus, beginning of year (Note 15 )	44,271,700	44,271,700	42,467,669
	<b>\$ 46,899,600</b>	<b>\$ 46,371,324</b>	<b>\$ 44,271,700</b>

## Village of Harrison Hot Springs

### Statement of Change in Net Financial Assets

For the Year Ended December 31, 2020

	Budget (Note 20)	2020	2019
Annual Surplus	2,627,900	2,099,624	1,804,031
Acquisition of tangible capital assets	(3,410,500)	(1,061,303)	(1,887,011)
Amortization of tangible capital assets Note1., Schedule 1	1,010,000	1,053,631	984,985
Loss on disposal of tangible capital assets	-	1,248	23,628
	227,400	2,093,200	925,633
Acquisition of prepaid expenses	-	(72,155)	(73,853)
Use of prepaid expenses	-	73,853	61,981
	-	1,698	(11,872)
<b>Increase in net financial assets</b>	<b>227,400</b>	<b>2,094,898</b>	<b>913,761</b>
Net financial assets, beginning of year	6,599,517	6,599,517	5,685,756
<b>Net financial assets, end of year</b>	<b>6,826,917</b>	<b>8,694,415</b>	<b>6,599,517</b>



# Village of Harrison Hot Springs

## Statement of Cash Flows

For the Year Ended December 31, 2020

	2020	2019
<b>Cash provided by (used in):</b>		
<b>Operating Transactions</b>		
Annual surplus	2,099,624	1,804,031
<b>Non Cash items:</b>		
Amortization	1,053,631	984,985
Loss on disposal of tangible capital assets	1,249	23,629
<b>Changes to cash items:</b>		
Accounts receivable	733,112	(101,781)
MFA deposits	(138)	(153)
Accounts payable and accrued liabilities	(226,207)	58,924
Developer's deposits and other trust liabilities	965,526	364,519
Prepaid expenses	1,698	(11,872)
Employee future benefits	706	15,000
Deferred revenue	98,118	18,381
Development cost charges	1,490,670	150,211
<b>Net change in cash from operating transactions</b>	<b>6,217,989</b>	<b>3,305,874</b>
<b>Capital Transactions:</b>		
Acquisition of tangible capital assets	(1,061,303)	(1,887,011)
<b>Net change in cash from capital transactions</b>	<b>(1,061,303)</b>	<b>(1,887,011)</b>
<b>Financing Transactions</b>		
Debt repayment	(167,742)	(225,251)
<b>Net change in cash from financing transactions</b>	<b>(167,742)</b>	<b>(225,251)</b>
<b>Net change in cash</b>	<b>4,988,944</b>	<b>1,193,612</b>
Cash , beginning of year	11,041,504	9,847,890
<b>Cash , end of year</b>	<b>16,030,448</b>	<b>11,041,502</b>

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2020

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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). 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.

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2020

### 1. Significant Accounting Policies (continued)

#### c. Expense Recognition

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.



# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2020

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### 1. Significant Accounting Policies (continued)

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

##### iv. Leased tangible capital assets

Leases that transfer substantially all the benefits and risks incidental to ownership of property are 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, 2020, 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, 2020

### 2. Cash

	2020	2019
Restricted cash		
Statutory Reserves	\$ 1,821,752	\$ 1,983,066
Non-Statutory Reserves	2,980,203	1,768,398
Development Cost Charges/Deposits in Trust	7,095,743	4,541,429
	11,897,698	8,292,893
Unrestricted cash	4,132,750	2,748,611
Total cash	\$ 16,030,448	\$ 11,041,504

### 3. Account Receivable

	2020	2019
Accounts Receivable - Property Taxes	\$ 331,084	\$ 411,446
Accounts Receivable - Other Governments	39,709	399,430
Accounts Receivable - Trade and Other	186,789	479,818
	\$ 557,582	\$ 1,290,694

### 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, 2020

### 5. Accounts Payable and Accrued Liabilities

	2020	2019
Trade and Other	\$ 86,200	\$ 169,076
Holdbacks payable	45,034	137,025
Other government	32,841	11,944
Accrued Employee benefits	31,930	104,167
	<b>\$ 196,005</b>	<b>\$ 422,212</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, with updates in 2019 and 2020. The next full actuarial evaluation will be at December 31, 2021.

#### 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 2020 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, with updates in 2019 and 2020. The next full actuarial evaluation will be at December 31, 2021.

As of December 31, 2020, \$129,402 (2019 - \$128,696) 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:

	2020	2019
Discount rates	1.5%	3.00%
Expected future inflation	2.00%	2.00%



# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2020

### 6. Employee Future Benefits (continued)

Accrued Benefit Obligation as at December 31, 2020

	2020	2019
Beginning benefit obligation	\$ 128,696	\$ 113,696
Current service cost	15,142	18,800
Interest on accrued benefit obligation	3,621	-
Actuarial (gain) loss	(599)	-
Benefits paid during the year	(24,120)	(3,800)
Ending benefit obligation	122,740	128,696
Less Unamortized net actuarial (loss)	6,662	-
Accrued Benefit Liability	\$ 129,402	\$ 128,696

### 7. Developers Deposits and Other Trust Liabilities

	2020	2019
Property and event damage deposits	\$ 186,197	\$ 134,298
Developers Deposit	1,286,120	373,848
Funds held on behalf of community groups	57,048	55,693
	\$ 1,529,365	\$ 563,839

### 8. Deferred Revenue

	Opening Balance	Externally Restricted Inflows	Revenue Earned	December 31, 2020
Prepaid taxes	\$ 154,570	\$ 296,165	\$ (291,985)	\$ 158,750
Resort Municipality Initiative	541,066	519,336	(419,180)	641,222
Deferred Revenue	18,863	365	-	19,228
Facility rentals and other	6,608	-	(6,583)	25
	\$ 721,107	\$ 815,866	\$ (717,748)	\$ 819,225

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2020

### 9. Development Cost Charges

	Opening Balance	Receipts	Interest	Transfers Out	Closing Balance
Sewer DCC	\$ 1,260,059	\$ 586,433	\$ 28,182	\$ 130,513	\$ 1,744,161
Water DCC	1,012,648	465,669	23,412	-	1,501,729
Drainage DCC	656,476	393,721	943	93,630	957,510
Parks DCC	327,299	215,919	535	-	543,753
	\$ 3,256,482	\$ 1,661,742	\$ 53,072	\$ 224,143	\$ 4,747,153

### 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:

	2020	2019
Balance, January 1,	\$ 68,110	\$ 148,883
Less: Principal repayments	(22,059)	(80,773)
Balance, December 31	\$ 46,051	\$ 68,110

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

2021	\$ 23,079
2022	24,657
Less: Amount representing interest	(1,685)
	\$ 46,051

Total interest expense during the year was \$1,020. Total interest over the term of the agreements is \$26,320.

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2020

### 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. Interest is \$13,200 per year with \$198,000 estimated to be paid over the life of the debt. 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	\$ 468,936	\$ -	\$ 31,095	\$ 4,587	\$ 433,254

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

	General	Water	Sewer
2021	\$ 31,095	\$ -	\$ -
2022	\$ 31,095	\$ -	\$ -
2023	\$ 31,095	\$ -	\$ -
2024	\$ 31,095	\$ -	\$ -
2025	\$ 31,095	\$ -	\$ -
Thereafter	\$ 277,779	\$ -	\$ -
Total	\$ 433,254	\$ -	\$ -

\* 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 had until 2020 to pay back the principal amount. Interest was paid monthly in 2020 at daily interest rates that varied between 1.21% and 2.58%. During 2020 the Village paid \$1,360 in interest (2019 \$5,304).

	2020	2019
Beginning Balance Jan 1,	\$ 110,000	\$ 220,000
Principal repayments	(110,000)	(110,000)
Ending Balance, December 31	\$ -	\$ 110,000



# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2020

### 13. Tangible Capital Assets

	2020	2019
Land and improvements	\$ 10,680,913	\$ 10,680,913
Buildings	2,992,529	3,124,797
Machinery, equipment, furniture, IT and vehicles	794,922	758,664
Engineering Structures:		
Engineering structures - water	7,848,335	8,021,526
Engineering structures - sewer and drainage	8,285,488	7,987,916
Engineering structures - roads	4,834,732	5,127,608
Engineering structures - parks and other	1,654,281	1,457,329
Other tangible capital assets	376,553	355,694
Work in Progress	137,001	83,883
<b>Total</b>	<b>\$ 37,604,754</b>	<b>\$ 37,598,330</b>

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

There were no contributed assets recognized in 2020.

### 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:

	2020	2019
Equity in TCA, beginning of year	\$ 36,951,284	\$ 35,847,640
Add:		
Capital Expenditures	1,061,303	1,887,010
Debt Repayments	163,155	221,867
Actuarial adjustment	4,587	3,381
Less:		
Net Book Value of dispositions	(1,248)	(23,629)
Amortization	(1,053,631)	(984,985)
<b>Equity in TCA, end of year</b>	<b>\$ 37,125,450</b>	<b>\$ 36,951,284</b>

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2020

### 15. Accumulated Surplus

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

	2020	2019
Surplus:		
Invested in tangible capital assets	\$ 37,125,450	\$ 36,951,284
Operating Fund	4,443,919	3,568,952
Total surplus	41,569,369	40,520,236
Reserves set aside by Council:		
<b>Appropriated Surplus:</b>		
COVID 19 Restart Grant (Schedule 3)	509,260	-
Fire Department	27,680	27,154
Assessment appeal	137,274	134,669
Beach	4,247	38,913
Building	65,405	64,164
Contingencies	11,960	11,733
Dock replacement	53,562	42,668
Boat Launch	64,315	58,156
Flood box / drainage	16,227	15,919
General	536,940	241,583
Insurance	10,392	10,195
Parking / traffic management	56,264	55,196
Office Equipment	47,014	36,244
Property	49,522	48,582
Road/Sidewalk	14,071	13,804
Sick leave/Retirement	53,192	52,182
Community Works Fund	278,002	199,458
Sewer	571,817	388,523
Water	473,059	329,255
Total Appropriated Surplus	2,980,203	1,768,398
Statutory Fund Reserves:		
Community amenities	161,018	157,962
Fire department capital	540,365	557,473
Land unexpended funds	51,202	50,231
Parkland acquisition and improvements	386,169	355,935
Public works capital	53,784	23,130
Sewage treatment replacement	536,564	731,429
Sewer unexpended funds	87,165	85,511
Port Divestiture income	5,485	21,395
Total Statutory Fund Reserves	1,821,752	1,983,066
	\$ 46,371,324	\$ 44,271,700

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2020

### 16. Property Taxes

The Village is reliant upon one taxpayer for approximately 16.6% of municipal property tax revenue. Taxation revenue, reported on the statement of operations, is made up of the following:

	Budget	2020	2019
<b>Taxes collected</b>			
Municipal property taxes	\$ 2,322,900	\$ 2,322,742	\$ 2,178,194
1 % Utility taxes	37,901	37,901	36,952
Payments in lieu of taxes	4,050	5,889	4,308
School taxes	1,440,000	1,260,777	1,413,230
Regional District	167,000	168,566	160,489
Regional hospital district	107,000	107,084	104,693
Police tax	156,000	167,322	154,306
Other agencies	33,160	36,192	32,763
	<b>4,268,011</b>	<b>4,106,473</b>	<b>4,084,935</b>
<b>Less transfers to other governments</b>			
School taxes paid	1,440,000	1,260,777	1,413,230
Regional district taxes paid	167,000	168,566	160,489
Regional hospital district taxes paid	107,000	107,084	104,693
Police taxes paid	156,000	167,322	154,306
Other agencies taxes paid	33,160	36,192	32,763
	<b>1,903,160</b>	<b>1,739,941</b>	<b>1,865,481</b>
	<b>\$ 2,364,851</b>	<b>\$ 2,366,532</b>	<b>\$ 2,219,454</b>

### 17. Sale of Services

	Budget	2020	2019
Sewer user fees	\$ 649,120	\$ 642,571	\$ 615,571
Water user fees	331,500	344,471	332,196
Curbside collection fees	130,000	124,391	121,249
Pay Parking Revenue	220,000	279,618	238,425
Licenses and permits	33,200	47,195	42,340
Facility rentals	42,000	40,206	40,682
Fines	2,700	9,612	6,109
Other	3,500	3,741	3,995
	<b>\$ 1,412,020</b>	<b>\$ 1,491,805</b>	<b>\$ 1,400,567</b>

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2020

### 18. Utility Service Fees

	Budget	2020	2019
Sewer service utility fee - residential	\$ 204,000	\$ 204,762	\$ 201,256
Sewer service utility fee - business	20,000	20,114	20,462
Water service utility fee - residential	231,000	226,936	222,505
Water service utility fee - business	21,300	20,795	21,213
Total	\$ 476,300	\$ 472,607	\$ 465,436

### 19. Government Transfers

Government transfers reported on the Statement of Operations are:

	Budget	2020	2019
Provincial:			
Conditional			
Infrastructure	\$ -	\$ -	\$ 239,047
Resort Municipality Initiative	967,500	419,181	502,542
COVID 19 Restart Grant	-	675,000	-
Other	8,050	9,447	64,015
Unconditional	317,500	325,689	323,888
Federal			
Conditional			
Infrastructure	1,500,000	-	-
Gas tax	117,000	116,946	236,908
Other	-	-	50,000
	\$ 2,910,050	\$ 1,546,263	\$ 1,416,400



# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2020

### 20. Budget Data

The data presented in these financial statements is based upon the 2020 operating and capital budgets adopted by Council on March 2, 2020. The table below reconciles the approved balanced budget to the budget figures reported in these financial statements.

2020 Adopted Operating and Capital Budget	Budget Amount
Revenues:	
Operating budget	\$ 5,077,821
Capital budget	4,476,500
Total revenue	9,554,321
Expenses:	
Operating budget	5,077,821
Capital Budget	4,476,500
Total expenses	9,554,321
Budgeted surplus (deficit)	\$ -
Add:	
Capital expenses	\$ 3,410,500
Transfers to reserves	902,900
Principal repayments	163,100
Less:	
Transfers from reserves	(763,600)
Appropriation from Surplus	(75,000)
Amortization	(1,010,000)
Annual budgeted surplus (see statement of operations)	\$ 2,627,900

### 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	2020	2019
Salaries, wages and employee benefits	\$ 1,799,121	\$ 1,545,438	\$ 1,656,280
Operating Materials and supplies	721,260	573,129	663,998
Contracted services	597,150	342,240	541,797
Administrative services and supplies	615,690	472,460	490,148
Utilities	207,650	188,939	203,715
Rentals and contractual obligations	99,250	91,295	85,963
Debt financing	20,700	15,581	21,899
Capital Items Expensed	7,000	4,619	-
Amortization	1,010,000	1,053,631	984,985
Total expenditures by object	\$ 5,077,821	\$ 4,287,332	\$ 4,648,785

# Village of Harrison Hot Springs

## Notes to the Financial Statements

December 31, 2020

### 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, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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 \$100,906 (2019 \$114,100) for employer contributions to the Plan in fiscal 2020. Employee contributions in fiscal 2019 were \$89,693 (2019 \$101,769). 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, 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: 2021 - \$260,300, 2022 - \$89,000, 2023 - \$89,000.
- 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, 2020

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### 23. Global Pandemic

As the COVID-19 pandemic continues to impact Canada and the global economy, 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, 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, 2020

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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, 2020

	Engineered Structures							Other Tangible Capital Assets	Work In Progress	2020	2019
	Land	Building	Equipment Furniture Vehicles	Water	Sewer Drainage	Roads	Other				
<b>COST</b>											
Opening balance	\$ 10,680,913	\$ 4,616,896	\$ 2,290,645	\$ 9,775,939	\$ 10,671,224	\$ 10,259,211	\$ 2,466,851	\$ 83,883	\$ 557,022	\$ 51,402,585	\$ 49,677,034
Add: Additions	-	-	136,474	-	508,350	-	328,186	53,116	35,177	1,061,303	1,887,011
Less: Disposals	-	-	(53,681)	-	(2,270)	-	(18,980)	-	-	(74,931)	(161,460)
<b>Closing Balance</b>	<b>10,680,913</b>	<b>4,616,896</b>	<b>2,373,438</b>	<b>9,775,939</b>	<b>11,177,304</b>	<b>10,259,211</b>	<b>2,776,057</b>	<b>136,999</b>	<b>592,199</b>	<b>52,388,957</b>	<b>51,402,585</b>
<b>ACCUMULATED AMORTIZATION</b>											
Opening Balance	-	1,492,099	1,531,981	1,754,413	2,683,309	5,131,603	1,009,523	-	201,327	13,804,255	12,957,102
Add: Amortization	-	132,268	100,215	173,191	209,530	292,876	131,233	-	14,318	1,053,631	984,985
Less: Acc. Amortization on Disposals	-	-	(53,681)	-	(1,022)	-	(18,980)	-	-	(73,683)	(137,832)
<b>Closing Balance</b>	<b>-</b>	<b>1,624,367</b>	<b>1,578,515</b>	<b>1,927,604</b>	<b>2,891,817</b>	<b>5,424,479</b>	<b>1,121,776</b>	<b>-</b>	<b>215,645</b>	<b>14,784,203</b>	<b>13,804,255</b>
	<b>\$ 10,680,913</b>	<b>\$ 2,992,529</b>	<b>\$ 794,923</b>	<b>\$ 7,848,335</b>	<b>\$ 8,285,488</b>	<b>\$ 4,834,732</b>	<b>\$ 1,654,281</b>	<b>\$ 136,999</b>	<b>\$ 376,554</b>	<b>\$ 37,604,754</b>	<b>\$ 37,598,330</b>

# Village of Harrison Hot Springs

## Schedule 2 - Table of Segmented Information

For the Year Ended December 31, 2020

	Legislative	General Government	Protective Services	Development Planning	Engineering, Transportation & Storm Water	Solid Waste	Parks, Recreation & Cultural Services	Wastewater Utility	Water Utility	Budget	2020	2019
<b>Revenue:</b>												
Property Taxes	\$ -	\$ 2,366,532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,364,851	\$ 2,366,532	\$ 2,219,454
Sale of Services	-	340,166	-	-	-	-	124,391	642,571	344,471	1,412,020	1,491,805	1,400,567
Utility Service Fees	-	-	-	-	-	-	-	224,876	247,731	476,300	472,607	465,436
Government Transfers	-	1,120,531	-	419,182	-	-	-	6,550	-	2,910,050	1,546,263	1,416,400
Investment Income	-	80,511	-	-	-	-	-	21,732	6,504	47,000	108,747	152,635
Penalties and Interest	-	36,734	-	-	-	1,918	-	19,106	10,903	4,000	68,661	79,712
Development Cost Charges	-	93,631	-	-	-	-	-	130,513	-	248,400	224,144	605,799
Contributed Assets	-	-	-	-	-	-	-	-	-	174,000	-	-
Other revenue	-	85,338	-	1,219	-	-	-	9,150	12,490	69,100	108,197	112,813
	-	<b>4,123,444</b>	-	<b>420,401</b>	-	<b>125,309</b>	<b>40,206</b>	<b>1,054,498</b>	<b>622,099</b>	<b>7,705,721</b>	<b>6,386,956</b>	<b>6,452,816</b>
<b>Expenses:</b>												
Salaries, wages and employee benefits	92,765	489,805	8,029	106,571	153,910	51,422	199,940	252,730	180,166	1,799,121	1,545,438	1,656,280
Operating Materials and supplies	-	4,674	142,794	745	93,933	-	86,898	194,690	49,395	721,260	573,128	663,998
Contracted services	-	10,183	-	84,400	45,049	146,889	4,316	51,404	-	597,150	342,240	541,797
Administrative services and supplies	5,274	222,207	22,209	142,216	23,255	-	11,522	32,484	13,292	615,690	472,460	490,148
Utilities	1,316	15,835	5,263	-	38,552	-	34,290	64,750	28,933	207,650	188,939	203,715
Rentals and contractual obligations	-	13,870	44,529	21,000	7,595	-	4,300	-	-	99,250	91,295	85,963
Debt financing	-	14,220	-	-	-	-	-	-	1,360	20,700	15,581	21,899
Capital Items Expensed	-	-	-	-	-	-	4,619	-	-	7,000	4,619	-
Amortization	-	206,060	6,383	-	337,042	-	145,551	185,404	173,191	1,010,000	1,053,631	984,985
	<b>99,355</b>	<b>986,955</b>	<b>229,207</b>	<b>354,932</b>	<b>699,336</b>	<b>198,311</b>	<b>491,437</b>	<b>781,462</b>	<b>446,337</b>	<b>5,077,821</b>	<b>4,287,332</b>	<b>4,648,785</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ (95,355)</b>	<b>\$ 3,136,489</b>	<b>\$ (229,207)</b>	<b>\$ 65,469</b>	<b>\$ (699,336)</b>	<b>\$ (72,002)</b>	<b>\$ (451,230)</b>	<b>\$ 273,036</b>	<b>\$ 175,762</b>	<b>\$ 2,627,900</b>	<b>\$ 2,099,624</b>	<b>\$ 1,804,031</b>

## Village of Harrison Hot Springs

### Schedule 3 - COVID-19 Safe Restart Grant (Unaudited)

For the Year Ended December 31, 2020

In November 2020 the BC provincial government provided a direct grant to assist local governments as they deal with the increased operating costs and lower revenue due to the COVID-19 pandemic. The Village of Harrison Hot Springs received \$675,000 in grant funding under the COVID 19 Safe Restart Grant. This grant is available to offset costs in 2020, 2021 and 2022. In 2020 \$ 165,740 of funding was used as follows:

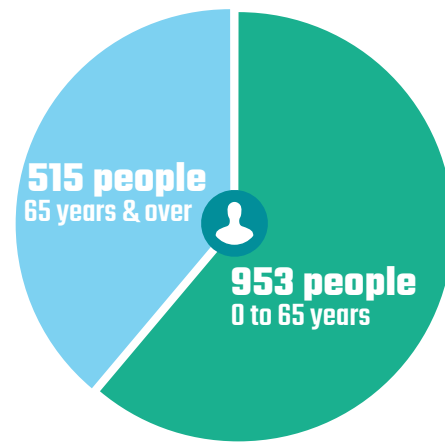
	2020
<b>Opening Balance</b>	<b>\$ 675,000</b>
Bylaw enforcement/emergency planning	(9,640)
Communication/Audio Visual	(45,900)
Occupational health and safety measures	(8,140)
Social distancing and signage	(11,410)
Program revenue lost	(31,350)
Program restart expenditures	(15,000)
Additional operating expenditures - Public Facilities	(44,300)
<b>Closing Balance</b>	<b>\$ 509,260</b>





# STATISTICAL SECTION

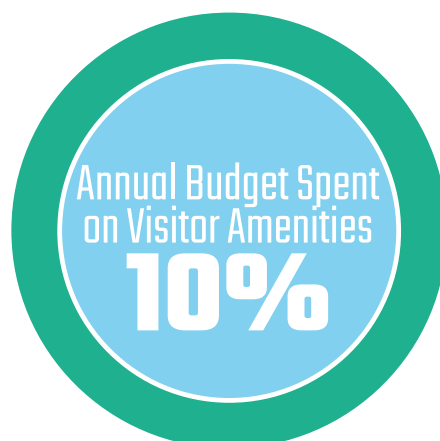
## Demographics & Tourism



\*2016 Statistics Canada

## Who makes up the Village?

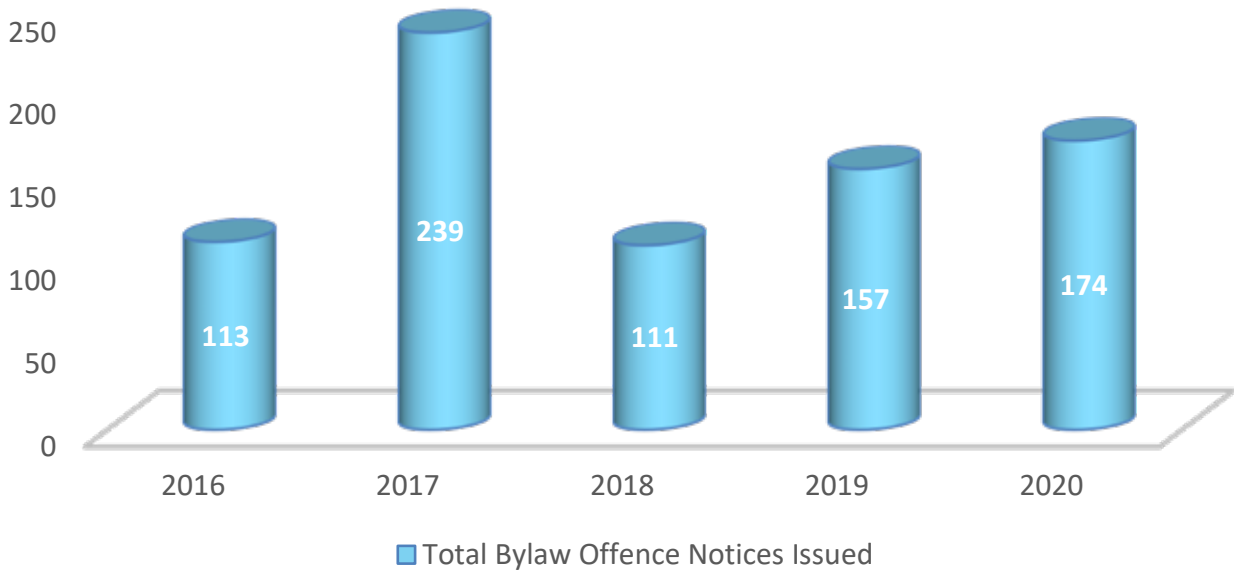
The Village of Harrison Hot Springs is one of 14 Resort Municipalities in British Columbia. We have a full-time resident population of 1,468\* and welcomed an estimated 500,000\*\* visitors to the community in 2020. The Village received \$505,943 in Resort Municipality Initiative (RMI) funding from the provincial government. This program helps develop tourism infrastructure, creating a more dynamic community for both visitors and residents. On average, the Village spends approximately 10% of the annual operating budget (general revenues) on visitor amenities including beach front maintenance.



\*2016 Statistics Canada

\*\*Tourism Harrison

# Bylaw Enforcement



	2016	2017	2018	2019	2020
Noise Abatement		11	1	3	
Animal Control					
Boat Launch Facility & Parking					3
Business Licence	1				8
Bylaw Notice Enforcement					
Highway & Traffic	107	148	106	131	159
Littering/Dumping			1		
Municipal Dock		2			
Outdoor Fire			1	1	
Park					
Sign				1	
Property/Premises			1	16	2
Tree Protection	3		1	5	
Waste Collection & Disposal	2				
Zoning		78			1
Misc					1
	113	239	111	157	174

# Statement of Financial Position

Financial Assets	2016	2017	2018	2019	2020
Cash and Equivalents	\$7,208,557	\$9,216,348	\$9,847,890	\$11,041,504	\$16,030,448
Accounts Receivable	\$896,906	\$882,299	\$1,188,913	\$1,290,694	\$557,582
MFA Deposits	\$6,287	\$6,410	\$6,549	\$6,702	\$6,840
	<b>\$8,111,750</b>	<b>\$10,105,057</b>	<b>\$11,043,352</b>	<b>\$12,338,900</b>	<b>\$16,594,870</b>

Financial Liabilities	2016	2017	2018	2019	2020
Accounts Payable & Accrued Liabilities	\$420,142	\$271,924	\$363,287	\$422,212	\$196,005
Employee Future Benefits	\$93,800	\$108,727	\$113,696	\$128,696	\$129,402
Developer Deposit & Other Trust Liabilities	\$377,665	\$409,950	\$199,320	\$563,839	\$1,529,365
Deferred Revenue	\$263,093	\$1,099,323	\$702,726	\$721,107	\$819,225
Development Cost Charges	\$1,575,819	\$1,851,562	\$3,106,272	\$3,256,483	\$4,747,153
Liabilities Under Agreement	\$106,046	\$189,524	\$148,883	\$68,109	\$46,051
Long-term Debt	\$568,905	\$536,721	\$503,412	\$468,936	\$433,254
Interim Financing Debt	\$440,000	\$330,000	\$220,000	\$110,000	\$-
	<b>\$3,845,470</b>	<b>\$4,797,731</b>	<b>\$5,357,596</b>	<b>\$5,739,382</b>	<b>\$7,900,455</b>

	2016	2017	2018	2019	2020
Net Financial Assets	<b>\$4,266,280</b>	<b>\$5,307,326</b>	<b>\$5,685,756</b>	<b>\$6,599,518</b>	<b>\$8,694,415</b>

Non-Financial Assets	2016	2017	2018	2019	2020
Tangible Capital Assets	\$33,517,112	\$34,137,913	\$36,719,934	\$37,598,330	\$37,604,754
Prepaid Expenses	\$65,840	\$68,970	\$61,981	\$73,853	\$72,155
	<b>\$33,582,952</b>	<b>\$34,206,883</b>	<b>\$36,781,915</b>	<b>\$37,672,183</b>	<b>\$37,676,909</b>

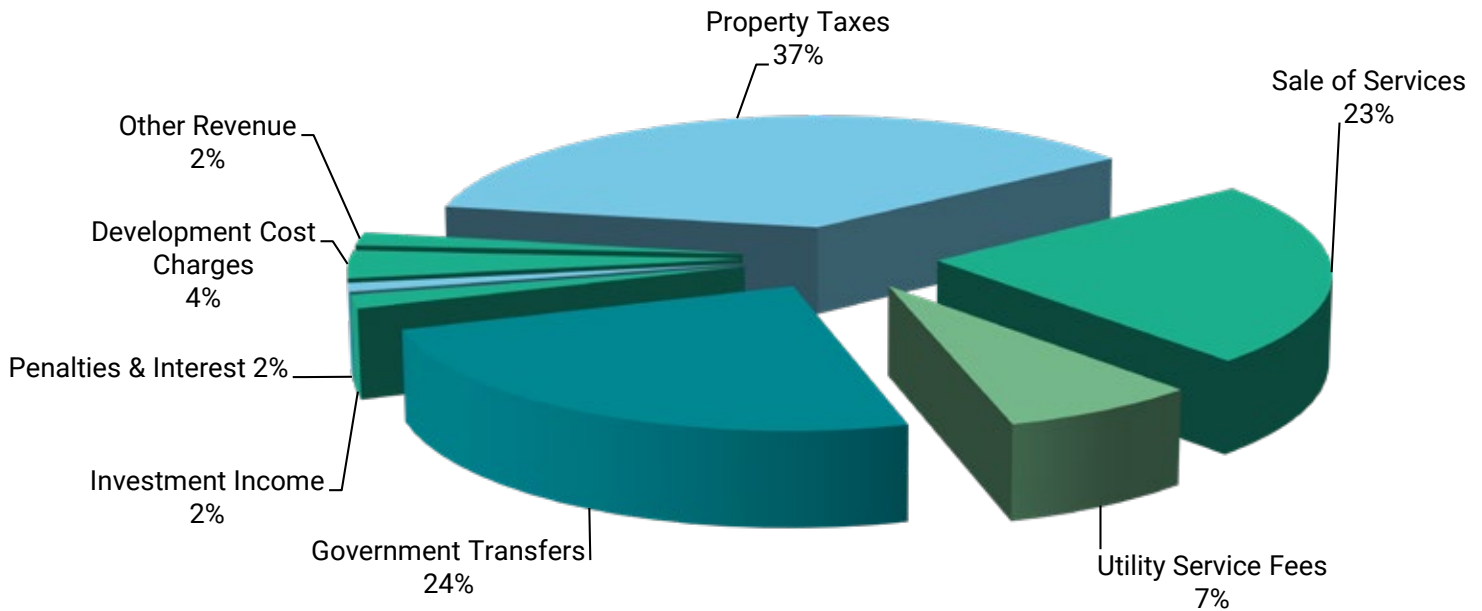
	2016	2017	2018	2019	2020
Accumulated Surplus	<b>\$37,849,232</b>	<b>\$39,514,209</b>	<b>\$42,467,671</b>	<b>\$44,271,701</b>	<b>\$46,371,324</b>

Accumulated Surplus - Represented By	2016	2017	2018	2019	2020
Operating fund	\$3,147,858	\$3,545,757	\$3,151,721	\$3,568,952	\$4,443,919
Appropriated Surplus	\$1,040,150	\$1,298,522	\$1,617,960	\$1,768,398	\$2,980,203
Statutory Reserves	\$1,259,060	\$1,588,261	\$1,850,350	\$1,983,066	\$1,821,752
Equity in Tangible Capital Assets	\$32,402,164	\$33,081,669	\$35,847,640	\$36,951,284	\$37,125,450
	<b>\$37,849,232</b>	<b>\$39,514,209</b>	<b>\$42,467,671</b>	<b>\$44,271,701</b>	<b>\$46,371,324</b>

	2016	2017	2018	2019	2020
Annual Surplus	<b>\$1,809,620</b>	<b>\$1,664,975</b>	<b>\$2,953,462</b>	<b>\$1,804,031</b>	<b>\$2,099,624</b>

	2016	2017	2018	2019	2020
Acquisition of Tangible Capital Assets	<b>\$3,135,321</b>	<b>\$1,524,463</b>	<b>\$4,041,405</b>	<b>\$1,887,011</b>	<b>\$1,061,303</b>

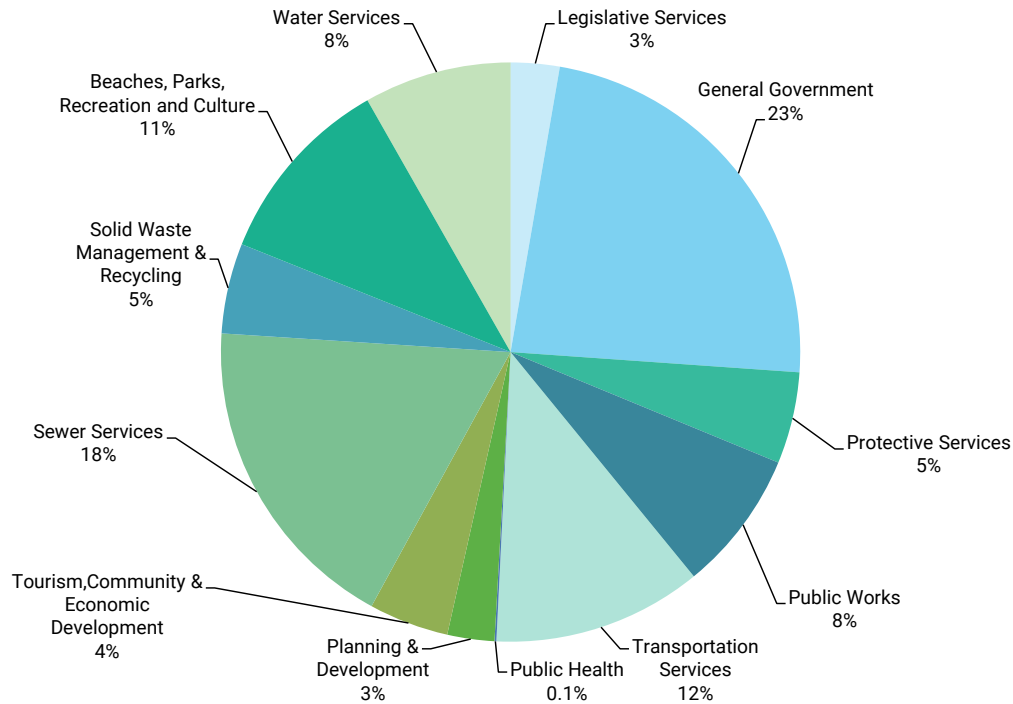
# Revenues by Source



	2016	2017	2018	2019	2020
Property Taxes	\$1,972,081	\$2,016,765	\$2,095,811	\$2,219,454	\$2,366,532
Sale of Services	\$1,171,999	\$1,253,427	\$1,239,637	\$1,400,567	\$1,491,805
Utility Service Fees	\$401,154	\$410,951	\$440,408	\$465,436	\$472,607
Government Transfers	\$1,937,998	\$678,512	\$2,745,539	\$1,416,400	\$1,546,263
Investment Income	\$54,759	\$85,617	\$109,545	\$152,635	\$108,747
Penalties and Interest	\$57,222	\$89,390	\$78,006	\$79,712	\$68,661
Development Cost Charges	\$7,065	-	\$130,059	\$605,799	\$224,144
Contributed Assets	-	\$993,500	\$509,800	-	-
Other Revenue	\$117,856	\$315,837	\$(21,279)	\$112,813	\$108,197
	\$5,720,134	\$5,843,999	\$7,327,526	\$6,452,816	\$6,386,956

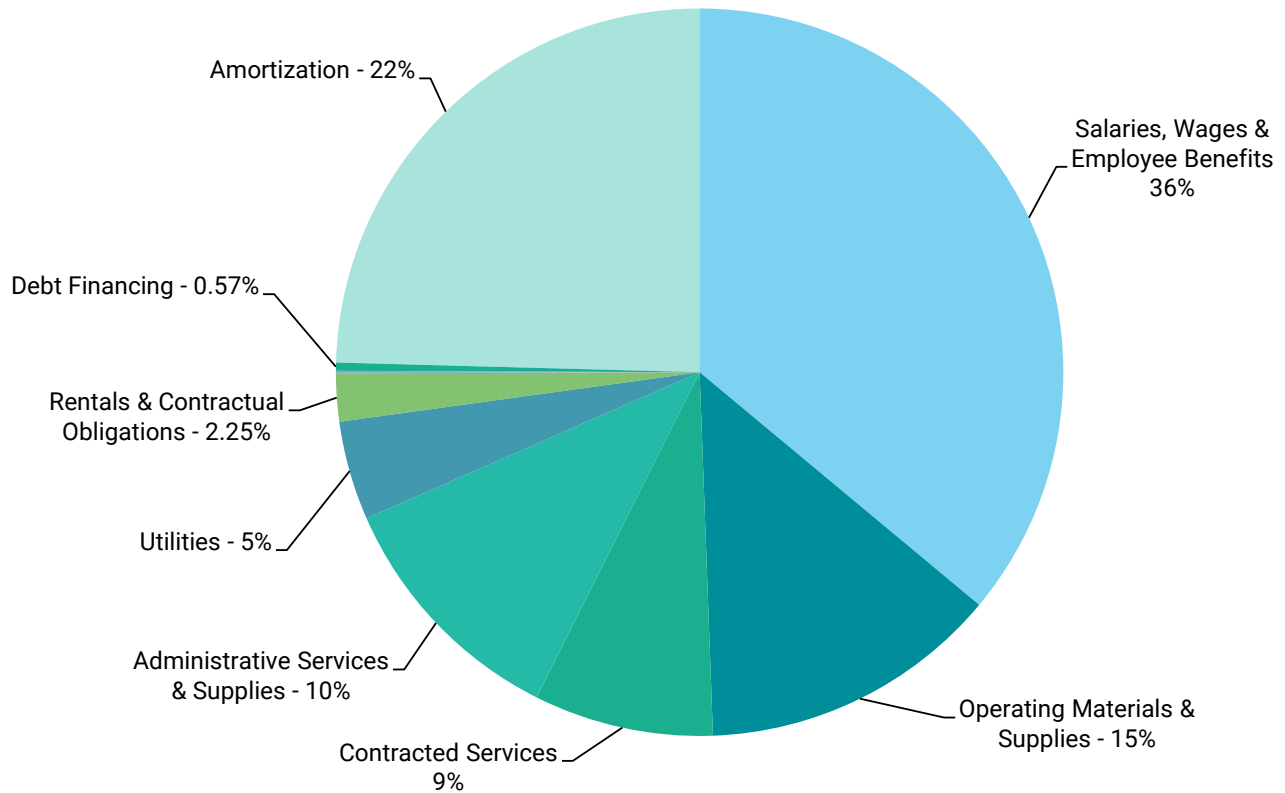


# Expenses by Function



	2016	2017	2018	2019	2020
Legislative Services	\$108,704	\$113,859	\$113,230	\$125,585	\$99,355
General Government	\$888,867	\$977,516	\$1,047,620	\$1,034,926	\$986,955
Protective Services	\$182,432	\$213,754	\$205,814	\$226,299	\$229,207
Public Works	\$410,781	\$328,650	\$360,080	\$319,425	\$261,635
Transportation Services	\$455,551	\$488,422	\$495,319	\$448,533	\$434,214
Public Health	\$5,657	\$4,354	\$3,317	\$2,932	\$3,487
Planning and Development	\$156,114	\$109,754	\$167,128	\$329,723	\$79,809
Tourism, Community and Economic Dev.	\$95,242	\$186,272	\$193,985	\$260,108	\$275,123
Sustainability	\$7,711	-	-	-	-
Solid Waste Management and Recycling	\$141,299	\$210,784	\$179,929	\$184,757	\$198,311
Beaches, Parks, Recreation and Culture	\$448,369	\$447,065	\$483,909	\$516,963	\$486,818
Water Services	\$308,845	\$343,941	\$419,994	\$464,768	\$446,337
Sewer Services	\$700,942	\$754,653	\$703,739	\$734,766	\$781,462
Non-Capital Items Expensed	-	-	-	-	\$4,619
	\$3,910,514	\$4,179,024	\$4,374,064	\$4,648,785	\$4,287,332

# Expenses by Object



	2016	2017	2018	2019	2020
Salaries, Wages & Employee Benefits	\$1,402,953	\$1,519,685	\$1,605,894	\$1,656,280	\$1,545,438
Operating Materials & Supplies	\$565,753	\$640,129	\$637,291	\$663,998	\$573,129
Contracted Services	\$413,209	\$393,917	\$415,582	\$541,797	\$342,240
Administrative Services & Supplies	\$375,690	\$398,286	\$438,966	\$490,148	\$472,460
Utilities	\$177,435	\$210,124	\$192,575	\$203,715	\$188,939
Rentals & Contractual Obligations	\$97,362	\$93,824	\$93,188	\$85,963	\$91,295
Non-Capital Items Expensed	-	-	-	-	\$4,619
Debt Financing	\$25,610	\$23,638	\$25,456	\$21,899	\$15,581
Amortization	\$852,502	\$899,421	\$965,112	\$984,985	\$1,053,631
	\$3,910,514	\$4,179,024	\$4,374,064	\$4,648,785	\$4,287,332

## Assessed Values

	2016	2017	2018	2019	2020
Residential (Class 1)	\$320,301,375	\$396,052,196	\$495,974,100	\$589,676,900	\$589,035,900
Business (Class 6)	\$58,847,211	\$67,017,223	\$71,206,624	\$78,924,043	\$88,024,598
Recreation/Non-Profit (Class 8)	\$6,837,600	\$7,898,500	\$9,218,900	\$10,770,200	\$11,774,700
	<b>\$385,986,186</b>	<b>\$470,967,919</b>	<b>\$576,399,624</b>	<b>\$679,371,143</b>	<b>\$688,835,198</b>

These totals are Land & Improvements combined.

## Municipal Property Taxes

	2016	2017	2018	2019	2020
Residential (Class 1)	\$1,107,945	\$1,219,829	\$1,345,575	\$1,450,193	\$1,523,908
Business (Class 6)	\$712,151	\$656,319	\$614,322	\$617,232	\$691,792
Recreation/Non-Profit (Class 8)	\$112,361	\$101,444	\$104,295	\$110,451	\$107,042
	<b>\$1,932,456</b>	<b>\$1,977,592</b>	<b>\$2,064,192</b>	<b>\$2,177,876</b>	<b>\$2,322,742</b>

## Debt

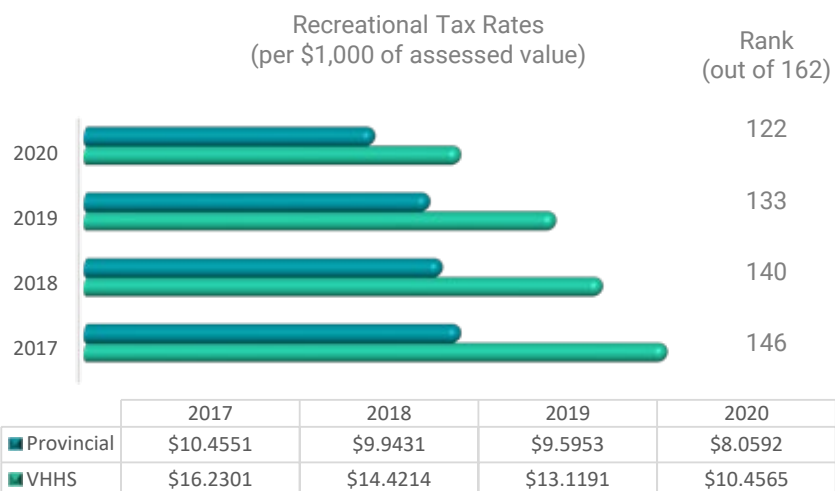
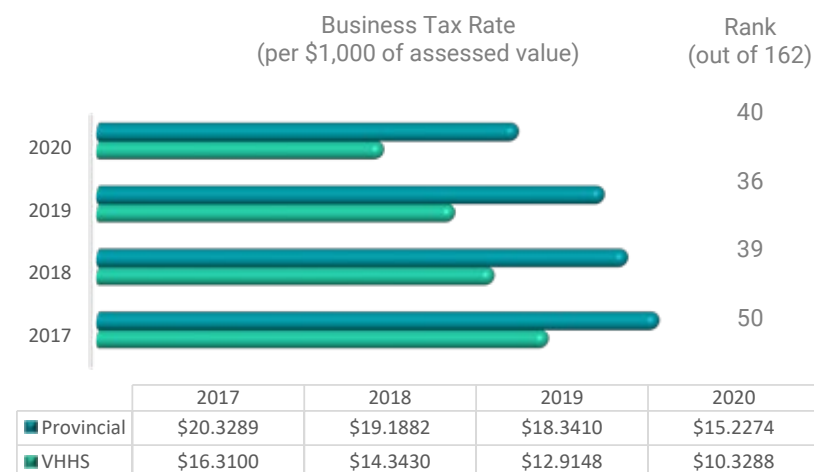
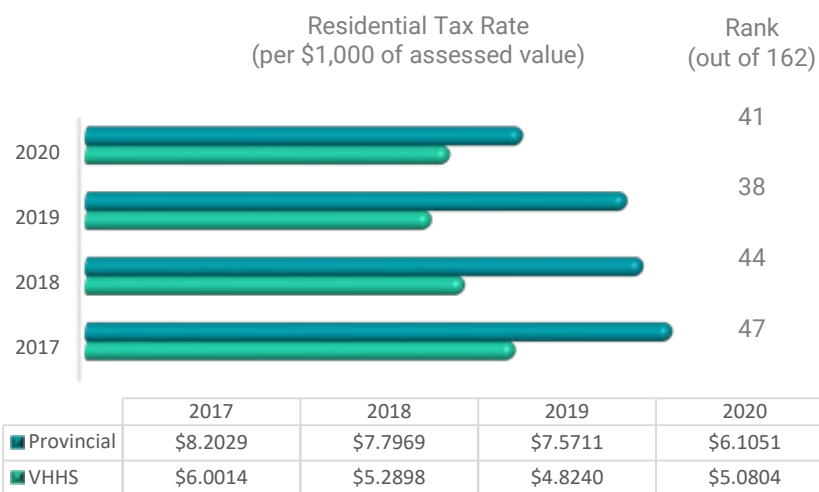
	2016	2017	2018	2019	2020
General		\$536,721	\$503,412	\$468,936	\$433,254
Water	\$440,000	\$330,000	\$220,000	\$110,000	-
Sewer	-	-	-	-	-
Liabilities Under Agreement	\$106,046	\$189,524	\$148,883	\$68,110	\$46,051
<b>Total Debt</b>	<b>\$1,114,951</b>	<b>\$1,056,245</b>	<b>\$872,295</b>	<b>\$647,046</b>	<b>\$479,305</b>

	2016	2017	2018	2019	2020
Population Estimates (BC Stats 2011 and 2016 survey)	1468	1468	1468	1468	1468
<b>Debt per Capita</b>	<b>\$759.50</b>	<b>\$719.51</b>	<b>\$594.21</b>	<b>\$440.77</b>	<b>\$326.50</b>

	2016	2017	2018	2019	2020
Principal	-	\$167,614	\$183,950	\$225,249	\$167,740
Interest	\$25,609	\$23,638	\$25,456	\$21,899	\$15,580
<b>Debt Servicing Costs</b>	<b>\$199,871</b>	<b>\$191,252</b>	<b>\$209,406</b>	<b>\$247,148</b>	<b>\$183,320</b>

	2016	2017	2018	2019	2020
<b>Liability Servicing Limit</b>	<b>\$1,099,511</b>	<b>\$930,155</b>	<b>\$978,731</b>	<b>\$950,521</b>	<b>\$1,055,991</b>

# Tax Rates

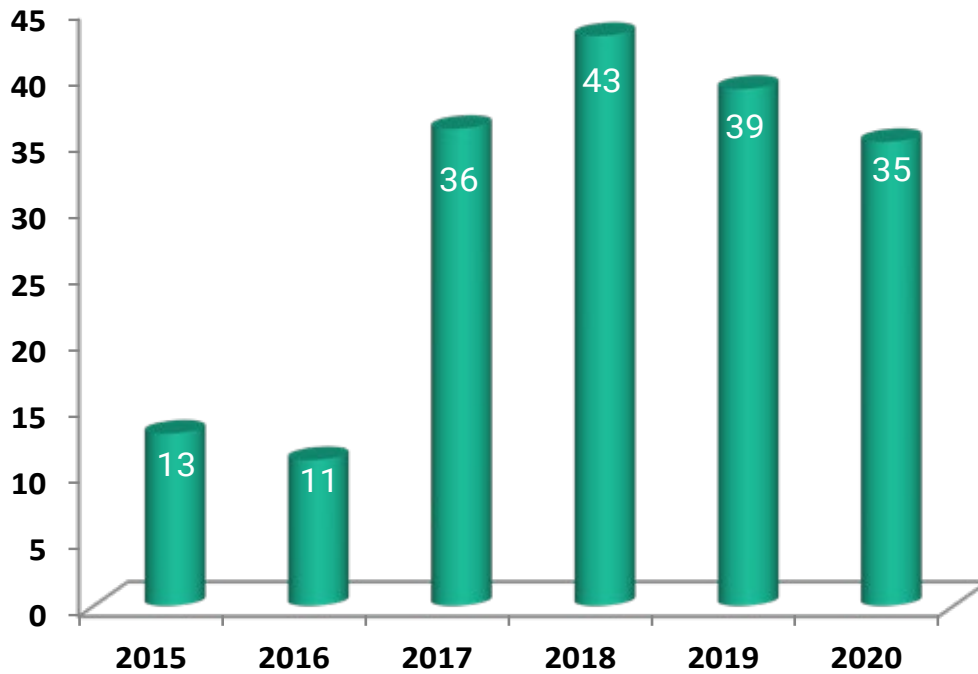


Average tax rates for all purposes includes:  
Municipal, Regional District, Hospital District, School and Other

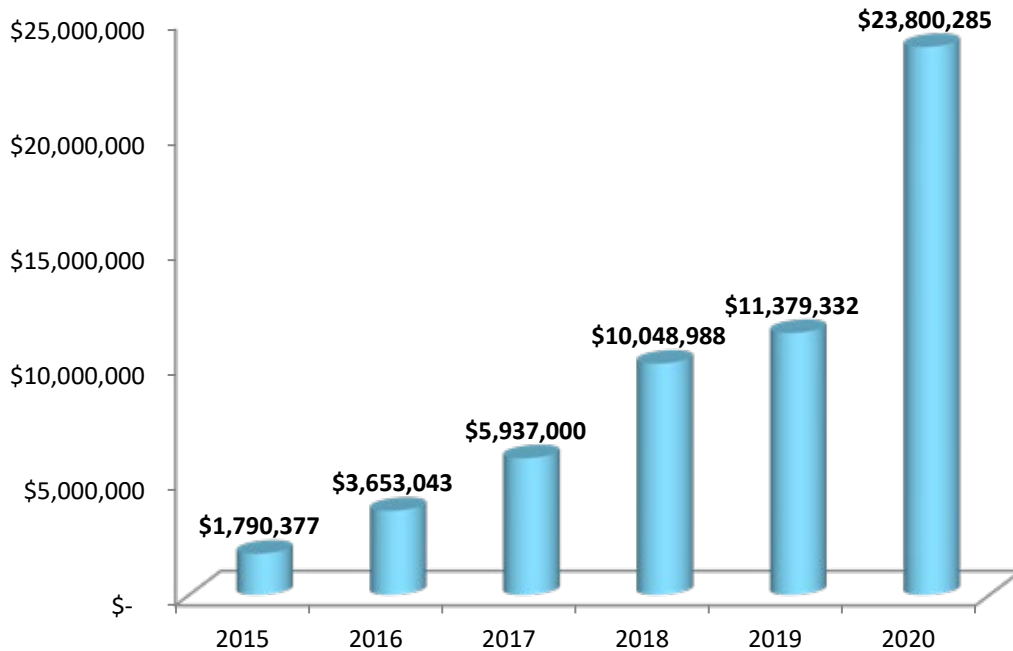
*Municipalities  
in BC are  
ranked from  
lowest  
tax rate (1)  
to highest  
tax rate (162).*



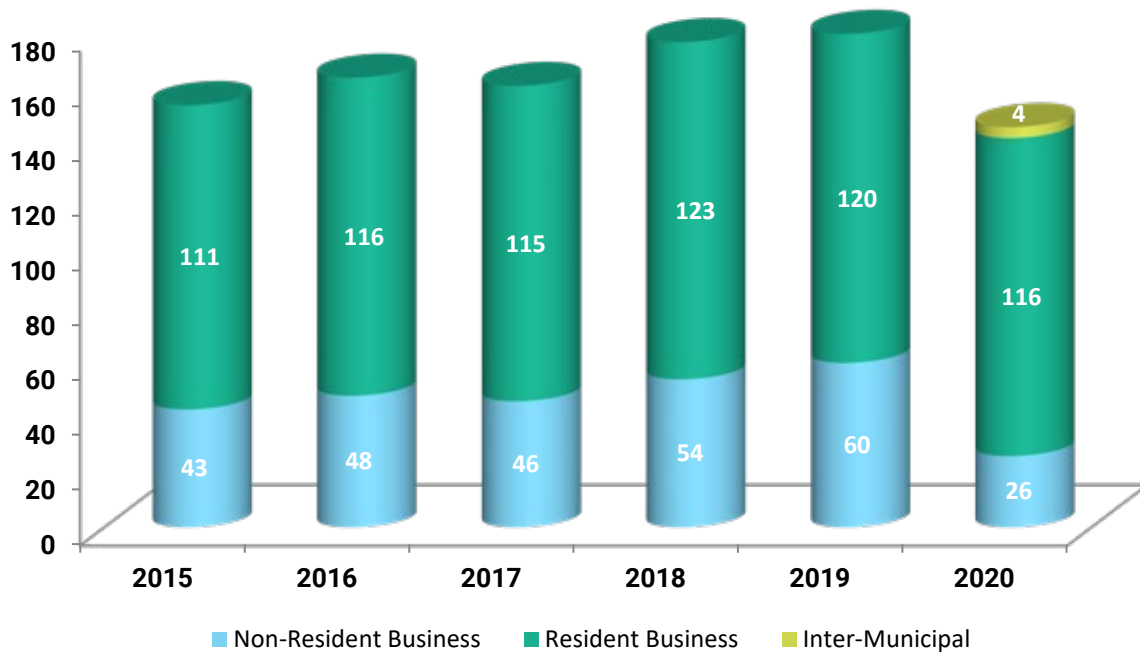
## Building Permits Issued



## Value of Building Permits Issued



# Business Licenses Issued



In 2020 the Village of Harrison Hot Springs joined the Fraser Valley Inter-Municipal business licence program (IMBL). Twenty six (26) non-resident businesses were no longer required to purchase licenses from the Village as they were existing participants in the IMBL program. The Village shares in revenue from the Fraser Valley IMBL program.





# HARRISON HOT SPRINGS

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*Naturally Refreshed*