



ANNUAL REPORT | 2022



NOVA SCOTIA FEDERATION OF MUNICIPALITIES

*Cape Forchu Lighthouse
Photographer: The Planet D | Provided by the Municipality of the District of Yarmouth*

INTRODUCTION

The Nova Scotia Federation of Municipalities (NSFM) is the collective voice of municipalities in the province. We are a non-profit organization that represents all 375 municipally elected officials and all 49 municipalities.

We are governed by a 13-member board of directors. Twelve are elected by our members at our annual general meeting, and one is appointed from our sister organization, the Association of Municipal Administrators Nova Scotia (AMANS).

The Nova Scotia Federation of Municipalities is a member-based, non-profit organization that advocates on behalf of the province's municipalities. This includes identifying priorities from a diverse range of local governments by engaging with municipal councils, meeting with senior level officials at the provincial and federal levels to communicate priorities, negotiating opportunities for consultation, and securing the necessary resources to fund municipal services for Nova Scotians.

Our Mission

To enable effective local government for Nova Scotia's communities by facilitating strategic advocacy, education, and collaboration.

Our Vision

Effective local government and strong, sustainable communities.

Board of Directors



**Mayor Amanda
McDougall**

Cape Breton Regional
Municipality
President



**Mayor Brenda
Chisholm-Beaton**

Town of Port Hawkesbury
Vice President



Mayor Lennie White

Town of Westville
Towns Caucus Chair



**Councillor
Deborah Wadden**

Municipality of Pictou
County
Rural Caucus
Representative



**Councillor Eldon
MacDonald**

Cape Breton Regional
Municipality
Regional Caucus
Representative



**Councillor
Paul Russell**

Halifax Regional
Municipality
Regional Caucus Chair



**Deputy Mayor
Andrew Tanner**

Town of Bridgewater
Towns Caucus
Representative



**Mayor
Sandra Snow**

Town of Kentville
Towns Caucus
Representative

Board of Directors



**Mayor Carolyn
Bolivar-Getson**

Municipality of the District
of Lunenburg
Rural Caucus Chair



**Councillor Martha
Armstrong**

County of Kings
Rural Caucus
Representative



**Deputy Mayor
Pam Lovelace**

Halifax Regional
Municipality
Regional Caucus
Representative



**Deputy Mayor
Emily Lutz**

County of Kings
Past President



Mike Dolter, CAO

Town of Truro
AMANS Representative

MESSAGE FROM THE CEO

Juanita Spencer, Chief Executive Officer



The idea of moving the needle on advocacy seems daunting when you look ahead at a full calendar, which is why it is increasingly important to be able to look back on an entire year and celebrate what we have managed to accomplish. In terms of progress, 2022 was a transformative year for NSFM and our staff, and I am pleased to be able to share with everyone the great work we have undertaken.

This year, we spent a lot of time engaging our members under tight deadlines. This is not always ideal, but it is often the position we find ourselves in when working with other orders of government on issues that deeply affect our membership. In 2022, NSFM began advising on a new Memorandum of Understanding (MOU) with the province for the Service Exchange Renegotiation and Municipal Government Act Review Committee (SERMGAR). We assumed the administration of the Sustainable Communities Challenge Fund (SCCF). We spoke out in response to Bill 225, an amendment to the *Halifax Regional Municipality Charter* that now grants the province the power to nullify municipal bylaws if they are perceived to impact housing or development. We collaborated with AMANS to respond to changes in the Construction and Demolition Disposal regulations, gaining valuable insights into potential implications for our members due to changes in the *Weed Control Act*. We continued to advance the Extended Producer Responsibility (EPR) program.

In 2022 we asked you to consider what ‘better governance and stronger communities’ means to you, and how we can reorganize based on the best practices of other structural models. What emerged from this process after many months, lots of difficult conversations, and plenty of internal consultation was a system that would envision a new board, a shift away from resolutions, and a move towards a more rapid response to developing issues requiring urgent attention.

I thank our members for their engagement throughout the restructuring process as this shift toward Advisory Committees puts us among a very select group of Provincial-Territorial Associations that have adopted this model, one that better suits the needs of the members. Nova Scotia is now in the national spotlight as a model for how things can be done and an example of what is possible when you commit to new directions.

NSFM is a team that works together. Thank you to our Past President and Deputy Mayor Emily Lutz for her contributions in 2022 as well as Mayor Amanda McDougall and Mayor Brenda Chisholm-Beaton for their leadership. I am also thankful to our staff of professionals at NSFM, working behind the scenes for our members.

We are empowered by you, our members, in the great work we can achieve. Each year we ask much of you and each year you step to the plate and enable us to create change, engage in meaningful dialogue, and improve the work of Nova Scotia municipalities.

Thank you to all of you for your continued contributions to the Nova Scotia Federation of Municipalities.

ADVOCACY & POLICY

NSFM advances the interests of municipalities in multiple ways. The organization ensures that the perspectives of municipalities are included in the development of the legislation and regulations that impact them. As a result of this effort, legislation and regulations are reflective of the perspective of municipalities and municipalities are better informed on how they can best respond to many pressing challenges present in local government.

Legislation and Regulations

In 2022 NSFM seized opportunities to participate in the development of both newly announced and longstanding legislation and regulations.

NSFM facilitated a membership-wide response to the Non-Resident Property Tax and Non-Resident Deed Transfer Tax. NSFM members were aware of the negative impact that this new property tax would have on their communities and took part in collective action with their community members. At the NSFM Spring Conference, the Hon. John Lohr, Minister of Municipal Affairs and Housing, announced that the Non-Resident Property Tax would not be applied in 2022.

NSFM responded to calls to increase channels of municipal revenue by helping to develop legislation that enables municipalities to apply a Marketing Levy on short-term rentals. Bill 204 expanded the abilities enjoyed by four municipalities into special legislation for all municipalities in Nova Scotia with amendments to the *Municipal Government Act* and the *Halifax Regional Municipality Charter*.

NSFM participated in the mandated review of the Service Exchange Agreement and *Municipal Government Act* by striking an advisory committee comprised of municipal officials from across Nova Scotia.

NSFM responded quickly to other legislative and regulatory developments:

- Presented at the Law Amendments Committee in response to Bill 225, an Act to allow the Minister of Municipal Affairs and Housing to nullify HRM by laws without consultation
- Issued official correspondence in response to changes to Construction and Demolition Disposal regulations, which ban certain materials and increase reporting standards
- Issued official correspondence to gain clarity on how changes to the *Weed Control Act* may impact municipalities

NSFM staff and members participated on the Joint Municipal-Provincial Code of Conduct Committee. Participation in this committee allowed for direct input on what standards, sanctions, and costs should be included in the Municipal Code of Conduct regulations. This direct participation also allowed NSFM to provide membership updates as progress was made and ensured that important questions were included in broader consultation of all municipalities in the province.

Consultation

Ensuring our members have an opportunity to be heard by other orders of government is a core part of our advocacy efforts. NSFM ensures that the federal and provincial government view municipalities as necessary collaborative partners in decisions that affect their local communities.

In August 2022, the Joint Municipal-Provincial Code of Conduct Committee released a draft of the Municipal Code of Conduct, including proposed standards of conduct. This draft code was the subject of consultation with municipalities and villages over eight weeks of virtual meetings organized by region.

The provincial government initiated a province-wide housing needs assessment, facilitated by consultants. NSFM hosted a Mayors/Wardens/CAO information session to discuss the assessment. Municipal engagement sessions were scheduled to take place in the fall of 2022 with the report being finalized in winter 2023.

NSFM continues to receive updates on the progress of Extended Producer Responsibility (EPR) regulations from the provincial government through participation on the Solid Waste Management Committee and its sub committee, the Municipal Priorities Working Group. The provincial government released a 'What We Heard' report on a specific element of EPR (Batteries, Lighting and Additional Electronics – BLAE) to the NSFM membership.

NSFM facilitated expressions of interest from elected officials wishing to participate in the provincial *Coastal Protection Act* Municipal Focus Group.

NSFM met with and sent official correspondence to the Parliamentary Secretary to the Minister of Intergovernmental Affairs, Infrastructure, and Communities to ensure that public transit needs of Nova Scotian municipalities were accounted for in the development of Infrastructure Canada's Permanent Public Transit Fund.

NSFM continues to engage with the Accessibility Directorate and facilitate consultation with municipalities on accessibility standards that are pertinent to municipalities, such as those that will apply to built environment and public transit.

These consultative efforts help to improve the quality of legislation, regulations, and funding programs. NSFM will continue creating opportunities for municipalities to have their say and voice concerns.

INFRASTRUCTURE & SUSTAINABILITY

Ongoing and short-term infrastructure and sustainability projects provide an opportunity to offer support to municipalities here in Nova Scotia. For several years, the organization has been working with local governments to promote their infrastructure projects and ensure they comply with requirements for accessing the Canada Community-Building Fund. NSFM has also continued to recognize excellence within our membership with the Climate Change Leaders Award.

Canada Community-Building Fund

Since 2015, NSFM has been collaborating with the province to support the administration of the Canada Community-Building Fund (CCBF), focusing its efforts on helping municipalities meet the requirements for communications, signage, and asset management. The aim of this collaboration is to provide valuable support and resources for municipalities, while helping to raise the profile of federally funded local initiatives.

NSFM works to support the goals of the CCBF and to position municipalities to take full advantage of this important federal program, as a means of addressing local infrastructure priorities to make our communities more sustainable, prosperous, and vibrant.

To capture highlights from the 2021-22 fiscal year, NSFM developed the Canada Community-Building Fund: Year in Review to provide a graphical overview of the CCBF in Nova Scotia. It outlines key financial information, as well as highlights from local projects and asset management initiatives to demonstrate how municipalities are using the CCBF to support sustainable infrastructure in their communities.

Canada Community – Building Fund

At Work In Nova Scotia

2022 - 2023: A Year in Review

A new agreement for the Canada Community-Building Fund (CCBF and formerly the Gas Tax Fund) between Canada and Nova Scotia became effective April 1, 2014. This agreement represents a 10-year investment of an estimated \$624 million in predictable and stable funding for local municipalities. The CCBF helps build and revitalize public infrastructure in Nova Scotia, while supporting the national objectives of a cleaner environment, stronger cities & communities, and productivity & economic growth.

Nova Scotia receives

\$57,549,645

for its 2022-23 total CCBF allocation.

Total municipal funding from 2014 to 2023:

\$612 million

Cumulative municipal funding (est.)

\$992 million

from 2005 to 2025 (19 years)

Outcomes Report 2017-2021



The CCBF Outcomes Report analyses CCBF investments in sustainable municipal infrastructure in Nova Scotia over a four year period. Once the report is complete, it will be made available to all municipalities.



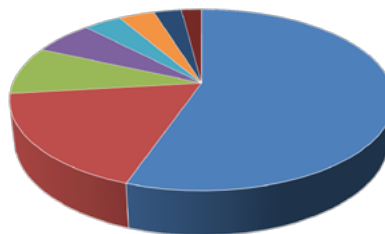
Since 2015, NSFM has been collaborating with the Province of Nova Scotia to support the administration of the CCBF. NSFM focuses its efforts on helping municipalities meet requirements for communications, signage and asset management.



Municipal Observer, NSFM's biannual magazine, showcases innovative CCBF projects across Nova Scotia. For example, the Shelburne Marine Terminal Upgrade Project was the featured cover story in the Fall 2022.

Percentage of CCBF Spent in Project Categories

for 2014 - 22*



- Local Roads & Bridges - 53.9%
- Public Transit - 17.3%
- Wastewater - 8.4%
- Solid Waste - 5.9%
- Drinking Water - 3.7%
- Community Energy Systems - 3.5%
- Broadband Connectivity - 2.7%

Highest project category investments:

- Local Roads & Bridges - 54%
- Public Transit - 17%

Please Note: Less than 1% of the total CCBF was spent in disaster mitigation, highways, sport and tourism categories.

CCBF Project Spotlights



The Town of Port Hawkesbury is building and improving its the Macquarie Community Park through incremental investments totalling \$81,474 (as of 2019), supported by the CCBF. (<http://bit.ly/40ssdlE>)

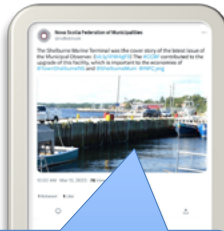
The Town of Shelburne and the Municipality of Shelburne contributed \$141,555 of their CCBF allocations to the Shelburne Marine Terminal upgrade (completed in 2021-22), which cost \$852,819 in total. (<http://bit.ly/41W4gF9>)



CCBF Project Tweets

From investments in water treatment facilities to solar projects and trail enhancements, municipalities across Nova Scotia are putting the CCBF to good use!

The Shelburne Marine Terminal was the cover story of the latest issue of the *Municipal Observer* (<http://bit.ly/41W4gF9>). The #CCBF contributed to the upgrade of this facility, which is important to the economies of @TownShelburneNS and @ShelburneMuni @INFC_eng



Assembled by the Province of Nova Scotia and NSFM in 2022, the Infrastructure Spotlight Report (<http://bit.ly/3YnRvQq>) provides a sampling of projects undertaken from 2014 to 2021 by Nova Scotia municipalities with support from the #CCBF. @INFC_eng



For more information, visit: beta.novascotia.ca/canada-community-building-fund-municipalities or www.nsfm.ca/ccbf.html

This *Year in Review* was produced by NSFM in partnership with the Department of Municipal Affairs & Housing.



SERMGAR

The Department of Municipal Affairs and Housing (DMAH) was mandated to renegotiate the Memorandum of Understanding (MOU) with municipalities, including a comprehensive review of the *Municipal Government Act* and *Charter*. The ultimate objective of the review was to enhance the delivery and governance model for all municipalities across the province.

To facilitate the renegotiation of the MOU, the Service Exchange Renegotiation and Municipal Government Act Review Committee (SERMGAR) was established by NSFM. The Committee included representatives from NSFM, AMANS, and elected municipal officials. From March 2022 to January 2023, the SERMGAR Committee engaged in ten productive meetings with DMAH,

highlighting critical concerns impacting the province's municipalities.

The SERMGAR Committee provided advice based on research and existing data analysis. Furthermore, it offered valuable guidance to DMAH by leveraging insights from a survey distributed to NSFM's membership. The survey, conducted on May 16, 2022, successfully gathered data from 39 municipalities (80%) in Nova Scotia, ensuring a comprehensive representation of perspectives and viewpoints.

Throughout their discussions, the Committee focused on key areas such as updating the Municipal Financial Capacity Grant (MFCG), securing funding for municipal roads, and discontinuing mandatory municipal contributions to education, corrections, and housing. Additional topics included determining the ownership of surplus schools and recognizing the significance of municipal infrastructure in Nova Scotia's growth. It is important to note that the recommendations provided by the SERMGAR Committee were advisory in nature, as DMAH retained responsibility for the final proposal and consultations. Other topics were identified as part of the process for further discussion, such as, policing and education.

NSFM commends the dedication of the SERMGAR Committee in advocating for municipalities during this process. Their efforts laid the foundation for collaborative and sustainable growth in Nova Scotia, aiming for a vibrant and prosperous future for all communities in the province.

SUSTAINABLE COMMUNITIES CHALLENGE FUND

The Sustainable Communities Challenge Fund (SCCF) is a provincial grant program for local action on climate change in Nova Scotia. The fund supports community efforts to reduce or remove greenhouse gas emissions, or to prepare for and respond to the impacts of a changing climate. A wide range of projects are eligible for funding, ranging from renewable energy to public outreach initiatives, to coastal restoration. The goal is to help communities implement the climate action they have decided is important to them.

The NSFM was awarded the contract to develop and administer the SCCF in April 2022. The organization proceeded to carry out the following tasks:

- Developed policies, plans, and procedures to effectively administer the fund
- Hired new staff and established a management structure
- Established an external Review Committee
- Worked closely with the Department of Environment and Climate Change, Deloitte, and

Prime Creative to design and develop the various aspects of the fund

- Engaged with communities and equity-deserving groups

The first round of available funding was open for applications from November 7 to December 23, 2022. During that period, the team received 102 applications, requesting \$37.4 million from the fund.

AWARDS

Celebrating accomplishments and success is a core value of NSFM. Every year, elected officials are acknowledged for their longstanding commitment to local government in Nova Scotia through two awards: Long Service Award Program and Long Service Completion Award Program. The former offers recognition beginning with those elected officials who have served on Council for a minimum of 10 years. The latter offers recognition to those elected officials who are retiring, either voluntarily or as the result of municipal restructuring.

Long Service Award Program Ten Years

- Deputy Warden Nicole Albright, Colchester, 10 Years
- Councillor Penny Carver, Town of Mahone Bay, 10 years
- Deputy Warden Jody Crook, District of Barrington, 10 years
- Mayor Nancy Dicks, Municipality of the District of Argyle, 10 Years
- Mayor Wendy Donovan, Town of Wolfville, 10 years
- Councillor Jack Fancy, Region of Queens, 10 years
- Councillor Michael Gregory, Municipality of Colchester, 10 years
- Councillor Dick Killam, County of Kings, 11 years
- Councillor Eldon MacDonald, Cape Breton Regional Municipality, 10 years
- Councillor George Manzer, Municipality of Digby, 10 years
- Councillor Waye Mason, Halifax Regional Municipality, 10 years
- Councillor Jennifer McDonald, Town of Bridgewater, 10 years
- Warden Daniel Muise, Municipality of the District of Argyle, 10 years
- Deputy Mayor Geoff Stewart, Municipality of Colchester, 10 years
- Councillor David Tudor, Municipality of Digby, 12 years
- Councillor Larry Turner, County of Pictou, 10 years
- Mayor Michael A Tompkins, Town of Annapolis Royal, 10 years
- Councillor Wayne S. Thorburne, Town of Bridgewater, 10 years
- Councillor Trudy D. Quinlan, Town of Clark's Harbour, 10 years
- Councillor Russell W Atkinson, Town of Clark's Harbour, 14 years

- Councillor Wade Parker, Municipality of Colchester, 10 years

Long Service Award Program Fifteen Years

- Councillor Elizabeth Anne Acker, Town of Shelburne, 15 years
- Councillor Wade Adshade, Town of Oxford, 18 years
- Deputy Warden Trevor Cunningham, District of Yarmouth, 16 years
- Councillor Clyde Fraser, Town of New Glasgow, 15 years
- Councillor Paul MacNeil, County of Victoria, 15 years
- Councillor Irene Baker, Town of Clark's Harbour, 18 Years
- Mayor Rex Stoddard, Town of Clark's Harbour, 15 years

Long Service Award Program Twenty-Five Years

- Warden Bruce Morrison, County of Victoria, 25 years
- Deputy Warden Janet Peitzche, District of Guysborough, 25 years
- Councillor Keith Rhyno, District of East Hants, 25 years
- Warden Eleanor Roulston, District of East Hants, 25 years

Long Service Award Program Thirty Years

- Councillor Darren Bruckschwaiger, Cape Breton Regional Municipality, 30 years
- Councillor Richard Donaldson, District of Argyle, 31 years

Climate Change Leaders Award

In addition, NSFM presents the Climate Change Leaders Award. This award was developed in 2013 to honour municipalities that demonstrate leadership in climate change innovation through local adaptation and mitigation initiatives.

At the opening ceremony of the 2022 fall conference, NSFM presented its 9th Annual Climate Change Leaders Award to the Town of New Glasgow and Halifax Regional Municipality for their ambitious projects that raised the bar for climate initiatives in our province.

Town of New Glasgow: Net Zero New Glasgow Climate Action Program

In three short years, the Town of New Glasgow has built a comprehensive and holistic climate and sustainability portfolio grounded in the integration of this work into municipal operations. This work began with the completion of community and corporate greenhouse gas (GHG) inventories, the approval of a corporate GHG reduction target, and the implementation of a Corporate Climate Action Plan. The focus areas of Net Zero New Glasgow are Climate Action, Sustainability and the Circular Economy, and Asset Management.

Halifax Regional Municipality: Municipal Electric Vehicle Strategy

The Municipal Electric Vehicle Strategy is an ambitious and innovative guide for Halifax to becoming the leader in Atlantic Canada for supporting the adoption of electric vehicles (EVs). The strategy includes four key areas of focus: public charging infrastructure, electric vehicle policies, advocacy and support, and light duty fleet electrification.

MEMBERSHIP ENGAGEMENT & COMMUNICATIONS

Engaging with our members is a core function of NSFM. A variety of sources are used to connect with our members on an ongoing basis in an effort to understand their issues and share important information. Communications can take many forms, including the *Monday Memo* and *Municipal Observer*, or educational sessions using the organization's webinar and conference platforms.

Mayors and Wardens Meetings

NSFM holds regular meetings throughout the year to connect Mayors and Wardens with the people and information they need to address pressing priorities. The following meetings were held in 2022:

- February 2 – Organizational Restructuring
- February 9 – Extended Producer Responsibility
- April 27 – Non-Resident Property Tax
- August 24 – Housing Needs Assessment
- September 14 – Water & Wastewater

Monday Memo

The *Monday Memo* is a weekly source of important news and information issued by NSFM. The newsletter continued to see a strong open rate in the range of 45% throughout the year. The most viewed newsletter of the year was the February 7 edition, with a 50% open rate. Members are encouraged to access this newsletter on a regular basis and connect with NSFM to share news of relevance to the membership.

Municipal Observer

Published two times per year, the *Municipal Observer* contains articles to inform members, advertise opportunities, and celebrate successes. In 2022 the two published issues were:

- The Change Issue (Spring/Summer) featured the following articles:
 - o A Look Back at Consolidation – a profile of the West Hants experience
 - o Park Improvement in Port Hawkesbury

- o Province Launches Public Education Campaign on Blue-Green Algae
- o Q&A with Mayor Brenda Chisholm-Beaton
- The Service Issue (Fall/Winter) featured the following articles:
 - o Canada Community-Building Fund Assists Shelburne Marine Terminal Upgrade
 - o Challenges and Solutions in Municipal Procurement
 - o The Force and Focus of Hurricane Fiona
 - o Using Data to Reduce Energy Poverty

Regional Meetings

Annual regional meetings provide an opportunity to update on priorities, outline advocacy efforts, and communicate strategic direction to elected officials in five separate geographical areas across the province. The 2022 presentations were held in April. Discussion items included:

- Code of Conduct
- NSFM Organizational Changes
- Protective Services Costs
- Provincial Budget
- Roundtable
- SERMGAR

The dates of the meetings were:

- April 8 – Cape Breton/Strait Region
- April 11 – HRM/South Shore Region
- April 14 – Southwestern Shore Region
- April 22 – Colchester/Cumberland/East Hants/Pictou Region
- April 25 – Valley Region

Spring and Fall Conferences

NSFM offers conferences twice per year designed to provide networking opportunities, professional development, and information sharing to members.

The spring conference was held at White Point Beach Lodge on May 4-6. The conference theme was *Evolution of Local Government*. Keynote speakers included Buhle Dlamini and the Hon. John Lohr, Minister of Municipal Affairs and Housing. 114 delegates attended the conference. Session topics included:

- Asset Management Mentorship Program
- Diversity and Inclusiveness in Municipalities
- Municipal Success Stories highlighting the landfill at Little Forks Cumberland County and the Town of New Glasgow Community Climate Action Plan

- NSFM Organizational Change
- Strategies for Developing Mutual Understanding with Others and Connecting with Yourself
- To Tweet, Or Not To Tweet

The fall conference was held in Halifax on November 1-4. The conference theme was *Service With Purpose*. The keynote speaker was Tina Varughese. Over 250 delegates attended the conference. In addition to the Annual General Meeting, session topics included:

- Canada Community-Building Fund Presentation
- Climate Action for Municipalities Panel
- Conversion Series Networking Tables
- Housing Success Stories
- Presentations from representatives of the three major provincial political parties
- Property Valuation Services Corporation Presentation
- Remarks by the Honourable Sean Fraser
- Service Exchange Update
- Tackling Wellness Head On: Building Municipal Health in a Changing Workforce
- Vendors Exhibit Hall

Webinars

In 2022, NSFM, in partnership with AMANS and other stakeholders, continued hosting webinars for members on topics of interest including:

- Canoe Group Procurement Program
- Community Health Boards
- Mass Casualty Commission
- Mentoring Plus
- Reimagining Municipal Recreation Services for Rural Low-Income Families

PROGRAMS

NSFM offers value-added benefits for its members through several programs and services. These initiatives enhance our service offerings to the membership and offer participating organizations cost-effective services.

Group Purchasing & Procurement Program

Through a partnership with Canoe Procurement, NSFM members have access to the following benefits when purchasing office supplies, equipment, and more:

- Access to premium brands through Sourcewell partnership
- Additional procurement tools – non-binding and no obligation to purchase
- Members select which vendor they want to buy from
- The member will purchase/place any orders through the vendor and pay the vendor directly
- The vendor delivers the product and is responsible for applicable warranties
- Procurement is compliant with existing trade agreement legislation

Refer the [Member Procurement Guide](#) on the NSFM website.

Group Benefits Program

NSFM has a group benefits plan with approximately 2,000 members. Members can take advantage of plan options tailored to the needs and preferences of their workplaces. The Health & Benefits Committee, with staff representatives from NSFM and AMANS, regularly meets with the plan consultants to administer the plan and ensure the plan meets expectations of plan participants and offers a high value for members. Premiums for the program exceed \$9 million and several insurance carriers are engaged to provide a range of benefits, including:

- Accidental Death & Dismemberment
- Claims Payment
- Disability
- Emergency Travel
- Employee Assistance Program
- Health & Dental
- Life
- Virtual Health Care

The consultants are Hub International Atlantic Ltd.

Municipal Group Insurance Program

NSFM offers a comprehensive and flexible commercial, D&O, and liability insurance program to ensure that municipal units are able to effectively meet the needs of their citizens. Benefits of the program are:

- Continued evaluation around the quality of the broker services (annual survey) and acting on the results received from participants
- Education and awareness around risk management issues (including inspections which contain hazard recommendations as well as building valuations and contract reviews)
- Guiding participants to control claims by mitigating risks in advance
- Local claims management

- Insurance products specifically aimed at municipal units and the expertise of the service team
- Leveraging the strength of the relationships within the program (insurer, brokers, program sponsor)
- Stability within an unstable landscape
- Strength in numbers

The Municipal Insurance Oversight Committee, with staff representatives from NSFM and AMANS, was established this year to provide oversight to the program. In 2022, 50 municipal units within Nova Scotia participated in the program. Annual premiums for the program are approximately \$6 million and Intact Public Entities underwrites the commercial and D&O insurance policies. CFC Underwriting Limited sponsors the cyber policy. The brokers providing the interface between the insurers and the participating organizations are Arthur J. Gallagher Canada and BrokerLink Inc.

Wellness Program

The Municipal Wellness Program encourages Nova Scotia municipalities to create healthy workplace environments and promote positive health and wellbeing for all municipal employees and elected officials. The Municipal Wellness Program offers activities, challenges, fitness membership discounts, and workshops to allow municipal employees and elected officials in the province's municipalities to get involved in creating healthier workplace cultures.

The Building a Healthy You Wellness Program, was established through a partnership between NSFM and AMANS to help define effective ways to create healthy municipalities in Nova Scotia. The program motivates change and transforms municipal environments for improved health and wellness. The five priority areas of the program are:

- Financial Health
- Mental Health
- Physical Health
- Workplace Health
- Social Connections

In 2022, the program, its events, projects, and resources were coordinated by Rebecca Kolstee. Program website: [NS Municipal Wellness](#)

NOVA SCOTIA FEDERATION OF MUNICIPALITIES

Financial Statements
December 31, 2022

Morse Brewster Lake
Chartered Professional Accountants

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Morse Brewster Lake

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Independent Auditor's Report

To the **President and Members of**

Nova Scotia Federation of Municipalities

Our Opinion

We have audited the financial statements of **Nova Scotia Federation of Municipalities**, which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Nova Scotia Federation of Municipalities** as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Federation 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 qualified audit opinion.

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 accounting standards for not-for-profit organizations, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society's financial reporting process.

Independent Auditor's Report (continued)

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 Entity's internal control.

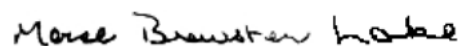
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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 Entity'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 Entity 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.

Berwick, Nova Scotia
June 23, 2023



Chartered Professional Accountants

Nova Scotia Federation of Municipalities

Statement of Financial Position

December 31, 2022

	<u>2022</u>	<u>2021</u>
Assets		
Current		
Cash	\$ 511,995	\$ 166,139
Short-term deposits NSFM (note 9)	14,479,381	575,000
Accounts receivable	359,075	77,849
HST receivable	60,233	-
Roberts' Memorial Fund (note 4)	16,639	16,520
Prepaid expenses	<u>11,870</u>	<u>5,750</u>
	15,439,193	841,258
 Property and Equipment (note 3)	 <u>20,620</u>	 <u>13,587</u>
	\$ <u>15,459,813</u>	\$ <u>854,845</u>
Liabilities		
Current		
Payables and accruals	\$ 147,791	\$ 26,780
Payroll deductions payable	46,324	26,282
Funds held in trust - SCCF	12,669,492	-
Deferred revenue (note 7)	1,670,742	77,820
Current portion of long term debt (note 8)	<u>40,000</u>	<u>-</u>
	14,574,349	130,882
 Long Term Debt (note 8)	 <u>-</u>	 <u>40,000</u>
	<u>14,574,349</u>	<u>170,882</u>
Net Assets		
Roberts' Memorial Fund (note 4)	16,638	16,520
Unrestricted (page 6)	447,906	253,556
Restricted - General reserve (page 6)	400,300	400,300
Investment in property, plant and equip. (page 6)	<u>20,620</u>	<u>13,587</u>
	<u>885,464</u>	<u>683,963</u>
	\$ <u>15,459,813</u>	\$ <u>854,845</u>

Commitments (note 9)

On Behalf of the Board

Brenda Chisholm-B, President , Chief Executive Officer

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

Nova Scotia Federation of Municipalities

Statement of Operations

Year Ended December 31, 2022

	SCCF (Note 12)	NSFM	2022 Actual	2022 Budget	2021 Actual
Revenue					
Membership Fees	\$ -	\$ 489,907	\$ 489,907	\$ 489,907	\$ 435,210
Events					
Fall Conference					
Registration	-	130,240	130,240	144,850	37,300
Sponsorships	-	62,500	62,500	40,000	27,500
Exhibits	-	22,046	22,046	24,000	4,100
Spring Conference	-	45,800	45,800	64,500	26,275
Seminars & Projects	-	148,818	148,818	6,000	66,584
	<u>-</u>	<u>409,404</u>	<u>409,404</u>	<u>279,350</u>	<u>161,759</u>
Programs					
Insurance Program	-	148,857	148,857	100,000	120,873
Group Benefits & TD Ins.	-	45,805	45,805	35,000	41,051
	<u>-</u>	<u>194,662</u>	<u>194,662</u>	<u>135,000</u>	<u>161,924</u>
Grants and Government Programs					
Canada Community Building					
Fund Administration	-	140,000	140,000	125,000	125,000
Sustainable Communities					
Challenge Fund (note 12)	988,943	-	988,943	-	-
Investment Income	-	10,190	4,500	4,500	3,412
Other Income	-	4,585	4,585	4,900	1,500
Government of Canada	-	-	-	-	20,000
	<u>988,943</u>	<u>154,775</u>	<u>1,143,718</u>	<u>134,400</u>	<u>149,912</u>
Transfer from surplus	-	-	-	54,697	-
	<u>988,943</u>	<u>1,248,748</u>	<u>2,237,691</u>	<u>1,093,354</u>	<u>908,805</u>
Expenditures					
Administrative					
Salaries, fees and benefits	312,036	702,726	1,014,762	711,300	565,145
Staff travel	-	9,598	9,598	20,765	4,644
	<u>312,036</u>	<u>712,324</u>	<u>1,024,360</u>	<u>732,065</u>	<u>569,789</u>
Operational					
Audit	3,000	6,000	9,000	6,500	6,000
Bank charges	298	2,718	3,016	2,000	2,358
Rent and occupancy	15,885	55,981	71,866	60,000	56,973
Organizational dues and meetings	6,979	9,656	16,635	23,000	6,090
Professional fees	569,975	13,356	583,331	14,600	8,864
Sundry	-	2,321	2,321	2,500	639
Supplies and printing	7,743	19,821	27,564	20,000	16,454
Communications	64,400	5,493	69,893	10,000	2,438
Telephone	-	6,375	6,375	9,000	8,279
Liability and general ins.	-	6,964	6,964	8,650	8,299
	<u>668,280</u>	<u>128,685</u>	<u>796,965</u>	<u>156,250</u>	<u>116,394</u>

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

Nova Scotia Federation of Municipalities

Statement of Operations Continued

Year Ended December 31, 2022

	SCCF	NSFM	2022 Actual	2022 Budget	2021 Actual
Events					
Fall Conference	-	99,937	99,937	97,540	11,461
Spring Conference	-	19,285	19,285	25,000	3,000
Seminars	-	776	776	2,000	875
	<u>-</u>	<u>119,998</u>	<u>119,998</u>	<u>124,540</u>	<u>15,336</u>
Governance					
Board of Directors	-	13,875	13,875	56,000	32,173
Committees	-	-	-	5,000	-
	<u>-</u>	<u>13,875</u>	<u>13,875</u>	<u>61,000</u>	<u>32,173</u>
Special Projects					
Mainstreeting	-	6,150	6,150	-	22,550
Software	8,627	-	8,627	-	-
Asset Management	-	1,050	1,050	-	10,605
FOCUS Sessions	-	3,744	3,744	-	-
Restructuring	-	21,777	21,777	-	-
SERMGAR	-	20,666	20,666	-	-
Parity Project	-	1,500	1,500	-	-
Other	-	5,493	5,493	11,500	3,408
	<u>8,627</u>	<u>60,380</u>	<u>69,007</u>	<u>11,500</u>	<u>36,563</u>
Amortization	-	9,485	9,485	4,000	5,527
Grant to AMANS	-	2,500	2,500	2,500	2,501
Ken Simpson Memorial	-	-	-	1,500	5,000
	<u>-</u>	<u>11,985</u>	<u>11,985</u>	<u>8,000</u>	<u>13,028</u>
	<u>988,943</u>	<u>1,047,247</u>	<u>2,036,190</u>	<u>1,093,354</u>	<u>783,283</u>
Excess of Revenue over Expenditures	<u>\$ -</u>	<u>\$ 201,501</u>	<u>\$ 201,501</u>	<u>\$ -</u>	<u>\$ 125,522</u>

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

Nova Scotia Federation of Municipalities

Statement of Changes in Net Assets

For the Year Ending December 31, 2022

	<u>Restricted Reserve</u>	<u>Investment in Capital Assets</u>	<u>Unrestricted Net Assets</u>	<u>Roberts' Memorial Fund</u>	<u>2022 Net Assets</u>	<u>2021 Net Assets</u>
Balance, begin. of year	400,300	\$ 13,587	\$ 253,556	16,520	\$ 683,963	\$ 558,441
Transfer to restricted reserve	-	-	-	-		-
Purchase of equipment	-	16,518	(16,518)	-		-
Excess (deficiency) of Revenue over Expenditures	<u>-</u>	<u>(9,485)</u>	<u>210,868</u>	<u>118</u>	<u>201,501</u>	<u>125,522</u>
Balance, end of year	<u>\$ 400,300</u>	<u>\$ 20,620</u>	<u>\$ 447,906</u>	<u>\$ 16,638</u>	<u>\$ 885,464</u>	<u>\$ 683,963</u>

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

Nova Scotia Federation of Municipalities

Statement of Cash Flow

Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
Cash flow from operating activities:		
Operating surplus for the year	\$ 201,501	\$ 125,522
Amortization	<u>9,485</u>	<u>5,527</u>
	210,986	131,049
Changes in		
Accounts receivable	(341,459)	(32,468)
Inventory	-	-
Prepaid expense	(6,120)	78
Payables and accruals	141,052	(41,054)
Deferred revenue	1,592,922	(19,747)
Funds held in trust	<u>12,669,492</u>	<u>-</u>
	<u>14,055,887</u>	<u>(93,191)</u>
Cash flow from investing activities:		
Purchase of investments	(14,479,499)	(300,460)
Sale of investments	575,000	100,000
Investment in property, plant and equip.	<u>(16,518)</u>	<u>(6,672)</u>
	<u>(13,921,017)</u>	<u>(207,132)</u>
Cash flow from financing activities:		
Long term debt acquired	<u>-</u>	<u>40,000</u>
Cash Decrease	345,856	(129,274)
Cash and Equivalencies, beginning of year	<u>166,139</u>	<u>295,413</u>
Cash and Equivalencies, end of year	<u>\$ 511,995</u>	<u>\$ 166,139</u>

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

Nova Scotia Federation of Municipalities

Notes to Financial Statements

December 31, 2022

1. Status and nature of activities

Nova Scotia Federation of Municipalities (formerly The Union of Nova Scotia Municipalities) (the Federation), incorporated under the laws of Nova Scotia, is a not-for-profit organization formed to represent the interest of local governments in Nova Scotia .

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (Part III of the CPA Handbook) (ASNPO) and reflect the following significant accounting policies:.

Cash and cash equivalents

Cash and cash equivalents represent cash and cash equivalents that mature with three months and those that can be readily converted to cash as well as cash in banks.

Internally restricted cash

The Federation has internally restricted funds of \$400,300 (2021 - \$400,003) for event cancellation and future operations, which is invested in a short-term deposit as of December 31, 2022 and 2021.

Property and Equipment

In accordance with ASNPO, the Federation continues capitalizing its property, plant and equipment additions. Amortization of property, plant and equipment is provided on a declining balance method at rate specified in note 3.

Fund Accounting

The accounts are maintained in accordance with principles of fund accounting. This method ensures observance of restrictions, if any, on the use of resources by maintaining separate accounts for each fund. Funds that have limitations placed on their use by internal or external parties are classified as restricted.

The following provide a brief description of each fund group:

- The unrestricted fund is for general operating funds
- The internally restricted fund holds those funds that have been internally restricted by the Federation for a Operation Stabilization reserve (six months of operating costs) and to have an Event Cancellation reserve.
- The investment in capital assets is the balance in capital assets less associated amortization
- The Robert's Memorial Fund (the Fund) is internally restricted for projects of the Federation (note 4)

Nova Scotia Federation of Municipalities

Notes to Financial Statements

December 31, 2022

2. Significant Accounting Policies (continued)

Revenue Recognition

Recognition of revenue related to services provided occurs when the amount can be reliably measured, ultimate collection is reasonably assured and performance is complete.

The Federation follows the deferral method of accounting for contributions. Restricted contributions recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Management estimates

The preparation of the financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

Government Grants

The Federation recognizes government grants when there is reasonable assurance that the grant will be received and that the conditions of the grant will be met. Government grants are recorded within accounts receivable when the grant becomes receivable. The Federation has elected to record the grants, where appropriate, as other revenue. Any grants that become receivable in a period that succeeds when the expenses are incurred are accrued in the period in which they become receivable.

Income taxes

The Federation is a not-for-profit organization under paragraph 149(1)(l) of the Income Tax Act and, accordingly, is not required to pay income taxes.

Nova Scotia Federation of Municipalities

Notes to Financial Statements

December 31, 2022

2. Significant Accounting Policies (continued)

Financial Instruments and risk management

Fair Market Value

Fair values estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matter of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, short-term deposits, amounts receivable and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of those instruments.

Concentration of credit risk

Management believes the Federation has no significant credit concentration.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Federation is not exposed to significant interest rate risk

Liquidity risk

Liquidity risk is the risk that the Federation will encounter problems in raising funds to meet its commitments at maturity. The Federation is exposed to liquidity risk through its accounts payable and accrued liabilities. Management believes it has ample working capital to meet those obligation as they arise.

3. Property and Equipment

		<u>2022</u>			<u>2021</u>
	<u>Rates</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer Equip.	30%	\$ 56,080	\$ 41,241	\$ 14,839	\$ 5,345
Office Equipment	20%	25,211	20,776	4,435	4,880
Leasehold Improv.	4 Yr	<u>6,050</u>	<u>4,704</u>	<u>1,346</u>	<u>3,362</u>
		<u>\$ 87,341</u>	<u>\$ 66,721</u>	<u>\$ 20,620</u>	<u>\$ 13,587</u>

Nova Scotia Federation of Municipalities

Notes to Financial Statements

December 31, 2022

4. Roberts' Memorial Fund

The Fund was established in memory of the late Judge Arthur Roberts, Catherine Rogers and other deceased municipal leaders. It is not registered as a charitable organization for income tax purposes.

The trustees of the Fund are the president, the legal advisor and the financial advisor of the Federation. The decision as to the projects to be underwritten by the Fund is made by the Executive of the Federation. The Fund is intended to assist in furthering the objectives of the Federation. Projects may include municipal research, education, speakers for the conference, etc. Only the income earned by the Fund is available to fund projects. The income available for projects is comprised of the income earned by the Fund since inception, less expenditures made by the Fund on projects.

	<u>2022</u>	<u>2021</u>
Revenue		
Interest	\$ <u>118</u>	\$ <u>87</u>
Fund balance- Beginning of year	<u>16,520</u>	<u>16,433</u>
Fund balance- End of year	\$ <u><u>16,638</u></u>	\$ <u><u>16,520</u></u>
Income available for projects		
Income available for projects - Beginning of the year	\$ 3,895	\$ 3,808
Net increase of fund balance in year	<u>118</u>	<u>87</u>
Income available for projects - End of Year	4,013	3,895
Funds not available for projects	<u>12,625</u>	<u>12,625</u>
Total fund balance	\$ <u><u>16,638</u></u>	\$ <u><u>16,520</u></u>

5. Government Assistance

During the prior year, the Federation received a Canada Emergency Business Account (CEBA) loan. The CEBA loan is for \$60,000 and if repaid by December 31, 2023, \$20,000 of the loan is forgiven by the Government of Canada. \$20,000 of loan forgiveness is included in the prior year other income.

Nova Scotia Federation of Municipalities

Notes to Financial Statements

December 31, 2022

7. Deferred Revenue

	<u>2022</u>	<u>2021</u>
Deferred revenue, opening balance	\$ 77,820	\$ 97,567
Funds received in the year	2,623,355	24,259
Funds earned in the year	<u>(1,040,836)</u>	<u>(44,006)</u>
Deferred revenue, ending balance	<u>\$ 1,660,339</u>	<u>\$ 77,820</u>

Deferred revenue consists of revenue received for the WILG Bursary, Ken Simpson Memorial, Towns Task Force, Carbon Offset, Fire Services, AT Summit, FCM RFP and Sustainable Communities Challenge Fund (SCCF) projects that will be used in future years. The SCCF accounts for \$1,512,557 of the deferred revenue.

8. Long Term Debt

	<u>2022</u>	<u>2021</u>
Royal Bank unsecured Covid loan, 0% interest, repayable by December 31, 2023	\$ 40,000	\$ 40,000
Less Current portion	<u>(40,000)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 40,000</u>

9. Short Term Deposits

	<u>2022</u>	<u>2021</u>
CIBC GIC at 5.25% due September 28, 2023	\$ 13,800,000	\$ -
CIBC GIC at 5.25% due September 28, 2023	100,000	-
RBC GIC at 4.20% due December 7, 2023	579,381	-
RBC GIC at 0.35% due April 28, 2022	-	375,000
RBC GIC at 0.35% due November 16, 2022	<u>-</u>	<u>200,000</u>
	<u>\$ 14,479,381</u>	<u>\$ 575,000</u>

10. Commitments

The minimum annual lease payments under long-term agreement for premises, including common area costs and equipment are as follows:

Year ending	Premises	Equipment	Total
2023	16,933	3,840	20,773
2024	-	3,840	3,840
2025		2,560	2,560

The term of the premises lease is from October 3, 2016 to August 31, 2023

The term of the equipment lease is from September 23, 2019 to August 23, 2025.

Nova Scotia Federation of Municipalities

Notes to Financial Statements

December 31, 2022

11. Capital Management

The Federation defines capital as net assets. Currently, the Federation has no defined target for net assets and operates under the culture of a balanced budget. There are currently no external restrictions on capital for the Federation.

12. Sustainable Communities Challenge Fund

During the year the Federation was awarded the contract with the Province of Nova Scotia to administer the Sustainable Communities Challenge Fund (SCCF). The Fund was established as a goal in the Environmental Goals and Climate Change Reduction Act. The Federation is required to develop a strategic plan, provide organization and management, develop a communications and engagement plan and develop the application process. The Federation will provide ongoing administration of the \$15 million dollar fund, including the approval and disbursement of funds for applicants. During the year the Federation received \$99,672 from the SCCF for rent, insurance and administration of the SCCF. The SCCF project has been shown separately on the statement of operations due to the size of the project.