

Message from CKUA CEO Marc Carnes,

Edmonton, Alberta – March 7, 2024

You will recall that last April, I shared our urgent need to raise \$3 Million by September 30 to prevent CKUA from shutting down. Nearly a year later, through the tremendous support of our April and October fundraisers, additional community support, and careful cost management, we narrowly bridged that gap.

With that, our falling cash position stabilized.

Operations continued uninterrupted.

We quietly began a major fundraising effort to pay off our debt, make investments in strategic growth areas, and secure CKUA's future.

And, we paid down a portion of our building loan, restructuring it into a mortgage and providing us certainty for future planning.

What's more, our programming achievements this year speak volumes about CKUA's vital role in our community.

Our Alberta monthly reach has grown to 500,000 listeners.

More than 70,000 users accessed our premium OnDemand service, while our real-time streaming audience grew 10% across 100 countries.

We showcased over 1,000 Albertan and nearly 3,000 Canadian independent artists.

And through partnerships with 159 arts, culture, and media organizations, we helped generate demand for hundreds of events and experiences. This resulted in a significant economic impact, driving millions of dollars in cultural and tourism spending across Western Canada and the Pacific Northwest.

These results demonstrate clear momentum:

More people are listening.

They're listening longer.

And they're engaging with us in unprecedented ways. For example, our new text-to-booth feature is proof positive of how we continue to deepen our listener connection.

This success makes today's update all the more important.

I'm immensely proud of how our team and the CKUA community have worked together to overcome incredible odds. But this isn't the end of the story. This is only the first chapter of our recovery, and we can't afford to slow down. We must continue raising significant funds through our spring and fall campaigns and special giving programs to secure CKUA's future.

I want to address three common misconceptions I've heard about our current situation.

First, some believe that reaching our \$3 Million goal means we no longer need to fundraise.

This misunderstands our fundamental operating model.

Like every business, we must continually raise money for daily operations. In fact, as costs rise and CKUA grows, our fundraising needs increase every year.

Second, some mistakenly assume our successful fundraising campaigns mean we have lots of money.

I assure you, the reality is quite different.

While we have increased revenues, this has been in direct response to rising costs. We face the same economic pressures as other organizations, but with a crucial difference: while most businesses can raise prices to offset increasing costs, we provide a free, universal service.

Our only way to adjust to rising costs is to publicly ask for more financial support. In turn, this often creates a misleading impression about our organizational health, even as our fundamentals tell a very positive story.

Despite careful cost management that preserves the service you cherish, our budget has grown significantly as we navigate the knock-on effects of recent economic challenges, necessary technology investments, 24/7 operations, loan obligations, and strategic personnel investments aimed at long-term stability.

This is the new normal in 2025 and beyond, not just for a charitable social enterprise like CKUA, but for many non-profits and private businesses.

Third, some suggest our recent financial challenges make us an unwise investment.

This view critically misses the mark.

By every operational metric, CKUA is succeeding. We need more people to join in and invest in that success to secure our future.

As recently as 2022, we were growing audiences and generating surpluses without special measures. Our current challenges stem from our unique business model and extraordinary economic pressures.

Consider this perspective:

By law and technology, and every minute of every day, we provide a service with a ten-million-dollar operating budget to a global audience at no cost.

We can't charge for access to CKUA or build profit margins into a free service.

We face regulatory and charitable limits on advertising revenue.

We aren't funded by a post-secondary institution.

And, we receive minimal operational support from government. To put this in perspective, our entire annual government funding would be exhausted by January 5 if we received it on January 1.

This is why our donors are so vital.

If CKUA were a ticketed music festival or a business with paying customers, the growth of our audience in recent years would have translated into substantial profits. If we could operate on community love and appreciation alone, we'd never want for anything.

But that's not how CKUA works.

To be perfectly clear: we need more listeners to become donors, and for those who can, to contribute more on behalf of those who can't.

Take inspiration from 91-year-old Vivian Redmond, who made her first donation last spring after more than 60 years of listening. Thank you, Vivian!

Whether you've been with us for days or decades, the time is now to invest in CKUA's future.

The potential within our community is clear.

Over the last year, 14,000 households out of hundreds of thousands of listeners donated nearly \$6 Million. Our strength lies in numbers. The path to financial sustainability lies within our listenership.

The recovery plan we announced last year continues to show progress.

We've increased our broadcast centre's office rental occupancy from 50% to 80% and are actively seeking tenants for the remaining space.

In December, the province delivered disappointing news that no government help was forthcoming. However, we continue to advocate for equitable operating funding in line with our major cultural partners. Currently, this disparity amounts to more than \$500,000 a year, or millions of dollars over the past decade. As of today's recording, our most recent call to elected officials for fairness to protect Albertan jobs has not been acknowledged.

As you may know, we are restricted from receiving federal funding due to policies favouring the CBC; however, our voice was heard in Ottawa thanks to over 1,000 supporters who joined our letter-writing campaign last summer. Discussions continue regarding one-time federal funding to support stability-focused investments, though current political uncertainty makes the future unknown.

Our fundraising momentum remains strong, as demonstrated by recent fundraisers and special appeals. Growing our monthly and leadership donor programs, 50/50's, and seasonal fundraisers will remain the cornerstone of our efforts.

And, we've made strategic investments to diversify our fundraising capacity, with promising early results. I encourage you to stay tuned as we will be sharing some success stories soon.

I can't stress this enough: we have the momentum and ingredients for success. What we need is you.

This April, our spring campaign must exceed \$1 Million—a threshold that must become our new normal for both spring and fall fundraisers.

We've seen encouraging signs, with record numbers of first-time donors joining both fundraisers last year. It's crucial that existing donors renew their annual support while more listeners step forward as first-time donors. And since we can't automatically increase your donation as if it were a price tag, I am inviting you to increase your support, if you are able.

Behind the scenes, our fundraising team and dedicated volunteers work daily to connect with individuals and companies interested in supporting music, arts, and thriving communities through the work of CKUA.

Directed investments to underwrite programming, capital projects, local transmitter costs, and special initiatives will help us to raise an additional \$ 2 Million this year, and grow that figure moving forward.

So here's the pitch:

While grassroots support remains our lifeblood, we must diversify our funding sources with larger investments.

I invite you to reflect on what CKUA has meant to you - at home, on the road, in local venues, and on special occasions.

If you're considering your legacy, ways to give back to your community through music and arts, or how to ensure CKUA's future, we want to hear from you.

We've given our all, to great effect, and we won't stop if you won't.

CKUA exists because you believe it's more than a radio station.

You believe it welcomes and connects you to a broader world.

Supports local and independent music, arts and culture.

Expands your creative horizons.

And nourishes your mind and your soul.

In short, you understand that what CKUA represents to our community can't be replaced.

With this in mind, I have three specific requests:

First, visit CKUA.com to explore our newly released 2023-24 [Community Report](#). Discover how community support has transformed lives through music and arts this past year, showcasing our concrete impact on listeners, artists, and communities - all made possible by donors, volunteers, funders, and partners who believe in CKUA's mission.

Second, if what you see inspires you, click the [Donate Now](#) button or contact us directly.

Third, tell the world about this good thing we all have in CKUA. Because I'm sure you'll agree with me when I say that, given the world right now, we need more CKUA, not less.

