



**HARRISON HOT SPRINGS**

*Naturally Refreshed*



*Photo Credit: Tourism Harrison River Valley*

## **VILLAGE OF HARRISON HOT SPRINGS**

*British Columbia, Canada*

# **ANNUAL REPORT 2025**

*For the fiscal year ended December 31, 2025*

## TRADITIONAL TERRITORY

The Village of Harrison Hot Springs is located on the traditional territory of Sts'ailes

## MUNICIPALITY

Village of Harrison Hot Springs

## ANNUAL REPORT

For the fiscal year ended  
December 31, 2025

## PREPARED BY

The Village Municipal Staff

## LOCATION

Harrison Hot Springs  
British Columbia, Canada

## CONTACT

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Photo Credit: Lifty Life Vacation Rentals

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# Mayor's Message



The 2025 Annual Report shows a year of steady progress and investment in Harrison Hot Springs.

The principle of responsible and sustainable development can be seen in land use bylaws that were adopted and infrastructure master plans that will inform future decisions and will allow the Village to continue delivering high quality municipal services. Supporting the health and well-being of our residents remained a key priority, demonstrated by the opening of the Village Health Centre, expanding access to primary care services in our Village.

As a Resort Municipality with tourism as its economic base, several Resort Municipality Infrastructure projects were advanced including renovations to the boat launch building and enhancements along the lagoon walkway. Working together with our community partners, we developed a new Resort Development Strategy for 2025 - 2027 that includes new infrastructure projects that will further enhance the Village's appeal as a premier destination to visit.

A Parks and Trails Master Plan was adopted and Committee initiatives like Community Planting Day, Hazardous Waste Collection Day, and Earth Day activities demonstrate the Village's commitment to protecting the environment and being good stewards of the Village's natural resources.

We remain committed to accessibility and inclusivity as we strive to make Harrison Hot Springs a healthy, welcoming community for all. Facility upgrades, along with continued work on our Accessibility Plan and I.D.E.A. Building Belonging Framework, position us to build on this progress in 2026.

These accomplishments are made possible through the hard work and dedication of residents who volunteer their time, knowledge and expertise on Village Committees and Commissions, Village staff, our community partners, and residents working together to make the Village the vibrant, welcoming, community it is. On behalf of Council, I would like to thank all residents who take the time to engage with us—whether by sending an email, submitting an online concern, completing a survey, attending a meeting, or simply giving us a call. I hope you enjoy our 2025 Annual Report and I look forward to what 2026 will bring for our community.

A handwritten signature in black ink, appearing to be 'Fred Talen'.

Mayor Fred Talen

# Village Council

Harrison Hot Springs Village Council consists of the Mayor and four Councillors, all of whom are elected village-wide and serve until October 2026. 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.

Council decisions are informed by staff reports, community input and legislative requirements, ensuring that policies reflect both the needs of residents and the long-term vision for the Village. Through these measures, Council remains committed to open communication, responsible leadership, and fostering a vibrant and sustainable community.





# Mayor Fred Talen

## Council Appointments

Age-Friendly Committee

Harrison-Agassiz Chamber of Commerce

Lets'emot Community to Community Forum



# Councillor Leo Facio

## Council Appointments

Accessibility Committee

Fraser Valley Regional District Board (Municipal Director)

Fraser Valley Regional Hospital Board (Municipal Director)

Fraser Valley Regional Library Board (Alternate Municipal Director)



# Councillor Allan Jackson

## Council Appointments

Communities in Bloom Committee

Fraser Valley Regional Library Board (Municipal Director)

Fraser Valley Regional Hospital Board (Alternate Municipal Director)

Municipal Insurance Association Voting Delegate

Tourism Harrison River Valley Liaison



# Councillor Mark Schweinbenz

## Council Appointments

- Agassiz Harrison Historical Society
- Agassiz-Harrison Food Coalition
- Community Futures North Fraser Board of Directors
- Environmental Advisory Committee



# Councillor Michie Vidal

## Council Appointments

- Agassiz-Harrison Healthy Communities
- Kent Harrison Joint Emergency Program Committee
- Lets'emot Community to Community Forum (Alternate)
- Mountain Institution Citizen's Advisory Committee
- Municipal insurance Association Voting Delegate (Alternate)



# Letter of Transmittal

May 11, 2026

To the Mayor and Council,

I am pleased to submit the 2025 Annual Report for the Village of Harrison Hot Springs (the Village). This report presents the financial results for the year ended December 31, 2025, in accordance with the Community Charter and Local Government Act. It includes the Audit Report from BDO Canada LLP, the Village's Financial Statements, and supplementary information. In 2025, the Village received the Canadian Award for Financial Reporting (CANFR) from the Government Finance Officers Association for its 2024 Annual Report—an achievement recognizing excellence in governmental accounting and reporting. Staff are proud of this accomplishment and remain committed to providing transparent and accountable financial information to the public.

The financial statements of the Village are the responsibility of management and have been prepared in accordance with Canadian Public Sector Accounting Standards. In management's opinion, they have been properly prepared in line with the stated accounting policies and include all information available as of the audit date within reasonable materiality limits. The financial statements have 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.

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 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.

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.
2. **Financial Section:** Presents the 2025 financial statements, notes, supplementary schedules and the independent Auditors' Report for the Village.
3. **Statistical Section:** Presents a variety of statistical and financial information.

## 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 on page 32 of this report.

## 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 2025 there was an increase to tangible capital assets in the amount of approximately \$3.1M, which was primarily attributed to the beach lagoon redevelopment, McCombs bridge north abutment upgrades, Spring Park washroom addition as well as the water intake generator project.

Development Cost Charges (DCC's) are contributions collected from developers to pay for growth in infrastructure and to support new development for sewer, water, drainage, and parks in the future. In 2025 there were no contributions to the DCC's, and \$1.3M was expended.

Long-term debt and liabilities under agreement were reduced overall by \$42,380 in 2025. The Village currently only has one debt item which is related to the Flood Pump.

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. In 2025, there was a total increase to the equity in TCA of \$3.14M and the Village's total equity in TCA ended the year at \$42,933,395.

## Statement of Operations:

### Revenues

Revenues in 2025 were increased by approximately \$1.1M versus 2024. This was primarily a result of increased property tax and utility revenues, increased use of Development Cost Charges, and increased grant revenue recognized. Total revenues were under budget by about \$7.4M, however this was related to two large grant funded projects (Dike improvements and Hot Springs Road drainage upgrades). These projects are multi-year projects and were still in either design stages or early construction stages in 2025. Grant revenues will be recognized as the projects progress in the associated year.

### Expenses

Expenses include operational items and capital expenditures that do not meet the requirement for capitalization and amortization. During 2025, there were cost pressures associated to inflation which affected most areas that the Village does business, including construction supplies and general goods and services. These costs were mitigated as much as possible, and total costs still remained under budget.

### Reserves

Reserve funds provide a mechanism to set aside funds to:

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

All of these funds are intended to accomplish two goals:

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

Additions to reserves consist of transfers from operations and interest earnings on those reserve funds.

## **Financial Planning Process**

The Community Charter sections 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 17, 2025, Council adopted the 2025-2029 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 continues to build on its reputation as a vibrant and desirable resort community, offering both meaningful opportunities and important responsibilities for the future. Steady population growth in recent years reflects the Village’s ongoing appeal as a place to live, work, visit, and invest. In addition to permanent residents, the Village continues to welcome a significant number of non-resident property owners and seasonal visitors. While this contributes positively to the local economy and community energy, it also places added demand on municipal infrastructure and services. As the community evolves, the Village remains focused on adapting to these changes by strengthening service delivery and planning for sustainable growth.

Maintaining strong financial stewardship continues to be a central priority. The Village remains committed to prudent fiscal management while actively pursuing external funding opportunities to support key initiatives. Grant funding remains essential, particularly given the limited capacity of the local tax base—where a 1% tax increase generates just over \$25,000. Programs such as the Resort Municipality Initiative (RMI), the Community Works Fund, and other provincial and federal funding streams play a critical role in advancing infrastructure upgrades, enhancing public spaces, and maintaining the Village’s parks and beachfront amenities. These investments contribute significantly to both resident quality of life and visitor experience.

The maintenance and renewal of critical infrastructure remain a key priority. The Village is currently updating its core infrastructure master plans, including water, sewer, stormwater, and treatment plants. Once completed, these plans will inform updates to the Village’s Asset Management Plan, supporting long-term financial planning for the replacement and renewal of infrastructure.

Looking ahead, the Village is well-positioned to build on its strengths while addressing emerging challenges. Through continued collaboration between Council, staff, and the community, the Village will remain focused on delivering responsible governance, maintaining financial sustainability, and enhancing the overall livability of Harrison Hot Springs.

In closing, I would like to express sincere appreciation to Council, staff, residents, and community partners for their ongoing commitment and contributions. Together, we will continue to support a thriving, welcoming, and sustainable community for years to come.

Respectfully Submitted,



Scott Schultz  
Chief Financial Officer



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, 2024**

*Christopher P. Morill*

Executive Director/CEO

# CAO's Message

On behalf of Village staff, I am pleased to reflect on the progress made throughout the past year. It has been a year marked by steady advancement, collaboration, and a shared focus on strengthening our community while preserving the unique character that makes Harrison Hot Springs such a special place.

Village Council continued to demonstrate strong, thoughtful leadership by advancing key strategic priorities that support both the day to day needs and long term vision of the community. Notable accomplishments over the past year include progress on priority infrastructure projects to rehabilitate roads, sidewalks, and utilities; continued investment in parks, trails, and public spaces; and prudent financial stewardship that maintained a balanced approach to service delivery while planning responsibly for the future.



Council and staff also worked collaboratively to enhance community safety and environmental sustainability. This included updates to emergency preparedness planning, improvements to bylaws and regulatory processes, and ongoing efforts to protect and responsibly manage our natural assets, including the Harrison Lake waterfront, Miami River and surrounding greenspaces. Supporting a vibrant local economy and a welcoming visitor experience remained a key focus. Over the past year, the Village continued to strengthen partnerships with local businesses and community organizations, improving public amenities, and support events and initiatives that showcase Harrison Hot Springs as a premier destination to live, visit, and play.

None of these achievements would be possible without the dedication, professionalism, and pride shown by our Village staff. Across all departments, staff consistently delivered high quality services, responded to emerging challenges, and found innovative ways to improve efficiency while maintaining a strong focus on customer service. Their commitment to excellence is evident in everything they do, from the Fire Department keeping us safe, Utilities maintaining infrastructure and Public Works Department beautifying public spaces to Community Services supporting grants and community programs, Communications keeping us informed and Corporate Services ensuring effective governance.

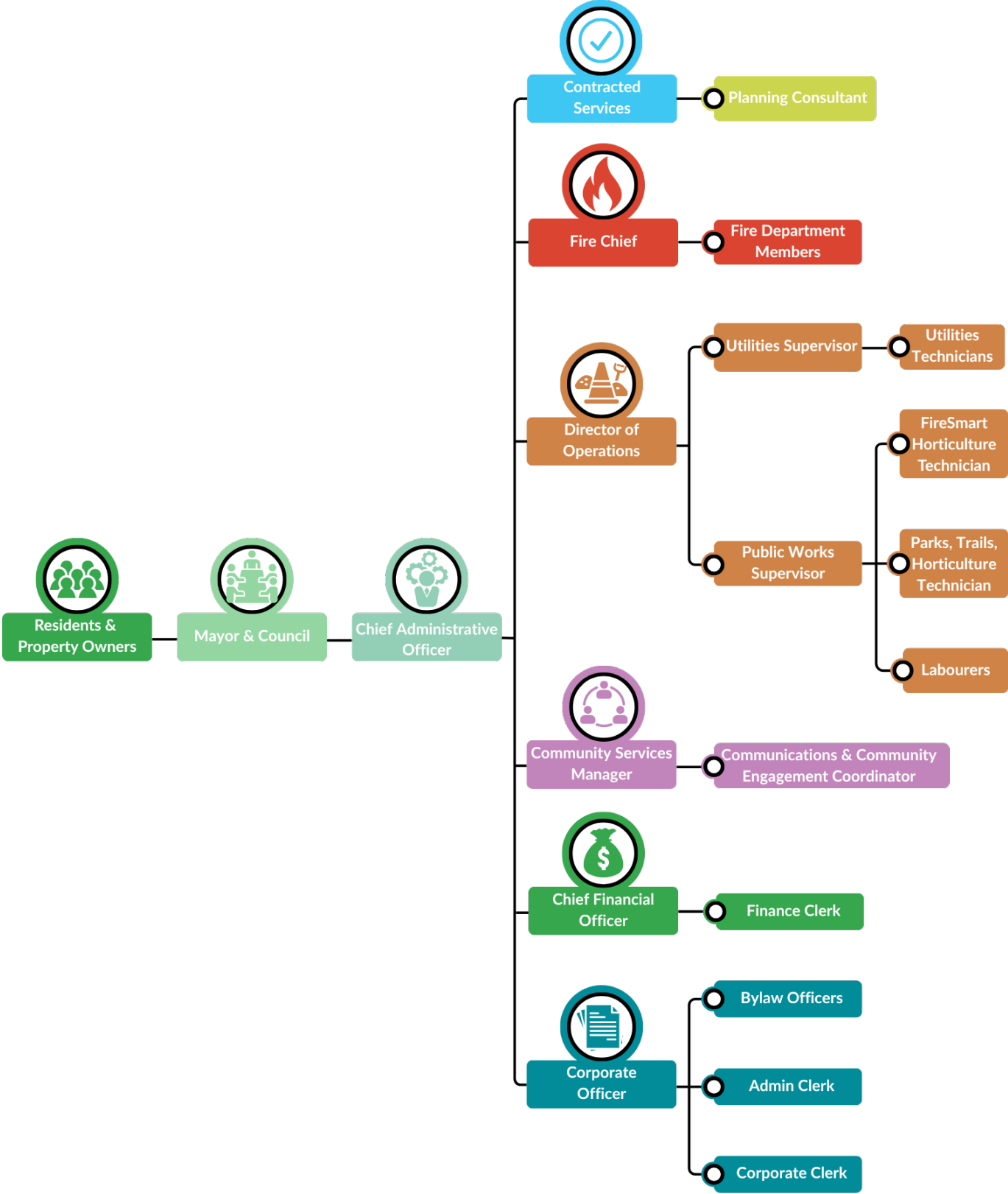
Equally important is the role of our residents. The feedback, participation, and engagement of community members continue to shape the Village's direction and improve the decisions we make together. This partnership between Council, staff, and residents is a cornerstone of our success.

As we look ahead, the Village remains committed to thoughtful growth, transparency, and continuous improvement. On behalf of Council and staff, thank you for your trust and support. It is an honour to serve the residents of Harrison Hot Springs and to contribute to making our Village an exceptional place for today and for generations to come.

A handwritten signature in black ink, appearing to read 'TK', written over a white background.

**Tyson Koch**  
Chief Administrative Officer

# Organizational Chart



# Departments



## Corporate & Administrative Services

### Corporate & Administrative Services

Corporate Services is responsible for the preparation, preservation, disposition and access to records of the official business of the Village including bylaws, meeting agendas and minutes, and policies. It provides administrative support to all other departments and is also responsible for managing information and privacy, and conducting elections, alternative approval processes 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. Dog control and licencing services are provided to the Village by the Fraser Valley Regional District.



## Planning & Development Services

### Planning & Development Services

Planning & Development Services is responsible for developing a wide range of land use plans and strategies and for processing applications for land use and development. The department 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.



## Financial Services & Human Resources

### Human Resources

Human Resources (HR) serves as a strategic partner in the attraction, development, and retention of the Village's workforce ; building a high performing, diverse and inclusive culture. Some specific responsibilities of the HR department include recruitment, employee relations, training and development, and health and safety. Human Resources focuses on employee well-being and growth, contributing to the overall success and resilience of the organization.

### 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 & maintaining a high level of client service for municipal payments and inquiries.



## Community Services

### Community Services & Communication

Community Services is focused on creating positive relationships with the people and organizations that make up the community. The department manages the Resort Municipality Initiative (RMI), supports community events, and promotes effective communications and engagement throughout the Village. Community Services also administers curbside waste collection, pay parking, environmental initiatives, and oversees the FireSmart program. They seek out and apply for grant opportunities to increase and enhance services available in the community.





## 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 inspections. 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.

In 2025, the Village continued to outfit its Structure Protection Unit (SPU) trailer with the support of provincial grant funding. This SPU trailer, in combination with training courses, will support the Fire Department's ability to respond to interface fires.

### Emergency Preparedness

The Kent Harrison Joint Emergency Program Committee oversees the Village's all-hazards Emergency Response and Recovery Plan. This plan guides the operations, 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. The KHJEP Coordinator facilitates updates to the emergency plan, training for Emergency Support Services (ESS) volunteers, and supports Village staff in pursuing training opportunities for Emergency Management.



## Public Works & Utilities 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 potable water supply, treatment and distribution system. This critical infrastructure meets or exceeds legislated health and safety requirements and provides high-quality potable water. Utility Services also operates and maintains the sanitary sewer system including a level four secondary waste water treatment facility.



# Committees & Commissions

The Village currently has the following committees:



The Accessibility Committee is established under the Accessible British Columbia Act to assist the Village in identifying barriers to accessibility and make recommendations as to how to remove and prevent those barriers. Councillor Facio is the Council liaison for this Committee.



The Advisory Planning Commission is an advisory body that considers and reports on all matters referred to it by the Council with respect to land use, community planning or proposed bylaws. The Commission reserves the first Wednesday of every month at 7:00 pm for meetings but meets on an as-needed basis.





**Age-Friendly  
Committee**

The Age-Friendly Committee typically meets on the third Thursday of every month at 2:00 pm. Topics of discussion include the implementation of age-friendly programming within the parameters of associated grant funding. Mayor Talen is the Council liaison for this Committee.



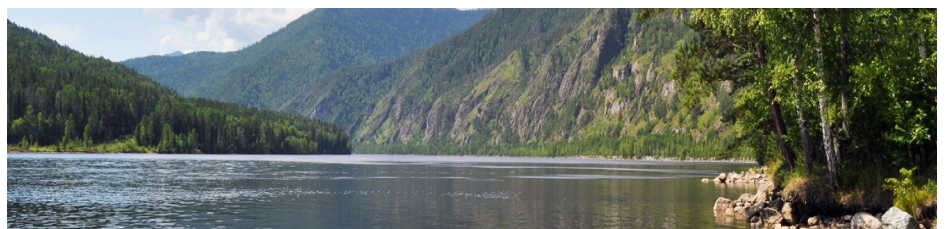
**Communities  
In Bloom  
Committee**

The goal of Communities in Bloom is to enhance the quality of life and the environment through people and plants to create community pride. This Committee's mandate is to foster community involvement in enhancement of green spaces, heritage conservation, tree management, and landscape, plant and floral displays. Councillor Jackson is the Council liaison for this Committee. Communities in Bloom is a national organization.



**Environmental  
Advisory  
Committee**

The Environmental Advisory Committee is advisory to Council on a wide range of topics focused on enhancing and protecting the environment. From waste management practices and human-wildlife interactions, to hosting opportunities for hazardous waste collection or celebrating Earth Day in May, this Committee's mandate helps the Village protect its renowned natural environment. Councillor Schweinbenz is the Council liaison for this Committee.



# Strategic Plan

## VISION

A residential and resort community on the traditional territory of Sts'ailes that provides an exceptional quality of life for residents and an outstanding experience for all visitors.

## MISSION

The Village of Harrison Hot Springs will provide good governance to its residents, businesses and visitors through partnerships and the provision of effective and community focused services.

## VALUES



**RESPECT**



**COMMUNICATION**



**INTEGRITY**



**ACCOUNTABILITY**



**POSITIVITY**



**COLLABORATION**

# Strategic Priorities



**Sustainable  
Development**



**Healthy  
Livable  
Community**



**Environmental  
Protection**



**Infrastructure  
Development**



**Public  
Safety**

In early 2025, Council reviewed the 2023 Strategic Plan and produced an updated 2025-2026 Strategic Plan. Updates to the plan include revised vision and mission statements, a new strategic priority titled “Infrastructure Development” and changes to the priority actions across all categories. The core values that guide the work of Council and staff remain the same: respect, integrity, positivity, communication, accountability and collaboration. With these guiding principles in mind, the Village continues to work toward achieving its strategic priorities.



## SUSTAINABLE DEVELOPMENT

To maintain Harrison Hot Springs as a place we call home.

### 2025 HIGHLIGHTS

- Adopted the Village Lands Master Plan and explored partnerships and grant funding for seniors and mixed-income housing.
- Updated land use and development regulatory documents including Development Approval Information Bylaw No. 1210, Development Procedures Bylaw No. 1215, Advisory Planning Commission Bylaw No. 1219, and updates to the OCP and Zoning Bylaws to comply with both the FVRD’s Regional Growth Strategy and provincial housing legislation.

### 2026 GOALS

- Continue to work toward a long-term asset management plan informed by recently adopted infrastructure master plans.
- Develop Amenity Cost Charges Framework and Bylaw.
- Update Development Cost Charges Bylaw.



## HEALTHY LIVABLE COMMUNITY

To promote and enhance a healthy lifestyle for all ages.

### 2025 HIGHLIGHTS

- Adopted the Parks & Trails Master Plan.
- Completed renovations at the Village Health Centre and partnered with Fraser Health to allow for enhanced access to primary care.
- Supported Committee initiatives including chair yoga at Memorial Hall, community planting day, intergenerational art project at the Community Garden, and enhanced accessibility features at municipal facilities.

### 2026 GOALS

- Expand access and use of Village Health Centre.
- Implement Committee Work Plans by supporting events, actioning items in the Accessibility Plan and continuing to provide opportunities for recreational programming and community connectedness.
- Explore a shared vision for the future of education and community spaces.
- Adopt I.D.E.A. Building Belonging Framework and action the recommendations.



## ENVIRONMENTAL PROTECTION

To restore and protect the environment for future generations.

### 2025 HIGHLIGHTS

- The Environmental Advisory Committee held 9 meetings and hosted an Earth Day in May event and Hazardous Waste Collection Day.
- Updated Waste Collection and Disposal Bylaw No. 1172 to strengthen waste management practices and partnered with WildSafeBC to increase enforcement and awareness on human-wildlife interactions.
- Acquired another electric vehicle for Public Works supported by grant funding
- Installed a water bottle filling station at Spring Park.

### 2026 GOALS

- Phase in wildlife resistant bins to replace regular public garbage cans in priority locations.
- Establish Wildlife Attractant Management bylaw.
- Develop a Goose Management Plan.
- Incorporate climate resilient features in the final Lillooet Avenue West Streetscape enhancement project, including plantings and rain gardens.



# INFRASTRUCTURE DEVELOPMENT

To provide for the needs of a growing community.

## 2025 HIGHLIGHTS

- Finalized and adopted the Water, Sanitary Sewer and Storm Sewer master plans, and the Lillooet Avenue West streetscape plan.
- Advanced the Water Treatment and Waste Water Treatment Plant master plans to peer review phase.
- Complete abutment improvements on McCombs Bridge North.
- Began work on McCombs Drive Drainage Improvements project.

## 2026 GOALS

- Finalize and adopt Water Treatment and Waste Water Treatment Plant master plans.
- Complete construction on Lillooet Avenue West streetscape enhancement project.
- Develop short, medium and long term action plan based on priority recommendations and funding availability.
- Complete McCombs Drive Drainage Improvements project.



# PUBLIC SAFETY

To ensure and enhance public safety.

## 2025 HIGHLIGHTS

- Started work on Community Evac Planning with the support of a consultant.
- Completed fuel management work in Spirit Trail.
- Participated in regional FireSmart Committee and tabletop Emergency Operations Centre exercise.
- Implemented several CWRP recommendations including FireSmart mitigation work at the Village Office & Fire Hall.
- Continued to engage the public and advance the Waterfront Dike Upgrade project.

## 2026 GOALS

- Continue to offer FireSmart Home Assessments and participate on the regional FireSmart Committee.
- Finalize toolkits for evacuation planning and create a public facing evacuation guide.
- Upgrade electrical at Memorial Hall to include a generator transfer switch to support emergency reception centre needs.
- Increase resident awareness of personal preparedness and Alertable app through various engagement activities.

# Financial Section

## Five-Year Financial Plan 2025-2029

Revenues	2025	2026	2027	2028	2029
Property Taxes - Municipal	\$3,056,885	\$3,161,393	\$3,233,987	\$3,308,280	\$3,376,597
Collections - Other Governments & Agencies	\$2,371,870	\$2,419,312	\$2,467,703	\$2,517,057	\$2,517,057
Penalties & Interest - Taxes	-	-	-	-	-
Utility Co. 1% Revenue Taxes	\$45,720	\$46,540	\$47,471	\$48,420	\$49,389
Payments in lieu of Taxes	\$8,250	\$8,415	\$8,583	\$8,755	\$8,930
<b>Total Taxes Collected</b>	<b>\$5,482,725</b>	<b>\$5,635,660</b>	<b>\$5,757,744</b>	<b>\$5,882,512</b>	<b>\$5,951,973</b>
Remittances - Other Governments & Agencies	\$(2,371,870)	\$(2,419,312)	\$(2,467,703)	\$(2,517,057)	\$(2,517,057)
<b>Net Taxes for Municipal Purposes</b>	<b>\$3,110,855</b>	<b>\$3,216,348</b>	<b>\$3,290,041</b>	<b>\$3,365,455</b>	<b>\$3,434,916</b>
Revenue from Own Sources	\$2,600,732	\$2,638,781	\$2,681,424	\$2,725,081	\$2,778,924
Grants & Donations	\$10,210,975	\$575,736	\$575,736	\$575,736	\$575,736
DCC	\$1,789,530	-	-	-	-
Contributed Assets	-	-	-	-	-
<b>Total Revenue</b>	<b>\$17,712,092</b>	<b>\$6,430,865</b>	<b>\$6,547,201</b>	<b>\$6,666,272</b>	<b>\$6,789,576</b>
<b>Expenses</b>					
Legislative	\$247,826	\$232,681	\$236,630	\$240,762	\$245,378
General Government	\$1,588,059	\$1,475,929	\$1,498,829	\$1,521,299	\$1,551,329
Protective Services	\$441,236	\$428,090	\$435,427	\$442,957	\$450,964
Development Planning	\$255,474	\$127,657	\$130,210	\$132,814	\$135,471
Tourism and Community Improvement	\$530,400	\$403,320	\$409,054	\$414,974	\$421,013
Engineering, Transportation, Storm Water	\$957,068	\$943,947	\$956,273	\$968,558	\$987,928
Solid Waste	\$259,640	\$264,333	\$269,120	\$274,503	\$279,993
Parks, Recreation & Cultural Services	\$766,619	\$738,321	\$747,989	\$757,665	\$771,677
Wastewater Utility	\$1,358,447	\$1,061,973	\$1,079,137	\$1,097,372	\$1,119,321
Water Utility	\$818,896	\$637,556	\$646,590	\$656,123	\$669,245
Debt - Interest	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200
<b>Total Expenditures</b>	<b>\$7,236,865</b>	<b>\$6,327,007</b>	<b>\$6,422,459</b>	<b>\$6,520,226</b>	<b>\$6,645,519</b>
<b>Surplus (Deficit)</b>	<b>\$10,475,227</b>	<b>\$103,858</b>	<b>\$124,742</b>	<b>\$146,046</b>	<b>\$144,057</b>
<b>Capital, Debt, Reserves, Transfers &amp; Borrowing</b>					
Capital Expenditures	\$(12,147,545)	\$(113,040)	\$(115,120)	\$(117,242)	\$(119,407)
Repayment on Debt	\$(31,100)	\$(31,100)	\$(31,100)	\$(31,100)	\$(31,100)
Proceeds of Debt	-	-	-	-	-
Contributions to Reserves	\$(1,238,282)	\$(1,258,758)	\$(1,279,643)	\$(1,300,947)	\$(1,322,678)
Transfers From Reserves	\$1,440,940	\$113,040	\$115,121	\$117,243	\$119,408
Appropriation from Surplus	\$314,760	-	-	-	-
Equity in Tangible Capital Assets	\$1,186,000	\$1,186,000	\$1,186,000	\$1,186,000	\$1,209,720
<b>Total Capital</b>	<b>\$(10,475,227)</b>	<b>\$(103,858)</b>	<b>\$(124,742)</b>	<b>\$(146,046)</b>	<b>\$(144,057)</b>
<b>Surplus (Deficit) Plus Capital, Debt</b>	<b>- 0</b>	<b>- 0</b>	<b>- 0</b>	<b>- 0</b>	<b>- 0</b>

## Management's Responsibility for Financial Reporting

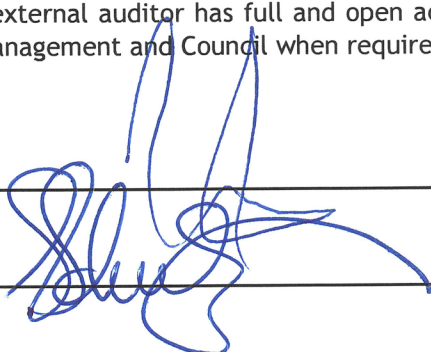
### Statement of Management's Responsibility

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 judgment. 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.

  
\_\_\_\_\_  
Chief Administrative Officer

\_\_\_\_\_  
Chief Financial Officer

April 21, 2026



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BDO Canada LLP  
Unit 1100 Royal Centre  
1055 West Georgia Street, P.O. Box 11101  
Vancouver, British Columbia  
V6E 3P3

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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 the Village of Harrison Hot Springs (the "Village") which comprise the Statement of Financial Position as at December 31, 2025 and the Statements 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 financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2025 and its results of operations, changes in net financial assets, and 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 this 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 'Schedule 3 - Schedule for Growing Communities Fund' that is included in 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 the 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 22, 2026

**Village of Harrison Hot Springs  
Statement of Financial Position**

December 31	2025	2024
<b>Financial Assets</b>		
Cash (Note 1)	\$ 22,609,625	\$ 24,703,264
Accounts Receivable (Note 2)	1,379,814	1,006,952
MFA Deposits (Note 3)	7,815	7,588
	<b>23,997,254</b>	<b>25,717,804</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 4)	305,664	433,900
Employee Future Benefits (Note 5)	122,487	105,488
Developers' Deposits and Other Liabilities (Note 6)	194,902	384,185
Deferred Revenue (Note 7)	3,702,081	4,168,258
Development Cost Charges (Note 8)	3,982,111	5,117,054
Long-term Debt (Note 9)	235,212	277,592
Asset Retirement Obligation (Note 10)	21,347	20,564
	<b>8,563,804</b>	<b>10,507,041</b>
<b>Net Financial Assets</b>	<b>15,433,450</b>	<b>15,210,763</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11, Schedule 2)	43,230,486	40,134,644
Prepaid Expenses	90,186	70,555
	<b>43,320,672</b>	<b>40,205,199</b>
<b>Accumulated surplus (Note 13)</b>	<b>\$ 58,754,122</b>	<b>\$ 55,415,962</b>



\_\_\_\_\_  
Chief Administrative Officer

\_\_\_\_\_  
Mayor

## Village of Harrison Hot Springs Statement of Operations

For year ended December 31	2025 Budget (Note 18)	2025	2024
<b>Revenue</b>			
Property Taxes (Note 14)	\$ 3,110,855	\$ 3,110,147	\$ 2,909,443
Sale of Services (Note 15)	1,939,546	1,996,668	1,805,210
Utility Service Fees (Note 16)	543,718	540,658	536,805
Government Transfers (Note 17)	10,185,977	2,566,413	2,180,824
Investment Income	66,218	558,095	822,108
Penalties and Interest	-	72,705	100,281
Development Cost Charges (Note 8)	1,789,531	1,301,738	634,672
Other Revenue	51,249	102,584	164,025
	<u>17,687,094</u>	<u>10,249,008</u>	<u>9,153,368</u>
<b>Expenses (Note 19)</b>			
Legislative Services	247,826	195,948	159,321
General Government	1,594,884	1,677,074	1,839,711
Protective Services	436,659	411,438	351,742
Public Works	472,159	457,487	461,082
Transportation Services	466,067	450,408	406,449
Public Health	6,337	634	7,532
Planning and Development	255,474	170,581	139,149
Tourism, Community and Economic Development	530,400	473,399	314,751
Solid Waste Management and Recycling	259,640	260,021	242,257
Beaches, Parks, Recreation and Culture	815,901	725,372	706,247
Sewer Services	1,380,969	1,380,119	1,020,756
Water Services	842,482	708,367	701,633
	<u>7,308,798</u>	<u>6,910,848</u>	<u>6,350,630</u>
<b>Annual surplus</b>	<b>10,378,296</b>	<b>3,338,160</b>	<b>2,802,738</b>
<b>Accumulated surplus, beginning of year</b>	<b>55,415,962</b>	<b>55,415,962</b>	<b>52,613,224</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 65,794,258</b>	<b>\$ 58,754,122</b>	<b>\$ 55,415,962</b>

**Village of Harrison Hot Springs  
Statement of Changes in Net Financial Assets**

<b>For year ended December 31</b>	<b>2025 Budget (Note 18)</b>	<b>2025</b>	<b>2024</b>
Annual surplus	\$ 10,378,296	\$ 3,338,160	\$ 2,802,738
Acquisition of tangible capital assets	(12,147,545)	(4,390,233)	(3,000,783)
Amortization of tangible capital assets (Note 19, Schedule 2)	1,257,935	1,294,391	1,251,521
Change in prepaid expenses	-	(19,631)	(5,892)
<b>Increase (decrease) in net financial assets for the year</b>	<b>(511,314)</b>	<b>222,687</b>	<b>1,047,584</b>
<b>Net financial assets, beginning of year</b>	<b>15,210,763</b>	<b>15,210,763</b>	<b>14,163,179</b>
<b>Net financial assets, end of year</b>	<b>\$ 14,699,449</b>	<b>\$ 15,433,450</b>	<b>\$ 15,210,763</b>

## Village of Harrison Hot Springs

### Statement of Cash Flows

For the year ended December 31	2025	2024
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual surplus	\$ 3,338,160	\$ 2,802,738
Items not involving cash:		
Amortization of tangible capital assets	1,294,391	1,251,521
Accretion expense	783	2,545
	<u>4,633,334</u>	<u>4,056,804</u>
<b>Changes in working capital:</b>		
Accounts receivable	(372,862)	709,107
MFA Deposits	(227)	(256)
Prepaid expenses	(19,631)	(5,892)
Accounts payable and accrued liabilities	(128,236)	112,333
Developers' deposits and other liabilities	(189,283)	(1,584,580)
Employee future benefits	16,999	17,473
Deferred revenue	(466,177)	1,927,336
Development cost charges	(1,134,943)	(302,275)
	<u>2,338,974</u>	<u>4,930,050</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(4,390,233)	(3,000,783)
<b>Financing transactions</b>		
Repayment of long-term debt	(42,380)	(40,946)
<b>Increase (decrease) in cash during the year</b>	<b>(2,093,639)</b>	<b>1,888,321</b>
Cash, beginning of year	<u>24,703,264</u>	<u>22,814,943</u>
<b>Cash, end of year</b>	<b>\$22,609,625</b>	<b>\$ 24,703,264</b>

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## Village of Harrison Hot Springs Summary of Significant Accounting Policies

For the year ended December 31, 2025

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### Significant Accounting Policies

The Financial Statements combine the activities of the various funds of the reporting entity - Village of Harrison Hot Springs (the "Village") - are the representation of management and 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.

##### 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

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis. Revenue from transactions with performance obligations is recognized when (at a point in time) or as (over a period of time) the organization satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

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## Village of Harrison Hot Springs Summary of Significant Accounting Policies

For the year ended December 31, 2025

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### b. Revenue Recognition (continued)

The Village recognizes revenue from users of the water, sewer, development permits, and rentals of Municipal property services on a straight-line basis over the period of time that the relevant performance obligations are satisfied by the City.

The Village recognizes revenue from administrative services, sales of goods, and other licenses and permits at the point in time that the City has performed the related performance obligations and control of the related benefits has passed to the payors.

The Village recognizes revenue from tax penalties and interest, parking ticket fines, and other revenue without associated performance obligations at the realizable value at the point in time when the Village is authorized to collect these revenues.

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

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

### c. Expense Recognition

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

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## Village of Harrison Hot Springs Summary of Significant Accounting Policies

For the year ended December 31, 2025

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### 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. All financial instruments are measured at cost or amortized cost on the statement of financial position, using the effective interest rate method to determine interest revenue or expense. Transaction costs are added to the initial carrying value for financial instruments.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Unrealized gains and losses from changes in the fair value of financial instruments would be recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations. As the Village has no financial instruments reported at fair value, no statement of remeasurement gain or loss is presented in these financial statements.

### e. Asset Retirement Obligations

The Village records a liability for an asset retirement obligation when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date.

Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed. The liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Any changes resulting from changes in estimate of assumptions are adjusted to the carrying amount of the asset if still in use, or recorded in the statement of operations if the asset has been retired.

## Village of Harrison Hot Springs

### Summary of Significant Accounting Policies

For the year ended December 31, 2025

#### f. 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. Estimated useful lives of tangible capital assets are as follows:

Land improvements	10 to 25 years
Parks infrastructure	10 to 50 years
Buildings	40 to 60 years
Machinery, furniture and equipment	5 to 10 years
IT infrastructure	4 to 10 years
Vehicles	5 to 20 years
Roads infrastructure	15 to 75 years
Water infrastructure	10 to 100 years
Sewer infrastructure	10 to 100 years
Drainage infrastructure	10 to 100 years

##### ii. Contributions of Tangible Capital Assets

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

##### iii. Works of Art and Cultural and Historic Assets

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

##### iv. Leased Tangible Capital Assets

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

#### g. Use of estimates

The preparation of financial statements 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.

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**Village of Harrison Hot Springs**  
Summary of Significant Accounting Policies

**For the year ended December 31, 2025**

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**h. Liability for Contaminated Sites**

The Village accounts for contaminated sites in accordance with PSAS Section PS 3260, Liability for Contaminated Sites, which applies to sites not controlled by the Village but for which it has accepted responsibility, and to contamination arising from unexpected events, such as accidental spills or natural disasters. A liability is recognized when the recognition criteria in PS 3260 are met and is measured as management's best estimate of remediation and post remediation costs.

Contaminated sites that are owned or controlled by the Village and remain in productive use are accounted for in accordance with PSAS Section PS 3280, Asset Retirement Obligations.

The Village has determined that, as at December 31, 2025, no contaminated sites meeting the recognition criteria of PSAS Section PS 3260 exist.

## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2025

1. Cash	2025	2024
Restricted cash:		
Statutory reserves	\$ 2,083,391	\$ 2,823,857
Non-statutory reserves	6,635,620	5,980,949
Development cost charges/Deposits in trust	3,982,111	5,117,054
	12,701,122	13,921,860
Unrestricted Cash	9,908,503	10,781,404
	\$ 22,609,625	\$ 24,703,264

2. Accounts Receivable	2025	2024
Property taxes receivable	\$ 239,985	\$ 523,443
Government grants receivable	926,703	270,265
Trade and other receivable	213,126	213,244
	\$ 1,379,814	\$ 1,006,952

### 3. 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 and, by extension, member municipalities 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

For the year ended December 31, 2025

#### 4. Accounts Payable and Accrued Liabilities

	2025	2024
Trade and other	\$ 25,991	\$ 8,400
Holdbacks payable	119,543	88,824
Other government	112,178	195,276
Accrued employee benefits	47,952	141,400
	\$ 305,664	\$ 433,900

#### 5. 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, 2023.

##### 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 2025 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, 2023.

The significant actuarial assumptions adopted in measuring the Village's accrued benefit obligation are as follows:

	2025	2024
Discount rates	4.0 %	4.0 %
Expected future inflation	3.0 %	3.0 %
Expected average remaining service life (years)	16.0	16.0

## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2025

#### 5. Employee Future Benefits (continued)

Accrued Benefit Obligation as at December 31, 2025:

	2025	2024
Accrued benefit obligation, beginning of year	\$ 121,367	\$ 105,487
Current service cost	18,359	19,667
Interest on accrued benefit obligation	4,830	4,180
Benefit payments	(6,190)	(6,365)
Amortization of net actuarial gain	(1,602)	(1,602)
	136,764	121,367
Unamortized actuarial gain	(14,277)	(15,879)
	\$ 122,487	\$ 105,488

#### 6. Developers Deposits and Other Liabilities

	2025	2024
Property and event damage deposits	\$ 187,952	\$ 288,702
Developers deposit	5,694	94,228
Funds held on behalf of community groups	1,256	1,255
	\$ 194,902	\$ 384,185

#### 7. Deferred Revenue

	December 31, 2024	Externally Restricted Inflows	Revenue Earned	December 31, 2025
Prepaid taxes	\$ 180,054	\$ 386,690	\$ (369,220)	\$ 197,524
Resort municipality initiative	1,227,747	545,094	(892,886)	879,955
Deferred revenue	2,758,882	181,730	(318,910)	2,621,702
Facility rentals and other	1,575	3,600	(2,275)	2,900
	\$ 4,168,258	\$ 1,117,114	\$ (1,583,291)	\$ 3,702,081

## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2025

#### 8. Development Cost Charges

	Opening Balance	Interest	Revenue Recognized	December 31, 2025
Sewer DCC	\$ 1,591,019	\$ 51,236	\$ (663,784)	\$ 978,471
Water DCC	1,849,814	61,256	(72,667)	1,838,403
Drainage DCC	1,259,656	41,173	(273,325)	1,027,504
Parks DCC	416,565	13,130	(291,962)	137,733
	<b>\$ 5,117,054</b>	<b>\$ 166,795</b>	<b>\$ (1,301,738)</b>	<b>\$ 3,982,111</b>

#### 9. Long-Term Debt

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

	Opening Balance	Principal Repayments	Actuarial Adjustment*	December 31, 2025
General Fund				
MFA Issue 131	\$ 277,592	\$ 31,095	\$ 11,285	\$ 235,212

\*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.

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**Village of Harrison Hot Springs**  
Notes to the Financial Statements

For the year ended December 31, 2025

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**9. Long-Term Debt (continued)**

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

2026	\$ 31,095
2027	31,095
2028	31,095
2029	31,095
2030	31,095
Thereafter	<u>79,737</u>
<b>Total</b>	<b><u>\$ 235,212</u></b>

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**10. Asset Retirement Obligation**

The Village is required to report as a liability the legal obligations associated with the retirement of tangible capital assets. The Village's asset retirement obligation consists of the following obligations:

a) Asbestos obligation

The Village owns a building which is known to contain asbestos. The Village has recognized an obligation relating to the removal and disposal of the asbestos in these buildings. Estimated remaining future costs of \$8,000 have been discounted to the present value using a discount rate of 4.17% per annum (2024 - 4.17%).

b) Water wells

The Village operates a water well which will require decommissioning at the end of its useful life. The Village has recognized an obligation relating to the decommissioning of the well. Estimated future costs of \$15,000 have been discounted to the present value using a discount rate of 4.17% per annum (2024 - 4.17%).

## Village of Harrison Hot Springs Notes to the Financial Statements

**For the year ended December 31, 2025**

### 10. Asset Retirement Obligation (continued)

Changes in the asset retirement obligation in the year are as follows:

	Asbestos Remediation	Well Decommissioning	2025
Opening balance	\$ 9,725	\$ 10,839	\$ 20,564
Accretion expense	331	452	783
Closing balance	<u>\$ 10,056</u>	<u>\$ 11,291</u>	<u>\$ 21,347</u>

	Asbestos Remediation	Well Decommissioning	2024
Opening balance	\$ 7,614	\$ 10,405	\$ 18,019
Accretion expense	2,111	434	2,545
Closing balance	<u>\$ 9,725</u>	<u>\$ 10,839</u>	<u>\$ 20,564</u>

The asset retirement liability has been estimated using a net present value technique using the assumptions as described above. The related asset retirement costs have been added to the cost and are being amortized on a straight-line basis over the remaining useful lives of the assets.

Significant estimates and assumptions are made in determining the asset retirement costs as there are numerous factors that will affect the amount ultimately payable. Those uncertainties may result in future actual expenditures that are different than the amounts currently recorded. At each reporting date, as more information and experience is obtained as it relates to these asset retirement obligations, the estimates of the timing, the undiscounted cash flows and the discount rates may change. Adjustments to these factors are accounted for as an adjustment to the asset retirement obligation and the related tangible capital asset in the current period on a prospective basis.

## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2025

#### 11. Tangible Capital Assets

	2025	2024
Land and improvements	\$ 10,680,913	\$ 10,680,913
Buildings	3,648,173	3,252,472
Machinery, equipment, furniture IT, and vehicles	1,510,544	1,486,314
Engineering structures:		
Engineering structures - water	7,473,068	7,553,580
Engineering structures - sewer and drainage	7,659,388	7,913,938
Engineering structures - roads	4,367,067	3,719,615
Engineering structures - parks and other	2,969,128	2,153,293
Other tangible capital assets	3,076,660	2,053,513
Work in progress	1,845,545	1,321,006
	\$43,230,486	\$ 40,134,644

There were no contributed assets recognized in 2025 (2024 - \$Nil).

#### 12. Equity in Tangible Capital Assets

	2025	2024
Equity in TCA, beginning of year	\$ 39,795,957	\$ 38,008,294
Add:		
Capital expenditures	4,390,233	3,000,783
Debt repayments	31,095	31,095
Actuarial adjustments	11,284	9,851
Less:		
Amortization	(1,294,391)	(1,251,521)
Asset retirement obligation (Note 10)	(783)	(2,545)
	\$42,933,395	\$ 39,795,957

## Village of Harrison Hot Springs

### Notes to the Financial Statements

**For the year ended December 31, 2025**

### 13. Accumulated Surplus

The Village segregates its accumulated surplus into the following categories:

	2025	2024
Surplus:	<b>\$ 42,933,395</b>	<b>\$ 39,795,957</b>
Operating fund	7,101,716	6,815,199
Total surplus	<b>\$ 50,035,111</b>	<b>\$ 46,611,156</b>
Reserves set aside by council:		
Appropriated surplus:		
Fire department	\$ 32,685	\$ 31,635
Assessment appeal	162,098	156,888
Beach	5,015	4,854
Building	77,232	74,750
Contingencies	14,122	13,669
Dock replacement	102,220	88,964
Boat Launch	76,213	90,205
Flood box / drainage	19,162	18,546
General	2,440,039	2,064,031
Insurance	12,271	11,877
Parking / traffic enforcement	159,675	144,767
Office equipment	34,354	26,108
Property	58,477	56,598
Road / sidewalk	16,615	16,081
Sick leave/ retirement	62,811	60,792
Community works fund	882,901	731,478
Sewer	1,123,432	1,223,728
Water	1,356,298	1,165,978
Total appropriated surplus	<b>\$ 6,635,620</b>	<b>\$ 5,980,949</b>
Statutory fund reserves:		
Community amenities	\$ 190,136	\$ 184,024
Fire department capital	118,207	128,628
Growing communities fund	427,184	1,222,378
Land unexpended funds	60,461	58,518
Parkland acquisition and improvements	390,294	428,002
Public works capital	139,988	100,521
Sewage treatment replacement	647,717	595,898
Sewer unexpended funds	102,927	99,619
Port divestiture income	6,477	6,269
Total statutory fund reserves	<b>\$ 2,083,391</b>	<b>\$ 2,823,857</b>
	<b>\$ 58,754,122</b>	<b>\$ 55,415,962</b>

## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2025

#### 14. Property Taxes

The Village is reliant upon one taxpayer for approximately 14% of municipal property tax revenue. Taxation revenue reported on the statement of operations is made up of the following:

	Budget	2025	2024
Taxes collected			
Municipal property taxes	\$ 3,056,885	\$ 3,056,019	\$ 2,857,111
1% utility taxes	45,720	45,721	44,086
Payments in lieu of taxes	8,250	8,407	8,246
School taxes	2,044,709	2,033,884	1,914,235
Regional district	244,738	244,668	217,052
Regional hospital district	137,970	137,931	115,540
Police tax	253,276	253,204	240,541
Other agencies	51,153	51,138	46,899
	<u>5,842,701</u>	<u>5,830,972</u>	<u>5,443,710</u>
Less: Transfers to other governments			
School taxes paid	2,044,709	2,033,884	1,914,235
Regional district taxes paid	244,738	244,668	217,052
Regional hospital district taxes paid	137,970	137,931	115,540
Police taxes paid	253,276	253,204	240,541
Other agencies taxes paid	51,153	51,138	46,899
	<u>2,731,846</u>	<u>2,720,825</u>	<u>2,534,267</u>
	<u>\$3,110,855</u>	<u>\$3,110,147</u>	<u>\$ 2,909,443</u>

#### 15. Sale of Services

	Budget	2025	2024
Sewer user fees	\$ 817,005	\$ 809,281	\$ 778,483
Water user fees	430,543	460,549	426,791
Curbside collection fees	166,000	170,411	161,493
Pay parking revenue	350,000	362,869	337,621
Licenses and permits	42,363	56,688	53,879
Facility rentals	125,000	120,515	39,220
Fines	4,335	11,882	3,525
Other	4,300	4,473	4,198
	<u>\$1,939,546</u>	<u>\$1,996,668</u>	<u>\$ 1,805,210</u>

## Village of Harrison Hot Springs

### Notes to the Financial Statements

**For the year ended December 31, 2025**

#### 16. Utility Service Fees

	Budget	2025	2024
Sewer service utility fee - residential	\$ 235,000	\$ 234,789	\$ 233,332
Sewer service utility fee - business	21,433	19,587	19,281
Water service utility fee - residential	265,000	264,979	263,056
Water service utility fee - business	22,285	21,303	21,136
	<b>\$ 543,718</b>	<b>\$ 540,658</b>	<b>\$ 536,805</b>

#### 17. Government Transfers

	Budget	2025	2024
Provincial:			
Conditional			
Infrastructure	\$ 8,715,241	\$ 1,189,638	\$ 352,372
Resort municipality initiative	995,000	892,886	1,248,072
Other	736	736	736
Unconditional	325,000	333,000	359,300
Federal:			
Conditional			
Infrastructure	-	-	70,191
Gas tax	150,000	150,153	150,153
	<b>\$10,185,977</b>	<b>\$ 2,566,413</b>	<b>\$ 2,180,824</b>

#### 18. Budget Data

The data presented in these financial statements is based upon the 2025 operating and capital budgets adopted by Council on March 17, 2025. The table below reconciles the approved balanced budget to the budget figures reported in these financial statements.

## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2025

#### 18. Budget Data (continued)

2025 Adopted Operating and Capital Budget:

	2025
Revenues:	
Operating budget	\$ 7,308,798
Capital budget	12,147,545
Total revenue	19,456,343
Expenses:	
Operating budget	7,308,798
Capital budget	12,147,545
Total expenses	19,456,343
Budgeted surplus (deficit)	-
Add:	
Capital additions	12,147,545
Transfers to reserves	1,238,283
Principal repayments	31,100
Less:	
Transfers from reserves	(1,780,697)
Amortization	(1,257,935)
Annual budgeted surplus (see statement of operations)	\$ 10,378,296

#### 19. 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	2025	2024
Salaries, wages and employee benefits	\$2,429,026	\$2,372,566	\$ 2,204,520
Operating materials and supplies	1,012,284	981,865	997,229
Contracted services	1,321,021	1,109,718	807,659
Administrative services and supplies	929,116	798,739	791,770
Utilities	254,876	244,412	225,403
Rentals and contractual obligations	91,340	86,850	56,783
Debt financing	13,200	21,524	13,200
Amortization	1,257,935	1,294,391	1,251,521
Accretion	-	783	2,545
	\$7,308,798	\$6,910,848	\$6,350,630

## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2025

#### 20. Commitments and Contingencies

- (a) The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of 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, 2024, the plan has about 273,000 active members and approximately 133,000 retired members. Active members included approximately 47,000 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 actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis. The Village of Harrison Hot Springs paid \$145,803 (2024 - \$128,805) for employer contributions to while employee contributed \$134,841 (2024 - \$119,120) in fiscal 2025. The next valuation will be as at December 31, 2027, with results available in 2028. 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.

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## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2025

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#### 20. Commitments and Contingencies (continued)

- (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 engineering and planning, 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: 2026 - \$721,628, 2027 - \$209,688, 2028 - \$213,182.
- 

#### 21. Financial Instrument Risk Management

The Village is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the Village's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

- a) Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Village is exposed to credit risk through its cash, accounts receivable and MFA deposits. The maximum amount of credit risk exposure is limited to the carrying amount of the balance in the financial statements. There have not been any changes from the prior year in the Village's exposure to credit risk or the policies, procedures and methods it uses to manage and measure the risk.
- b) Liquidity risk is the risk that the Village will encounter difficulty in meeting obligations associated with financial liabilities. The Village is exposed to liquidity risk through its accounts payable, employee future benefits and long-term debt. The Village manages its liquidity risk by maintaining adequate levels of working capital to ensure all obligations can be met when they fall due. There have not been any changes from the prior year in the Village's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure the risk.
- c) Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Village is exposed to interest rate risk through its cash and long-term debt. The Village manages its interest rate risk by maintaining low long-term debt balances and holding cash in low risk savings accounts. There have not been any changes from the prior year in the Village's exposure to interest rate risk or the policies, procedures and methods it uses to manage and measure the risk.
- 

#### 22. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

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## Village of Harrison Hot Springs Notes to the Financial Statements

For the year ended December 31, 2025

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### 23. Segmented Information

The Table of Segmented Information - Schedule 1 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 - Table of Segmented Information

For the year ended December 31, 2025

	Legislative	General Government	Protective Services	Development Planning	Engineering, Transportation & Storm Water	Solid Waste	Parks, Recreation & Cultural Services	Wastewater Utility	Water Utility	2025 Budget	2025 Actual	2024 Actual
<b>Revenues</b>												
Property taxes	\$ -	\$ 3,110,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,110,855	\$ 3,110,147	\$ 2,909,443
Sale of services	-	435,912	-	-	-	170,411	120,515	809,281	460,549	2,096,548	1,996,668	1,805,210
Utility service fees	-	-	-	-	-	-	-	254,375	286,283	543,718	540,658	536,805
Government transfers	-	1,673,527	-	892,886	-	-	-	-	-	10,028,975	2,566,413	2,180,824
Investment income	-	451,513	-	-	-	-	-	65,336	41,246	66,218	558,095	822,108
Penalties and interest	-	53,322	-	-	-	2,224	-	9,170	7,989	-	72,705	100,281
Development cost charges	-	514,225	-	-	-	-	51,062	663,784	72,667	1,789,531	1,301,738	634,672
Other revenue	-	60,950	-	2,116	-	32,567	-	3,600	3,351	51,249	102,584	164,025
<b>Total revenue</b>	-	<b>6,299,596</b>	-	<b>895,002</b>	-	<b>205,202</b>	<b>171,577</b>	<b>1,805,546</b>	<b>872,085</b>	<b>17,687,094</b>	<b>10,249,008</b>	<b>9,153,368</b>
<b>Expenses</b>												
Salaries, wages and employee Benefits	140,284	783,639	39,943	268,026	269,965	63,735	220,685	335,429	250,860	2,429,026	2,372,566	2,204,520
Operating materials and supplies	-	9,528	203,315	6,921	114,584	700	215,616	322,947	108,254	1,012,284	981,865	997,229
Contracted services	-	98,855	85,396	177,852	103,103	195,586	6,096	370,043	72,787	1,321,021	1,109,718	807,659
Administrative services and supplies	49,143	416,285	46,001	170,180	22,319	-	19,530	50,234	25,047	929,116	798,739	791,770
Utilities	6,521	18,463	8,263	-	46,514	-	47,967	71,295	45,389	254,876	244,412	225,403
Rentals and contractual obligations	-	13,378	5,134	21,000	43,326	-	4,012	-	-	91,340	86,850	56,783
Debt financing	-	21,524	-	-	-	-	-	-	-	13,200	21,524	13,200
Amortization	-	315,402	23,386	-	308,719	-	211,466	229,840	205,578	1,257,935	1,294,391	1,251,521
Accretion expense	-	-	-	-	-	-	-	331	452	-	783	2,545
<b>Total expenses</b>	<b>195,948</b>	<b>1,677,074</b>	<b>411,438</b>	<b>643,979</b>	<b>908,530</b>	<b>260,021</b>	<b>725,372</b>	<b>1,380,119</b>	<b>708,367</b>	<b>7,308,798</b>	<b>6,910,848</b>	<b>6,350,630</b>
<b>Excess (deficiency) in revenues over expenses</b>	<b>\$(195,948)</b>	<b>\$ 4,622,522</b>	<b>\$(411,438)</b>	<b>\$ 251,023</b>	<b>\$(908,530)</b>	<b>\$(54,819)</b>	<b>\$(553,795)</b>	<b>\$ 425,427</b>	<b>\$ 163,718</b>	<b>\$ 10,378,296</b>	<b>\$ 3,338,160</b>	<b>\$ 2,802,738</b>

**Village of Harrison Hot Springs  
Schedule 2 - Statement of Tangible Capital Assets**

**For the year ended December 31, 2025**

	Engineered Structures										2025	2024
	Land	Building	Equipment Furniture Vehicles	Water	Sewer Drainage	Roads	Other	Work In Progress	Other Tangible Capital Assets			
Balance, beginning of year	\$ 10,680,913	\$ 5,432,867	\$ 3,009,382	\$ 10,237,988	\$ 11,759,690	\$ 10,259,212	\$ 3,906,060	\$ 2,053,513	\$ 1,642,708	\$ 58,982,333	\$ 58,982,333	\$ 56,426,778
Additions	-	582,382	202,925	125,066	-	904,873	963,294	1,023,147	588,546	4,390,233	(83,373)	3,000,783
Disposals & adjustments	-	-	(83,373)	-	-	-	-	-	-	-	(83,373)	(445,228)
<b>Cost, end of year</b>	<b>10,680,913</b>	<b>6,015,249</b>	<b>3,128,934</b>	<b>10,363,054</b>	<b>11,759,690</b>	<b>11,164,085</b>	<b>4,869,354</b>	<b>3,076,660</b>	<b>2,231,254</b>	<b>63,289,193</b>	<b>63,289,193</b>	<b>58,982,333</b>
<b>Accumulated amortization, beginning of year</b>	-	2,180,395	1,523,068	2,684,408	3,845,752	6,539,597	1,752,767	-	321,702	18,847,689	(83,373)	18,041,396
Opening adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Add: Amortization	-	186,681	178,695	205,578	254,550	257,421	147,459	-	64,007	1,294,391	(83,373)	1,251,521
Less: Accumulated Amortization on Disposals	-	-	(83,373)	-	-	-	-	-	-	(83,373)	(83,373)	(445,228)
<b>Accumulated amortization, end of year</b>	-	2,367,076	1,618,390	2,889,986	4,100,302	6,797,018	1,900,226	-	385,709	20,058,707	(83,373)	18,847,689
<b>Net book value, end of year</b>	<b>\$ 10,680,913</b>	<b>\$ 3,648,173</b>	<b>\$ 1,510,544</b>	<b>\$ 7,473,068</b>	<b>\$ 7,659,388</b>	<b>\$ 4,367,067</b>	<b>\$ 2,969,128</b>	<b>\$ 3,076,660</b>	<b>\$ 1,845,545</b>	<b>\$ 43,230,486</b>	<b>\$ 43,230,486</b>	<b>\$ 40,134,644</b>

**Village of Harrison Hot Springs**  
**Schedule 3 - Growing Communities Fund (Unaudited)**

**For the year ended December 31, 2025**

**Growing Communities Fund**

The Growing Communities Fund (GCF) distributed conditional grants to communities at the end of March 2023 to help build community infrastructure and amenities to meet the demands of unprecedented population growth. The Fund provided a one-time total of \$1 billion in grants to all 188 municipalities and regional districts. The Village of Harrison Hot Springs received \$1,256,000 from the GCF program in March of 2023.

	2025	2024
Balance, beginning of year	\$ 1,222,377	\$ 1,208,456
Eligible costs:		
Bridge abutment repairs	833,778	47,745
Interest	(38,584)	(61,666)
Balance, end of year	\$427,183	\$ 1,222,377

The Village of Harrison Hot Springs has two main bridges which exist on McCombs drive which allow crossing of the Miami River. These bridges are known as the Miami River North and Miami River South bridges. After an extensive condition study, it was determined that the abutments of both of these bridges need to be upgraded. In conjunction with that, the sewer line that goes underneath the bridges will need to be replaced and upgraded to new standards. In 2023, the sewer line for the Miami Rive South bridge was fully replaced and improved. In 2024, design and engineering work commenced on the Miami River North bridge abutments, with construction having completed in 2025. Design and engineering work will now commence for the Miami River South bridge in 2026.

# Statistical Section

## The Village at a Glance

 **POPULATION**  
1,905\*

 **2**  
DEVELOPMENT PERMITS

**550,000\*\***  
ANNUAL VISITORS

 **7**  
FACILITIES

 **198**  
BUSINESS LICENCES



**6**  
SANITARY SEWER LIFT STATIONS

 **4** BRIDGES



**8** PARKS

 **AVERAGE AGE**  
51

 **2** PLAYGROUNDS

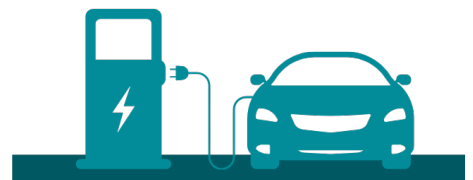
 **1** FIRE HALL

**12 KILOMETRES OF ROADS**


APPLICATION-BASED GRANTS APPROVED  
**\$520,362**

 **18**  
BYLAWS ADOPTED

 **\$1.476** MILLION  
CONSTRUCTION VALUE IN BUILDING PERMITS

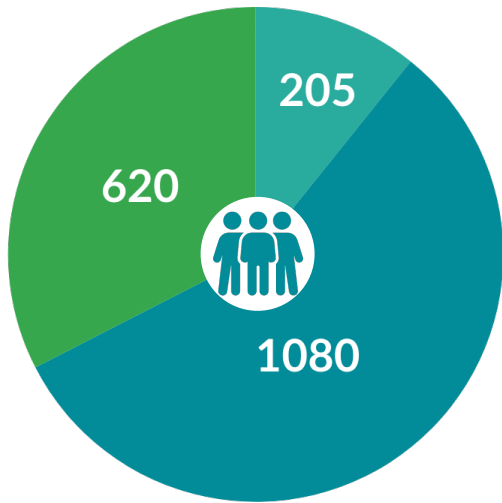
 **7** EV CHARGING PORTS  
IN THE VILLAGE

**12** KILOMETRES OF WATER MAINS

 **1292**  
TOTAL PRIVATE DWELLINGS

\*2021 Statistics Canada  
\*\*Tourism Harrison River Valley

# Demographics

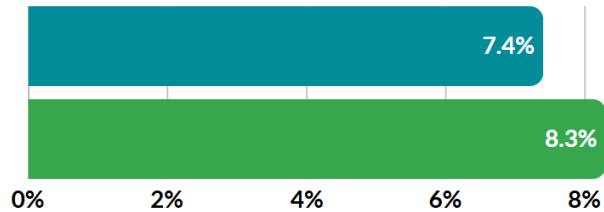


\*2021 Statistics Canada

## Unemployment Rates

Fraser Valley and the Village

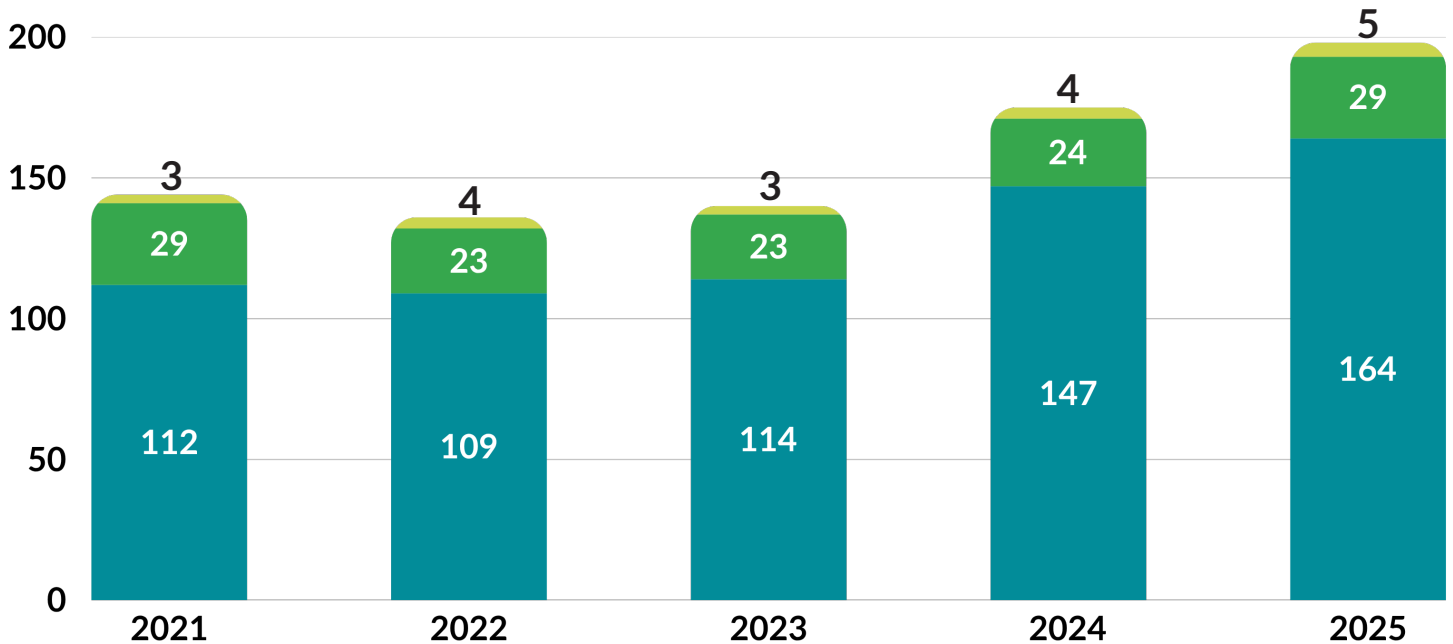
- Fraser Valley
- Harrison Hot Springs



\*2021 Statistics Canada

## Active Business Licences

- Residential
- Non-Resident
- Inter-Municipal Business Licence



# Municipal Employees

\*For the years 2021-2025, the Village of Harrison Hot Springs employed 17 full-time and 3 seasonal employees

## Municipal Employees

By Department

- Administration
- Corporate Services
- Community Services
- Financial Services
- Public Works
- Utilities

**TOTAL: 17**



# Community Engagement

## Social Media

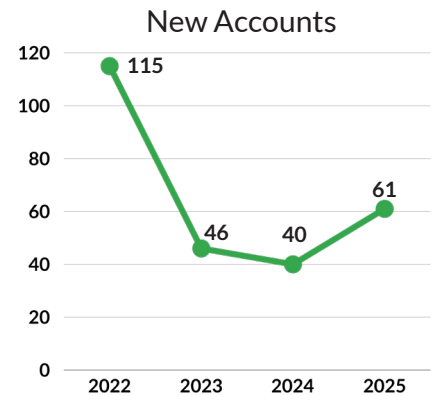
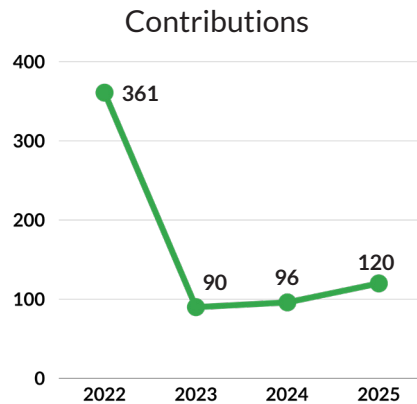
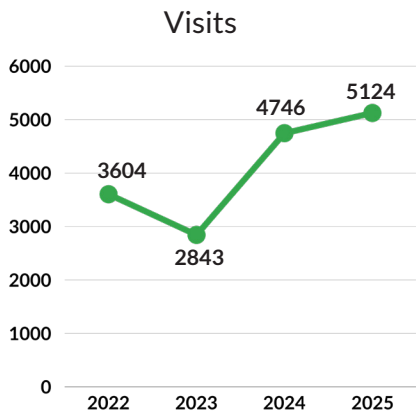
**Followers Growth**

Total Followers  
**+164**

Total Increase  
**24.2%**



## Get Into It Harrison Engagement Platform



## Statement of Financial Position

Financial Assets	2021	2022	2023	2024	2025
Cash and Equivalents	\$18,844,359	\$20,957,382	\$22,814,943	\$24,703,264	\$22,609,625
Accounts Receivable	\$494,898	\$1,042,032	\$1,716,059	\$1,006,952	\$1,379,814
MFA Deposits	\$6,956	\$7,111	\$7,332	\$7,588	\$7,815
	<b>\$19,346,213</b>	<b>\$22,006,525</b>	<b>\$24,538,334</b>	<b>\$25,717,804</b>	<b>\$23,997,254</b>

Financial Liabilities	2021	2022	2023	2024	2025
Accounts Payable & Accrued Liabilities	\$419,815	\$682,807	\$321,567	\$433,900	\$305,664
Employee Future Benefits	\$131,798	\$116,328	\$88,015	\$105,488	\$122,487
Developer Deposit & Other Trust Liabilities	\$1,417,722	\$3,042,180	\$1,968,765	\$384,185	\$194,902
Deferred Revenue	\$2,105,198	\$1,160,771	\$2,240,922	\$4,168,258	\$3,702,081
Development Cost Charges	\$4,768,748	\$5,227,879	\$5,419,329	\$5,117,054	\$3,982,111
Liabilities Under Agreement	\$23,305	\$2,362	-	-	-
Long-term Debt	\$396,323	\$358,100	\$318,538	\$277,592	\$235,212
Asset Retirement Obligation	-	\$58,594	\$18,019	\$20,564	\$21,347
	<b>\$9,262,909</b>	<b>\$10,649,021</b>	<b>\$10,375,155</b>	<b>\$10,507,041</b>	<b>\$8,563,804</b>

	2021	2022	2023	2024	2025
Net Financial Assets	<b>\$10,083,304</b>	<b>\$11,357,504</b>	<b>\$14,163,179</b>	<b>15,210,763</b>	<b>\$15,433,450</b>

Non-Financial Assets	2021	2022	2023	2024	2025
Tangible Capital Assets	\$36,990,555	\$38,193,551	\$38,385,382	\$40,134,644	\$43,230,486
Prepaid Expenses	\$356,060	\$56,374	\$64,663	70,555	\$90,186
	<b>\$37,346,615</b>	<b>38,249,925</b>	<b>\$38,450,045</b>	<b>\$40,205,199</b>	<b>\$43,320,672</b>

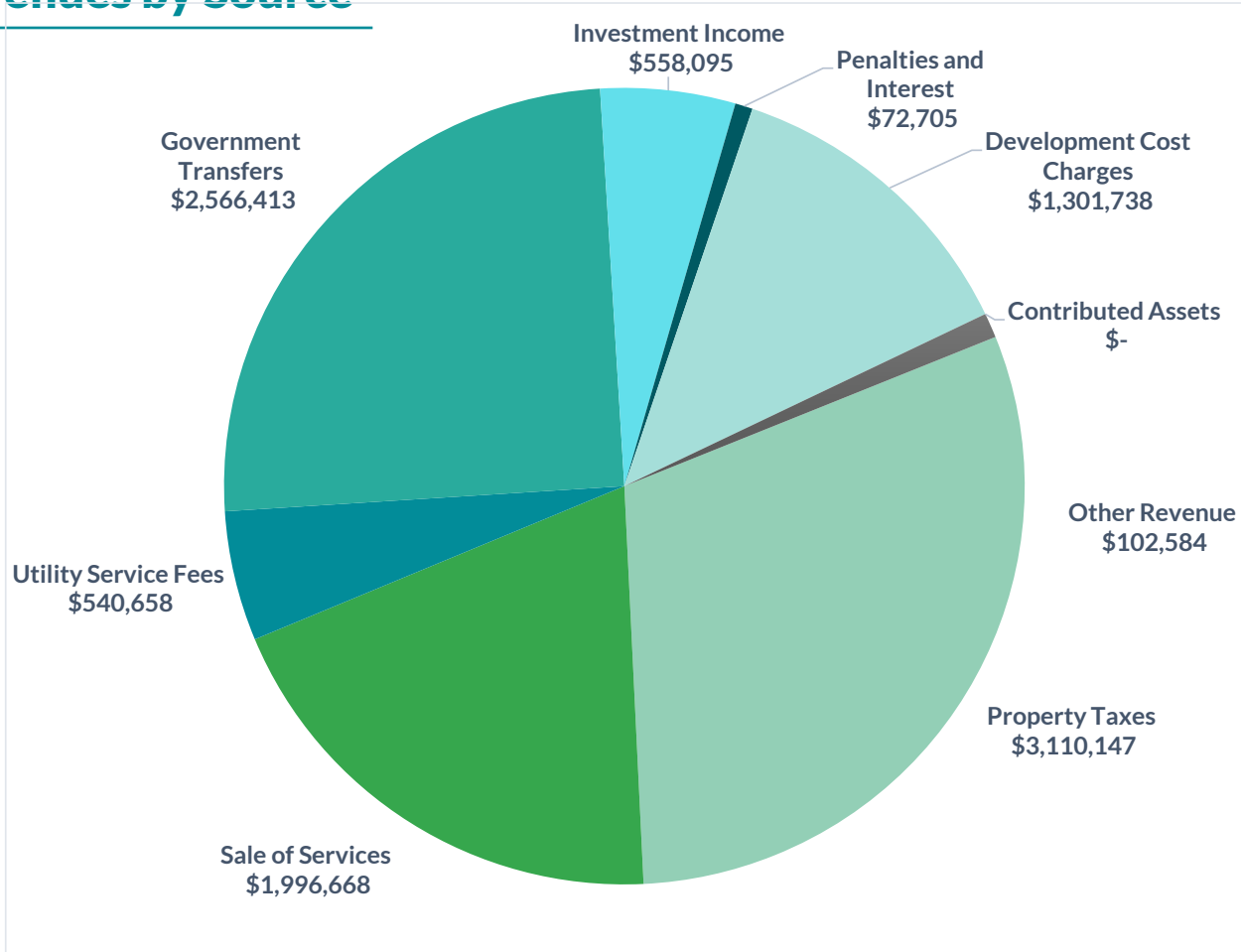
	2021	2022	2023	2024	2025
Accumulated Surplus	<b>\$47,429,919</b>	<b>\$49,607,429</b>	<b>\$52,613,224</b>	<b>\$55,415,962</b>	<b>\$58,754,122</b>

Accumulated Surplus - Represented By	2021	2022	2023	2024	2025
Operating fund	\$5,519,004	\$6,040,537	\$6,514,189	\$6,815,199	\$7,101,716
Appropriated Surplus	\$3,748,823	\$4,428,345	\$5,376,207	\$5,980,949	\$6,635,620
Statutory Reserves	\$1,591,163	\$1,361,661	\$2,714,534	\$2,823,857	\$2,083,391
Equity in Tangible Capital Assets	\$36,570,929	\$37,776,886	\$38,008,294	\$39,795,957	\$42,933,395
	<b>\$47,429,919</b>	<b>\$49,607,429</b>	<b>\$52,613,224</b>	<b>\$55,415,962</b>	<b>\$58,754,122</b>

	2021	2022	2023	2024	2025
Annual Surplus	<b>\$1,058,595</b>	<b>\$2,233,063</b>	<b>\$3,005,795</b>	<b>\$2,802,738</b>	<b>\$3,338,160</b>

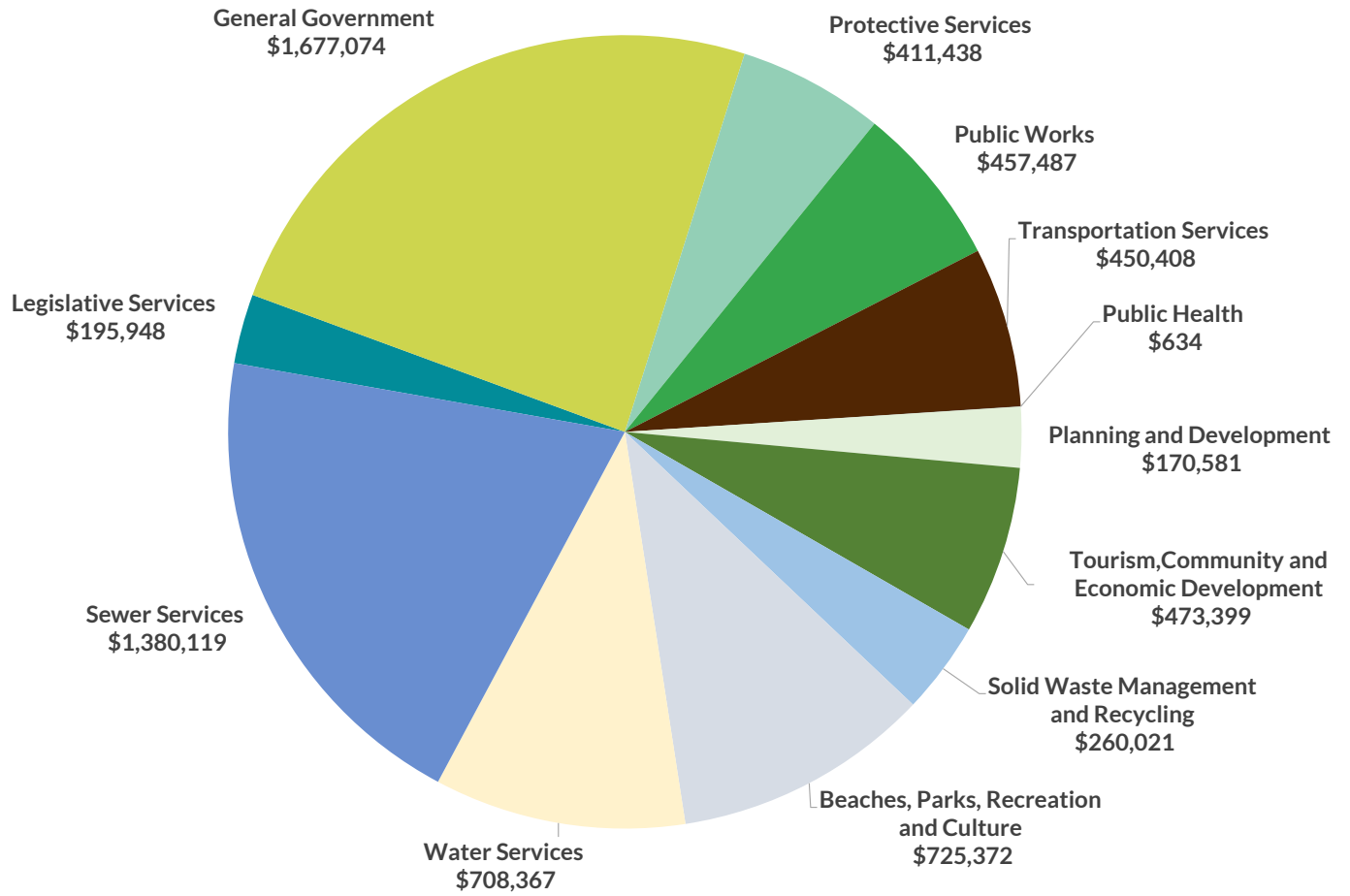
	2021	2022	2023	2024	2025
Acquisition of Tangible Capital Assets	<b>\$477,797</b>	<b>\$2,340,530</b>	<b>\$1,394,155</b>	<b>\$3,000,783</b>	<b>\$4,390,233</b>

## Revenues by Source



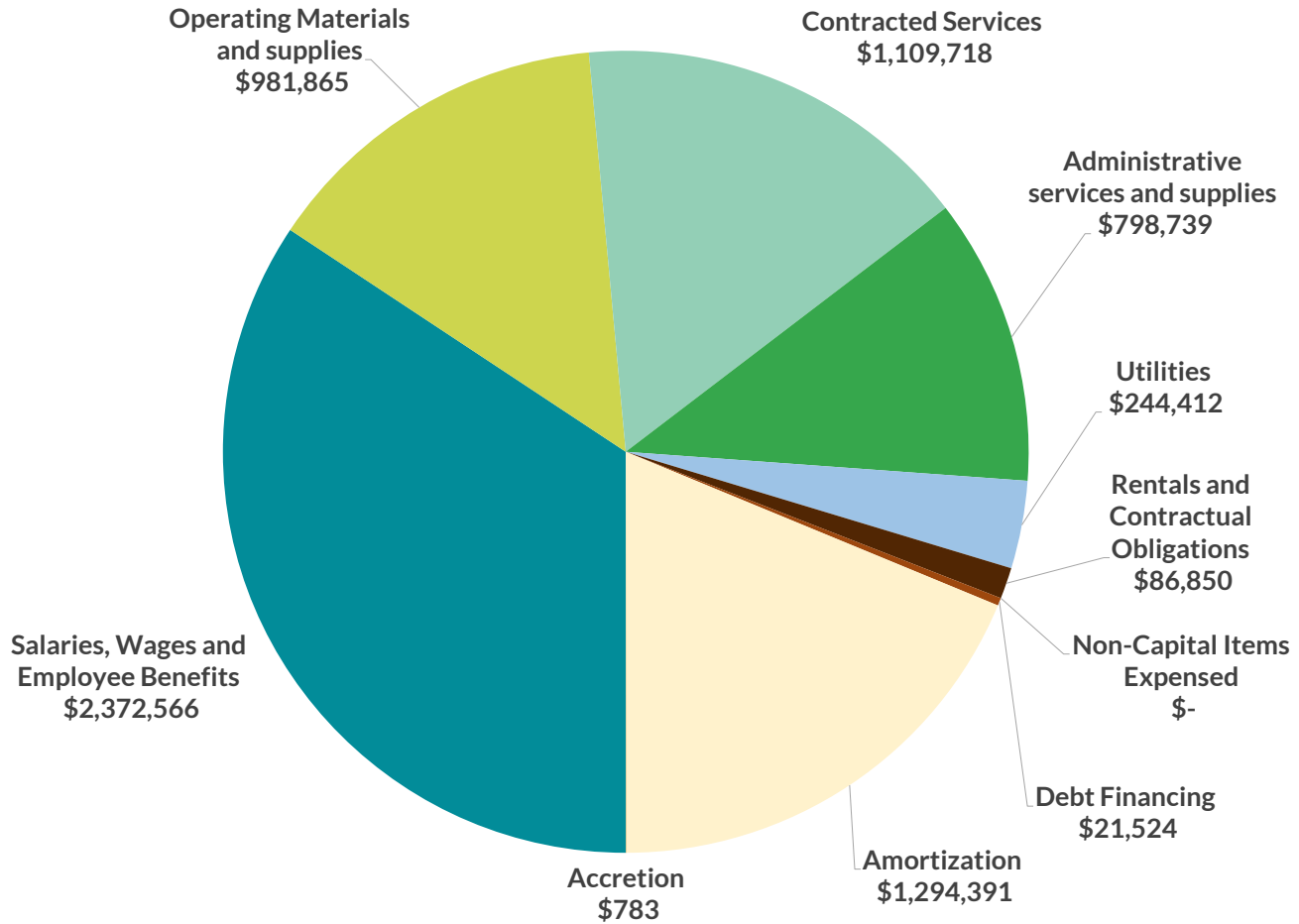
	2021	2022	2023	2024	2025
Property Taxes	\$2,470,865	\$2,551,795	\$2,709,154	\$2,909,443	\$3,110,147
Sale of Services	\$1,632,567	\$1,688,486	\$1,758,323	\$1,805,210	\$1,996,668
Utility Service Fees	\$487,887	\$491,453	\$505,985	\$536,805	\$540,658
Government Transfers	\$978,633	\$2,122,812	\$2,468,868	\$2,180,824	\$2,566,413
Investment Income	\$92,497	\$350,537	\$747,745	\$822,108	\$558,095
Penalties and Interest	\$70,930	\$64,321	\$83,494	\$100,281	\$72,705
Development Cost Charges	\$15,550	\$71,952	\$343,624	\$634,672	\$1,301,738
Contributed Assets	-	-	-	-	-
Other Revenue	\$63,483	\$92,391	\$114,006	\$164,025	\$102,584
	<b>\$5,812,412</b>	<b>\$7,433,747</b>	<b>\$8,731,199</b>	<b>\$9,153,368</b>	<b>\$10,249,008</b>

# Expenses by Function



	2021	2022	2023	2024	2025
Legislative Services	\$100,213	\$115,957	\$167,245	\$159,321	\$195,948
General Government	\$1,079,004	\$1,229,942	\$1,678,828	\$1,839,711	\$1,677,074
Protective Services	\$311,507	\$274,928	\$329,259	\$351,742	\$411,438
Public Works	\$333,706	\$396,952	\$424,888	\$461,082	\$457,487
Transportation Services	\$444,450	\$471,903	\$450,902	\$406,449	\$450,408
Public Health	\$7,740	\$7,535	\$7,213	\$7,532	\$634
Planning and Development	\$154,088	\$278,299	\$115,710	\$139,149	\$170,581
Tourism, Community and Economic Development	\$227,063	\$277,440	\$257,380	\$314,751	\$473,399
Solid Waste Management and Recycling	\$198,713	\$259,859	\$244,972	\$242,257	\$260,021
Beaches, Parks, Recreation and Culture	\$605,167	\$512,320	\$551,043	\$706,247	\$725,372
Water Services	\$467,286	\$499,374	\$601,327	\$701,633	\$708,367
Sewer Services	\$824,880	\$876,175	\$896,637	\$1,020,756	\$1,380,119
Non-Capital Items Expensed	-	-	-	-	-
<b>Total</b>	<b>\$4,753,817</b>	<b>\$5,200,684</b>	<b>\$5,725,404</b>	<b>\$6,350,630</b>	<b>\$6,910,848</b>

## Expenses by Object



	2021	2022	2023	2024	2025
Salaries, Wages & Employee Benefits	\$1,768,182	\$1,834,568	\$2,092,061	\$2,204,520	\$2,372,566
Operating Materials & Supplies	\$656,756	\$739,269	\$852,592	\$997,229	\$981,865
Contracted Services	\$557,691	\$688,224	\$641,197	\$807,659	\$1,109,718
Administrative Services & Supplies	\$407,833	\$526,390	\$643,402	\$791,770	\$798,739
Utilities	\$207,921	\$216,570	\$224,627	\$225,403	\$244,412
Rentals & Contractual Obligations	\$49,906	\$49,852	\$53,548	\$56,783	\$86,850
Non-Capital Items Expensed	-	-	-	-	-
Debt Financing	\$13,532	\$13,411	\$13,209	\$13,200	\$21,524
Amortization	\$1,091,996	\$1,130,054	\$1,202,324	\$1,251,521	\$1,294,391
Accretion	-	\$2,346	\$2,444	\$2,545	\$783
	<b>\$4,753,817</b>	<b>\$5,200,684</b>	<b>\$5,725,404</b>	<b>\$6,350,630</b>	<b>\$6,910,848</b>

## Debt

	2021	2022	2023	2024	2025
General	\$396,323	\$358,100	\$318,538	\$277,592	\$235,212
Water	-	-	-	-	-
Sewer	-	-	-	-	-
Liabilities Under Agreement	\$23,305	\$2,362	-	-	-
<b>Total Debt</b>	<b>\$419,628</b>	<b>\$360,462</b>	<b>\$318,538</b>	<b>\$277,592</b>	<b>\$235,212</b>

	2021	2022	2023	2024	2025
Population Estimates (BC Stats 2016 and 2021 survey)	1905	1905	1905	1905	1905
<b>Debt Per Capita</b>	<b>\$220.28</b>	<b>\$189.22</b>	<b>\$167.21</b>	<b>\$145.72</b>	<b>\$123.47</b>

	2021	2022	2023	2024	2025
Principal	\$59,677	\$52,038	\$33,457	\$31,095	\$31,095
Interest	\$13,532	\$13,411	\$13,209	\$13,200	\$24,600
<b>Debt Servicing Costs</b>	<b>\$73,209</b>	<b>\$65,449</b>	<b>\$46,666</b>	<b>\$44,295</b>	<b>\$55,695</b>

	2021	2022	2023	2024	2025
Liability Servicing Limit	\$1,162,086	\$1,346,015	\$1,527,715	\$1,627,535	\$1,619,948

## Assessed Values

Assessed Value	2021	2022	2023	2024	2025
Residential (Class 1)	\$627,301,300	\$844,285,900	\$966,961,115	\$968,943,400	\$1,018,604,000
Business (Class 6)	\$87,007,482	\$92,868,675	\$105,372,842	\$119,067,747	\$127,895,225
Recreation/Non-Profit (Class 8)	\$12,162,600	\$14,385,000	\$15,925,000	\$20,145,000	\$21,575,000
	<b>\$726,471,382</b>	<b>\$951,539,575</b>	<b>\$1,088,258,957</b>	<b>\$1,108,156,147</b>	<b>\$1,168,074,225</b>

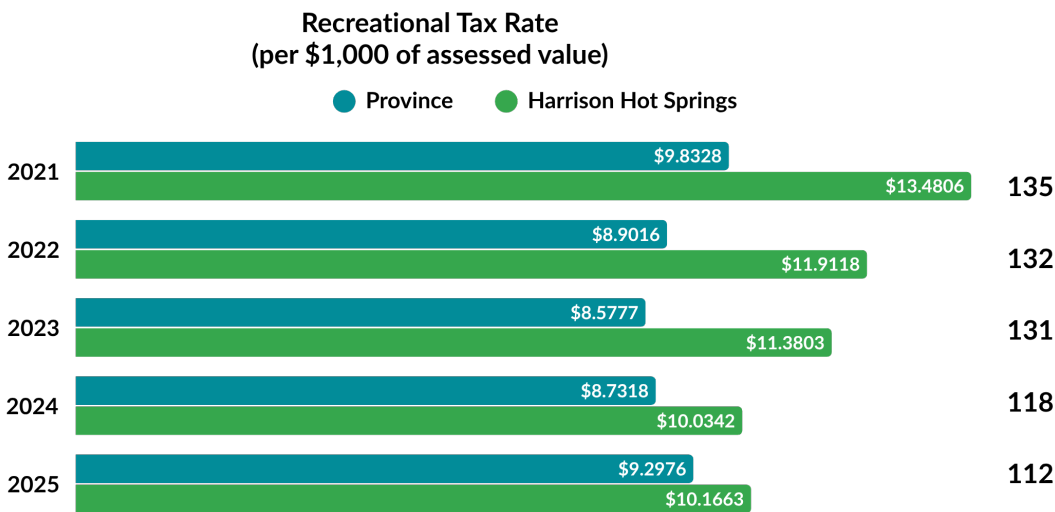
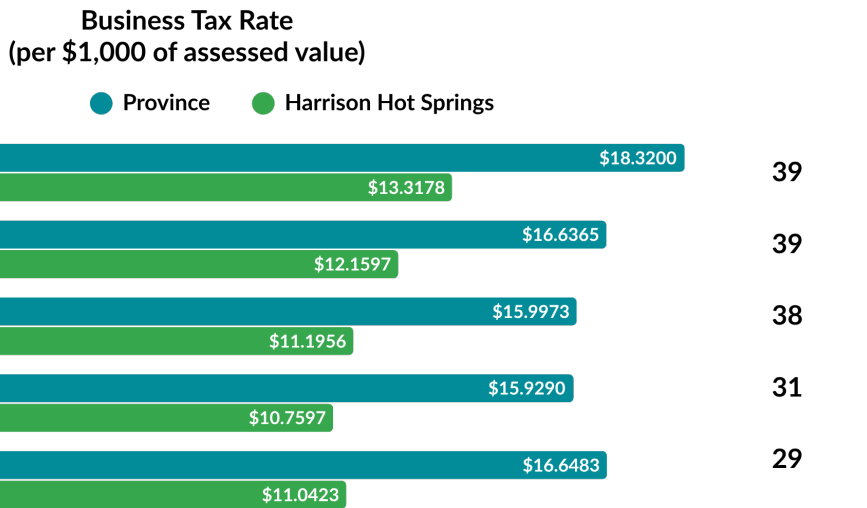
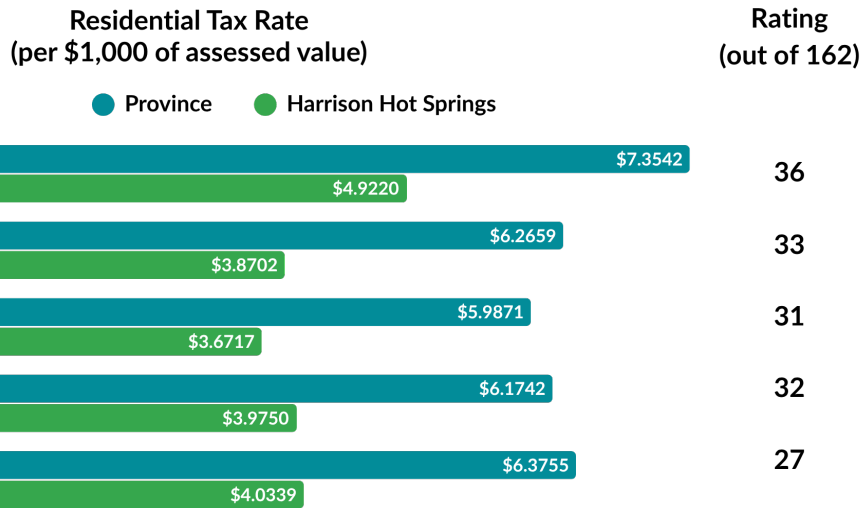
\*These totals are Land & Improvements combined.

## Municipal Property Taxes

Municipal Property Taxes Levied	2021	2022	2023	2024	2025
Residential (Class 1)	\$1,593,465	\$1,686,512	\$1,805,703	\$1,970,884	\$2,096,676
Business (Class 6)	\$702,830	\$697,521	\$712,319	\$736,259	\$797,669
Recreation/Non-Profit (Class 8)	\$128,833	\$135,629	\$142,447	\$149,972	\$162,539
	<b>\$2,425,128</b>	<b>\$2,519,662</b>	<b>\$2,660,468</b>	<b>\$2,857,115</b>	<b>\$3,056,884</b>

	2021	2022	2023	2024	2025
Municipal Property Taxes Collected	\$2,312,600	\$2,435,066	\$2,496,762	\$2,586,563	\$2,830,286

# Tax Rates



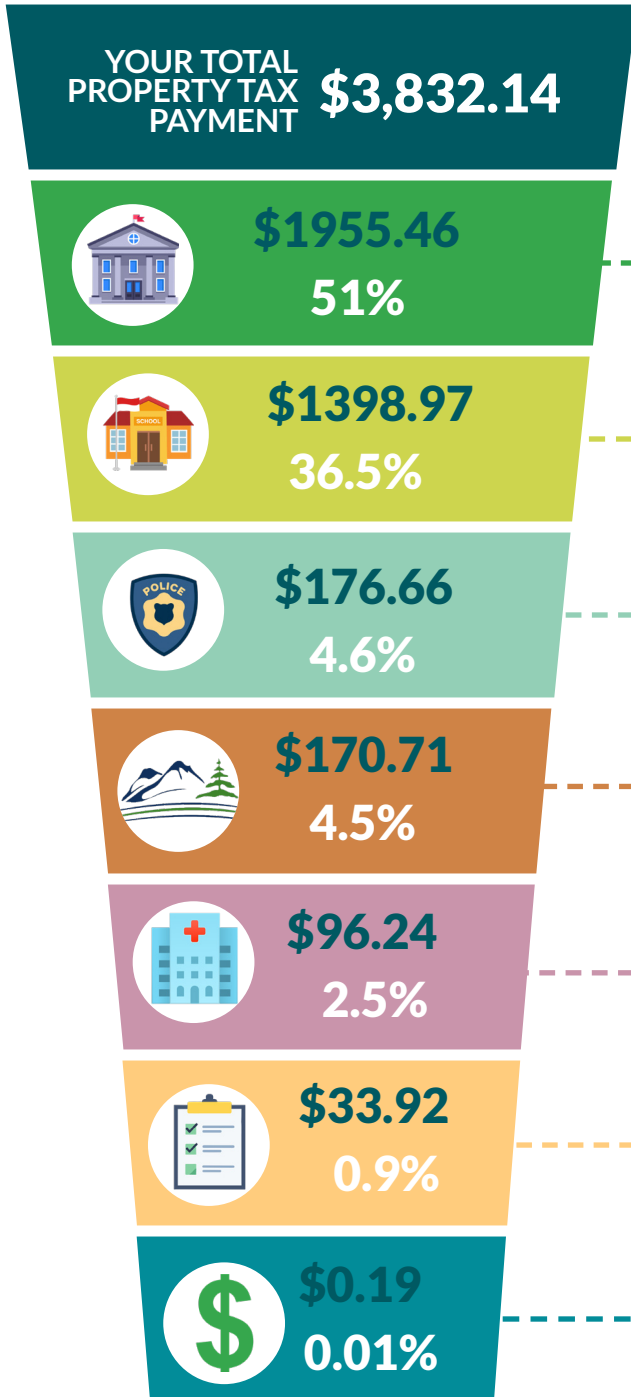
Municipalities in BC are ranked from lowest tax rate (1) to highest tax rate (162).

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

# Tax Payment Breakdown

## WHERE YOUR PROPERTY TAX DOLLARS GO

An example of a \$3832.14 payment breakdown



For a residential property with an assessed value of \$950,000 in 2025, the total tax bill was \$3832.14.

### MUNICIPAL TAX

Municipal tax funded services generally include items such as fire protection, emergency management, roads and sidewalks, parks and public spaces, civic infrastructure, planning and administrative operations.

### SCHOOL TAX

The provincial school tax is a mandatory levy collected by the Village on behalf of the province to fund Kindergarten to Grade 12 public education across BC.

### POLICE TAX

The provincial police tax is a levy collected in rural areas and small municipalities to help cover the costs of RCMP frontline policing. The Village collects this levy on behalf of the province.

### FVRD REQUISITION

The Fraser Valley Regional District (FVRD) requisition is the annual amount of money the FVRD requests from member municipalities to fund regional, sub-regional, and local services. Example of these services include building inspection services, fire dispatch, animal control, and regional transit.

### FVRD HOSPITAL REQUISITION

The Fraser Valley Regional District (FVRD) Hospital Requisition is used to fund the local share of capital costs for hospitals and health care infrastructure within the Fraser Valley.

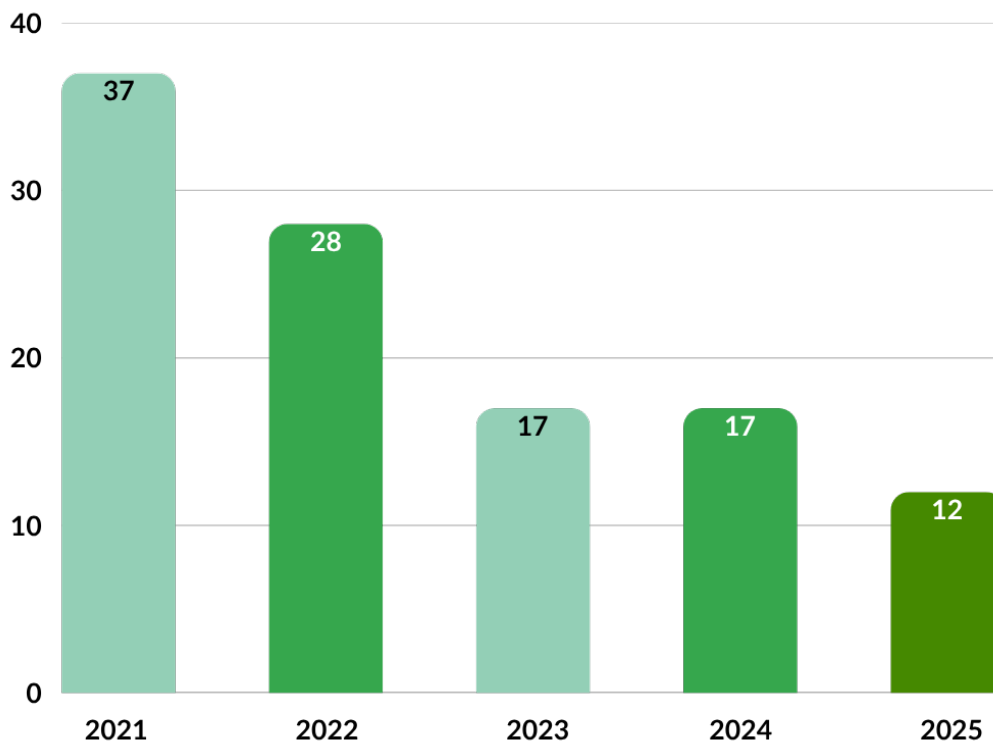
### ASSESSMENT AUTHORITY REQUISITION

The BC Assessment Authority requisition is an annual property value tax levied across British Columbia. It is used to fund the operating and capital costs of BC Assessment, the provincial Crown corporation responsible for determining property market values and classifications.

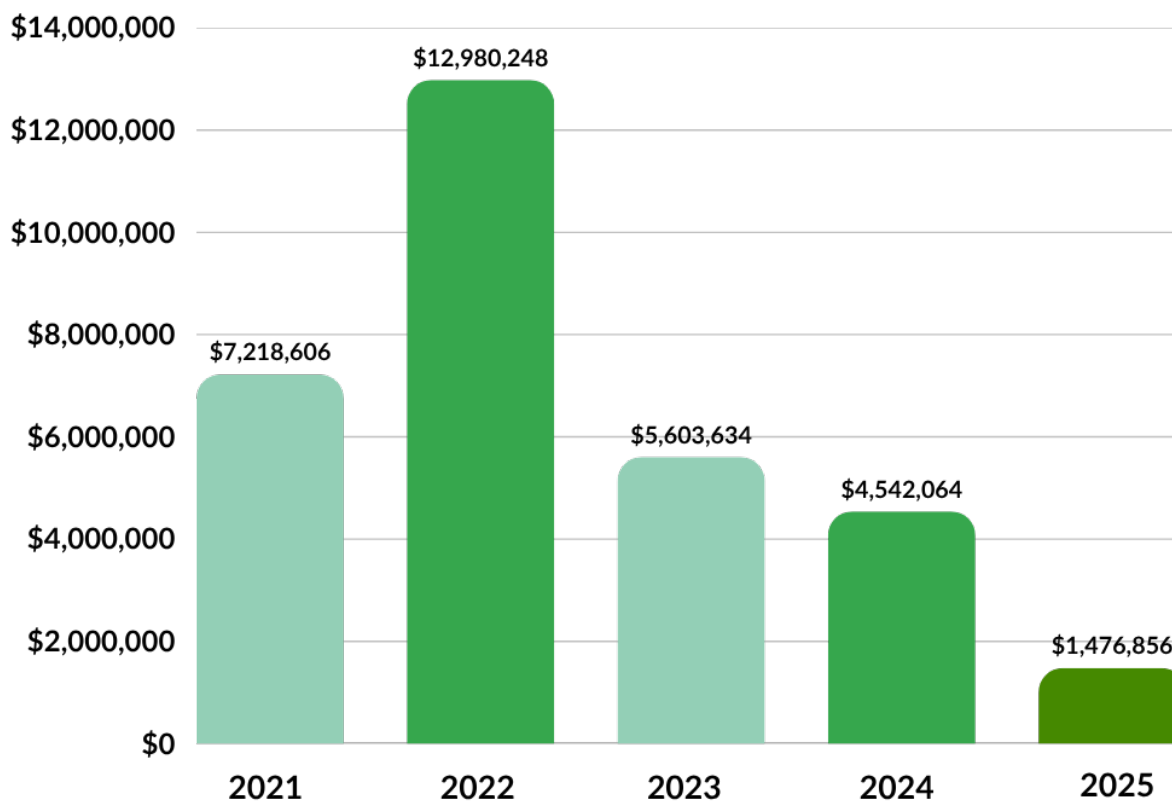
### MUNICIPAL FINANCE AUTHORITY REQUISITION

This requisition funds the Municipal Finance Authority, which allows local governments to pool their borrowing needs to secure the lowest possible interest rates. MFA saves taxpayers significant money on interest costs for large projects. This small charge ensures that the Village can continue to access affordable financing.

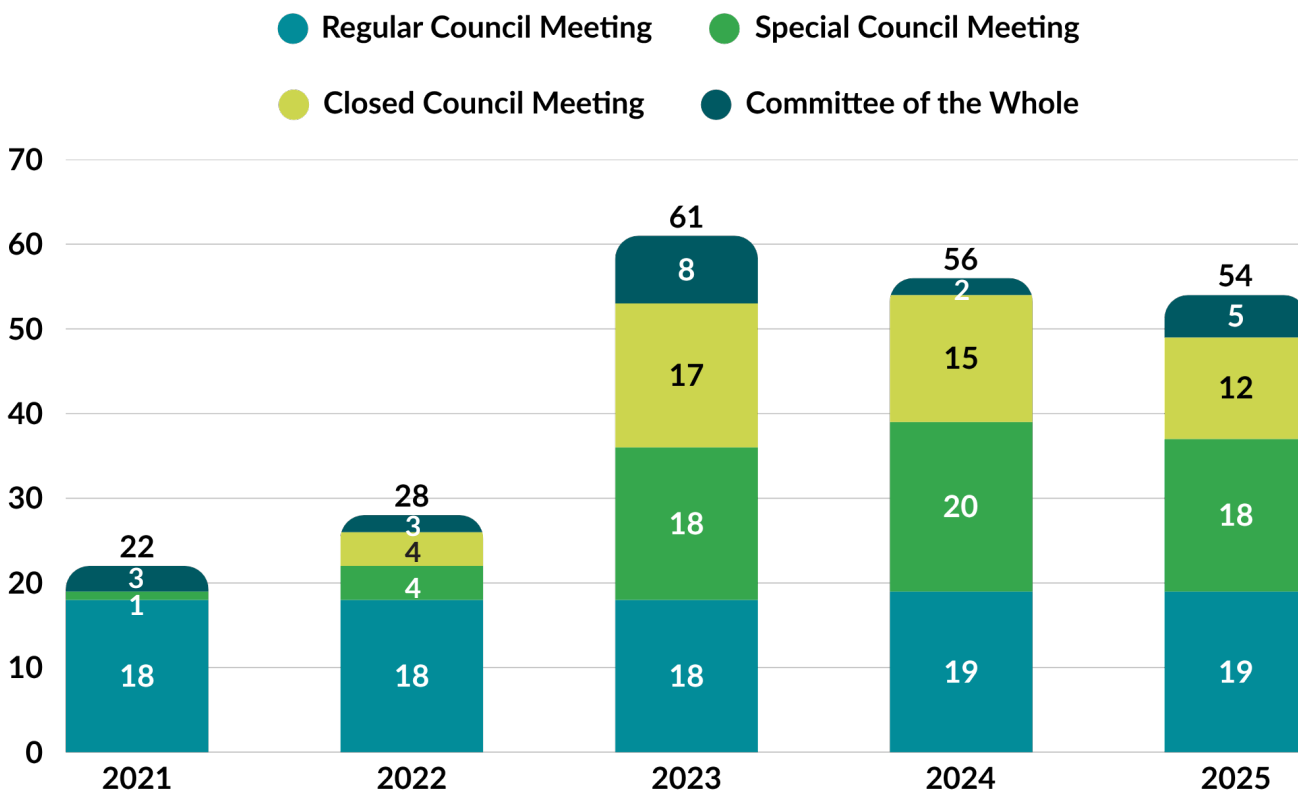
## Building Permits Issued



## Value of Building Permits Issued

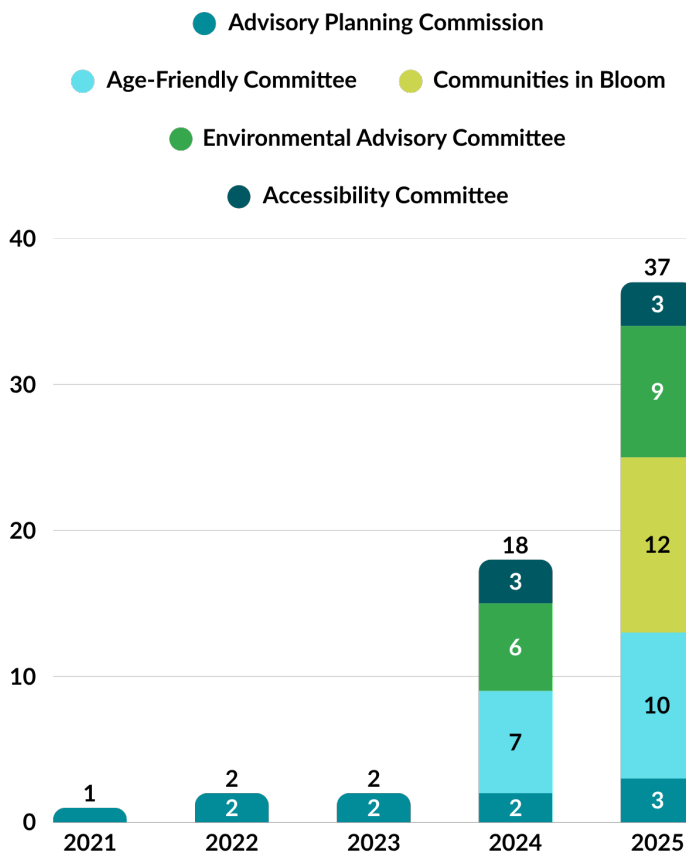
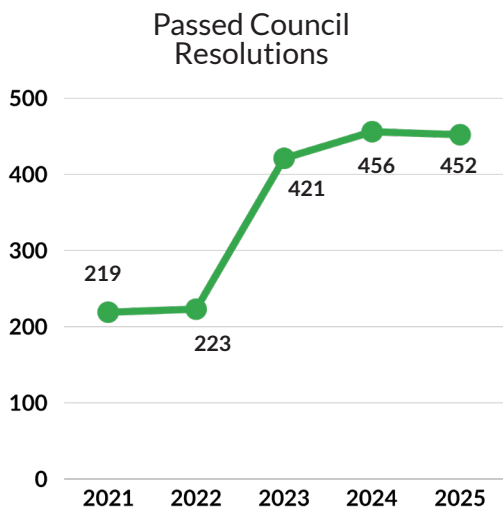


# Corporate Services Statistics



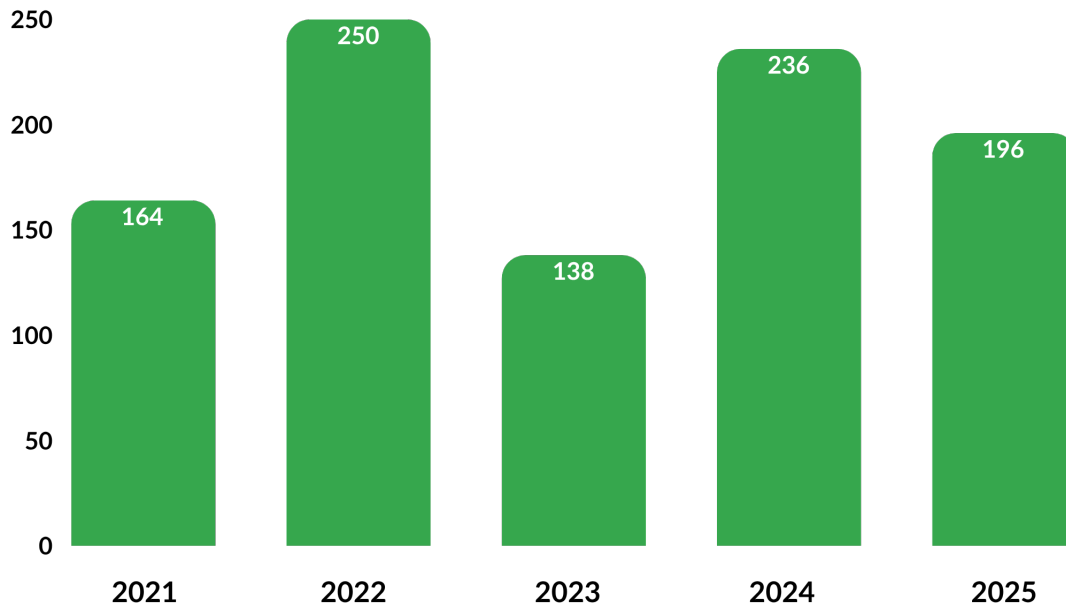
**Total Time in Regular Council Meetings**

<b>Total Hours</b>	<b>Total Minutes</b>
<b>39.4</b>	<b>2362</b>



# Bylaw Enforcement

Bylaw Enforcement  
Tickets Issued



	2021	2022	2023	2024	2025
Noise Abatement			1	4	
Boat Launch Facility & Parking				1	
Business Licence	8	9			
Bylaw Notice Enforcement					
Highway & Traffic	148	239	131	177	190
Littering/Dumping					
Municipal Dock	4				
Outdoor Fire					
Park	1			1	
Sign					
Property/Premises			2	50	5
Tree Protection				1	
Waste Collection & Disposal					
Zoning	3	2	4	2	1
Misc					
	164	250	140	236	196



# Resort Municipality Initiative

The Village is proud to be one of fourteen designated resort municipalities eligible for participation in the Resort Municipality Initiative (RMI) Program



## Est. \$1.5 Million over the next 3 years

## What is RMI?

The Resort Municipality Initiative (RMI) program is managed by the Ministry of Tourism, Arts, Culture and Sport.

The program is intended to support small, resort-oriented municipalities to build and diversify their tourism infrastructure, deliver exceptional visitor experiences and incorporate sustainable tourism practices and products.

RMI funding is calculated and confirmed annually, based on accommodation business generated in the previous calendar year, and subject to approval by the Province.



## RMI Benefits & Purpose

RMI funding allows the Village to maintain and develop tourism infrastructure, creating a more dynamic community for both visitors and residents.

The funding allows the Village to partner with agencies such as Tourism Harrison River Valley, Harrison Festival of the Arts and Sts'ailes to deliver special events that create a vibrant atmosphere for both visitors and residents.

The Village of Harrison Hot Springs is grateful to the Province of British Columbia for the funding to support our tourism-based economy. This funding supports services that are above-and-beyond what a municipality of our size would otherwise be able to provide.

# Resort Development Strategy

The RMI program is guided by the Village's Resort Development Strategy (RDS). The RDS outlines events and infrastructure projects that the Village must undertake with the funding.



## Examples of Supported Events



Sasquatch Days



Lights by the Lake



Festival of the Arts

## Looking Ahead

In 2025, the Village submitted its three-year Resort Development Strategy (RDS) to the Province for approval.

This strategy was a collaborative effort between staff and the RDS Committee which had representatives from Tourism Harrison River Valley, Harrison-Agassiz Chamber of Commerce, and Council.

Approved RDS projects in the current term include:

- Parks & Trails Recreational Opportunities
- Pay Parking Infrastructure
- Streetscape Enhancements
- Splash Pad
- Interpretive Signage

Other projects that will be completed from the previous RDS include finishing the lagoon development- final phase project and boat launch building upgrades.





# HARRISON HOT SPRINGS

*Naturally Refreshed*



495 Hot Springs Road  
Harrison Hot Springs, BC V0M 1K0



[harrisonhotsprings.ca](http://harrisonhotsprings.ca)



@VillageOfHarrisonHotSprings