Knowledge Network Corporation

2025/26
Annual Service Plan Report

August 2026

BRITISH
COLUMBIA

For more information on Knowledge Network Corporation, please contact us at:

4355 Mathissi Place

Burnaby, B.C. V5G 4S8

604.431.2222 Toll Free: 1.877.456.6988

Or visit our website at:

Corporate Website:

about.knowledge.ca

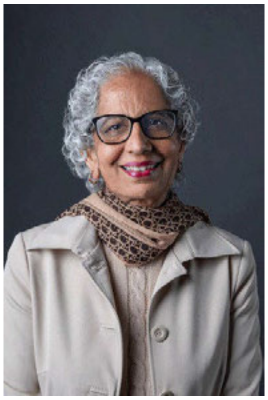
Streaming Platforms:

knowledge.ca

knowledgekids.ca

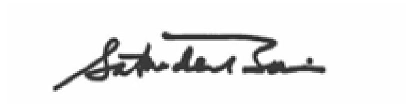
Published by Knowledge Network Corporation

Board Chair's Accountability Statement



Knowledge Network Corporation's 2025/26 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2025/26 – 2027/28 Service Plan published in 2025. The Board is accountable for those results as reported.

Signed on behalf of the Board by:



Satwinder Bains
Board Chair, Knowledge Network Corporation
July 30, 2026

Table of Contents

Letter from the Board Chair & CEO

On behalf of the Board of Directors, we are pleased to submit Knowledge Network Corporation's 2025/26 Annual Service Plan Report.

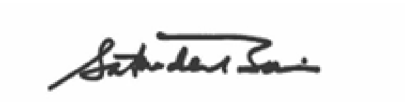
Knowledge Network, British Columbia's public educational broadcast and streaming service, provides viewers with a trusted source of free and commercial free content that enriches minds, fosters understanding and contributes to a connected and more informed society.

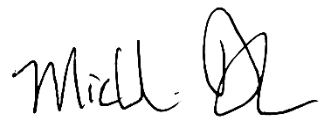
Focused on serving and reflecting diverse B.C. audiences, Knowledge Network provides an important publicly focused viewing option for people living in British Columbia. This includes educational content that fosters learning and emotional development for young children, as well as a curated selection of thought-provoking documentaries, dramas, arts and culture, travel, science, nature, history and performing arts programs for adult viewers.

2025/26 was an outstanding year for Knowledge Original documentaries by diverse B.C. filmmakers. Eight projects had their broadcast premieres on Knowledge Network, including: *Wildfire,* a five part series that delves into the wildfire emergency facing our province and the evolving nature of the work of frontline fighters; *The Salmon's Call*, an exploration of the intricate, multifaceted relationship between wild salmon and Indigenous communities on B.C.'s West Coast and in the Interior; *Forbidden Music,* the story of Kwakwaka'wakw Chief Mungo Martin and Jewish ethnomusicologist Ida Halpern who collaborated on recording over a hundred traditional songs that otherwise would have been lost; *Wake of Our Ancestors*, a compilation of four short films exploring Indigenous cultural resurgence and revitalization; *Have You Heard Judi Singh?,* a portrait of the talented yet little-known Canadian Punjabi-Black jazz singer Judi Singh; *WƎDZ ĮH NƎNE' Caribou Country,* an insightful film looking at the intricate connections between caribou and Dene life and culture in the heart of Tsay Keh Dene territory in northern B.C.; *Spring After Spring,* the story of the late Mimie Ho, a central force behind Vancouver Chinatown's annual Lunar parade; and *Treasure of the Rice Terraces,* a filmmaker's journey from Vancouver to the secluded mountain community of Buscalan to reconnect with his Filipino heritage.

Many of these Knowledge Original documentaries were invited to screenings at B.C., Canadian and international film festivals resulting in broad audience and industry exposure to B.C. talent and stories. Knowledge Network plays a key role in strengthening B.C.'s domestic production sector by triggering federally-regulated production funds for independent producers to create original content. This supports the strength of small B.C. production companies, creating well-paying jobs, and generates high-cultural value content created by and for people living in B.C.

Throughout all of our work, Knowledge Network continues to support the B.C. government's mandate letter priorities by ensuring our programming reflects the experiences and interests of diverse viewers living in B.C. The programs we broadcast inform, enlighten, and connect people in B.C. 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
July 30, 2026

Michelle van Beusekom
President and CEO
July, 30, 2026

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 2024 and the Board Chair's Mandate Letter from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in Knowledge Network Corporation's 2025/26 – 2027/28 Service Plan and the actual results reported on in this annual report.

Purpose of the Organization

Knowledge Network, British Columbia's public educational broadcast and streaming service, provides viewers with a trusted source of free and commercial-free content that enriches minds, fosters understanding and contributes to a connected and more informed society.

Our work is anchored by our values: curious, committed, inclusive and accountable. Focused on serving and reflecting diverse B.C. audiences, Knowledge Network provides an important viewing alternative for people living in British Columbia. This includes educational content that fosters learning and emotional development for young children, as well as a curated selection of thought-provoking documentaries, dramas, arts and culture, travel, science, nature and performing arts programs for adult viewers.

In addition to serving viewers, Knowledge Network plays a key role in strengthening British Columbia's domestic production sector through:

- the commissioning of original B.C. documentaries which also enables independent producers to leverage funding through the Canada Media Fund (CMF) and federally regulated Canadian Independent Production Funds (CIPFs).
- the pre-licensing of original children's programming in partnership with other Canadian public broadcasters, which helps to sustain an industry sector that creates invaluable content for our children.
- working independently and collectively with industry partners to achieve greater equity, diversity, inclusion and accessibility within the broadcast and production sectors.

Knowledge Network is committed to doing our part to meaningfully advance truth and reconciliation, equity, diversity, inclusion and accessibility. The programming that we present impacts the way viewers see their lives, the lives of others and the world around them. The diverse programs we commission from B.C. filmmakers help ensure our viewers see elements of their lives and those of their neighbours reflected on Knowledge Network. At a cultural level, these stories have a profound social impact, helping people to better see and understand one another. For communities whose voices have been historically excluded from mainstream media channels, the sharing of these stories provides validation and supports healing.

Economic Statement

Economic activity in British Columbia advanced in 2025, after modest growth in 2024, despite facing notable headwinds. Last year, homebuilding activity in the province continued at a steady pace, and lower interest rates and easing inflation supported household spending. Meanwhile, high uncertainty around the impacts of U.S. tariffs and significantly lower population growth tempered economic activity in B.C., and across many provinces. Overall, B.C.'s real GDP rose by 2.0 per cent in 2025, up from 1.2 per cent growth in 2024. B.C. was one of only two provinces that saw an increase in the rate of real GDP growth from 2024 to 2025. On an industry basis, B.C.'s economic growth in 2025 was led by real estate, rental and leasing; health care and social assistance services; mining, quarrying, and oil and gas extraction; and construction.

B.C.'s labour market moderated in 2025, amid slower population growth and trade-related economic uncertainty. Total employment rose by 1.1 percent (+32,200 jobs), while wages and salaries rose by 3.1 percent. The unemployment rate averaged 6.2 percent in 2025, up from 5.6 percent in 2024, as labour force growth outpaced job creation. Despite rising last year, B.C.'s unemployment rate remained below the national average of 6.8 percent. B.C. housing starts totalled 44,193 units in 2025, down 3.6 percent from 2024, but remained above the 10-year historical average. Meanwhile, B.C. home sales activity declined by 5.7 percent compared to 2024, with muted demand contributing to a 2.9 percent decrease in the average home price. Inflationary pressures continued to moderate in 2025, reflecting slower price growth for services and subdued inflation for goods. Shelter inflation was the largest contributor to headline inflation last year but slowed substantially for both rented and owned accommodation compared to recent years. Lower gasoline prices, partly due to the removal of the B.C. consumer carbon tax, also helped ease headline inflation. Overall, B.C.'s consumer price inflation averaged 2.1 percent in 2025, down from 2.6 percent in 2024. Lower inflation and easing interest rates supported robust retail sales, which grew by 6.4 percent in 2025. On the trade front, B.C.'s merchandise exports remained relatively flat as markets adjusted to shifting global trade conditions. Overall, the value of B.C.'s goods exports edged down 0.1 percent compared to 2024 as increased exports to non-U.S. destinations were offset by a continued decline in goods exports to the U.S.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2025/26 – 2027/28 service plan. For forward-looking planning information, including current and future performance targets, please see the latest service plan.

Goal 1: People living in British Columbia 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. We will work to attract more viewers through offering an improved experience and programming that resonates with diverse audiences living in British Columbia.

Objective 1.1 Serve and reflect diverse B.C. audiences

Viewers have access to more services, platforms and devices on which to watch content than ever before. Through programming choices, partnerships and investments in audience development, more people living in British Columbia will know about our service. We are focused on increasing reach with our core target demographic of adults 40+ with curious minds, and children 2-8 and their caregivers, and ensuring they see stories that resonate with their lives and reflect their communities and interests.

Key results

- Launched Knowledge Network's new streaming platforms including six apps to provide existing and new audiences with a modern, intuitive, well-designed, curated and accessible streaming experience. The new platforms have been built to align with Web Content Accessibility Guidelines (WCAG) AA accessibility standards.
- Implemented audience engagement campaigns throughout the year including the "Strong and Free" brand campaign; campaigns supporting Knowledge Originals and the "Your Home. Your Stories" cross-platform campaign.
- Informed by insights from qualitative research, launched a multi-platform Knowledge Kids awareness campaign to increase visibility and engagement of our Kids streaming platform.
- Implemented YouTube strategies for both Knowledge Network and Knowledge Kids profiles to optimize our presence on that platform.
- Established new strategic relationships with independent theatres and built on partnerships with film festivals and cultural publications to extend our reach to and visibility of Knowledge Network with relevant audiences and communities.

Summary of progress made in 2025/26

On March 31, 2026, we launched the first phase of the new Knowledge streaming platforms including new apps for iOS, Android and connected TV apps Apple TV, Android TV, Roku, and Amazon Fire TV. The new platforms have been built to align with WCAG AA accessibility standards.

This was a major, two-year internally-led and self-funded undertaking. Our original Knowledge.ca streaming site launched in 2018 and required a complete rebuild and redesign to make it easier for audiences to discover and watch Knowledge Network programming across devices with faster and more stable streaming performance. The new streaming platforms are essential for building on audience engagement and content promotion efforts.

Strategic investments were made in cross-platform audience engagement campaigns highlighting a rich collection of new B.C.-made point of view documentaries that centre diverse voices and powerful stories from across the province.

Throughout 2025/26 we connected with communities through both Knowledge Network and filmmaker hosted screenings of Knowledge Originals including *Wildfire* in Kelowna, *The Salmon's Call* in Prince George, and *Have You Heard Judi Singh?* and *Spring After Spring* in Vancouver.

Performance measure and related discussion

Performance Measure	2024/25 Actual	2025/26 Target	2025/26 Actual
[1a] Videos streamed on Knowledge.ca and related apps[1]	2,973,367	3,008,800	2,772,579
[1b] Videos streamed on Knowledgekids.ca and related apps[2]	5,108,302	5,000,000	4,725,410
[1c] Total market share on television[3]	5.3%	4.5%	4.5%

Data source:
1a and 1b: Google Analytics 4 and YouTube analytics. Tracks total videos played for a minimum of one minute across all websites, Apps and YouTube channels in a fiscal year. Knowledge Kids Android App data issue over last 6 months of 2025; estimate based on viewership trends included in 2025/26 actual.
1c: 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).
[1]PM 1a targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 3,010,800 and 3,012,800, respectively.
[2]PM 1b targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 5,000,000 and 5,000,000, respectively.
[3]PM 1c targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 4.5% and 4.5%, respectively.

Videos streamed on Knowledge.ca and Apps were 7.8 percent below target. We are continuously working towards building audiences within the constraints of limited resources for marketing and promotion. One of our most significant challenges in the streaming environment is discoverability. This is an ongoing challenge as unlike television[1], there is no priority positioning for Canadian public or public interest streaming services, making it difficult for people to find our service. The new streaming platforms improve the user experience with modernized design and increased accessibility however it is marketing that brings new viewers to the platforms. It takes time and sustained investment in marketing and promotion to connect with new audiences. The Canadian Radio-television and Telecommunications Commission (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 5.5 percent below target. This can be attributed to similar discoverability challenges, as outlined above. We are continuing to incorporate insights from the qualitative research conducted in summer 2025 to reach parents and caregivers with information about our commercial-free, educational programming.

Total market share on television demonstrates Knowledge Network's share of the total television viewing audience. In 2025/26, this target was achieved within a 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.

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: Strengthen BC's domestic production sector

In a time of significant destabilization and audience fragmentation across the screen sector, commissioning and pre-licensing a rich and diverse cross-section of programming and connecting these stories with B.C. audiences will help to strengthen B.C.'s domestic production sector. Strategic partnerships, as well as concrete targets and metrics will further strengthen the sector by helping dismantle the historic and present-day barriers that have limited the full participation of equity deserving groups in creating original screen content.

[1] 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.

Key results

- Moved two one-off[2] documentaries and three documentary series into production including two projects under *Stories (Un)told* - our premium limited docuseries commissioning stream[3].
- Completed the third of three calls for submissions from B.C. independent producers for *Stories (Un)told*. Two of the three selected projects are from majority-owned B.C. IBPOC (Indigenous, Black, People of Colour) production companies.
- Premiered eight Knowledge Originals – one series and seven one-off documentaries.
- Continued ongoing collaboration with key industry partners to support shared objectives around promoting equity in the sector.
- Engaged in outreach, strategic sponsorships and presence at festivals and industry events throughout the year including the East by Northwest conference, DOXA, the Vancouver International Film Festival, the Vancouver Asian Film Festival, the International South Asian Film Festival and the Sundar Prize Film Festival to build trust, relationships and increase our accessibility to potential production partners.

Summary of progress made in 2025/26

Knowledge Network continued to work with a more diverse range of B.C. creators, building on our commitment to cultivate relationships with Indigenous and racialized independent producers to promote screen equity.

Documentaries commissioned by Knowledge Network that moved into production in 2025/26 include:

- *Styel̓ép Coming Full Circle* - follows a story of land guardianship, when four Secwépemc youth enrol in the inaugural year of their Nations guardian program and grapple with coming of age in the climate crisis. Director: Sean Stiller, Producer: Jessica Hallenbeck.
- *Romancing The Atom* - follows Canadian photographer Robert del Tredici's on his ongoing 50-year journey documenting the invisible world of nuclear weapons and his hard-won insights into nuclear deterrence. Director: Mark Achbar, Producer: Betsy Carson.

Documentary series commissioned by Knowledge Network that moved into production in 2025/26 include:

- *Search and Rescue: Legends* - building on the popular documentary series *Search and Rescue North Shore*, this new series delves into archival reports, first-hand accounts, and on-the-ground footage to share the untold stories of legendary rescues and of

---

[2] One-off documentaries refer to a single documentary (e.g., 1 hour) as opposed to a series (e.g., 3-5 hours).

[3] A commissioning stream in partnership with Creative BC, for mid-career to senior B.C. producers and directors to create premium limited documentary series. 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 in 2023.

volunteers whose courage and grit have shaped the new generation of frontline rescuers. Director: Grant Baldwin. Producer: Jenny Rustemeyer.

- *Seeking Saltwater City* – explores the theme of filial piety and how it echoes through the lives of the Chinese Canadian diaspora. Director: Danny Berish, Producer: Joanna Wong, Ryan Mah, Danny Berish. Part of the *Stories (Un)told* commissioning stream.
- *Rural Med: Care On The Edge* – explores the landscape of communities and people that keep health care accessible to those in rural B.C. Director/Producer: Sheona McDonald, Executive Producer: OmniFilm Entertainment. Part of the *Stories (Un)told* commissioning stream.

Performance measure and related discussion

Performance Measure	2024/25 Actual	2025/26 Target	2025/26 Actual
[2a] 25% of licence fees invested by Knowledge Network in first-window[4] commissions of original one-off documentaries will be with projects led by majority-owned (min 51 percent) BC independent Indigenous production companies (total commissions over six years).	N/A	Remain on track to reach 25% over six years	On track to reach 25% over six years
[2b] 50% of licence fees invested by Knowledge Network in first-window commissions of original one-off documentaries will be with projects led by majority-owned (min 51 percent) BC independent BPOC (Black and People of Colour) production companies (total commissions over six years).	N/A	Remain on track to reach 50% over six years	On track to reach 50% over six years

Data source:
2a and 2b: Letters of Intent agreements entered with independent producers in a fiscal year. Knowledge Network will commission a minimum of 2 original one-off documentaries annually or a minimum total of 12 projects over the 6-year time-period corresponding with the commitment period. Due to the long production timelines for one-off original projects (these typically cross fiscal years), a 6-year time-period provides the lead-time needed to appropriately plan for and meet the established targets. 2a] targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as “remain on track to reach 25% over six years” and “remain on track to reach 25% over six years,” respectively.
PM [2b] targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as “remain on track to reach 50% over six years” and “remain on track to reach 50% over six years,” respectively.

In our 2025/26 Service Plan, Knowledge Network established new equity-based commissioning targets: between 2025/26 and 2030/31, 25 percent of license fees invested by Knowledge Network in first-window commissions of original one-off documentaries will be with projects

[4]Knowledge Network supports the project early in the process, often during the development phase. Knowledge Network is involved creatively and has the exclusive broadcast rights in Canada.

led by majority-owned (minimum 51 percent) B.C. independent Indigenous production companies and 50 percent will be with projects led by majority-owned (minimum 51 percent) BPOC production companies (total commissions over six years).

In 2025/26, two first-window documentary projects were commissioned that align with equity targets: *Styel̓ép Coming Full Circle* and *Romancing The Atom.*

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 operational 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: Sustain philanthropic revenue

Across the non-profit sector, charitable giving has declined post-pandemic in large part due to economic uncertainty and inflationary pressures. Building new audiences, focusing on long term retention efforts (including legacy giving) and undertaking new acquisition activities will help stabilize philanthropic revenue for the near term, so we can sustain current levels of operation.

Key results

- Exceeded last year's total revenue result in the Annual Fund by almost 1.6%.
- Hosted two Knowledge Partner screenings to help build and steward relationships with current donors.
- Grew the average gift in Annual Fund by 6% to $180.
- Raised 13% more than last year in major gifts (Leadership Circle)[5]
- Acquired 2% more new donors than last year.

Summary of progress made in 2025/26

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

[5] Donors who contribute $600 or more annually.

by strategies that considered economic conditions, donor preferences, and technology advancements.

In 2025/26, we hosted two Knowledge Partners screenings: in Kelowna for the Knowledge Original documentary series *Wildfire*, and in Victoria at the Royal BC Museum Imax Theatre for *The Painted Life of E.J. Hughes.* Both screenings gave donors and other guests an opportunity to meet the B.C. production team and participants to help build and steward relationships with current donors and raise awareness of and pride in the original "by us, for us" stories that donations enable.

We also collaborated with independent producers on their own screening events to provide additional stewardship opportunities for Knowledge Partners and to raise awareness of our Philanthropy program with new audiences (e.g. *Have You Heard Judi Singh?, Spring After Spring).*

Performance measure and related discussion

Performance Measure	2024/25 Actual	2025/26 Target	2025/26 Actual
[3a] Knowledge Partner Donations[1]	$5,948,025[6]	$5,800,000	$6,038,000
[3b] Legacy Circle Donors[2]	1062	1080	1085

Data source: Blackbaud donor database.
3a: Tracks total Knowledge Partner donations received each fiscal year.
3b: Tracks total number of individuals who have notified us that they have left a gift to Knowledge Network in their will (cumulative).
[1]PM #3a targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as $5,800,000 and $5,800,000 respectively.
[2]PM #3b targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 1100 and 1120 respectively.

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

Donations from Knowledge Partners to the Annual Fund exceeded the target by four percent. This measure reflects donations to the Annual Fund received from new, renewing, and recovered donors in a fiscal year. Despite this very loyal donor base, our ability to sustain current levels of donor revenue is uncertain given the challenging economy and ongoing increase in the cost of living.

The number of Legacy Circle donors continues to grow and slightly exceeded the target. Efforts in raising awareness of our Legacy Giving program through the Endowment Fund continued in 2025.

We received the largest lifetime endowment gift in our history from Marianne Gibson. She has created the Marianne and Edward Gibson Endowed Fund, a permanent endowment, the income of which is restricted to supporting the creation of original B.C. documentaries.

[6]Does not include the recognition of deferred gifts received in the previous fiscal year of $345,000 as noted in the financial summary table.

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

Knowledge Network made necessary strategic investments in 2025/26 including: audience engagement; building, testing and launching new streaming platforms; cyber security and upgrading aging broadcast and corporate IT infrastructure and equipment, while continuing to manage the costs of mandated salary increases and inflation to deliver a quality broadcast and streaming service to our viewers. The Province's operating contribution has remained unchanged for several years and we rely on donations to ensure our ability to deliver on mandate priorities. Despite moderately surpassing our donations target and exceeding our projections for endowment income revenue, we have had to limit our investment in the commissioning of original B.C. content to ensure we remain on budget.

This resulted in a lost opportunity for B.C. producers who use our license fees to leverage financing and create quality production sector jobs. For example, in 2025/26, Knowledge Network's committed broadcast license fees of $1,841,500 for commissioned one off documentaries and series enabled five B.C. production companies to collectively leverage $6,498,354 in additional financing for their projects (from federally regulated production funds, provincial funds, and tax credits). With less commissioning activity, the power of leveraging is reduced. It also results in fewer new, quality programs being created by and for audiences living in B.C. We anticipate that financial pressure will continue to limit our capacity to invest in costly yet high cultural value original B.C. content with locally based producers.

Production funding (flow-through) actuals represent final payments from the Canada Media Fund and our production partner for season two of *Luna, Chip & Inkie: Adventure Rangers Go* animated children's series. This revenue was not included in the 2025/26 budget as it was dependent on final business affairs deliverables being completed.

Actual donations received in 2025/26 in the Annual Fund were lower than donations from the previous fiscal year but higher than budgeted, noting that 2024/25 actuals include recognition of deferred gifts received in the previous fiscal year of $345,000. 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, geopolitical instability, increase in the cost of living, and changes in donor habits[7], the Annual Fund is not an area of projected growth, nor is it a reliable source of funding to cover operating and programming costs. In addition, because we budget against donations we have not yet raised, and even though we maintain a conservative approach

[7] In 2025/26 there was a shift in donation patterns, with more donations being made at the end of the year making it difficult to forecast year end results. This may be due in part to the external factors including a challenging economy, geopolitical instability, and increases in the cost of living.

when developing annual budgets, we face a continual risk of not hitting our target which we manage by maintaining a modest cash reserve.

Knowledge Network received $4,198,770 in contributions to the Knowledge Endowment Fund and $1,921,050 in Endowment Revenue. Contributions 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 and we are projecting increases annually.

Financial Summary[1]

($000s)	2024/25 Actual	2025/26 Budget	2025/26 Actual	2025/26 Variance
Revenues				
Province of B.C. Operating Contributions	6,611	6,611	6,611	-
Annual Fund Donations	6,294[2]	5,800	6,040	240
Amortization of Deferred Contributions - Province	126	144	119	(25)
Other Revenue and Production Funding	829	65	337	272
Endowment Investment Income (restricted for programming)	1,306	1,000	1,921	921
Total Revenue	**15,166**	**13,620**	**15,028**	**1,408**
Expenses				
Curation and Audience Engagement	2,986	3,040	3,431	391
Philanthropy and Communications	2,470	2,617	2,663	46
Broadcast Platforms and Streaming Channels	2,817	2,550	3,340	790
Amortization of Broadcast Rights and Equipment	3,873	3,936	3,900	(36)
Administration	1,884	1,653	1,735	82
Total Expenses	**14,030**	**13,796**	**15,069**	**1,273**
Surplus (Deficit) from Operations	**1,136**	**(176)**	**(41)**	**135**
Endowment Contributions Received (Restricted)[3]	**4,528**	**950**	**4,199**	**3,249**
Annual Surplus	**5,664**	**774**	**4,158**	**3,384**
Total Liabilities	**2,419**	**4,200**	**2,896**	**(1,304)**
Capital Expenditures	**4,330**	**5,082**	**4,809**	**-273**
Accumulated Surplus	**41,486**	**42,309**	**45,644**	**3,335**

[1] The above financial information was prepared based on current Generally Accepted Accounting Principles.
[2] Includes recognition of deferred gifts received in the previous fiscal year of $345,000.
[3] 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 Knowledge Partners were $240,100 more than budget.

Endowment Investment Income
Endowment Investment Income was $921,050 more than budget due to larger than expected endowment contributions.

Other Revenue and Production Funding (Flow-Through)
The budget variance of $233,000 is primarily due to the final payment of $372,602 received from the Canada Media Fund for season two of *Luna, Chip & Inkie: Adventure Rangers Go*.

Curation and Audience Engagement
Expenses were $390,000 more than budget primarily due to:

	Budget Variance
Self-funded mandated salary increases	$32,564
Described Video to meet CRTC conditions of license	$60,949
Closed Captioning to meet CRTC conditions of license	$18,439
Business Affairs: Legal (updating all licensing agreements)	$30,076
Audience Engagement – digital marketing/campaigns	$210,119
Subscriptions	$25,598
	$377,745

Philanthropy and Communications
Expenses were $46,000 more than budget primarily due to $33,781 for self-funded mandated salary increases.

Broadcast Platforms and Corporate IT
Expenses were $889,000 more than budget primarily due to:

	Budget Variance
Self-funded mandated salary increases	$41,780
Streaming software – Amazon Web Services	$245,212
Streaming platform hosting and testing	$115,321
Broadcast signal distribution – satellite costs	$22,684
IT infrastructure – increased virtualization software	$234,431
Cybersecurity	$96,354
	$755,781

Amortization of Broadcast Rights and Capital Equipment
Amortization expense was 2.8 percent less than budget due to:

	Budget	**Actual**	**Variance**
Amortization Capital Equipment	$325,000	$214,583	$(110,417)
Amortization Broadcast Rights	$3,611,416	$3,685,487	$74,071
Total Amortization	$3,936,416	$3,900,070	$(36,346)

Administration
Administration costs were $82,000 more than budget due to:

	Variance
Self-funded mandated salary increases	$34,379
Director of Finance transition (period of overlap)	$36,778
Increase in building operational costs	$11,134
	$82,291

Endowment Contributions
Endowment contributions received were $3,248,770 more than budget. 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
Capital asset purchases increased by $759,000 more than budget due to upgrading aging broadcast and corporate IT infrastructure and equipment.

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 and increasing online conversion efforts. Through improved impact reporting, we encourage retention and legacy giving.

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 have reallocated funding to support audience engagement and promotion to grow brand awareness, build audiences for programming and reach new, diverse audiences, despite managing a limited marketing budget.

Increasing Independent Production Costs – As the cost of production increases, Knowledge must increase license fees for producers to meet the minimum amount required to trigger production funding from the Canada Media Fund. We have adjusted original commissioning levels to a minimum of two original one-off documentaries annually. Increasing revenue from Endowment Income is helping to manage these costs.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2025 Mandate Letter from the Minister Responsible.

2025 Mandate Letter Priority	Status as of March 31, 2026
Provide people living in British Columbia with a quality, trusted, freely available, and commercial-free programming service on television and streaming platforms.	• Completed the rebuild of Knowledge streaming platforms including apps to provide existing and new audiences with a modern, intuitive, well-designed and high-quality streaming experience. Included work with an accessibility consultant to guide WCAG AA compliance.
Broadcast/stream curated, diverse programming that enriches minds, fosters understanding, and contributes to a more connected, inclusive, and informed society. This includes content for young children, rooted in principles of early childhood development, and adult programming exploring topics such as history, arts, culture, Indigenous perspectives, nature, and climate change.	• Continued to diversify programming from B.C., Canada and around the world, ensuring more people living in B.C. see aspects of their lives and backgrounds reflected in the programming. Highlights include the Singaporean drama *The Bridge*; the Indigenous Australian drama *Mystery Road: Origins*; factual programming including *Looted*, about the colonial plunder of Asian artifacts; and documentaries including *So You Want to Be a Muslim*, *Batata*, *Ari's Theme* and *Overtime*. • Broadcast children's series that help kids of all abilities explore their passions and potential futures. Highlights include *Run, Jump, Play* that features kids on the autism spectrum who find courage, fun and friendship through sports and *Polly Can Do* about a feisty and imaginative five- year-old with cerebral palsy.

2025 Mandate Letter Priority	Status as of March 31, 2026
Collaborate with diverse BC-based independent producers to create original documentaries for Knowledge Network audiences, leverage federal funding, and strengthen BC’s domestic production sector.	• Commissioned two one-off documentary projects that align with equity targets set out in our Service Plan. • Commissioned three documentary series including two projects under *Stories (Un)told* - our premium limited docuseries commissioning stream. • Knowledge Network commissioned one-off documentaries and series leveraged $4,365,706 from the Canada Media Fund, federally regulated Canadian Independent Production Funds and federal tax credits.
Ensure Indigenous and racialized independent producers are equitably reflected in Knowledge Network's commissioned programming by setting measurable reparations-based targets and metrics in the service plan.	• Commissioned the documentary *Styel̓ép Coming Full Circle* which follows a story of land guardianship, when four Secwépemc youth enrol in the inaugural year of their Nations guardian program and grapple with coming of age in the climate crisis. • Moved into development the Indigenous animated preschool series *Noch Noch*, which takes viewers through a magical front door leading to adventure, laughter and Gitxsan teachings.

Appendix B: Subsidiaries and Operating Segments

Inactive Subsidiary

- 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, 2026

KPMG LLP
777 Dunsmuir Street, 11th floor
Vancouver, BC V7Y 1K3
Canada
Tel 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, 2026
- 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, 2026 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 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 group audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
June 9, 2026

KNOWLEDGE NETWORK CORPORATION

Consolidated Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
Financial assets:		
Cash (note 3(a))	$ 743,628	$ 551,489
Accounts receivable	32,334	224,735
Short-term investments (note 3(b))	185,000	-
	960,962	776,224
Liabilities:		
Accounts payable and accrued liabilities	938,795	1,093,733
Deferred contributions (note 4)	1,956,714	1,325,746
	2,895,509	2,419,479
Net financial liabilities	(1,934,547)	(1,643,255)
Non-financial assets:		
Broadcast rights (note 5)	10,897,350	10,753,532
Tangible capital assets (note 6)	2,157,578	1,392,872
Prepaid expenses	523,522	573,201
Endowment investments (restricted) (note 3(c))	42,555,230	36,437,749
	56,133,680	49,157,354
Accumulated surplus (note 13)	$ 54,199,133	$ 47,514,099
Accumulated surplus is comprised of:		
Accumulated surplus	$ 45,644,304	$ 41,486,180
Accumulated remeasurement gains	8,554,829	6,027,919
	$ 54,199,133	$ 47,514,099

Commitments (note 9)

See accompanying notes and schedule to consolidated financial statements.

Approved on behalf of the Board:

Signed by:
3057777DDE14404...
Satwinder Bains
Chair of the Board

Signed by:
3A212FEF9D1F4D1...
Philip Leong
Chair of the Audit and Finance Committee

KNOWLEDGE NETWORK CORPORATION

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2026, with comparative information for 2025

	Budget (note 14)	2026	2025
Revenue (note 16, Schedule):			
Province of British Columbia operating contribution	$ 6,611,000	$ 6,611,000	$ 6,611,000
Donations	5,800,000	6,040,100	6,294,072
Production funding and other (note 7)	65,000	336,912	828,988
Amortization of deferred contributions (note 4)	144,000	119,032	125,614
Endowment investment income	1,000,000	1,921,050	1,305,868
	13,620,000	15,028,094	15,165,542
Expenses (note 16, Schedule):			
Curation and audience engagement	3,040,281	3,430,597	2,986,191
Philanthropy and communications	2,617,086	2,663,120	2,470,205
Broadcast platforms and corporate IT	2,549,586	3,340,417	2,816,981
Amortization	3,936,416	3,900,070	3,872,827
Administration	1,652,631	1,734,536	1,883,627
	13,796,000	15,068,740	14,029,831
Annual surplus (deficit) from operations	(176,000)	(40,646)	1,135,711
Endowment contributions received	950,000	4,198,770	4,527,963
Annual surplus	774,000	4,158,124	5,663,674
Accumulated surplus, beginning of year	41,486,180	41,486,180	35,822,506
Accumulated surplus, end of year	$ 42,260,180	$ 45,644,304	$ 41,486,180

See accompanying notes and schedule to consolidated financial statements.

KNOWLEDGE NETWORK CORPORATION

Consolidated Statement of Remeasurement Gains

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Accumulated remeasurement gains, beginning of year	$ 6,027,919	$ 4,302,110
Unrealized gains attributable to investments	2,387,408	1,769,863
Amounts realized and reclassified to consolidated statement of operations and accumulated surplus:		
Realized losses (gains) on investment	139,502	(44,054)
Net remeasurement gains for the year	2,526,910	1,725,809
Accumulated remeasurement gains, end of year	$ 8,554,829	$ 6,027,919

See accompanying notes and schedule to consolidated financial statements.

KNOWLEDGE NETWORK CORPORATION

Consolidated Statement of Changes in Net Financial Liabilities

Year ended March 31, 2026, with comparative information for 2025

	Budget (note 14)	2026	2025
Annual surplus	$ 774,000	$ 4,158,124	$ 5,663,674
Net remeasurement gains for the year	-	2,526,910	1,725,809
	774,000	6,685,034	7,389,483
Acquisition of tangible capital assets	(220,000)	(979,289)	(173,676)
Amortization of tangible capital assets	325,000	214,583	240,220
	105,000	(764,706)	66,544
Acquisition of broadcast rights	(4,861,700)	(3,829,305)	(4,155,986)
Amortization of broadcast rights	3,611,416	3,685,487	3,632,607
	(1,250,284)	(143,818)	(523,379)
Acquisition of endowment investments (restricted)	(950,000)	(6,117,481)	(6,497,961)
Acquisition of prepaid expenses	-	(523,522)	(573,201)
Use of prepaid expenses	-	573,201	257,495
	-	49,679	(315,706)
Decrease (increase) in net financial liabilities	(1,321,284)	(291,292)	118,981
Net financial liabilities, beginning of year	(1,643,255)	(1,643,255)	(1,762,236)
Net financial liabilities, end of year	$ (2,964,539)	$ (1,934,547)	$ (1,643,255)

See accompanying notes and schedule to consolidated financial statements.

KNOWLEDGE NETWORK CORPORATION

Consolidated Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided (used by):		
Operations:		
Annual surplus	$ 4,158,124	$ 5,663,674
Items not involving cash:		
Loss (gain) on sale of investments	139,502	(44,054)
Amortization of deferred contributions	(119,032)	(125,614)
Amortization of tangible capital assets	214,583	240,220
Amortization of broadcast rights	3,685,487	3,632,607
	8,078,664	9,366,833
Changes in non-cash operating working capital:		
Accounts receivable	192,401	78,545
Prepaid expenses	49,679	(315,706)
Accounts payable and accrued liabilities	(154,938)	445,307
Deferred revenue, projects	-	(344,537)
	8,165,806	9,230,442
Financing:		
Contributions received for broadcast rights	750,000	500,000
Proceeds from line of credit	-	(230,000)
	750,000	270,000
Investments:		
Net change in investments	(3,915,073)	(4,728,098)
Capital:		
Acquisition of tangible capital assets	(979,289)	(173,676)
Acquisition of broadcast rights	(3,829,305)	(4,155,986)
	(4,808,594)	(4,329,662)
Increase in cash	192,139	442,682
Cash, beginning of year	551,489	108,807
Cash, end of year	$ 743,628	$ 551,489

See accompanying notes and schedule to consolidated financial statements.

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 these 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 taxpayer 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.

2. Significant accounting policies (continued):

(a) Basis of accounting (continued):

For British Columbia taxpayer 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.

These 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.

(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.

2. Significant accounting policies (continued):

(e) 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.

(f) 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.

The Corporation's investments are all considered to be Level 1 financial instruments for which the fair value is determined based on quoted prices in active markets. Changes in fair valuation methods or in the availability of market observable inputs may result in a transfer between levels. During the year, there were no significant transfers of securities between the different levels.

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.

2. Significant accounting policies (continued):

(f) Financial instruments (continued):

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

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.

(*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.

(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 the useful lives and amortization of tangible capital assets and broadcast rights, amount and timing of deferred contributions recognized in income, valuation of accounts receivable, and provision for contingencies. Actual results could differ from those estimates.

2. Significant accounting policies (continued):

(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, 2025, a nil income tax return (2024 - nil) was filed.

(j) Endowment investments (restricted):

The endowment investments consist of bequests, donations or other gifts received by the Corporation designated to the Endowment Fund. The principal amount of endowment contributions are restricted and permanently invested. Annual income generated from investment of the endowment must be used to fund programming on Knowledge Network's services.

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, 2026, the balance in the US dollar account, denominated in Canadian dollars, was $52,515 (2025 - $81,860).

(b) Short-term investments:

The Corporation's short-term investments are made up of funds on deposit readily redeemable within maturity dates ranging from ninety days to one year from the time of acquisition. Term deposit held with Royal Bank of Canada is carried at amortized cost, with interest at 2.45%, maturing in November 2026.

(c) Endowment investments (restricted):

	2026	2025
Fixed income	$ 11,215,334	$ 9,917,114
Common shares measured at fair value	21,985,280	19,317,639
Other investments measured at fair value	9,354,616	7,202,996
	$ 42,555,230	$ 36,437,749

3. Cash and investments (continued):

(c) Endowment investments (restricted) (continued):

Changes in endowment investments are comprised of the following:

	2026	2025
Balance, beginning of year	$ 36,437,749	$ 29,939,788
Endowment contributions received	4,198,770	4,527,963
Withdrawals	(1,967,000)	(950,000)
Internal transfer from (to) cash	(365,471)	45,248
Net remeasurement gains	2,526,910	1,725,809
Endowment investment income	1,921,050	1,305,868
Investment fees	(196,778)	(156,927)
Balance, end of year	$ 42,555,230	$ 36,437,749

4. Deferred contributions:

	2026	2025
Deferred contributions related to:		
Tangible capital assets (a)	$ 341,172	$ 388,132
Broadcast rights (b)	1,615,542	937,614
	$ 1,956,714	$ 1,325,746

(a) Tangible capital assets:

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

	2026	2025
Balance, beginning of year	$ 388,132	$ 441,674
Amortization of deferred contributions	(46,960)	(53,542)
Balance, end of year	$ 341,172	$ 388,132

(b) Broadcast rights:

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

	2026	2025
Balance, beginning of year	$ 937,614	$ 509,686
Contributions received	750,000	500,000
Amortization of deferred contributions	(72,072)	(72,072)
Balance, end of year	$ 1,615,542	$ 937,614

5. Broadcast rights:

	2026	2025
Cost:		
Opening balance	$ 22,285,167	$ 21,217,782
Additions	3,829,305	4,155,986
Expired rights	(4,708,409)	(3,088,601)
	21,406,063	22,285,167
Accumulated amortization:		
Opening balance	11,531,635	10,987,629
Amortization	3,685,487	3,632,607
Expired rights	(4,708,409)	(3,088,601)
	10,508,713	11,531,635
Net book value	$ 10,897,350	$ 10,753,532

6. Tangible capital assets:

	Furniture and fixtures	Computer equipment	Other equipment	Software	Broadcast equipment	Leasehold improvements	2026
Cost:							
Opening balance	$ 880,545	$ 4,081,383	$ 2,396,439	$ 525,715	$ 14,261,419	$ 37,695	$ 22,183,196
Additions	-	979,289	-	-	-	-	979,289
Closing balance	880,545	5,060,672	2,396,439	525,715	14,261,419	37,695	23,162,485
Accumulated amortization:							
Opening balance	846,534	3,536,512	2,396,439	513,795	13,459,349	37,695	20,790,324
Amortization	3,401	108,974	-	5,959	96,249	-	214,583
Closing balance	849,935	3,645,486	2,396,439	519,754	13,555,598	37,695	21,004,907
Net book value	$ 30,610	$ 1,415,186	$ -	$ 5,961	$ 705,821	$ -	$ 2,157,578

	Furniture and fixtures	Computer equipment	Other equipment	Software	Broadcast equipment	Leasehold improvements	2025
Cost:							
Opening balance	$ 880,545	$ 3,918,983	$ 2,396,439	$ 525,715	$ 14,250,143	$ 37,695	$ 22,009,520
Additions	-	162,400	-	-	11,276	-	173,676
Closing balance	880,545	4,081,383	2,396,439	525,715	14,261,419	37,695	22,183,196
Accumulated amortization:							
Opening balance	842,755	3,420,595	2,396,439	501,876	13,350,744	37,695	20,550,104
Amortization	3,779	115,917	-	11,919	108,605	-	240,220
Closing balance	846,534	3,536,512	2,396,439	513,795	13,459,349	37,695	20,790,324
Net book value	$ 34,011	$ 544,871	$ -	$ 11,920	$ 802,070	$ -	$ 1,392,872

7. Production funding:

During the year ended March 31, 2026, the Corporation did not receive payments for Luna, Chip & Inkie Season 1 (2025 - $331,386). The Corporation received payments for Season 2 in the amount of $372,602 (2025 - $9,200).

8. Line of credit:

The Corporation has a revolving demand credit facility bearing interest at prime plus 0.50% (2025 - 0.50%) per annum. The available facility is to a maximum of $1,500,000 (2025 - $1,500,000). As at March 31, 2026, there were no amounts drawn on this credit facility (2025 - nil).

9. Commitments:

(a) Satellite transmission service:

The Corporation acquires satellite transmission services at an annual cost of approximately $142,684 (2025 - $141,396) under agreements covering the period, September 1, 2023 to August 31, 2028.

(b) License fees and production costs:

The Corporation acquires programs which require the commitment of funds. As at March 31, 2026, the Corporation is committed to pay $2,792,215 (2025 - $2,240,186) for license fees over the period April 2026 to March 2028.

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 $331,134 (2025 - $317,885).

11. Pensions:

The Corporation and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trusteed 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, 2025, the College Pension Plan has about 17,500 active members and 11,800 retired members. As at December 31, 2024, the Municipal Pension Plan has approximately 273,000 active members, including approximately 7,000 from colleges.

11. Pensions (continued):

Active College Pension Plan members include 17 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, 2024, indicated a $3.8 million unfunded liability for basic pension benefits. This was covered by a transfer from the rate stabilization account leaving the basic pension account balanced at the valuation date on a going concern basis. The next valuation will be as of August 31, 2027, with results available in 2028.

The most recent valuation for the Municipal Pension Plan as at December 31, 2024, indicated a $2,675 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as of December 31, 2027, with results available in 2028.

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 $481,099 (2025 - $455,843) for employer contributions while employees contributed $461,209 (2025 - $435,403) to the plans in fiscal 2026.

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, 2026:

(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 short-term investments, 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.

12. Financial instruments risks (continued):

(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 rate 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.

(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 have been no changes to these risk exposures from the prior year.

13. Accumulated surplus:

Accumulated surplus is comprised of the following:

	2026	2025
Invested in tangible capital assets	$ 1,816,406	$ 1,004,740
Invested in broadcast rights	9,281,808	9,815,919
Endowment funds (restricted)	42,555,230	36,437,749
Unrestricted surplus	545,689	255,691
Balance, end of year	$ 54,199,133	$ 47,514,099

14. Budget figures:

Consolidated budgeted figures have been provided for comparison purposes and have been derived from the 2025/2026 Service Plan estimates approved by the Board on January 31, 2025.

15. Comparative information:

Certain comparative information has been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year's annual surplus or accumulated surplus balances.

16. 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:

Curation and Audience Engagement:

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 Luna, Chip & Inkie series (note 7).

Philanthropy and Communications:

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.

Philanthropy and Communications (continued):

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.

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 Revenues and Expenses by Object

Year ended March 31, 2026, with comparative information for 2025

	Curation and audience engagement	Philanthropy and communications	Broadcast platforms and corporate IT	Amortization of broadcast rights and capital equipment	Administration	2026 consolidated	Budget consolidated (note 14)	2025 consolidated
Province of British Columbia operating contribution	$ -	$ -	$ -	$ -	$ 6,611,000	$ 6,611,000	$ 6,611,000	$ 6,611,000
Donations	-	6,040,100	-	-	-	6,040,100	5,800,000	6,294,072
Production funding and other	336,912	-	-	-	-	336,912	65,000	828,988
Amortization of deferred contributions	-	-	-	119,032	-	119,032	144,000	125,614
Endowment investment income	-	-	-	-	1,921,050	1,921,050	1,000,000	1,305,868
Total revenue	$ 336,912	$ 6,040,100	$ -	$ 119,032	$ 8,532,050	$ 15,028,094	$ 13,620,000	$ 15,165,542

	Curation and audience engagement	Philanthropy and communications	Broadcast platforms and corporate IT	Amortization of broadcast rights and capital equipment	Administration	2026 consolidated	Budget consolidated (note 14)	2025 consolidated
Salaries and benefits	$ 2,184,575	$ 1,358,634	$ 1,793,135	$ -	$ 902,817	$ 6,239,161	$ 6,338,913	$ 6,184,051
Amortization of capital assets and broadcast rights	-	-	-	3,900,070	-	3,900,070	3,936,416	3,872,827
Purchased services	1,075,807	583,779	481,210	-	288,385	2,429,181	1,655,711	1,705,990
Supplies, shipping, minor software, maintenance	49,099	563,283	1,031,124	-	77,799	1,721,305	1,111,440	1,334,916
Travel, miscellaneous, other	114,041	152,535	34,948	-	134,402	435,926	413,520	610,875
Facilities operating costs, rental	7,075	4,889	-	-	331,133	343,097	340,000	321,172
Total expenses	$ 3,430,597	$ 2,663,120	$ 3,340,417	$ 3,900,070	$ 1,734,536	$ 15,068,740	$ 13,796,000	$ 14,029,831