

# HARRISON HOT SPRINGS

*Naturally Refreshed*



VILLAGE OF HARRISON HOT SPRINGS

**ANNUAL REPORT**

**2023**

## **MUNICIPALITY**

Village of Harrison Hot Springs

## **ANNUAL REPORT**

For the fiscal year ending  
December 31, 2023

## **PREPARED BY**

The Village Municipal Staff

## **LOCATION**

Harrison Hot Springs  
British Columbia, Canada

## **CONTACT**

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# Mayor's Message



I am pleased to present the annual report of the Village's progress and achievements over the past year on behalf of Council and staff. This comprehensive document summarizes our financial standing, highlights noteworthy projects, and outlines the Village's aspirations for the future.

In October 2023, Council took a significant step forward by adopting a strategic plan. This plan will be used by Council and staff to guide decisions and measure our success as an organization. This strategic plan provides a roadmap for our endeavours and reflects our commitment to preserving the environment and quality of life here in the Village.

Detailed financial statements included in this report demonstrate prudent fiscal management and dedication to maintaining a balanced budget while moving capital projects forward.

Some highlights over the past year include:

- The Single Use Plastics Bylaw took effect, restricting the use of plastic bags, utensils and straws and polystyrene foam containers
- The Beach Berm project funded through Provincial grant funding was completed
- The Fire Hall seismic and Emergency Operations Centre upgrades, paid for by grant funding, were completed
- The Dike Upgrade project continued to move forward through the design phase

Our goals for the future are ambitious, but achievable. Looking ahead, we are motivated by those common priorities that unite us. Thank you to our residents who took the time over the past year to actively participate in the governance of their community. Whether that means serving on a Committee or Commission, taking a Village survey, writing a letter to Council or attending a Council meeting, your voices and input serve as reminders of what we are here to do.

As you read through this annual report, I invite you to reflect on how we all have a role to play in ensuring that the Village of Harrison Hot Springs has a bright, sustainable, and prosperous future for those who live, work and play in this beautiful place we call home.

A handwritten signature in black ink, appearing to read 'Ed Wood'. The signature is fluid and cursive.

Mayor Ed Wood

# Village Council

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

Council meets regularly and the public is welcome to attend any open meeting and participate in the question period at the end of the meeting. To make a presentation or address Council, a delegation request may be submitted to the Village.





## Mayor Ed Wood

### Council Appointments

Agassiz Harrison Historical Society

Age-Friendly Committee

Environmental Advisory Committee



## Councillor John Allen

### Council Appointments

Agassiz Harrison Healthy Communities

Harrison Agassiz Chamber of Commerce



## Councillor Leo Facio

### Council Appointments

Fraser Valley Regional District Board (Municipal Director)

Fraser Valley Regional Hospital Board (Municipal Director)

Fraser Valley Regional Library Board (Alternate Municipal Director)

Accessibility Committee



## Councillor Allan Jackson

### Council Appointments

Tourism Harrison River Valley

Fraser Valley Regional Library Board (Municipal Director)

Communities in Bloom Committee



## Councillor Michie Vidal

### Council Appointments

Kent Harrison Joint Emergency Program Committee

Corrections Canada Citizen's Advisory Committee

Community Futures North Fraser Board of Directors



# Letter of Transmittal

May 31, 2024

To the Mayor and Council,

I am pleased to submit the 2023 Annual Report for the Village of Harrison Hot Springs (the Village). This report presents the financial results for the fiscal year ended December 31, 2023 in accordance with the *Community Charter* and the *Local Government Act*. This report includes the Audit Report from BDO Canada LLP, the Financial Statements of the Village, and supplementary information for the year ended December 31, 2023. In 2023, the Village was the recipient of a Canadian Award for Financial Reporting (CAnFR) from the Government Finance Officers Association for its 2022 Annual Report, which marked the fourth consecutive year that this award was won by the Village. The CAnFR recognizes excellence in governmental accounting and financial reporting and represents a significant accomplishment by a local government and its management.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we will be submitting it to the GFOA to determine its eligibility for another award. Staff are very proud of this accomplishment and will strive to continue to provide transparent and accountable financial information to the public.

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

The financial statements of the Village are the responsibility of management and have been prepared in accordance with Canadian Public Sector Accounting Standards, consistently applied and appropriate in the circumstances. The preparation of the financial statements requires the use of estimates which have been made using careful judgement. In management's opinion, the financial statements have been properly prepared within the framework of the accounting policies summarized in the financial statements, and incorporated all information available as of the audit date within reasonable limits of materiality. 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. These systems are monitored and evaluated by management. Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The financial statements have been examined by the Village's independent external auditor, BDO Canada LLP in accordance with Canadian generally accepted auditing standards. The external auditor's responsibility is to express their opinion on whether the financial statements, in all material respects, fairly present the Village's financial position, results of operations, changes in net financial assets and cash flows in accordance with Canadian Public Sector Accounting Standards. Their Independent Auditor's Report outlines the scope of their examination and their opinion. The external auditor has full and open access to all records of the Village and has direct access to management and Council when required.



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

1. **Introductory Section:** Provides an overview of the Village and our role, vision and strategic direction. It includes the nature and scope of the services provided as well as highlights and accomplishments.
2. **Financial Section:** Presents the 2023 financial statements, notes, supplementary schedules and the independent Auditors' Report for the Village.
3. **Statistical Section:** Presents a variety of statistical and financial information on a five-year comparative basis.

## Financial Overview

### Significant Financial Management Policies:

The Village of Harrison Hot Springs is governed by bylaws and policies, many of which are financial in nature. Significant accounting policies are described on page 30.

### 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 2023 there was an increase to tangible capital assets in the amount of approximately \$190,000, which was primarily attributed to improvements in the water and sewer systems.

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 2023 there were contributions to the DCC's of \$247,920, and \$343,624 was expended.

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 2023, there was a total increase to the equity in TCA of \$231,408 and the Village's total equity in TCA ended the year at \$38,008,294.

Long-term debt and liabilities under agreement were reduced overall by \$41,924 in 2023. All other debt relates to the General Fund and is serviced by taxation.



## Statement of Operations:

### Revenues

Revenues in 2023 were increased by approximately \$1.3M versus 2022. This was primarily a result of increased government grant receipts, increased use of Development Cost Charges, and increased interest earned on investments resulting from higher posted interest rates. Total revenues were under budget by about \$8.9 million, however this was related to government grant applications that were still in process and not awarded, as well as delayed progression on capital projects. Generally speaking, when the Village applies for a grant, the revenues associated are included in the annual budget. However, if the grant is not approved or approval is delayed, revenues will not be realized and the budgeted expenditure will also not occur resulting in a net \$0 impact on the financial statements.

### Expenses

Expenses include operational items and capital expenditures that do not meet the requirement for capitalization and amortization. During 2023, there were many 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 May 6, 2024 Council adopted the 2024-2028 Financial Plan as part of its financial planning process. A summary can be found within the “Five Year Financial Plan” section of the Annual Report.

## **Future Outlook**

The Village of Harrison Hot Springs is a resort municipality which presents both opportunities and challenges. The Village has seen a population growth of approximately 30% from 2016 to 2021 (Statistics Canada) which places a high demand on services that the Village provides for its taxpayers, also, demands on services are additionally increased when non-resident owners and tourists visit during the summer season.

The Village is committed to fiscal responsibility and will continue to seek out grants as they become available for specific eligible and relevant projects. Grants remain a key source of funding for the Village, as large projects are most often not possible without supplemental funding sources or the need for debt borrowing. The Village is unable to generate the level of taxation revenues necessary to fund certain large projects without grant funding; a 1% tax increase generates just over \$25,000. The Village is also grateful for the various sources of funding such as the Resort Municipality Initiative (RMI), the Community Works Grant, as well as the other provincial and federal grant funds that are available. These various sources of funding greatly assist with beach and park maintenance, as well as fund major infrastructure and beachfront beautification projects.

The Village has a limited amount of land available for development, however there continues to be strong interest in new development projects which includes residential and mixed commercial / residential opportunities, and recreational developments. Real estate transactions showed continued strong demand and speaks to the high desirability of the Village, with total assessed values increasing in all three classes of properties that the Village has assessed values for (Residential, Business, and Recreational / Non-Profit).

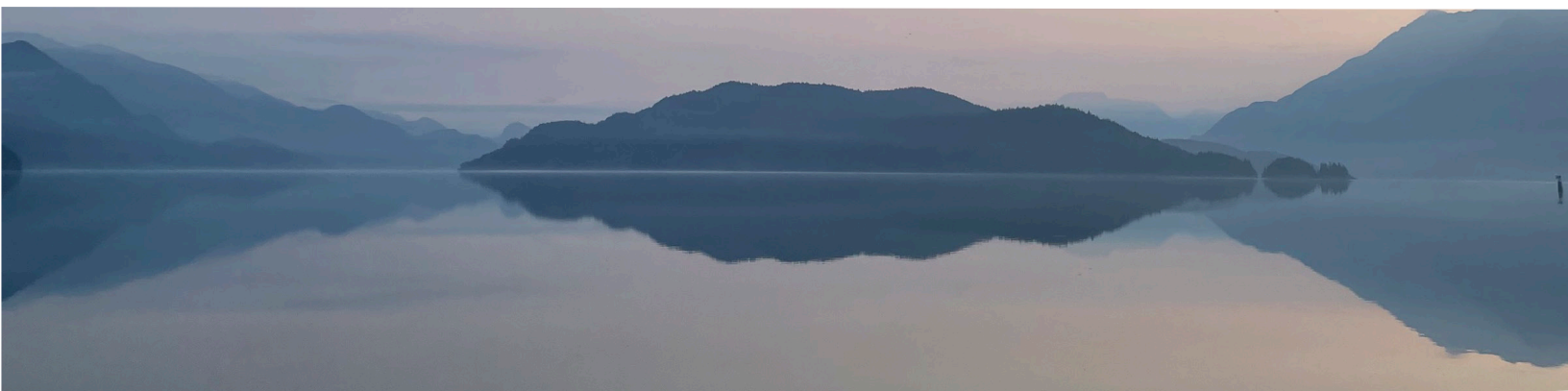
In closing, I'd like to extend my gratitude to all those that make the Village a great place to live, work and play. I believe that this very positive report speaks to the ongoing efficient and dedicated work of Village staff, while also recognizing the good governance of Council's ongoing commitment to prudent financial management. Together, we will continue to build a vibrant and resilient community for generations 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**

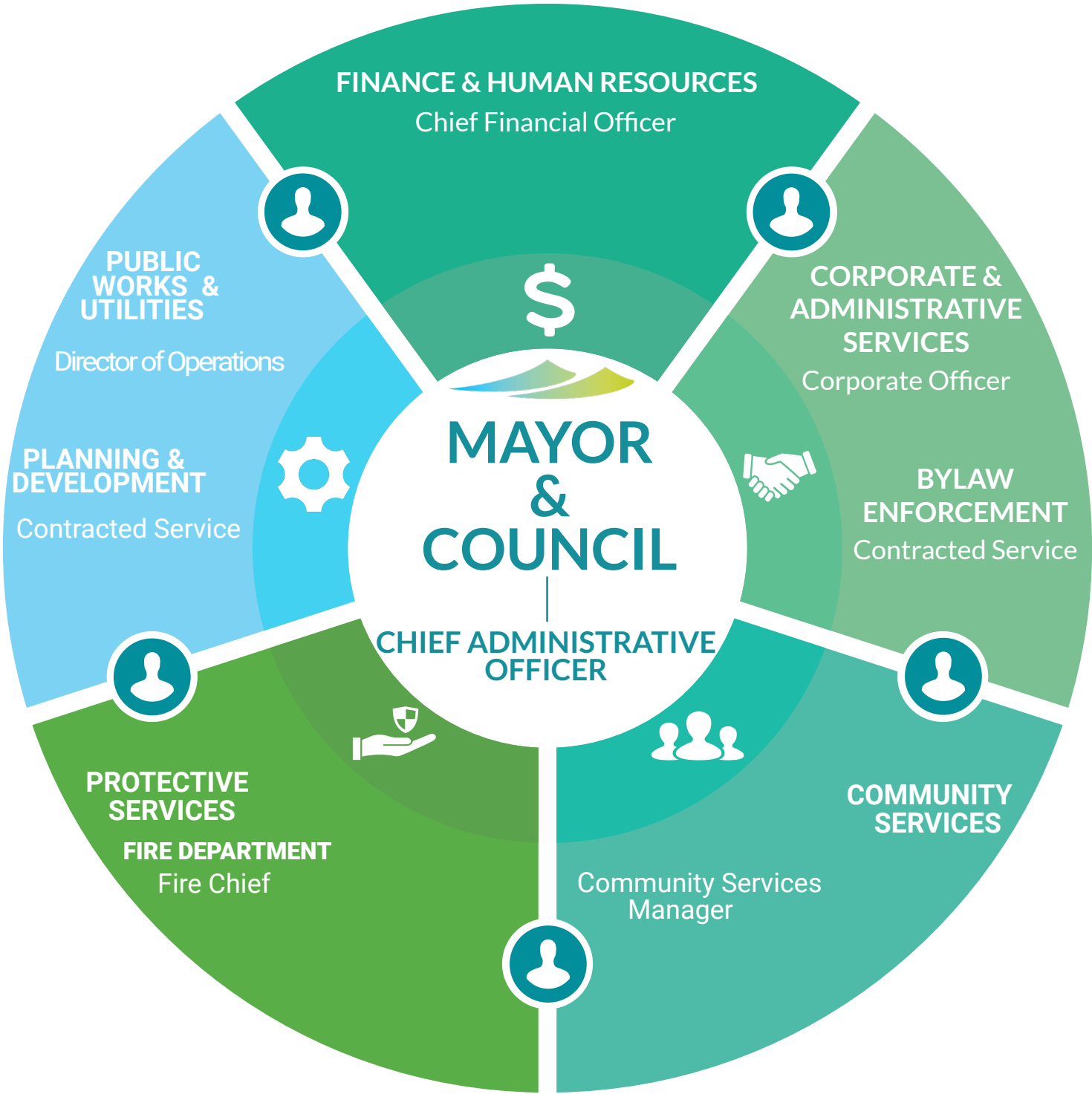
For its Annual  
Financial Report  
for the Year Ended

**December 31, 2022**

*Christopher P. Morill*

Executive Director/CEO

# Organizational Chart



# Departments



## Corporate & Administrative Services

### Corporate & Administrative Services

Corporate Services prepare and preserve records of the official business of the corporation, including bylaws, minutes of Council and Committee meetings, and Council policies. The department is also responsible for the coordination of municipal elections, and referendums.

### Bylaw Enforcement Services

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

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, and environmental initiatives. 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.

### 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

In the event of an emergency in our community or nearby, an Emergency Operations Centre (EOC) may be activated. EOC's provide overall jurisdictional direction and control, coordination, and resource support. A new location was selected to house the Village's EOC beginning in 2023. After the renovations were completed at the Fire Hall, and thanks to funding from the Province, the upstairs portion of the hall is ready to be utilized by Village staff in the event of an emergency. The EOC is now equipped with laptops, a copier / scanner, dry erase boards, a SmartBoard, StarLink satellite, and office furniture. Staff is committed to participating in emergency management training and supporting the KHJEP team in any way possible.



# Public Works & Utilities Services

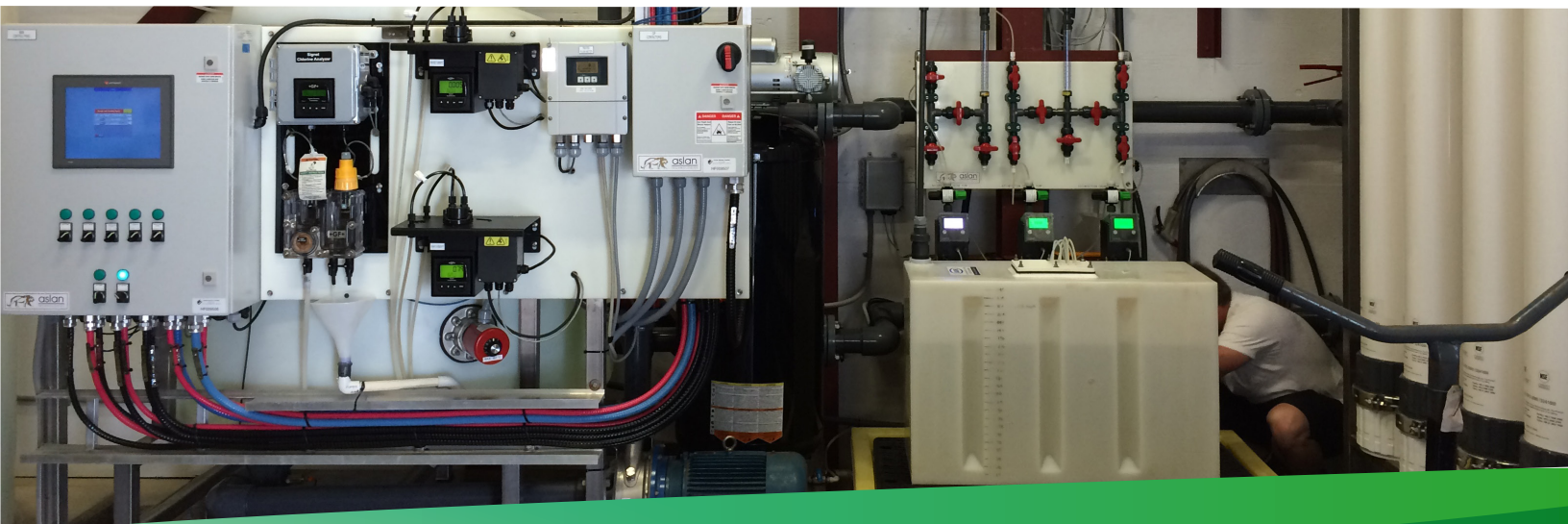
## Public Works

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.



# Strategic Plan

## OUR VISION

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A residential and resort community focused on maintaining an attractive and inviting village core, with a strong commitment to preserving the scenic qualities, the environment and quality of life.

## OUR MISSION

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

In 2023, Council adopted a Strategic Plan outlining the Village's vision, mission and priorities. The vision sees Harrison Hot Springs as both an inviting residential and resort community. Harrison is known for its beautiful natural scenery, vibrant arts and culture community, and tourism industry. The focus is to maintain an attractive village core through preservation of the environment and quality of life. To achieve this vision, five strategic priorities were identified.

# Strategic Priorities



**Sustainable  
Development**



**Organizational  
Development**



**Public  
Safety**



**Environmental  
Protection**



**Healthy  
Livable  
Community**

As the Village continues to grow, these strategic priorities will provide a framework to guide actions, initiatives, budgets and operational plans. With the values of respect, integrity, accountability, positivity, collaboration and communication in mind, the Village is working toward becoming a community that balances the needs of residents, businesses, and visitors. Each strategic priority has a list of associated priority actions which will be used to set targets and measure the Village’s success. This plan will continue to inform the Village’s 2024 objectives.



## SUSTAINABLE DEVELOPMENT

### OUR GOAL

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

### 2023 HIGHLIGHTS

- Continued public engagement process for the updated Official Community Plan Bylaw
- Realigned and extended the Watermain on St. Alice Street from Lillooet Avenue to Cedar Street

### 2024 GOALS

- Conduct a comprehensive review of existing land and development bylaws and policies
- Pursue attainable and affordable housing
- Develop a streetscape plan



# ORGANIZATIONAL DEVELOPMENT

## OUR GOAL

To provide for the needs of a growing community.

## 2023 HIGHLIGHTS

- Expanded paid parking zone to Lillooet Avenue west
- Enhanced IT security
- Completed upgrades to audio/visual equipment at the Village office Council Chambers

## 2024 GOALS

- Conduct a Village facilities review and work towards plans for a new Village office/civic centre
- Update various masterplans including the Community Wildfire Resiliency Plan and Water/Liquid Waste Master Plan
- Replace Lift Station #1 and upgrade Lift Stations # 4, 5 and 6



# PUBLIC SAFETY

## OUR GOAL

To ensure and enhance public safety

## 2023 HIGHLIGHTS

- Completed Fire Hall seismic upgrades and Emergency Operations Centre
- Applied for funding through the FireSmart program
- Began planning for Emergency Preparedness Open House
- Awarded contract for Dike Upgrade design

## 2024 GOALS

- Continue efforts to secure a secondary evacuation route
- Implement FireSmart strategies
- Finalize plans for flood protection measures
- Complete forest fuel prescriptions for priority areas and implement fuel management recommendations



# HEALTHY LIVABLE COMMUNITY

## OUR GOAL

To promote and enhance a healthy lifestyle for all ages

## 2023 HIGHLIGHTS

- Provided support to 4 organizations through the Grants to Groups program
- Lagoon/Berm project completion
- Applied for funding through the Age-Friendly Grant and Age-Friendly Committee restart
- Collaborated with community partners for events such as Sasquatch Days, Harrison Festival of the Arts, and Lights by the lake

## 2024 GOALS

- Develop a parks and trails Master Plan
- Upgrades to Spring Park and the installation of an accessible playground at beachfront
- Implement Age-Friendly Grant initiatives



# ENVIRONMENTAL PROTECTION

## OUR GOAL

To restore and protect the environment for future generations

## 2023 HIGHLIGHTS

- Finalized and adopted an urban forest masterplan
- Began taking applications for an Environmental Advisory Committee
- Single-Use plastics Bylaw took effect
- Continued education and planning for the Local Government Climate Action Plan program

## 2024 GOALS

- Acquire an electric fleet vehicle utilizing grant funding
- Collaborate with community partners to conduct an environmental review of the Miami River

# Financial Section

## Five-Year Financial Plan 2023-2027

Revenues	2023	2024	2025	2026	2027
Property Taxes - Municipal	\$2,660,468	\$2,661,795	\$2,726,427	\$2,795,802	\$2,865,306
Collections - Other Governments & Agencies	\$2,214,180	\$2,300,185	\$2,371,789	\$2,419,224	\$2,419,224
Penalties & Interest - Taxes	-	-	-	-	-
Utility Co. 1% Revenue Taxes	\$41,987	\$39,505	\$40,296	\$41,101	\$41,924
Payments in lieu of Taxes	\$6,400	\$6,400	\$6,400	\$6,528	\$6,658
<b>Total Taxes Collected</b>	<b>\$4,923,035</b>	<b>\$5,007,885</b>	<b>\$5,144,912</b>	<b>\$5,262,655</b>	<b>\$5,333,112</b>
Remittances - Other Governments & Agencies	(\$2,214,180)	(\$2,300,185)	(\$2,371,789)	(\$2,419,224)	(\$2,419,224)
<b>Net Taxes for Municipal Purposes</b>	<b>\$2,708,855</b>	<b>\$2,707,700</b>	<b>\$2,773,123</b>	<b>\$2,843,431</b>	<b>\$2,913,888</b>
Revenue from Own Sources	\$2,331,715	\$2,361,156	\$2,410,122	\$2,450,690	\$2,492,026
Grants & Donations	\$9,708,484	\$562,000	\$567,000	\$578,340	\$589,907
DCC	\$2,878,375	-	-	-	-
Contributed Assets	-	-	-	-	-
<b>Total Revenue</b>	<b>\$17,627,429</b>	<b>\$5,630,856</b>	<b>\$5,750,245</b>	<b>\$5,872,461</b>	<b>\$5,995,821</b>
<b>Expenses</b>					
Legislative	\$198,020	\$195,096	\$203,212	\$212,550	\$220,736
General Government	\$1,490,165	\$1,252,487	\$1,275,538	\$1,303,435	\$1,331,964
Protective Services	\$325,126	\$327,848	\$331,976	\$338,306	\$344,764
Development Planning	\$144,520	\$122,700	\$125,154	\$127,657	\$130,210
Tourism and Community Improvement	\$326,653	\$304,745	\$311,333	\$318,021	\$324,857
Engineering, Transportation, Storm Water	\$946,732	\$882,920	\$895,633	\$914,409	\$933,533
Parks, Recreation & Cultural Services	\$632,296	\$614,844	\$626,599	\$260,905	\$265,624
Wastewater Utility	\$949,475	\$967,885	\$986,161	\$1,005,633	\$1,025,448
Water Utility	\$557,623	\$565,320	\$573,177	\$584,756	\$596,572
Debt - Interest	\$13,200	\$15,700	\$15,700	\$16,014	\$16,334
<b>Total Expenditures</b>	<b>\$5,847,125</b>	<b>\$5,493,713</b>	<b>\$5,600,762</b>	<b>\$5,720,989</b>	<b>\$5,842,317</b>
<b>Surplus (Deficit)</b>	<b>\$11,780,304</b>	<b>\$137,143</b>	<b>\$149,483</b>	<b>\$151,472</b>	<b>\$153,504</b>
<b>Capital, Debt, Reserves, Transfers &amp; Borrowing</b>					
Capital Expenditures	\$(14,098,048)	\$(646,000)	\$(111,180)	\$(113,404)	\$(115,673)
Repayment on Debt	\$(31,100)	\$(53,100)	\$(53,100)	\$(54,162)	\$(55,245)
Proceeds of Debt	-	\$95,000	-	-	-
Contributions to Reserves	\$(1,255,676)	\$(1,209,043)	\$(1,221,383)	\$1,244,810	\$(1,268,708)
Transfers From Reserves	\$2,206,345	\$551,000	\$111,180	\$113,404	\$115,672
Appropriation from Surplus	\$273,175	-	-	-	-
Equity in Tangible Capital Assets	\$1,125,000	\$1,125,000	\$1,125,000	\$1,147,500	\$1,170,450
<b>Total Capital</b>	<b>\$(11,780,304)</b>	<b>\$(137,143)</b>	<b>\$(149,483)</b>	<b>\$(151,472)</b>	<b>\$(153,504)</b>
<b>Surplus (Deficit) Plus Capital, Debt</b>	<b>- 0</b>	<b>- 0</b>	<b>- 0</b>	<b>- 0</b>	<b>- 0</b>

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## Statement of Management's Responsibility


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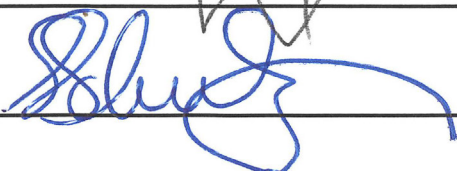
The financial statements of the Village of Harrison Hot Springs (the Village) are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards, consistently applied and appropriate in the circumstances. The preparation of the financial statements requires the use of estimates which have been made using careful 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

May 6, 2024



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

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

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## Independent Auditor's Report

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

### Opinion

We have audited the financial statements of the Village of Harrison Hot Springs (the “Village”) which comprise the Statement of Financial Position as at December 31, 2023 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, 2023 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*

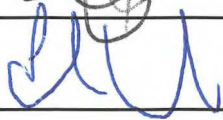
Chartered Professional Accountants

Vancouver, British Columbia  
May 8, 2024

## Village of Harrison Hot Springs Statement of Financial Position

December 31	2023	2022 (Restated)
		(Note 12)
<b>Financial Assets</b>		
Cash (Note 1)	\$ 22,814,943	\$ 20,957,382
Accounts Receivable (Note 2)	1,716,059	1,042,032
MFA Deposits (Note 3)	7,332	7,111
	<b>24,538,334</b>	<b>22,006,525</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 4)	321,567	682,807
Employee Future Benefits (Note 5)	88,015	116,328
Developers' Deposits and Other Liabilities (Note 6)	1,968,765	3,042,180
Deferred Revenue (Note 7)	2,240,922	1,160,771
Development Cost Charges (Note 8)	5,419,329	5,227,879
Liabilities Under Agreement (Note 9)	-	2,362
Long-term Debt (Note 10)	318,538	358,100
Asset Retirement Obligation (Note 11)	18,019	58,594
	<b>10,375,155</b>	<b>10,649,021</b>
<b>Net Financial Assets</b>	<b>14,163,179</b>	<b>11,357,504</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 12, Schedule 2)	38,385,382	38,193,551
Prepaid Expenses	64,663	56,374
	<b>38,450,045</b>	<b>38,249,925</b>
<b>Accumulated surplus (Note 14)</b>	<b>\$ 52,613,224</b>	<b>\$ 49,607,429</b>

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

  
 \_\_\_\_\_ Mayor

The accompanying summary of significant policies and notes are an integral part of these financial statements

## Village of Harrison Hot Springs Statement of Operations

For year ended December 31	2023 Budget (Note 19)	2023	2022 (Restated) (Note 12)
<b>Revenue</b>			
Property Taxes (Note 15)	\$ 2,708,856	\$ 2,709,154	\$ 2,551,795
Sale of Services (Note 16)	1,727,909	1,758,323	1,688,486
Utility Service Fees (Note 17)	500,820	505,985	491,453
Government Transfers (Note 18)	9,708,484	2,468,868	2,122,812
Investment Income	70,764	747,745	350,537
Penalties and Interest	-	83,494	64,321
Development Cost Charges (Note 9)	2,878,375	343,624	71,952
Other Revenue	47,085	114,006	92,391
	<u>17,642,293</u>	<u>8,731,199</u>	<u>7,433,747</u>
<b>Expenses (Note 20)</b>			
Legislative Services	198,020	167,245	115,957
General Government	1,503,366	1,678,828	1,229,942
Protective Services	318,841	329,259	274,928
Public Works	416,887	424,888	396,952
Transportation Services	535,546	450,902	471,903
Public Health	6,285	7,213	7,535
Planning and Development	144,520	115,710	278,299
Tourism, Community and Economic Development	326,653	257,380	277,440
Solid Waste Management and Recycling	263,314	244,972	259,859
Beaches, Parks, Recreation and Culture	626,595	551,043	512,320
Sewer Services	949,475	896,637	876,175
Water Services	557,623	601,327	499,374
	<u>5,847,125</u>	<u>5,725,404</u>	<u>5,200,684</u>
<b>Annual surplus</b>	<b>11,795,168</b>	<b>3,005,795</b>	<b>2,233,063</b>
<b>Accumulated surplus, beginning of year, (Note 14)</b>	<b>49,607,429</b>	<b>49,607,429</b>	<b>47,374,366</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 61,402,597</b>	<b>\$ 52,613,224</b>	<b>\$ 49,607,429</b>

The accompanying summary of significant policies and notes are an integral part of these financial statements

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

<b>For year ended December 31</b>	<b>2023 Budget</b> <small>(Note 19)</small>	<b>2023</b>	<b>2022 (Restated)</b> <small>(Note 12)</small>
<b>Annual surplus</b>	<b>\$ 11,795,168</b>	<b>\$ 3,005,795</b>	<b>\$ 2,233,063</b>
Acquisition of tangible capital assets	<b>(14,098,048)</b>	<b>(1,394,155)</b>	<b>(2,340,530)</b>
Amortization of tangible capital assets <small>(Note 20, Schedule 2)</small>	<b>1,128,000</b>	<b>1,202,324</b>	<b>1,130,056</b>
Loss on disposal of tangible capital assets	-	-	8,174
Change in prepaid expenses	-	<b>(8,289)</b>	299,686
<b>Increase (Decrease) in net financial assets for the year</b>	<b>(1,174,880)</b>	<b>2,805,675</b>	<b>1,330,449</b>
<b>Net financial assets, beginning of year</b>	<b>11,357,504</b>	<b>11,357,504</b>	<b>10,027,055</b>
<b>Net financial assets, end of year</b>	<b>\$ 10,182,624</b>	<b>\$ 14,163,179</b>	<b>\$ 11,357,504</b>

The accompanying summary of significant policies and notes are an integral part of these financial statements

**Village of Harrison Hot Springs**  
Statement of Cash Flows

For the year ended December 31	2023	2022
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual surplus	\$ 3,005,795	\$ 2,233,063
Items not involving cash:		
Loss on disposal of tangible capital assets	-	8,174
Amortization of tangible capital assets	1,202,324	1,130,056
Accretion expense	2,444	2,346
	4,210,563	3,373,639
<b>Changes in working capital:</b>		
Accounts receivable	(674,027)	(547,135)
MFA Deposits	(221)	(155)
Prepaid expenses	(8,289)	299,687
Accounts payable and accrued liabilities	(361,240)	262,993
Developers' deposits and other liabilities	(1,073,415)	1,624,457
Employee future benefits	(28,313)	(15,471)
Deferred revenue	1,080,151	(944,426)
Development cost charges	191,450	459,130
	3,336,659	4,512,719
<b>Capital activities</b>		
Asset retirement remediation	(43,019)	-
Acquisition of tangible capital assets	(1,394,155)	(2,340,530)
<b>Financing transactions</b>		
Repayment of long-term debt	(41,924)	(59,165)
<b>Increase in cash during the year</b>	<b>1,857,561</b>	<b>2,113,024</b>
<b>Cash, beginning of year</b>	<b>20,957,382</b>	<b>18,844,358</b>
<b>Cash, end of year</b>	<b>\$ 22,814,943</b>	<b>\$ 20,957,382</b>

The accompanying summary of significant policies and notes are an integral part of these financial statements

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

For the year ended December 31, 2023

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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") which are the representation of management are prepared in accordance with Canadian generally accepted accounting principles for governments as prescribed by the Public Sector Accounting Board (PSAB). Interfund transactions and fund balances have been eliminated for reporting purposes. There are no other organizations under the control of the Village Council that meet the criteria for inclusion and consolidation in these statements. Significant accounting policies adopted by the Village are as follows:

#### a. Basis of Reporting

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

##### i. Operating Funds

These funds include the General, Water and Sewer operations of the Village. They are used to record the operating costs of the services provided by the Village.

##### ii. Capital funds

These funds include the General, Water and Sewer capital funds. They are used to record the acquisition and disposal of tangible capital assets and their financing.

##### iii. Reserve funds

Under the Community Charter, Village Council may, by bylaw establish reserve funds for specified purposes. Money in a Statutory Reserve Fund, and interest earned thereon, must be expended by bylaw only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, Village Council may, by bylaw, transfer all or part of the balance to another reserve fund. Non-statutory Reserves require being included in an approved council budget or a resolution before these funds can be expended.

#### b. Revenue Recognition

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

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

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

For the year ended December 31, 2023

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### b. Revenue Recognition (continued)

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

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

### c. Expense Recognition

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

### d. Financial Instruments

Effective January 1, 2023, the Village adopted PS 3450 - Financial Instruments. The standard was adopted prospectively and comparative figures were not restated.

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 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

Effective January 1, 2023, the Village adopted PS 3280 - Asset Retirement Obligations. Under this standard, a liability for an asset retirement obligation is recognized 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.

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

For the year ended December 31, 2023

**e. Asset Retirement Obligations (continued)**

This 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. 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.

**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.



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

For the year ended December 31, 2023

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### **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.

### **h. Liability for Contaminated Sites**

The preparation of financial statements in accordance with Canadian public sector accounting Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

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

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

The Village has determined that as of December 31, 2023, no contamination in excess of an environmental standard exists to land for which the Village is responsible.

## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2023

1. Cash	2023	2022
Restricted cash:		
Statutory reserves	\$ 2,714,534	\$ 1,361,661
Non-statutory reserves	5,376,207	4,428,345
Development Cost Charges/Deposits in Trust	5,419,329	9,430,830
	13,510,070	15,220,836
Unrestricted Cash	9,304,873	5,736,546
	\$22,814,943	\$ 20,957,382

2. Accounts Receivable	2023	2022
Property taxes receivable	\$ 327,414	\$ 169,192
Government grants receivable	1,138,751	653,965
Trade and other receivable	249,894	218,875
	\$ 1,716,059	\$ 1,042,032

### 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 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, 2023

#### 4. Accounts Payable and Accrued Liabilities

	2023	2022
Trade and other	\$ 19,320	\$ 349,214
Holdbacks payable	42,616	116,362
Other government	182,028	150,065
Accrued employee benefits	77,603	67,166
	\$ 321,567	\$ 682,807

#### 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 2023 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.

As of December 31, 2023, \$88,015 (2022 - \$116,328) of the amount of the liability has been charged to operations. The significant actuarial assumptions adopted in measuring the Village's accrued benefit obligation are as follows:

	2023	2022
Discount rates	4.0 %	4.4 %
Expected future inflation	3.0 %	2.5 %

## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2023

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

Accrued Benefit Obligation as at December 31, 2023:

	2023	2022
Accrued benefit obligation, beginning of year	\$ 131,278	\$ 131,798
Current service cost	15,408	19,123
Interest on accrued benefit obligation	4,814	3,346
Benefit payments	(44,654)	(22,989)
Actuarial gain	(1,359)	-
Accrued benefit obligation, end of year	105,487	131,278
Less: Unamortized actuarial loss, net	(17,472)	(14,950)
Liability, end of year	<u>\$ 88,015</u>	<u>\$ 116,328</u>

#### 6. Developers Deposits and Other Liabilities

	2023	2022
Property and event damage deposits	\$ 608,789	\$ 1,129,138
Developers deposit	1,358,721	1,911,786
Funds held on behalf of community groups	1,255	1,256
	<u>\$ 1,968,765</u>	<u>\$ 3,042,180</u>

#### 7. Deferred Revenue

	December 31, 2022	Externally Restricted Inflows	Revenue Earned	December 31, 2023
Prepaid taxes	\$ 174,380	\$ 354,099	\$ (326,241)	\$ 202,238
Resort municipality initiative	910,183	1,123,122	(161,857)	1,871,448
Deferred revenue	75,783	88,628	-	164,411
Facility rentals and other	425	2,825	(425)	2,825
	<u>\$ 1,160,771</u>	<u>\$ 1,568,674</u>	<u>\$ (488,523)</u>	<u>\$ 2,240,922</u>

## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2023

#### 8. Development Cost Charges

	Opening Balance	Receipts	Interest	Revenue Recognized	December 31, 2023
Sewer DCC	\$ 1,877,887	\$ 88,707	\$ 103,223	\$ (103,758)	\$ 1,966,059
Water DCC	1,663,632	71,427	91,223	(65,366)	1,760,916
Drainage DCC	1,070,146	57,253	59,426	-	1,186,825
Parks DCC	616,214	30,533	33,282	(174,500)	505,529
	<u>\$ 5,227,879</u>	<u>\$ 247,920</u>	<u>\$ 287,154</u>	<u>\$ (343,624)</u>	<u>\$ 5,419,329</u>

#### 9. Liabilities Under Agreement

In 2017, the Village entered into a five year agreement with the Municipal Finance Authority to borrow funds in the amount of \$110,000 to purchase capital equipment.

This was fully repaid in 2023. Changes in the liabilities are as follows:

	2023	2022
Balance, beginning of year	\$ 2,362	\$ 23,305
Less: Principal repayments	<u>(2,362)</u>	<u>(20,943)</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 2,362</u>

Total interest expense during the year was \$9. Total interest over the term of the agreements was \$5,863.

#### 10. Long-Term Debt

In 2015 the Village borrowed funds under loan authorization 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	Additions	Principal Repayments	Actuarial Adjustment*	December 31, 2023
General Fund MFA Issue 131	\$ 358,100	\$ -	\$ 31,095	\$ 8,467	<u>\$ 318,538</u>

\*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.

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

For the year ended December 31, 2023

### 10. Long-Term Debt (continued)

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

	General	Water	Sewer
2024	\$ 31,095	\$ -	\$ -
2025	31,095	-	-
2026	31,095	-	-
2027	31,095	-	-
2028	31,095	-	-
Thereafter	163,063	-	-
<b>Total</b>	<b>\$ 318,538</b>	<b>\$ -</b>	<b>\$ -</b>

### 11. Asset Retirement Obligation

Effective January 1, 2023, the Village adopted the new Public Sector Accounting Handbook Standard, PS 3280 Asset Retirement Obligations. The standard requires the reporting of legal obligations associated with the retirement of tangible capital assets by public sector entities. The standard was adopted on the modified retroactive basis at the date of adoption. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. The impact of adoption of this standard was as follows:

	2022 (Originally presented)	Restate- ment	2022 (Restated)
Tangible capital assets - cost	\$ 55,029,419	\$ 3,204	\$ 55,032,623
Accumulated amortization - tangible capital assets	16,836,524	2,548	16,839,072
Asset retirement obligation	-	58,594	58,594
Accumulated surplus, beginning of year	47,429,919	(55,553)	47,374,366
Annual surplus	2,235,448	(2,385)	2,233,063
Amortization of tangible capital assets	1,130,016	40	1,130,056
Accretion expense	-	2,346	2,346

The Village's asset retirement obligation consists of the following obligations:

## Village of Harrison Hot Springs

### Notes to the Financial Statements

**For the year ended December 31, 2023**

#### 11. Asset Retirement Obligation (continued)

##### a) Asbestos obligation

The Village owns a building which is known to contain asbestos. Following the adoption of PS 3280 - Asset Retirement Obligations, the Village recognized an obligation relating to the removal and disposal of the asbestos in these buildings as estimated at January 1, 2022 and updated to December 31, 2023. Estimated costs of \$8,000 have been discounted to the present value using a discount rate of 4.17% per annum (2022 - 4.17%).

##### b) Water wells

The Village operates a water well which will require decommissioning at the end of its useful life. Following the adoption of PS 3280 - Asset Retirement Obligations, the Village recognized an obligation relating to the decommissioning of well as at January 1, 2022. Estimated costs of \$15,000 have been discounted to the present value using a discount rate of 4.17% per annum (2022 - 4.17%).

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

	Asbestos Remediation	Well Decommissioning	2023
Opening balance	\$ 48,606	\$ 9,988	\$ 58,594
Accretion expense	2,027	417	2,444
Retirement costs incurred	(43,019)	-	(43,019)
Closing balance	<u>\$ 7,614</u>	<u>\$ 10,405</u>	<u>\$ 18,019</u>
	Asbestos Remediation	Well Decommissioning	2022 (restated)
Opening balance	\$ 46,660	\$ 9,588	\$ 56,248
Accretion expense	1,946	400	2,346
Closing balance	<u>\$ 48,606</u>	<u>\$ 9,988</u>	<u>\$ 58,594</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, 2023

#### 12. Tangible Capital Assets

	2023	2022
Land and improvements	\$10,680,913	\$ 10,680,913
Buildings	2,636,961	2,770,822
Machinery, equipment, furniture IT, and vehicles	1,297,902	1,386,005
Engineering structures:		
Engineering structures - water	7,641,143	7,520,054
Engineering structures - sewer and drainage	7,935,888	7,898,676
Engineering structures - roads	3,959,941	4,248,980
Engineering structures - parks and other	2,089,239	1,399,110
Other tangible capital assets	1,485,229	686,955
Work in progress	658,166	1,602,036
	<b>\$38,385,382</b>	<b>\$ 38,193,551</b>

There were no contributed assets recognized in 2023.

#### 13. Equity in Tangible Capital Assets

	2023	2022
Equity in TCA, beginning of year	\$37,776,886	\$ 36,570,929
Add:		
Capital expenditures	1,394,155	2,340,530
Debt repayments	33,554	52,037
Actuarial adjustments	8,467	7,128
Less:		
Net book value of dispositions	-	(8,174)
Amortization	(1,202,324)	(1,130,056)
Asset retirement obligation (Note 12)	(2,444)	(55,508)
	<b>\$38,008,294</b>	<b>\$ 37,776,886</b>



## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2023

#### 14. Accumulated Surplus

The Village segregates its accumulated surplus into the following categories:

	2023	2022
Surplus:	\$38,008,294	\$ 37,776,886
Operating fund	6,514,189	6,040,537
Total surplus	<b>\$44,522,483</b>	<b>\$ 43,817,423</b>
Reserves set aside by council:		
Appropriated surplus:		
Fire department	\$ 30,095	\$ 28,582
Assessment appeal	149,252	141,749
Beach	4,617	4,385
Building	71,112	67,537
Contingencies	13,003	12,350
Dock replacement	74,860	75,634
Boat Launch	80,628	76,575
Flood box / drainage	17,643	16,756
General	1,793,679	1,311,523
Insurance	11,299	10,731
Parking / traffic enforcement	118,174	63,235
Office equipment	19,355	25,557
Property	53,843	51,136
Road / sidewalk	15,298	14,529
Sick leave/ retirement	57,833	54,926
Community works fund	671,138	550,434
Sewer	1,164,168	981,695
Water	1,030,210	941,011
Total appropriated surplus	<b>\$ 5,376,207</b>	<b>\$ 4,428,345</b>
Statutory fund reserves:		
Community amenities	\$ 175,067	\$ 166,267
Fire department capital	106,222	5,487
Growing communities fund	1,208,456	-
Land unexpended funds	55,670	52,871
Parkland acquisition and improvements	407,169	386,701
Public works capital	132,733	91,629
Sewage treatment replacement	528,483	563,036
Sewer unexpended funds	94,770	90,006
Port divestiture income	5,964	5,664
Total statutory fund reserves	<b>\$ 2,714,534</b>	<b>\$ 1,361,661</b>
	<b>\$52,613,224</b>	<b>\$ 49,607,429</b>

## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2023

#### 15. 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	2023	2022
Taxes collected			
Municipal property taxes	\$2,660,469	\$2,660,469	\$ 2,506,424
1% utility taxes	41,987	41,987	38,617
Payments in lieu of taxes	6,400	6,698	6,754
School taxes	1,736,748	1,736,748	1,603,551
Regional district	180,139	180,139	175,283
Regional hospital district	108,770	108,770	103,986
Police tax	225,076	225,076	177,815
Other agencies	44,281	44,281	40,598
	<u>5,003,870</u>	<u>5,004,168</u>	<u>4,653,028</u>
Less: Transfers to other governments			
School taxes paid	1,736,748	1,736,748	1,603,551
Regional district taxes paid	180,139	180,139	175,283
Regional hospital district taxes paid	108,770	108,770	103,986
Police taxes paid	225,076	225,076	177,815
Other agencies taxes paid	44,281	44,281	40,598
	<u>2,295,014</u>	<u>2,295,014</u>	<u>2,101,233</u>
	<u>\$2,708,856</u>	<u>\$2,709,154</u>	<u>\$ 2,551,795</u>

#### 16. Sale of Services

	Budget	2023	2022
Sewer user fees	\$ 721,928	\$ 736,117	\$ 701,443
Water user fees	371,820	377,373	372,071
Curbside collection fees	145,239	150,851	137,924
Pay parking revenue	390,000	377,566	355,813
Licenses and permits	41,072	59,698	60,753
Facility rentals	49,500	43,613	45,825
Fines	4,250	9,010	10,773
Other	4,100	4,095	3,884
	<u>\$1,727,909</u>	<u>\$1,758,323</u>	<u>\$ 1,688,486</u>

## Village of Harrison Hot Springs

### Notes to the Financial Statements

For the year ended December 31, 2023

#### 17. Utility Service Fees

	Budget	2023	2022
Sewer service utility fee - residential	\$ 216,240	\$ 219,777	\$ 213,092
Sewer service utility fee - business	20,400	19,704	19,763
Water service utility fee - residential	242,760	245,408	237,384
Water service utility fee - business	21,420	21,096	21,214
	<b>\$ 500,820</b>	<b>\$ 505,985</b>	<b>\$ 491,453</b>

#### 18. Government Transfers

	Budget	2023	2022
Provincial:			
Conditional			
Infrastructure	\$ 7,160,306	\$ 1,853,021	\$ 1,459,022
Resort municipality initiative	751,250	161,857	126,748
Other	-	736	552
Unconditional	337,000	325,000	414,000
Federal:			
Conditional			
Infrastructure	1,331,674	-	-
Gas tax	128,254	128,254	122,490
	<b>\$ 9,708,484</b>	<b>\$ 2,468,868</b>	<b>\$ 2,122,812</b>

#### 19. Budget Data

The data presented in these financial statements is based upon the 2023 operating and capital budgets adopted by Council on April 3, 2023. 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, 2023**

**19. Budget Data (continued)**

2023 Adopted Operating and Capital Budget:

	<b>2023</b>
Revenues:	
Operating budget	\$ 5,847,125
Capital budget	14,098,048
Total revenue	19,945,173
Expenses:	
Operating budget	5,847,125
Capital budget	14,098,048
Total expenses	19,945,173
Budgeted surplus (deficit)	-
Add:	
Capital expenses	14,098,048
Transfers to reserves	1,244,794
Principal repayments	31,100
Less:	
Transfers from reserves	(2,177,599)
Appropriation from surplus	(273,175)
Amortization	(1,128,000)
Annual budgeted surplus (see statement of operations)	<b>\$ 11,795,168</b>

**20. 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	2023	2022
Salaries, wages and employee benefits	\$2,146,859	\$2,092,061	\$ 1,834,568
Operating materials and supplies	894,465	852,592	739,269
Contracted services	678,501	641,197	688,224
Administrative services and supplies	693,453	643,402	526,390
Utilities	238,437	224,627	216,570
Rentals and contractual obligations	54,210	53,548	49,852
Debt financing	13,200	13,209	13,411
Amortization	1,128,000	1,202,324	1,130,054
Accretion	-	2,444	2,346
	<b>\$5,847,125</b>	<b>\$5,725,404</b>	<b>\$ 5,200,684</b>

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

For the year ended December 31, 2023

### 21. Commitments and Contingencies

- (a) The municipality and its employees contribute to the Public Service Pension Plan (a jointly trustee pension plan). The Public Service Pension 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 March 31, 2023, the plan has about 71,000 active members and approximately 55,000 retired members. 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 Village of Harrison Hot Springs paid \$100,778 (2022 - \$93,193) for employer contributions to the Plan in fiscal 2023. Employee contributions in fiscal 2023 were \$93,200 (2022 - \$86,185). The latest actuarial valuation for the Public Sector Pension Plan as at March 31, 2023, indicated a \$4.491 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2026. 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, 2023**

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**21. 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: 2024 - \$1,186,285, 2025 - \$39,500.
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**22. Comparative Figures**

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

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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.

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

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**For the year ended December 31, 2023**

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**23. Segmented Information (continued)****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, 2023

	Legislative	General Government	Protective Services	Development Planning	Engineering, Transportation & Storm Water	Solid Waste	Parks, Recreation & Cultural Services	Wastewater Utility	Water Utility	2023 Budget	2023 Actual	2022 Restated (Note 12)
<b>Revenues</b>												
Property Taxes	\$ -	\$2,709,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,708,855	\$2,709,154	\$2,551,795
Sale of Services	-	450,369	-	-	-	150,851	43,613	736,117	377,373	1,727,910	1,758,323	1,688,486
Utility Service Fees	-	-	-	-	-	-	-	239,481	266,504	500,820	505,985	491,453
Government Transfers	-	2,307,011	-	161,857	-	-	-	-	-	9,708,484	2,468,868	2,122,812
Investment Income	-	597,384	-	-	-	-	-	93,230	57,131	70,764	747,745	350,537
Penalties and Interest	-	64,323	-	-	-	2,108	-	8,947	8,116	-	83,494	64,321
Development Cost Charges	-	174,500	-	-	-	-	-	103,758	65,366	2,878,375	343,624	71,952
Other Revenue	-	47,583	-	-	-	28,860	-	4,500	33,063	47,085	114,006	92,391
<b>Total revenue</b>	-	<b>6,350,324</b>	-	<b>161,857</b>	-	<b>181,819</b>	<b>43,613</b>	<b>1,186,033</b>	<b>807,553</b>	<b>17,642,293</b>	<b>8,731,199</b>	<b>7,433,747</b>
<b>Expenses</b>												
Salaries, Wages and Employee Benefits	134,813	847,526	14,127	125,063	226,662	56,569	213,429	283,522	190,350	2,146,859	2,092,061	1,834,568
Operating Materials and Supplies	-	7,214	186,231	2,202	166,443	7,914	78,210	238,674	165,704	894,465	852,592	739,269
Contracted Services	-	137,498	75,300	113,541	77,482	180,488	10,291	46,597	-	678,501	641,197	688,224
Administrative Services and Supplies	27,033	384,826	22,125	111,285	22,697	-	13,902	46,677	14,857	693,453	643,402	526,390
Utilities	5,399	18,060	10,362	-	43,974	-	43,926	65,791	37,115	238,437	224,627	216,570
Rentals and Contractual Obligations	-	13,584	5,840	21,000	8,509	-	4,615	-	-	54,210	53,548	49,852
Debt Financing	-	13,209	-	-	-	-	-	-	-	13,200	13,209	13,411
Amortization	-	255,189	15,274	-	337,236	-	186,670	215,071	192,884	1,128,000	1,202,324	1,130,054
Accretion Expense	-	1,722	-	-	-	-	-	305	417	-	2,444	2,346
<b>Total expenses</b>	<b>167,245</b>	<b>1,678,828</b>	<b>329,259</b>	<b>373,091</b>	<b>883,003</b>	<b>244,971</b>	<b>551,043</b>	<b>896,637</b>	<b>601,327</b>	<b>5,847,125</b>	<b>5,725,404</b>	<b>5,200,684</b>
<b>Excess (deficiency) in revenues over expenses</b>	<b>\$(167,245)</b>	<b>\$4,671,496</b>	<b>\$(329,259)</b>	<b>\$(211,234)</b>	<b>\$(883,003)</b>	<b>\$(63,152)</b>	<b>\$(507,430)</b>	<b>\$289,396</b>	<b>\$206,226</b>	<b>\$1,795,168</b>	<b>\$3,005,795</b>	<b>\$2,233,063</b>



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

For the year ended December 31, 2023

	Engineered Structures										2022 Restated (Note 12)	
	Land	Building	Equipment Furniture Vehicles	Water	Sewer Drainage	Roads	Other	Work In Progress	Other Tangible Capital Assets	2023		
<b>Balance,</b>												
beginning of year	\$ 10,680,913	\$ 4,664,445	\$ 3,038,475	\$ 9,794,992	\$ 11,250,965	\$ 10,259,212	\$ 2,802,230	\$ 1,602,036	\$ 939,355	\$ 55,032,623	\$ 52,734,064	
Additions	-	-	72,099	313,973	276,883	-	848,007	(116,807)	-	1,394,155	2,340,530	
Disposals & adjustments	-	-	-	-	-	-	-	-	-	-	(41,971)	
<b>Cost, end of year</b>	<b>10,680,913</b>	<b>4,664,445</b>	<b>3,110,574</b>	<b>10,108,965</b>	<b>11,527,848</b>	<b>10,259,212</b>	<b>3,650,237</b>	<b>1,485,229</b>	<b>939,355</b>	<b>56,426,778</b>	<b>55,032,623</b>	
<b>Accumulated amortization,</b>												
beginning of year	-	1,892,658	1,652,470	2,274,938	3,353,258	6,010,231	1,403,119	-	252,398	16,839,072	15,743,509	
Opening adjustments	-	-	-	-	-	-	-	-	-	-	2,508	
Add: Amortization	-	134,826	160,202	192,884	238,702	289,040	157,879	-	28,791	1,202,324	1,130,056	
Less: Accumulated Amortization on Disposals	-	-	-	-	-	-	-	-	-	-	(37,001)	
<b>Accumulated amortization,</b>												
end of year	-	2,027,484	1,812,672	2,467,822	3,591,960	6,299,271	1,560,998	-	281,189	18,041,396	16,839,072	
<b>Net book value,</b>												
end of year	\$ 10,680,913	\$ 2,636,961	\$ 1,297,902	\$ 7,641,143	\$ 7,935,888	\$ 3,959,941	\$ 2,089,239	\$ 1,485,229	\$ 658,166	\$ 38,385,382	\$ 38,193,551	

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

**For the year ended December 31, 2023**

**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.

	<b>2023</b>
Balance, beginning of year	\$ 1,256,000
Eligible costs:	
Sewer system upgrades	103,240
Interest:	(55,696)
Balance, end of year	<b>\$ 1,208,456</b>

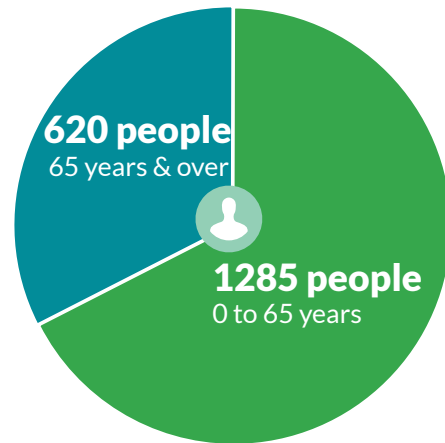
The Village of Harrison Hot Springs has two main bridges which exist on McCombs drive which allow crossing of the Miami River. These bridges are known as the Miami River North and Miami River South bridges. After an extensive condition study, it was determined that the abutments of both of these bridges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





# Statistical Section

## Demographics & Tourism

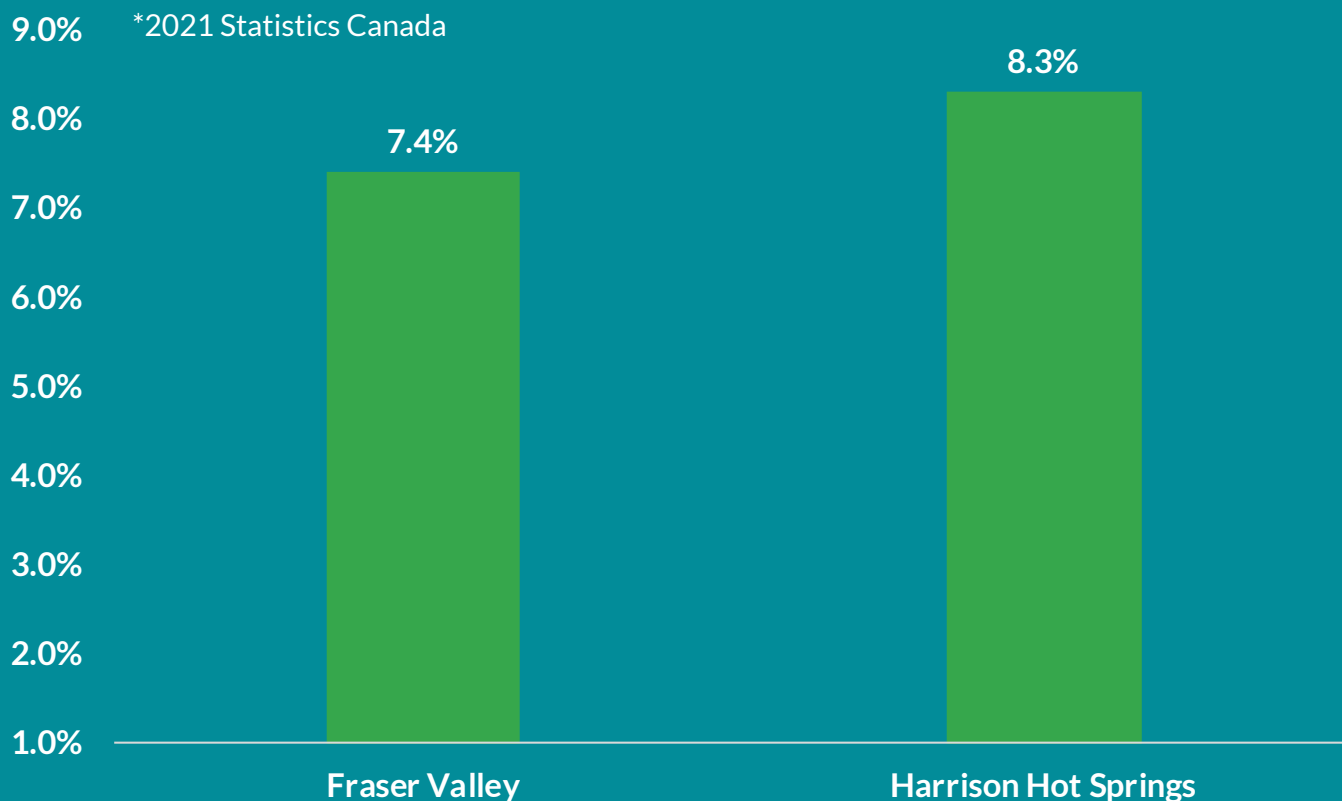


\*2021 Statistics Canada

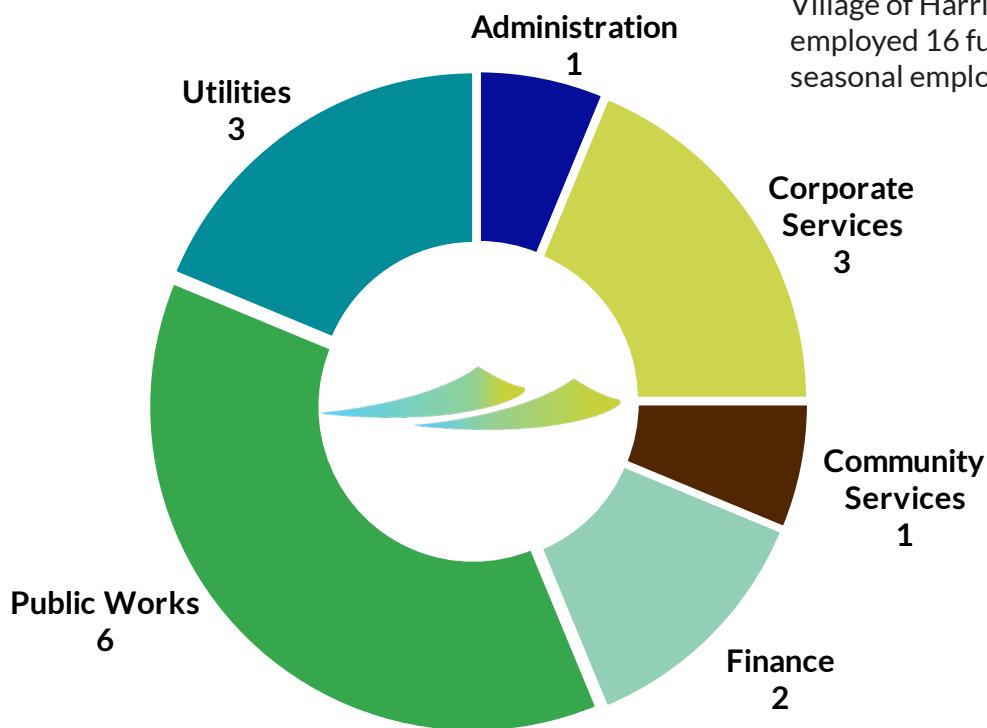
\*\*Tourism Harrison River Valley



## Unemployment Rates



## Municipal Employees



For the years 2019-2023, the Village of Harrison Hot Springs employed 16 full-time and 3 seasonal employees

## Statement of Financial Position

Financial Assets	2019	2020	2021	2022	2023
Cash and Equivalents	\$11,041,504	\$16,030,448	\$18,844,359	\$20,957,382	\$22,814,943
Accounts Receivable	\$1,290,694	\$557,582	\$494,898	\$1,042,032	\$1,716,059
MFA Deposits	\$6,702	\$6,840	\$6,956	\$7,111	\$7,332
	<b>\$12,338,900</b>	<b>\$16,594,870</b>	<b>\$19,346,213</b>	<b>\$22,006,525</b>	<b>\$24,538,334</b>

Financial Liabilities	2019	2020	2021	2022	2023
Accounts Payable & Accrued Liabilities	\$422,212	\$196,005	\$419,815	\$682,807	\$321,567
Employee Future Benefits	\$128,696	\$129,402	\$131,798	\$116,328	\$88,015
Developer Deposit & Other Trust Liabilities	\$563,839	\$1,529,365	\$1,417,722	\$3,042,180	\$1,968,765
Deferred Revenue	\$721,107	\$819,225	\$2,105,198	\$1,160,771	\$2,240,922
Development Cost Charges	\$3,256,483	\$4,747,153	\$4,768,748	\$5,227,879	\$5,419,329
Liabilities Under Agreement	\$68,109	\$46,051	\$23,305	\$2,362	-
Long-term Debt	\$468,936	\$433,254	\$396,323	\$358,100	\$318,538
Interim Financing Debt	\$110,000	-	-	-	\$18,019
	<b>\$5,739,382</b>	<b>\$7,900,455</b>	<b>\$9,262,909</b>	<b>\$10,590,427</b>	<b>\$10,375,155</b>

	2019	2020	2021	2022	2023
Net Financial Assets	<b>\$6,599,518</b>	<b>\$8,694,415</b>	<b>\$10,083,304</b>	<b>\$11,416,098</b>	<b>\$14,163,179</b>

Non-Financial Assets	2019	2020	2021	2022	2023
Tangible Capital Assets	\$37,598,330	\$37,604,754	\$36,990,555	\$38,192,895	\$38,385,382
Prepaid Expenses	\$73,853	\$72,155	\$356,060	\$56,374	\$64,663
	<b>\$37,672,183</b>	<b>\$37,676,909</b>	<b>\$37,346,615</b>	<b>38,249,269</b>	<b>\$38,450,045</b>

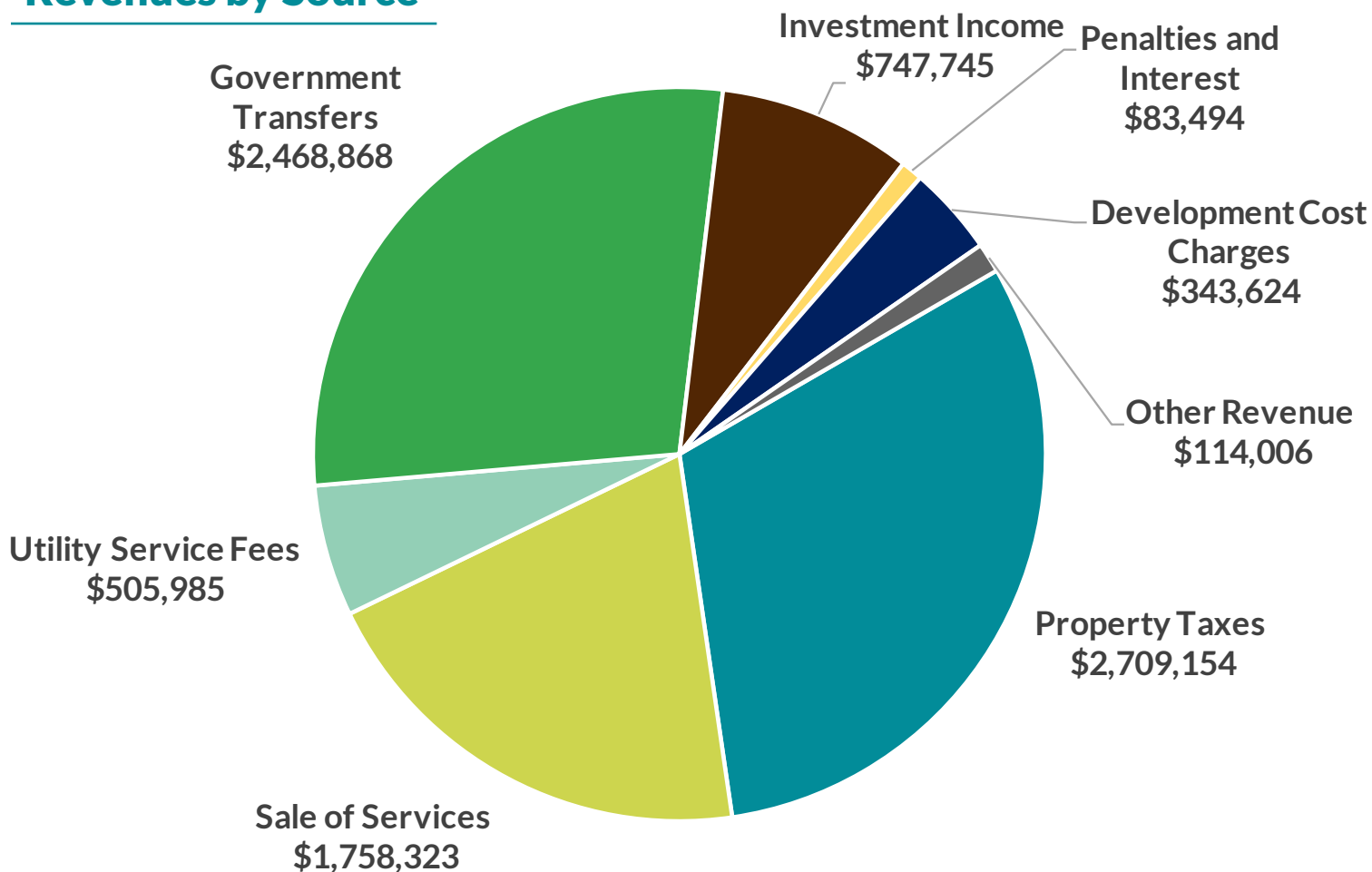
	2019	2020	2021	2022	2023
Accumulated Surplus	<b>\$44,271,701</b>	<b>\$46,371,324</b>	<b>\$47,429,919</b>	<b>\$49,665,367</b>	<b>\$52,613,224</b>

Accumulated Surplus - Represented By	2019	2020	2021	2022	2023
Operating fund	\$3,568,952	\$4,443,919	\$5,519,004	\$6,042,927	\$6,514,189
Appropriated Surplus	\$1,768,398	\$2,980,203	\$3,748,823	\$4,428,345	\$5,376,207
Statutory Reserves	\$1,983,066	\$1,821,752	\$1,591,163	\$1,361,661	\$2,714,534
Equity in Tangible Capital Assets	\$36,951,284	\$37,125,450	\$36,570,929	\$37,832,434	\$38,008,294
	<b>\$44,271,701</b>	<b>\$46,371,324</b>	<b>\$47,429,919</b>	<b>\$49,665,367</b>	<b>\$52,613,224</b>

	2019	2020	2021	2022	2023
Annual Surplus	<b>\$1,804,031</b>	<b>\$2,099,624</b>	<b>\$1,058,595</b>	<b>\$2,235,448</b>	<b>\$3,005,795</b>

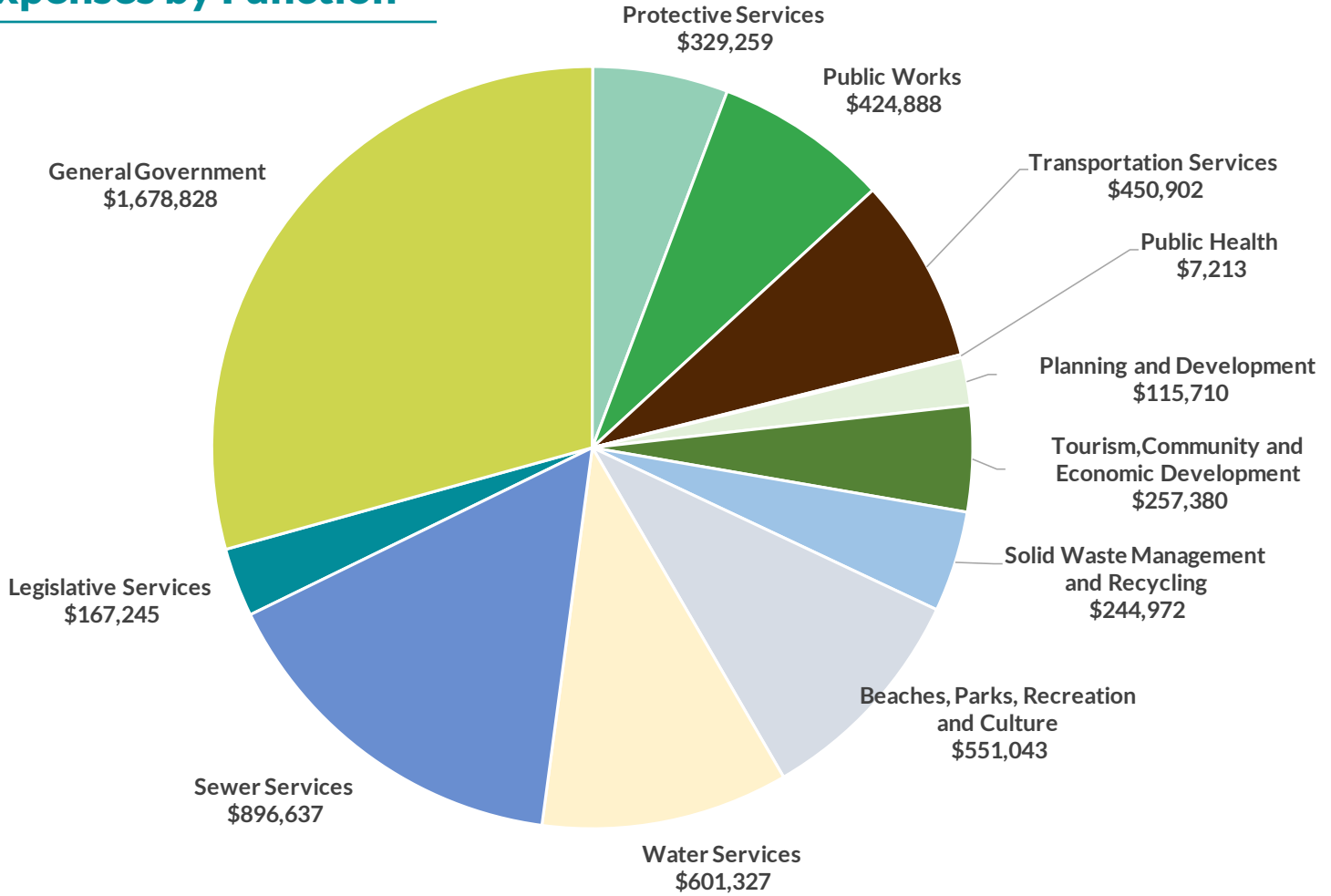
	2019	2020	2021	2022	2023
Acquisition of Tangible Capital Assets	<b>\$1,887,011</b>	<b>\$1,061,303</b>	<b>\$477,797</b>	<b>\$2,340,530</b>	<b>\$1,394,155</b>

## Revenues by Source



	2019	2020	2021	2022	2023
Property Taxes	\$2,219,454	\$2,366,532	\$2,470,865	\$2,551,795	\$2,709,154
Sale of Services	\$1,400,567	\$1,491,805	\$1,632,567	\$1,688,486	\$1,758,323
Utility Service Fees	\$465,436	\$472,607	\$487,887	\$491,453	\$505,985
Government Transfers	\$1,416,400	\$1,546,263	\$978,633	\$2,122,812	\$2,468,868
Investment Income	\$152,635	\$108,747	\$92,497	\$350,537	\$747,745
Penalties and Interest	\$79,712	\$68,661	\$70,930	\$64,321	\$83,494
Development Cost Charges	\$605,799	\$224,144	\$15,550	\$71,952	\$343,624
Contributed Assets	-	-	-	-	-
Other Revenue	\$112,813	\$108,197	\$63,483	\$92,391	\$114,006
	<b>\$6,452,816</b>	<b>\$6,386,956</b>	<b>\$5,812,412</b>	<b>\$7,433,747</b>	<b>\$8,731,199</b>

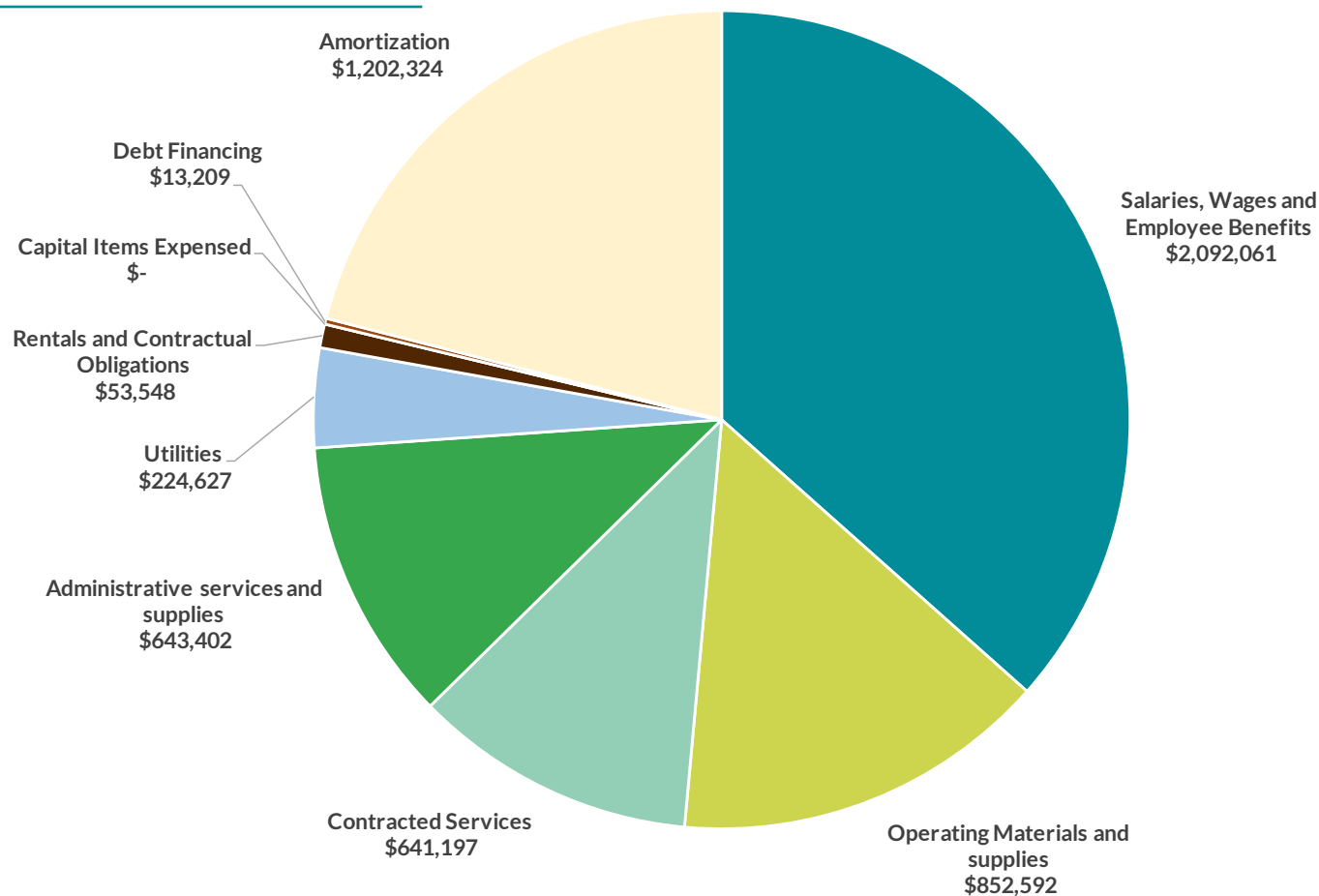
## Expenses by Function



	2019	2020	2021	2022	2023
Legislative Services	\$125,585	\$99,355	\$100,213	\$115,957	\$167,245
General Government	\$1,034,926	\$986,955	\$1,079,004	\$1,228,264	\$1,678,828
Protective Services	\$226,299	\$229,207	\$311,507	\$274,928	\$329,259
Public Works	\$319,425	\$261,635	\$333,706	\$396,952	\$424,888
Transportation Services	\$448,533	\$434,214	\$444,450	\$471,903	\$450,902
Public Health	\$2,932	\$3,487	\$7,740	\$7,535	\$7,213
Planning and Development	\$329,723	\$79,809	\$154,088	\$278,299	\$115,710
Tourism, Community and Economic Development	\$260,108	\$275,123	\$227,063	\$277,440	\$257,380
Solid Waste Management and Recycling	\$184,757	\$198,311	\$198,713	\$259,859	\$244,972
Beaches, Parks, Recreation and Culture	\$516,963	\$486,818	\$605,167	\$512,320	\$551,043
Water Services	\$464,768	\$446,337	\$467,286	\$498,974	\$601,327
Sewer Services	\$734,766	\$781,462	\$824,880	\$875,868	\$896,637
Non-Capital Items Expended	-	\$4,619	-	-	-
<b>Total</b>	<b>\$4,648,785</b>	<b>\$4,287,332</b>	<b>\$4,753,817</b>	<b>\$5,198,299</b>	<b>\$5,725,404</b>



## Expenses by Object



	2019	2020	2021	2022	2023
Salaries, Wages & Employee Benefits	\$1,656,280	\$1,545,438	\$1,768,182	\$1,834,566	\$2,092,061
Operating Materials & Supplies	\$663,998	\$573,129	\$656,756	\$739,269	\$852,592
Contracted Services	\$541,797	\$342,240	\$557,691	\$688,224	\$641,197
Administrative Services & Supplies	\$490,148	\$472,460	\$407,833	\$526,390	\$643,402
Utilities	\$203,715	\$188,939	\$207,921	\$216,570	\$224,627
Rentals & Contractual Obligations	-	\$91,295	\$49,906	\$49,852	\$53,548
Non-Capital Items Expensed	-	\$4,619	-	-	-
Debt Financing	\$21,899	\$15,581	\$13,532	\$13,412	\$13,209
Amortization	\$984,985	\$1,053,631	\$1,091,996	\$1,130,016	\$1,202,324
Accretion	-	-	-	-	\$2,444
<b>Total</b>	<b>\$4,648,785</b>	<b>\$4,287,332</b>	<b>\$4,753,817</b>	<b>\$5,198,299</b>	<b>\$5,725,404</b>

## Debt

	2019	2020	2021	2022	2023
General	\$468,936	\$433,254	\$396,323	\$358,100	\$318,538
Water	\$110,000	-	-	-	-
Sewer	-	-	-	-	-
Liabilities Under Agreement	\$68,110	\$46,051	\$23,305	\$2,362	-
<b>Total Debt</b>	<b>\$647,046</b>	<b>\$479,305</b>	<b>\$419,628</b>	<b>\$360,462</b>	<b>\$318,538</b>

	2019	2020	2021	2022	2023
Population Estimates (BC Stats 2016 and 2021 surveys)	1468	1468	1905	1905	1905
<b>Debt per Capita</b>	<b>\$440.77</b>	<b>\$326.50</b>	<b>\$220.28</b>	<b>\$189.22</b>	<b>\$167.21</b>

	2019	2020	2021	2022	2023
Principal	\$225,249	\$167,740	\$59,677	\$52,038	\$33,457
Interest	\$21,899	\$15,580	\$13,532	\$13,411	\$13,209
<b>Debt Servicing Costs</b>	<b>\$247,148</b>	<b>\$183,320</b>	<b>\$73,209</b>	<b>\$65,449</b>	<b>\$46,666</b>

	2019	2020	2021	2022	2023
<b>Liability Servicing Limit</b>	<b>\$950,521</b>	<b>\$1,055,991</b>	<b>\$1,162,086</b>	<b>\$1,346,015</b>	<b>\$1,527,715</b>

## Assessed Values

	2019	2020	2021	2022	2023
Residential (Class 1)	\$589,676,900	\$589,035,900	\$627,301,300	\$844,285,900	\$966,961,115
Business (Class 6)	\$78,924,043	\$88,024,598	\$87,007,482	\$92,868,675	\$105,372,842
Recreation/Non-Profit (Class 8)	\$10,770,200	\$11,774,700	\$12,162,600	\$14,385,000	\$15,925,000
	<b>\$679,371,143</b>	<b>\$688,835,198</b>	<b>\$726,471,382</b>	<b>\$951,539,575</b>	<b>\$1,088,258,957</b>

\*These totals are Land & Improvements combined.

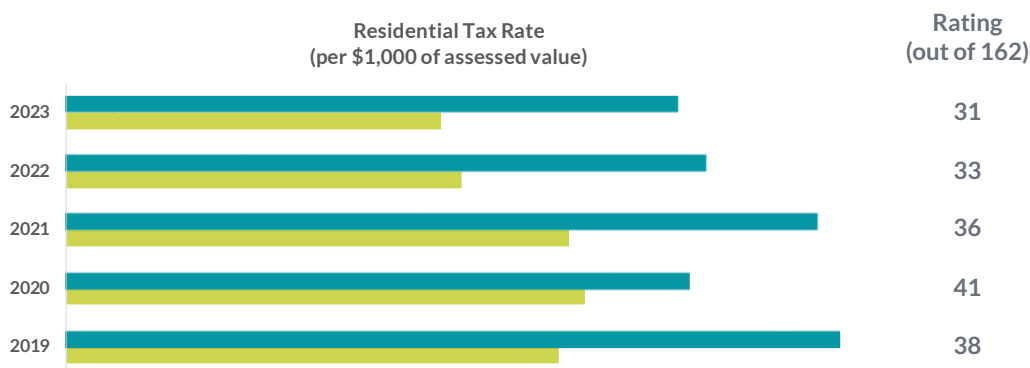
## Municipal Property Taxes

Municipal Property Taxes Levied	2019	2020	2021	2022	2023
Residential (Class 1)	\$1,450,193	\$1,523,908	\$1,593,465	\$1,686,512	\$1,805,703
Business (Class 6)	\$617,232	\$691,792	\$702,830	\$697,521	\$712,319
Recreation/Non-Profit (Class 8)	\$110,451	\$107,042	\$128,833	\$135,629	\$142,447
	<b>\$2,177,876</b>	<b>\$2,322,742</b>	<b>\$2,425,128</b>	<b>\$2,519,662</b>	<b>\$2,660,468</b>

	2019	2020	2021	2022	2023
<b>Municipal Property Taxes Collected</b>	<b>\$1,972,154</b>	<b>\$2,157,200</b>	<b>\$2,312,600</b>	<b>\$2,435,066</b>	<b>\$2,496,762</b>

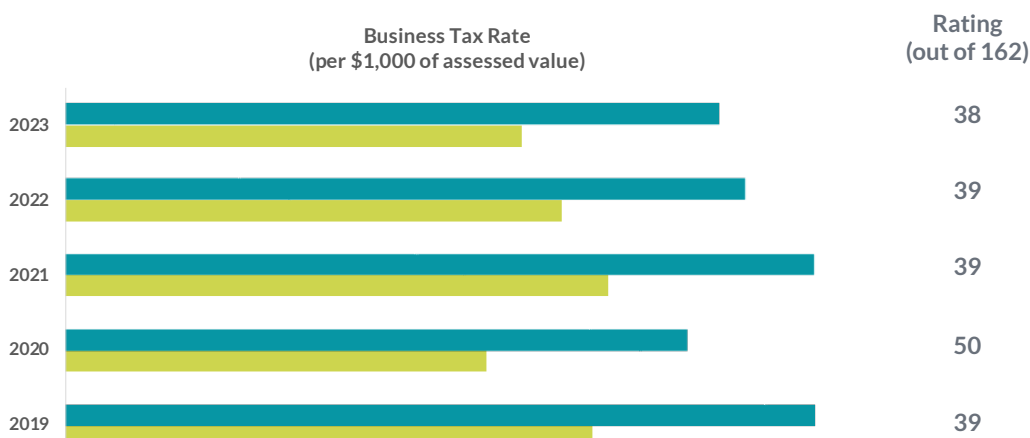
# Tax Rates

**Residential Tax Rate**  
(per \$1,000 of assessed value)



	2019	2020	2021	2022	2023
■ Provincial	\$7.5711	\$6.1051	\$7.3542	\$6.2659	\$5.9871
■ VHHS	\$4.8240	\$5.0804	\$4.9220	\$3.8702	\$3.6717

**Business Tax Rate**  
(per \$1,000 of assessed value)



	2019	2020	2021	2022	2023
■ Provincial	\$18.3410	\$15.2274	\$18.3200	\$16.6365	\$15.9973
■ VHHS	\$12.9148	\$10.3288	\$13.3178	\$12.1597	\$11.1956

**Recreational Tax Rate**  
(per \$1,000 of assessed value)

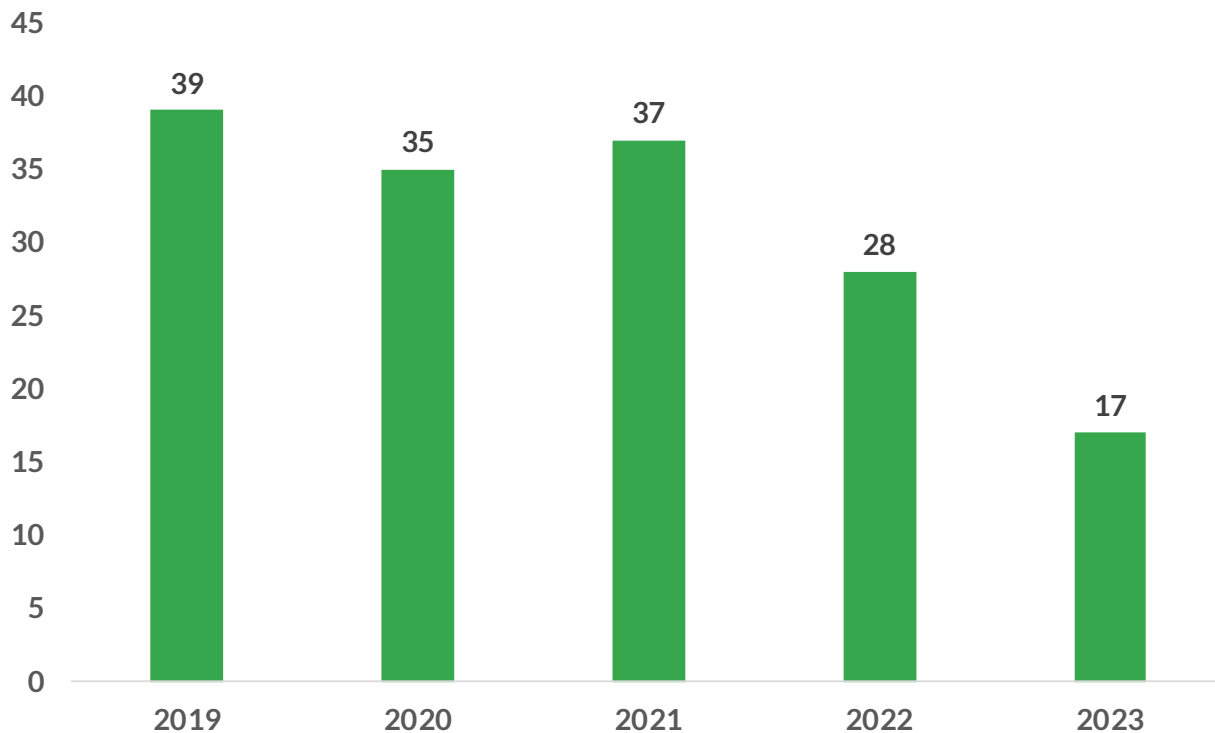


	2019	2020	2021	2022	2023
■ Provincial	\$9.5953	\$8.0592	\$9.8328	\$8.9016	\$8.5777
■ VHHS	\$13.1191	\$10.4565	\$13.4806	\$11.9118	\$11.3803

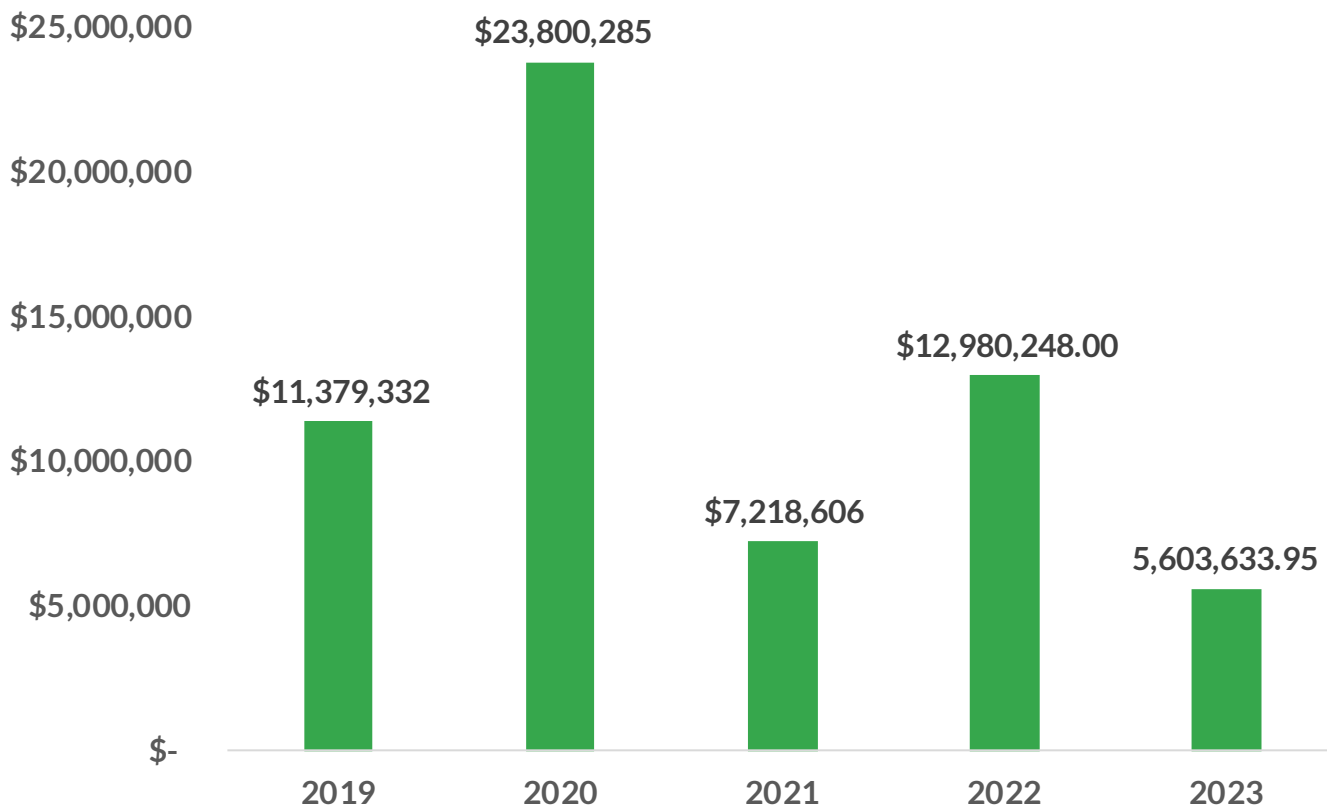
Average tax rates for all purposes includes:  
Municipal, Regional District, Hospital District, School and Other

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

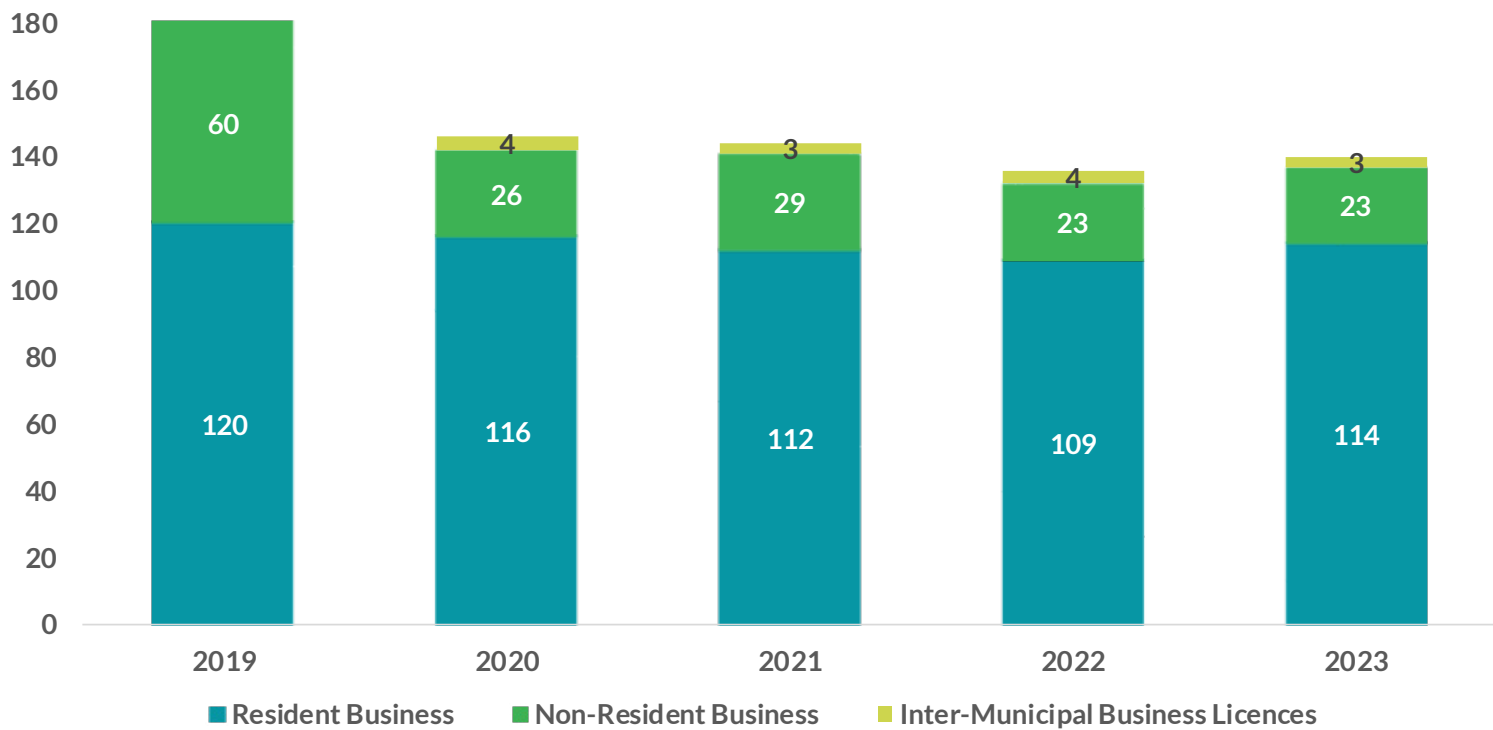
## Building Permits Issued



## Value of Building Permits Issued

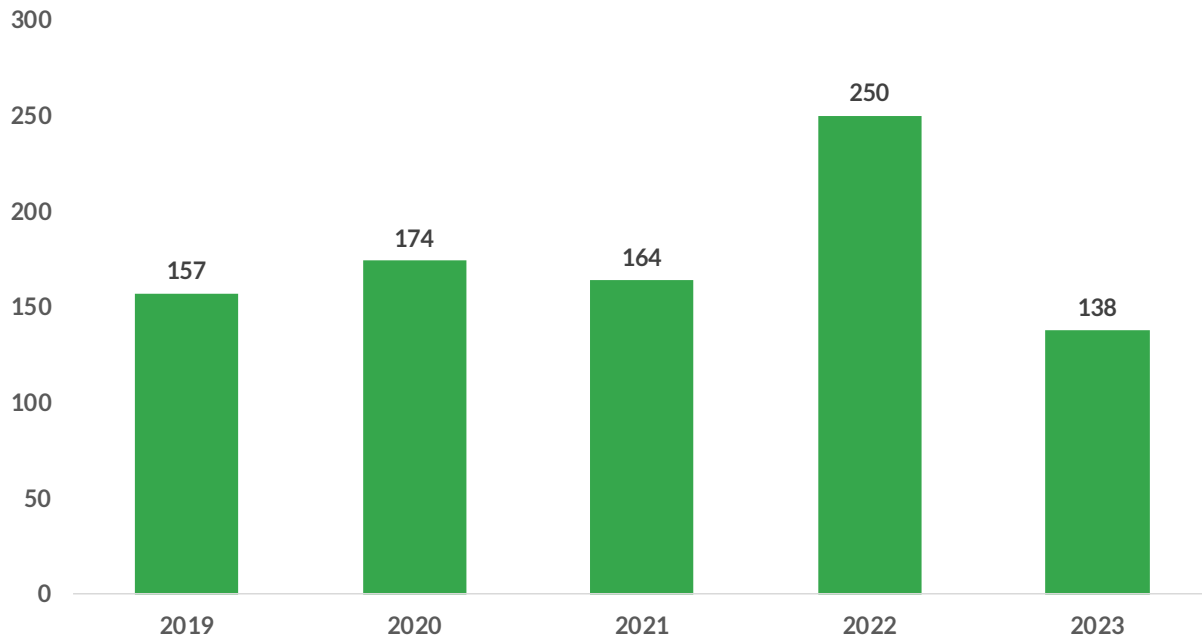


## Business Licences Issued



# Bylaw Enforcement

Bylaw Enforcement Tickets Issued



	2019	2020	2021	2022	2023
Noise Abatement	3				1
Animal Control					
Boat Launch Facility & Parking		3			
Business Licence		8	8	9	
Bylaw Notice Enforcement					
Highway & Traffic	131	159	148	239	131
Littering/Dumping					
Municipal Dock			4		
Outdoor Fire	1				
Park			1		
Sign	1				
Property/Premises	16	2			2
Tree Protection	5				
Waste Collection & Disposal					
Zoning		1	3	2	4
Misc		1			
	157	174	164	250	140



# Resort Municipality Initiative

The Village benefits from funding from the Province of British Columbia to support local tourism



## 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, tourism-based municipalities to build and diversify their tourism infrastructure, deliver exceptional visitor experiences and incorporate sustainable tourism practices and products. The Village is proud to be one of fourteen recognized resort municipalities.

## RMI OUTCOME

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.

## ELIGIBLE EXPENSES

RMI grant funding is based on the resort community's needs and a calculation that looks at year-over-year growth.

Eligible expenses include infrastructure and programming that increase visitation, investment, employment and tourism contribution to the local economy.

## RMI BENEFITS

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 in the RDS term.



Sasquatch Days



Lights by the Lake



Harrison Festival of the Arts

## INFRASTRUCTURE

Investments to tourism infrastructure provide benefits to both tourists and residents, as the program allows for projects that otherwise wouldn't have a budget for completion.

## COMING UP

RDS projects to be completed in the current term include an upgrade to the boat launch building, a new accessible playground and shade structures at the beach, and enhancements to the lagoon walkway.



**HARRISON HOT SPRINGS**

*Naturally Refreshed*