

Annual Report 2004

Aboriginal Healing Foundation





Helping Aboriginal People Heal Themselves

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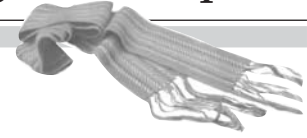


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Photo: AHF National Gathering participants – Edmonton, July 9, 2004. Kanatiio.

Reporting Principles



GUIDED BY THE RECOMMENDATIONS OF Survivors attending the Residential School Healing Strategy Conference (held in Squamish Territory in July, 1998), by its Code of Conduct and By-law, & by its Funding Agreement with the federal government, the Aboriginal Healing Foundation has since the beginning sought transparency in all its practices.

AHF annual reporting follows five principles:

- Clear context and strategies.
- Meaningful performance expectations.
- Performance accomplishments against expectations.
- Capacity to learn and adapt has been demonstrated
- Fair and reliable performance information reported.

This report outlines how our results are related to our mandate, vision and mission, demonstrates how our management strategies and practices are aligned with our objectives and illustrates how all sectors the AHF are working together to achieve shared results.

The framework provided by these principles will enable AHF stakeholders to obtain a portrait of the Foundation's accomplishments against defined objectives and strategies, as well as Foundation efforts, capabilities and intent. The objectives, strategies, results and prospects in this annual report also allow the Foundation to fulfil in an efficient manner its own policy regarding the content of its annual reports, which must include:



Photo: Staff of AHF on-stage to honour and thank National Gathering Participants. Edmonton, July 10, 2004.



Reporting Principles

...a statement of the Foundation's objectives for that year and a statement on the extent to which the Foundation met those objectives, and a statement of the Foundation's objectives for the next year and for the foreseeable future.

- AHF Funding Agreement,
Paragraph 10.05 (1) (c and d).

Although many challenges have been met since 1998, the AHF is committed to surmounting the obstacles ahead with unwavering determination, and to pursuing the commitment to transparency and accountability it has pledged to Survivors and their descendants, to Aboriginal communities, and to the Government of Canada.

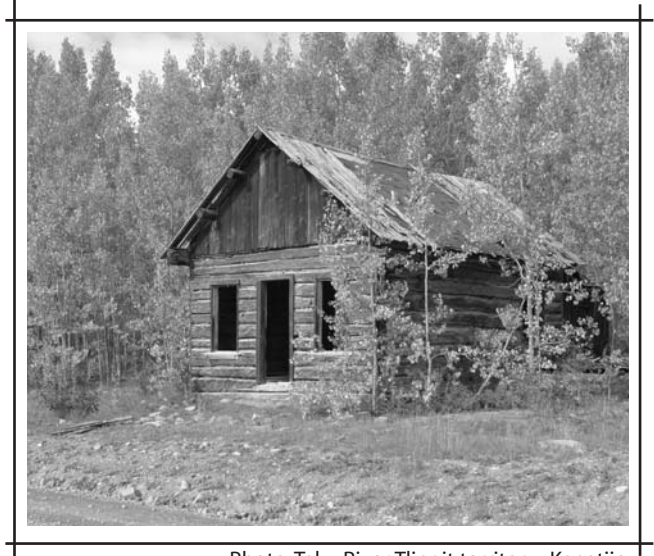


Photo: Taku River Tlingit territory. Kanatlio.



Message from the Board



2003-2004: Looking Back at milestones

AS WE LOOK BACK OVER THE YEAR 2003-2004, we again behold the passing of milestones. This is perhaps not surprising, considering our time-limited mandate. Given a period of five years to commit a \$350 million fund, we have in this past fiscal year done exactly that— committed the fund.

The Healing Has Begun ... and Must Continue

As a Board entrusted with the disbursement of funds, we have since the beginning sought to make the most prudent and effective decisions possible, within the constraints of our mandate. Needless to say, our task has not been easy. Needs have always exceeded our limited resources. That is why, in May 2002, we produced a publication entitled *The Healing Has Begun*. At this time we delivered our message to the public that good work is underway and must be supported beyond the life of the Foundation. We did not wish to see the healing fund invested, only to find in future years that there was inadequate long-term support to carry the work to completion.

In February 2000, the Board began to approach the government for an extension of its mandate and modifications of its investment policy, to bring them more in line with the endowment policies of other Foundations. The goal was to focus on meaningful healing rather than spending quickly. In February 2000, a meeting was held with Federal Government representatives, and the AHF presented the findings of a KPMG study as well as several options regarding an extension of its mandate and modification of its investment policies. During 2000

and 2001, the AHF continued to meet and approach government, but received no concrete response to its proposals.

In late 2003, with funding capital no longer matching the 2000 proposed investment and mandate scenarios, the Board of Directors of the Foundation agreed not to await a response from government before beginning a devolution process. Although the Government offered an extension of the commitment phase of the Foundation's mandate in 2003, without loosening investment restrictions, the AHF Board decided to stay the course, and, given the amount of funds remaining to be distributed, to commit the balance within the original timeframe. The AHF attempts to modify the AHF investment and mandate policy are described in more details in the Historical Landmarks section of this report.

— Winding-down Schedule —

March 31, 1998	Incorporation
December 4, 1998	Launch of the 1st Program Handbook / Call for Proposals
March 24-26, 1999	Board meets and approves first projects
June 23, 1999	First 35 projects announced
February 28, 2003	Final deadline for funding applications
October 5, 2003	Healing fund is fully committed
January 2006	Publication of AHF Final Report
March 2007	All project funding ends
September 2008	AHF will close its doors
March 31, 2009	11-year mandate ends



Message from the Board

The Funds Are Committed

The last deadline for proposals was February 28, 2003. In October of 2003, the Board of Directors committed the remainder of the Foundation's funds. As a result, the Aboriginal Healing Foundation has entered a winding-down period. Activities and staffing levels are being progressively trimmed. Our message for this past fiscal year has been that we will continue to support our funded projects, and the work of healing generally, in the time remaining to us. We will continue to share our expertise and our resources to the best of our ability. Those involved in healing work will however require some other arrangement to meet their fiscal needs.

As mentioned, the Board's decisions concerning who will receive AHF funding have come as a great challenge. Demand has outweighed available funds by a ratio of over 4 to 1. We have striven to ensure a fair and equitable distribution of funds that reflects the interests of all Aboriginal people. We have always known that our contribution to healing was modest, given the enormous effects of the residential school system.

We as a Board acknowledge the courage and dedication of Aboriginal people committed to healing. We especially honour the resilience of Survivors, whose contributions to our communities has made the healing possible.

The AHF: a model for Aboriginal Governance

In the past fiscal year, the use of foundations as instruments to achieve policy objectives or to

disburse Government resources has come into question. There has been some debate concerning the relevance of these "delegated arrangements." We do not wish to enter the debate; however, we are proud to be the first organisation of its kind, serving First Nations, Métis and Inuit communities as a national, not-for-profit, arms-length and non-political agency funding projects which address the impact of Canada's residential school system. We are proud of the good work of our funded projects, and we believe that this work is evidence of what can be done when Aboriginal innovation and vision are supported by culturally appropriate, Aboriginal-based initiatives. Our six year-end audits, our financial and compliance audits, our three interim evaluations, and our corporate plan all demonstrate the Foundation's success.

The Social Economy

The Aboriginal Healing Foundation was created to support community-based healing services and activities which address the intergenerational legacy of physical and sexual abuse in Canada's Indian Residential School system. In fulfillment of this mandate, the AHF has been more than a funding delivery mechanism. It has played a role in community development generally – in the enhancement of Aboriginal wellness, capacity, and project management. In short, we believe the Aboriginal Healing Foundation has contribute to the strengthening of what is termed "the social economy."

The AHF has accumulated much knowledge about healing in the context of addressing the residential school system's legacy and has played an important



Message from the Board

role in documenting its many aspects. We believe strongly that a continuum of care must be maintained for those who are already on their healing journey. The same opportunity must be available to those who became ready to pursue their healing in their own time.

Longer-term individual progress may, in some cases, be hindered by prevailing social conditions in certain communities. Healing is therefore central to Aboriginal people's ability to address other pressing social issues.

The Long Term

By March 31, 2006 AHF funding will come to an end for almost 90% of the projects active at the end of fiscal year 2003-2004. Almost a quarter of these projects are certain they will not be able to continue once AHF funding ends. Over half have an uncertain future. We are hopeful that solutions will be created to ensure survivors, whose decision to enter a healing program has made them vulnerable, are not further injured through the termination of funding support. In the absence of the Aboriginal Healing Foundation, alternative sources of project funding will be required. Although we have committed our funds, we continue to deliver the message to the public that healing is a long-term effort requiring long-term planning and resources. The Aboriginal Healing Foundation would also in our view be an effective vehicle for long-term delivery of resources.

Furthermore, communities have responded to the Foundation in waves. This reflects the fact that there are various levels or preparedness for healing.

The first wave of response came from British Columbia and Saskatchewan. Aboriginal people in these regions were especially well-prepared to undertake the work of healing at the time the Foundation appeared. The second wave was in the provinces of Ontario, Quebec, Alberta, Manitoba & Nova Scotia. The third came from Inuit communities. We believe that a future wave of response to the residential school system will come from Métis.

Funds are not the only contribution to be made to healing efforts. Whether or not we have money available to projects, we offer resources such as research reports, manuals, and expertise in many areas related to healing. The Legacy of Hope Foundation, a charity established by the AHF Board of Directors, will also continue to build the partnerships and raise the money which, we hope, will support the work today supported by the Aboriginal healing Foundation.

In Closing

Our Interim Evaluations suggest that the healing is well underway. Traditional therapies, alone and in combination with Western methods, are dismantling the oppressive legacy of residential school abuses. Participants in funded projects – only 2 percent of whom have been involved in healing before – are reporting that they feel more respected, welcomed, and safe. According to independent research conducted by Kishk Anaquot Health Research, almost 80 percent of individuals who have been in an AHF-funded activity thus far feel they are better prepared to handle future trauma; 71 percent feel better prepared to handle difficult issues.



Message from the Board

We have learned what helps most on the healing journey: increased awareness of the residential school's legacy, activities which foster connection with others, cultural celebration, and individual attention. What we have always known has been reaffirmed, that Aboriginal cultures, languages, and values are invaluable to our well-being. Many of those who have been on their healing journey may also be ready to consider the notion of reconciliation.

In closing, the Board of Directors acknowledges the resilience and courage of Aboriginal people who have risen up within many communities to undertake the difficult work of healing.

In the spirit of healing and peace,
Board of Directors.

"The people who are dedicated to these efforts understand the power of the social economy. The people themselves represent a powerful social resource, and it is high time that the federal government recognizes this. We intend to make the social economy a key part of Canada's social policy tool kit. ... Just as entrepreneurs are essential to keeping our economy vigorous, social entrepreneurs are essential if dynamic communities are to continue to thrive. And they need our support."

Paul Martin, Prime Minister of Canada, Speech in reply to the Speech from the Throne of February 2, 2004. Source: <http://pm.gc.ca/eng/sft-ddt.asp?id=2>

Photo: AHF Board Meeting. Kanatiio.



Vision, Mission & Values



SIX YEARS AGO, IN 1998, THE ABORIGINAL Healing Foundation was set up with a \$350 million fund from the Government of Canada, to be expended within a eleven-year time-frame. This one-time grant has enabled the Foundation to fund community healing projects and to cover expenses. The Foundation is an Aboriginal-run, not-for-profit corporation that is independent of governments and the representative Aboriginal organisations.

The Foundation's 17-member Board of Directors reflects Aboriginal diversity in Canada. The Board's role is to help Aboriginal people help themselves by providing funds for healing projects, promoting knowledge about the issues and the need for healing, and gaining public support from non-Aboriginal people.

Our vision is one where those affected by the legacy of physical abuse and sexual abuse experienced in residential school have addressed the effects of unresolved trauma in meaningful terms, have broken the cycle of abuse, and have enhanced their capacity as individuals, families, communities and nations to sustain their well being and that of future generations.

Our mission is to encourage and support Aboriginal people in building and reinforcing sustainable healing processes that address the legacy of physical abuse and sexual abuse in the residential school system, including intergenerational impacts.

We see our role as facilitators in the healing process by helping Aboriginal people help

themselves, by providing resources for healing initiatives, by promoting awareness of healing issues and needs, and by nurturing a supportive public environment. We also work to engage Canadians in this healing process by encouraging them to walk with us on the path of reconciliation.

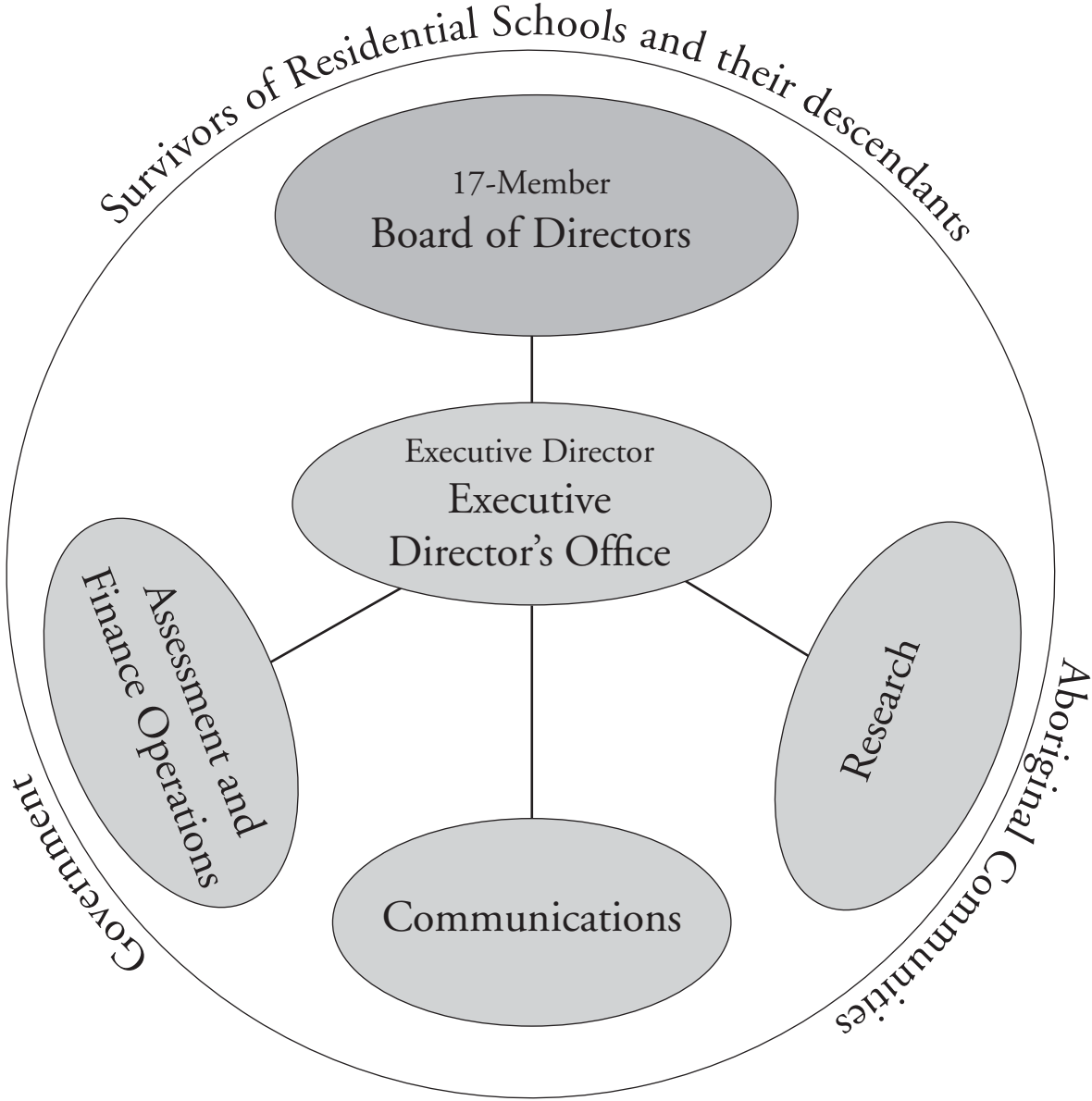
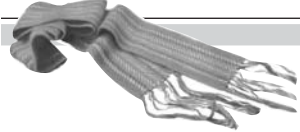
Ours is a holistic approach. Our goal is to help create, reinforce and sustain conditions conducive to healing, reconciliation and self-determination. We are committed to addressing the legacy of abuse in all its forms and manifestations, direct, indirect and intergenerational, by building on the strengths and resiliency of Aboriginal people.

We emphasise approaches that address the needs of Aboriginal individuals, families and the broader community. We view prevention of future abuse, and the process of reconciliation between victims and offenders, and between Aboriginal people and Canadians as vital elements in building healthy, sustainable communities.

By making strategic investments of the resources entrusted to us, and by contributing to a climate of care, safety, good will and understanding, we can support the full participation of all Aboriginal people, including Métis, Inuit and First Nations, both on and off reserves and both status and non-status, in effective healing processes relevant to our diverse needs and circumstances.



Structure & Accountability of the AHF



Historical Landmarks



IN THE WAKE OF THE OKA CONFLICT, THE Federal Government of Brian Mulroney appointed the Royal Commission on Aboriginal Peoples in August of 1991. One of the two Co-chairs of the Commission was Georges Erasmus, the former National Chief of the Assembly of First Nations. The Commission had a very broad mandate, drafted by Brian Dickson, the former Chief Justice of the Supreme Court of Canada. The Commission held hearings across the country and oversaw an extensive analysis of Aboriginal issues.

In November 1996, the Commission issued its final five-volume report featuring over 100 pages of detailed recommendations. Chapter 10, which addresses the issue of residential schools, revealed the full extent of the abuse perpetrated in residential schools.

On January 7th, 1998, as part of the Federal Government response to the report of the Royal Commission on Aboriginal Peoples, the Honourable Jane Stewart, Minister of Indian Affairs, announced Gathering Strength – Canada's Aboriginal Action Plan at a public ceremony. The Minister issued a Statement of Reconciliation to all Aboriginal peoples for the abuses in residential schools and announced a Healing Strategy and a \$350 million fund to address the healing needs of First Nations, Inuit and Métis individuals, families and communities who suffer the legacy of physical and sexual abuse at residential schools, including intergenerational impacts.

In mid-February, following discussions with residential school focus groups, a preliminary document entitled "Healing Strategy: principles and

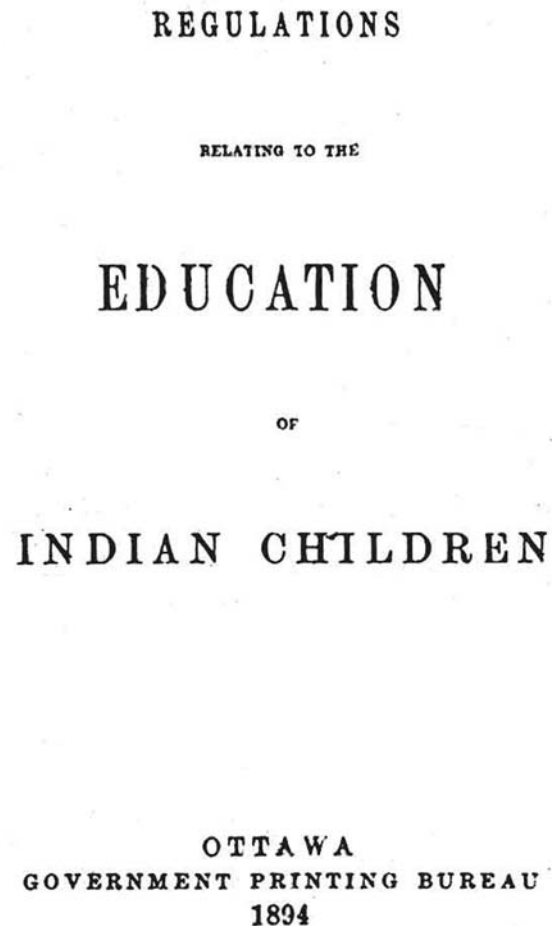


Photo: The Shingwauk Project <http://www.shingwauk.auc.ca>



Historical Landmarks

Proposed Approach" was tabled with five national Aboriginal organisations, and an interim Founding Board of prominent Aboriginal people was formed. At this time, a working group of Aboriginal representatives and the federal government developed the AHF's Funding Agreement and Constitution. During the three months of its initial mandate, the Interim Founding Board established a non-profit organisation to oversee the \$350 million fund.

In March 1998, the federal government convened a two-day meeting to provide residential school survivors and representative groups, the healing community, and other interested parties with an update and an opportunity for input on developments regarding the Healing Strategy and Fund. The Interim Founding Board took part in the meeting as observers, to listen to the input of the participants.

On July 14, 15 and 16, 1998, a Residential School Healing Strategy Conference was held at the Squamish Longhouse, in Squamish Territory. This conference was held to listen to the recommendations and ideas of Survivors of the legacy of physical and sexual abuse in residential schools.

On March 31, 1998, a funding agency called the Aboriginal Healing Foundation was established as an Aboriginal-run, not-for-profit corporation, independent of the government and the representative Aboriginal organisations. The Foundation was established with an 11-year mandate, ending March 2009.



Photo: Onion Lake Indian Residential School, 1903.
University of Saskatchewan Archives.

In the Spring of 2000, the Aboriginal Healing Foundation initiated discussion with the Government of Canada concerning potential improvement of its performance, through an extension of its mandate and a revision of its investment restrictions. The goal was to focus activities of the Foundation on meaningful and appropriate healing, rather than on a quick disbursement of the healing fund.

In February 2001, a meeting was held with Federal Government representatives. The AHF presented the findings of a KPMG study which substantiated its established track record. An in-depth analysis of the AHF's current investment portfolio was also provided as well as alternative balanced and prudent investment strategies, with their respective financial benefits.

This analysis provided several scenarios delineating the benefits of optional investments policies over their respective length of mandate. Taking into account the amount of capital still available to the Foundation at the time of analysis, and with an



Historical Landmarks

annual grants and expenditure amount of 21.2 million dollars, the Foundation would have been able to function indefinitely.

In 2003, the Government of Canada offered to extend the funding commitment phase of the Foundation's mandate two years, from March 31, 2004 to March 31, 2006, but without additional funds or any further modifications of the mandate. The Board of the Aboriginal Healing Foundation, having already committed nearly all of the funds, declined the offer to extend the timeframe. Because this proposal was time-sensitive, and the offer too late, our opportunity has passed.

With the exception of Inuit applications and applications for Healing Centres, the last deadline for submitting proposals to the Foundation was February 28, 2003. In October 2003, the Board of Directors committed the remaining available funds, bringing the commitment phase of our 11-year mandate to a close.

Foundation staff will continue to support and monitor active funded projects, write reports (including the Final Report), and perform wind-up tasks until 2008, when the Foundation is projected to close.

On March 28 and 29, 2004, our Board of Directors hosted a meeting of stakeholders – representatives from the Government of Canada, church entities, Aboriginal organizations and Survivor groups.

That meeting was guided by a discussion document that had been produced for presentation to attending stakeholders. The purpose of the discussion document was to help focus dialogue,

share ideas on how to instil hope in those who have yet to begin their healing journey and explore avenues for continued progress.

We began by acknowledging the progress that has been made in the healing movement thus far as a result of hard work, dedication and commitment to changing the dynamics that have plagued relations between Aboriginal people, the Government of Canada, church entities and Canadians.

Over the course of the two-day meeting, participants shared what we have learned, examined some fundamental questions that emerge from the healing movement, explored the possibility of establishing a "Coalition for Hope", and considered possible models of resolution and reconciliation that could guide us into the future.

Follow up meetings are being foreseen for July and later.

Despite all that has been accomplished, we still have a long way to go. Healing and reconciliation are critical to our collective ability to move to a better place. We have begun to lay the foundation of a new legacy.



Resolving the Legacy



RESIDENTIAL SCHOOLS OFFICIALLY OPERATED in Canada between 1892 and 1969 through arrangements between the Government of Canada and the Roman Catholic Church, the Church of England (or Anglican Church), the Methodist (or United) Church, the Presbyterian Church, the Salvation Army, and Mennonites.

Although in 1969 the Government of Canada officially withdrew, a few of the schools continued operating throughout the 70s and 80s. Akaitcho Hall in Yellowknife, NWT did not close until the 1990s.

The impacts of the residential schools have been felt in every segment of Aboriginal societies. Communities continue to suffer social, economic and political disintegration. Languages were attacked and continue to be threatened. Families were wrenched apart. The lives of individual students were devastated. Many of those who went through the schools were denied nurturing which led to loss of parenting skills and therefore the ability to pass these skills to their own children. They struggled with the destruction of their identities as Aboriginal people, the loss of personal liberty and privacy, and memories of abuse, trauma, poverty, and neglect.

Thousands of former students have come forward to reveal that physical, emotional, and sexual abuse were rampant in the school system and that little was done to stop it, to punish the abusers, or to improve conditions. Many passed the abuse they suffered on to their children, thereby perpetuating the cycle of abuse and dysfunction arising from the residential school system.

After years of resistance, protest, and activism on the part of many Aboriginal people and others, the first major steps towards healing began. The churches involved in running the schools publicly apologised. The first to apologise was the United Church of Canada in 1986. Other apologies and statements followed – by the Oblate Missionaries of Mary Immaculate (Roman Catholic) in 1991, the Anglican Church in 1993, and the Presbyterian Church in 1994.

Around this same time, the Royal Commission on Aboriginal Peoples (RCAP) was examining the issue of residential schools as part of its larger mandate, and in November 1996 its final report was released. The report included a section outlining research and findings on residential schools and contained recommendations specific to residential schools.

In 1997, the Canadian Conference of Catholic Bishops issued a statement expressing their regret for the pain and suffering that many Aboriginal people experienced in the residential school system. Pope John Paul II expressed similar regrets in the year 2000.

The creation of the Aboriginal Healing Foundation, in 1998, heralded a period of attempts to find solutions to the trauma that still affects Aboriginal individuals, families and communities as a result of the residential school legacy of physical and sexual abuse as well as the assaults on cultures and languages.

Between 1998 and 1999, the Government of Canada conducted a series of nine exploratory



Resolving the Legacy

dialogues across the country with abuse victims and religious denominations to resolve Indian residential schools claims of physical and sexual abuse.

In 1999, Canada initiated a series of dispute resolution projects, which explore various approaches to resolving these claims.

In September 2000, Jean Chrétien announced the appointment of the Deputy Prime Minister, Herb Gray, as Special Representative on Residential Schools. Herb Gray was given the responsibility of co-ordinating all initiatives on behalf of the Government of Canada. To this end, the residential school file was moved from Indian and Northern Affairs Canada, and, in June 2001, the Prime Minister announced the creation of the Office of Indian Residential Schools Resolution (OIRSR), to centralise federal resources and efforts dedicated to addressing the legacy of Indian residential schools.

In August 2002, the Honourable Ralph Goodale, Minister of Public Works and Government Services Canada and also Federal Interlocutor for Métis and Non-Status Indians, assumed responsibility for the Office of Indian Residential Schools Resolution Canada. In December 2002, The Hon. Mr. Goodale announced the OIRSR's "National Resolution Framework" for victims of abuse at Indian residential schools – an alternative dispute resolution process intended to resolve claims out-of-court in seven years. (For more information, please see <http://www.irsr-rqpi.gc.ca/english/index.html>, or contact the Office of Indian Residential Schools Help Desk at 1-800-816-7293.)

As of March 31, 2004, more than 12,000 former Indian residential school students had filed claims against the Government of Canada. While the vast majority of these claims are for physical and sexual abuse, ninety percent also claim loss of language and culture. The Government of Canada does not yet compensate loss of language and culture, as the Canadian courts do not recognise language and culture as a compensable cause of action; however, claims for loss of language and culture can now be argued.

A multi-billion-dollar Claim, issued in the Ontario Superior Court of Justice and known popularly as the "Baxter Action," is an attempt to address the issues of language and culture assault in the Indian Residential School system. If certified, this class action suit will expand the range of damages eligible for compensation. (For more information on the Baxter Action, please visit <http://www.thomsonrogers.com/classaction.htm>, or contact Darcy Merkur at 1-888-223-0448.)

During fiscal year 2003-2004, the Aboriginal Healing Foundation has participated in the Legacy of Hope Coalition – a group made up of church, government, and various non-government representatives, including Survivors, all with an interest in beginning a dialogue on the issue of reconciliation. Much progress has been made through ever-coalescing efforts toward reconciliation over the past decade. That progress is the result of hard work, dedication and commitment to changing the dynamics that have plagued relations between Aboriginal people, the churches, and the Canadian government. Hopefully, we can look back at this time in history



Resolving the Legacy

as another milestone along our journey towards peace, reconciliation and right relations.

Litigation and Alternative Dispute Resolution offer two options to survivors of residential school abuse. Healing is a third and, we believe, critical option.

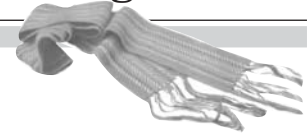
Thus, as compensation flows to Survivors, it should be received in the context of a healing environment. Healing is central to Aboriginal people’s ability to address other pressing social issues. For most, healing will require a longer time-frame than the Aboriginal Healing Foundation’s current mandate provides. The healing has just begun, and must be supported until it is completed.

Repairing the damages caused by the Residential School System’s assaults on Aboriginal languages & cultures continues to be a significant concern for many. Government is already being confronted by communities seeking ongoing funding for healing initiatives related to language and culture.

The AHF has succeeded in supporting many individuals and communities on the path of healing. For many communities already on their journey when the Aboriginal Healing Foundation was established, our funds were an invaluable boost. For many more communities, the healing journey began when the first proposal submitted to the Foundation was approved. Today, many communities have recognised the source of their trauma and are intent on action. In the time remaining, the Foundation will strive to help them find ways to maintain their healing.

Some Key AHF Dates	
▶▶ March 31, 1998	Incorporation
▶▶ December 4, 1998	Launch of the 1st Program Handbook / Call for Proposals
▶▶ March 24-26, 1999	Board meets and approves first projects
▶▶ June 23, 1999	First 35 projects announced
▶▶ February 28, 2003	Final deadline for funding applications
▶▶ October 5, 2003	Healing fund is fully committed
▶▶ January 2006	Publication of AHF Final Report
▶▶ March 2007	All project funding ends
▶▶ September, 2008	AHF will close its doors
▶▶ March 31, 2009	11-year mandate ends

Legal Obligations



THE FUNDING INITIATIVES OF THE ABORIGINAL Healing Foundation have been developed and administered in conformity with the Funding Agreement between the Foundation and the Government of Canada.

Funding Agreement

Aboriginal Healing Foundation and Her Majesty the Queen in Right of Canada, as represented by the Minister of Indian Affairs and Northern Development.

This agreement defines, for the purpose of funds allocation, the Eligible Recipients. In conformity with the Agreement's criteria regarding Eligible Recipients, Eligible Projects and Eligible Costs, AHF funds have been directed to the healing needs of Aboriginal Peoples residing in Canada who have been affected by the legacy of physical and sexual abuse in residential schools, including intergenerational impacts: First Nations, Inuit and Métis communities, organisations or groups in Canadian organisations (i.e. Aboriginal women's groups, Inuit youth, Friendship Centres or Survivors' groups), Individual Aboriginal people living in Canada who have survived the Canadian residential school system or who are descendants of survivors, and networks of Aboriginal communities. The Foundation provides funding only to those whose project answers the criteria set out for Eligible Projects and Eligible Costs.

Eligible Projects

Healing projects which will be funded by the Foundation should address the mental, emotional,

physical and spiritual realms of life. The Foundation will support innovative approaches that reflect local differences, needs, geography and other realities relating to the healing process.

In order to be eligible, projects shall address the healing needs of Aboriginal people affected by the legacy of physical and sexual abuse in residential schools, which includes intergenerational impacts; shall establish complementary linkages, where possible in the opinion of the Board, to other health/ social programs and services (federal/ provincial/territorial/Aboriginal); and shall be designed and administered in a manner that is consistent with the Canadian Charter of Rights and Freedoms and applicable Human Rights legislation.

All projects must have a positive impact on community healing, long-term benefits in the transfer of knowledge and skills, and complete transfer to the community when Foundation funding ends. Projects that benefit individual(s) alone, without showing benefit to the larger community, will not be funded by the Foundation.

The Foundation cannot fund:

- the cost of purchasing, directly or indirectly, real property or of repairing or maintaining real property owned directly or indirectly by the eligible recipient
- the cost related to compensation, any litigation or any public inquiry related to Residential Schools (this does not however preclude projects involving locally-based public inquiries for healing purposes relating to Residential Schools)



Legal Obligations

- the cost related to a project which duplicates programs, activities or services provided by or within funding from the federal, provincial or territorial government
- research activities, except those related to developing the necessary knowledge base for effective program design/redesign, implementation and evaluation.

The Foundation can, however, fund a project that moves into an area where there is an emerging need which is not being addressed. In this way, it can collaborate with and enhance programs and services to make them more responsive to Aboriginal needs and priorities.

Mandatory Criteria

- Address the Legacy.* Each proposal must address the Legacy of Sexual Abuse and Physical Abuse in Residential Schools, including Intergenerational Impacts.
- Show support and links.* A project will have more impact when it is linked with health, social services and other community programs. A project must have support in order to be funded.
- Show how it will be accountable.* The most important kinds of accountability you will need to show are accountability to people who have survived the residential school system, to the community where the project will take place, and to the target group who will benefit from the project.



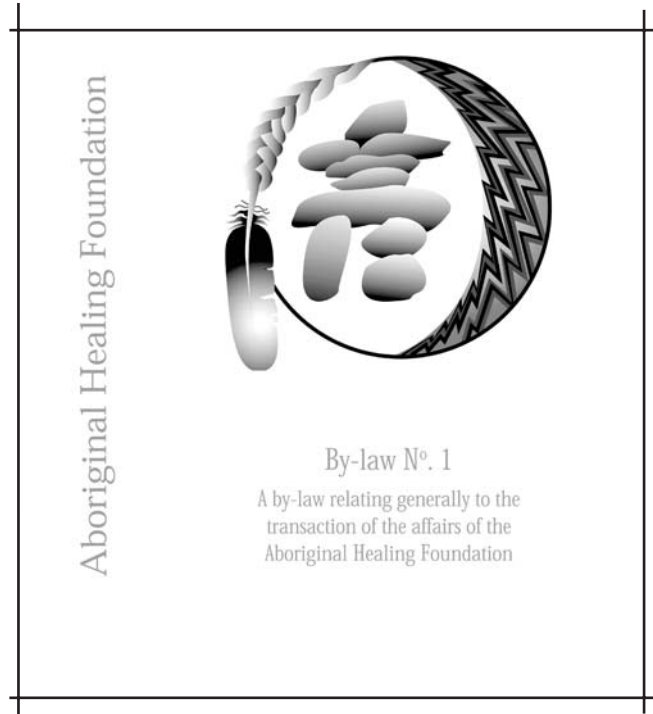
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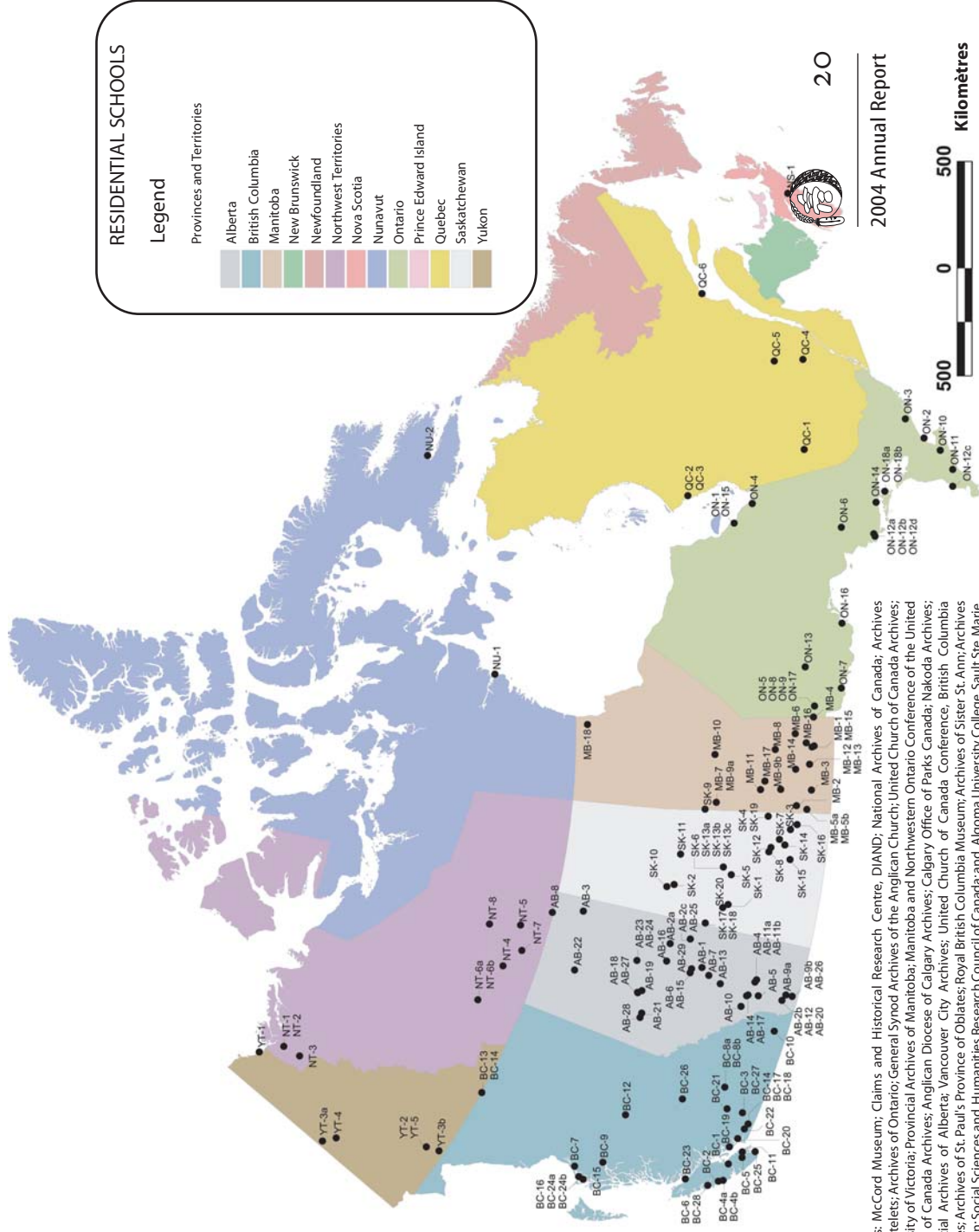
Legal Obligations

4. *Be consistent with Canada's Charter of Rights and Freedoms.* Projects need to be designed and carried out so it is consistent with Canada's *Charter of Rights and Freedoms* and all other Canadian human rights laws.

The following additional criteria have been developed and implemented: use of partnerships; meeting of a community need; the involvement of survivors, where possible and appropriate, or people who have suffered intergenerational impacts; use of safe healing processes; proposal of well-planned, strategic methods and activities; evidence of background and experience of the management team; evidence of lasting benefit of the proposal to the healing of survivors; evidence of sustainability of the project beyond AHF funding contract; submission of a budget appropriate to the activities of the project.



Residential Schools in Canada



Sources: McCord Museum; Claims and Historical Research Centre, DIAND; National Archives of Canada; Archives Deschâtelets; Archives of Ontario; General Synod Archives of the Anglican Church; United Church of Canada Archives; University of Victoria; Provincial Archives of Manitoba; Manitoba and Northwestern Ontario Conference of the United Church of Canada Archives; Anglican Diocese of Calgary Archives; Calgary Office of Parks Canada; Nakoda Archives; Provincial Archives of Alberta; Vancouver City Archives; United Church of Canada Conference, British Columbia Archives; Archives of St. Paul's Province of Oblates; Royal British Columbia Museum; Archives of Sister St. Ann; Archives of Yukon; Social Sciences and Humanities Research Council of Canada; and Algoma University College, Sault Ste. Marie.

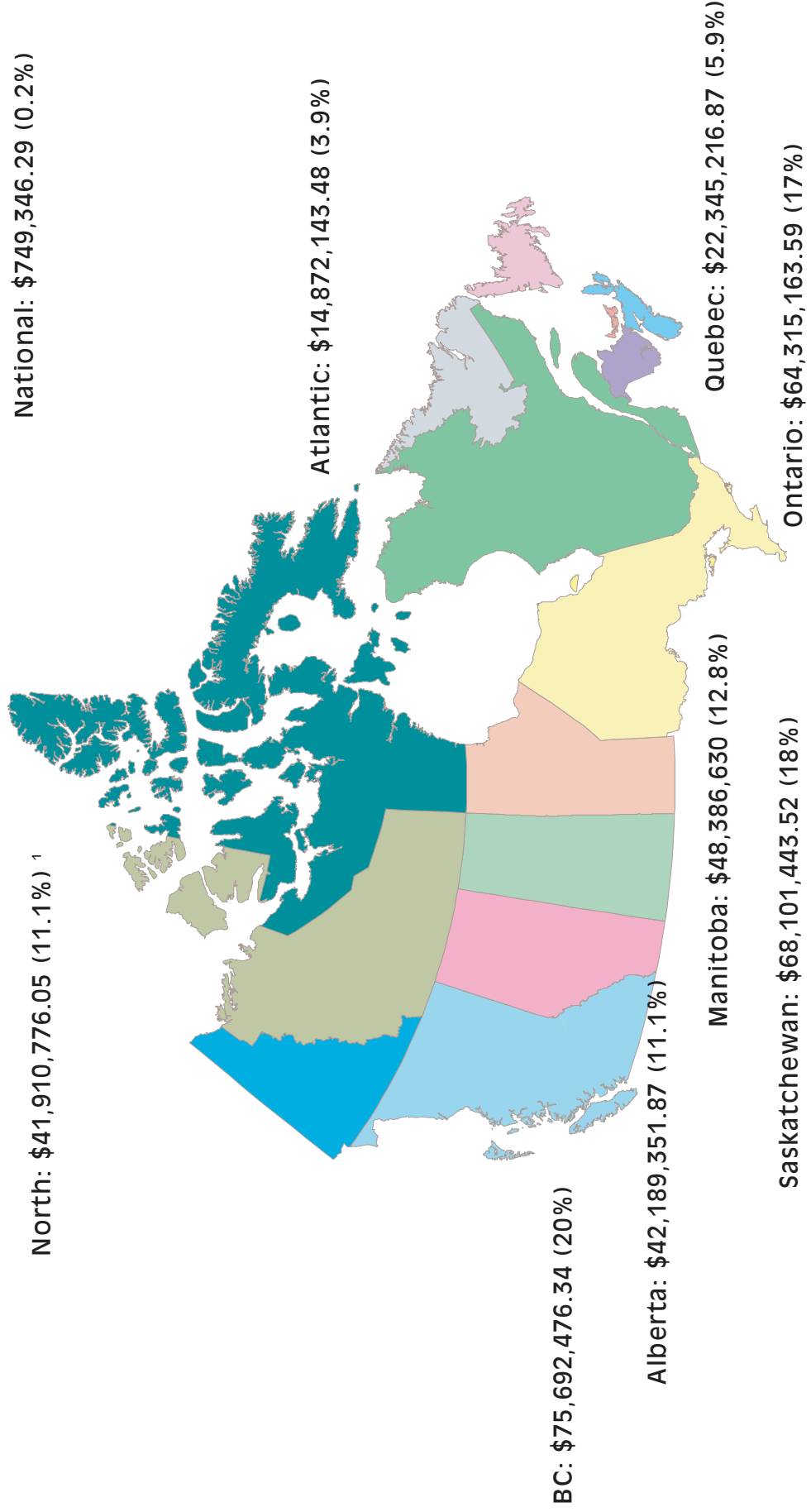
Disclaimer: This document is under development. The information contained herein is subject to change without prior notice. Produced: April 2001, Kathy Kettler, Aboriginal Healing Foundation.

Lambert Conformal Projection, Standard Parallels 49° N and 77° N

Funding Allocations Update

to end of fiscal year 2003-2004

Total Commitment: \$378,562,548.01



North: \$41,910,776.05 (11.1%)¹

¹ North includes Nunavut, NWT, and Yukon



Funded Project Overview



IF WE ARE TO ACHIEVE OUR MISSION, IT IS critical that Aboriginal people affected by the legacy of residential school break the cycle of abuse and heal at many levels, now and in the future.

The Aboriginal Healing Foundation was set up to help Aboriginal people deal with the legacy of

physical and sexual abuse arising from the residential school system. To date, we have funded many projects that address the intergenerational impacts of the residential school system. These have allowed communities to begin the process of addressing the legacy.

Revenues
One-time grant from the Government of Canada · \$350,000,000
Total interest generated · \$87,267,494
Total Fund · \$437,267,494
Expenditures to date
Total committed to project funding · \$378,562,548
AHF Administration costs to date · \$41,886,791 ¹
Total expenditures/commitments · \$420,449,339 ²

¹ Represents approximately 9.8% of Total Fund (includes research).

² Represents approximately 96% of Total Fund (\$437,267,494).



Funded Project Overview

AS WE ENTERED THE THIRD QUARTER OF OUR funding process, it was important that we fund more projects that focus on making it possible

for Aboriginal people affected by the legacy to deal with their trauma in a more direct and meaningful way.

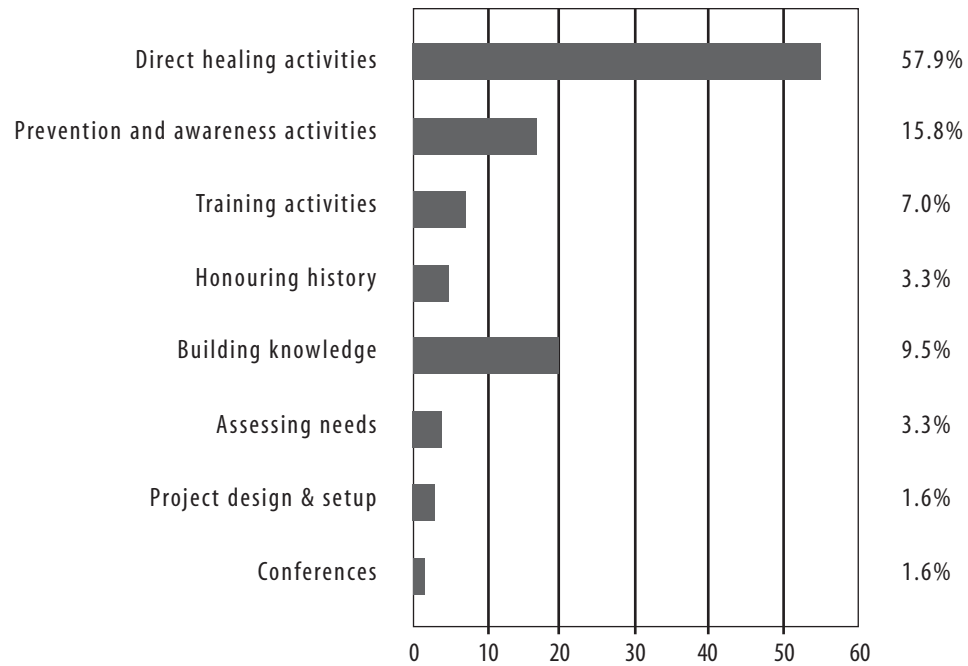
Funding Process

- **4,568 proposals** received since January 1999
(**\$1,298,483,421.12** requested in funding support)
- **1,772 proposals** met mandate & funding criteria
(total: **\$586,009,488.82**)*
- **1,407 grants** approved
(total: **\$378,562,548**)
- **76.7%** overall approval rate

* Because many applicants have resubmitted proposals, actual funding level is higher.



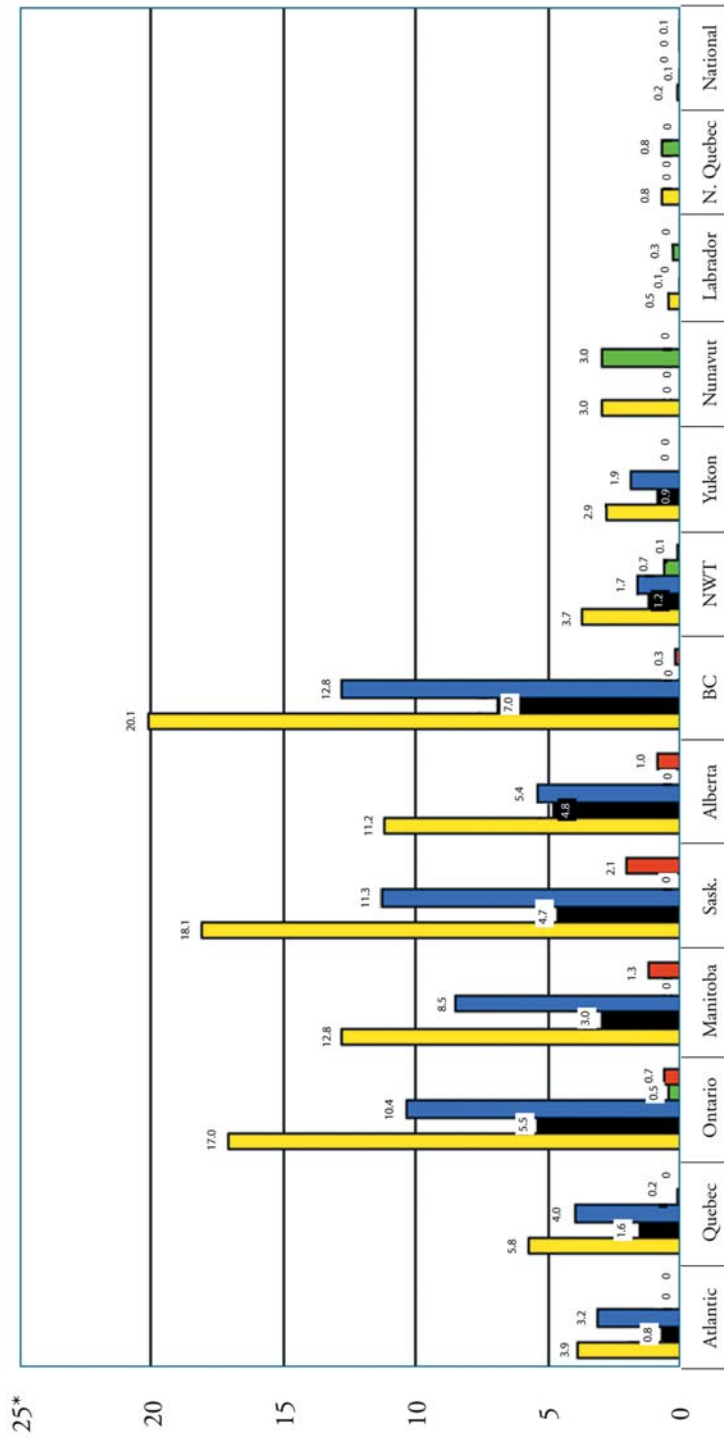
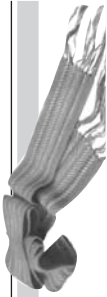
Types of Projects Funded



* PDA, Project Submissions, Healing Centre Proposals & Applications for under \$50,000



Distribution of Healing Funds



(* In millions of dollars)

■ % of dollars committed as of March 31, 2004
■ % to projects serving First Nations
■ % to projects serving Métis
■ % to projects serving all Aboriginal groups
■ % to projects serving Inuit



Board of Directors



Board Elders



Nora Cummings



Helen Maksagak



Danny Musqua

Directors



Garnet Angeconeb
Secretary



Georges Erasmus
President and Chair



Carrielynn Lamouche
Treasurer



Richard Kistabish
Vice-President



Roy Bird



Rose-Marie Blair



Board of Directors



Angus Cockney



Bill Lightbown



Navalik (Helen) Tologanak



Keith Conn



Elizebeth Hourie Palfrey



Charles Weaselhead



Marlyn Cook



Viola Robinson



Cindy Whiskeyjack



Susan M. Hare



Grant Severight



Board of Directors – Functions



THE BOARD OF DIRECTORS, COMPOSED OF 17 Aboriginal members (First Nation, Métis, and Inuit), governs the Aboriginal Healing Foundation. The Board governs the property, business and affairs of the Foundation and is responsible for the establishment and monitoring of investment policies, standards, and procedures, for relationships with political entities, and for giving final approval to the funding of healing projects. It is morally accountable to Aboriginal people and legally accountable to the Government of Canada and to Aboriginal people.

Main Objectives

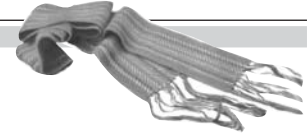
- 1 To review and approve major organisational planning activities
- 2 To review and approve projects
- 3 To oversee the Executive Director's management of the AHF
- 4 To manage Board affairs in conformity with all legal and ethical requirements
- 5 To build public trust and communicate an effective public image of the AHF and its work
- 6 To maintain integrity, reliability and transparency of the AHF.



Photo: AHF President, Georges Erasmus. Wayne K. Spear.



Executive Director



THE EXECUTIVE DIRECTOR REPORTS TO THE Board of Directors. In partnership with the President, he enables the Board of Directors to fulfil its governance role and facilitates interaction between management, staff, and the Board of Directors. He provides the leadership required for the achievement of the AHF mission, strategy, and objectives, and exercises powers and duties as specified and delegated by the Board of Directors.

With a staff of three, the Executive Director's office assists the Board of Directors to fulfil its governance role, builds and maintains the integrity of the AHF in the eyes of the public and enhances its public profile, implements the AHF mission and objectives, ensures the efficient performance of Management and that all AHF activity complies with legal and ethical requirements.

With a staff of three, the Executive Director's office attends to its responsibilities in the following areas:

- Board of Directors

- Management
- Staff
- Finances
- Communications

Objectives

1. To assist the Board of Directors to fulfil its governance role
2. To build and maintain the integrity of the AHF in the eyes of the public and to enhance its public profile
3. To implement the AHF mission and objectives
4. To ensure the efficient performance of Management
5. To ensure that all AHF activity complies with legal and ethical requirements.



Communications



COMMUNICATIONS' MAIN RESPONSIBILITIES ARE to communicate the Board's strategic decisions to stakeholders and to promote the vision, mission and activities of the Aboriginal Healing Foundation.

Guided by a Communications Strategy, the work of Communications involves providing tools for the sharing of resources with communities in Canada and identifying issues related to the residential school system, healing, and reconciliation, in order to educate the public. Communications also collaborates in ensuring the efficient flow of information within the organisation.

Communications serves its stakeholders in three languages: English, French and Inuktitut.

Communications bears lead responsibility for:

- Publications
- Website (<http://www.ahf.ca>)
- Media & public relations
- Regional Gatherings
- Public presentations and presentations to Government & Aboriginal organisations
- Promotions
- Public education
- Mailing and database
- Translation & editing
- Funded project support related to media work and informational resources

In Fiscal Year (FY) 2003-2004 the Aboriginal Healing Foundation committed the remainder of the \$350 Healing Fund. A focus of this past year has been the commitment of this money and its

implications for funded projects and for the longer-term work of healing.

As in previous years, we have continued to use communications tools to broaden our reach both within Aboriginal communities and with the public-at-large. The devolution process has begun and the fulfilment of our mandate is on the horizon; however, we continue to offer project support and to deliver the message that the healing has just begun – and must continue.

Communications provides regular funding updates, showcasing successful projects and profiling issues of current interest to our primary target audience of Aboriginal people, especially Survivors. We accomplish this through our website, newsletters, public presentations and Regional Gatherings.

Communications has also contributed to the flow of internal information. Our internal organisational support includes the collection and distribution of media clippings and writings related to healing and to the history of the residential school system, preparation of speeches and presentations, and briefings.

Communications strategies and workflow are request-driven, meaning that our services must meet the day-to-day, as well as long-term, needs of those with an interest in the residential school system.

Objective 1

To report on the Foundation's activities to Survivors and their descendants, as well as to



Communications

Government and the Canadian public, and to generate awareness of our mandate.

Strategy 1

As in past years, Communications organised a series of regional gatherings during the 2003-2004 fiscal year. Held in Vancouver, Sudbury, Montreal, Iqaluit and Watson Lake, the past year's regional gatherings were as always designed to report on the Foundation's mandate and activities and to hear the concerns of survivors and communities.

Strategy 2

Updates of AHF activities were integrated into our public presentations and our media work. We have taken every opportunity to communicate publicly the lessons we have learned as an organisation. In the past year Foundation Board and Staff have delivered dozens of presentations to senior federal Government officials and universities.

Communications has prepared briefing notes, decks, and background materials for Members of Parliament, media, and the general public.

Results

We believe the Aboriginal Healing Foundation has contributed to an improved understanding and awareness of our work, as well as of the need for long-term healing initiatives. Our awareness that the healing must be sustained beyond the current lifetime of the Aboriginal Healing Foundation has led us to focus on the message that the healing has just begun and must continue.

Our regional gatherings provided a forum for survivors and Aboriginal people generally to express their concerns, experiences, and views on the work of healing in their communities. The residential school legacy continues to be a prominent issue, and so our work, as well as related matters concerning the residential school system, has been widely reported by the media both in Canada and abroad.

In keeping with the AHF devolution plan, we have maintained the 2002-2003 fiscal year decision to cease paid advertising. In the past, advertisements were used to announce calls for funding proposals and upcoming events (such as regional gatherings) and to promote public awareness of the AHF. Communications instead used in-house resources, drawing upon our databases to conduct direct outreach. Our evolving expertise as an organisation has allowed us to cut costs and further focus our efforts.

In 2003-2004, our Website continued to evolve as a principal communications tool with an average 343,000 hits per month. Project descriptions have been edited, standardised, and organised into "active" and "completed" categories. Content related to alternative funding sources was added, and the site was re-organised better to facilitate access to project information.



Communications

Objective 2

To foster understanding of the nature and effect of Indian residential school abuses on victims, their families and their communities.

Strategy

Prepare and distribute in-house publications concerning healing in the context of the Indian residential school system's legacy.

Strategy 2

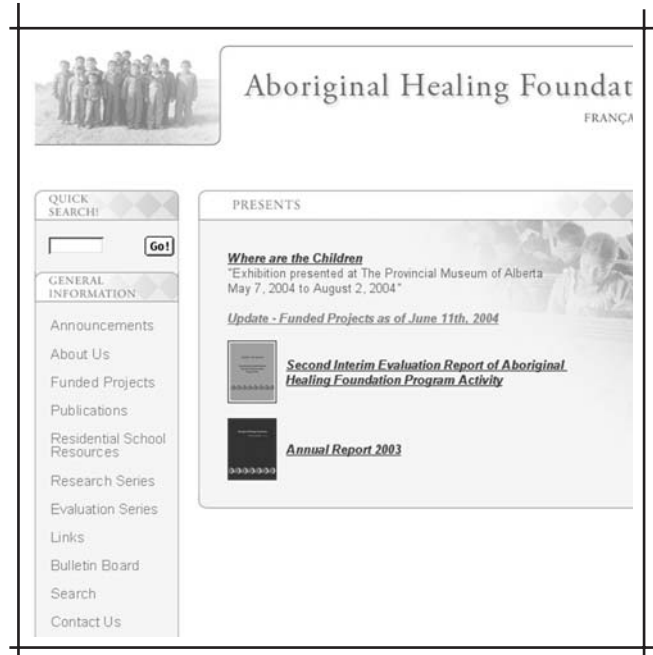
Provide media and community organisations with information and speakers, attend events, and refer appropriate people for interviews.

Results

In FY 2003-2004 we continued to publish *Healing Words* (English) and *Le premier pas* (French), distributed to over 30,000 individuals per issue. The frequency of publication has been decreased to reflect reductions in staff and budget.

Communications collaborated with the Legacy of Hope Foundation (formerly the Aboriginal Healing Charitable Association) to produce a revised and expanded version of the video *Where are the Children? Healing the Legacy of the Residential School*.

In 2003-2004, we provided information to journalists and organised interviews with Foundation's spokespersons. Over 70 public presentations were prepared by Communications.



Communications

Objective 3

To provide support to AHF staff in the areas of document translation and editing, correspondence, briefings, and preparation of documents.

Strategy

Providing in-house editing and translating services

Supervising the performance of a core team of external translators

Results

During this fiscal year, Communications arranged the internal editing and external translation of research studies (in-house and external), of items of correspondence, of documents and other materials from other AHF departments, and of all Communications publications.

Objective 4

Promote and support the funded projects of the Aboriginal Healing Foundation

Strategy

Communications supports projects through the provision of documents, images, and information related to the residential school system. We also provide resources and support for the projects' media relations. To promote funded projects, we have provided profiles and summaries through printed materials and the AHF website

(<http://www.ahf.ca>). We also provide speakers at project gatherings and workshops.

Results

We have provided funded projects with educational resources and supplemented their promotional materials. AHF documents are being used in the context of healing and education among our funded projects.



Assessment and Finance Operations



LEADED BY THE CHIEF OPERATING OFFICER, Assessment and Finance Operations (AFO) is grouped into two units, Finance and Programs, who work closely together on a daily basis. AFO supports all corporate needs.

AFO has currently twenty-four employees that are responsible for:

- information and community support services;
- data entry and proposal assessment;
- contracting and monitoring funded projects;
- budgeting and financial reporting;
- managing the \$350 million healing fund investment portfolio;
- informatics and system maintenance, including the project data base (GIFTS);
- overall administration, including reception, mail and supplies.

Goals

Ensure that Aboriginal communities across Canada have fair access to funding for healing projects which address the legacy of physical and sexual abuse in the residential school system, including intergenerational impacts.

Ensure that all proposals go through the same process for funding.

Manage, in an effective and efficient manner, the \$350-million healing fund and carry out the financial policies and objectives of the Aboriginal Healing Foundation.

Strategies

Support the Foundation Board of Directors to make appropriate funding decisions by providing accurate and timely information.

Delivering accurate and relevant information, assisting senior management in constantly evaluating the performance of the Foundation at all levels of the organisation. Decision-makers are now able to spend more time monitoring projects.

Support communities by providing information and follow-up communication through a 1-888 toll-free line, as well co-ordinating Information Sessions, On-site, & Networking Visits.

By developing an effective strategy to generate more applications for funding Inuit communities, with the assistance from the Community Support field worker.

Better able to manage the risk within all projects.

Results

1. Committed the remainder of the \$350 million Healing Fund.
2. Conducted an independent compliance audit of the Aboriginal Healing Foundation. Results indicate that the AHF is complying with its



Assessment and Finance Operations

funding agreement with the Government of Canada.

3. For the fifth consecutive year, a clean Audit Report was received with no audit concerns.

4. An improved Comprehensive On-site Report was developed for a risk-based site visit plan that identifies key risk factors. The AHF has continued to refine a risk-managed environment that proactively considers risk in decision-making. There are strong controls throughout the approval, payment, and project-monitoring processes.

5. Developed detailed work plans with funded projects. Staff insisted upon more detail and results based approach to the workplans.

6. Commenced a down-sizing plan to ensure the Aboriginal Healing Foundation can meet its operational needs within a decreasing budget and timeframe.

7. Streamlined the number of investment management firms who were managing the Healing Fund to ensure consistency in investment analysis and to reduce investment management fees.

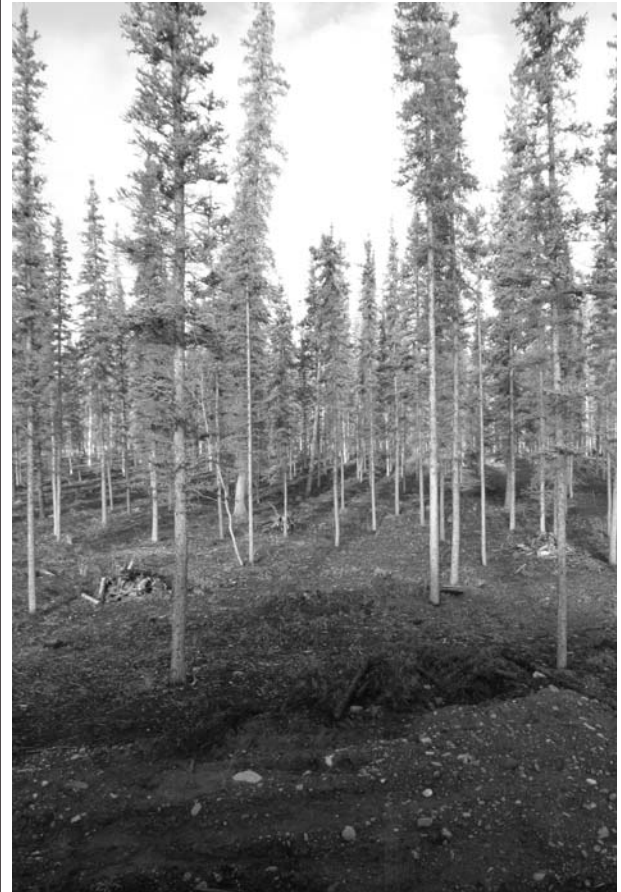
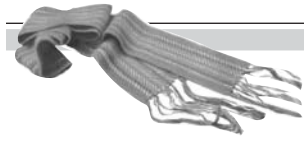


Photo: Kwanlin Dun. Kanatiio.



Research



RESearch includes three core employees (Director, Executive Assistant, and Research Officer) and three contract employees funded through the AHF Publication Strategy. Research is responsible for:

- restating a vision of healing that recognizes that the journey is complicated, unfolds in fairly predictable stages, each dependent upon the preceding phase and will take a long time;
- developing creative, effective and unique healing strategies for men;
- continuing to reinforce efforts to dismantle fear and denial;
- profiling the effective healer so that there is little ambiguity about who can do the job
- strengthen and maintain partnerships;
- supporting the achievement of results by finding out the differences between those for whom respective healing approaches work and for whom they do not;
- offering a quick and universal assessment tool; &
- focusing efforts upon realistically attainable outcomes in reasonably restricted target groups.

The Third Interim Evaluation Report was submitted to the Board of Directors in July 2003. This report updates the information obtained through a survey in 2001 and provides new data on impact with respect to individuals who participated in AHF-funded projects.

The Third Interim Evaluation Report provides information on participation rates, distribution of resources, project teams, individual and community challenges, project needs, survivor involvement and special needs, therapeutic approaches, lessons learned, best or promising practices, context, unique strategies for engaging men and estimated community impact. In addition, this report includes information on community members engaged in a variety of project types who have completed an Individual Participant Questionnaire (IPQ). The report also comments upon key strategies used to overcome fear and denial, what appears to work well when blending traditional and western therapies and how to determine who is an effective healer, with a special focus on the Survivor as healer. We are increasingly asked to demonstrate “measurable impact,” a challenge our research has evolved – and continues to evolve – to meet.

In 2003-04, Research held five focus groups (including an Inuit and a Metis group) with delegates from AHF-funded projects to obtain more in depth information on a number of questions, including: “how do you dismantel fear,” “What traditional and western therapies work well together?” and “how do you know when someone is a ‘good healer’?”

Objective

To contribute to the knowledge base for effective program design/redesign, implementation and evaluation of community-based healing projects



Strategy

In 2003-2004, the AHF released five publications: Aboriginal Domestic Violence in Canada, Aboriginal People, Resilience and the Residential School Legacy, Mental Health Profiles for a Sample of British Columbia's Aboriginal Survivors of the Canadian Residential School System, a Directory of Funding Sources for Healing Activities, and a Second Interim Evaluation Report of the Aboriginal Healing Foundation Program Activity.

Partnerships

- 1) Presentations at the School of Medicine, University of Ottawa and Wabano Centre for Aboriginal Health; Correctional Service Canada's Annual Aboriginal Research Meeting; Native Mental Health Association Annual Conference; Health Canada; Canadian Institutes of Health Research; and the International Development Research Council Symposium on "Repairing the Past: Reparations and Transitions to Democracy."
- 2) The Aboriginal Healing Foundation is an institutional partner in a four-year, \$720,760 grant from Canadian Institutes of Health Research for a National Aboriginal Mental Health Research Network and four research projects. The Network co-directors and Principal Investigators are the AHF Research Director and Dr. Laurence Kirmayer of McGill University;
- 3) Along with the National Aboriginal Health Organization and the Institute of Population Health, University of Ottawa, the Aboriginal

Healing Foundation is an institutional partner in a three-year, \$240,000 grant received from the Canadian Institutes of Health Research for research on Indigenous knowledge and knowledge translation. The Principal Investigator is Dr. Janet Smylie of the University of Ottawa; the AHF Research Director is a Co-Investigator.

- 4) Along with Canadian Population Health Initiative, Health Canada, Indian and Northern Affairs Canada, the Institute for Population and Public Health, the Institute for Aboriginal Peoples' Health and the National Health Organization, the Aboriginal Healing Foundation is an institutional Partner in a research project entitled, "Adaptation of Chandler/Lalonde Research on the Relationship between Cultural Continuity and Rates of Youth Suicide in First Nations Communities in Canada." The Principal Researchers are Dr. Michael Chandler of the University of British Columbia, and Dr. Christopher Lalonde of the University of Victoria.

- 5) The AHF Research Director serves on the Advisory Board of the Institute for Aboriginal Peoples' Health, Canadian Institutes of Health Research; and the editorial Board of the Journal of the National Aboriginal Health Organization and participated in the Indian and Northern Affairs workshop entitled, "Visioning the Future of Aboriginal People."

Expected Results

Networking will continue to increase our knowledge of the impacts of residential school experience and allows us to maximize the return of



Research

our investments in research and expand our research initiatives. In addition, through research partnerships and relevant presentations, we will continue to access the expertise and resources of outside agencies and to contribute to a more informed and supportive public environment.

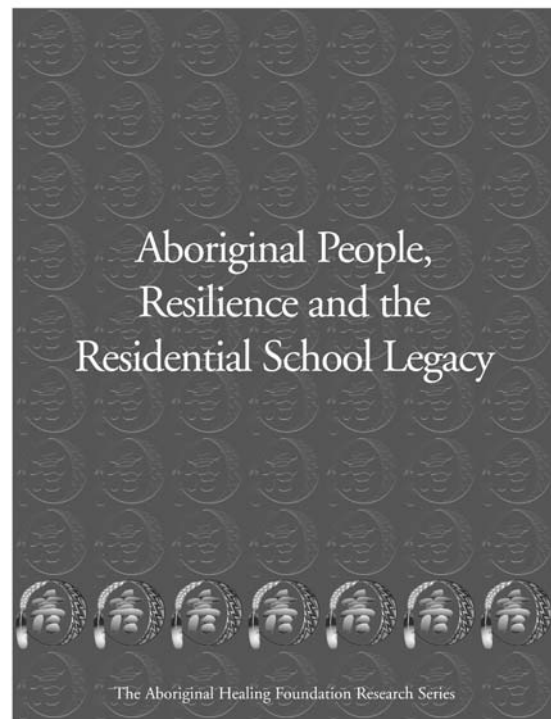
Objective 2

To develop a National Aboriginal Archives and Library to house materials that relate to residential schools

The AHF Incorporation Papers makes reference to establishing and operating "A National Aboriginal Archive and Library to house records concerning residential schools." This activity responds in part to the Report of the Royal Commission on Aboriginal Peoples, recommendation 1.10.3, which calls for the "establishment of a national repository of records and video collections related to residential schools ... to facilitate access to documentation and electronic exchange of research on residential schools ..."

Strategy

Research has continued to assemble books, articles, reports and videos on subjects related to the Legacy of Physical and Sexual Abuse in the Residential School System, including Intergenerational Impacts. This small collection includes documents donated by the Law Commission of Canada that were gathered in the process of researching the Commission's Child Abuse Report, issued in 2000; material related to



the design and implementation of healing practices; and archival materials submitted to AHF.

The AHF Resource Centre currently contains over 2,500 documents.

AHF Research materials are now being widely used by funded projects, educational institutions (including public and private schools and universities), and health professionals for the purposes of education, training, improved service delivery, and increased public awareness of the Indian Residential School System and its legacy.



Research

Expected Results

In addition to external research material, the Resource Centre will house research on "promising" healing practices drawn from AHF-funded projects. The Resource Centre will also house any archival documents received by the AHF, including personal memoirs, journals, photographs or other items consigned by the Residential School Survivors, their descendants or other parties.

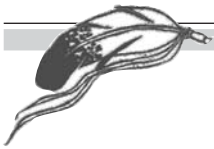
Research will continue to build and catalogue the collection of resource materials, documents and archival materials related to residential schools, AHF-funded projects and the activities of the Aboriginal Healing Foundation.



Photo: Composite, St. Paul's Indian Industrial School c. 1901.
National Archives PA-182251.



Evaluation Update

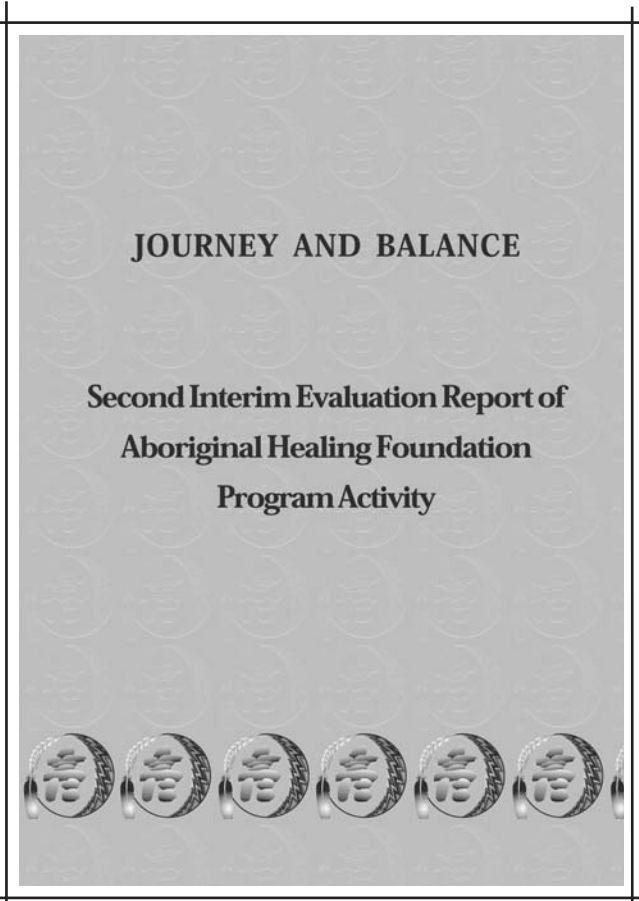


IN ORDER TO EXAMINE THE IMPLEMENTATION of service delivery objectives to date, as well as the attainment of short-term outcomes as a way of being accountable to several primary stakeholders, the AHF Research team conducted a process evaluation survey in 2001, representing 274 organisations.

Based on the survey, 59,224 participants engaged in AHF-funded activities, including 48,286 participants in healing activities (less than one percent of whom had been involved in prior healing activities) and 10,938 participated in training projects funded by AHF. At the time of the survey, the AHF was serving 1,686 communities.

Aboriginal people occupy eighty-eight per cent of all positions. Survivors occupy 50% of all positions. In a typical month, over 13,000 volunteer service hours are contributed to AHF projects. If we assume that the value of this contribution could be remunerated at \$10/hour, then volunteer efforts represent an injection of \$130,000 dollars per month, or \$1,560,000 per year.

AHF support of a project also tends to attract funding partnerships. Funding partners have contributed an additional \$6,921,282 to our funded projects (a total of \$15,046,265 has been extrapolated from the results of the 2002 national survey), with Aboriginal governments contributing the most. \$6,195,479 has been donated in goods and services, and a potential \$32,035,392 contribution by partners exists (again, this number is an extrapolation from the results of the 2002 national survey.)



When questioned how many more people could be served if the project had adequate time and resources, the result was 56,857.

A second Interim Evaluation Report of AHF Program Activity, entitled "Journey and Balance: The Aboriginal Healing Foundation's Contribution," was submitted to the Board of Directors in July 2003. This report synthesized information from thirteen case studies selected to represent the full range of project activity as well as geographic and cultural diversity. The most obvious



Evaluation Update

contributions were related to improved understanding of the legacy of physical and sexual abuse in residential school; however, teams were clear that work was not complete in this regard. More survivors are connected to healers and Aboriginal people more skilled at addressing survivors needs although, again, much more work is needed.

Project activity has contributed to a shift away from crisis management to a more proactive, planned, co-ordinated approach to survivor's issues; however, few have been able to secure long-term financial commitments to programming. A ripple effect was noted as many participants engage or encourage others to heal. And while some individuals fare better than others, the distinction between them is still unclear. While it is premature to conclude that project activities have developed lasting healing, it is safe to say that there is tremendous instant gratification and that some programs have demonstrated short-term impact. Documenting history and honouring survivors has fuelled education efforts and yielded the unintended – but welcomed – impact of encouraging participation in healing. Key recommendations resulting from the analysis include:

1. restating a vision of healing that recognises that the journey is complicated and unfolds in fairly predictable stages, each dependent upon the preceding. Healing takes a long time;

2. support the achievement of results by finding out the differences between those for whom respective healing approaches work and for whom they do not;
3. offering a quick and universal assessment tool; and
4. focus efforts upon realistically attainable outcomes in reasonably restricted target groups.



Prospects



The Foundation has now reached the stage where it can not only look back on lessons learned, but share valuable information on the many aspect of community healing processes and the residential school issue. Aboriginal communities in Canada and the AHF knew from the beginning that healing from the trauma of residential schools would take decades, but after working together these last five years we are beginning to see some promising practices. They will perhaps help shorten this healing time span.

In July 2004, in collaboration with its sister organisation, the Legacy of Hope Foundation, the AHF will hold a National Conference in Edmonton, Alberta, around the themes of "Celebrating Healing" and "Best Practices."

Communications

In the next fiscal Year, Communications will continue to compile and provide up-to-date information on the work of the Foundation and on residential school issues related to the legacy of physical and sexual abuse to AHF stakeholders and the Canadian public.

Through prepared presentations, speeches, speaking notes, press releases and media advisories, Communications will ensure that accurate and timely information can be delivered by Board members and staff and disseminated to the media.

Communications will continue to develop the AHF Website according to evolving needs and technologies.

In 2004-2005, Communications will prepare an operational update to succeed the popular and widely-distributed 2002 publication, *The Healing Has Begun*.

The AHF Newsletters, *Healing Words* and *Le premier pas* have become over the years a source of information on the work of the Foundation, AHF financed projects, and Residential Schools issues. Communications will continue to produce this publication, albeit at a reduced frequency of publication.



Prospects

Assessment and Finance

Programs continually strives to streamline a process based on understanding, compassion and fairness while ensuring that Aboriginal communities receive access to projects which offer real opportunities for healing. We will continue to offer information and support as applicants move from planning to realisation and completion of their projects, addressing throughout a project's lifetime the needs of survivors and their descendants.

Assessment and Finance Operations' new objectives for FY 2004-2005, are as follows:

1. To complete the signing of all contribution agreements with projects.
2. To monitor all projects in accordance with the risk management strategy.
3. To finalize the file closures in projects that are no longer active.
4. To develop and implement an organisational winding down strategy.

The Assessment and Finance divisions will be focusing upon monitoring and file closure in the next two fiscal years. We will continue to assist and support the projects in completing their important work.

As the AHF winds down closer monitoring both externally and internally will be conducted by the two divisions.

Research

In 2004-05, the Evaluation team will submit a Research Update to the Board of Directors in September 2004, and will begin concentrated work on the AHF Final Report.

The AHF Final Report, which will be submitted to the Board of Directors in January 2006, will consist of the following three volumes: I), a narrative overview of AHF activity in relation to the broader healing movement; II), an integrated analysis of the impact of AHF-funded projects based on three interim evaluations, thirteen case studies, approximately 1,500 Individual Participant Questionnaires, review of selected AHF project files, six focus groups and a national gathering of AHF project delegates; and III), a summary of "promising" healing practices" based on surveys, reviews of project files and focus groups, including 14 workshops which will take place during the AHF National Gathering in July 2004.

Research will publish a minimum of seven of the 15 in-progress reports or papers in the Research and Evaluation series.

Research will contribute to the network and activities of Aboriginal, academic and government organizations that are involved with issues related to residential schools.



Financial Statements of

ABORIGINAL HEALING FOUNDATION

Year ended March 31, 2004





KPMG LLP
Chartered Accountants
Suite 1000
45 O'Connor St.
Ottawa, ON K1P 1A4
Canada

Telephone (613) 560-0011
Telefax (613) 560-2896
www.kpmg.ca

AUDITORS' REPORT TO THE DIRECTORS

We have audited the statement of financial position of Aboriginal Healing Foundation as at March 31, 2004 and the statements of operations, changes in deferred contributions and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Accountants

Ottawa, Canada

May 18, 2004



ABORIGINAL HEALING FOUNDATION

Statement of Financial Position

March 31, 2004, with comparative figures for 2003

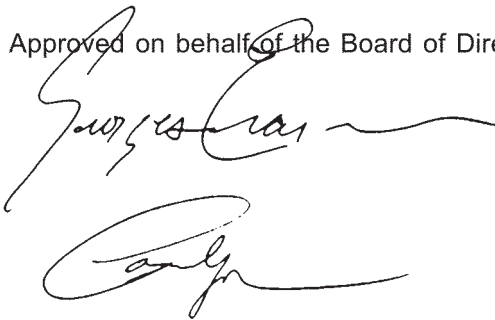
	2004	2003
Assets		
Current assets:		
Cash	\$ 169,369	\$ 346,268
Amounts receivable	96,557	230,802
Interest receivable	801,751	1,680,520
Prepaid expenses	210,345	133,557
Prepaid project expenses	—	1,100,421
	<u>1,278,022</u>	<u>3,491,568</u>
Capital assets (note 3)	506,533	646,404
Investments (note 4)	152,004,658	213,418,461
	<u>\$ 153,789,213</u>	<u>\$ 217,556,433</u>

Liabilities and Deferred Contributions

Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,599,909	\$ 1,029,371
Deferred contributions:		
Deferred capital contributions	506,533	646,404
Deferred grant	151,682,771	215,880,658
	<u>152,189,304</u>	<u>216,527,062</u>
Lease commitments (note 5)		
Project commitments (schedule)		
	<u>\$ 153,789,213</u>	<u>\$ 217,556,433</u>

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:



ABORIGINAL HEALING FOUNDATION

Statement of Operations

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Revenue:		
Grant	\$64,144,592	\$ 62,360,552
Investments (note 4)	11,444,542	12,400,541
Amortization of deferred capital contributions	202,395	222,170
	<u>75,791,529</u>	<u>74,983,263</u>
Expenses:		
Project:		
Project funding (schedule)	68,932,159	67,240,532
Proposal development	-	(691)
	<u>68,932,159</u>	<u>67,239,841</u>
2004 National Conference (note 7)	121,670	209,552
Administrative:		
General (note 6)	4,536,210	4,941,899
Research	915,279	937,903
Governance	713,532	743,338
Amortization of capital assets	202,395	222,170
Regional meetings	172,349	169,614
Communication and promotion	114,140	248,517
Monitoring	76,643	66,637
Merit review	18,850	35,200
Loss on disposal of capital assets	2,725	-
Donation of capital assets (note 7)	-	22,982
Community support services	(14,423)	145,610
	<u>6,737,700</u>	<u>7,533,870</u>
	<u>75,791,529</u>	<u>74,983,263</u>
Excess of revenue over expenses	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.



ABORIGINAL HEALING FOUNDATION

Statement of Changes in Deferred Contributions

Year ended March 31, 2004, with comparative figures for 2003

	Deferred capital contributions	Deferred grant	Total 2004	Total 2003
Balance, beginning of year	\$ 646,404	\$215,880,658	\$216,527,062	\$279,027,680
Recognized as revenue	–	(64,144,592)	(64,144,592)	(62,360,552)
Capital asset additions	70,925	(70,925)	–	–
Disposal of capital assets	(8,401)	17,630	9,229	–
Donation of capital assets	–	–	–	82,104
Amortization of deferred capital contributions	(202,395)	–	(202,395)	(222,170)
Balance, end of year	\$ 506,533	\$151,682,771	\$152,189,304	\$216,527,062

See accompanying notes to financial statements.



ABORIGINAL HEALING FOUNDATION

Statement of Cash Flows

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Cash provided by (used for):		
Operations:		
Decrease (increase) in amounts receivable	\$ 134,245	\$ (6,031)
Decrease in interest receivable	878,769	175,284
Increase in prepaid expenses	(76,788)	(3,536)
Decrease (increase) in prepaid project advances	1,100,421	(1,100,421)
Increase (decrease) in accounts payable and accrued liabilities	570,538	(234,023)
Amortization of capital assets	202,395	222,170
Loss on disposal of capital assets	2,725	22,982
	<u>2,812,305</u>	<u>(923,575)</u>
Investments:		
Purchase of investments	(484,741,795)	(317,831,466)
Sale of investments	547,388,538	385,435,547
Amortization of bond discounts/premiums	(1,227,264)	(4,102,092)
Capital asset additions	(70,925)	(30,951)
	<u>61,348,554</u>	<u>63,471,038</u>
Financing:		
Decrease in deferred capital contributions	(139,871)	(214,201)
Decrease in deferred grant	(64,197,887)	(62,286,417)
	<u>(64,337,758)</u>	<u>(62,500,618)</u>
Increase (decrease) in cash	(176,899)	46,845
Cash, beginning of year	346,268	299,423
Cash, end of year	<u>\$ 169,369</u>	<u>\$ 346,268</u>

See accompanying notes to financial statements.



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements

Year ended March 31, 2004

1. Description:

Aboriginal Healing Foundation (the "Foundation") was incorporated without share capital on March 30, 1998 under Part II of the Canada Corporation Act. The Foundation is a not-for-profit organization and therefore is, under Section 149 of the Income Tax Act, exempt from income tax.

The Foundation was established for the purpose of funding projects which address the healing needs of Aboriginal People affected by the Legacy of Physical and Sexual Abuse in Residential Schools, including intergenerational impacts. In 1998, The Foundation entered into a funding agreement with the Department of Indian Affairs and Northern Development, under which the Foundation received a one-time grant of \$350,000,000. The Foundation is required to hold, invest, administer and disburse the grant, plus any investment income earned on it, in accordance with the funding agreement. The decisions with respect to grant approval were to be made by April 1, 2003 and the actual disbursements can be made over a ten-year-period ending March 31, 2008.

2. Significant accounting policies:

(a) Revenue recognition:

Grant revenue is recorded using the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable. Externally-restricted contributions are deferred and recognized as revenue in the period in which the related expenses are recognized.

Restricted investment income is recognized as revenue in the year that the related expenses are incurred.

(b) Capital assets:

Capital assets are recorded at cost. Amortization is provided on a straight-line basis using the following estimated useful lives:

Asset	Useful life
Furniture and equipment	10 years
Computer hardware	5 years
Computer software	5 years
Leasehold improvements	5 years

(c) Investments:

Investments are recorded at cost plus or minus amortization of bond discounts or premiums. Interest on the investments is accrued as earned. Gains or losses on the sale of investments are recognized in the year of disposal. Amortization of bond discounts or premiums are accrued over the term of the investment.



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements, page 2

Year ended March 31, 2004

2. Significant accounting policies (continued):

(d) Deferred capital contributions:

Contributions received for capital assets are deferred and amortized over the same term and on the same basis as the related capital asset.

(e) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary they are recorded in the financial statements in the period in which they become known.

3. Capital assets:

	Cost	Accumulated amortization	2004 Net book value	2003 Net book value
Furniture and equipment	\$ 523,054	\$ 245,791	\$ 277,263	\$ 335,200
Computer hardware	643,790	473,575	170,215	232,808
Computer software	136,806	97,634	39,172	66,533
Leasehold improvements	29,624	9,741	19,883	11,863
	<u>\$1,333,274</u>	<u>\$ 826,741</u>	<u>\$ 506,533</u>	<u>\$ 646,404</u>

Cost and accumulated amortization at March 31, 2003 amounted to \$1,279,979 and \$633,575 respectively.



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements, page 3

Year ended March 31, 2004

4. Investments:

- (a) Investments held by the Foundation are to be used for project funding during the ten-year period ending March 2008. The cost and market values of the investments are as follows:

	2004 Cost	2004 Market value	2003 Cost	2003 Market value
Cash	\$ 500	\$ 500	\$ 2,628,779	\$ 2,628,779
Cash equivalents:				
Federal government	48,457,214	48,457,214	6,192,978	6,192,978
Bonds, coupons and residuals:				
Federal government	44,169,575	46,706,078	129,690,535	135,887,496
Provincial government	30,878,417	31,600,662	38,249,548	39,340,559
Corporate	27,271,688	27,731,729	33,292,107	33,555,031
	150,777,394	154,496,183	210,053,947	217,604,843
Amortization of bond discounts/premiums	1,227,264	–	4,102,092	–
Payable on purchase of investments	–	–	(737,578)	–
	\$152,004,658	\$ 154,496,183	\$213,418,461	\$ 217,604,843

- (b) Investment revenue is comprised of:

	2004	2003
Interest	\$ 5,699,298	\$ 6,098,594
Gain on disposal	4,517,980	2,199,855
Amortization of bond discounts/premiums	1,227,264	4,102,092
	\$ 11,444,542	\$12,400,541



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements, page 4

Year ended March 31, 2004

5. Lease commitments:

The Foundation has committed to make the following future minimum payments by fiscal year under various equipment operating and premises rental leases:

2004/2005	\$ 389,294
2005/2006	380,514
2006/2007	368,221
2007/2008	353,954
2008/2009	176,977

\$1,668,960

6. General expenses:

	2004	2003
Salaries	\$3,188,215	\$3,426,710
Rent	360,106	335,255
Office	242,258	262,575
Investment fees	180,878	275,471
Computer maintenance	153,437	148,324
Professional fees	116,853	115,765
Travel	81,002	103,723
Training	74,737	79,809
Equipment lease	37,778	74,491
Insurance	36,890	50,364
Fundraising	36,338	6,499
Translation	27,718	62,913
	\$4,536,210	\$4,941,899

7. Related party transaction:

The Foundation is related to the Legacy of Hope Foundation (the "Charity"), which is a registered charity. The Foundation appoints the majority of the Board of Directors of the Charity.

The Charity's mission is to encourage and support Aboriginal communities in building the capacity to sustain healing processes that address the broader Intergenerational Legacy of the Residential School System.



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements, page 5

Year ended March 31, 2004

7. Related party transaction (continued):

The Foundation subleases office space to the Charity at \$12,000 per year which includes operating costs. The Charity's assets, liabilities, revenue and expenses are as follows for the years ended March 31:

	2004	2003
Assets	\$ 391,149	\$ 119,877
Liabilities and Net Assets		
Liabilities:		
Due to Aboriginal Healing Foundation	\$ 12,160	\$ 1,267
Other liabilities	333,150	94,434
	345,310	95,701
Net assets	45,839	24,176
	\$ 391,149	\$ 119,877
Revenue	\$ 446,237	\$ 257,764
Expenses	424,574	249,886
Net earnings	\$ 21,663	\$ 7,878

During the prior year, the Foundation entered into an agreement with the Charity to employ the latter's services to plan and coordinate a major national conference scheduled July 7 to July 11, 2004 in Edmonton, Alberta. As part of this agreement, the Foundation paid the Charity a planning fee of \$50,000 in fiscal year 2004 and will pay an additional \$150,000 in fiscal year 2005.

8. Fair value of financial instruments:

The carrying values of cash, amounts receivable, interest receivable and accounts payable and accrued liabilities approximate their fair values because of the relatively short period to maturity of these instruments. The fair value of investment is disclosed in note 4.



ABORIGINAL HEALING FOUNDATION

Schedule of Project Commitments and Expenses

Year ended March 31, 2004

Theme	Opening cumulative project commitments	Current year project commitments	Closing cumulative project commitments	Opening cumulative project expenses	Current year project expenses	Closing cumulative project expenses	Remaining project commitments
General Projects	\$ 269,748,947	\$ 86,703,026	\$ 356,451,973	\$ 164,989,429	\$ 66,022,271	\$ 231,011,700	\$ 125,440,273
Healing Centres	15,793,001	6,317,574	22,110,575	6,015,650	2,909,888	8,925,538	13,185,037
Total	\$ 285,541,948	\$ 93,020,600	\$ 378,562,548	\$ 171,005,079	\$ 68,932,159	\$ 239,937,238	\$ 138,625,310






May 31, 2004

Aboriginal Healing Foundation,
75, Albert Street,
Suite 801,
Ottawa,
Ontario K1P 5E7

Ladies and Gentlemen,

I am writing to confirm that the investments of the Foundation continue to be managed in accordance with the Guidelines laid out in the Funding Agreement with the Federal Government. These guidelines cover the credit quality, diversification and maturity structure of eligible investments and have been met since the inception of the fund in 1998.

Yours sincerely,



Graham E. Sanders
President



Aboriginal Healing Foundation
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Toll-free: (888) 725-8886
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