



ANNUAL
REPORT
2016-2017

Promoting the Health and Well-being of Canadians.



TABLE OF CONTENTS



1. MESSAGE FROM THE CHAIR	3
2. MESSAGE FROM THE EXECUTIVE DIRECTOR	3
3. ABOUT THE TELUS FUND.....	4
4. MANDATE	4
5. GOVERNANCE	4
5.1 <i>The Board of Directors</i>	5
5.2 <i>Funding Decisions</i>	5
6. STRATEGIC PRIORITIES	6
6.1 <i>Measure The Success of Funded Projects</i>	6
6.2 <i>Increase Support for Promotion and Discoverability</i>	12
6.3 <i>Stimulate More Exceptional Submissions</i>	13
6.4 <i>Implement the Commission's New Policy Framework</i>	17
7. FINANCE AND ADMINISTRATION	18
7.1 <i>Revenues</i>	18
7.2 <i>Administration Expenses</i>	19
APPENDIX A: Board of Directors in 2016-17	21
APPENDIX B: Development Financing Contracts in 2016-17	24
APPENDIX C: Production Financing Contracts in 2016-17	26
APPENDIX D: TELUS Fund Financial Statements for the Year Ending August 31, 2017	30





“The Board is proud to do its part in support of a robust Canadian production sector and improving the health outcomes of Canadians.”



“It is a privilege to collaborate with content creators who are passionate about telling stories with the potential to effect positive change.”

1. MESSAGE FROM THE CHAIR

The TELUS Fund finances the creation of exceptional content that promotes the health and well-being of Canadians. Over 95 submissions have received positive decisions valued at more than \$17.5M since launching the Fund in 2013. The Board of Directors, comprised of 4 independent directors and 2 representatives of TELUS Corporation (TELUS), is solely responsible for all funding decisions and the resulting mix of health and wellness content.

2016-17 began with a new policy framework for Canadian Independent Production Funds (CIPFs). The Canadian Radio-television and Telecommunications Commission (the Commission) favourably received many of the material changes requested by the Fund during the consultation process. The additional flexibilities in the policy enabled the Fund to implement the results of its Blue-sky planning which was completed in 2015-16.

The Fund is a lean operation delivering its mandate within 5% of revenues. Since launching, the Fund’s financial operations have been subject to an annual independent audit to ensure the integrity and accuracy of all undertakings. The Board is proud to do its part in support of a robust Canadian production sector and improving the health outcomes of Canadians.

2. MESSAGE FROM THE EXECUTIVE DIRECTOR

Day-to-day operations of the Fund underwent significant change in 2016-17 to align with the Commission’s new framework and its encouragement to better support development and discoverability of programming. Lessons learned from funded projects already in the marketplace informed the Board’s strategic decision making and resulted in new initiatives to stimulate exceptional programming and promote projects already in the marketplace.

The Special Call for Webseries inspired creators to tell stories for and about the growing number of Canadians who are caring for their loved ones. Ten ideas were developed and three chosen for production, which will launch on the StoriesforCaregivers.com platform on October 31, 2017. Program funding was earmarked for Discoverability Financing and new initiatives launched to help Canadians better discover the entire portfolio of health and wellness programming.

Showcased within this report are a sample of *funded projects* that resonated with Canadians during this fiscal year. It has been a privilege to collaborate with these content creators who are passionate about telling stories with the potential to effect positive change.

3. ABOUT THE TELUS FUND

The TELUS Fund is made possible by the success of TELUS OptikTV, which is now reaching over 1.1 million subscribers. Revenue to the Fund is calculated as a percentage of TELUS Optik TV subscription revenues. Since launching the Fund in 2013, TELUS has contributed more than \$20.6M to the TELUS Fund to finance the creation of content by Canadian production companies.

TELUS was the first carrier in Western Canada to offer 4K programming and the TELUS Optik TV footprint now covers more than 2.9 million households. Bundling TELUS Optik TV service offerings with wireless, local and long-distance voice, and high-speed internet has improved the TELUS competitive position. Optik TV subscribers now access more than 650 channels and over 5,000 on-demand shows and movies. This content can be viewed on TV screens and on-the-go across smartphones, tablets, and laptop computers.

4. MANDATE

The TELUS Fund's mandate is to finance exceptional content that promotes the health and well-being of Canadians.



The Fund is looking for stories with the potential to influence Canadian audiences and improve their health outcomes. The definition of health is broad, encompassing physical, mental and emotional well-being.

This mandate is well aligned to an important corporate priority at TELUS Corporation. TELUS Health has grown to become a leader in tele-homecare, electronic medical and health records, consumer health, benefits management, and pharmacy management. TELUS Health gives health authorities, providers, physicians, patients, and consumers the power to turn information into better health outcomes by providing innovative technologies and applications that better organize information, move it securely, and connect all stakeholders.

5. GOVERNANCE

The Commission announced a new policy framework for CIPFs on August 25, 2017. Effective September 1, 2017 the policy seeks to ensure that CIPFs contribute to the production of content for Canadians and to the development of a robust Canadian production sector in an increasingly multi-platform environment.



MIXED MATCH

Mixed race cancer patients are forced to reflect on their multiracial identities as they struggle with a seemingly impossible search to find bone marrow donors.

Bone marrow drives at every screening have resulted in hundreds signing up to stem cell registries across North America.

MEDITATING BUNNY STUDIO INC.

[PROJECT LINK](#) >



5.1 THE BOARD OF DIRECTORS

A distinguished Board of Directors oversaw the successful start-up of the Fund in 2013. Two founding Directors, Angèle Beausoleil and Denise Cooper, completed their terms in 2016. The Fund is grateful for their three-year commitment to selecting exceptional health and wellness content and their contribution to creating the first program guidelines, organizational policies, and operating procedures.

A reduced Board of Directors is carrying forward the mandate of the Fund consisting of four independent Directors and two representatives of TELUS. The list of Directors in 2016-17 is included in *Appendix A*.

5.2 FUNDING DECISIONS

The Board of Directors is solely responsible for funding decisions and the resulting mix of health and wellness content. The Directors have established an effective and efficient process to ensure applications for funding are appraised objectively and absent of perceived or actual conflicts of interest.

Decision making takes place over an eight to ten week period following three deadlines for production financing submissions. During this time the Directors and administration evaluate eligible submissions individually and in comparison to each other according to the published evaluation criteria.

The Board convenes to discuss each submission. A Director is identified as being responsible for ensuring concerns of the Official Language Minority Community (OLMC) are reflected and their issues are taken into consideration in decision making. Each submission is presented and debated so that Directors can benefit from the viewpoints and expertise of their colleagues.

Following a full discussion of each submission, all are weighed and ranked relative to one another. The Board reviews the short-listed mix of projects relative to the commitment budget before rendering their final funding decisions. Independent Directors cast no fewer than two thirds of the votes in funding decisions. Directors withdraw from the decision to finance any project with which they may have an actual or perceived conflict of interest, according to established policies and procedures of the Board.

Development financing submissions were received throughout the year and at two deadlines calling for web series ideas. Submissions for development financing are evaluated by the Executive Director according to the evaluation criteria in the program guidelines. Positive recommendations are presented to the Board of Directors for final decision.

6. STRATEGIC PRIORITIES

The Board of Directors established four strategic priorities to be carried out by operations in 2016-17:

- 1. Measure** the success of funded projects
- 2. Increase** support for promotion and discoverability
- 3. Stimulate** more exceptional health and wellness content submissions
- 4. Implement** the Commission's new policy framework

Significant progress was made in all priority areas. Actions undertaken are described in the following Sections 6.1 to 6.4.

6.1 MEASURE THE SUCCESS OF FUNDED PROJECTS

When Canadian content achieves success, the broadcasting system benefits from stronger production companies and distribution channels.

The Fund measures its success by the degree to which funded projects reach the intended audience, engage that audience, and positively impact their health and wellbeing.



The Fund's measures of success are aligned with those of the content creators, the channels transmitting health and wellness content, and the Commission's objective to increase the discoverability of Canadian programming.



LES AVENTURES DU PHARMACHIEN

Unconventional documentary series addressing mistruths and popular beliefs on health issues, providing tools to detect what's true and what's not.

Collaboration with over 30 national public organizations recognized for their expertise in the field.

DATSIT STUDIOS QUINZE INC.

[PROJECT LINK](#) >

Health content typically requires between one to three years from receipt of a positive funding decision to deliver and reach Canadian audiences. Engagement and positive impact can extend over many years across multiple platforms and territories. Applicant production companies are contractually responsible for establishing measures of success for their individual projects, developing a data methodology to track results, and reporting on actual results compared to forecast targets.

Industry standards are well established for tracking and reporting on revenues generated from the exploitation of content. However, revenue generation is not the mandate of the Fund nor a reasonable expectation for identifiably Canadian health content targeted to improving the well-being of Canadians living in a relatively small market.

By the start of fiscal year 2016-17, seventeen funded projects had entered the market. Production companies were encountering significant challenges in tracking and reporting on reach, engagement, and impact within their performance reports. There was a lack of standardization in the definition of

these metrics, distribution platforms were reluctant to share data, and data collection tools were too expensive.

With encouragement from the Commission to increase the promotion and discoverability of funded projects, the Fund began providing expertise and resources to eleven projects to better track the results of their promotion efforts. Qualitative and quantitative data was obtained for each project from three primary sources: analytics from digital platforms, broadcast ratings, and interviews with applicants.

Three of the eleven projects selected had already been in the market for more than one year allowing for a longer reference period within which to evaluate the results of their promotion and discoverability efforts. A glimpse of the full reach, engagement and impact of *Addiction the Next Step*, *Milk*, and *Défi Santé* is depicted in the following infographics. Their stories are truly remarkable, and the final chapters are still being written.



CUT OFF

Canada is home to some of the most remote First Nations communities in the world. These are places that can seem cut off from the world but are full of people who want to be heard.

“I put the headset on with no idea what to expect, and then I was there, in Shoal Lake 40. [...]. It’s a total trip to be fully immersed in that way.”

– Carson Fox

VICE PRODUCTIONS (UNIQUE) INC.

PROJECT LINK ➤

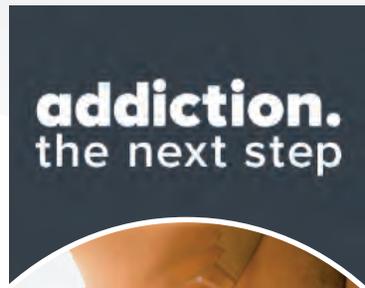
addiction. the next step (ATNS) is an online and real world eco-system designed to transform the conversation around addiction from shame and blame to compassion and support. The initiative is a vital lifeline for the loved ones who have precious few places to go for help, precisely when, where and how they need it.

Early investment in market research revealed a gap in online support for loved ones of those battling substance abuse (rather than for those struggling, as originally assumed by the producer)

Findings led to the creation of the Crisis Toolkit featuring **over 60 videos** offering on-demand support and counselling (tips) for those supporting a friend or family member.



IMPACT



...ATNS Crisis Toolkit is an **invaluable** contribution to the site, which we hope will **support millions of people** through a difficult and overwhelming time....
 – The National Institute of Alcohol Abuse and Alcoholism

...tools demonstrated in the toolkit videos should be **essential viewing** for health professionals....
 – Scott Harrison, Director of Strategy & Transformation, UBC

...are listing the ATNS Crisis Toolkit in our online treatment guide because we believe it will **help parents** and partners of people battling addiction **find the help they need**.... – Elizabeth Cairns, Executive Director, The Peter G. Dodge Foundation

ENGAGEMENT

54.7%
 SUBSTANTIAL COMPLETIONS
 VIDEO VIEWS

2.7K
 SOCIAL MEDIA FANS

17
 LIVE EVENTS

REACH

1.3M VIEWS
 VIDEOS AND DOCUMENTARY

68K WEBSITE VISITS | **40K** CANADIAN WEBSITE USERS

OVER 1M
 SOCIAL MEDIA REACH

Défi Santé is an online and real world eco-system designed to inspire people in Québec to eat better, be more active, and lead a more balanced life.

Annual Défi Santé events since 2005 have built strong recognition in Quebec with a robust eco-system that includes a website, application, and linear programming.



Défi Santé



IMPACT

...**Thousands of people in Quebec** will participate in the Défi Santé initiative and will become the ambassadors of a healthy lifestyle.... – Lucie Charlebois, Minister for Rehabilitation, Youth Protection, Public Health and Health Living

...I, once again, support the Defi Sante initiative and **encourage the people of Quebec to register** for a healthy lifestyle.... – Philippe Couillard, Premier of Quebec

...Thanks for creating Défi Santé! As a result of the challenge, **my health has greatly improved**.... – Comment from fan

ENGAGEMENT

600+
MUNICIPALITIES PARTICIPATED

61.2K
SOCIAL MEDIA FANS

96.7K
SIGN UPS (ONLINE PORTAL)

REACH

131.1M
ONLINE NEWS REACH

1.8M
SOCIAL MEDIA REACH

2.5M WEBSITE VISITS | **1.2M** CANADIAN WEBSITE USERS

Milk brings a universal perspective on the politics, commercialization, and controversies surrounding birth and infant feeding over the canvas of stunningly beautiful visuals and poignant voices from around the globe.



Director Noemi Weis was honored to be invited to meet Pope Francis at the Vatican in recognition of the impact and outreach created by MILK and its mission to support maternal and newborn health, eradicate infant mortality and malnutrition globally.

Milk also received a passionate endorsement from Sophie Gregoire Trudeau encouraging audiences to join MILK's Educational Program's mission.

IMPACT

...As an advocate for breastfeeding and for women's rights, I'm deeply excited about MILK and its education campaign. **I hope this film gets us all talking** about how we can better support the moms and babies in our own communities.... – Madam Sophie Gregoire Trudeau

...**People left feeling empowered** and wanting other people to watch the film. They couldn't believe what is happening in other countries and our own. People feel that we should share this video with high school students and teen moms, at prenatal classes.... – Comment at screening

...The documentary provided a public health lens on this topic. It also highlighted other related issues pertaining to maternal and child health. **Awareness of these issues will improve my own lens** as a researcher... – Vancouver Provincial Health Services Authority



ENGAGEMENT

7.6K
SOCIAL MEDIA FANS

272 | **37**
LIVE EVENTS | COUNTRIES

4.2K
APP INSTALLS

REACH

948K VIEWS
VIDEOS AND BROADCAST

1.3M
SOCIAL REACH

138.9M REACH
ONLINE NEWS




LEARN FROM HEALTH
AND WELLNESS CONTENT
IN THE MARKET


SHARE BEST PRACTICES
WITH CANADIAN
PRODUCTION SECTOR


ENSURE APPLICANTS ARE
EQUIPPED FOR SUCCESS
WITH MARKETING
EXPERTISE, RESOURCES,
AND TOOLS TO
INFORM DECISION MAKING


INCREASE DISCOVERABILITY
OF HEALTH AND
WELLNESS PROGRAMMING

The unique nature of each project as demonstrated in the previous infographics adds to the complexity of comparing projects. However, the following areas were consistently identified as constraining health and wellness programming from being discovered by Canadians and increasing their success:

- Few resources were dedicated in the project budget for audience research, marketing expertise, data collection, publicity, and promotion to sustain and grow audiences over a 6 to 12-month period;
- Promotion efforts typically did not begin until after delivery of production elements;
- Broadcast licence agreements often restricted marketing and promotion initiatives led by the production company;
- Responsibility for social media strategies was often unclear and fell somewhere between the Canadian broadcaster and the production company;

- Independent production companies with responsibility for promotion and marketing often had no ready access to internal experience and limited or no online community support; and
- Measurement data for the television and digital platforms was not readily available to the production company to make informed decisions and adjustments during the launch campaign.

Going forward, the Fund will continue to provide support to projects entering the marketplace to learn from their experiences, share best practices, and ensure applicants are equipped with the expertise, resources, and tools necessary to inform marketing and promotion decisions, and ultimately to increase the discoverability of health and wellness content in Canada.

6.2. INCREASE SUPPORT FOR PROMOTION AND DISCOVERABILITY

Program funding is delivered primarily through two funding streams: production financing and development financing. With the Commission's encouragement and added flexibility in the policy framework, the Fund immediately allocated funding to increase the promotion and discoverability of individual projects and the overall portfolio of health and wellness content.

INDIVIDUAL PROJECT FUNDING

In response to the findings revealed in Section 6.1 the Fund took the following actions in 2016-17 to better support the Canadian broadcasting system, and increase the promotion and discoverability of individual health and wellness projects:

- Launched a new funding stream for discoverability financing for health and wellness content that has achieved measured success during the first year following its launch. This financing enables successful projects to continue driving viewership, renew and refresh the programming, and maintain the audience's experience.

This new funding resulted in the documentary film *Milk* receiving additional funding to create new promotional materials and undertake public screenings in communities across Canada identified as needing additional maternal and newborn support. This national campaign received the endorsement of the spouse of the Prime Minister of Canada, Sophie Grégoire Trudeau.

- Increased per project financing at the production stage specifically toward minimum marketing and promotion allocations in the production budget and replaced the prior cap on marketing and promotion expenses with a new minimum target of 10% of the project budget to sustain and grow audiences over a twelve-month period.
- Increased per-project financing at the development stage to cover costs associated with obtaining marketing expertise, undertaking research, and planning the launch campaign.

Applicants requesting access to this financing are now guided by a “recipe” for success published in the 2017 Program Guidelines to help them make a strong submission and request a level of financing relative to the project's forecast success.



KEEPING CANADA SAFE

A documentary series chronicling the often-hidden stories of the unsung men and women, unexpected heroes, and behind-the-scenes processes that safeguard our welfare, over two typical days of Canadian life.

“...the strength and importance is there in the TV screen in deftly-done vignettes...” – John Doyle, *Globe & Mail*

EONE TELEVISION

[PROJECT LINK](#) ➤

OVERALL PORTFOLIO FUNDING

Canadians often discover health and wellness programming by word-of-mouth from friends and loved ones with whom they connect in-person or online. A high portion of funded projects are launching in the marketplace with limited or no online community support, negatively impacting the potential for word-of-mouth promotion. A handful of projects with a social footprint already in place, including a stable of engaged influencers, and prelaunch social media strategies, demonstrated better results.

Noting this best practice, the Fund launched a pilot initiative on behalf of the entire portfolio of health and wellness content entering the marketplace. The pilot aimed to grow an online community with the potential to amplify the efforts of individual funded projects, extend the shelf life for funded projects, and increase discovery of the entire portfolio of health and wellness content.

New TELUS Fund social media channels engage with the online community around the subject of storytelling as a powerful health intervention and narratives with the potential to create lasting positive shifts in attitude and behaviour. After seven months the fanbase has grown to more than 2.7k which is larger than many of our funded projects and comparable to other CIPFs on similar channels. Over 300 of these fans are stakeholders in the health sector helping to spread the word and increase discovery of health and wellness content.

In such a short time period, we have barely scratched the surface of what a coordinated social strategy can achieve on behalf of the entire portfolio of health and wellness programming in English and French. This initiative will continue in 2017-18.

6.3. STIMULATE MORE EXCEPTIONAL SUBMISSIONS

Over ninety percent of program funding is allocated to series, mini-series and one-off programming intended for Canadian audiences. Funded projects to date have also included web series, virtual reality content, mobile applications, interactive websites, games, education toolkits, eMagazines, and other forms of digital content. The health issue usually features prominently in the central storyline of the content but may also be subtle within sub-plots, the setting, or within the promotion campaign.

Applicants include within their submissions written support from organizations recognized for their expertise in the health subject area and from distribution platforms accessible by Canadians. This support confirms demand for the content to be created and corroborates assertions made about the health problem and forecast targets of success.

The Board of Directors of the TELUS Fund rendered positive funding decisions on 37 of the 70 project submissions received during 2016-2017:

2017 CANADIAN SCREEN AWARDS

Best Documentary Program: Wasted

Best Factual Program or Series: Keeping Canada Alive

Best Direction in a Documentary Program: Girls Night Out

Best Picture Editing in a Factual Program or Series: Keeping Canada Alive

Best Cross-Platform Project (Non Fiction): Bugs on the Menu

Best Immersive Experience: Cut Off

LIVE SHOW ➤

ACADEMY
OF CANADIAN CINEMA & TELEVISION



EXPERT INDIVIDUALS AND ORGANIZATIONS

Story-driven content is a powerful medium with the potential to engage our emotions, create empathy, and convey knowledge in entertaining ways. The Fund requires all applicants to obtain written support from expert individuals and organizations to ensure health choices are not negatively impacted by content that causes gratuitous offence to some viewers, presents editorial bias, or promotes unverified research.

Individual experts and national organizations serving the health needs of English and French Canadians across the country are providing written support for health and wellness programming financed by the TELUS Fund.

DISTRIBUTION PLATFORMS

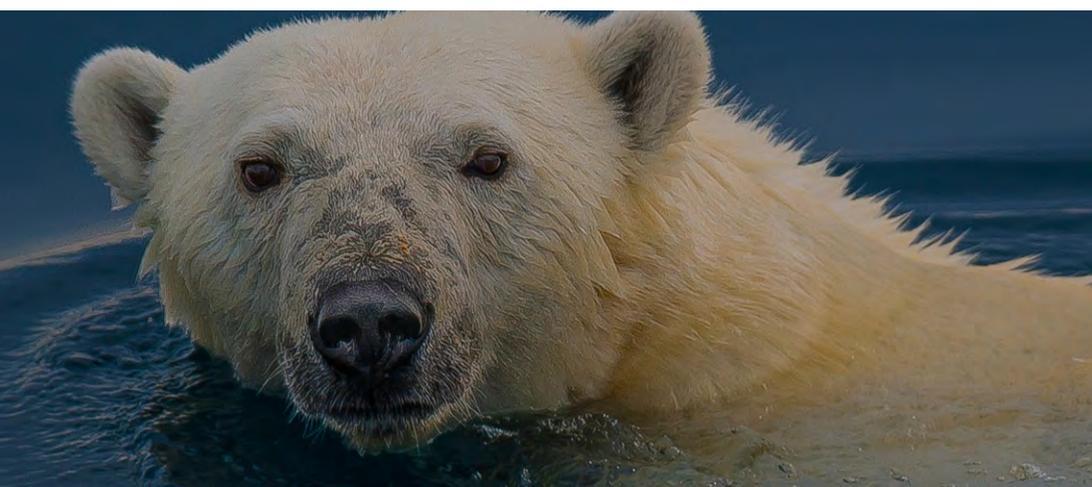
Canadian private broadcasters have not demonstrated a strong interest in health and wellness content, except for a few niche specialty channel broadcasters. By contrast, Canadian public broadcasters including the CBC and SRC-affiliated stations and provincial educational broadcasters have shown considerable interest.

More than 50% of projects financed by the Fund were licensed by public broadcasters including “tent-pole” programming airing in prime-time such as

FUNDING STREAM	APPLICATIONS RECEIVED	FUNDED PROJECTS
Development	33	16
Production	36	20
Discoverability	1	1

Emergency Room Season 2 (Knowledge Network), *Keeping Canada Alive*, and *Keeping Canada Safe* (CBC Network).

At the development stage, interest from Canadian broadcasters is exceptionally low. The Commission’s prior requirement that producers obtain a broadcast licence to receive funding severely limited the Fund’s ability to finance health and wellness content at the earliest stages. The Commission’s decision to eliminate this requirement is an opportunity for the Fund to support Canadian production companies to develop exceptional health and wellness programming of interest to Canadian broadcasters and/or alternative distribution channels. Section 6.3.2 Development Funding describes the first such initiative.



1000 JOURS POUR LA PLANÈTE-AN3

SEDNA IV returns home after documenting the important environmental changes from the Arctic to the Gulf of St. Lawrence. Best Documentary Series or One-Off: Nature, Sciences and Environment – Prix Gémeaux 2017

GLACIALIS PRODUCTIONS INC.

[PROJECT LINK](#) ➤

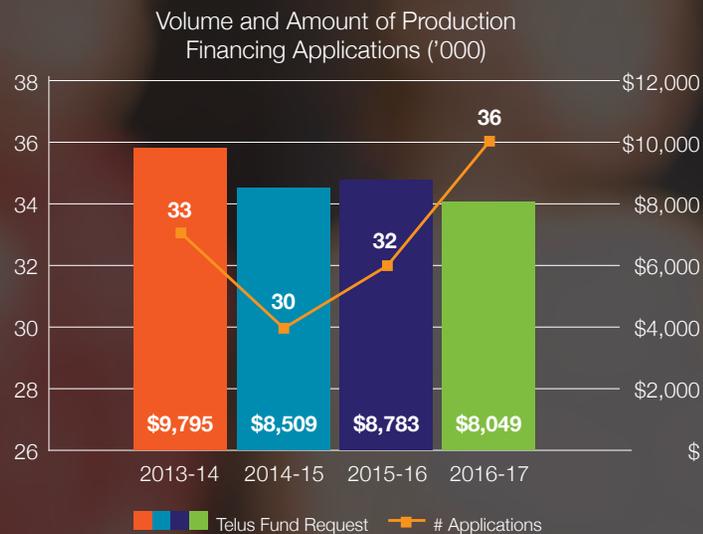


FIGURE 1

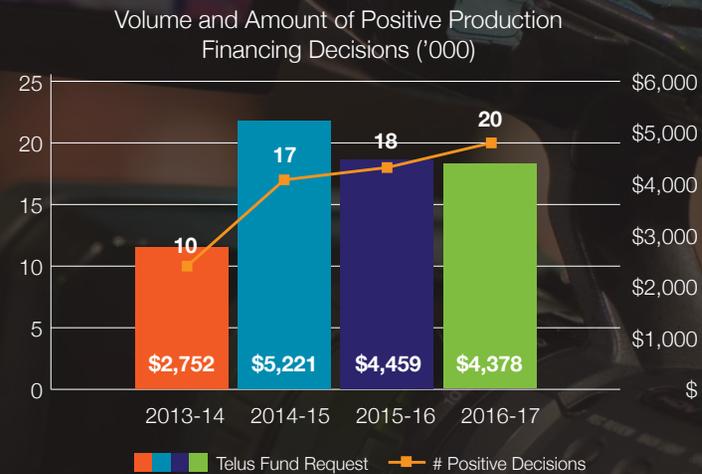


FIGURE 2

6.3.1. PRODUCTION FUNDING

Since launching in 2013, The TELUS Fund has held 10 application intake periods resulting in 131 production financing submissions requesting more than \$35M. Figure 1 shows an increasing volume of submissions requesting a relatively stable amount of funding over the past 3 years

To date a total of 65 projects have received positive production financing decisions of \$16.8M (see Figure 2). In 2016-17, 20 projects received \$4.4M in positive production financing decisions. 92% of program funding was allocated toward programming and 8% toward non-linear programming.

During 2016-17 the Fund entered into long form production financing contracts valued at \$5.8M with 25 projects, including 11 positive funding decisions from the prior fiscal year. A listing of this year's production financing contracts is provided in [Appendix C](#) and features:

- 51% of funded projects to be delivered in the English language, 37% in French, and 12% in both official languages;
- 3 contracts totaling \$493k with applicants within the Official Language Minority Community (OLMC);
- 5 contracts totaling \$706k with applicants based in the regions outside of the metropolitan centers of Toronto, Montreal and Vancouver (Regions); and
- All programming whether for broadcast or streaming on alternative digital platforms will be closed captioned and provided with described video

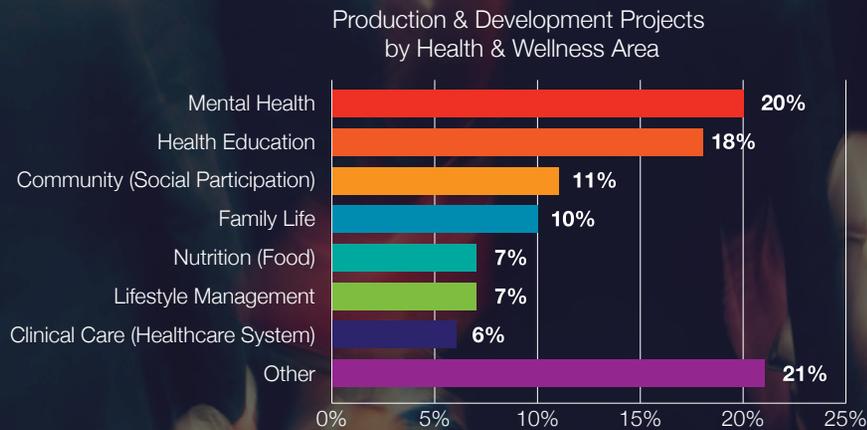


FIGURE 3

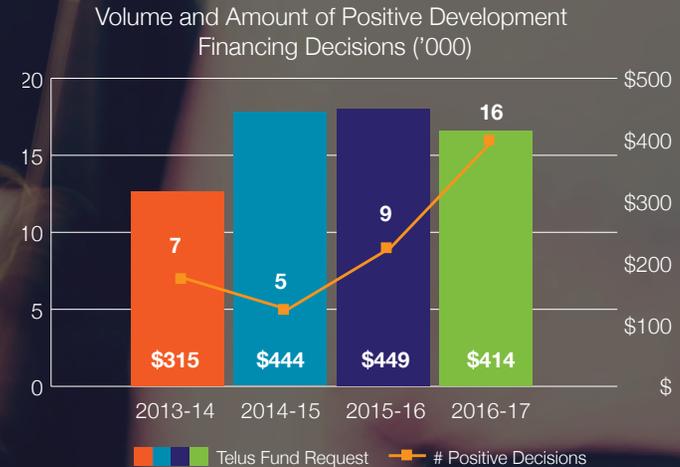


FIGURE 4

PROJECT MIX

Funded projects to date are as diverse as the factors that determine the health of Canadians, which range from lifestyle and environment to culture and services. Each subject area has its own set of challenges, and many do not lend themselves to story-driven content or television viewing audiences.

To date, the Board's decision-making process evaluates projects individually and relative to each other without skewing the mix of projects toward any genre, format, audience, or subject matter. The resulting project portfolio as shown in Figure 3 is an eclectic mix of health and wellness content driven by the disparate interests of Canadian broadcasters.

To date 21% of projects supported with development and production financing deal with mental health issues, with the next most common areas being health education and community.

6.3.2. DEVELOPMENT FUNDING

Since launching in 2013, \$1.6M in development financing has been allocated to 37 projects (see Figure 4). The volume of development submissions was exceptional in 2016-17 with 16 submissions stimulated in part by a special call for web series described in more detail below. The 15 development financing contracts in 2016-17 are listed in [Appendix B](#).

PROJECT MIX

The Caregiver target audience is strongly aligned to the corporate priorities at TELUS Health, and programming audiences worldwide. One Canadian in four fills the role of Caregiver. In less than 30 years, that number is expected to double. As boomers age worldwide, it's not a question of if one will be a Caregiver, but when. Significant momentum and change are required to address the growing needs and priorities of Caregivers.

Entertaining and engaging programming with the potential to reach Caregivers and mainstream audiences has the potential to make a difference by:

- Raising awareness of a growing health issue,
- Changing the way people think and feel about Caregivers,
- Building empathy necessary to modernize policies and increase supports,
- Driving Caregivers to needed resources and communities, and
- Informing their health choices.

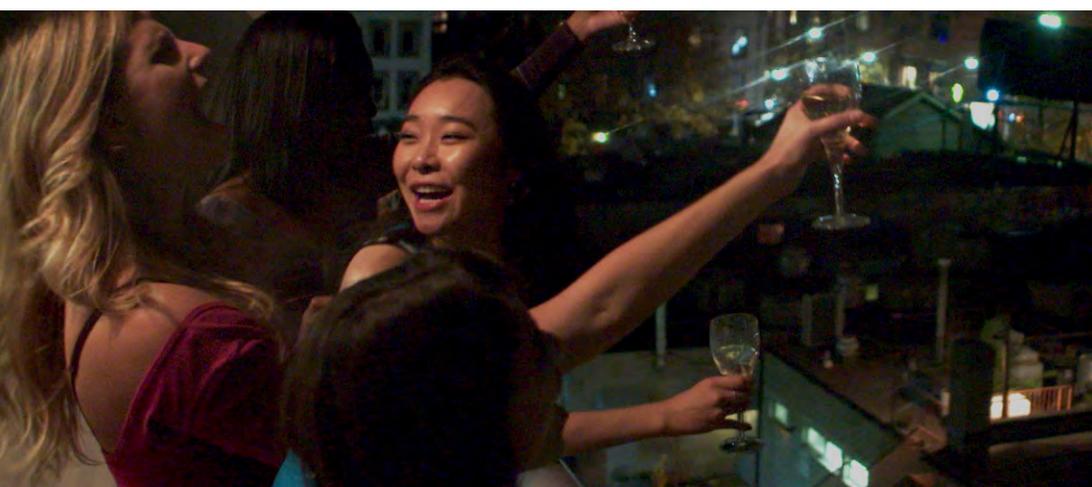
Focusing on the Caregiver target audience with its unique health and wellness needs, the Fund earmarked \$1M for a Special Call for Web Series and creation of a digital platform to showcase the series and engage with caregivers. The Special Call received 27 submissions. Two recognized experts in the field of caregiving helped in the evaluation process which resulted in 9 submissions selected for development financing to produce a pilot episode. With public input from a voting platform, the Directors selected 3 pilot episodes in June to receive production financing to create the web series. The *storiesforcaregivers.com* platform will launch October 31, 2017.

6.4. IMPLEMENT THE COMMISSION'S NEW POLICY FRAMEWORK

During 2015-2016 the Fund contacted 36 successful applicants in preparation of the Fund's intervention in the Commission's hearings to review the CIPF policy framework. With overwhelming support from health and wellness content producers from across Canada, the Fund requested that the Commission consider material changes to the policy framework for CIPFs. Many of the changes requested were favorably received in the new policy framework effective September 1.

The TELUS Fund responded with material changes to the program guidelines and application forms including:

- Eliminating the requirement that producers obtain a broadcast licence to receive financing from the Fund so that applicants need only demonstrate that the health and wellness programming will be available on a platform accessible by Canadians,
- Giving priority to health and wellness programming of any number of episodes and length with 90% of program funding,



#RETHINKTHEDRINK

A student-focused, cross-country Talkback Tour that leveraged the documentary *Girls' Night Out* to spark conversation about binge-drinking culture at 22 post-secondary institutions in 8 provinces.

"Out of all the health promotion events we have run at Carleton this year, this was the event with the most student engagement"

– Alexandra Noguera VP Student Issues

WHITE PINE PICTURES INC.

[PROJECT LINK](#) 

- Redefining digital media works to be non-linear programming such as interactive games, mobile applications, and complex interactive websites and limiting access to no more than 10% of program funding,
- Reducing minimum Canadian content requirements from 8 to 6 points, and
- Requiring all programming whether for broadcast or streaming on alternative digital platforms to be closed captioned and provided with described video.

Complementary updates to standard business policies and templates have been more challenging to implement, particularly the redefinition of digital media works to non-linear programming. A more detailed definition of non-linear programming is required to complete this work along with new industry standard budget templates and policies for tracking and reporting. In July 2017, the Commission granted a one-year transition period to implement the new policy framework. The Fund looks forward to working with CIPFs to standardize definitions and requirements to reduce the administrative burden for applicants working with multiple funding agencies.

The Fund undertakes industry outreach in person at the Banff World Media Festival and through emails received via the [TELUS Fund website](mailto:info@telusfund.ca) to

info@telusfund.ca. This fiscal year, the Fund tested a new subscription button on the website. Response was extraordinary with more than 150 signing up and an open rate of over 88% for the first newsletter sent in July 2017. This rate well exceeds most industry standards. We will continue using this tool for industry outreach next year.

7. FINANCE AND ADMINISTRATION

The Fund's operations are dependent on receiving revenues from Broadcast Distribution Undertakings (BDUs) that are mandated by the Commission to contribute a percentage of revenue derived from broadcasting activities to the production of Canadian programming. The Commission monitors and enforces BDU compliance with the contribution requirements of the Broadcasting Distribution Regulations.

7.1. REVENUES

Revenues to the Fund during fiscal year 2016-17 were \$5.6M consisting of monthly contributions from BDUs, investment income, and project repayments. In accordance with requirements in the policy framework total revenues are allocated 95% to program funding and up to 5% to administration expenses



RISK FACTOR

LIVE SAFE, BUT LIVE! A cross-platform initiative to improve our ability to understand, assess and respond to risk. A documentary film, Risk Navigator mobile app and social media campaign.

KENSINGTON COMMUNICATIONS INC.

PROJECT LINK ➤

7.1.1. CONTRIBUTIONS FROM BDUS

Since launching the Fund in 2013, BDUs have contributed \$20.6M to finance the creation of content by Canadian companies. The growth in TELUS OptikTV subscribers has resulted in steady growth of TELUS contributions to the Fund.

A slight decline in BDU contributions in 2016-17 was due to Commission approved adjustments in the methodology for calculating contributions and a shift to TELUS Optik Local which provides an important voice for local producers to create Canadian programming.

7.1.2. INVESTMENT INCOME

The TELUS Fund invests contributions from BDUs in interest bearing accounts until these amounts are required to meet program and administrative expense requirements.

In 2016-17 the bylaws of the TELUS Fund were updated to allow investments according to policies overseen by the Board of Directors. The Fund implemented these investment strategies in July, 2017. During the subsequent two months there was an unrealized loss due to geo-political events. The investment portfolio has recovered the unrealized loss subsequent to the fiscal year end.

7.1.3 PROJECT REPAYMENT

Health and wellness programming generates revenue in two ways: the repayment of development financing upon commencement of production, and sales of the content to media buyers worldwide. A recoupment schedule in the Fund's financing agreement defines the way production revenues are disbursed. The Fund does not acquire an ownership interest in health and wellness content nor share in profits. Actual project revenues returned to the Fund from both sources in 2016-17 totalled \$207k.

7.2. ADMINISTRATION EXPENSES

The Commission caps administration expenses at 5% of revenues and provides a 24-month window within which to commit program funding. These are challenging constraints for a micro-sized Not-For-Profit Organization. The Fund would not be possible without a dedicated Board of Directors and use of TELUS boardroom space and support services. TELUS Fund does not have employees, physical office space, or equipment. The Fund's programs are delivered by a conscientious team of independent consultants contracted from across the country.

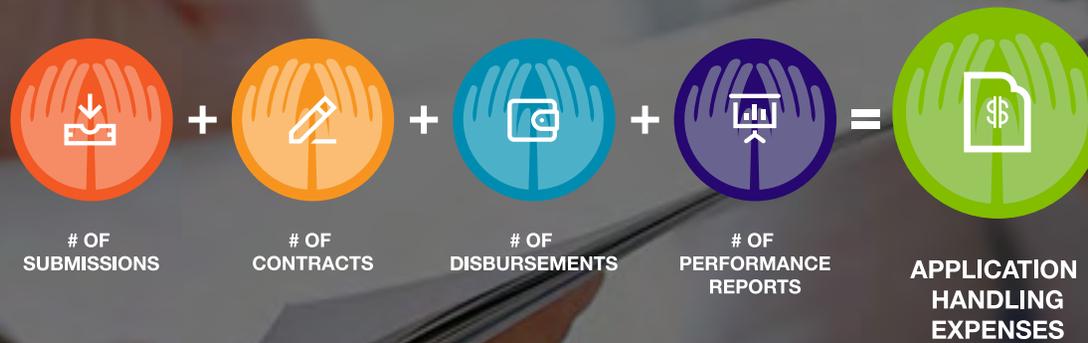


FAST HEALTH

Brittlestar (Stewart Reynolds) is joined by men's health experts and professionals to drive exotic cars and discuss the issues facing Canadian men and the strategies they can adopt to make positive change.

NORTH OF NOW FILMS INC.

PROJECT LINK 



Administration expenses are driven by the direct costs of handling submissions from reception to contracting, disbursements, and performance reporting. In 2016-17 the Fund set new records in the volume of application handling:

- The highest number of development and production financing submissions to date, 27% higher than the previous year,
- The highest number of positive funding decisions to date, more than double the previous year,
- The highest amount of funding disbursed to date, more than double the previous year, and
- The highest number of projects in active distribution and submitting performance reports.

A reduction in the size of the Board of Directors from 9 to 6 directors resulted in savings. These have been applied to handling a growing portfolio of projects which began with 8 financing agreements in 2013-14 to over 80 at fiscal year-end. Actual administration expenses were \$289k or 5.2% of total revenues. The amount above 5% was funded from a reserve made possible by a generous one-time advance payment from TELUS in 2013 to support the launch of the TELUS Fund.



Nini Baird

Board Chair (Independent Director, residing in West Vancouver, BC)

Nini Baird has shared her expertise with TELUS since 1997, first as a member, and then Chair, of the TELUS Foundation Advisory Board (New Media & Broadcast Funds) and now as Chair of the TELUS Vancouver Community Board. She is currently Chair of the Knowledge Network Corporation Board and former member of the Creative BC Board (1994-2013).

Her BC post-secondary career included senior arts leadership positions at Simon Fraser University, Emily Carr College (now University) of Art and Design; and Open Learning Agency/Knowledge Network.

Nini is a member of the Order of Canada and former Chair of the British Columbia Arts Council. Her awards include Honourary Doctor of Laws from Simon Fraser University (2015), recognition as one of the Top 100 Canada's Most Powerful Women by the Women's Executive Network (2013), the Keith Kelly Award for Cultural Leadership from the Canadian Conference of the Arts, and the President's 40th Anniversary Award from Simon Fraser University for her lifetime of devotion to the arts and leadership in the creation of their School for the Contemporary Arts



François Côté

Board Vice-Chair (Independent Director, residing in Montreal, QC and responsible for representing Official Language Minority Community in funding decisions).

François is currently a Director and investor in multiple organizations. Previously, he was Chair of TELUS Ventures, a global investment fund, after holding the positions of Executive Vice President of TELUS Corporation and Vice Chair, TELUS Québec, TELUS Health and TELUS Ventures in 2012. Formerly President and CEO at Emergis Inc., a publicly-traded company, Mr. Côté was appointed President, TELUS Health Solutions, following TELUS' acquisition of Emergis in January 2008.

Mr. Côté also held a variety of management positions during a 17-year career at Bell Canada, after which he spent eight years working in the health sector in Canada and the United States. Mr. Côté holds a Bachelor's degree in Industrial Relations from Laval University. In 2007, Ernst & Young named him "Entrepreneur of the Year" in the category of Turnaround Entrepreneur for Québec. In 2013, the Canadian Forces named him Honorary Lieutenant-Colonel of the 34th Signal Regiment.

Mr. Côté serves on the board of EXFO (quoted on the TSX and NASDAQ), Chair and Principal Director of HRCGC; Chair, GHRC, member of the Board of Directors of Alithya, the Fondation Martin Matte, Aspire, and iStore. He also serves on the Consultative Committee of Medfar Solutions and on the Advisory Committee of Groupe Morneau.



Michel E. Bélec

Board Secretary (TELUS Representative, residing in Vancouver, BC, and responsible for representing Official Language Minority Community in funding decisions)

Michel Belec is Senior Vice-President, Chief Legal Officer, and Corporate Secretary of TELUS International. He leads an international team of legal professionals dedicated to value-add strategic support on corporate, commercial and investment transactions. He provides tactical legal advice to TELUS' international business units seeking to create outstanding customer outcomes in the business market segment.

Michel also oversees best practices for our Corporate Secretariat office and is a trustee of TELUS' co-managed pension plan and a director on various TELUS pension related boards and committees. Michel is a strong supporter of local charities and regular participant in the delivery of TELUS' induction and learning programs.

Michel holds a BA from Simon Fraser University and an LL.B. from Osgoode Hall Law School. He is authorized to practice law in the Provinces of British Columbia, Alberta and Ontario and completed senior leadership training with INSEAD, the Rotman School of Management and the Schulich School of Business.



Dr. Brendan Byrne

Board member (TELUS Representative residing in Vancouver, BC)

As the Chief Innovation Officer of TELUS Health Brendan leads TELUS' focus on continued digital innovation and the evolution of its health solutions from its current applications to an open platform of products and services. A self-described technophile, Brendan is passionate about the role mobile and digital technology can play in improving healthcare outcomes in Canada.

Prior to joining TELUS Health, Brendan founded Wolf Medical Systems, which at the time was the largest cloud-based electronic medical record (EMR) provider in Canada. He directed the evolution of Wolf from its inception in 1998 to becoming one of the fastest growing EMR companies in Canada, prior to its acquisition by TELUS Health in 2012.

Deeply committed to healthcare, he has more than 20 years of experience in family practice, including seven years as the Director of the Columbia Medical Clinic in New Westminster, British Columbia. Brendan has a degree in Neurobiology from Yale University and is a graduate of McGill University's Faculty of Medicine.



Dr. Mike Evans

Board Member (Independent Director, residing in Toronto, ON)

“Dr. Mike” is a family doctor known for his work in innovative health messaging to the public. His media lab pioneered “peer to peer healthcare” fusing patients with creators and experts to capture evidence-based stories and then imbed them in the relationships of care. His Whiteboard series on YouTube that has been viewed by over 12 million people.

He has a radio show on CBC’s Fresh Air, was a doctor at the Sochi Olympics, and started a Med School for the Public at the University of Toronto. His work has been profiled in JAMA, BMJ, Walrus, Readers Digest, and on the hit Netflix series “Orange is the New Black”. Recent awards include the top 10 innovators in health by the Canadian Medical Association, top 45 Canadians over 45, and the Gold medal in Social media at the Web Health Awards.

In 2014 he was given the first worldwide endowed chair in Patient Engagement (and Childhood Nutrition) at the University of Toronto and awarded the McNeil Medal from the Royal Society of Canada in recognition of outstanding communication of science and medicine to the public.



Brett Marchand

Board Member (Independent Director, residing in Toronto, ON)

Brett Marchand is the head of Vision 7 International and Cossette Communications. As President & CEO of Vision7 International, he oversees Cossette. as Executive Chairman, Citizen Relations PR, V7 Media and the digital/advertising agency network The Camps Collective. He assumed leadership for the company in 2010 and has seen Vision7 and Cossette be named a Platinum Employer by AON Hewitt (2017), The Agency of the Year, by Strategy Magazine (2016) and it’s clients have been named Marketer of the Year for 5 of the past 7 years.

Before his career in Advertising, Mr. Marchand was a marketer working for great Brand organizations like Procter & Gamble, Campbell Soup and Molson Breweries. His most famous campaign being the Molson Canadian “I am CANADIAN Rant” which has been recognized as Canada’s greatest ad campaign of all time.

Mr. Marchand is proud to have been named a recipient of the Queen’s Diamond Jubilee medal for his charitable work in Canada and internationally. He is deeply involved with non-for-profit organizations in healthcare (TELUS Fund, SickKids Hospital Foundation, St. Michael’s Hospital Foundation, CBT Associates), education (Pathways to Education, University of Alberta School of Business), technology (NewCo Toronto, C100, Ontario Science Centre’s Innovators Ball) and affordable housing (Chair of the Habitat for Humanity Carter Work Project, 2017).



APPENDIX B: Development Financing Contracts in 2016-17

Program Title	Program Category	Project Elements	Content	Production Company	Distribution Platform
1001 Ways to Wonder, Inc.	Analysis, documentary (2ab)	Digital Episodes	Bryce Sage believes wonder might be the cure to his depression, so he embarks on a quest to explore and demystify the science of mental health in this weekly web-series.	1001 Ways to Wonder Inc. ON	Digital Platform
Being There	Education, recreation, leisure (5ab)	Digital Episodes	Submission to special call for web series ideas targeted to caregivers	RoadWest Pictures Inc. AB (Regions)	Digital Platform
Bêtes de sexe	Analysis, documentary (2ab)	TV Program, Digital Episodes	If we don't educate our teens about sex and pornography, the internet will do it for us... and that is very, if not too, dangerous for their physical emotional and mental health!	Echo Media Inc. QC	Télé-Québec
Care Rebels	Analysis, documentary (2ab)	Digital Episodes	Submission to special call for web series ideas targeted to caregivers	CatBird Productions Inc. QC (OLMC)	Digital Platform
Caring for Those Who Care	Education, recreation, leisure (5ab)	Digital Episodes	Submission to special call for web series ideas targeted to caregivers	North of Now Films Inc. BC (Regions)	Digital Platform
Exceptional Life (An)	Analysis, documentary (2ab)	Digital Episodes	Submission to special call for web series ideas targeted to caregivers	Fifth Ground Entertainment Inc. ON	Digital Platform
House Calls with Dr. Yvette Lu	Education, recreation, leisure (5ab)	Digital Episodes	Submission to special call for web series ideas targeted to caregivers	Super Creative BC	Digital Platform
Just Like Us	Analysis, documentary (2ab)	Digital Episodes	Submission to special call for web series ideas targeted to caregivers	Anaid Entertainment Inc. BC	Digital Platform
Madeleine and Myrtle	Drama, comedy (7)	Digital Episodes	Submission to special call for web series ideas targeted to caregivers	Random Bench Productions Corp BC	Digital Platform
Médecins sans rendez-vous II	Analysis, documentary (2ab)	Website, Digital Episodes	The go-to health resource for Quebec families with day to day health tips, advice and information approved by health professionals.	Attraction Image Productions II inc. QC	Télé-Québec



APPENDIX B: Development Financing Contracts in 2016-17

Program Title	Program Category	Project Elements	Content	Production Company	Distribution Platform
Sexe Oral (Le)	Education, recreation, leisure (5ab)	Digital Episodes	A public bench-style show that demystifies intimate relationships to allow them to thrive in the era of the break-up of traditional love models	Production Wojack inc. BC (OLMC)	TCF
Spark (The)	Education, recreation, leisure (5ab)	Digital Episodes	Submission to special call for web series ideas targeted to caregivers	Toast Studio Inc. QC	Digital Platform
Stories for Caregivers	Non-Linear Programming	Website	StoriesforCaregivers.com showcases professionally produced programming about caregivers, while building a community for caregivers to connect, support, and share their own stories and inspirations.	The Coup Company Ltd. BC	Digital Platform
Vital Signz	Drama, comedy (7)	Digital Episodes	Submission to special call for web series ideas targeted to caregivers	Blind Luck Pictures Ltd. ON	Digital Platform
Yalla	Analysis, documentary (2ab)	TV Program	Documentary focusing on perinatal grief following medically induced termination of pregnancy; the impacts and challenges as well as the perceptions in our society.	Productions Appalaches Inc. NB (Regions)	SRC



APPENDIX C: Production Financing Contracts in 2016-17

Program Title	Program Category	Project Elements	Content	Production Company	Distribution Platform
Anthropocene	Analysis, documentary (2ab)	TV Program, VR Episodes, Website, Live Event Tour	Anthropocene is a never before seen marriage of documentary, photographic art, audio-visual essay and immersive virtual reality to explore the question of humanity's irrevocable influence upon the planet.	Anthropocene Films Inc. ON	Bell Media Stations, TVO
Aventures du pharmacien (Les)	Analysis, documentary (2ab)	TV Series, Digital Episodes, Website	Documentary series and website debunking false truths and popular health beliefs, all the while developing the population's critical thinking abilities.	DATSIT Studios Quatorze inc. QC	CBC / SRC Stations
Being There	Education, recreation, leisure (5ab)	Digital Episodes	Does anyone care that you're caring? We do... and we want to help you find your place in the story.	Roadwest Pictures Inc. AB (Regions)	Digital Platform
Bêtes de sexe	Analysis, documentary (2ab)	TV Program, Digital Episodes	Bêtes de sexe is a digital project on sexuality that targets youth of 13-15 years. Composed of 35 webisodes on themes validated by experts and youth, the series is an entertaining and educational way of presenting sexuality	Écho Media Productions Inc. QC	Télé-Québec
Caring for those who care	Education, recreation, leisure (5ab)	Digital Episodes	Caring For Those Who Care is a documentary style web series in which each episode will honour a family caregiver, telling their story and rewarding them for all that they do.	North of Now Films Inc. BC (Regions)	Digital Platform
Chiyo	Analysis, documentary (2ab)	TV Program, Digital Episodes, Live Event Tour	Filmed over many years, "Chiyo" captures the intimate moments of a wife filmed by her husband as they navigate caring for their child, and each other, when their young daughter is diagnosed with Type 1 Diabetes.	Parabola Productions QC (OLMC)	CBC / SRC Stations
Cut Off	Analysis, documentary (2ab)	TV Program, Virtual Reality Episode, Digital Episodes	Canada is home to some of the most remote first nations communities in the world. Places that can seem cut off from the world. But full of people that want to be heard.	Vice Productions (Unique) Inc. ON	Viceland TV, Digital Platform



APPENDIX C: Production Financing Contracts in 2016-17

Program Title	Program Category	Project Elements	Content	Production Company	Distribution Platform
Défi Santé	Education, recreation, leisure (5ab)	PSAs, Digital Episodes, Website, Application	The third installment of Champions of Health will bring a new dimension, a grassroots movement, and the mobile app evolves by offering new features, especially with personalization and an even more playful approach.	Capsana Inc. QC	TVA
Fast Health	Education, recreation, leisure (5ab)	Digital Episodes	Brittlestar (Stewart Reynolds) is joined by men's health experts and professionals to drive exotic cars and discuss the issues facing Canadian men and the strategies they can adopt to make positive change	North of Now Films Inc. BC (Regions)	Digital Platform
Ghost BFF	Drama, comedy (7)	Digital Episodes, Website	A comedy about depression, follows two girls—one alive, one dead—across space, time, and the suburbs as they struggle to find themselves and find closure following a suicide; Ghost BFF will tell this story from a POV which hasn't been told yet, that is, of someone who has already committed suicide.	Ghost BFF Inc. ON	Digital Platform
House Calls with Dr. Yvette Lu	Education, recreation, leisure (5ab)	Digital Episodes	A family physician connects caregivers to experts to solve caregiving challenges	Super Creative Coporation BC	Digital Platform
How to Buy a Baby	Drama, comedy (7)	Digital Episodes	An infertile couple struggles to conceive with the help of a doctor. And a nurse. And an embryologist. And a financial planner. And unsolicited advice from everyone they know.	Fertilifun Productions Inc. ON	Digital Platform
I am still your child	Analysis, documentary (2ab)	TV Program, Digital Episode, Website	Over half a million of Canada's front line mental health-care "workers" are less than 12 years old. Yet, nobody's heard of them... And they're left alone to cope.	Catbird Films, Inc. QC (OLMC)	CBC / SRC Stations
J'aurais donc dû docteur!	Analysis, documentary (2ab)	TV Series, Digital Episodes, Website	The documentary series presents cases of people who almost died because they waited too long before seeing a doctor, while web capsules raise public awareness to avoid those situations.	Productions Pixcom Inc. QC	Bell Media Stations



APPENDIX C: Production Financing Contracts in 2016-17

Program Title	Program Category	Project Elements	Content	Production Company	Distribution Platform
Jenny	Drama, comedy (7)	TV Series, Digital Episodes, Website	JENNY is a dramatic series and blog that follows a young girl who has been diagnosed with leukemia from the moment she finds out up until recovery.	9347-4732 Québec Inc. / Productions Avenida Inc. QC	TV5, Digital Platform
Keeping Canada Safe	Analysis, documentary (2ab)	TV Series, Digital Episodes, Website	A documentary series chronicling the often hidden stories of the unsung men and women, unexpected heroes, and behind-the-scenes processes that safeguard our welfare, over a typical two days of Canadian life	Force Four Entertainment Inc. BC	CBC / SRC Stations
Living in HOpe	Analysis, documentary (2ab)	TV Series, Digital Episodes Website	At the HOpe Centre, psychiatric patients and practitioners are working together on a bold, radically human approach to mental health. We will spend a year in their lives ... and share the experience.	Stranger Productions Inc. BC	Knowledge Network
Longevity Road Trip	Analysis, documentary (2ab)	TV Series, Digital Episodes, Application, Website	Zoomer couples embark on journeys that will challenge everything we believe about the limits of ageing.	Sixteen Films Ltd. ON	Zoomer Media
Maux Mystères	Analysis, documentary (2ab)	TV Series, Digital Episodes, Website	People afflicted with diseases that are rare and often unknown to modern medicine see their lives reduced to an ultimate and inexorable quest to get the correct diagnosis.	666765 B.C. Ltd / Tiguidou Media Ltd. BC (OLMC)	Bell Media Stations
Much Too Young	Analysis, documentary (2ab)	TV Program, Virtual Reality Episodes, Website	Much Too Young is a documentary film and virtual reality experience that follows four families as they deal with Alzheimer's disease at a shockingly young age and then places the audience into the perspective of someone suffering with the symptoms of Alzheimer's related dementia through these stories.	MTY Productions Inc. ON	TVO
Music and the Brain	Analysis, documentary (2ab)	TV Program, Digital Episodes	Through compelling individual stories, we will explore how sounds and music affect our brain in ways that promote healing and wellness for people plagued by many ailments and conditions.	Bunbury Films Inc. QC	CBC / SRC Stations



APPENDIX C: Production Financing Contracts in 2016-17

Program Title	Program Category	Project Elements	Content	Production Company	Distribution Platform
Risk Factor (The)	Analysis, documentary (2ab)	TV Program, Application, Live Event Tour	The Risk Factor improves our ability to understand, analyze and respond to the short and long-term risks we all share, helping us to live safer, healthier and more fulfilling lives.	1943396 Ontario Inc ON	TVO, Digital Platform
Silicon Food: Que mangera-t-on demain?	Analysis, documentary (2ab)	TV Series, Digital Episodes, Website	Silicon Food is about food issues, a global problem resonating all the way into Canadian homes.	Productions Nova Média Inc. QC (Regions)	CBC / SRC Stations
Something in the Air	Analysis, documentary (2ab)	TV Program, Application, Website	Something in the Air is a one hour documentary for CBC's The Nature of Things that shows new risks in the most essential element for survival – air – how it affects our brains, our DNA, and how new technology is allowing us all to change the equation for the better.	Breathless Media Inc. MB (Regions)	CBC / SRC Stations
Stories for Caregivers	Non-Linear Programming	Website	StoriesforCaregivers.com showcases professionally produced programming about caregivers, while building a community for caregivers to connect, support, and share their own stories and inspirations.	The Coup Company Ltd. BC	Digital Platform

APPENDIX D: TELUS Fund Financial Statements for the Year Ending August 31, 2017

MANAGEMENT STATEMENT OF RESPONSIBILITY

The financial statements of the TELUS Fund have been prepared by management and approved by the Board of Directors. The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Management is responsible for the contents of the financial statements and the financial information contained in the annual report.

To assist management in the discharge of these responsibilities, the Fund has a system of internal controls over financial reporting designed to provide reasonable assurance that the financial statements are accurate and complete in all material respects.

The Board of Directors oversees management's responsibilities through an Executive Committee (Committee). The Committee will meet as required with both management and the external auditors to discuss the scope and findings of audits and other work that the external auditor may be requested to perform from time to time, to review financial information, and to discuss the adequacy of internal controls. The Committee reviews the annual financial statements and recommends them to the Board of Directors for approval.

The Fund's external auditors, Alan F. Saucier, Inc., Chartered Professional Accountants, have conducted an independent examination of the financial statements in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to express an opinion in their Auditors' Report. The External Auditors have full and unrestricted access to management and the Committee to discuss findings related to the integrity of the Fund's financial reporting and the adequacy of internal control systems

INDEPENDENT AUDITOR'S REPORT

To the Directors of The TELUS Fund

I have audited the accompanying financial statements of The TELUS Fund, which comprise the statement of financial position as at August 31, 2017 and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

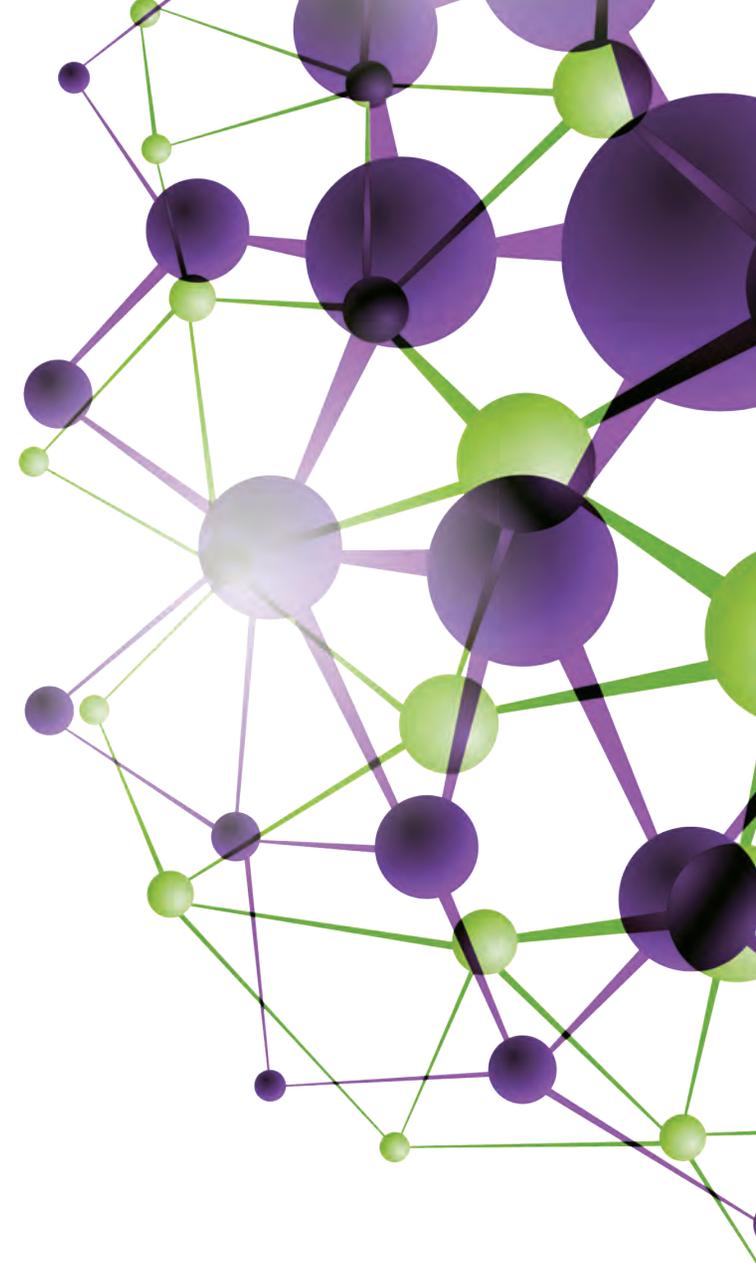
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence that I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of The TELUS Fund as at August 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

ALAN F. SAUCIER, INC.
Chartered Professional Accountant
North Vancouver, B.C.
October 5, 2017



The Telus Fund
Statement of Financial Position
as at August 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 603,150	\$ 7,650,955
Marketable securities (Note 2(f))	6,648,340	—
Interest receivable	2,955	4,817
Contributions receivable (Note 4)	—	27,796
	7,254,445	7,683,568
LONG-TERM INVESTMENTS (Note 2(f))	1,200,000	—
	\$ 8,454,445	\$ 7,683,568
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 830,099	\$ 66,163
Due to related party (Note 5)	22,290	—
	852,389	66,163
NET ASSETS (Unrestricted)	7,602,056	7,617,405
	\$ 8,454,445	\$ 7,683,568

The accompanying notes are an integral part of these financial statements.

APPROVED BY THE DIRECTORS

 Nini Baird

 Michel E. Bélec

The Telus Fund
Statement of Operations and Changes in Net Assets
for the Year Ended August 31, 2017

	2017	2016
REVENUE		
Contributions (Note 4)	\$ 5,348,009	\$ 5,539,667
Recoupments	207,177	46,315
	5,555,186	5,585,982
EXPENSES		
Program funding disbursements	5,290,585	2,445,153
Consulting fees	219,071	184,461
Marketing and communications	18,398	23,700
Honoraria	17,750	17,325
Board expenses	13,463	29,676
Professional and insurance fees	12,668	13,488
Travel	5,094	10,260
Office expense	3,536	2,209
	5,580,565	2,726,272
(DEFICIENCY) EXCESS OF OPERATING REVENUE OVER OPERATING EXPENSES	(25,379)	2,859,710
INVESTMENT INCOME		
Interest income	62,138	46,257
Dividend income	1,115	—
Other investment income	6,926	—
Unrealized loss due to decline in value of investments (58,848)	—	—
Unrealized foreign exchange loss	(1,301)	—
	10,030	46,257
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	(15,349)	2,905,967
NET ASSETS, beginning of the year	7,617,405	4,711,438
NET ASSETS, end of the year	\$ 7,602,056	\$ 7,617,405

The accompanying notes are an integral part of these financial statements.

**The Telus Fund
Statement Of Cash Flows
for the Year Ended August 31, 2017**

	2017	2016
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenses for the year	\$ (15,349)	\$ 2,905,967
Non-cash items affecting income:		
Unrealized loss due to decline in value of investments	58,848	—
Unrealized foreign exchange loss	1,301	—
Investment acquired through spinoff	(2,998)	—
	57,151	—
	41,802	2,905,967
Changes in non-cash working capital balances		
Investment in marketable securities	(6,705,491)	—
Interest receivable	1,862	(1,485)
Contributions receivable	27,796	67,932
Accounts payable and accrued liabilities	763,936	45,703
Amounts due to a related party	22,290	—
	(5,889,607)	112,150
	(5,847,805)	3,018,117
INVESTING ACTIVITIES		
Investment in long-term investments	(1,200,000)	—
(DECREASE) INCREASE IN CASH DURING THE YEAR		
	(7,047,805)	3,018,117
CASH, beginning of the year	7,650,955	4,632,838
CASH, end of the year	\$ 603,150	\$ 7,650,955

The accompanying notes are an integral part of these financial statements.

Interest paid in the year was nil (2016 – nil).
Income tax paid in the year was nil (2016 – nil).

**The Telus Fund
Notes to Financial Statements
for the Year Ended August 31, 2017**

1. Purpose and operations

The TELUS Fund (“Fund”) is a not-for-profit organization incorporated under the Canada Not-for-Profit Corporations Act on June 13, 2013. The Fund effectively commenced operations on September 1, 2013. It is certified as an independent production fund by the Canadian Radio-television and Telecommunications Commission (“CRTC”).

The purpose of the Fund is to encourage and support the creation of exceptional Canadian health and wellness content for television and/or digital media. The Fund receives cash contributions primarily from TELUS Communications Company’s broadcasting distribution undertakings (“BDUs”) as permitted by the CRTC. The Fund then makes disbursements in the form of recoupable advances to eligible productions which may be recovered, in accordance with the funding agreements, if the funded projects earn revenue. Since the purpose of CRTC’s contribution regime is to allow contributions to be funnelled directly to eligible productions, all contributions to the Fund and any recoupment on equity or loans must be directed to eligible content productions within a period of two years from the date of the contribution or recoupment.

2. Significant Accounting Policies

(a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Revenue recognition

The Fund follows the deferral method of accounting for revenue. Contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Interest and other investment income is recognized as revenue in the year that it is earned. Changes in fair value of equity instruments that are quoted in an active market are recognized as income in the period in which they are incurred. Recoupable

advances are recognized as revenue in the year in which funded projects report earned revenue.

The Telus Fund Notes to Financial Statements for the Year Ended August 31, 2017

2. Significant Accounting Policies (continued)

(c) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from these estimates as additional information becomes available in the future.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank accounts and those items which are readily convertible into cash that mature in three months or less.

(e) Financial instruments

The Fund initially measures its financial assets and liabilities at fair value when acquired or issued. With the exception of equity instruments that are quoted in an active market, the Fund subsequently measures all of its assets at amortized cost less impairment, if applicable. Equity instruments that are quoted in an active market are measured at fair value at each reporting period. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost. Financial assets measured at amortized cost include cash, interest receivable and contributions receivable. Financial assets measured at fair value include investments in equity instruments that are quoted in an active market. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(f) Investments

Marketable securities that are readily liquidable are reported as current assets on the balance sheet. Investments with fixed terms that will not mature within one year are reported as non-current assets on the balance sheet.

(g) Related party transactions

Related party transactions in the normal course of business are recorded at the exchange value.

(h) Income taxes

The Fund is incorporated as a not-for-profit society and therefore is not subject to income taxes.

(i) Program funding commitments

The development and production financing agreements that are entered into by The Fund with independent production companies define conditions and milestone dates to be met by the independent production companies prior to the disbursement of payments by the Fund. The Fund records payments as program funding disbursements in the statement of operations when the specific milestones have been achieved. The balance of funding commitments for production and financing agreements are identified in Note 9 for which specific funding milestones were not achieved by the fiscal year ends.

3. Cash

The Fund's bank accounts are held at one Canadian financial institution. The savings bank account currently earns interest at 0.65% per annum.

4. Contributions receivable

The contributions due from a BDU are non-interest bearing, unsecured, and have no specific terms of payment.

**The Telus Fund
Notes to Financial Statements
for the Year Ended August 31, 2017**

5. Related party transactions

During the year the Fund received contributions from a BDU. These transactions are in the normal course of operations and measured at exchange value, the amount of consideration established and agreed to by the related parties. At August 31, 2017 the reimbursement due to a BDU for over-contributions was \$22,290 (2016 – nil).

6. Economic dependence

The Fund's operations are dependent on one contributor, TELUS Communications Company, which is required by the CRTC to direct a portion of its profits from BDUs to the production of Canadian programming.

7. Amounts payable in respect of government remittances

	2017	2016
\$	—	—

8. Financial Instruments

(a) Fair values

The Fund's financial instruments include cash, investments in equity instruments, interest receivable, contributions receivable, accounts payable and accrued liabilities, and amounts due to a related party.

The carrying value of financial assets measured at amortized cost is \$2,007,846 as at August 31, 2017 (2016 – \$7,683,568).

The carrying amount of financial liabilities measured at amortized cost is \$852,389 as at August 31, 2017 (2016 – \$66,164).

(b) Credit risk

Credit risk is the risk that the Fund will incur a loss due the failure by its debtors to meet their contractual obligations. The Fund assesses its credit risk as low for cash and interest receivable as cash is placed in a credit-worthy Canadian chartered bank and guaranteed investment certificates. Credit risk on the contributions receivable is limited due to the government-mandated requirement for TELUS Communications Company to direct a portion of its funding to Canadian media production.

(c) Liquidity risk

Liquidity risk is the risk that the Fund cannot meet demand for cash or fund its obligations as they come due. The Fund maintains adequate levels of working capital to ensure obligations can be met when they fall due. The nature of the Fund's operation is to only disburse project funding once it has received contributions from a BDU.

(d) Market risk

Market risk is the risk that the fair value of future cash flows and future cash flows of a financial instrument will fluctuate because of changes in market prices. The Fund controls market risk by investing in conservative investment portfolios, money market funds, and guaranteed investment certificates in accordance with a detailed investment policy. For purposes of disclosure, the Fund further segregates market risk into two categories: interest risk and currency risk.

- (i) Interest rate risk is the risk that changes in interest rates will affect future cash flows or fair values of financial instruments. The Fund's exposure to interest rate risk is low as interest-bearing instruments are either commercial savings accounts or guaranteed investment certificates with maturity dates spread over a five-year period.
- (ii) Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund considers its currency exchange risk to be moderate as it has placed \$C 1,104,500 (2016 – nil) in an investment portfolio denominated in U.S. currency.

The Telus Fund
Notes to Financial Statements
for the Year Ended August 31, 2017

9. Contingencies and commitments

During the years ending August 31, 2014, 2015, 2016 and 2017 respectively, the Fund authorized funding for ongoing development and production activities that were not completed and for which not all funding milestones were completed by the respective fiscal year ends. The Fund has contractually entered into commitments to make payments as follows:

	2017	2016	2015	2014	Total
Commitments in the year ending Aug 31, 2014	\$ —	\$ —	\$ —	\$ 634,878	\$ 634,878
Less funds disbursed	—	—	—	(454,199)	(454,199)
Undisbursed commitments Aug 31, 2014	—	—	—	180,679	180,679
Commitments in the year ending Aug 31, 2015	—	—	5,830,336	—	5,830,336
Less funds disbursed	—	—	(4,006,165)	(174,430)	(4,180,595)
Undisbursed commitments Aug 31, 2015	—	—	1,824,171	6,249	1,830,420
Commitments in the year ending Aug 31, 2016	—	2,298,449	—	—	2,298,449
Less funds disbursed	—	(1,141,507)	(1,303,646)	—	(2,445,153)
Undisbursed commitments Aug 31, 2016	—	1,156,942	520,525	6,249	1,683,716
Commitments in the year ending Aug 31, 2017	6,321,088	—	—	—	6,321,088
Less funds disbursed	(4,275,937)	(615,004)	(273,650)	—	(5,164,591)
Undisbursed commitments Aug 31, 2017	<u>\$ 2,045,151</u>	<u>\$ 541,938</u>	<u>\$ 246,875</u>	<u>\$ 6,249</u>	<u>\$ 2,840,213</u>

