AWNA
2020 Annual General Meeting
Thursday, October 1st, 2020

Meeting Called to Order, President Jason Lyon, 1:30 p.m.
Minutes of 2019 Annual General Meeting
Business arising from the minutes

REPORTS

President's report	-	Jason Lyon
First report of Nominating Committee	-	Dave Bruha
Executive	-	Dave Bruha
Audit	-	Jason Lyon
Financial statement/ Central Office	-	Dennis Merrell
Approval of 2019 audited financial statements		
Advertising	-	Mary Kemmis
Better Newspapers Competition	-	Maurizia Hinse
Government Affairs	-	Duff Jamison
Membership	-	Dave Bruha
2020 Convention	-	Lisa Sygutek
Final report of Nominating Committee	-	Dave Bruha
Election of Officers		
Approval of the actions of the Board of Directors		
Appointment of KPMG as auditors		
Silver Quill awards presentation		
New Business		

Adjournment, 3 p.m.

Alberta Weekly Newspapers Association

Annual General Meeting Minutes

Friday, May 31, 2019

Radisson Hotel & Conference Centre, Winspear West Room, Red Deer, AB

2:02 pm President Jason Lyon called the meeting to order.

He welcomed delegates and expressed his appreciation and thanks to all of those who were able to attend the AGM and convention. He also welcomed Chris Ashfield, SWNA President; Steve Nixon, SWNA Executive Director and Jeff Beardsworth, CEO and Advertising Director of Ad Canada Media Inc. as guests to the AGM and convention.

Minutes of the 2018 Annual General Meeting
Moved by Mary Kemmis, seconded by Dave Bruha to accept the 2018 minutes. Carried.

Business Arising from the Minutes
There was no business arising from the minutes to report.

Nominating Committee
Dave Bruha reported that both Mario Prusina and Pamela Allain have stepped down from the Board, and the following people are on the slate to serve on the 2019-20 AWNA Board: As President, Jason Lyon; Vice-President, Mary Kemmis; Past President, Dave Bruha; Directors: Evan Jamison, Jamie Nesbitt, Shannon Robison, Lisa Sygutek, Bob Paterson and Sarah Burns.

Dave Bruha asked for nominations from the floor.

Moved by Jamie Nesbitt that Ossie Sheddy be nominated to serve as Director on the AWNA board.

2019 Reports
Moved by Dave Bruha, seconded by Murray Elliott to accept the committee reports as presented. Carried.

Dave Bruha presented his second call for nominations to serve on the AWNA board. Jamie Nesbitt withdrew his nomination for Ossie Sheddy; there were no further nominations.

Final report of the Nominating Committee

The third and final call was made by Dave Bruha; there were no further nominations. Dave announced that the nominations were closed.

The 2019-20 Board of Directors were presented, as:

President	Jason Lyon
Vice President	Mary Kemmis
Past President	Dave Bruha
Directors:	Bob Paterson
	Evan Jamison
	Jamie Nesbitt
	Lisa Sygutek
	Sarah Burns
	Shannon Robison

Nominations declared by acclamation. Carried.

Reports from Sister Associations

Acceptance of 2018 Audited Financial Statements
Moved by Dave Bruha, seconded by Mary Kemmis that the December 31, 2018 audited financial statements be accepted. Carried.

News Media Canada Report

Appointment of AWNA's Auditor
Moved by Dave Bruha, seconded by Sarah Burns that we appoint KPMG as AWNA's auditors for 2019-20. Carried.

Membership Committee Report
Moved by Dave Bruha, seconded by Lisa Sygutek to accept the membership re-applications for the Lloydminster Meridian Source, Grimshaw Mile Zero Banner Post, Rycroft/Spirit River Central Peace Signal and Cardston Temple City Star. Carried.

Jason Lyon presented a notice of motion to amend the AWNA bylaws.

Resolution moved by Dave Bruha, seconded by Jason Lyon that the AWNA bylaws be changed, as follows:

Existing wording:

2. APPLICATION FOR MEMBERSHIP

b) circulation audit; circulation audits are only required for publications distributing more than 50,000 copies per year.

New wording:

2. APPLICATION FOR MEMBERSHIP

b) verification of circulation; publishers are required to submit a sworn statement of circulation, to include applicable verifying documents, such as mailing statements, printer's invoices, newspaper carrier records and vendor receipts.

Roger Holmes amended the proposed wording to reflect, as follows:

b.i)

Moved by Murray Elliott, seconded by Jamie Nesbitt to accept the amended wording. The vote was carried with two opposing.

Existing wording:

3. MEMBERSHIP

Criteria for Regular Membership

(C) All member newspapers shall provide documentation showing that they have applied for an audit with approved circulation auditors, AAM, CCAB, CMCA or Verified Audit Circulation (VAC) or equivalent. Proof that this audit is in process must be received by AWNA before a membership application will be considered. Circulation audits are only required for publications distributing more than 50,000 copies per year.

New wording:

3. MEMBERSHIP

Criteria for Regular Membership

(C) All member newspapers shall provide documentation showing that they have applied for an audit with approved circulation auditors, AAM, CCAB, CMCA or Verified Audit Circulation (VAC) or the AWNA's Verified Circulation Program (VCP). Proof that this audit is in process must be received by AWNA before a membership application will be considered. Circulation audits are only required for publications distributing more than 50,000 copies per year.

Moved by Roger Holmes, seconded by Dave Bruha that the new wording be accepted. The vote was defeated with eighteen votes for and seventeen votes opposed.

Existing wording:

3. MEMBERSHIP

Criteria for Regular Membership

(E) Subject to review by the Board, the Association shall be, and remain, as member of the Alberta Press Council. The Association will inform members of activities and decisions of the Press Council and pay dues approved by the Council. While AWNA is a member of the Press Council, a member newspaper must publish verbatim any decision of the Council regarding a complaint against that newspaper.

Proposed: Removal of Section 3 (E) from bylaws.

Moved by Dave Bruha, seconded by Frank McTighe to accept removal of section 3 (E) from the bylaws. Carried.

Existing wording:

3. MEMBERSHIP

Criteria for Regular Membership

(G) The masthead of the newspaper shall include within it, the identity of the publisher or publishing company and the newspaper's street address.

New wording:

3. MEMBERSHIP

Criteria for Regular Membership

(G) The masthead of the newspaper shall include within it, the identity of the publisher or publishing company. In addition, the masthead shall include the newspaper's street address, or contact information for the publisher and/or editor, including an email address, phone number and mailing address.

Moved by Duff Jamison, seconded by Mary Kemmis that the new wording be accepted. The vote was carried with three opposing votes.

Existing wording:

15.1 Board of Directors

The Board of Directors of the Association shall consist of the past president, president, vice-president and six directors. The Executive Director attends all board meetings in an advisory capacity as a non-voting member.

New wording:

15.1 Board of Directors

The Board of Directors of the Association shall consist of the past president, president, vice-president and up to six directors. The Executive Director attends all board meetings in an advisory capacity as a non-voting member.

Moved by Roger Holmes, seconded by Duff Jamison that the new wording be accepted. Carried.

Existing wording:

18. OFFICERS

(A) The Officers of the Association shall consist of the Past President, the President, the Vice-President and six (6) Directors.

New wording:

18. OFFICERS

(A) The Officers of the Association shall consist of the Past President, the President, the Vice-President and up to six (6) Directors.

Moved by Roger Homles, seconded by Frank McTighe that the new wording be accepted. Carried.

Moved by Roger Holmes, seconded by Jamie Nesbitt that the actions of the board be accepted. Carried.

Moved by Dave Bruha that we ratify the actions of the 2018-19 Board of Directors.

New Business

- Jason Lyon reported that over the last year AWNA has engaged with Ad Canada regarding ad sales; Jason and Dave Bruha have been working on a contract with Ad Canada to take over the AWNA sales arm. The Board voted in favour of moving forward with this contract with Ad Canada, which would take effect January 1, 2020. The next steps are to determine what this will look like and how it will affect members and central office. The contract has yet to be signed; it is a two-year contract with a 120 day exit clause.
    - Specific questions regarding the contract can be directed to Evan Jamison and the Board.

4:33pm Shannon Robison moved to adjourn the meeting.

President's Report
October 2020

It is difficult to sum up how 2020 has impacted all of our lives. From the early indications that COVID-19 was going to be something big, we have all been forced to adapt quickly to an environment that was already challenging for so many. The importance of a strong newspaper in our communities has been highlighted by a spike in readership both in traditional print as well as online. There are no quick solutions to the challenges that 2020 has brought us. Plans that have been put into action over the past year have helped to lessen an impact that could have been devastating to our association and members.

January 1st, 2020 saw the transition of advertising sales from AWNA to Ad Canada. This transition has allowed AWNA to shift our focus to member services as well as advocacy work while outsourcing sales capabilities. The timing of this transition has no doubt posed challenges for Ad Canada on attracting new sales. Governments continue to lean heavily on foreign owned social media companies for messaging around programs including COVID-19. Ad Canada has seen some success with small government campaigns and continues to work with AWNA to bring back taxpayer funded campaigns to local community newspapers. Ad Canada has stepped in to service many long-standing AWNA clients while working to attract new business.

AWNA is working on a number of issues that threaten to change how communities receive reliable local news. Committee work to address public notice advertising, newspaper recycling and government participation in community news is ongoing. AWNA board members as well as publishers from within our association continue to lead various committees while still attempting to navigate their own publications through unprecedented challenges.

Although revenues have been "challenging", AWNA finances have remained close to what was forecast in the 2020 budget. We have transitioned into a much leaner organization in the interest of preserving our finances. Staff reductions, reduced hours for our Executive Director, leasing much of our AWNA office space and virtual meetings have all allowed us to reduce what would have been a much larger financial burden posed by COVID-19.

Although not the rosiest report I am optimistic. Dedication by a passionate and talented board along with strong committee work has us pointed in the right direction. This is my last report as your AWNA president It has been an honour to serve with a variety of board members who represent the very best of community newspapers in Alberta. I encourage anyone who would like to contribute to your association to volunteer for a board position or engage in committee work. I feel incredibly grateful to have met so many amazing people during my time with AWNA. I look forward to a time we can all meet again in the same room and under more optimistic circumstances. Thank you.

Jason Lyon,
AWNA President

Alberta Weekly Newspapers Association

Annual General Meeting Minutes

Friday, May 31, 2019

Radisson Hotel & Conference Centre, Winspear West Room, Red Deer, AB

2:02 pm President Jason Lyon called the meeting to order.

He welcomed delegates and expressed his appreciation and thanks to all of those who were able to attend the AGM and convention. He also welcomed Chris Ashfield, SWNA President; Steve Nixon, SWNA Executive Director and Jeff Beardsworth, CEO and Advertising Director of Ad Canada Media Inc. as guests to the AGM and convention.

Minutes of the 2018 Annual General Meeting
Moved by Mary Kemmis, seconded by Dave Bruha to accept the 2018 minutes. Carried.

Business Arising from the Minutes
There was no business arising from the minutes to report.

Nominating Committee
Dave Bruha reported that both Mario Prusina and Pamela Allain have stepped down from the Board, and the following people are on the slate to serve on the 2019-20 AWNA Board: As President, Jason Lyon; Vice-President, Mary Kemmis; Past President, Dave Bruha; Directors: Evan Jamison, Jamie Nesbitt, Shannon Robison, Lisa Sygutek, Bob Paterson and Sarah Burns.

Dave Bruha asked for nominations from the floor.

Moved by Jamie Nesbitt that Ossie Sheddy be nominated to serve as Director on the AWNA board.

2019 Reports
Moved by Dave Bruha, seconded by Murray Elliott to accept the committee reports as presented. Carried.

Dave Bruha presented his second call for nominations to serve on the AWNA board. Jamie Nesbitt withdrew his nomination for Ossie Sheddy; there were no further nominations.

Final report of the Nominating Committee

The third and final call was made by Dave Bruha; there were no further nominations. Dave announced that the nominations were closed.

The 2019-20 Board of Directors were presented, as:

President	Jason Lyon
Vice President	Mary Kemmis
Past President	Dave Bruha
Directors:	Bob Paterson
	Evan Jamison
	Jamie Nesbitt
	Lisa Sygutek
	Sarah Burns
	Shannon Robison

Nominations declared by acclamation. Carried.

Reports from Sister Associations

Acceptance of 2018 Audited Financial Statements
Moved by Dave Bruha, seconded by Mary Kemmis that the December 31, 2018 audited financial statements be accepted. Carried.

News Media Canada Report

Appointment of AWNA's Auditor
Moved by Dave Bruha, seconded by Sarah Burns that we appoint KPMG as AWNA's auditors for 2019-20. Carried.

Membership Committee Report
Moved by Dave Bruha, seconded by Lisa Sygutek to accept the membership re-applications for the Lloydminster Meridian Source, Grimshaw Mile Zero Banner Post, Rycroft/Spirit River Central Peace Signal and Cardston Temple City Star. Carried.

Jason Lyon presented a notice of motion to amend the AWNA bylaws.

Resolution moved by Dave Bruha, seconded by Jason Lyon that the AWNA bylaws be changed, as follows:

Existing wording:

2. APPLICATION FOR MEMBERSHIP

b) circulation audit; circulation audits are only required for publications distributing more than 50,000 copies per year.

New wording:

2. APPLICATION FOR MEMBERSHIP

b) verification of circulation; publishers are required to submit a sworn statement of circulation, to include applicable verifying documents, such as mailing statements, printer's invoices, newspaper carrier records and vendor receipts.

Roger Holmes amended the proposed wording to reflect, as follows:

b.i)

Moved by Murray Elliott, seconded by Jamie Nesbitt to accept the amended wording. The vote was carried with two opposing.

Existing wording:

3. MEMBERSHIP

Criteria for Regular Membership

(C) All member newspapers shall provide documentation showing that they have applied for an audit with approved circulation auditors, AAM, CCAB, CMCA or Verified Audit Circulation (VAC) or equivalent. Proof that this audit is in process must be received by AWNA before a membership application will be considered. Circulation audits are only required for publications distributing more than 50,000 copies per year.

New wording:

3. MEMBERSHIP

Criteria for Regular Membership

(C) All member newspapers shall provide documentation showing that they have applied for an audit with approved circulation auditors, AAM, CCAB, CMCA or Verified Audit Circulation (VAC) or the AWNA's Verified Circulation Program (VCP). Proof that this audit is in process must be received by AWNA before a membership application will be considered. Circulation audits are only required for publications distributing more than 50,000 copies per year.

Moved by Roger Holmes, seconded by Dave Bruha that the new wording be accepted. The vote was defeated with eighteen votes for and seventeen votes opposed.

Existing wording:

3. MEMBERSHIP

Criteria for Regular Membership

(E) Subject to review by the Board, the Association shall be, and remain, as member of the Alberta Press Council. The Association will inform members of activities and decisions of the Press Council and pay dues approved by the Council. While AWNA is a member of the Press Council, a member newspaper must publish verbatim any decision of the Council regarding a complaint against that newspaper.

Proposed: Removal of Section 3 (E) from bylaws.

Moved by Dave Bruha, seconded by Frank McTighe to accept removal of section 3 (E) from the bylaws. Carried.

Existing wording:

3. MEMBERSHIP

Criteria for Regular Membership

(G) The masthead of the newspaper shall include within it, the identity of the publisher or publishing company and the newspaper's street address.

New wording:

3. MEMBERSHIP

Criteria for Regular Membership

(G) The masthead of the newspaper shall include within it, the identity of the publisher or publishing company. In addition, the masthead shall include the newspaper's street address, or contact information for the publisher and/or editor, including an email address, phone number and mailing address.

Moved by Duff Jamison, seconded by Mary Kemmis that the new wording be accepted. The vote was carried with three opposing votes.

Existing wording:

15.1 Board of Directors

The Board of Directors of the Association shall consist of the past president, president, vice-president and six directors. The Executive Director attends all board meetings in an advisory capacity as a non-voting member.

New wording:

15.1 Board of Directors

The Board of Directors of the Association shall consist of the past president, president, vice-president and up to six directors. The Executive Director attends all board meetings in an advisory capacity as a non-voting member.

Moved by Roger Holmes, seconded by Duff Jamison that the new wording be accepted. Carried.

Existing wording:

18. OFFICERS

(A) The Officers of the Association shall consist of the Past President, the President, the Vice-President and six (6) Directors.

New wording:

18. OFFICERS

(A) The Officers of the Association shall consist of the Past President, the President, the Vice-President and up to six (6) Directors.

Moved by Roger Homles, seconded by Frank McTighe that the new wording be accepted. Carried.

Moved by Roger Holmes, seconded by Jamie Nesbitt that the actions of the board be accepted. Carried.

Moved by Dave Bruha that we ratify the actions of the 2018-19 Board of Directors.

New Business

- Jason Lyon reported that over the last year AWNA has engaged with Ad Canada regarding ad sales; Jason and Dave Bruha have been working on a contract with Ad Canada to take over the AWNA sales arm. The Board voted in favour of moving forward with this contract with Ad Canada, which would take effect January 1, 2020. The next steps are to determine what this will look like and how it will affect members and central office. The contract has yet to be signed; it is a two-year contract with a 120 day exit clause.
    - Specific questions regarding the contract can be directed to Evan Jamison and the Board.

4:33pm Shannon Robison moved to adjourn the meeting.

Central Office Report

October 2020

We did reasonably well financially in 2019, despite the business interruption costs related to a ransom ware attack and poor national ad sales. This was thanks to an upsurge in value ad sales, AWSOM royalties, earnings on our investments, lower wages (with staff reductions) and an overall decrease of 14% in expenditures.

The loss on operations of $69,000 would have been $48,000 if you excuse the $21,000 business interruption expense, which was unforeseen and as it turned out, uninsurable.

Although total revenue declined by 31%, our gross profit margin held steady at 97% of the previous year's total, and with the 14% savings in expenditures - $104,000 in total – we achieved a turn-around of $114,000 compared to the previous year.

We had $17,000 in hard costs related to the readership survey and internship programs, which we won't have in 2020, so with further cost reductions in 2020, we are on a path to balancing the books in 2021.

Financial results in 2020

Our gross profit at the end of August 2020 is down by 5% - $262,000 compared to $277,000 budgeted. Expenditures are on par with budget for the year - $345,000 vs. $342,000 budgeted, so overall, our operations are within $18,000 of where we thought we'd be at this point. COVID-19 has had a negative impact on revenue, but wage subsidies have partially offset this downturn.

We've recorded a loss of $12,000 on our investments as of the end of August. The investments continue to recover, so we hope to reach year-end in a good position. We've altered the mix of our investments more towards 50-50 fixed-equity, to guard against the effects of future declines in equity markets.

An analysis of all of our revenue categories unrelated to national advertising sales reveals that we're doing pretty well. Revenue from blanket classifieds/value ads, digital (AWSOM), interest and rent revenue totals $235,000 at the end of August, compared to $221,000 in the budget, so we're 6% ahead of our forecast in these categories.

Ad Canada sales revenue (AWNA's commission from Ad Canada's sales activity) is $26,000 for the first eight months, compared to a budget of $69,000, so we've taken a significant hit there. By comparison, the association had generated $182,000 in net display ad revenue in the January – August 2019 period, so the AWNA has lost $156,000 in revenue from national ad placements when compared to the previous

year's total. Total display ad revenue in the January – August 2020 period is 677,000, compared to $1,056,000 in 2019, for a decrease of $379,000, or 36%. The combined Ad Canada/AWNA ad fees for the period are $131,000 - $105,000 to Ad Canada and $26,000 to AWNA.

The AWNA has deferred the collection of the ¼ page space donation from members. We decided this was something the association should forego, given the current hardships being faced by the membership.

AWNA's new business model

The AWNA has outsourced its advertising service to Ad Canada and shifted its emphasis towards member services and advocacy.

This will allow the association to focus its efforts on government relations activities that will address the challenges our industry is currently facing – such as municipalities shifting their advertising to online media and the emergence of EPR programs (shifting the cost of newspaper recycling to newspapers).

We will also support national programs to ensure the continuance of the federal Aid to Publishers, Special Measures for Journalism and labour tax credit programs. The industry is preparing a submission to the federal government that sets out remedies it feels will assist newspapers in their efforts to provide local journalism in their communities. Duff Jamison provides more detail on this in his report.

Duff's Government Affairs Committee recommends that AWNA consider retaining a government relations firm to help us to connect with the government ministers that can help us with our efforts.

Another phase of the revised business plan has been the decision to lease the balance of the AWNA's business condo to Willow Medicine. We have signed a 7-year lease with them for this space and have reduced the association's office footprint to 600 square feet on the 2nd floor. This made sense for several reasons:

- Provides the association with a stable long-term source of rental revenue – 7 years of lease payments from Willow Medicine and 4 years remaining on our lease with Onware for the bulk of the upstairs space;
- It brings the main floor space up to a higher standard with the renovations;
- The salability of the condominium has been enhanced, as a result of the stable rental income and leasehold improvements.

Staff

Central Office staff has been reduced in accordance with the shift in the association's business model.

The association has eliminated the positions of Controller and Advertising Director.

Our gratitude goes to Chrissie Hamblin, who served with distinction as our Controller for 15 years and was invaluable to the team when we were operating a full advertising service that placed over ten million dollars in business at its peak. Thanks also to former Advertising Director Patrick Lessard, who has since taken a position with Glacier Media in B.C.

Maurizia Hinse continues in her full-time position with AWNA. She has become our every-person, handling member services, classified/value ads, accounting and communications, among other things. Julie Anne McRae stays on as a part-time consultant, maintaining our membership database and supporting our activities such as the Better Newspaper Competition, AWSOM Archive and communications.

Allana Bridgewater, who is currently on maternity leave, is still on our payroll, with the bulk of her salary supported by Ad Canada, since she manages the ad placement duties for Alberta publications.

Dennis Merrell continues in a part-time role as Executive Director, responsible for financial management/AWNA investments, advocacy, member/board liaison/communications, along with managing our relationship with Ad Canada.

It's a much leaner machine, but it's a sustainable one.

We should be in a position to achieve a balanced budget by next year, without the need to impose any membership fees to replace the loss of ad revenue.

Dennis Merrell, CAE
Executive Director

ADVERTISING COMMITTEE REPORT

For those of us who started the year facing ongoing industry disruption, the economic consequences of record-low oil prices and the social problems that have plagued many areas, turns out we hadn't seen anything yet.

COVID-19 brought on a whole new level of hurt. Traditional advertisers had to close their doors, working parents had to stay home with children and businesses deemed essential had to figure out how to generate revenue and keep everyone safe.

But COVID-19 also increased reader levels to historic highs as people looked for trusted sources to help them navigate their new worlds, creativity increased as we tried to find ways to help our local businesses drive revenue and we increased pressure on provincial and federal governments to support one of the foundations of a democratic society.

The start of 2020 also saw the move to AdCanada to drive national revenue to our papers. On the heels of a devastating malware attack on AWNA systems, AdCanada tried to piece together customer histories while navigating COVID upheaval.

Thanks to Jeff Beardsworth and his team for their commitment to finding ways to find new revenue streams. Below is his report.

Ad Director Report, OCTOBER 2020

January-July Summary

It goes without saying that the last six months have been very much a coaster ride with the uncertainty a virtual certainty as part of the new normal.

Where it's affecting the sales effort the most is in the ability to interact and engage with clients. Unfortunately, the timing of the pandemic hit right as we came out of the gate in AdCanada's partnership with the AWNA and immediately put most agencies and clients into full lockdown. In turn, it's put the brakes on many of the strategies that were envisioned to promote the new arrangement, the results of the Media Usage study and the new sales approaches that had

been developed. With most agency personnel still working from home, 100% of client engagement is virtual and while efficient for managing straightforward requests, it's not the most effective approach for selling. We've been told that it will take until the new year, at the earliest, before agency offices even consider re-opening. The AdCanada sales team in Toronto reports that there's rumblings that for many agencies in Toronto, planners working remotely will be part of their 'new normal.'

In spite of the less than ideal selling conditions, AdCanada has utilized all forms of communication to engage more clients, with more ideas and more often than ever before. The groundwork is being laid with many clients with whom community newspapers have fallen off the radar. The goal of these efforts revolves, in part, around using the pandemic to demonstrate the importance of local media to the communities they serve. That message is beginning to resonate. The other thing that AdCanada has been heavily focussed on is demonstrating that community newspapers are an 'opportunity' media, capable of presenting unique ideas, campaign strategies and executions and not simply an advertising quote. That mantra is also starting to get traction. As an example, just last week the agency for Stars Air Ambulance approached us to ask whether an idea we used to secure a province-wide campaign in SK could also be applied in Alberta. While it will take time to shift the thinking of some clients, it is starting to happen.

January-July

While I'm happy to report that AdCanada has managed to weather the storm thus far, the situation remains highly fluid and could change quickly, one way or another. In terms of overall gross revenues, AdCanada sits 19% behind both budget and revenues for the same period in 2019. This seems to align to what I've heard from several newspaper publishers and corporate groups about their own revenue situations.

It is worth noting that virtually the entire deficit on the gross side can be attributed to a poorer than expected January and February. In other words, not only have we seen revenues stabilize through the pandemic period, they've in fact come in slightly higher than what was budgeted March through July.

In terms of net revenues, the situation is somewhat more positive with net revenues for the period off budget by approximately 11%. This is due primarily to growth of non-member

revenues outside of AB, SK and MB and our ability to optimize yields beyond the original -conservative- projections. The bulk of non-member activity to date is occurring with clients having interest in community newspapers in the Maritimes, French language Quebec and British Columbia.

REGION-BY-REGION

Alberta

Projecting 2020 volumes in AWNA member newspapers was a bit of a challenge, mostly due to the loss of data arising from the ransomware attack that hit the AWNA halfway through 2019. While we were able to get a reasonable snapshot of 2019 revenues overall, we weren't able to drill into the numbers in any great detail to determine where the volumes came from, were the result of one-off campaigns or ongoing spend or where the opportunities for revenue growth existed. What we were able to ascertain was that approximately $300,000 in Q1-2019 spending came as a result of the provincial election campaign and that a $90,000 campaign placed on behalf of Energy Efficiency Alberta in January 2019 was also due to a one-off initiative.

At the end of the day, we felt the safest course of action for 2020 budgeting purposes was to use a strategy loosely tied to the long-standing blueprint of SWNA Revenues + MCNA Revenues = AWNA Revenues.

Actual gross revenues for the period Jan-July in AWNA member newspapers are coming in at $684,145 or 63% of the budgeted $1,091,280 for the period. This translates into direct revenues to AWNA of $22,627 through revenue sharing.

With a year-over-year comparison impossible due to the ransomware attack, the best assessments we can make of those numbers are anecdotal. Overall it appears that the biggest hit to revenues have come from the retail sector, heavily affected by impact of the pandemic. One of AdCanada's largest accounts in 2019 was FYI Doctors, with much of their volume having been placed in AWNA member newspapers with total spend approaching $400,000. With operations still far from normal, FYI Doctor spending thus far in 2020 has been non-existent.

Other advertisers in the retail sector with whom we believe spending has decreased markedly from 2019 include Xplornet, Michaels and Lowe's.

It also appears that post-second educational institutions are another area where the pandemic has affected ad spending.

Saskatchewan
Overall, revenues for the period January-July 2020 are equal to both budget and for the same period in 2019 ($929,000). This in spite of several closures and mergers that occurred at the onset of the pandemic. This can be attributed mainly to the volume and frequency of campaigns placed by the Saskatchewan Government with GoS spending tracking well ahead of 2019 levels.

Manitoba
In Manitoba we are seeing gross revenues of 69% ($609,000) to budget through the January-July period with virtually all of the decrease tied to reduced spending from the Manitoba Government. Compounding the situation with the Manitoba Government is the fact that we've seen several significant campaigns either canceled or delayed because of the pandemic. Unlike the situations in Saskatchewan and Alberta, the Manitoba Government have invested very little in advertising to support Government activity, programs or messaging through the pandemic.

Spending in all other sectors in MCNA member newspapers is flat to 2019 levels.

New AWNA Initiatives
While COVID-19 has impacted the timing for rolling out many of the new initiatives AdCanada had planned to launch within the first six months of the partnership with AWNA it has also created opportunities to pursue other ideas. Each of these ideas has met with a measure of success.

Here's a recap of some of the new initiatives AdCanada has worked on:

1) Creation of specially priced, bundled combination opportunities built around titles of common ownership. (January 2020)
    -The idea is simply to use a localized approach to selling bundles of titles at a price that recognizes built in synergies between titles with common ownership.

2) Creation of specially priced, bundled combination opportunities built around titles with common geographies and amenable publishers. (January 2020)

    -Extending the idea of package pricing in situations where titles may share a common geography and owners with a desire to work together to incentivize clients to buy their titles.

3) Launch of zoned AdCanada Network programs that extends 52x frequency rates as an incentive to purchase all titles within one of 8 pre-determined geographic zones (September 2020)

    -Taking the idea of incentivizing the purchase of multiple titles to the next level, AdCanada has developed 8 geographic zones and applied a 'package rate' for each one. The package rate amounts to the aggregated 52x frequency rate for each publication supplied at the beginning of the year. The Network program can be applied to any size of ad and was designed to help counteract the micro-level targeting that results in many campaigns being executed in one or two publications. There has already been one example of a campaign that was extended into a province-wide opportunity as a result of the Network initiative, AUPE.

4) Curating existing special section opportunities and providing advertisers with an a la carte menu of titles to incorporate into a campaign (Spring 2020)

    -Special supplements continue to be a product that gets the attention of specific types of advertisers. The objective is to evolve our ability to assemble available supplements in a manner that is both timely and efficient so that these opportunities can be marketed to clients as effectively as possible. We regularly have success with these types of opportunities however the campaigns they generate are most often executed in newspapers/markets of specific interest to the advertiser and rarely placed media wide. They do however create for the marketing effort, the ability to demonstrate community newspapers are an 'opportunity-media.'

5) Creation and marketing of sponsorship opportunities relevant to several broad themes including the upcoming Small Business Week. (September 2020).

    -AdCanada has become heavily focused on idea of presenting advertisers with concepts for potential community newspaper campaigns. The strategy involves the development of a creative element that can be used to help the advertiser visualize the execution. While we have not as of yet secured a major provincial campaign as a result of this strategy, we have gotten to the point where several clients have asked for formal proposals for the concept.

6) Monthly Government Bulletin. Using the Saskatchewan Government's Monthly Bulletin as the prototype AdCanada has developed a similar idea for Alberta.

    -It took nearly two years to get approved but in March of 2020, AdCanada finally got approval from the Saskatchewan Government on a proposal for a monthly compendium of new initiatives,

program changes and notices in the form of a ½p, 4c ad to run in all community newspapers in the province. At its core the idea was driven by the increasing number of press releases newspapers were receiving from the government. We pitched the exact same idea to the Government of Alberta earlier this summer and hope to eventually meet with the same outcome as we did in Saskatchewan.

Auto Sector Activity

Earlier in the summer we launched a two-pronged strategy to try and lure back automotive business.

The first element of the strategy revolves around aggressive pricing with value-added components that effectively amount to a 'Get a Full Page for the Price of a Half Page.' Proposals have been constructed for each of the Big Three OEM's with the plan being for our team in Toronto to present them in-person at soon as the opportunity presents itself. If it doesn't appear that we can get face to face with these agencies we will resort to an attempt at a virtual presentation.

The second component is a three-month ad campaign in the pre-eminent industry publication, Canadian Auto News. The Auto News insertions are aimed specifically at dealers, dealer principals, dealer associations and agencies and focus on the results of the AdCanada Media Usage Study released in early 2020. The ads themselves highlight specific data, relevant to the auto sector, from the Media Study and use a Re-Think Ink theme.
Of note, following the first flight of the campaign in August, AdCanada was contacted by an editor from Auto News interested in writing a story centered around the importance of community newspapers in rural communities and the factors that auto dealers and dealers associations should be considering as part of their decision making process.

Federal Government

While there's only one campaign to show for it, AdCanada continues to be actively engaged on the Federal Government account. There have been several conference calls with account representatives from Cossette Media on the status of COVID-19 related campaigns and near weekly dialogue on status updates of newspapers requests for confirmations on rates, specs, publishing details and availability of specific titles. Given the lack of this level of engagement in recent years, all signs continue to point to additional campaigns being in the works.

However, the most recent discussions have shifted away from COVID and have become more focused on Elections Canada, all but confirming that another federal election is on the horizon.

Government of Alberta
We are in regular weekly contact with the agency of record for the Alberta Government about possibilities for future COVID-19 related campaigns. We've been told that spending has been stopped for now but that the situation remains fluid and could change quickly.

The situation between Alberta Health and the province's doctors (AMA) continues to loom as a potential opportunity as well. In fact, early in the dispute we had a two-week campaign of half pages valued at over $100,000 in the system ready to go, only to get canceled at the 11th hour when AHS backed off on some of its proposed changes to existing legislation.

September-December
With several postponed campaigns re-scheduled for September-October coupled with the fact that there are several new campaigns currently in various stages of the approval process AdCanada is optimistic about the prospects for a reasonably strong finish to the year.

Approvals has been received on a province-wide Alberta Teachers' Association campaign for World Teachers Day as well as additional insertions for the APEGA 100th Anniversary campaign that launched earlier this year.

With the ransomware issue affecting access to data prior to July of 2019, AdCanada will be better equipped when it comes to identifying opportunities for the last half of 2020.

Mock Up of Proposed Small Business Week Sponsorship Presented to Several Clients:

– PAID ADVERTISEMENT –

ATB Financial, Committed and Connected to Alberta's Communities for More Than 80 Years

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Fusce ut placerat orci nulla pellentesque dignissim. Sagittis nisl rhoncus mattis rhoncus urna neque viverra justo. Aliquet risus feugiat in ante metus dictum at tempor. Congue quisque egestas diam in. Lobortis scelerisque fermentum dui faucibus in ornare quam. Hac habitasse platea dictumst quisque sagittis. Odio euismod lacinia at quis risus sed. Gravida quis blandit turpis cursus in hac. Suspendisse sed nisi lacus sed viverra tellus in hac. Nunc id cursus metus aliquam. Tristique et egestas quis ipsum suspendisse. Egestas diam in arcu cursus.

Turpis massa sed elementum tempus egestas sed sed risus pretium. Sem integer vitae justo eget magna fermentum iaculis eu non. Urna molestie at elementum eu facilisis sed odio morbi. Dignissim suspendisse in est ante in nibh mauris. Ornare massa eget egestas purus viverra accumsan in nisl. Ut eu sem integer vitae. Ac tincidunt vitae semper quis lectus nulla at. Tincidunt dui ut ornare lectus sit amet est placerat. Fermentum et sollicitudin ac orci phasellus egestas tellus rutrum tellus. Suspendisse faucibus interdum posuere lorem ipsum dolor. Neque viverra justo nec ultrices dui sapien eget mi. Vulputate mi sit amet mauris commodo quis. Aliquam id diam maecenas ultricies mi eget mauris pharetra et. At risus viverra adipiscing at in tellus integer. Amet purus gravida quis blandit. Amet consectetur adipiscing elit ut aliquam. Diam vulputate ut pharetra

Scelerisque purus semper eget duis at.

In aliquam sem fringilla ut morbi tincidunt. Libero id faucibus nisl tincidunt eget nullam. Fringilla urna porttitor rhoncus dolor purus non. Urna duis convallis convallis tellus id interdum. Turpis egestas maecenas pharetra convallis posuere. Suspendisse faucibus interdum posuere lorem ipsum dolor. Sit amet volutpat consequat mauris nunc. Libero id faucibus nisl tincidunt eget. Nulla porttitor massa id neque aliquam vestibulum morbi blandit. Quisque sagittis purus sit amet. Nisi est sit amet facilisis magna. Gravida cum sociis natoque penatibus et magnis dis. Sit amet mauris commodo quis imperdiet. Laoreet sit amet cursus sit amet dictum.

Sed euismod nisi porta lorem. Est pellentesque elit ullamcorper dignissim cras. Accumsan in nisl nisi scelerisque eu ultrices vitae. Et magnis dis parturient montes. Aenean et tortor at risus. Nunc mi ipsum faucibus vitae aliquet nec ullamcorper. Enim sit amet venenatis urna cursus. Donec ac odio tempor orci dapibus ultrices in iaculis. Auctor eu augue ut lectus arcu bibendum. Diam maecenas sed enim ut sem viverra aliquet. Imperdiet massa tincidunt nunc pulvinar. Lacus luctus accumsan tortor posuere ac ut consequat. Magna fermentum iaculis eu non diam. Diam maecenas ultricies mi eget mauris pharetra et.

Ultrices mi tempus imperdiet nulla malesuada pellentesque elit eget. Scelerisque eleifend donec pretium vulputate sapien nec sagittis aliquam malesuada. Aliquet lectus proin nibh nisl condi-

In arcu cursus euismod quis viverra nibh cras. Quis commodo odio aenean sed adipiscing. Massa tincidunt nunc pulvinar sapien et ligula. Tristique senectus et netus et malesuada. Lobortis feugiat vivamus at augue. Ornare quam viverra orci sagittis eu volutpat odio facilisis mauris. Eget nulla facilisi etiam dignissim diam quis enim.

Rutrum tellus pellentesque eu tincidunt tortor aliquam nulla facilisi cras. Non curabitur gravida arcu ac. Risus nullam eget felis eget nunc lobortis. Eleifend quam adipiscing vitae proin sagittis nisl rhoncus mattis. Convallis a cras semper auctor. Orci dapibus ultrices in iaculis nunc sed augue lacus viverra. Magnis dis parturient montes nascetur ridiculus. Maecenas pharetra convallis posuere morbi leo urna. Amet facilisis magna etiam tempor orci eu. Sit amet risus nullam eget felis eget. Risus commodo viverra maecenas accumsan lacus vel. In arcu cursus euismod quis viverra nibh cras pulvinar.

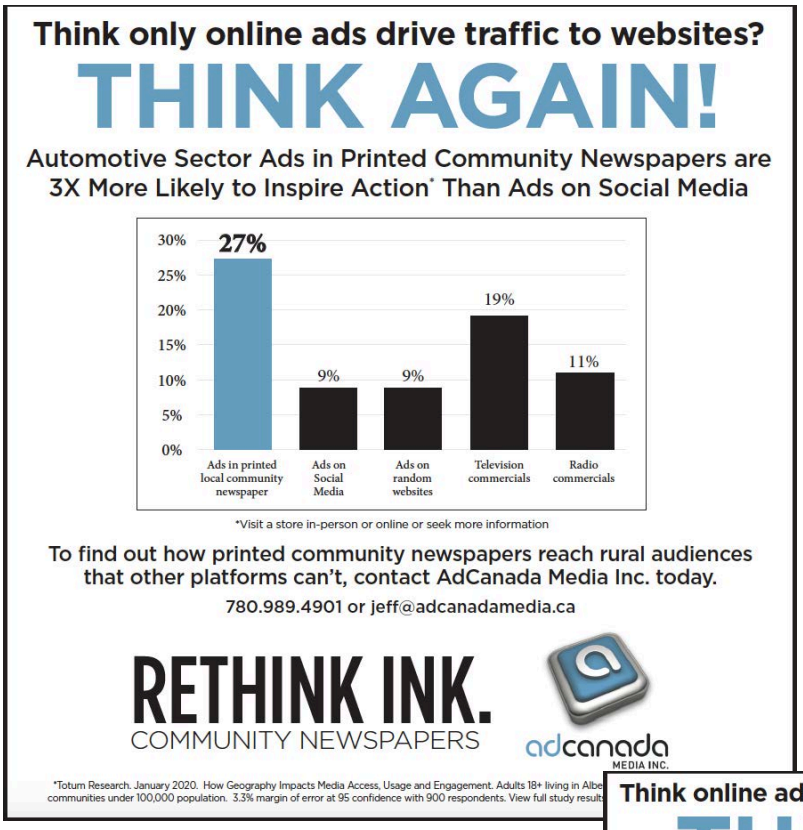
Sodales neque sodales ut etiam sit. Vel orci porta non pulvinar neque laoreet suspendisse interdum consectetur. Dictum sit amet justo donec enim. Blandit cursus risus at ultrices mi tempus imperdiet nulla malesuada. Aliquam faucibus purus in massa tempor nec feugiat nisl pretium. Tellus rutrum tellus pellentesque eu tincidunt tortor aliquam nulla. Non nisi est sit amet. Egestas pretium aenean pharetra magna ac placerat. Condimentum lacinia quis vel eros. Feugiat in fermentum posuere urna nec tincidunt. Mi eget mauris pharetra et ultrices

magna fringilla urna. Maecenas volutpat blandit aliquam etiam erat. Nunc eget lorem dolor sed viverra ipsum nunc aliquet bibendum.

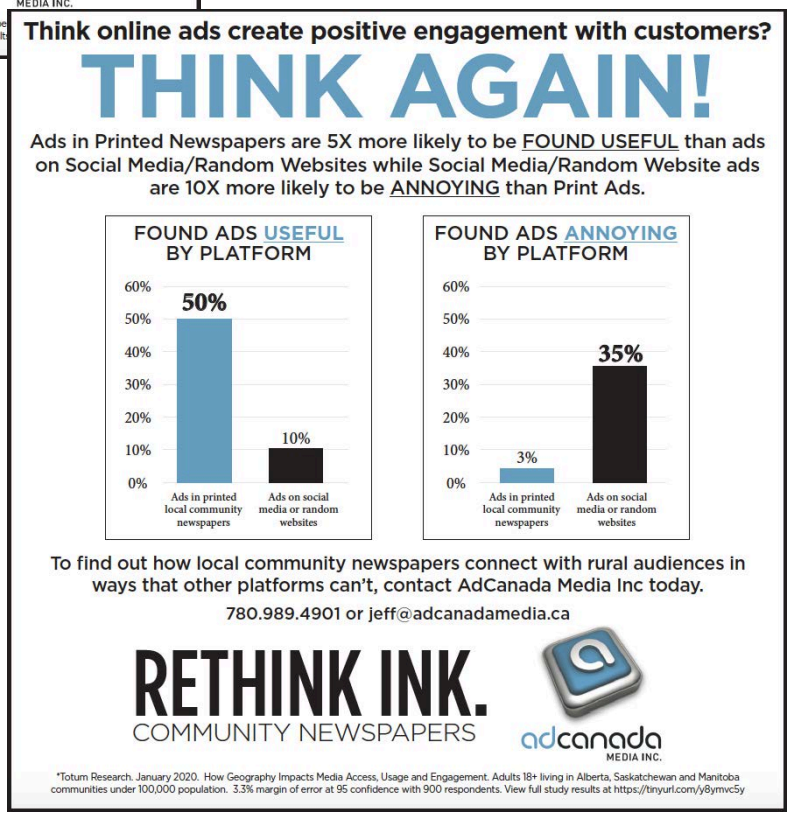
Feugiat pretium nibh ipsum consequat nisl vel pretium. Faucibus interdum posuere lorem ipsum dolor sit. Gravida quis blandit turpis cursus in. Sagittis id consectetur purus ut faucibus. Amet nulla facilisi morbi tempus iaculis urna id volutpat lacus. Sem viverra aliquet eget sit amet. Adipiscing diam donec adipiscing tristique risus. Nunc scelerisque viverra mauris in aliquam sem fringilla ut morbi. Et malesuada fames ac turpis egestas maecenas pharetra convallis posuere. Leo in vitae turpis massa. Bibendum est ultricies integer quis. Posuere morbi leo urna molestie at elementum eu. Purus in massa tempor nec feugiat nisl. Ornare aenean euismod elementum nisi quis eleifend quam. Tellus elementum sagittis vitae et leo. Porta non pulvinar neque laoreet suspendisse interdum. Donec et odio pellentesque diam. Nec sagittis aliquam malesuada bibendum arcu vitae elementum curabitur vitae. Lectus magna fringilla urna porttitor rhoncus dolor purus non.

Bibendum enim facilisis gravida neque convallis. Dictum non consectetur a erat nam at lectus. Euismod nisi porta lorem mollis aliquam. Facilisis mauris sit amet massa. Et magnis dis parturient montes nascetur ridiculus mus. Nec dui nunc mattis enim ut tellus elementum sagittis. Eu mi bibendum neque egestas congue. Amet massa vitae tortor condimentum lacinia quis. Sed libero enim sed

Canadian Auto News Ad Campaign:



Sample Page From Network Brochure:



AdCanada Media
Alberta 1/4 Page Network

Placement Costs

Save over 30% on your advertising costs in Alberta by taking advantage of AdCanada Media's Display Network program.

Province Wide $19,970.32	**AB- Peace Country & North** $2,212.96	**AB- 60 Min Edmonton** $3,226.56	**AB- Central (North-West)** $2,356.57
	AB- Central (North-East) $2,459.36	**AB- Central (Red Deer)** $3,099.77	**AB- Central (South East)** $1,554.22
	AB- 60 Min Calgary $2,814.88	**AB- South West** $2,622.22	Zone details on page 4!

*Terms and conditions apply - see details.

Network Reach

Advertise in over 89 papers in Alberta with 1/4 page full colour ads.

Reach more than 600,000 households!

Call us to book today!
1.877.701.4704

adcanada Media Inc.
Formerly AdWest Marketing

adcanadamedia.ca
info@adcanadamedia.ca
1.877.701.4704

Government Affairs Committee
AGM - October 2020

The pandemic and the need to focus on operating our businesses has forced much of our committee work to the backburner. A brief update of our activities:

Newsprint Recycling:

We met early in the year with the Alberta Urban Municipalities Association to discuss the report AUMA had commissioned on Extended Producer Responsibility (EPR). In follow up communications they asked for our endorsement of the report. We replied that our position was that newspapers did not belong in an EPR program and that our role should be as a communications partner informing the public about the program, should the province bring one in.

We have contacted the office of the Alberta Environment Minister to set up a meeting to discuss our view of newspapers and EPR but, at this writing we have not been successful in getting a date.

We must continue to insert our industry concerns into the conversation. Most provinces have a program in place and in most cases the efforts of our industry associations have minimized the impact on newspaper publishers.

Municipal Government Act

Municipalities across the province continue to make use of Section 606 of the Act. It allows them to pass an advertising bylaw and eliminate the statutory requirement to advertise public notices in the local newspaper. Many of you may already have appeared before your local councils to make the case for your newspaper(s). We don't have a count of the number of municipalities which have passed advertising bylaws but, would estimate more than 30 so far. With both the Rural Municipalities Association (RMA) and the Alberta Urban Municipalities Association (AUMA) recommending ad bylaws to their members, and all of them looking to cut costs, we can expect more and more municipalities to take this action.

The recent cabinet shuffle has resulted in a new Municipal Affairs minister joining cabinet. We are working to set up a meeting with Tracy Allard to discuss the threat this change to the MGA represents to local journalism.

Federal government initiatives

Aid to Publishers – This Canadian Heritage program for paid circulation community newspapers was topped up 25 per cent in the spring, a welcome bit of cash for publishers struggling with

the pandemic-caused economic shutdown.

In July, Canadian Heritage extended funding to non-paid community papers through the Special Measures for Journalism program. Heritage began contacting Publishers in September regarding their applications to this program.

Newspaper owners that have applied for Qualified Canadian Journalism Organization status required for eligibility for the Federal Labour Tax Credit are awaiting that determination. The panel established to review the applications was delayed by the pandemic. It is expected to complete its work and notify successful QCJO's anytime soon but, to date no newspaper has been contacted. Keep in mind that this $500 million program was announced in the budget of February 2019 and it came into effect January 1, 2019.

The industry is at work preparing a submission to the federal government which will set out 'remedies' it feels will assist newspapers in their efforts to provide local journalism in their communities. Nearing completion as this report is written, remedies recommended in the submission will include everything from changes to copyright, anti-trust and defamation laws to leveling the tax field for the digital giants and the direct funding of journalism. The intent is to benefit publishers big and small. The federal government has made it clear it is monitoring actions taken to reign in the market power of Facebook and Google by Australia, France and other countries and plans to create its own 'made in Canada' version.

Recommendation: Accessing government has become more difficult in recent years with layers of staff to get through before you can talk to the ministers about issues affecting the industry. I believe it's time for AWNA to seriously consider retaining the services of a government relations firm to assist us with our advocacy work. Success with either of the provincial issues in this report would make the expense well worth it. At the time of writing, a budget for this service has not been determined, although it could be estimated at up to $25,000.

Duff Jamison, Chair
Government Affairs

Convention Committee Report

October 2020

Welcome to our virtual AGM. This isn't how I wanted to celebrate the 100th Anniversary of this association, but persevere we will.

This year the AWNA was scheduled to celebrate its 100th Anniversary and I was put on the planning executive committee. I must say it may be the best committee to be on as beautiful Maurizia did the majority of the work and I was able to take some credit.

We had planned a celebration at the Chateau Lacombe Hotel in Edmonton, booked for May 28-30. Jeffrey Simpson was going to be a guest speaker to the delegates during Saturday's luncheon on May 30.

Paul MacNeill, a weekly newspaper publisher, known to many AWNA members, was scheduled to lead a seminar Saturday morning.

A Bear Pit session was scheduled during Friday's AGM, with Premier Jason Kenney accepting an invitation to Friday's dinner.

The committee planned on inviting past presidents and special guests to the gala dinner on Friday evening. It would have been a wonderful opportunity to celebrate this centennial milestone.

However, due to the pandemic, we are all left to celebrate on our own. We should all take the time to reflect on the achievements of this organization. A hundred years is no small feat.
I thank the members of this organization for allowing me to be a director and I look forward to what we can do as a collective team to make sure our industry stays viable and strong.

Good luck, stay safe and have a wonderful afternoon.

Lisa Sygutek

LISA SYGUTEK
Publisher
Crowsnest Pass Herald

Better Newspaper Competition Report

October, 2020

We received 191 entries for the AWNA's Photographic awards contest. This is about 30% fewer than the average of the last ten years. These entries were from 30 member papers. Only two Postmedia papers entered which appears to be the difference compared to previous years. The other groups and independents were represented with typical numbers.

285 entries were received for Awards of Excellence. This is a fairly average count. 39 members participated, two members for the first time. The Advertising category entries improved in numbers a little, which was nice to see.

For General Excellence, we asked that members submit two months in 2019. They were to choose only one edition from February and one edition from September, the one that was considered the best issue for each of these months. 42 members sent in editions to be judged.

The presentations were made online using Microsoft Teams. We divided them up into three separate days. Keynote speakers were invited to launch each of the events, and according to the comments received, they were appreciated, Paul MacNeil's inspiring words especially. Half of our sponsors were able to participate and announce the winners for their respective categories. Moving forward, we will look at either holding them in one time slot or two.

A big thank you to Julie Anne McRae for all her work in putting the BNC handouts and slideshow presentations together and helping Maurizia behind the scenes to gather judges' final scores. She was also instrumental in setting us up on TEAMS for all three presentations. We appreciate and thank the sponsors we have. A special thank you to George Brown for judging the photo entries. Congratulations to all the winners and thank you to all those members that participated in the Better Newspapers Competition.

Report written by
Maurizia Hinse and
Julie Anne McRae

Financial Statements of

C.A. MACLEAN BURSARY FOUNDATION

Year ended December 31, 2019

KPMG LLP
2200, 10175-101 Street
Edmonton Alberta T5J 0H3
Canada
Tel (780) 429-7300
Fax (780) 429-7379

INDEPENDENT AUDITORS' REPORT

To the Officers of C.A. MacLean Bursary Foundation

Opinion

We have audited the financial statements of C.A MacLean Bursary Foundation (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' 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 the 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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation 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.
- 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.

DRAFT

Chartered Professional Accountants

Edmonton, Canada

DATE

C.A. MACLEAN BURSARY FOUNDATION

Financial Statements

Year ended December 31, 2019

Financial Statements

Statement of Financial Position 1

Statement of Operations and Changes in Net Assets 2

Statement of Cash Flows 3

Notes to Financial Statements 4

C.A. MACLEAN BURSARY FOUNDATION

Statement of Financial Position

December 31, 2019, with comparative information for 2018

		2019		2018
Assets				
Current assets:				
Cash and cash equivalents	$	268	$	748
Investments (note 2)		171,827		156,590
	$	172,095	$	157,338
Liabilities and Net Assets				
Current liabilities:				
Due to Alberta Weekly Newspapers Association (note 3)	$	26,573	$	10,864
Net assets		145,522		146,474
	$	172,095	$	157,338

See accompanying notes to financial statements.

On behalf of the Board:

_____ Officer

_____ Officer

C.A. MACLEAN BURSARY FOUNDATION

Statement of Operations and Changes in Net Assets

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Donations and fundraising	$ 2,012	$ 3,665
Investment income (loss) (note 2)	15,239	(4,865)
	17,251	(1,200)
Expenditures:		
Internships (note 3)	14,000	7,000
Professional fees	3,553	2,970
Fundraising	650	1,150
	18,203	11,120
Deficiency of revenue over expenditures	(952)	(12,320)
Net assets, beginning of year	146,474	158,794
Net assets, end of year	$ 145,522	$ 146,474

See accompanying notes to financial statements.

C.A. MACLEAN BURSARY FOUNDATION

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenditures	$ (952)	$ (12,320)
Increase in due to Alberta Weekly Newspapers Association	15,709	2,314
	14,757	(10,006)
Investing:		
Net purchase of investments, including reinvested investment income	(15,237)	4,872
Decrease in cash and cash equivalents	(480)	(5,134)
Cash and cash equivalents, beginning of year	748	5,882
Cash and cash equivalents, end of year	$ 268	$ 748

See accompanying notes to financial statements.

C.A. MACLEAN BURSARY FOUNDATION

Notes to Financial Statements

Year ended December 31, 2019

C.A. MacLean Bursary Foundation (the "Foundation") is a charitable, social and educational foundation formed in memory of the late C.A. MacLean. The primary purpose of the Foundation is to provide assistance, financial and otherwise, to those wishing to complete courses and/or training in journalism and related fields.

The Foundation is incorporated under the Societies Act of Alberta as a non-profit organization without share capital and is a registered charity.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook. The Foundation's significant accounting policies are as follows:

(a) Revenue recognition:

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

Donations and fundraising revenue and investment income are recognized as revenue when earned.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

(c) Contributed services:

Volunteers contributed numerous hours in carrying out the activities of the Foundation. Due to the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry any such financial instruments at fair value. The Foundation has elected to carry all its investments at fair value.

Transaction costs on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Investments:

	2019	2018
Cash and short term:		
Cash	$ 1,437	$ 128
GIC with coupon rate of 2.47%, maturing August 2020	53,000	53,000
Fixed income and related securities:		
Canadian corporate bond fund	21,994	20,793
Common equity and related securities:		
Canadian balanced fund	60,829	53,332
Global equity funds	34,567	29,337
	$ 171,827	$ 156,590

Investment income (loss) is comprised of interest income of $1,311 (2018 - $363) and unrealized gains (losses) on investments of $13,928 (2018 - loss of $5,228).

3. Related party transactions:

During the year, the Foundation provided a contribution of $14,000 (2018 - $7,000) to Alberta Weekly Newspapers Association, an entity that controls the Foundation due to the fact that the majority of the Officers of the Foundation are selected by the Board of Directors of Alberta Weekly Newspapers Association, for internships. The amount due to Alberta Weekly Newspapers Association, is unsecured, non-interest bearing and without repayment terms.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

4. Financial risks and concentration of risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures in the current year.

The Foundation is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about fixed rate investments are included in note 2.

Financial Statements of

ALBERTA WEEKLY NEWSPAPERS ASSOCIATION

Year ended December 31, 2019

ALBERTA WEEKLY NEWSPAPERS ASSOCIATION

Table of Contents

December 31, 2019, with comparative information for 2018

	Page
Independent Auditors' Report	
Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 11
Schedule 1 - Operating Expenses	12
Schedule 2 - Marketing and Promotion Expenses	13
Schedule 3 - Committee Expenses	14

KPMG LLP
2200, 10175-101 Street
Edmonton Alberta T5J 0H3
Canada
Tel (780) 429-7300
Fax (780) 429-7379

INDEPENDENT AUDITORS' REPORT

To the Members of Alberta Weekly Newspapers Association

Opinions, including Qualified Opinion on the Results of Operations, Changes in Net Assets and Cash Flows

We have audited the financial statements of Alberta Weekly Newspapers Association (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes and schedules to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

Unmodified Opinion on the Statement of Financial Position

In our opinion, the accompanying statement of financial position presents fairly, in all material respects, the financial position of the Entity as at December 31, 2019 in accordance with Canadian accounting standards for not-for-profit organizations.

Qualified Opinion on the Results of Operations, Changes in Net Assets and Cash Flows

In our opinion, except for the possible effects of the matter described in the "***Basis for Qualified Opinions, including Basis for Qualified Opinion on the Results of Operations, Changes in Net Assets and Cash Flows***" section of our auditors' report, the accompanying statements of operations, changes in net assets and cash flows present fairly, in all material respects, the results of operations, changes in net assets and cash flows of the Entity for the year ended December 31, 2019 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinions, including Basis Qualified Opinion on the Results of Operations, Changes in Net Assets and Cash Flows

During the year, the Entity was subject to a ransomware attack on its accounting systems and was unable to fully recreate its accounting records and transactions for the period from January 1, 2019 to April 30, 2019. As a result, we were unable to satisfy ourselves with respect to certain aspects of these transactions including the completeness of revenues and the classification of expenses during this period by alternate means.

Therefore, we were not able to determine whether adjustments might be necessary to:

- the revenues, classification of expenses and deficiency of revenues over expenses reported in the statement of operations for the year ended December 31, 2019;
- the deficiency of revenues over expenses reported in the statement of changes in net assets for the year ended December 31, 2019; and
- the components of cash flows from operations reported in the statement of cash flows for the year ended December 31, 2019.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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 unmodified opinion on the financial position and our qualified opinion on the results of operations, changes in net assets and cash flows.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' 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 the 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 auditors' 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 auditors' 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.

- 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.

Chartered Professional Accountants

Edmonton, Canada

ALBERTA WEEKLY NEWSPAPERS ASSOCIATION

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	$ 230,939	$ 266,020
Accounts receivable (note 2)	286,867	616,575
Prepaid expenses and deposits	19,217	46,483
	537,023	929,078
Investments (note 3)	455,655	314,685
Capital assets (note 4)	871,992	914,124
	$ 1,864,670	$ 2,157,887
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	$ 339,890	$ 569,190
Deposits payable	7,175	10,375
	347,065	579,565
Net assets:		
Internally restricted (note 7)	336,187	336,187
Investment in capital assets	871,992	914,124
Unrestricted	309,426	328,011
	1,517,605	1,578,322
	$ 1,864,670	$ 2,157,887

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director _____ Director

ALBERTA WEEKLY NEWSPAPERS ASSOCIATION

Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenues:		
Display advertising:		
Agency	$ 1,112,905	$ 1,857,391
Direct	468,088	617,221
Blanket classified advertising	211,893	289,059
AWSOM archive	97,164	78,126
Grant revenue (note 8)	79,034	77,537
Rental	56,846	32,490
Investment income (note 3)	48,437	4,258
Convention	18,452	22,722
Special fund - blanket classified advertising	17,344	20,518
Career display advertising	2,430	6,305
Press release revenue	1,690	3,090
AWNET	785	3,990
Adwest revenue	482	-
Contributions and revenue recoveries (note 9)	148	1,593
Pro-exams training - web based	-	6
	2,115,698	3,014,306
Expenses:		
Display advertising	1,300,061	2,168,063
Operating expenses (Schedule 1)	672,135	756,633
Marketing and promotion expenses (Schedule 2)	75,902	73,862
AWSOM archive	59,387	58,662
Committee expenses (Schedule 3)	33,033	16,190
Blanket classified advertising	24,840	76,409
Convention	10,138	24,253
Career display advertising	890	1,970
AWNET	29	100
	2,176,415	3,176,142
Deficiency of revenues over expenses	$ (60,717)	$ (161,836)

See accompanying notes to financial statements.

ALBERTA WEEKLY NEWSPAPERS ASSOCIATION

Statement of Changes in Net Assets

Year ended December 31, 2019, with comparative information for 2018

	Internally restricted	Investment in capital assets	Unrestricted	Total 2019
Balance, beginning of year	$ 336,187	$ 914,124	$ 328,011	$ 1,578,322
Deficiency of revenues over expenses	-	(43,601)	(17,116)	(60,717)
Investment in capital assets, net	-	1,469	(1,469)	-
Balance, end of year	$ 336,187	$ 871,992	$ 309,426	$ 1,517,605

	Internally restricted	Investment in capital assets	Unrestricted	Total 2018
Balance, beginning of year	$ 336,187	$ 931,023	$ 472,948	$ 1,740,158
Deficiency of revenues over expenses	-	(30,597)	(131,239)	(161,836)
Investment in capital assets, net	-	13,698	(13,698)	-
Balance, end of year	$ 336,187	$ 914,124	$ 328,011	$ 1,578,322

See accompanying notes to financial statements.

ALBERTA WEEKLY NEWSPAPERS ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operations:		
Deficiency of revenues over expenses	$ (60,717)	$ (161,836)
Item not involving cash:		
Amortization of capital assets	43,601	30,597
	(17,116)	(131,239)
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	329,708	(30,546)
Decrease (increase) in prepaid expenses and deposits	27,266	(9,711)
Decrease in accounts payable and accrued liabilities	(229,300)	(196,583)
(Decrease) increase in deposits payable	(3,200)	5,375
	107,358	(362,704)
Investing:		
Net (purchase) sale of investments, including reinvested investment income	(140,970)	2,444
Purchase of capital assets	(1,469)	(13,698)
	(142,439)	(11,254)
Decrease in cash and cash equivalents	(35,081)	(373,958)
Cash and cash equivalents, beginning of year	266,020	639,978
Cash and cash equivalents, end of year	$ 230,939	$ 266,020

See accompanying notes to financial statements.

ALBERTA WEEKLY NEWSPAPERS ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2019

Alberta Weekly Newspapers Association (the "Association") is incorporated under the Societies Act, Alberta as a non-profit organization without share capital. Under the provisions of the Income Tax Act, the Association is exempt from income tax. The Association's mission is to encourage, assist and ensure their members publish high quality community newspapers. The Association achieves this by providing education, marketing and fellowship.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Revenue recognition:

The Association recognizes advertising revenue upon publication of the related advertisement.

Membership fees, AWSOM archive, AWNET and other revenues are recognized in the period to which the revenue relates.

Investment income is recorded as revenue when earned.

Unearned revenue occurs when payment has been received for services that have not yet been provided by the Association.

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

Externally restricted contributions for the acquisition of capital assets are recorded as deferred capital contributions and are amortized to revenue on the same basis as the related capital assets are amortized.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

1. Significant accounting policies (continued):

(c) Capital assets:

Capital assets are recorded at cost. Amortization is provided using the straight-line method over the useful life of the capital asset as follows:

Asset	Useful life
Condominium office unit	40 years
Furniture and fixtures	5 years
Computer	3 years

Assets under development are not amortized.

The carrying amount of a capital asset is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the capital asset’s carrying amount is not recoverable and exceeds its fair value.

(d) Interest in C.A MacLean Bursary Foundation:

The Association's interest in C.A MacLean Bursary Foundation, a controlled not-for-profit organization, has not been consolidated. The net assets and results of operations of the Foundation are disclosed in note 9.

(e) Contributed services:

Volunteers contributed numerous hours in carrying out the activities of the Association. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

1. Significant accounting policies (continued):

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has elected to carry all its investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(g) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of capital assets and provisions for impairment of accounts receivable. Actual results could differ from those estimates.

2. Accounts receivable:

	2019	2018
Accounts receivable - trade	$ 299,615	$ 639,790
Allowance for doubtful accounts	(12,748)	(23,215)
	$ 286,867	$ 616,575

3. Investments:

	2019	2018
Cash and short term investments:		
Cash	20,497	29,975
Short term notes and deposits	50,730	30,121
Fixed income:		
Government bonds	90,874	37,934
Corporate bonds	93,637	75,101
Equities:		
Canadian	123,432	91,475
Foreign	59,402	39,331
Pooled investment trusts	17,083	10,748
	$ 455,655	$ 314,685

Investment income (loss) is comprised of interest income of $12,805 (2018 - $12,974), realized losses on disposal of investments of $(2,053) (2018 - $(7,095)) and unrealized gains (losses) on investments of $37,685 (2018 - loss of $1,621).

4. Capital assets:

			2019	2018
	Cost	Accumulated amortization	Net book value	Net book value
Condominium office unit	$ 1,217,627	$ 347,356	$ 870,271	$ 910,681
Furniture and fixtures	203,418	203,418	-	-
Computer	612,325	610,604	1,721	3,443
	$ 2,033,370	$ 1,161,378	$ 871,992	$ 914,124

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at December 31, 2019 are government remittances payable of $4,875 (2018 - $6,841) relating to federal sales taxes and payroll taxes.

6. Credit facilities:

The Association has an operating line of credit available of $1,000,000 which has not been drawn upon. The operating line of credit is revolving and bears interest at 1.25% above the Association's bank prime lending rate and is secured by a general security agreement over all present and after acquired assets of the Association.

7. Internally restricted net assets:

	2019	2018
Future unusual or excessive bad debts	$ 125,582	$ 125,582
Research, development and training	210,605	210,605
	$ 336,187	$ 336,187

8. Grant revenue:

In 2017, the Association entered into two multi-year contribution agreements with the Government of Canada, effective for the period from January 1, 2017 to December 31, 2019. The first agreement provides $149,544 of funding for the AWNA Community Newspaper Readership Survey over the term of the agreement, of which $51,384 has been recognized in the year (2018 - $51,450) for a total of $149,544 in revenues recognized to date. The second agreement provides $70,340 of funding for the C.A. MacLean Journalism Student Internship Program over the term of the agreement, of which $27,650 was recognized during the year (2018 - $26,087) for a total of $70,340 in revenues recognized to date.

9. C.A MacLean Bursary Foundation:

The C.A. MacLean Bursary Foundation (the "Foundation"), a controlled not-for-profit organization, provides financial and other assistance to those wishing to complete courses and/or training in journalism and related fields. The Foundation is incorporated under the Societies Act, Alberta as a non-profit organization and is a registered charity for income tax purposes. Membership and Board of Directors of the Foundation are primarily selected by the Board of Directors of Alberta Weekly Newspapers Association. The Foundation's financial statements reflect the following:

		2019		2018
Cash and investments	$	172,095	$	157,338
Due to Alberta Weekly Newspapers Association		(26,573)		(10,864)
Net assets	$	145,522	$	146,474

		2019		2018
Donations, fundraising and investment (loss) income	$	17,251	$	(1,200)
Total expenditures	$	(18,203)	$	(11,120)

During the year, the Foundation provided a contribution of $14,000 (2018 - $7,000) to the Association for internships.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Association is exposed to credit risk with respect to accounts receivable. The Association assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(b) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

ALBERTA WEEKLY NEWSPAPERS ASSOCIATION

Schedule 1 - Operating Expenses

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Wages, benefits and severance	$ 427,700	$ 476,379
Computers maintenance	34,542	50,487
Amortization of capital assets	43,601	39,577
Professional fees	27,115	30,291
Office	22,720	27,358
Memberships and subscriptions	5,882	22,673
Consulting	33,558	19,306
Meetings	10,158	18,885
Utilities	15,725	17,643
Property taxes	16,715	16,158
Telephone	12,463	12,546
Interest and bank charges	8,978	7,896
Training	7,762	6,478
Bad debts	63	6,267
Insurance	5,153	4,689
	$ 672,135	$ 756,633

ALBERTA WEEKLY NEWSPAPERS ASSOCIATION

Schedule 2 - Marketing and Promotion Expenses

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Readership study	$ 57,526	$ 53,774
GIS/Market research	10,614	14,363
Travel	4,254	1,997
Sponsorships	300	1,675
Trade magazine	1,040	1,099
Gifts and donations	2,168	939
Trade shows	-	15
	$ 75,902	$ 73,862

ALBERTA WEEKLY NEWSPAPERS ASSOCIATION

Schedule 3 - Committee Expenses

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Education	$ 29,605	$ 11,210
Better Newspapers competition	943	3,010
Golf tournament	341	961
Government relations	1,465	910
Advertising and promotion	689	120
History book (recoveries)	(10)	(21)
	$ 33,033	$ 16,190

Consort Enterprise

From the desk of Dave Bruha
Ph: 403-577-3337
Email: editor@consortenterprise.com

Nominating Committee Report to AGM
October 1st, 2020

We started this term as a lean machine, and finished even a bit lighter with Bob Paterson representing Post Media leaving the industry for other pursuits. Although it seemed strange to have such a small group of voices at the Board Meetings, everyone stepped up and kept going forward during some very challenging times for our industry and our association.

Recruiting nominees for the Board has also been challenging with all members feeling the economic crunch and many are being guarded with their time for commitments. On the plus side, speaking with newspapers around the province during my search has been enjoyable and rewarding, if not fruitful for AWNA. Discussion and feedback has shown that members value the work of AWNA, which is gratifying.

During Nominations I will present a slate of talented individuals with diverse backgrounds that I am confident will serve the Alberta Weekly Newspapers Association with dedication and commitment.

Although we have not been able to find a Post Media representative to present today, the search continues.

I would offer that any of our members interested in learning more about AWNA, or serving on the Board, would find the experience extremely rewarding.

Regards,
DAVE BRUHA
AWNA Nominating Committee

Consort Enterprise

From the desk of Dave Bruha
Ph: 403-577-3337
Email: editor@consortenterprise.com

Membership Committee Report to AGM
October 1st, 2020

Due to the craziness of the past six months, most notably the COVID upheaval that affected most of our members last spring, the annual review of publications was put aside and will hopefully be done prior to the 2021 Annual General Meeting.

There are no recommendations at this time, but a review of AWNA Bylaws regarding membership criteria is ongoing and there will be some changes offered at our next AGM.

Regards,
DAVE BRUHA
AWNA Membership Committee

Consort Enterprise

From the desk of Dave Bruha
Ph: 403-577-3337
Email: editor@consortenterprise.com

Executive Committee Report to AGM
October 1st, 2020

There has been little work for the Executive Committee over the past year. Most of the heavy lifting was done in the last term as discussions and negotiations with AdCanada were finalized and a new contract with our Executive director was hammered out.
Our only task this term was year end evaluation of the Executive Director, which we found to be very satisfactory. This transition year was very busy for the E.D. and thanks is due for a job well done during a complete restructuring of the office under very trying circumstances.

Regards,
DAVE BRUHA
AWNA Executive Committee