

# **2024/25 – 2026/27 Service Plan**

**February 2024**



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## Board Chair's Accountability Statement



The 2024/25 – 2026/27 Knowledge Network Corporation Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. This plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of this plan and is responsible for the validity and reliability of the information presented.

All significant assumptions, policy decisions, events and identified risks, as of January 31 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, Knowledge Network Corporation's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of Knowledge Network Corporation's operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:

A handwritten signature in black ink, which appears to read "Satwinder Bains".

Satwinder Bains  
Board Chair, Knowledge Network Corporation  
January 31, 2024

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## Strategic Direction

In 2024/25, public sector organizations will remain focused on providing the services and infrastructure that people depend on to build a good life. Public sector organizations will continue to support Government in delivering results that matter to British Columbians including helping people with costs, attainable and affordable housing, strengthened health care, safer communities, and a secure, clean and fair economy. Public sector organizations will also continue to work closely with Government as it works collaboratively with Indigenous Peoples to implement the Action Plan for the Declaration on the Rights of Indigenous Peoples Act and delivers initiatives that advance reconciliation in ways that make a difference in communities throughout the province.

This 2024/25-2026/27 Service Plan outlines how Knowledge Network will support the government's priorities and selected action items identified in the most recent [Knowledge Network Mandate Letter](#).

## Purpose of the Organization and Alignment with Government Priorities

In fulfilling the network's mandate, actions include: 1) Providing quality, freely available and commercial-free television and streaming services to British Columbians; 2) Broadcasting 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; 3) Collaborating with B.C.'s independent production sector to create original stories and leverage federal funding; and, 4) Collaborating 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.

Knowledge Network provides programs that educate, challenge and inspire. The organization's public mandate is supported through commercial-free programming that meets the diverse and evolving needs of viewers. This includes educational content that fosters learning for young children in a safe viewing environment trusted by parents and caregivers. Programming for adults includes thought-provoking documentaries, dramas and performing arts programs that connect viewers to their province, Canada and the world.

Knowledge Network also supports independent B.C. filmmakers through commissioning and pre-licensing of new programs. Independently produced documentaries introduce viewers to new perspectives and viewpoints. Knowledge Network's investment in documentaries and children's programs produced by independent filmmakers leverages additional funding from federal and provincial, public and private sources.

Knowledge Network is committed to working independently and collectively with industry partners across Canada to achieve greater equity, diversity and inclusion within the broadcast and production sectors. As part of this process, we created a three-year Equity, Diversity and Inclusion Action Plan with goals tied to our core activities and specific actions to help us achieve them. Progress towards these goals can be found at [Equity, Diversity and Inclusion | Knowledge.ca](#)

## Operating Environment

Knowledge Network is federally licensed by the Canadian Radio-television and Telecommunications Commission (CRTC) and provincially mandated by the Province of British Columbia. Knowledge Network is also a registered charity with the Canada Revenue Agency. The organization engages in fundraising activities through the Knowledge Partners program, which includes the Knowledge Endowment Fund. Knowledge Network is among the very few non-profit organizations in Canada that have received accreditation by [Imagine Canada](#) for demonstrating leadership, excellence and accountability in the charitable sector.

Knowledge Network has been very successful in increasing its annual donations over time; however, this rate of growth is less likely to continue under current economic conditions. Inflation, high interest rates and the high cost of living have created a challenging environment for Canadian charities. With a decrease in purchasing power, people are less likely to donate. Monies raised through donations are having a lesser impact than they once did due to inflation and increased operating costs. The economic uncertainty has made it difficult to forecast donation revenue as reflected in performance measure targets.

In April 2023, Bill C-11, the *Online Streaming Act*, came into force. The CRTC is leading regulatory consultations with industry stakeholders that will inform their work to modernize Canada's broadcasting framework and ensure that online streaming services make meaningful contributions to Canadian and Indigenous content. Knowledge Network is participating in the consultations as part of the Independent Broadcast Group (IBG) which represents the shared interests of smaller independent broadcasters. One of the IBG's priorities is ensuring that contributions made by newly regulated streamers will flow to funds that support domestic Canadian production. The CRTC expects to start implementing the new regulatory framework in the fall 2024.

In 2024/25, Knowledge Network will engage in a strategic review leading to the creation of a new strategic plan that supports mandate commitments in today's rapidly evolving media landscape.

## Annual Economic Statement

B.C.'s economy posted modest growth last year as interest rate increases weighed on the economy, and employment continued to expand, supported by immigration. Inflation in the province continued to ease and the Bank of Canada has not raised its policy interest rate since July 2023. The impact of higher rates on borrowing costs and elevated household debt led to lower consumer spending and reduced home sales. Lumber, natural gas and coal prices declined in 2023, reducing the value of the province's goods exports. Meanwhile, there was a record number of housing starts in the province in 2023. There is uncertainty over the transmission of high interest rates to the residential construction sector and the duration of slower growth for the rest of the economy in B.C. and among our trading partners. The Economic Forecast Council (EFC) estimates that B.C. real GDP expanded by 0.9 per cent in 2023 and expects growth of 0.5 per cent in 2024 and 2.1 per cent in 2025. Meanwhile for Canada, the EFC estimates growth of 1.1 per cent in 2023 and projects national real GDP growth of 0.5 per cent in 2024 and 1.9 per cent in 2025. As such, B.C.'s economic growth is expected to be broadly in line with the national average in the coming years. The risks to B.C.'s

economic outlook continue to center around interest rates and inflation, including the risk of price increases stemming from geopolitical conflicts, the potential for interest rates remaining higher for longer, and uncertainty around the depth and timing of the impact on housing markets. Further risks include ongoing uncertainty regarding global trade policies, lower commodity prices, climate change impacts and the volatility of immigration levels.

## Performance Planning

### **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 its streaming service, to reach new, diverse viewers. The organization will work to attract more viewers through offering an improved experience and additional programming that resonates with all people living in British Columbia.

#### **Objective 1.1: Grow brand awareness among people living in British Columbia.**

Increasing awareness of Knowledge Network's brand will help build profile with people living in British Columbia.

##### **Key Strategies**

- Reallocate funding to support audience engagement and promotion through targeted, scalable marketing efforts to boost visibility and reach broader diverse audiences.
- Develop audience engagement strategies to foster meaningful connections that will attract new audiences and keep them connected to our services.
- Better understand and respond to the diversity of our audiences through data collection, research, and analysis.

##### **Discussion**

Shifts in viewing behavior driven by cable cord-cutting and growth in streaming services are changing how programs are discovered and viewed. Leveraging streaming platforms to connect more frequently with current viewers and increasing marketing efforts to attract new and diverse viewers will raise awareness of Knowledge Network's services with people living in British Columbia.

Promotion and sponsorships also provide targeted marketing opportunities to connect the organization's brand and programming with new audiences. Additionally, Knowledge Network is focusing marketing efforts for Knowledge Kids to reach new parents looking for quality, trusted educational programming in a safe, ad-free environment.

#### **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 Strategy**

- Re-design Knowledge Network's streaming platforms (website and apps with programming for adult audiences) to enhance viewer experience and leverage the highly curated programming offer.



## Discussion

The primary goal of this initiative is to re-design and re-launch Knowledge Network's adult streaming platforms with enhanced features, navigation, analytics, accessibility, and security, for users across Canada. As streaming services become more competitive, Knowledge Network is committed to providing a high-quality streaming experience that will engage and attract new viewers. The redesigned streaming platforms will launch in 2025/26.

## Performance Measures

Performance Measure	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[1a] Videos streamed on Knowledge.ca and related Apps <sup>1</sup>	2,618,972	3,090,000	3,100,000	3,110,000
[1b] Videos streamed on Knowledgekids.ca and related Apps <sup>1</sup>	6,252,134	6,795,000	6,800,000	6,800,000
[1c] Total Market Share on Television <sup>2</sup>	4.1%	4.5%	4.5%	4.5%

Data sources:

<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).

## Discussion

The number of videos streamed helps us to track the number of videos played on Knowledge Network websites and apps for children and adults. This measure demonstrates the audiences discovering and watching programs outside of the linear television service. Compared to the 2023/24 Service Plan, we are forecasting a 15 per cent decrease for videos streamed on Knowledge.ca and Apps. This is due, in part, to unexpected technical issues impacting the popular Knowledge Roku App in spring of 2023. Challenges with the functionality of the app negatively impacted streaming viewership for approximately three months.

Knowledge Kids provides a safe, free, and commercial free space with quality programming for young children. Compared to the 2023/24 Service Plan, an 8 per cent decrease is forecasted for videos streamed on Knowledgekids.ca and Apps. This is due in part to the Knowledge Kids demographic that principally attracts children 2-6 years old who age out of that demographic quickly and the need to enhance audience engagement strategies to reach new cohorts of pre-schoolers and their caregivers.

The growing range of streaming services available in Canada are also contributing to increased competition across all viewing demographics. The lack of discoverability measures in place for public broadcasters in the digital space, compared to traditional linear television, prevents viewers from easily finding Knowledge Network's service. This is having a direct impact on Knowledge Network streaming viewership for both children and adults. On linear television, Knowledge Network and other mandate driven Canadian services have mandatory carriage on cable and direct to home

satellite services, available in the most affordable programming package. Future targets reflect these factors.

The Canada Radio-television and Telecommunications Commission's (CRTC) implementation of the *Online Streaming Act* includes discoverability and showcasing requirements to make it easier for Canadian audiences to access Canadian streaming services and stories. The regulatory consultation includes identifying tools to develop, support and promote Canadian and Indigenous content on all platforms.

Finally, the rebuild of Knowledge Network's streaming platforms in 2024/25 will improve the user experience and enhanced marketing efforts will boost engagement with viewers.

Total Market Share in primetime is an indicator of the proportion of individuals viewing Knowledge Network compared to the total number of individuals watching television during the evening period. This performance measure is strongly influenced by the actions of other broadcasters in the same market. While the forecast of 4.1 per cent is lower than the target in the 2023/24 Service Plan, it still places Knowledge Network within the top five most watched broadcasters among competitors in the market. Maintaining a market share in this range will be a challenge in an increasingly fragmented broadcast environment. Knowledge Network will continue to monitor audience behaviour and programming opportunities closely.

## **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 rights and represent diverse voices, cultures, 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 Indigenous, Black, people of colour, LGBTQ2+ and people with different abilities to increase opportunities for diverse original stories and perspectives, while also highlighting intersectionality.

#### **Key Strategies**

- Work with industry partners (Black Screen Office, Indigenous Screen Office, Disability Screen Office, Racial Equity Screen Office) to connect more widely with B.C. Indigenous and underrepresented producers.
- Implement equity targets for Stories (Un)told, Knowledge Network's new commissioning stream, in partnership with Creative BC, for premium limited documentary series by mid-career to senior B.C. producers and directors.
- Review and commit to new three-year documentary commissioning targets for projects by B.C. based Indigenous, Black and people of colour owned production companies.
- Implement new data tracking measures for self-identification of key creative personnel on Knowledge Network commissions, second windows<sup>1</sup> and prelicenses which respects the Province's Anti-Racism Data legislation.
- Monitor and adapt best practices of national industry organizations on data collection, policies, practices, and processes to enhance equity within the broadcasting sector, which respects both federal and provincial legislation.

#### **Discussion**

Knowledge Network is working with a more diverse range of B.C. creators to ensure all viewers see themselves reflected in our programming. Progress is tracked through data collection measures for commissioned and acquired programs produced by Indigenous and racialized B.C. and Canadian producers which will inform programming decisions and facilitate transparent reporting. Knowledge Network is currently focused on meeting targets for Indigenous and racialized producers. Knowledge Network will expand data collection to include self-identification for all equity-deserving groups which moving forward will enable Knowledge Network to apply an intersectional lens to its commissioning and second windows.

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<sup>1</sup> Second window: When Knowledge Network pre-licenses the broadcast rights for a program after the lead broadcaster. Knowledge Network is not involved in the development of the project and pays a lower license fee which helps the producer close their financing.

Knowledge Network is committed to supporting lived experience storytelling that elevates a diverse range of voices and perspectives, working with industry partners across Canada to advance equity for underrepresented producers. 2023/24 is the final year of a three-year dedicated Indigenous, Black and People of Colour (IBPOC) Documentary commissioning stream. New targets will be established in consultation with stakeholders based on current internal and external factors for 2025/26.

In partnership with Creative BC, Knowledge Network has launched Stories (Un)told, a new limited documentary series commissioning stream for mid-career to senior B.C. producers. Knowledge Network will develop, commission, and broadcast three high impact limited documentary series over three years. Funding for this initiative includes \$2.25 million from Creative BC, which is a part of the historic \$42 million investment made by the Province of B.C. in support of B.C.'s creative sector. A minimum of two of the three projects selected for production will be with majority-owned B.C. Indigenous and Black and People of Colour (BPOC) owned production companies.

## Performance Measures

Performance Measure	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[2a] Direct Investment in Independent Multi-Platform Content <sup>1</sup>	\$1,405,200	\$2,350,000	\$3,050,000	\$3,050,000
[2b] Indirect Investment in Independent Multi-Platform Content <sup>2</sup>	\$6,188,185	\$6,500,000	\$6,600,000	\$6,600,000
<p>[2c] Commission 25 per cent of Knowledge Original documentary features and shorts from B.C. independent Indigenous production companies (total commissions, over three years).</p> <p>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 LGBTQ+.<sup>3</sup></p>	In progress. 3 Year Target.	25%	TBD	TBD
<p>[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).</p> <p>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></p>	In progress. 3 Year Target.	50%	TBD	TBD

Data sources:

<sup>1</sup> Letters of Intent, short-form commission/lead agreement, or long-form commission/lead agreement entered 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>On average, Knowledge Network commissions 3-5 projects each year. As a result, these performance measures are made over three years. Letters of Intent, short-form commission/lead agreement, or long-form commission/lead agreement entered 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 Indigenous, Black and people of color B.C. based production companies.

## Discussion

The performance measure Direct Investment in Multi-Platform Content reflects Knowledge Network's license fees for original B.C. documentaries. Knowledge Network typically commissions three to five one hour or feature length documentaries each year.

Compared to the 2023/24 Service Plan, Knowledge Network is forecasting a decrease in direct investment. The number and scale of projects Knowledge Network commissions or pre-licenses varies from year to year. It is dependent on when projects have completed development and when they are ready to move forward into production. For example, actual spend in 2022/23 was \$5,144,299, which was 134 per cent higher than the original target due to investment in the *Luna, Chip and Inkie Adventure Rangers Go* children's series. Funding for the new limited documentary series commissioning stream Stories (Untold) is reflected in future targets.

Independent production financing is highly dependent on Knowledge Network's annual Canada Media Fund allocation, which varies from year to year. It also requires funding from other public and private independent production funds, as well as federal and provincial tax credits. Together, these funding sources leveraged by Knowledge Network's broadcast license commitments are considered indirect investment.

Knowledge Network established three-year commissioning targets for documentaries by Indigenous and Black, people of colour owned B.C. production companies in 2022/23. We measure these targets over a three-year period because Knowledge Network commissions only a small number of projects each year.

## 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 British Columbia. 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 sustain Knowledge's television and streaming services, we will focus on attracting diverse audiences and converting new 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 Strategies

- Cultivate donor relationships to encourage future bequests and other planned gifts through increased stewardship.
- Refine online conversion efforts with online viewers through platform driven email campaigns and increased messaging on the streaming platform.
- Implement and evaluate the new monthly donor conversion campaign.
- Reach out to new and diverse communities for donor acquisition.

#### Discussion

Knowledge Network relies strongly on the support of viewers who value programming that is uniquely different from commercial broadcasting and views its audience as people living in the province, not consumers. By refining online conversion efforts with online viewers through email campaigns and increased messaging on streaming platforms, viewers will be invited to become donors. Increased stewardship - in person, online channels and through mail - will help cultivate donor relationships for long-term and legacy giving.

#### Performance Measures

Performance Measure	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[3a] Knowledge Partner Donations <sup>1</sup>	\$5,800,000	\$5,800,000	\$5,800,000	\$5,800,000
[3b] Legacy Circle Donors <sup>2</sup>	1040	1060	1080	1100

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).

#### Discussion

The Knowledge Partner Donations performance measure reflects donations to the Annual Fund received from new, renewing and recovered donors in a fiscal year. Future targets remain at current levels as inflation, high interest rates and the high cost of living create a challenging environment. In this context, maintaining a target of \$5.8 million annually for partner donations is considered to be achievable. Strategies to sustain partner donation levels include reinforcing the importance of maintaining the donor base long term through relationship building and stewardship at a time when fewer Canadians are giving to charities. Finding new donors in the current social and economic environment is difficult. Programming may attract new viewers, but evidence shows that most

viewers will not provide financial support. Currently, only 4.6 per cent of Knowledge viewers are donors.

The Legacy Circle Donors performance measure reflects a commitment from donors to support the long-term sustainability of Knowledge Network through bequests to the Knowledge Endowment Fund. Gifts to the Knowledge Endowment Fund are restricted funds and contributions are held in perpetuity. Investment income can be reinvested in programming. The growth in the number of donors who have made a commitment to leave a gift in their will is the most meaningful indicator for measuring progress in legacy giving. Per Knowledge Network's fundraising policies, all bequests are directed to the Knowledge Endowment Fund unless otherwise indicated by the donor.



# Financial Plan

## Financial Summary

Reported in \$000	2023/24 Forecast	2024/25 Budget	2025/26 Plan	2026/27 Plan
<b>Revenues</b>				
Province of BC Operating Grant	6,611	6,611	6,611	6,611
Donations	5,800	5,800	5,800	5,800
Amortization of Deferred Contributions	144	144	144	207 <sup>1</sup>
Other Revenue and Production Funding <sup>2</sup>	4,047	65	65	65
Endowment Investment Income	900	950	1,000	1,050
<b>Total Revenue</b>	<b>17,502</b>	<b>13,570</b>	<b>13,620</b>	<b>13,733</b>
<b>Expenses</b>				
Programming and Presentation	5,962	2,814	2,814	2,814
Marketing and Philanthropy	2,550	2,551	2,601	2,651
Broadcast Platforms and Web Channels	2,343	2,603	2,603	2,603
Amortization of Broadcast Rights & Equipment	4,031	3,947	3,947	4,010
Administration:				
President's Office	434	273	273	273
Board of Directors	33	35	35	35
Finance	520	533	533	533
Facilities	320	320	320	320
Human Resources	265	249	249	249
Other	220	245	245	245
<b>Total Expenses</b>	<b>16,678</b>	<b>13,570</b>	<b>13,620</b>	<b>13,733</b>
<b>Annual Surplus (Deficit) from Operations</b>	<b>824</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Endowment Contributions Received (Restricted)</b>	<b>2,800</b>	<b>950</b>	<b>950</b>	<b>950</b>
<b>Annual Surplus</b>	<b>3,624</b>	<b>950</b>	<b>950</b>	<b>950</b>
<b>Accumulated Surplus (Invested in Broadcast Rights &amp; Capital Assets, Endowment Fund)</b>	<b>37,626</b>	<b>38,576</b>	<b>39,526</b>	<b>40,476</b>

<b>Reported in \$000</b>	<b>2023/24 Forecast</b>	<b>2024/25 Budget</b>	<b>2025/26 Plan</b>	<b>2026/27 Plan</b>
<b>Total Liabilities</b>	<b>1,189</b>	<b>2,178</b>	<b>2,230</b>	<b>2,219</b>
<b>Total Debt</b>	<b>0,000</b>	<b>0,000</b>	<b>0,000</b>	<b>0,000</b>
<b>Capital Expenditures</b>	<b>4,392</b>	<b>4,307</b>	<b>4,000</b>	<b>4,000</b>

Note: The above financial information was prepared based on current Generally Accepted Accounting Principles.

<sup>1</sup>Between 2024 and 2028, Knowledge Network will receive \$2.25 million through a partnership with Creative BC to support three documentary series from mid-career to senior B.C. producers. Knowledge Network will defer this amount and begin to recognize deferred contributions and amortization expense related to these projects from 2026 to 2035. This adheres to the standard six-year license term for Knowledge Network commissions.

<sup>2</sup>Funding for the Luna, Chip and Inkie animated series and other minor income.

## Key Forecast Assumptions, Risks and Sensitivities

Area of Risk	Risk Factors and Sensitivities	Mitigation Strategies
Revenue from Charitable Giving (high risk)	<p>Almost half of the operating budget comes from viewer donations through the Annual Fund.</p> <p>Revenue from charitable giving is declining after a temporary surge in viewership and donations during the pandemic.</p> <p>Inflation is significantly impacting the cost of living, reducing the capacity of people to give to charities.</p> <p>Shrinking donor base due to fewer donors giving to charities in Canada.</p>	<p>Cultivate donor relationships to encourage future bequests and other planned gifts through increased stewardship.</p> <p>Refine online conversion efforts with online viewers through platform driven email campaigns and increased messaging on the streaming platforms.</p> <p>Implement and evaluate the new monthly donor conversion campaign.</p> <p>Reach out to new and diverse communities for donor acquisition.</p>
Attracting and Retaining Talent (high risk)	<p>Increased competition and compensation for skilled labour.</p> <p>Inflation and high cost of living is impacting staff retention as they look for opportunities with higher salaries or look to relocate in less costly communities.</p> <p>Succession planning is challenging in a small organization with few opportunities to bring in additional people to prepare for retirements or advance current employees.</p>	<p>Encourage training and development opportunities as funding allows.</p> <p>Implement new policies, procedures and ongoing workforce training to ensure a culturally safe and inclusive workspace.</p> <p>Expand recruitment efforts to increase diversity in our workforce.</p> <p>Develop new employee engagement strategy.</p>
Audience Growth on Streaming Platforms (high risk)	<p>Competition for audiences from an increasing number of Canadian and international streaming services.</p> <p>Discoverability by audiences is more challenging in the streaming environment than the linear television environment.</p>	<p>Increase audience engagement and marketing activities to reach new audiences and grow brand awareness.</p> <p>Invest in redesign of streaming platforms to enhance user experience.</p>
Increasing Independent Production Costs (high risk)	<p>With production costs and budgets increasing, the license fees we provide producers have increased.</p> <p>Knowledge Network is finding it challenging to keep pace with rising</p>	<p>Increase program-related spending from Endowment Income.</p>

Area of Risk	Risk Factors and Sensitivities	Mitigation Strategies
	programming costs for both documentary and children's programs.	
Streaming Broadcast Rights (high risk)	Increased competition between online streaming services may reduce access to streaming rights.	Continue to strengthen relationships with Canadian and international rights holders.

## Management's Perspective on Financial Outlook

Financial pressures from increased operational and programming costs are becoming an increasing concern for Knowledge Network. The combination of inflation, high interest rates, and high cost of living mean that people are less likely to donate to charities. Almost half of Knowledge Network's operating budget comes from viewer donations. Donation rates are being closely monitored and they are not expected to rise. Salary and benefits costs will exceed \$5.9 million in 2024/25.

Knowledge Network is forecasting \$950,000 in Endowment Fund contributions from donors in 2024/25. As restricted funds, these contributions are held in perpetuity. The organization is also forecasting \$950,000 in Endowment Income. This amount will be invested in programming, freeing up monies to be redirected towards operations. It will not result in a net increase in spend on programming, but it will allow Knowledge Network to maintain current levels of investment. While this enabled Knowledge Network to avoid a Service Plan deficit, it diminishes Knowledge Network's ability to increase investment in original programming that unlocks production financing for producers. Knowledge Network plays a unique role by leveraging federal investment that enables B.C. to get its fair share of federal funding to support B.C. stories and storytellers.

## Appendix A: Subsidiaries and Operating Segments

### **Inactive Subsidiaries**

- Knowledge West Communications Corporation

## Appendix B: Mandate Letter from the Minister Responsible

[Attach the latest Crown Agency mandate Letter from the Minister Responsible after this page]