

**Knowledge Network Corporation**

**2023/24**

**Annual Service Plan Report**

**August 2024**



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## Board Chair's Accountability Statement



Knowledge Network Corporation's 2023/24 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2023/24 – 2025/26 Service Plan published in 2023. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in black ink that reads "Satwinder Bains".

Satwinder Bains  
Board Chair, Knowledge Network Corporation  
August 8, 2024

# Table of Contents

Board Chair’s Accountability Statement.....	3
Letter from the Board Chair and CEO.....	5
Purpose of the Annual Service Plan Report.....	7
Strategic Direction.....	7
Purpose of the Organization.....	7
Operating Environment.....	8
Report on Performance: Goals, Objectives, and Results.....	9
Financial Report.....	18
Appendix A: Progress on Mandate Letter Priorities.....	24
Appendix B: Subsidiaries and Operating Segments.....	26
Appendix C: Auditor’s Report and Audited Financial Statements.....	27

## Letter from the Board Chair and CEO

On behalf of the Board of Directors, we are pleased to submit Knowledge Network Corporation's 2023/24 Annual Service Plan Report.

This past year, to leverage a substantial performance envelope<sup>1</sup> allocation from the Canada Media Fund, Knowledge Network made significant investment in the pre-licensing of diverse, original documentaries from B.C. independent producers. Seven documentary projects moved into production and five into development. These projects represent a diverse range of voices and perspectives, providing people living across B.C. with stories that resonate with their lived experience. In alignment with the equity targets set out in our Service Plan, many of these new commissions are with companies that are majority owned by Indigenous or racialized individuals.

In addition, Knowledge Network invested in the production of Season 2 of our flagship *Luna, Chip and Inkie* pre-school animation series and supported five other Canadian children's series with a second window pre-license – two from B.C. producers. Through pre-licensed and acquired programming, Knowledge provides B.C. parents and caregivers with a safe and trusted space for their children to see premium quality educational programming. These selected shows are curated to help them develop their unique personalities and ability to understand, empathize and connect with others.

*Stories (Un)told*, a new documentary commissioning stream, established in partnership with Creative BC, launched with a Call for Development Proposals in fall 2023. Through this initiative, Knowledge Network will develop and commission three high-impact limited documentary series, over the next three years, with mid-career or senior filmmaking teams. This is an unprecedented opportunity for the selected production teams to work on a larger canvas and explore stories from B.C. that may be unknown, or reframing stories with new context and insight. This partnership will support B.C.'s domestic documentary community in a tangible and measurable way.

Knowledge Network continued to cultivate new and strengthen existing relationships with other screen sector organizations in order to further our shared objectives of dismantling systemic barriers faced by producers from equity deserving groups. Diversification and a more targeted approach to festival/event sponsorships has helped us to introduce Knowledge Network to a broader range of audiences and potential production partners.

On September 30, Knowledge Network participated in a national, live simulcast of the Aboriginal Peoples' Television Network's (APTN) special presentation *Remembering the Children*, to commemorate the National Day for Truth and Reconciliation. This ongoing annual partnership aims to promote meaningful dialogue about the truth of residential schools and

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<sup>1</sup> The Canada Media Fund (CMF) administers the Performance Envelope Program and allocates Canadian broadcasters an annual funding envelope. The amount is based upon a number of factors, including previous years' investment in original content. Broadcasters allocate the CMF funds to projects in order to complete financing of Canadian productions.

move forward on the path of reconciliation. APTN makes this special program available to broadcasters across Canada to ensure it is seen as widely as possible.

In addition, we completed the first phase of a major renewal of our Knowledge Network website and streaming platforms aimed at improving the streaming experience for our viewers.

Knowledge Network supports the B.C. government's 2021/22 and 2023 Mandate Letter priorities by ensuring our programming reflects the experiences and interests of diverse viewers living in British Columbia. The programs we broadcast inform, enlighten, and connect British Columbians to each other and the world. Accountability and transparency guide our planning and decision-making and extend beyond our internal operations to the broader community we serve.



Satwinder Bains  
Chair, Board of Directors  
August 9, 2024



Michelle van Beusekom  
President and CEO  
August 9, 2024

## Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

## Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the Board Chair's 2021/22 [Mandate Letter](#) from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the [Knowledge Network Corporation 2023/24 - 2025/26 Service Plan](#) and the actual results reported on in this annual report.

## Purpose of the Organization

Knowledge Network Corporation operates Knowledge Network, British Columbia's (B.C.) public educational broadcaster providing a free and commercial-free television channel and streaming services. We provide British Columbians with trusted, free, and commercial-free content that enriches minds, fosters understanding, and contributes to a connected and more informed society.

Knowledge Network is guided by the purposes identified in the [Knowledge Network Corporation Act](#). Funded by an annual operating grant from the provincial government and donations from loyal viewers, Knowledge Network offers a diverse range of curated content including commercial-free documentaries, arts and culture, drama and children's programs. Our mandate to share stories that inform and inspire in turn supports B.C.'s independent production community through the commissioning of documentary programs which we bring to our viewers.

## Operating Environment

Knowledge Network is federally licenced by the Canadian Radio-television and Telecommunications Commission (CRTC) and provincially mandated by the Government of British Columbia. Knowledge Network is also a registered charity with the Canada Revenue Agency, engaging in fundraising activities through Knowledge Partners and the Knowledge Endowment Fund.

We purchase broadcast and streaming rights for programming from local and global perspectives, with a focus on authentic stories from a diverse range of voices and perspectives that inform, entertain, connect, and foster understanding. Knowledge Network's first and second window<sup>2</sup> commissions of point of view (POV) documentary and children's animation projects from B.C. and Canadian producers are particularly significant given that original production in these genres has been disproportionately impacted by the high levels of disruption within the broadcast/streaming industry (both at home and globally). This disruption is driven by audience migration to different platforms and a corresponding decline in subscriptions and/or ad revenue which in turn has resulted in a decrease in the commissioning of new projects by commercial broadcasters/streamers.

Knowledge Network is funded through an annual operating grant from the Government of B.C. and donations from viewers. Both sources of funding are under increasing pressure due to inflation and operational challenges including managing the growing cost of expansion into on-line streaming for both adult and children's programming, financing mandated salary increases, absorbing increased costs to purchase program licensing rights, and replacing aging broadcast equipment. Our operating grant now covers staffing costs, with the remaining 45 per cent of Knowledge Network's operational costs (including programming) funded by viewer donations. After years of growth, we decreased our donation target from \$5,900,000 to \$5,800,000 in 2023/24. With a challenging economy, and increase in the cost of living, our donation revenue is not a reliable source of funding to cover increasing operating and programming costs.

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<sup>2</sup> First window: When Knowledge Network is the lead broadcaster. Our license fee unlocks funding for independent producers from Canadian public and private production funds, Development of the project is supported by Knowledge Network and a higher license fee is provided.

Second window: When Knowledge Network pre-licenses the broadcast rights for a program after a lead broadcaster (e.g., CBC). Knowledge Network is not involved in the development of the project and pays a lower license fee which helps the producer close their financing.



## Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2023/24 – 2025/26 service plan. For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the latest service plan on the [BC Budget website](#).

### Goal 1: British Columbians are informed and inspired by Knowledge Network's quality, commercial-free programming

While continuing to maintain a competitive public television service, Knowledge Network will invest in improving and expanding our streaming service, to reach new, diverse viewers. We will attract more viewing with an improved experience and additional programming that resonates with all British Columbians.

#### Objective 1.1: Grow brand awareness among British Columbians.

Increasing awareness of Knowledge Network's brand will help build awareness with British Columbians.

#### Key results

- Launched a dedicated Luna, Chip and Inkie YouTube channel in November 2023 to increase discoverability and cross promote Knowledge Kids programming.
- Launched an Accessibility Pilot Program in July 2023 to learn more about digital accessibility for video content platforms, encouraging feedback from viewers living with a disability. This was included as an action to grow brand awareness among people living with a disability in B.C.
- Implemented a successful publicity campaign in Fall 2023 for Knowledge Original documentary Subterranean, garnering media coverage from publications and radio in B.C. and Alberta.
- Sponsored Story Space at RiverFest, in September 2023 a family-friendly event in New Westminster, as part of sustained efforts to increase community presence and boost awareness of Knowledge Kids among parents and their children.

#### Summary of progress made in 2023/24

Marketing activities have been increased within our organization to grow brand awareness among people living in B.C. A new position was created, Director of Brand and Audience Engagement, to lead these efforts. Knowledge Network reallocated funding to support marketing and promotion for priority programs including Knowledge Original Subterranean and Knowledge Kids programming, as well as supported publicity efforts for the Knowledge

Original The Society Page which generated significant print and digital media attention. Digital marketing campaigns were limited in 2023 as many Canadian organizations, including Knowledge Network, halted digital advertising on Meta products in 2023. This was in response to Meta removing news content from Facebook and Instagram in Canada in defiance of federal legislation requiring technology companies to negotiate payments to Canadian media companies. During this period, we experimented with promotional opportunities on other digital platforms such as YouTube.

In addition, leveraging our relationship with Singaporean distributor MediaCorp, we secured custom on-air promos featuring host Peter Lee, from Mark of Empire and two lead actors from our first Singaporean drama, This Land is Mine. Hosted promos for these new series supported marketing efforts to attract new, diverse audiences.

## Objective 1.2: Increase viewing by securing quality programming for live streaming and video on demand services.

Expanding high quality streaming content will encourage more viewing thereby improving engagement with audiences.

### Key Results

- Where possible, increased the standard streaming rights term on prime-time and children's programs by building on broadcaster relationships and developing new partnerships with international distributors.
- Implemented a Digital Rights Management System (DRM), which controls and manages access to copyrighted material, to facilitate access to programs from key distributors.
- Upgraded the operation of streaming platforms to improve the user experience, including navigation and simplifying user login and registration.
- Developed strategic Knowledge Kids app notifications that highlight new playlists and programs. This helps keep Knowledge Kids top of mind with parents and caregivers and helps retain viewers.
- Completed the first phase in Winter 2023 of a major renewal of our Knowledge Network website and streaming platforms aimed at improving the streaming experience for viewers and creating new audience engagement opportunities.
- Respecting the Anti-Racism Data Act, introduced data tracking measures in Fall 2023 for Indigenous, Black and People of Colour (IBPOC) production company ownership for Canadian program acquisitions and Canadian second-window programs. This was identified as a key strategy under Objective 1.2 in the 2023/24 Service Plan.

### Summary of progress made in 2023/24

Providing an accessible, high quality streaming experience for Knowledge Network and Knowledge Kids audiences continues to be a priority in an increasingly competitive environment. While acquiring rights for unlimited streaming continues to be challenging, building on program distributor and broadcaster relationships has increased streaming rights

terms so programs are available to viewers for a longer period of time. Market shifts as major distributors seek to monetize vast program catalogues have increased the program rights available for us to purchase but average cost is increasing. Introducing new security measures to protect digital rights helped to increase access to programming from major international distributors. New data tracking measures for Canadian program acquisitions and Canadian second-window programs will help ensure programming reflects the voices of Indigenous, Black and People of Colour (IBPOC) storytellers.

**Performance measure(s) and related discussion**

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
[1a] Videos streamed on Knowledge.ca and Apps <sup>1</sup>	3,085,377	3,080,000	2,663,293
[1b] Videos streamed on Knowledgekids.ca and Apps <sup>1</sup>	7,149,627	6,790,000	6,239,658
[1c] Total Market Share on Television <sup>2</sup>	4.9%	4.5%	4.2%

Data source:

<sup>1</sup>Google Analytics. Tracks total videos played for a minimum of one minute across all websites and Apps in a fiscal year.

<sup>2</sup>Numeris Canada. The proportion of individuals viewing a specific program or daypart compared to the total number of individuals watching television during the same interval time. Vancouver Extended market for primetime (viewers 2+, 6pm to 12am, Monday to Sunday).

PM 1a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 3,090,000 and 3,100,000, respectively.

PM 1b targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 6,795,000 and 6,800,000, respectively.

PM 1c targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 4.5% and 4.5%, respectively.

Videos streamed on Knowledge.ca and Apps were 13 per cent below target. We are continuously working towards building audiences but have limited resources for marketing and promotion which is impacting our performance. One of our most significant challenges in the streaming environment is discoverability. As a must-carry service on television, Knowledge Network is included in the basic package of programs that all subscribers get with their cable or satellite subscription. This gives us high visibility when people are looking for channels to watch but it does not directly impact viewership.

Online, there is no priority positioning for Canadian public or mandate driven streaming services, such as Knowledge Network, making it difficult for people to find our programming. The CRTC is exploring ways to ensure Canadian programming services can be discovered by audiences as part of their consultations for the Online Streaming Act and Knowledge Network is actively advocating, with national partners, for this change.

Videos streamed on Knowledgekids.ca and Apps were 8 per cent below target. This can be attributed to similar discoverability challenges, as outlined above. In addition, while viewership continues to be strong, more research is needed on how young viewers engage with our programming. Knowledge Kids viewers are between the ages of two and eight years old. Work is underway to better understand this demographic and how it ages in and out of accessing programming. This will help us better inform future targets for growth. Using social media, e-newsletters, and digital marketing, we reach out to parents and caregivers with information

about our commercial-free, educational programming. The Luna, Chip and Inkie YouTube channel launched in 2023. It is supporting discoverability by gaining traction with viewers much faster than expected.

Total market share on television demonstrates Knowledge Network's share of the total television viewing audience. In 2023/24, Total Share was slightly lower than target, which can be attributed in part to a shrinking but still competitive broadcast environment. This performance measure is strongly influenced by the actions of other broadcasters. In recent years, television channels that offer news and sports are increasingly taking more market share from channels that do not offer these genres of programming. While there are shifts in viewing behaviour driven by the popularity of streaming, viewers of live sports and news programming are more likely to maintain their cable subscriptions. Despite these challenges, Knowledge Network remains the fourth most watched broadcaster among competitors in our market competing for the same audience, with a total market share of 4.2 per cent in primetime.

## Goal 2: Diverse perspectives are elevated through the licensing of original B.C. documentaries

The independent production community is a key partner in the creation of original content. As a public broadcaster, Knowledge Network will continue to invest in B.C. documentaries that advance Indigenous sovereignty, as well as represent diverse voices and perspectives.

### Objective 2.1: Ensure equitable access to documentary development and licensing opportunities for B.C.'s underrepresented producers.

Knowledge Network is committed to cultivating relationships with independent producers who are IBPOC, 2SLGBTQIA+ and people with disabilities to increase opportunities for diverse original stories and perspectives, while respecting intersectionality.

#### Key results

- Moved seven documentaries into production – two with B.C. Indigenous owned production companies, and three with B.C. Black and people of colour owned production companies.
- Moved two, one-off<sup>3</sup> documentary projects into development – one with a B.C. Indigenous owned production company and one with a Black and people of colour owned production company.
- Participated in the inaugural EXNW Summit organized by the Racial Equity Screen Office (RESO), sponsoring a panel focused on the experience of racialized documentary filmmakers, and sponsored/participated in the International South Asian Film Festival.

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<sup>3</sup> Single documentary approximately 30, 60 or 90 minutes in length.

- Worked with industry partners including the Indigenous Screen Office (ISO), Black Screen Office (BSO), the Disability Screen Office (DSO) and RESO to raise awareness in equity-deserving communities of the Stories (Un)told commissioning stream.
- Completed the first round of development submissions for Stories (Un)told – our new premium limited doc series commissioning initiative with a minimum of two of the three projects selected for production to be with majority owned B.C. IBPOC production companies.

### **Summary of progress made in 2023/24**

Knowledge Network is committed to cultivating relationships with Indigenous and racialized independent producers in order to promote screen equity, while also factoring in intersectional considerations to ensure representation of women, people with disabilities, and members of the 2SLGBTQIA+ community in our commissioning practices. We continued to work with a more diverse range of B.C. creators in 2023/24. Over the past three years, we have initiated 10 projects through our IBPOC Documentary Development Initiative. One-off documentaries supported through the development initiative and commissioned in 2023 include:

- A Ballad for Judi - the remarkable and little-known story of Judi Singh, a Punjabi-Black singer-songwriter who was a prominent fixture in Canada's Jazz scene from the 1950s to the 1970s.
- Treasure of the Rice Terraces - explores the global impact of traditional Filipino tattooing, a once stigmatized practice which is now a cultural phenomenon fueling a resurgence of cultural pride.
- The Salmon's Call - explores the intricate spiritual and cultural relationships between wild salmon and many Indigenous peoples in British Columbia, shedding light on the deep impacts of fish farming and actions taken by different communities to protect the salmon and wildlife that are vital to their culture and way of life.

Diversification and a more targeted approach to festival/event sponsorships has helped us to introduce Knowledge to a broader range of audiences and potential production partners.

**Performance measure(s) and related discussion**

<b>Performance Measure</b>	<b>2022/23 Actual</b>	<b>2023/24 Target</b>	<b>2023/24 Actual</b>
[2a] Direct Investment in Independent Multi-Platform Content <sup>1</sup>	\$5,144,299	\$2,200,000	\$1,604,200
[2b] Indirect Investment in Independent Multi-Platform Content <sup>2</sup>	\$18,903,386	\$6,500,000	\$5,497,096
[2c] Commission 25 per cent of Knowledge Original documentary features and shorts from B.C. independent Indigenous production companies (total commissions, over three years).  Intersections of additional equity deserving groups will be applied across all of Knowledge Network's commissioning efforts to ensure representation of women, people with disabilities, and 2SLGBTQIA+. <sup>3</sup>	In progress, 3 year target On Track	In progress, 3 year target	On Track
[2d] Commission at least 50 per cent of Knowledge Original documentary features and shorts from independent Black and people of Colour (BPOC) led production companies (total commissions, over three years).  Intersections of additional equity deserving groups will be applied across all of Knowledge Network's commissioning efforts to ensure representation of women, people with disabilities, and 2SLGBTQIA+. <sup>3</sup>	In progress, 3 year target On Track	In progress, 3 year target	On Track

Data sources:

<sup>1</sup>Letters of Intent, short-form commission/lead agreement, or long-form commission/lead agreement entered into with independent producers in a fiscal year. Knowledge Network directs funds from its budget for original content rights. This measure includes Knowledge Network investment in television and online original content for both children and adults. Targets may be adjusted due to the non-cyclical nature of content production in future reports.

<sup>2</sup>Financing plans for projects where Letters of Intent, short-form commission/lead agreement, or long-form commission/lead agreement have been issued in a fiscal year. Knowledge Network helps B.C. producers trigger funding from third-party funding sources including certified Canadian independent production funds, the Canada Media Fund (CMF), and federal and provincial tax credits.

<sup>3</sup>Letters of Intent, short-form commission/lead agreement, or long-form commission/lead agreement entered into with independent producers in a fiscal year. Directors and Shareholders Self-Identification Declaration – requirement for all producers receiving development funds. Indicates 51 per cent ownership of IBPOC B.C. based production companies. PM 2a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as \$2,250,000 and \$2,300,000, respectively. PM 2b targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as \$6,500,000 and \$6,500,000, respectively. PM 2c targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as In Progress and 25%, respectively. PM 2d targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as In Progress and 25%, respectively.

**PM 2a:** Knowledge Network made direct investments in 24 multi-platform projects in 2023/24. Our direct investment actual is calculated on new commitments made at the time of signing a Letter of Intent (LOI) with a Producer. Our current methodology counts the entire investment when the LOI is signed. This is different from when the payments are processed, as they are typically made over a three-year period. In this year's service plan report, LOI commitments were less than target as a result of previous commitments still being paid out. We continued to pay production costs for projects committed to in 2019 that were delayed due to the global pandemic. We are reviewing the methodology for this performance measure to determine an approach that best reflects our investment in original B.C. content.

**PM 2b:** "Indirect Investment" refers to third party funding that is leveraged by independent producers based on Knowledge Network's license fee (direct investment)<sup>4</sup>. Sources of "indirect investment" may include an allocation from Knowledge Network's annual Canada Media Fund performance envelope allocation, funding from other Canadian public and private independent production funds, and federal and provincial tax credits. The unusually high 2022/23 "indirect investment" amount corresponds to Knowledge Network's significant investment in Season 2 of the high budget children's animation *Luna, Chip and Inkie Adventure Rangers Go!* series (split over two fiscal years). This was a one-time investment. In 2023/24, "indirect investment" was slightly lower than target, reflecting amounts leveraged by Knowledge Network license fees on moderate budget documentary projects. This portrait is more typical of the types of projects (and budget levels) that Knowledge Network supports. Future targets will be adjusted accordingly.

**PM 2c:** In the final year of our three-year performance measure to support projects by Indigenous documentary producers, we are on track to meet our commissioning target. Of the seven documentary feature commissions in 2023/24, two were with independent Indigenous production companies. Total documentary features and shorts commissioned from independent Indigenous producers will be included in the 2024/25 Annual Report.

**PM 2d:** In the final year of our three-year performance measure to support projects by racialized documentary producers, we are on track to meet the three-year commissioning

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<sup>4</sup> This amount reflects "indirect investment" in first window commissions and the internal production *Luna, Chip and Inkie Adventure Rangers Go!* Knowledge Network license fees also leverage "indirect investment" in second window projects but that amount is not reflected here.

target despite falling slightly short of 50 per cent in 2023/24. Of the seven documentary feature commissions in 2023/24, three were with independent racialized production companies. Total documentary features and shorts commissioned from independent racialized producers over the three years will be included in the 2024/25 Annual Report.

## Goal 3: British Columbia's public educational broadcaster remains financially strong and sustainable

Knowledge Network's success is built on a foundation of support from viewer donations and the Government of B.C. With each passing year, Knowledge Network's programming and operations costs are increasingly dependent on the financial support of its charitable donors - Knowledge Partners. To provide the financial capacity to grow Knowledge Network's television and streaming services, we will focus on attracting diverse audiences and converting viewers to donors while continuing to actively steward our current donors.

### Objective 3.1: Increase efforts to convert viewers to donors and build on long-term support through legacy giving.

Cultivating relationships with viewers, whether online or in person, will encourage first-time giving as well as long-term and legacy giving.

#### Key results

- Returned to in-person events hosting 700 Knowledge Partners over two screenings at an event in West Vancouver.
- Collaborated with the producer of the Knowledge Original documentary *The Society Page* to offer an in-person event for cast, crew, and Knowledge Partners.
- Launched successful Scotland travel contest that generated 1181 new donors.
- Increased online conversion efforts with live streaming and video on demand viewers through program driven email campaigns.
- Implemented a monthly donor conversion campaign pilot, to convert donors to monthly giving, with early results yielding a positive return.

#### Summary of progress made in 2023/24

Cultivating relationships with donors contributes to long-term support. Through donor events, on-air campaigns, outreach, and stewardship we strive to keep donors engaged and inspired so they will continue their financial support.



**Performance measure(s) and related discussion**

<b>Performance Measure</b>	<b>2022/23 Actual</b>	<b>2023/24 Target</b>	<b>2023/24 Actual</b>
[3a] Knowledge Partner Donations <sup>1</sup>	\$6,138,949	\$5,800,000	\$5,944,694
[3b] Legacy Circle Donors <sup>2</sup>	1019	1040	1044

Data source: Blackbaud donor database

<sup>1</sup>Tracks total Knowledge Partner donations received each fiscal year.

<sup>2</sup>Tracks total number of individuals who have notified us that they have left a gift to Knowledge Network in their will (cumulative).

PM 3a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as \$5,800,000 and \$5,800,000, respectively.

PM 3b targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 1060 and 1080, respectively.

Donations from Knowledge Partners reached \$5,944,694, which slightly exceeded the target. This measure reflects donations to the Annual Fund received from new, renewing and recovered donors in a fiscal year. In addition to the new donors from the Scotland contest, a lapsed recovery mailing in fall 2023 produced a solid result with a 14.4 per cent response rate, bringing back approximately 700 donors.

We continued to diversify on screen representation in fundraising testimonials and materials and explored ways to welcome in more diverse viewers.

Knowledge Network’s President and CEO personally reached out to 124 donors through personal letters, emails, and phone calls in addition to hand signing letters to entire Legacy Circle updating on Knowledge Network’s progress and impacts of legacy gifts.

The number of Legacy Circle donors continues to grow, and slightly exceeded target. Efforts in raising awareness of our Legacy Giving program through the Endowment Fund continued in 2023, with over 200 personal contacts made related to legacy giving cultivation and stewardship.

## Financial Report

For the auditor's report and audited financial statements, see [Appendix C](#). These documents can also be found on Knowledge Network Corporation's website.

### Discussion of Results

Financial pressures from operational and programming costs required to deliver on the commitments of our mandate continue to be a concern for Knowledge Network. While revenues exceeded budget by just over \$1,000,000, this was primarily due to one-time circumstances tied to production funding received for season 2 of the internally produced Knowledge Kids series, Luna, Chip and Inkie Adventure Rangers Go! With no timeline for when the production funding would be received, it was not included in the 2023/24 budget. Related Luna, Chip and Inkie Adventure Rangers Go! production costs were interim financed the previous year using Knowledge Network cash reserves. The funds received (as reflected in the Capital Expenditures line of the Financial Summary) were directed towards costs for broadcast rights acquisitions which exceeded budget in 2023/24 by \$918,000. These higher costs reflect the combined cost of new programming and the ongoing payment of production milestone drawdowns for projects committed to in 2019 that were delayed due to the global pandemic.

Knowledge Network's Consolidated Statement of Financial Position in the Audited Financial Statements notes that we started the year with a cash balance of \$365,000 which was reduced to \$109,000 by the end of the fiscal year. Financial challenges included managing the growing costs of expansion into on-line streaming for both adult and children's programming, self-financing mandated salary increases, absorbing increased costs to purchase program licensing rights, and replacing aging broadcast equipment. To manage payment schedules, Knowledge Network used \$230,000 of its line of credit. Knowledge Network has a net financial liability of \$1,762,000 million related to future broadcast rights payments.

While donations to the Annual Fund were \$145,000 over the \$5,800,000 budgeted, this was \$138,306 less than the amount realized the previous fiscal year. The Annual Fund is comprised of unrestricted donations raised throughout the year and used to cover a portion of operational costs. With a challenging economy and increase in the cost of living, our donation revenue is not a reliable source of funding to cover increasing operating and programming costs.

Knowledge Network received \$2,885,000 in contributions to the Knowledge Endowment Fund. Donations to the Endowment Fund are restricted, meaning these contributions are held in perpetuity. The income from the Endowment Fund is used to support programming costs. The actual donations cannot be used.

## Financial Summary

(\$000s)	2022/23 Actual	2023/24 Budget	2023/24 Actual	2023/24 Variance
<b>Revenues</b>				
Province of BC Operating Grant	6,611	6,611	6,611	0,000
Donations	6,139	5,800	5,945	145
Amortization of Deferred Contributions	155	144	133	(11)
Endowment Income and Other Revenue	1,427	900	1,189	289
Production Funding (Flow-Through)	4,923	3,057	3,941	884
<b>Total Revenue</b>	<b>19,255</b>	<b>16,512</b>	<b>17,819</b>	<b>1,307</b>
<b>Expenses</b>				
Programming and Production	9,124	5,899	5,730	(169)
Marketing and Development	2,363	2,457	2,475	17
Broadcast Platforms and Web Channels	2,520	2,207	2,714	507
Amortization of Broadcast Rights and Equipment	3,926	4,025	3,844	(181)
Administration	1,951	2,119	1,945	(174)
<b>Total Expenses</b>	<b>19,884</b>	<b>16,707</b>	<b>16,708</b>	<b>1</b>
<b>Annual Surplus (or Deficit) from Operations</b>	<b>(629)</b>	<b>(195)</b>	<b>1,111</b>	<b>1,306</b>
Endowment Contributions (held in trust)	2,103	950	2,885	1,935
<b>Annual Surplus</b>	<b>1,474</b>	<b>755</b>	<b>3,996</b>	<b>3,241</b>
<b>Capital Expenditures</b>	<b>3,861</b>	<b>3,200</b>	<b>4,133</b>	<b>933</b>
<b>Total Liabilities</b>	<b>3,061</b>	<b>701</b>	<b>2,174</b>	<b>1,473</b>
<b>Accumulated Surplus</b>	<b>31,826</b>	<b>32,581</b>	<b>35,823</b>	<b>3,241</b>

<sup>1</sup> The above financial information was prepared based on current Generally Accepted Accounting Principles.

<sup>2</sup> Endowment Contributions are held in trust and not treated as operating revenue.

## Variance and Trend Analysis

Note: Information in the Financial Summary table is rounded to \$000s and may not align directly with variance details below.

### Donations

Donations from our Partners were \$145,000 more than budgeted.

### Amortization of Deferred Contributions

The budget variance of \$11,000 is due to actual amortization being less than budget.

### Endowment Income and Other Revenue

These revenues were approximately \$289,000 more than budgeted. The variance is primarily due to unanticipated revenue from unexpected sources (Royalties, Special Grant) and exceeding budget expectations with regards to Endowment Income as detailed below:

	<b>Budget Variance</b>
Royalties	49,520
Special Grant	50,000
Interest income	89,429
Endowment income	82,488
Realized gain on Endowment	15,117
Airtime Sales	1,162
Misc Other Income	2,092
<b>TOTAL</b>	<b>289,808</b>

### Production Funding (Flow-through)

Production funding was \$884,000 more than budgeted. The budget variance is due to production funding from the Canada Media Fund that was not budgeted.

### Programming and Presentation

These expenses were \$169,000 less than budgeted. The budget difference is due to production costs for season 2 of the *Luna Chip and Inkie Adventure Rangers Go* series being \$234,000 less than budget. The year variance is due to Season 2 being \$3,233,000 less than Season 1 in fiscal 2022/23.

### Broadcast Platforms and Corporate IT

These expenses were \$507,000 more than budgeted. The variance is primarily due to engaging a software company to help design our new streaming platform. Other expenses of note are:

	<b>Budget Variance</b>
Consulting services for streaming	250,000
Cloud web services, geo-blocking, etc	129,281
Software maintenance	32,466
Computer equipment and accessories	26,402

Knowledge Network Corporation

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Salaries and benefits	58,110
Minor equipment	5,432
Miscellaneous	5,119
<b>TOTAL</b>	<b>506,810</b>

Amortization of Broadcast Rights and Capital Equipment

Amortization expense was \$181,000 less than budgeted. The decrease from budget is due to delays in completion of projects in these two areas:

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Amortization Capital Equipment	325,000	254,265	(70,735)
Amortization Broadcast Rights	3,700,000	3,589,324	(110,676)
<b>Total Amortization</b>	<b>4,025,000</b>	<b>3,843,589</b>	<b>(181,411)</b>

Administration

Administration costs were \$174,000 less than budgeted as a result of savings in these areas:

	<b>Budget Savings</b>
Transfer FTE	(94,129)
Endowment management	(35,961)
College pension plan premiums	(18,698)
Miscellaneous	(24,909)
<b>TOTAL</b>	<b>(173,697)</b>

Administration costs consist of expenses in these areas:

	<b>Actual Expenses</b>
Finance, Human Resources, Other	1,064,747
President's office and Board	488,958
Building lease and operating costs	319,780
Corporate training plan	71,558
<b>Total</b>	<b>1,945,042</b>

Endowment Contributions

Endowment contributions received were \$1,935,000 more than budgeted. Due to the unpredictability of bequest gifts, it is difficult to determine when Endowment contributions will be received. Endowment contributions are restricted and held in trust.

Capital Expenditures

KNC capitalizes costs of broadcast rights for programs. The rights we purchased were \$1,006,000 more than budgeted in these areas:

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Dramas - acquired	908,300	542,536	(365,764)
Arts & Specials - acquired	78,400	36,638	(41,763)
Documentaries - acquired	706,000	1,106,709	400,709
Children’s Programs - acquired	600,000	604,539	4,539
HD Materials Fees	24,000	35,699	11,699
Children’s Pre-licenses	270,000	295,354	25,354
Documentaries Pre-licenses	520,000	1,275,182	755,182
Production Development	73,300	127,404	54,104
Documentaries Commissioned	-	8,644	8,644
International Pre-Buys	20,000	12,300	(7,700)
Capital Equipment	-	87,758	87,758
<b>TOTAL</b>	<b>3,200,000</b>	<b>4,132,762</b>	<b>932,762</b>

Total acquisitions of completed program rights were on budget. Children’s and documentaries pre-licences, and development were \$908,000 over budget. We pre-license programs on an opportunistic basis, depending on the productions available to us. Capital equipment budget was determined while the 2024 fiscal was underway and the \$87,758 capital cost was not budgeted.

Acquisitions of completed program rights were \$74,000 less than last year. Children’s, documentaries, and development costs were \$543,000 more than fiscal 2022/23. This was primarily due to paying production milestone drawdowns for projects committed to in 2019 that were delayed due to the global pandemic. The capital equipment costs this fiscal were \$150,000 less than fiscal 2022/23.

## Risks and Uncertainties

The strategies supporting our strategic goals helped to mitigate risks in four key areas:

Revenue from Charitable Giving – to mitigate the risks from a challenging charitable giving environment, we are focused on cultivating donor relationships, increasing online conversion efforts, and piloting a monthly donor campaign. After years of growth, we decreased our donation target from \$5,900,000 to \$5,800,000 in 2023/24. With a challenging economy and dramatic increase in the cost of living, our donation revenue is not a reliable source of funding to cover increasing operating and programming costs. If there is a decrease in donations, it would directly impact our ability to invest in original content and leverage federal investment, where we have the greatest impact for viewers and the domestic production sector – both of which are core to us meeting our public mandate.

Budgets have always included all donation revenue from the Annual Fund and all income earned from the Endowment Fund (approximately \$1,000,000 a year). In the past, we have left the income from the Endowment Fund to be reinvested and to grow the Fund (\$2,300,000 at the end of fiscal 2023/24). Starting in fiscal 2024/25, we will be drawing down on this, as well as the full amount of the Endowment Income earned every year. While this will help sustain current levels of programming expenditures, it will not support growth or expansion of original content.

Attracting and Retaining Talent – we have been successful in expanding recruitment efforts to increase diversity in our workforce; leverage our values-based work environment to attract top talent; and are continuing to encourage training and development as funding allows.

Audience Growth on Streaming Platforms – in an increasingly competitive streaming environment, discoverability is a significant challenge. We are reallocating funding to support marketing and promotion to grow brand awareness, build audiences for programming and reach new, diverse audiences. The size and scale of this investment, however, is modest due to limited resources.

In addition, the CRTC is exploring ways to ensure Canadian programming services can be discovered by audiences as part of their consultations for the *Online Streaming Act*. Knowledge Network is actively advocating, with national partners, for this change.

Multi-platform Broadcast Rights – we are strengthening relationships with Canadian and international rights holders to increase access to program streaming rights.

## Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 and 2023 Mandate Letters from the Minister Responsible. The priorities identified in Knowledge Network’s 2021/22 Mandate Letter continued in the 2023 Mandate Letter.

2021/22 and 2023 Mandate Letter Priority	Status as of March 31, 2024
<p>Provide quality, freely available and commercial-free television and streaming services to British Columbians.</p>	<ul style="list-style-type: none"> <li>Completed the first phase of a major renewal of Knowledge Network’s website and streaming platforms aimed at improving the streaming experience for viewers.</li> </ul>
<p>Broadcast programming that promotes equity, diversity, inclusion and anti-racism, in addition to topics of relevance to British Columbians such as literacy and early childhood development, history arts and culture.</p>	<ul style="list-style-type: none"> <li>Increased programming from B.C. and Canadian diverse filmmakers ensuring more British Columbians see themselves reflected in the programming. Highlights include the Academy Award nominated <i>To Kill A Tiger</i>, pre-licensed (second window) by Knowledge Network as well as the groundbreaking drama series <i>The Porter</i>; and the B.C. documentaries <i>Precious Leader Woman</i> and <i>Walking with Plants</i>.</li> <li>Broadcast international and home-grown documentaries that centred the view and experience of people living with disabilities including <i>The Adaptive Athlete</i> and <i>Blind Love</i>.</li> <li>Broadcast children’s series that help kids of all abilities explore their passions and potential futures including <i>Dream It To be It!</i> and <i>Riley Rocket</i>.</li> </ul>



2021/22 and 2023 Mandate Letter Priority	Status as of March 31, 2024
<p>Collaborate with B.C.'s independent production sector to create original stories and leverage federal funding.</p>	<ul style="list-style-type: none"> <li>• In 2023/24, commissioned seven documentary projects that align with equity targets set out in our Service Plan and fully leveraged a substantial Canada Media Fund envelope.                             <ul style="list-style-type: none"> <li>○ Knowledge Network's 2023/24 Canada Media Fund envelope was \$4,109,138.</li> </ul> </li> <li>• Continued investment in Season 2 of <i>Luna, Chip &amp; Inkie Adventure Rangers Go!</i></li> </ul>
<p>Collaborate with independent, Indigenous filmmakers to create original stories and continue to increase opportunities to share Indigenous perspectives, as well as ensure B.C.'s culturally diverse storytellers are reflected.</p>	<ul style="list-style-type: none"> <li>• Participated in a national, live simulcast of the Aboriginal Peoples' Television Network's (APTN) special presentation <i>Remembering the Children</i>, to commemorate the National Day for Truth and Reconciliation. In addition, premiered four new Canadian documentaries by Indigenous filmmakers including <i>Spirit to Soar</i>, <i>Words Matter</i>, <i>Bimibatoo-win: Where I Ran</i>, and <i>Becoming Nakuset</i>.</li> <li>• Encouraged documentary proposals for development and commissions from Indigenous producers and producers from equity-seeking communities through outreach, dialogue and participation at industry events.</li> </ul>

## **Appendix B: Subsidiaries and Operating Segments**

### Inactive Subsidiaries/Dormant Subsidiaries

- Knowledge-West Communications Corporation

## **Appendix C: Auditor's Report and Audited Financial Statements**

Consolidated Financial Statements of

**KNOWLEDGE NETWORK CORPORATION**

And Independent Auditor's Report thereon

Year ended March 31, 2024



**KPMG LLP**

PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone (604) 691-3000  
Fax (604) 691-3031

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the Knowledge Network Corporation, and  
to the Minister of the Ministry of Tourism, Arts, Culture and Sport, Province of British Columbia

### ***Opinion***

We have audited the consolidated financial statements of Knowledge Network Corporation (the "Entity"), which comprise:

- the consolidated statement of financial position as at March 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of remeasurement gains for the year then ended
- the consolidated statement of changes in net financial liabilities for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedule to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying consolidated financial statements as at and for the year ended March 31, 2024 of the Entity are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### ***Basis for Opinion***

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



### ***Emphasis of Matter – Financial Reporting Framework***

We draw attention to note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, 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.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- 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.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
May 15, 2024

# KNOWLEDGE NETWORK CORPORATION

## Consolidated Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Financial assets:		
Cash (note 3(a))	\$ 108,807	\$ 364,724
Accounts receivable	303,280	413,258
	<u>412,087</u>	<u>777,982</u>
Liabilities:		
Line of credit (note 8)	230,000	-
Accounts payable and accrued liabilities	648,427	908,906
Deferred revenue, projects	344,537	324,975
Deferred contributions (note 4)	951,359	1,827,072
	<u>2,174,323</u>	<u>3,060,953</u>
Net financial liabilities	(1,762,236)	(2,282,971)
Non-financial assets:		
Broadcast rights (note 5)	10,230,153	9,774,473
Tangible capital assets (note 6)	1,459,416	1,625,923
Prepaid expenses	257,495	5,699
Endowment investments (note 3(b))	29,939,788	24,878,183
	<u>41,886,852</u>	<u>36,284,278</u>
Accumulated surplus (note 13)	\$ 40,124,616	\$ 34,001,307
Accumulated surplus is comprised of:		
Accumulated surplus	\$ 35,822,506	\$ 31,826,260
Accumulated remeasurement gains	4,302,110	2,175,047
	<u>\$ 40,124,616</u>	<u>\$ 34,001,307</u>

Commitments (note 9)

See accompanying notes and schedule to consolidated financial statements.

Approved on behalf of the Board:



Satwinder Kaur Bains  
Chair of the Board



Sukhvinder Chouhan, CPA CA, CAFM  
Chair of the Audit and Finance Committee



# KNOWLEDGE NETWORK CORPORATION

## Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2024, with comparative information for 2023

	Budget (note 14)	2024	2023
<b>Revenue:</b>			
Province of British Columbia operating grants	\$ 6,611,000	\$ 6,611,000	\$ 6,611,000
Donations	5,800,000	5,944,694	6,138,949
Production funding (note 7)	290,105	3,940,816	4,922,607
Amortization of deferred contributions (note 4)	2,910,704	133,144	155,455
Endowment investment income	900,000	982,488	1,072,897
Other	-	206,682	354,269
	16,511,809	17,818,824	19,255,177
<b>Expenses (note 15):</b>			
Programming and presentation (note 7)	5,898,986	5,730,453	9,124,070
Marketing and philanthropy	2,457,490	2,474,852	2,362,573
Broadcast platforms and corporate IT	2,206,787	2,713,597	2,520,347
Amortization	4,025,000	3,843,589	3,926,196
Administration	2,118,739	1,945,042	1,951,001
	16,707,002	16,707,533	19,884,187
Annual surplus (deficit) from operations	(195,193)	1,111,291	(629,010)
Endowment contributions received	950,000	2,884,955	2,103,202
Annual surplus	754,807	3,996,246	1,474,192
Accumulated surplus, beginning of year	31,826,260	31,826,260	30,352,068
Accumulated surplus, end of year	\$ 32,581,067	\$ 35,822,506	\$ 31,826,260

See accompanying notes and schedule to consolidated financial statements.

# KNOWLEDGE NETWORK CORPORATION

## Consolidated Statement of Remeasurement Gains

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Accumulated remeasurement gains, beginning of year	\$ 2,175,047	\$ 2,970,546
Unrealized gains (losses) attributable to investments	2,141,542	(755,987)
Amounts realized and reclassified to consolidated statement of operations and accumulated surplus:		
Realized gains on investment	(14,479)	(39,512)
Net remeasurement gains (losses) for the year	2,127,063	(795,499)
Accumulated remeasurement gains, end of year	\$ 4,302,110	\$ 2,175,047

See accompanying notes and schedule to consolidated financial statements.

# KNOWLEDGE NETWORK CORPORATION

## Consolidated Statement of Changes in Net Financial Liabilities

Year ended March 31, 2024, with comparative information for 2023

	Budget (note 14)	2024	2023
Annual surplus	\$ 754,807	\$ 3,996,246	\$ 1,474,192
Net remeasurement gains (losses) for the year	-	2,127,063	(795,499)
	754,807	6,123,309	678,693
Acquisition of tangible capital assets	-	(87,758)	(237,484)
Amortization of tangible capital assets	325,000	254,265	260,447
	325,000	166,507	22,963
Acquisition of broadcast rights	(3,126,700)	(4,044,914)	(3,623,773)
Amortization of broadcast rights	3,700,000	3,589,234	3,665,749
	573,300	(455,680)	41,976
Acquisition of endowment investments	(950,000)	(5,061,605)	(2,087,832)
Acquisition of prepaid expenses	-	(257,495)	(5,699)
Use of prepaid expenses	-	5,699	62,944
	-	(251,796)	57,245
Decrease (increase) in net financial liabilities	703,107	520,735	(1,286,955)
Net financial liabilities, beginning of year	(2,282,971)	(2,282,971)	(996,016)
Net financial liabilities, end of year	\$ (1,579,864)	\$ (1,762,236)	\$ (2,282,971)

See accompanying notes and schedule to consolidated financial statements.

# KNOWLEDGE NETWORK CORPORATION

## Consolidated Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided (used by):		
Operations:		
Annual surplus	\$ 3,996,246	\$ 1,474,192
Items not involving cash:		
Gain on sale of investments	(14,479)	(39,512)
Amortization of deferred contributions	(133,144)	(155,455)
Amortization of tangible capital assets	254,265	260,447
Amortization of broadcast rights	3,589,234	3,665,749
Unrealized gain (loss) on investments	2,141,542	(755,987)
Changes in non-cash working capital:		
Accounts receivable	109,978	86,151
Prepaid expenses	(251,796)	57,245
Accounts payable and accrued liabilities	(260,479)	472,967
Deferred revenue, projects	19,562	(55,071)
Deferred contributions	(792,569)	(1,906,463)
	8,658,360	3,104,263
Financing:		
Contributions received for broadcast rights	50,000	200,000
Proceeds from line of credit	230,000	-
	280,000	200,000
Investing:		
Purchase of investments, net	(5,061,605)	(1,485,842)
Capital:		
Acquisition of tangible capital assets	(87,758)	(237,484)
Acquisition of broadcast rights	(4,044,914)	(3,623,773)
	(4,132,672)	(3,861,257)
Decrease in cash	(255,917)	(2,042,836)
Cash, beginning of year	364,724	2,407,560
Cash, end of year	\$ 108,807	\$ 364,724

See accompanying notes and schedule to consolidated financial statements.

# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements

Year ended March 31, 2024

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## 1. Nature of operations:

Knowledge Network Corporation (the "Corporation") was continued as a Crown corporation by an Order in Council in 2008 under the *Knowledge Network Corporation Act*, a statute of the Province of British Columbia (the "Province").

The Corporation is British Columbia's public broadcaster across multiple platforms including television, web, and mobile. The principal source of funding is from the Ministry of Tourism, Arts Culture and Sport.

The Corporation is a registered charity under the provisions of the Income Tax Act of Canada and is not subject to income taxes. The Corporation's wholly-owned subsidiary, Knowledge-West Communications Corporation ("KWCC") is subject to income taxes.

## 2. Significant accounting policies:

### (a) Basis of accounting:

These consolidated financial statements are prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

The Budget Transparency and Accountability Act requires that the consolidated financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires that certain tax-payer supported organizations adopt Canadian public sector accounting standards without any PS 4200 elections.

Regulation 198/2011 requires that restricted contributions received or receivable are to be reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- (i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are recorded and, referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.
- (ii) Contributions restricted for specific purposes other than those for the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met.

# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 2. Significant accounting policies (continued):

### (a) Basis of accounting (continued):

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which require that:

- Government transfers that do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS 3410; and
- Externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS 3100.

As a result, revenue recognized in the consolidated statement of operations and accumulated surplus, and certain related deferred capital contributions, would be recorded differently under Canadian public sector accounting standards.

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and accumulated surplus of the reporting entity, which includes consolidation of the Corporation's 100% owned subsidiary, KWCC. Inter-entity balances and transactions have been eliminated on consolidation. Currently KWCC is a dormant entity without any substantial operations.

### (b) Revenue recognition:

Externally restricted contributions, except for contributions restricted for tangible capital assets and broadcast rights (note 2(d)), are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical. Interest and other revenues are recognized when earned.

### (c) Tangible capital assets:

Purchased tangible capital assets are recorded at cost. Equipment, furniture and fixtures are amortized over the estimated useful life on the declining balance basis at 10% to 30% per annum, computer software are amortized over the estimated useful life on the declining balance basis at 50%, and leasehold improvements are amortized on a straight line basis at the lesser of estimated useful life and the term of the lease.

# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 2. Significant accounting policies (continued):

(d) Deferred contributions for tangible capital assets and broadcast rights:

Funding received from the Province used for the acquisition of tangible capital assets and broadcast rights is recorded as deferred contributions and is recognized as revenue in the consolidated statement of operations and accumulated surplus equal to the amortization charged on the assets purchased with the funding.

(e) Purchased intangibles:

Purchased intangibles, consisting of broadcast rights, are recorded at cost and amortized over the period the broadcast is authorized for (4 to 6 years).

(f) Financial instruments:

Financial instruments measured at fair value are classified as level one, two, or three for the purposes of describing the basis of the inputs used to measure the fair values, as described below:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

Unrealized gains and losses from changes in the fair value of financial instruments are recorded in the consolidated statement of remeasurement gains. Upon settlement, the cumulative gain or loss is reclassified from the consolidated statement of remeasurement gains and recognized in the consolidated statement of operations and accumulated surplus.

For financial instruments measured using amortized cost, amortized cost is defined as the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus cumulative amortization using the effective interest method and minus any impairment losses. The effective interest rate method is used to determine interest revenue or expense.

For investments measured at cost, the cost method records the initial investment at cost and earnings from such investments are recognized only to the extent received or receivable. When an investment is written down to recognize an impairment loss, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes.

Interest and dividends attributable to financial instruments are reported in the consolidated statement of operations and accumulated surplus.

# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 2. Significant accounting policies (continued):

### (f) Financial instruments (continued):

Financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations and accumulated surplus and any related fair value changes previously recorded in the consolidated statement of remeasurement gains are reversed to the extent of the impairment. Impairment losses are not reversed for a subsequent increase in value.

Transaction costs are a component of cost for financial instruments measured using cost or amortized cost.

Transaction costs are expensed for financial instruments measured at fair value.

The Corporation has designated its financial instruments as follows:

### (i) Cash:

Cash includes cash in the bank and is measured at fair value.

### (ii) Investments:

Investments quoted in an active market, which includes common shares and other investments, are reported at fair value and fixed income investments are recorded at cost or amortized cost. These investments are highly liquid and held for the purpose of meeting cash commitments. Investments reported at fair value recognize any changes in fair value in the consolidated statement of remeasurement gains and losses.

### (iii) Marketable securities:

Equity and debt investments quoted in an active market are reported at fair value. The Corporation has a diversified securities portfolio that includes deposits, bonds, and equities. Marketable securities are accounted for as investments and are reported at fair value with changes in fair value recognized in the consolidated statement of remeasurement gains and losses.

### (iv) Other financial assets and financial liabilities:

Accounts receivable and accounts payable and accrued liabilities are measured at amortized cost using the effective interest method.

### (v) Line of credit:

The amounts drawn on the line of credit is measured at fair value.



# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 2. Significant accounting policies (continued):

(g) Measurement uncertainty:

The preparation of financial statements in accordance with the framework described in note 2(a) 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 consolidated financial statements and the reported amounts of revenues and expenses during the year then ended. Items subject to such estimates and assumptions include the determination of tangible capital assets and broadcast rights and the related recognition of deferred contributions, valuation of accounts receivable, and provision for contingencies. Actual results could differ from those estimates.

(h) Foreign currency translation:

Monetary assets and liabilities included in the fair value measurement category denominated in foreign currencies, are translated into Canadian dollars at the exchange rate prevailing at the consolidated financial statement date. Unrealized foreign exchange gains and losses are recognized in the consolidated statement of remeasurement gains. In the period of settlement, realized foreign exchange gains and losses are recognized in the consolidated statement of operations and accumulated surplus, and the cumulative amount of remeasurement gains is reversed in the consolidated statement of remeasurement gains.

(i) Income taxes:

KWCC uses the taxes payable method to account for income taxes whereby the expense (recovery) of the period consists only of the cost (benefit) of current income taxes for that period, determined in accordance with the rules established by the taxation authorities. For the year ended March 31, 2024, an income tax refund of nil (2023 - \$19,776) was received.

(j) Endowment investments:

The endowment investments include external donations received by the Corporation or internally endowed funds as approved by the Board of Directors (the "Board") restricted for use as endowments. The principal amount of endowment contributions are maintained on a permanent basis. Net investment earnings thereon are internally restricted and maintained in the endowment fund until used as designated by the donors or as approved by the Board.

(k) Adoption of new accounting standards:

(i) Revenue:

On April 1, 2023, the Corporation adopted Canadian public sector accounting standard PS 3400 Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement.

The adoption of this new standard did not have an impact on the amounts in these consolidated financial statements.

# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 2. Significant accounting policies (continued):

(k) Adoption of new accounting standards (continued):

(ii) Purchased intangibles:

On April 1, 2023, the Corporation adopted Canadian public sector accounting guideline PSG-8 Purchased Intangibles. The new guideline permits the recognition of purchased intangibles that are acquired through an arm's length exchange transaction between willing parties.

The adoption of this new guideline did not have an impact on the amounts in these consolidated financial statements because purchased intangibles were recorded by the Corporation prior to the adoption of the guideline.

(iii) Public private partnerships:

On April 1, 2023, the Corporation adopted Canadian public sector accounting standard PS 3160 Public Private Partnerships. The new standard includes requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership.

The adoption of this new standard did not have an impact on the amounts in these consolidated financial statements.

## 3. Cash and investments:

(a) Cash:

The Corporation's bank accounts are held at a Canadian chartered bank. Interest is earned at prime minus 1.95% and is paid on a monthly basis. As of March 31, 2024, the balance in the US dollar account was USD \$42,175 (2023 - USD \$87,328).

(b) Endowment investments:

	2024	2023
Fixed income	\$ 7,753,657	\$ 7,019,998
Common shares measured at fair value	15,761,048	12,641,894
Other investments measured at fair value	6,425,083	5,216,291
	<u>\$ 29,939,788</u>	<u>\$ 24,878,183</u>

# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

### 3. Cash and investments (continued):

#### (b) Endowment investments (continued):

Changes in endowment investments are comprised of the following:

	2024	2023
Balance, beginning of year	\$ 24,878,183	\$ 22,790,351
Endowment contributions received	2,884,955	2,103,202
Withdrawals	(800,000)	(275,000)
Internal transfer from cash	6,139	89,746
Net remeasurement gains (losses)	2,127,063	(778,691)
Endowment investment income	982,488	1,072,897
Investment fees	(139,040)	(124,322)
Balance, end of year	\$ 29,939,788	\$ 24,878,183

### 4. Deferred contributions:

	2024	2023
Deferred contributions related to:		
Tangible capital assets (a)	\$ 441,674	\$ 502,747
Broadcast rights (b)	509,685	531,756
Production development (c)	-	792,569
	\$ 951,359	\$ 1,827,072

#### (a) Tangible capital assets:

Deferred contributions related to tangible capital assets represents the unamortized amount of grants received for the purchase of tangible capital assets.

	2024	2023
Balance, beginning of year	\$ 502,747	\$ 584,047
Amortization of deferred contributions	(61,073)	(81,300)
Balance, end of year	\$ 441,674	\$ 502,747

# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 4. Deferred contributions (continued):

### (b) Broadcast rights:

Deferred contributions related to broadcast rights represent the unamortized amount of funds received for the acquisition of programs.

	2024	2023
Balance, beginning of year	\$ 531,756	\$ 405,911
Contributions received	50,000	200,000
Amortization of deferred contributions	(72,071)	(74,155)
Balance, end of year	\$ 509,685	\$ 531,756

### (c) Production development:

Deferred contributions related to the production of the Luna, Chip & Inkie ("LCI") series (note 7) represent the unamortized amount of funds received for the development of the LCI series.

	2024	2023
Balance, beginning of year	\$ 792,569	\$ 2,699,032
Contributions received	1,928,136	2,019,578
Amounts recognized as production funding revenue	(2,720,705)	(3,926,041)
Balance, end of year	\$ -	\$ 792,569

## 5. Broadcast rights:

	2024	2023
Cost:		
Opening balance	\$ 20,708,029	\$ 20,578,363
Additions	4,044,914	3,623,773
Expired rights	(3,535,161)	(3,494,107)
	21,217,782	20,708,029
Accumulated amortization:		
Opening balance	10,933,556	10,761,914
Amortization	3,589,234	3,665,749
Expired rights	(3,535,161)	(3,494,107)
	10,987,629	10,933,556
Net book value	\$ 10,230,153	\$ 9,774,473

# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

## 6. Tangible capital assets:

	Furniture and fixtures	Computer equipment	Other equipment	Software	Broadcast equipment	Leasehold improvements	2024
Cost:							
Opening balance	\$ 880,545	\$ 3,858,009	\$ 2,396,439	\$ 498,931	\$ 14,250,143	\$ 37,695	\$ 21,921,762
Additions	-	60,974	-	26,784	-	-	87,758
Closing balance	880,545	3,918,983	2,396,439	525,715	14,250,143	37,695	22,009,520
Accumulated amortization:							
Opening balance	838,556	3,303,620	2,396,439	491,430	13,228,099	37,695	20,295,839
Amortization	4,199	116,975	-	10,446	122,645	-	254,265
Closing balance	842,755	3,420,595	2,396,439	501,876	13,350,744	37,695	20,550,104
Net book value	\$ 37,790	\$ 498,388	\$ -	\$ 23,839	\$ 899,399	\$ -	\$ 1,459,416

	Furniture and fixtures	Computer equipment	Other equipment	Software	Broadcast equipment	Leasehold improvements	2023
Cost:							
Opening balance	\$ 880,545	\$ 3,620,525	\$ 2,396,439	\$ 498,931	\$ 14,250,143	\$ 37,695	\$ 21,684,278
Additions	-	237,484	-	-	-	-	237,484
Closing balance	880,545	3,858,009	2,396,439	498,931	14,250,143	37,695	21,921,762
Accumulated amortization:							
Opening balance	833,890	3,194,709	2,396,439	483,930	13,088,729	37,695	20,035,392
Amortization	4,666	108,911	-	7,500	139,370	-	260,447
Closing balance	838,556	3,303,620	2,396,439	491,430	13,228,099	37,695	20,295,839
Net book value	\$ 41,989	\$ 554,389	\$ -	\$ 7,501	\$ 1,022,044	\$ -	\$ 1,625,923

# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 7. Production funding:

During the year ended March 31, 2024, the Corporation completed production of Season 2 of the LCI series (30 episodes). Funding provided in relation to the LCI series during the year ended March 31, 2024 totaled \$3,136,448 (2023 – \$1,899,135). Of this amount, \$1,928,136 (2023 - \$792,569) was recognized as deferred contributions (note 4(c)) as at March 31, 2024. Deferred contributions totaling \$2,720,705 for the completed Season 2 production were recognized as revenue (2023 - nil).

Production expenditures incurred during the year ended March 31, 2024 totaled \$3,177,500 (2023 – \$4,698,528) have been included in programming and presentation expenses in the consolidated statement of operations.

## 8. Line of credit:

The Corporation has a revolving demand credit facility bearing interest at prime plus 0.50% (2023 - 0.50%) per annum. The available facility is to a maximum of \$1,500,000 (2023 - \$1,500,000). As at March 31, 2024 \$230,000 was drawn on this credit facility (2023 - nil).

## 9. Commitments:

### (a) Satellite transmission service:

The Corporation acquires satellite transmission services at an annual cost of approximately \$156,771 (2023 - \$178,331) under agreements covering a four-year period ending August 31, 2025.

### (b) License fees and production costs:

The Corporation acquires programs which require the commitment of funds. As at March 31, 2024, the Corporation is committed to pay \$2,120,025 (2023 - \$2,176,042) for license fees over the period April 2024 to March 2026.

## 10. Related party transactions:

The Corporation is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and Crown corporations. Transactions with these entities, considered to be in the normal course of operations, are recorded at the exchange amount.

In the normal course of operations, the Corporations pays rent to BCIT, a provincially controlled post-secondary institution, of \$1 per annum and its share of the building operating costs totaling \$319,780 (2023 - \$319,998).

# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 11. Pensions:

The Corporation and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan, including investment of the assets and administration of benefits. The pension plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at August 31, 2022, the College Pension Plan has about 16,500 active members and approximately 10,000 retired members. As at December 31, 2022, the Municipal Pension Plan has approximately 240,000 active members and 124,000 retired members.

Active College Pension Plan members include 15 contributors and active Municipal Pension Plan members include 33 contributors from the Corporation.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the College Pension Plan as at August 31, 2021 indicated a \$202 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as of August 31, 2024, with results available in 2025.

The most recent valuation for the Municipal Pension Plan as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as of December 31, 2024, with results available in 2025.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

The Corporation paid \$427,312 (2023 - \$366,384) for employer contributions while employees contributed \$400,646 (2023 - \$350,852) to the plans in fiscal 2024.

# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 12. Financial instruments risks:

The Corporation, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks at March 31, 2024:

(a) Credit risk:

Credit risk is the risk that the Corporation will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Corporation to credit risk consist primarily of endowment investments, accounts receivable and cash. The Corporation has an investment policy to ensure investments are managed appropriately to secure the preservation of capital and the availability of liquid funds. The Corporation has also retained an investment firm to invest surplus funds in accordance with its investment policy. The receivables are due from various entities and individuals. Cash is represented by bank accounts and is placed with high quality institutions. Thus, the Corporation is not subject to concentration of credit risk.

(b) Foreign exchange risk:

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation's exposure to foreign exchange risk is limited to cash held in US dollar bank accounts.

(c) Interest rate risk:

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Endowment investments bear some interest risk as the market price of fixed income securities may fluctuate based on changes in interest rates. Amounts drawn on the line of credit also bear some interest rate risk from changes in the prime rate.

(d) Market risk:

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Corporation is exposed to fair value risks on its endowment investments in equity instruments and other investments.

(e) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Corporation maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

Management believes that there has been no changes to these risk exposures from the prior year.



# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 13. Accumulated surplus:

Accumulated surplus is comprised of the following:

	2024	2023
Invested in tangible capital assets	\$ 1,017,742	\$ 1,123,176
Invested in broadcast rights	9,720,468	9,242,717
Endowment funds	29,939,788	24,878,183
Unrestricted deficit	(553,382)	(1,242,769)
Balance, end of year	\$ 40,124,616	\$ 34,001,307

## 14. Budget figures:

Consolidated budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Board on February 16, 2023.

## 15. Revenue and expenses presentation:

For reporting purposes, the Corporation's activities have been aggregated into operational categories. The schedule of consolidated revenues and expenses by object reports the expenses that are directly attributable to each operational category. The revenue and expenses that cannot be directly attributable to allocated on a reasonable basis to individual categories are reported in the General category. The following describes the activities of each area:

### *Programming and presentation:*

This category includes salaries and benefits costs of staff responsible for the acquisition of broadcast rights, management and design of broadcast content including branding, captioning of programs, and management of broadcast traffic. This category also includes the cost of contracted editors hired to create promotional content and the costs of production for the LCI series (note 7).

### *Marketing and philanthropy:*

This category includes salaries and benefits costs of staff responsible for administering the Corporation's partners' donations and Knowledge Endowment Fund. This includes other operating costs related to the servicing of our donors such as the production and distribution of the K: Magazine.

This category also includes salaries and benefits costs of staff responsible for maintaining government reporting requirements, reporting on audience and viewership results, and implementing our marketing plans.

# KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 15. Revenue and expenses presentation (continued):

### *Broadcast platforms and corporate IT:*

This category includes salaries and benefits costs of staff responsible for the maintenance and administration of the broadcast platforms and corporate information technology infrastructures. This category also includes operating costs related to the distribution of our broadcast signal to our audiences.

### *Amortization of broadcast rights and tangible capital assets:*

This category includes the amortization of broadcast rights over the authorized period of the broadcast right, and tangible capital assets over their useful life.

### *Administration:*

This category includes salaries and benefits costs of staff responsible for overall administration, finance, and human resources. Operating costs also include the Corporation's share of leased facilities costs, and the costs of training and professional development of our staff.

# KNOWLEDGE NETWORK CORPORATION

## Schedule of Consolidated of Revenues and Expenses by Object

Year ended March 31, 2024, with comparative information for 2023

	Programming and presentation	Marketing and philanthropy	Broadcast platforms and corporate IT	Amortization of broadcast rights & capital equipment	Administration	2024 consolidated	Budget consolidated (note 14)	2023 consolidated
Province of British Columbia operating grants	\$ -	\$ -	\$ -	\$ -	\$ 6,611,000	\$ 6,611,000	\$ 6,611,000	\$ 6,611,000
Donations	-	-	-	-	5,944,694	5,944,694	5,800,000	6,138,949
Production funding	-	-	-	-	3,940,816	3,940,816	290,105	4,922,607
Amortization of deferred contributions	-	-	-	133,144	-	133,144	2,910,704	155,455
Endowment investment income	-	-	-	-	982,488	982,488	900,000	1,072,897
Other	-	-	-	-	206,682	206,682	-	354,269
<b>Total revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 133,144</b>	<b>\$ 17,685,680</b>	<b>\$ 17,818,824</b>	<b>\$ 16,511,809</b>	<b>\$ 19,255,177</b>

	Programming and presentation	Marketing and philanthropy	Broadcast platforms and corporate IT	Amortization of broadcast rights & capital equipment	Administration	2024 consolidated	Budget consolidated (note 14)	2023 consolidated
Salaries and benefits	\$ 1,950,658	\$ 1,188,288	\$ 1,510,008	\$ -	\$ 1,157,525	\$ 5,806,479	\$ 5,710,465	\$ 5,203,036
Amortization of capital assets and broadcast rights	-	-	-	3,843,589	-	3,843,589	4,025,000	3,926,196
Purchased services	3,708,238	525,089	551,289	-	71,820	4,856,436	4,779,943	8,587,049
Supplies, shipping, minor software, maintenance	29,950	584,519	617,127	-	80,286	1,311,882	1,105,045	1,357,756
Travel, miscellaneous, other	39,557	172,164	35,173	-	315,631	562,525	766,549	506,609
Facilities operating costs, rental	2,050	4,792	-	-	319,780	326,622	320,000	323,317
Income tax recovery	-	-	-	-	-	-	-	(19,776)
<b>Total expenses</b>	<b>\$ 5,730,453</b>	<b>\$ 2,474,852</b>	<b>\$ 2,713,597</b>	<b>\$ 3,843,589</b>	<b>\$ 1,945,042</b>	<b>\$ 16,707,533</b>	<b>\$ 16,707,002</b>	<b>\$ 19,884,187</b>