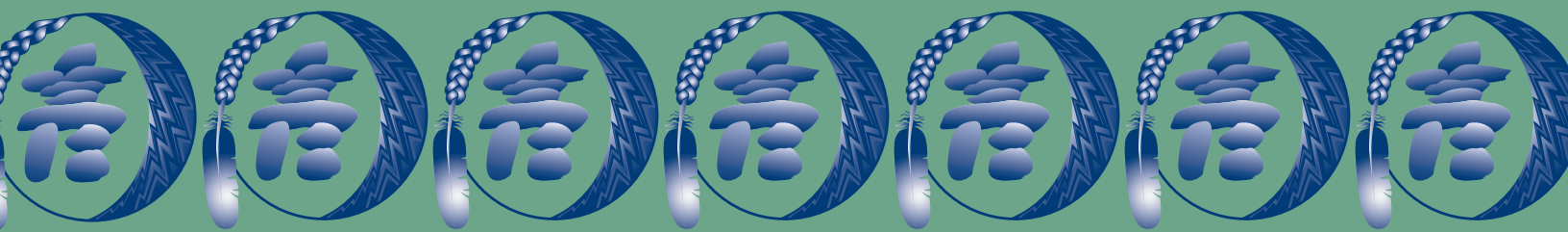


Annual Report 2005
Aboriginal Healing Foundation





Helping Aboriginal People Heal Themselves



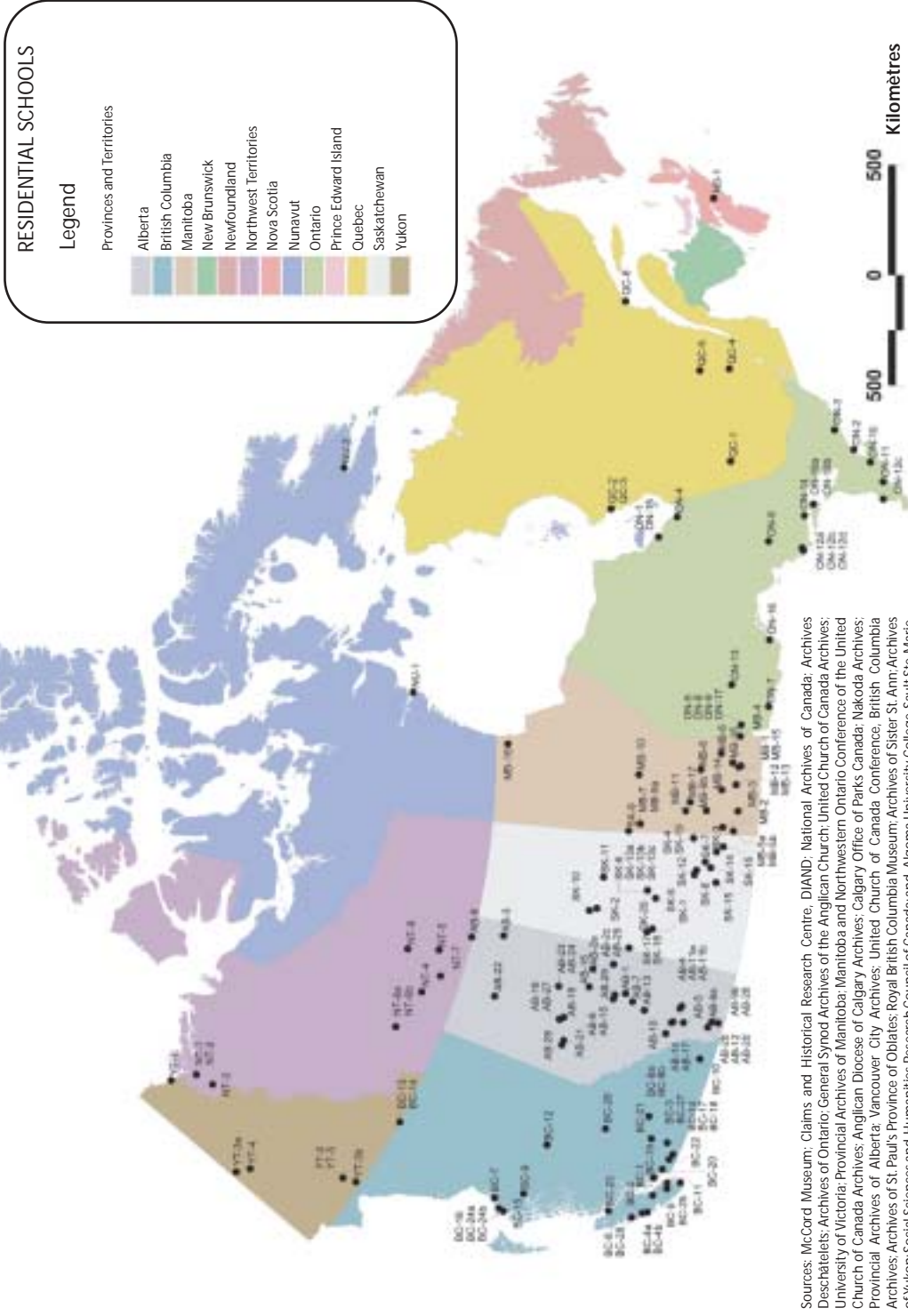
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Residential Schools in Canada



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



Reporting Principles

Guided by the recommendations of Survivors attending the Residential School Healing Strategy, held in Squamish Territory in July, 1998, and by its Code of Conduct, 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 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 the AHF departments 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:

"...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 Government.



Message from the Board

Staying the Course

Over the fiscal year (FY) 2004-2005 the Aboriginal Healing Foundation has stayed the course, focusing on monitoring and support of funded projects and the production of a Final Report.

At the conclusion of FY 2004-2005, it had been one and-a-half years since the full commitment to community-based healing projects of the Foundation's \$425 million fund (\$350 million plus interest generated). As a result of changing circumstances, the winding-down of operations continued throughout the year. Through attrition and restructuring, activities and staffing levels continue progressively to be trimmed.

Our principal message over this past fiscal year has been the critical necessity of an appropriate, adequate, longer-term response to the historic trauma experienced in the Indian residential school legacy. We believe that the Aboriginal Healing Foundation is a "good news" story and that we have been able to contribute to a good beginning. However, more work needs to be done if genuine healing and reconciliation are to be achieved.

The Foundation has also expressed some concern over the current focus upon compensation and litigation, at times to the apparent exclusion of healing. We believe that compensation is in many cases an appropriate response to the residential school system and that reparations should include not only compensation but also access to healing programs.

Our focus on healing is of course natural,

considering our mandate. We will continue to draw upon our experiences and expertise as we deliver the message that, to truly resolve the past and present experiences of the residential school system, government responses to this issue should be contextualised within a long-term strategy which meaningfully addresses the effects of historic trauma. This focus on the healing of Aboriginal people who have suffered trauma is what we mean by "staying the course."

The Day of Commemoration and Gathering

During the past fiscal year, the Aboriginal Healing Foundation hosted a national "Day of Commemoration and Gathering" in Edmonton, Alberta on July 8, 9, and 10. This event drew together over 3,000 former students, project workers, government officials, and members of the public.

The purpose of this event was to provide an opportunity for people from across the country to come together to recognize the ongoing healing efforts of the Survivors of the Residential School system. The Day of Commemoration also showcased many healing and wellness projects through workshops, plenary presentations, speakers, and an AHF projects information fair.

The gathering reminds us of the courage and resilience of Aboriginal people and encourages us to continue in our work. We especially honour the resilience of Survivors, and their ongoing contribution to the healing of our communities.



Message from the Board



Federal Budget 2005

On February 23, 2005, the Honourable Ralph Goodale, Minister of Finance, announced Canada's commitment of \$40 million to the Aboriginal Healing Foundation. This commitment did not alter our mandate or timeframe but did enable the AHF to extend by two years approximately one-quarter of its funded projects.

Once again, we as a Board faced the agonizing and at times disheartening work of selecting which projects would receive additional funds.

We applied what we felt was a clear and reasonable set of criteria, always having in mind that we would be able to extend only a small portion of our existing projects. These criteria were as follows:

- The project must have a history of sound financial management
- The project must have a broad reach, serving a diverse population (women, youth, Elders, etc.)
- The project must deliver direct therapeutic services (counselling, therapy, etc.)

Even when these were applied, there remained many good projects doing good work that we could not extend. We found this message difficult to convey, for many interpreted our decision as a judgement on their efforts and on whether or not they were deemed to constitute "good work." In the end, our decisions were a matter of trying to do the most possible with limited resources.

Looking back, we can see that this has been a hectic and stressful period. It has also been at times humbling. We have seen some of our funded projects continue even in the absence of funding, as staff carry forward the work without pay and without AHF resources. We highlight the fact that the difficult decisions we have made, and which in some cases were harder even to hear, were received with dignity.

A Time for Commitment

As matters stand, the Aboriginal Healing Foundation will reach the end of its mandate and will close its doors in September of 2008. An opportunity exists to sustain the important work of healing beyond this time. We hope and believe it will not be a lost opportunity. However, we are at a critical point in time, a time requiring will and commitment.



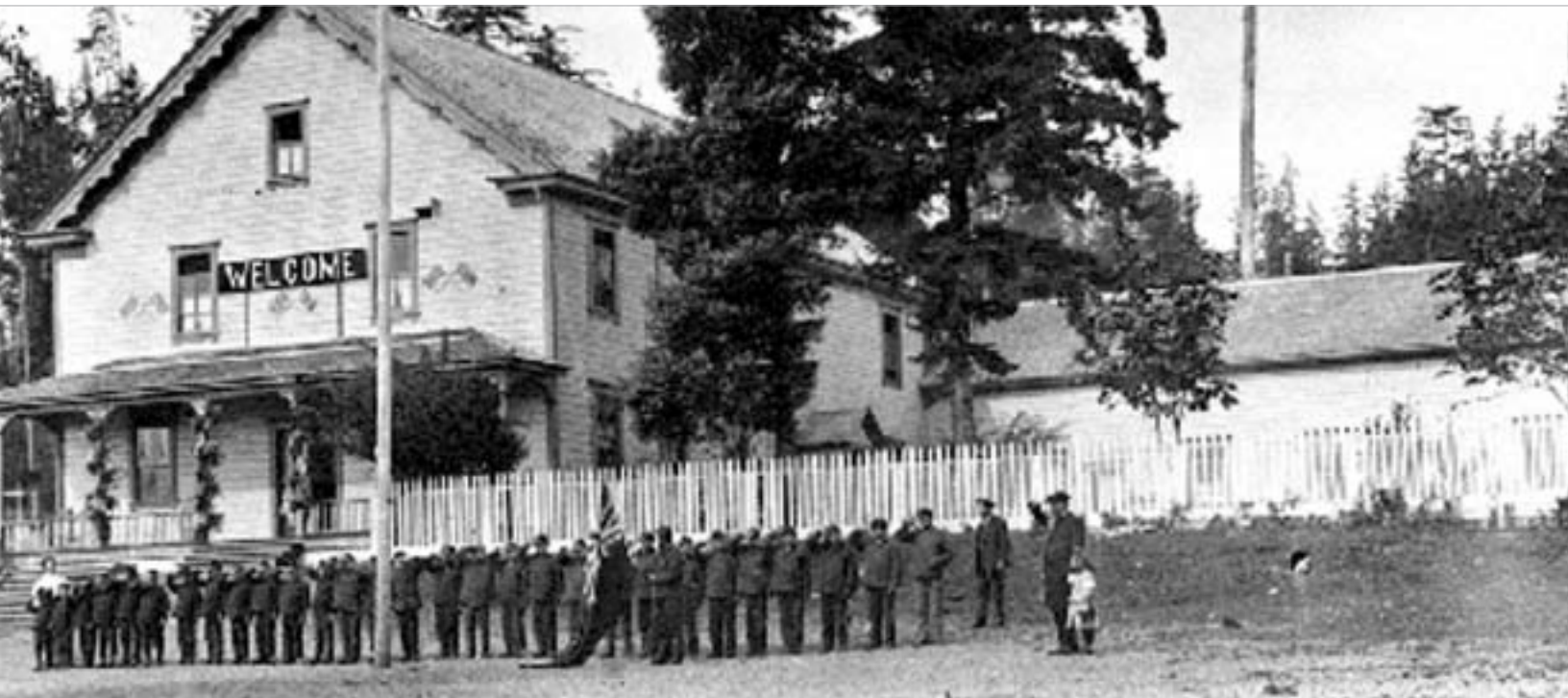
Message from the Board

The Aboriginal Healing Foundation acknowledge the many courageous and committed people who are realizing the vision of a better future for our children, our grandchildren, and seven generations ahead.

*In the spirit of healing and peace,
Board of Directors,
Aboriginal Healing Foundation.*

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



Vision, Mission & Values

On March 31, 1998, the Aboriginal Healing Foundation was set up with a \$350 million fund from the Government of Canada, to be expended within a nine-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 Board of Directors reflects Canada's diverse Aboriginal population. 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 Canadians.

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.



Fundamentals

Who we are

An Aboriginal-managed, national, Ottawa-based, not-for-profit private corporation established March 31, 1998 and provided with a one-time grant of \$350 million dollars by the federal government of Canada.

What we do

Encourage and support, through research and funding contributions, community-based Aboriginal-directed healing initiatives which address the legacy of physical and sexual abuse suffered in Canada's Indian Residential School System, including intergenerational impacts.

Why we do it

As a result of institutional abuses suffered in the past, Aboriginal people today suffer from the many effects of unresolved trauma, including but not limited to:

- lateral violence
- suicide
- depression
- poverty
- alcoholism
- lack of parenting skills
- weakening or destruction of cultures and languages
- lack of capacity to build and sustain healthy families and communities

Our vision is of a future when these effects have been meaningfully resolved and Aboriginal people have restored their well-being for themselves and for their descendants seven generations ahead.

How we do it

The Aboriginal Healing Foundation is governed by a Board of Directors made up of Aboriginal people from across Canada. The Members are appointed by Aboriginal political organizations, the federal government of Canada, and Aboriginal people at-large. The Board establish policy and give direction to staff.

The Foundation is accountable through its Funding Agreement with Canada and through its By-law. Guided by these arrangements, the Aboriginal Healing Foundation has committed its resources according to clear and transparent funding criteria established in consultation with Aboriginal people.

When we do it

The Aboriginal Healing Foundation was given an eleven-year mandate, ending March 31, 2009. Because we have committed out funds and will complete our work ahead of schedule, we anticipate that our doors will close in September 2008.



Uniqueness of the Aboriginal Healing Foundation

The Aboriginal Healing Foundation is perfectly situated at the confluence of recent calls for program delivery mechanisms that display financial accountability and efficiency, that contribute to the social economy, and that are culturally appropriate:

→ *Accountable*

A Board-managed organisation with government representation, a binding Funding Agreement, regular reports to Members of Parliament, and consistently clean audits.

→ *Culturally Appropriate*

An Aboriginal agency providing services to Aboriginal people

→ *Non-Political*

An effective non-political vehicle for addressing the politically-charged issue of residential schools

→ *National in scope*

A respected, national presence in the work of healing and reconciliation. The only coast-to-coast agency supporting community-based healing initiatives which address the legacy of Canada's Indian residential school system.



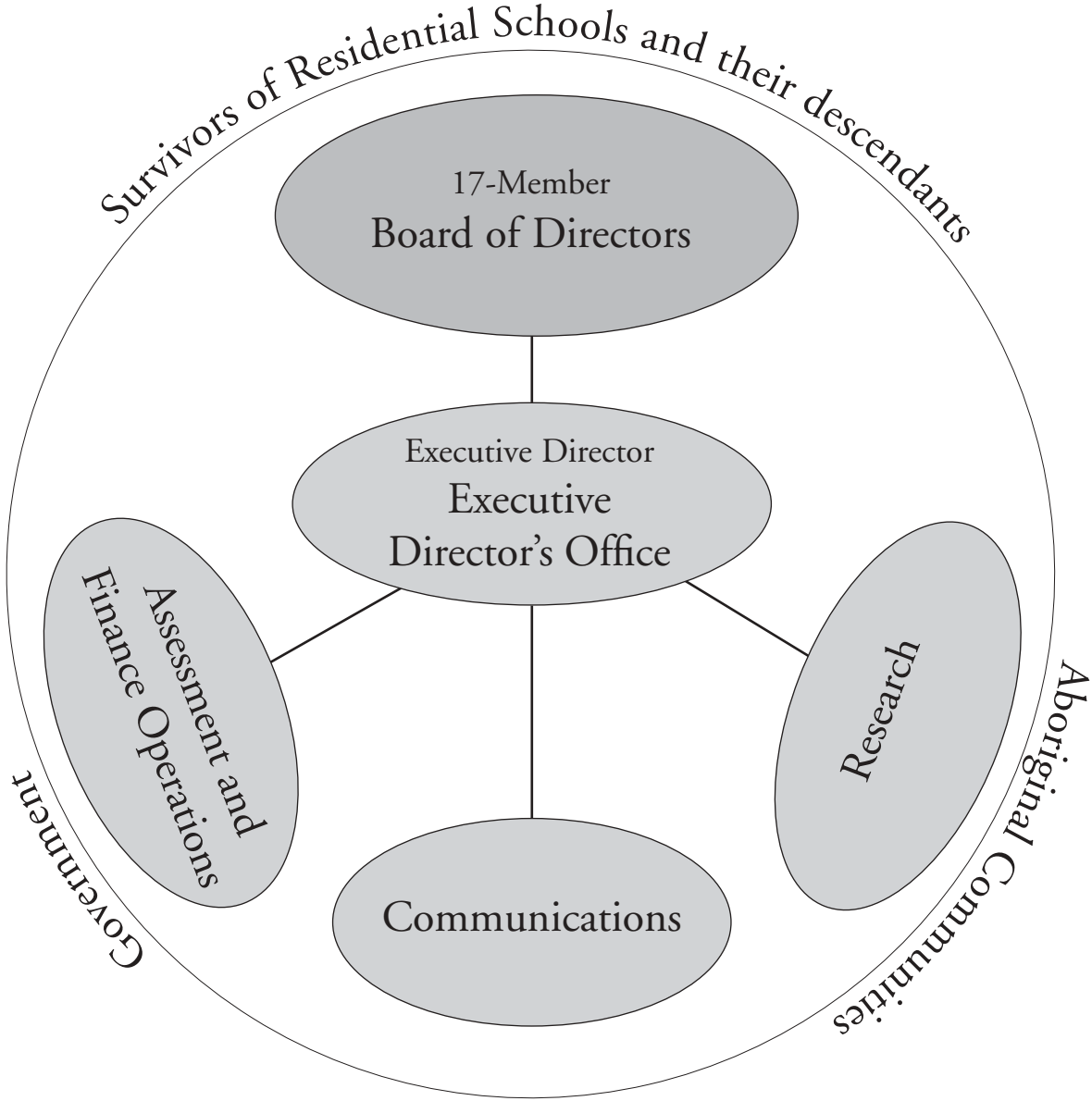
→ *An established track record*

An appropriate and trusted vehicle for service delivery with a public six-year record of effectiveness

The Aboriginal Healing Foundation has an established public track record, reflected in a series of independent financial and compliance audits conducted by the professionals who audit the Auditor General of Canada.



Structure & Accountability of the AHF



Historical Landmarks of the AHF

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 Proposed Approach" was tabled with five national Aboriginal organisations, and an interim Founding Board of prominent Aboriginal people was formed. 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 30, 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.

In the Spring of 2000, the Aboriginal Healing Foundation initiated discussion with the Government of Canada concerning potential



Historical Landmarks of the AHF



improvement of its performance, through an extension of its mandate and a revision of its investment restrictions.

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

In late 2002, the capital of the Foundation, diminished by 2 years of grants and expenditures, was no longer sufficient to implement the strategy it developed in early 2000, and with no governmental decision forthcoming the Board

proceeded to commit its funds within the terms and conditions of the original funding agreement.

In 2003, the Government of Canada offered to extend the mandate for the Foundation's commitment of funds. The Board of the Aboriginal Healing Foundation, having already taken the step to commit its funds, declined the offer to extend the timeframe.

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, approximately six months ahead of our March 31, 2004 mandated deadline, the Foundation's Board of Directors committed the remaining available funds, bringing the commitment phase of our 11-year mandate to a close.

On February 23, 2005, the Honourable Ralph Goodale, Minister of Finance, announced a commitment of \$40 million to the Aboriginal Healing Foundation. The AHF Board of Directors decided that there would be no call for new funding proposals and that the additional funds should be applied to existing projects. These additional funds enabled the AHF to extend the funding period of approximately one-quarter of the projects in operation at the time. The AHF mandate and timeframe are unchanged.

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



Resolving the Legacy of Residential School

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, and the Presbyterian Church.

Although in 1969 the Government of Canada officially withdrew, a few of the schools continued operating throughout the 70s and 80s. For example, Gordon's Indian Residential School in Saskatchewan did not close until 1996.

The impacts of the residential schools have been felt in every segment of Aboriginal societies. Communities suffered 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 any opportunity to develop parenting skills and lost 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 of Residential School

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. There are currently ten alternative dispute resolution projects, in various stages, set up across the country.

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.

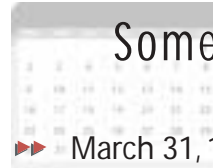
In August 2002, the Honourable Ralph Goodale, Minister of Public Works and Government Services Canada and also Federal Interlocutor for Métis and Non-Status Indians, assumed responsibility for the Office of Indian Residential Schools Resolution Canada. In December 2002, The Hon. Mr. Goodale announced 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.)

Former Indian residential school students continue to file 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. However, the Government of Canada does not yet compensate for loss of language and culture as the Canadian courts do not recognise language and culture as a compensable cause of action. This may change as the courts break new ground, as they did on December 3, 2004. On this date, the Ontario Court of Appeal unanimously certified *Cloud v. Canada*, the first Indian residential school class action.



Resolving the Legacy of Residential School

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

1. *Address the Legacy.* Each proposal must address the Legacy of Sexual Abuse and Physical Abuse in Residential Schools, including Intergenerational Impacts.

2. *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.

3. *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.



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.

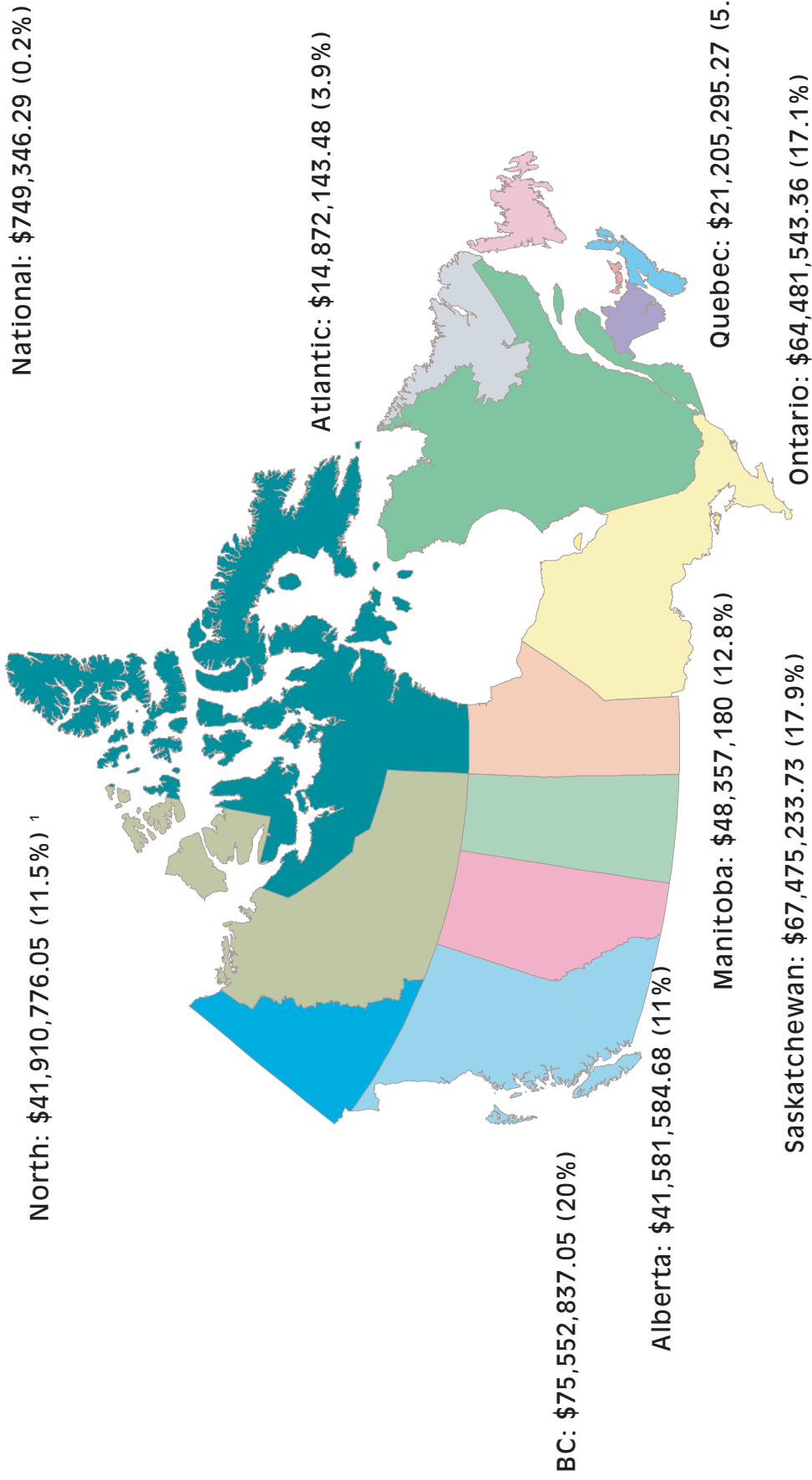
The following additional criteria have been developed and implemented: use of partnerships; meeting of a community need; the involvement of survivors, where possible and appropriate, or people who have suffered intergenerational

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.



Funding Allocations Update

to end of fiscal year 2004-2005
Total Commitment: **\$377,775,672.37**



¹ North includes Nunavut, Nunavik, 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 · \$91,711,349
Total Fund · \$441,711,349
Expenditures to date
Total committed to project funding · \$377,745,857
AHF Administration costs to date · \$47,964,079 ¹
Total expenditures/commitments · \$425,709,936 ²

¹ Represents approximately 9.4% of Total Fund (includes research).

² Represents approximately 96% of Total Fund (\$441,711,349).



Funded Project Overview

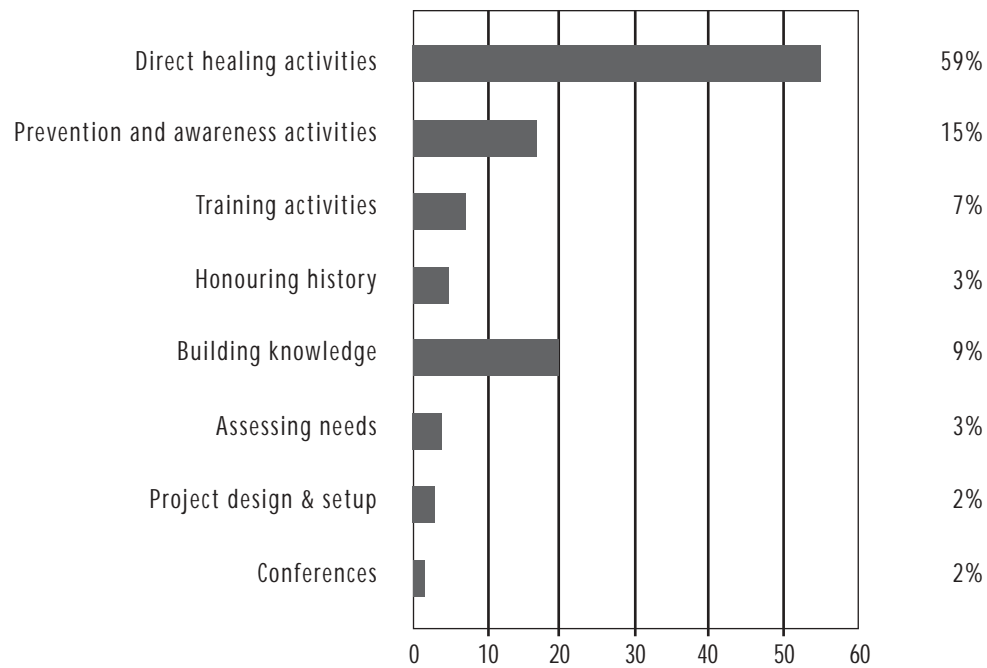
Funding Process

- **4,612 proposals** received since January 1999
(**\$1,312,992,183.97** requested in funding support)
- **1,779 proposals** met mandate & funding criteria
(total: **\$586,796,794.03**)*
- **1,346 grants** approved
(total: **\$376,764,421.37**)
- **75.5%** overall approval rate

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



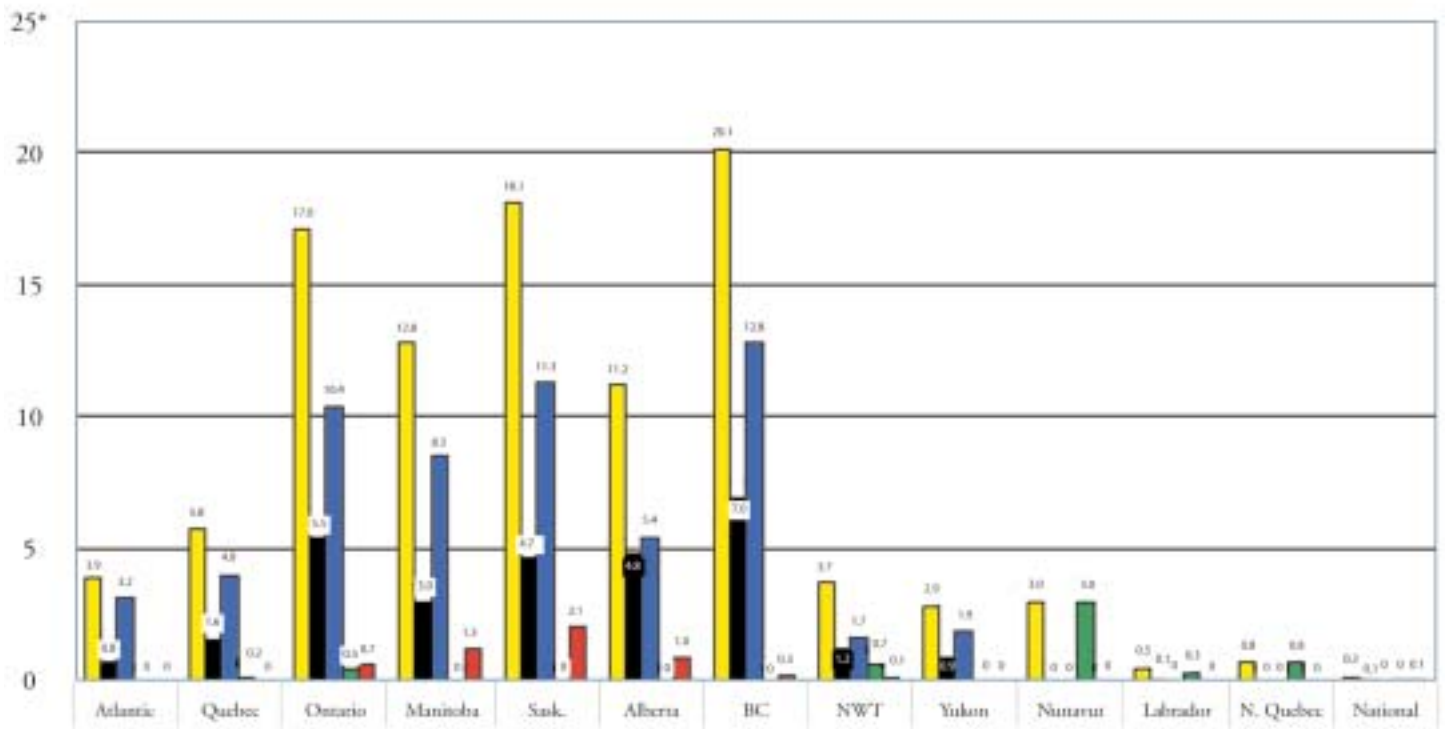
Types of Projects Funded



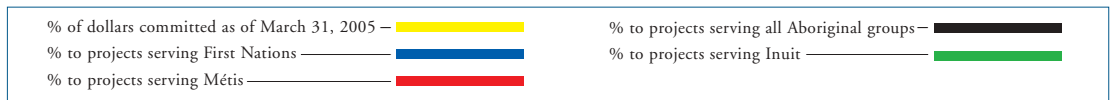
* PDA, Project Submissions, Healing Centre Proposals & Applications for under \$50,000



Distribution of Healing Funds



(* In millions of dollars)



Board of Directors

Board Elders



Nora Cummings



Helen Maksagak



Danny Musqua

Directors



Garnet Angecone
Secretary



Georges Erasmus
President and Chair



Carrielynn Lamouche
Treasurer



Richard Kistabish
Vice-President



Rose-Marie Blair



Keith Conn



Board of Directors



Marlyn Cook



Martha Flaherty

no photo

Dan George



Susan M. Hare



Elizebeth Hourie Palfrey



Viola Robinson



Cindy Swanson



Navalik (Helen) Tologanak

no photo

David Turner



Board of Directors – Functions

The Board of Directors, composed of Aboriginal members (First Nation, Métis, and Inuit), governs the Aboriginal Healing Foundation. The Board manages 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

→ To review and approve major organisational planning activities

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



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

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



Communications

Function

Communications is composed of a Director, a Communications Officer, and an Editor. Main overall strategic responsibilities are to communicate the Board's policy decisions 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 carries responsibility for ensuring the efficient flow of information within the organisation.

Communications bears lead responsibility for:

- Non-research publications
- Website (<http://www.ahf.ca>)
- Media liaison
- Public presentations and presentations to Government and Aboriginal organisations
- Promotions
- Public education
- Mailing and database
- General Inquiries
- Translation & editing
- Funded project support related to media work and informational resources

Given our awareness of the need for a longer-term healing strategy for Aboriginal survivors of institutional abuse and trauma, a principal Communications focus of this past year has been

the implications of the Aboriginal Healing Foundation's projected closure in 2008.

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 (which now averages 300,000 hits per month), newsletters, and public presentations.

As in previous years, we have used internal communications tools to enlarge our outreach to Aboriginal communities and the broader public. However, as the devolution and attrition processes continue, and the fulfilment of our mandate nears, we anticipate the outsourcing of Communications projects. To this end, Communications staffing was reduced during this fiscal year.

Objective

To report on the Foundation's activities to Survivors and their descendants, as well as to Government and the Canadian public, and to generate awareness of our mandate.

Strategy

Updates of AHF activities were integrated into our public presentations and our media work. We have taken every opportunity to communicate publicly and whenever possible face-to-face 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



Communications

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, especially among decision makers and care providers in social service. Our principal message is that community-based healing initiatives are a success story, and that these efforts should be sustained beyond the current lifetime of the Aboriginal Healing Foundation. Over the past six years we have consistently participated in a national discussion among governments, churches, and citizens which has resulted in broad consensus. This consensus is evident in the emergence of groups such as the Legacy of Hope Coalition, in which the Foundation has played a role.

Objective

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



Results

Feedback on AHF work in this area has been positive. Our materials are now used as teaching aids from coast to coast. There is today in Canada a greater understanding of the legacy of the residential school system and of intergenerational effects, partly as a result of research, public education campaigns, and dissemination of materials undertaken by the Foundation.

Objective

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



Communications

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

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.

In FY 2004-2005 we continued to publish our newsletters *Healing Words* (English) and *Le premier pas* (French). This particular project has received universal positive feedback and is one of our most popular documents. Distribution has now expanded to over 40,000 copies per issue, making this perhaps the largest serial publication in Canada devoted exclusively to healing the effects of abuse suffered in Canada's Indian Residential School System.



Assessment and Finance Operations

Functions

Led by the Chief Operating Officer, Assessment and Finance Operations is grouped into two units, Finance and Programs, who work closely together day-by-day. Assessment and Finance Operations supports all corporate needs and objectives.

This Department has twenty-two 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 database (GIFTS);
- overall administration, including reception, mail and supplies.
- managing all accounting processes and maintaining financial controls.

Goals

Ensuring 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.

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

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

General Strategies

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

Deliver 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 and Networking Visits.

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

Specific Goals & Outcomes

1. To complete the signing of all contribution agreements with projects.



Assessment and Finance Operations

Result: All Contribution Agreements were signed by September 2004.

2. To monitor all projects in accordance with the risk management strategy.

Result: An on-site schedule was put together for the 2004-2005 fiscal year. Twenty on sites were completed.

A new schedule has been put in place for 2005-2006.

3. To finalize the file closures in projects that are no longer active.

Result: In October 2004, 17 percent of the completed project files were closed. By the Spring of 2005, 56 percent were closed.

4. To develop and implement an organizational winding-down strategy.

Result: The following items were completed:

a. Created an organizational structure based upon our operational needs.

b. Created a multi-year budget based upon staffing and operational needs.

c. Created and implemented a Disposal of Assets Policy.

d. Developed an inventory system in the office using the latest technology.

e. Notified all the projects receiving additional funding of their current and future status.

f. Working toward the completing the funding agreements, for the additional funding, with selected projects.

g. Scheduled and completed computer training in Word and Excel. We will be scheduling training for interview techniques. As an additional training opportunity we scheduled accounting software training in Simply Accounting and QuickBooks.

5. To ensure the AHF exercises proper financial management

Result: For the sixth consecutive year, a clean Audit Report was received with no audit concerns.



Research

Function

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:

- Supervising the AHF Evaluation
- Maintaining the AHF Resource Centre
- Undertaking research on AHF issues that inform Board decisions
- Contracting research that supports healing initiatives
- Co-ordinating the preparation and publication of the AHF Evaluation and Research Series
- Supervising and co-ordinating the AHF Final Report

The research agenda and activities of the Aboriginal Healing Foundation focus on applied or strategic research that contributes to developing the necessary knowledge base for the design, implementation, effectiveness and evaluation of community-level healing projects.

Goals

1. To contribute to effective program design/redesign, implementation and evaluation.
2. To promote holistic healing and identify “promising healing practices” from community-based projects.
3. To provide information on substantive issues that support healing practices and enhance capacity-building in Aboriginal communities.

4. To contribute to the national healing legacy of the Aboriginal Healing Foundation.

5. To encourage a more informed and supportive public environment.

Objective 1

To evaluate the impact of AHF-funded projects

Strategy

Research supervises an external consultant contracted by the AHF to undertake a substantial four-year evaluation of the effectiveness and impact of the activities of AHF-funded projects. As part of this evaluation, a research team surveyed 344 projects in December 1999; reviewed 36 sample project files; and in 2001, completed case studies on 13 different types of projects funded by the AHF.

A second survey sent to 384 organizations with active agreements was undertaken in December 2002. In 2002-03, Individual Participant Questionnaires were sent to over 484 active AHF-funded projects. In August 2004, a third survey was sent to 447 organizations with active agreements.

In October 2002, a questionnaire requesting information on “promising healing practices” was sent to 439 AHF-funded projects. Based on the 103 responses to the questionnaire and a review of project files, a summary on “promising healing practices” was discussed among delegates who attended the National Gathering in July 2004.

In 2003-04, five focus groups were held to gather



information from AHF-funded projects, including Metis and Inuit. Six (selected from the 13 case studies) in-depth studies on “Models and Metaphors of Healing” are currently being completed by faculty and graduate students associated with the Aboriginal Mental Health Research Network through a grant from the Canadian Institutes of Health Research.

Expected Results

The first interim evaluation report entitled, Interim Evaluation Report of Aboriginal Healing Foundation Program Activity, was submitted to the Board of Directors in July 2001.

The first interim evaluation report included the results of the first national survey. Results of this survey indicated that 59,224 participants engaged in AHF-funded activities, including 48,286 participants in healing activities (less than one per cent of whom had been involved in prior healing activities) and 10,938 participated in training activities funded by AHF. At the time of the survey, 1,686 communities or communities of interest were served by the AHF. Eighty-eight per cent of all positions were occupied by Aboriginal people and Survivors occupied 50 per cent of all positions. In a typical month, over 13,000 volunteer service hours were contributed to AHF-funded 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. When questioned about how many more people could be served if the project had adequate time and resources, the result was, in total, 56,857 people.

The Second Interim Evaluation Report of AHF Program Activity entitled, Journey and Balance: Second Interim Evaluation Report of Aboriginal Healing Foundation Program Activity, was submitted to the Board of Directors in July 2002.

The second interim evaluation 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 contributions were related to improved understanding of the legacy of physical and sexual abuse in residential schools; however, teams were clear that work was not complete in this regard. The research found that more Survivors are connected to healers and Aboriginal people are 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, coordinated 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 have fueled education efforts and yielded the unintended, but welcomed impact of encouraging participation in healing. Key recommendations resulting from the analysis include:



Research

- 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; and
- focusing efforts upon realistically attainable outcomes in reasonably restricted target groups.

The Third Interim Evaluation Report of Aboriginal Healing Foundation Program Activity was submitted to the Board of Directors in July 2003. This report updates the information obtained through a second survey in 2001 to provide new data on impact with respect to individuals who participated in AHF-funded projects. 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 healing practices, context, unique strategies for engaging men and estimated community impact. In addition, this report includes information on community members involved in a variety of different types of projects who have completed an

Individual Participant Questionnaire. 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.

In 2003-04, Research held five focus groups (including one Inuit and one Metis group) with delegates from AHF-funded projects to obtain more in-depth information on a number of questions, including:

- How do you dismantle fear?
- What traditional and Western therapies work well together?
- How do you know when someone is a good healer?

Analysis of the responses from the third survey, focus groups, case studies and Individual Participant Questionnaires will be published as Volume Two of the AHF Final Report, which will be released in January 2006. This report will also include the analysis of merged data from all three surveys.

The “promising healing practices” report, which is based on 103 responses to a questionnaire; a review of project files; and discussion among delegates who attended fourteen workshops at the AHF National Gathering held in July 2004, will be published as Volume Three of the AHF Final Report.



Research

Objective 2

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

Strategy

The AHF published seventeen reports or papers in the AHF Research and Evaluation Series to date: two in 2001; four in 2002; eight in 2003. In addition to working on the AHF Final Report, Research published three studies in 2004-05. In 2006-07, abstracts of these studies will be translated into "plain English" for distribution to Aboriginal communities and will be placed on the AHF website.

Published (including website: www.ahf.ca)

- Aboriginal Sex Offending in Canada;
- Mental Health Profiles for a Sample of British Columbia's Aboriginal Survivors of the Canadian Residential School System;
- An Interim Evaluation Report of Aboriginal Healing Foundation Program Activity (2001);
- Journey and Balance: Second Interim Evaluation Report of Aboriginal Healing Foundation Program Activity (2002);
- Directory of Residential Schools in Canada;
- Aboriginal Domestic Violence in Canada;
- Aboriginal People, Resilience and the Residential School Legacy;
- Third Interim Evaluation Report of Aboriginal Healing Foundation Program Activity (2003);
- Fetal Alcohol Syndrome Among Canadian Aboriginal People in Canada: Review and Analysis of the Intergenerational Links to Residential Schools;
- Aboriginal Elder Abuse in Canada;
- Examining HIV/AIDS Among the Aboriginal Population in Canada in the post-residential school era;
- Historic Trauma and Aboriginal Healing;
- Reclaiming Connections: Understanding Residential School Trauma Among Aboriginal People: A Resource Manual;
- Warrior-Caregivers: Understanding the Challenges and Healing of First Nations Men;
- Community Guide to Evaluating Aboriginal Healing Foundation Activity;
- AHF Evaluation Update (October 18, 2002);
- A Directory of Funding Sources for Healing Activities.

Published in partnership with other organizations/governments:



Research

- Mapping the Healing Journey: The Final Report of a First Nation Research Project on Healing in Canadian Aboriginal Communities (with Aboriginal Corrections Policy Unit, Public Safety and Emergency Preparedness Canada);
- A Cost-Benefit Analysis of Hollow Water's Community Holistic Circle Healing Process (with Aboriginal Corrections Policy Unit, Public Safety and Emergency Preparedness Canada); and
- A Cost-Benefit Analysis of Biidaabiin: the Mnjikaning Community Healing Model (with Aboriginal Corrections Policy Unit, Public Safety and Emergency Preparedness Canada) .

In progress:

- Métis History and Experience and Residential Schools in Canada;
- Traditional Healing Practices;
- Aboriginal Homelessness in Canada and the Legacy of Residential Schools;
- Addictive Behaviors and Aboriginal People in Canada;
- Aboriginal Children in Care in Canada;
- Curriculum: Aboriginal Awareness and Residential School (Grades 11 and 12)
- The History and Experience of Inuit in Residential Schools in Canada;

- International Perspectives on Aboriginal Healing: Colonization, Decolonization and Healing: Indigenous Experiences in the United States, New Zealand, Australia and Greenland;
- Aboriginal Suicide in Canada;
- Aboriginal Residential School Workers;
- Models of Resolution and Reconciliation; and
- AHF Final Report (3 volumes).

Expected Results

The publication of 12 research or evaluation reports or papers are in progress, including a curriculum unit and teacher's manual on residential schools for Grades 11 and 12 and the three-volume AHF Final Report, which will be published in January 2006. AHF studies of Aboriginal Children in Care and The History and Experience of Inuit in Residential Schools in Canada will be published by the University of Manitoba Press in 2007.

Objective 3

To participate in networks to maximize the AHF's limited resources for research and to contribute to an informed and supportive public environment

Strategy

Research has collaborated on four research projects that fall within the mandate of the Aboriginal Healing Foundation, three with the Aboriginal



Corrections Policy Unit, Minister of Public Safety and Emergency Preparedness Canada, with whom Research also partnered on two gatherings of healers. With the Legacy of Hope Foundation and the National Library and Archives Canada, research was undertaken to curate a traveling exhibit on residential schools.

Three research reports that will be published by the Aboriginal Healing Foundation are the result of work undertaken by AHF-funded projects.

AHF Research has been an active participant in the network of Aboriginal, academic and government organizations that are involved in research that is relevant to healing the Legacy of Physical and Sexual Abuse in the Residential School System including intergenerational impacts. Some of these activities in 2004-05 include:

(a) Co-Chair (with Indian Residential Schools Resolution Canada) of the Residential School Networking Group, an informal gathering of government researchers that meets monthly to discuss research projects related to residential school Survivors and their descendants.

(b) Presentations at Carleton University Graduate Seminar on Aboriginal Issues; International Council of Canadian Studies faculty seminar; Native Mental Health Association Annual Conference; National Aboriginal Health Organization Conference; Healing Our Spirit Worldwide, Pacific Region Conference; Memory and the Politics of Forgiveness Conference, Université du Québec a Montréal; Wabano Centre for Aboriginal Health and Minwaashin Lodge, Ottawa.

(b) 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.

(b) Along with the National Aboriginal Health Organization, the Institute of Population Health and the 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 (PI: Smylie, University of Ottawa) AHF Research is also a Co-Investigator on a CIHR-funded research project on Barriers to Health Services for Urban Aboriginal Women (PIs: D.Culhane, Simon Fraser/ N. Adelman, York).

(b) Along with the 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 Aboriginal 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." (PIs: M.Chandler, University of British Columbia/ C. Lalonde, University of Victoria).



Research

(b) The AHF Research Director serves on the Advisory Board of the Institute for Aboriginal Peoples' Health, Canadian Institutes of Health Research; Co-Director of the Aboriginal Mental Health Research Network; and sits on the editorial Board of the Journal of the National Aboriginal Health Organization.

Expected Results

Networking will continue to increase our knowledge of the impacts of the residential school experience and allow us to maximize the return of our investments in research and to 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 4

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 3,000 documents.

Expected Results

In addition to external research material, the Resource Centre houses a growing collection of materials on "promising" healing practices drawn from AHF-funded projects; and materials produced by 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.



Prospects

Communications

As in previous years, we have used internal communications tools to enlarge our outreach to Aboriginal communities and the broader public. However, as the devolution and attrition processes continue, and the fulfilment of our mandate nears, we anticipate the further outsourcing of Communications projects.

We are now well into the winding-down phase of the Foundation's life. Many Communications functions, such as providing up-to-date information on the work of the Foundation, will nonetheless be unchanged. The challenge of the future will as always be to keep the message and work of the Foundation as clear as possible in the public mind.

This task will be complicated by future residential school-related announcements, such as the government compensation package currently being negotiated between Canada and the Assembly of First Nations. While these are matters beyond the purview of the AHF, we make every effort to support both the Government and the AFN by providing information and directing the public to appropriate agencies while clarifying our role in the residential school issue (i.e., healing).

In 2005-2006, Communications will disseminate a variety of multimedia materials drawn together at the 2004 National Gathering in Edmonton. We will also produce a "primer" on the residential school system and its aftermath. We will also continue to publish *Healing Words* and *Le premier pas*. We are also planning an increased

presence at appropriate conferences and gatherings throughout Canada.

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.



Prospects

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

Research

In 2006, the 3-volume AHF Final Report will be published. Volume One of the AHF Final Report is a narrative overview of AHF's development, impact, accomplishments and contribution to the healing movement and a discussion of future healing needs. Volume Two is an overview of AHF evaluation, including three national surveys, thirteen case studies, five focus groups and over fifteen hundred Individual Participant Questionnaires. Volume Three summarizes best or promising healing practices, highlighting what we have learned from AHF-funded projects through reviewing project files, questionnaires and fourteen workshops held at the 2004 National Gathering.

Research will publish a minimum of two of the twelve in-progress reports or papers in the Research and Evaluation series and continue the widespread distribution of AHF reports and studies.

Research will continue to network with and contribute to the activities of Aboriginal, academic and government organizations to better understand the impact of and healing from the legacy of abuse in residential schools.

Research will continue to build and catalogue the collection of resource materials, documents and archival materials related to residential schools. The resource centre also contains materials developed through AHF-funded projects and information related to the activities of the Aboriginal Healing Foundation.



Financial Statements of

ABORIGINAL HEALING FOUNDATION

Year ended March 31, 2005





KPMG LLP
Chartered Accountants
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Ottawa, ON K1P 1A4
Canada

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AUDITORS' REPORT TO THE DIRECTORS

We have audited the statement of financial position of Aboriginal Healing Foundation as at March 31, 2005 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, 2005 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

June 10, 2005



ABORIGINAL HEALING FOUNDATION

Statement of Financial Position

March 31, 2005, with comparative figures for 2004

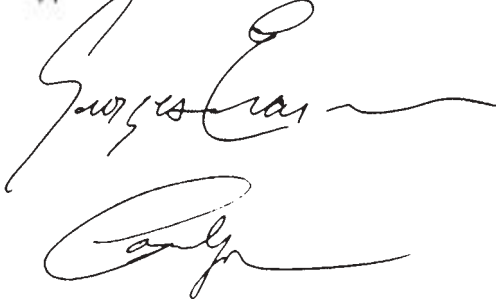
	2005	2004
Assets		
Current assets:		
Cash	\$ 249,755	\$ 169,369
Amounts receivable	153,747	96,557
Interest receivable	731,747	801,751
Prepaid expenses	182,392	210,345
	<u>1,317,641</u>	<u>1,278,022</u>
Capital assets (note 3)	371,781	506,533
Investments (note 4)	83,820,531	152,004,658
	<u>\$ 85,509,953</u>	<u>\$ 153,789,213</u>

Liabilities and Deferred Contributions

Current liabilities:		
Accounts payable and accrued liabilities	\$ 567,331	\$ 1,599,909
Deferred contributions:		
Deferred capital contributions	371,781	506,533
Deferred grant	84,570,841	151,682,771
	<u>84,942,622</u>	<u>152,189,304</u>
Lease commitments and guarantee (note 5)		
Project commitments (schedule)		
	<u>\$ 85,509,953</u>	<u>\$ 153,789,213</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, 2005, with comparative figures for 2004

	2005	2004
Revenue:		
Grant	\$ 67,094,094	\$ 64,144,592
Investments (note 4)	4,443,855	11,444,542
Amortization of deferred capital contributions	158,126	202,395
	<u>71,696,075</u>	<u>75,791,529</u>
Expenses:		
Project:		
Project funding (schedule)	65,103,853	68,932,159
2004 National Conference (note 7)	1,311,672	121,670
Administrative:		
General (note 6)	3,804,545	4,536,210
Research	666,860	915,279
Governance	435,625	713,532
Amortization of capital assets	158,126	202,395
Communication and promotion	109,561	114,140
Monitoring	91,250	76,643
Loss on disposal of capital assets	2,256	2,725
Community support services	12,327	(14,423)
Merit review	–	18,850
Regional meetings	–	172,349
	<u>5,280,550</u>	<u>6,737,700</u>
	<u>71,696,075</u>	<u>75,791,529</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, 2005, with comparative figures for 2004

	Deferred capital contributions	Deferred grant	Total 2005	Total 2004
Balance, beginning of year	\$ 506,533	\$ 151,682,771	\$ 152,189,304	\$ 216,527,062
Recognized as revenue	—	(67,094,094)	(67,094,094)	(64,144,592)
Capital asset additions	26,005	(26,005)	—	—
Disposal of capital assets	(2,631)	8,169	5,538	9,229
Amortization of deferred capital contributions	(158,126)	—	(158,126)	(202,395)
Balance, end of year	\$ 371,781	\$ 84,570,841	\$ 84,942,622	\$ 152,189,304

See accompanying notes to financial statements.



ABORIGINAL HEALING FOUNDATION

Statement of Cash Flows

Year ended March 31, 2005, with comparative figures for 2004

	2005	2004
Cash provided by (used for):		
Operations:		
Decrease (increase) in amounts receivable	\$ (57,190)	\$ 134,245
Decrease in interest receivable	70,004	878,769
Decrease (increase) in prepaid expenses	27,953	(76,788)
Decrease in prepaid project advances	—	1,100,421
Increase (decrease) in accounts payable and accrued liabilities	(1,032,578)	570,538
Amortization of capital assets	158,126	202,395
Loss on disposal of capital assets	2,631	2,725
	<u>(831,054)</u>	<u>2,812,305</u>
Investments:		
Purchase of investments	(234,615,084)	(484,741,795)
Sale of investments	302,471,163	547,388,538
Amortization of bond premiums (discounts)	593,279	(1,227,264)
Capital asset additions	(26,005)	(70,925)
	<u>68,423,353</u>	<u>61,348,554</u>
Financing:		
Decrease in deferred capital contributions	(134,752)	(139,871)
Decrease in deferred grant	(67,377,161)	(64,197,887)
	<u>(67,511,913)</u>	<u>(64,337,758)</u>
Increase (decrease) in cash	80,386	(176,899)
Cash, beginning of year	169,369	346,268
Cash, end of year	<u>\$ 249,755</u>	<u>\$ 169,369</u>

See accompanying notes to financial statements.



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements

Year ended March 31, 2005

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 (the "Department"), 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.

During the year, an amendment to the funding agreement was made, under which the Foundation will receive a one-time grant of \$40,000,000 as soon as reasonably possible after the appropriation provision provided for under the 2005 Federal Budget comes into force. 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 are to be made by March 31, 2007 and the actual disbursements can be made over a four-year period ending March 31, 2009. This grant has not been recorded in these financial statements.

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



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements, page 2

Year ended March 31, 2005

2. Significant accounting policies (continued):

(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.

(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 these 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	2005 Net book value	2004 Net book value
Furniture and equipment	\$ 525,244	\$ 297,537	\$ 227,707	\$ 277,263
Computer hardware	659,435	547,468	111,967	170,215
Computer software	136,805	118,656	18,149	39,172
Leasehold improvements	29,624	15,666	13,958	19,883
	<u>\$ 1,351,108</u>	<u>\$ 979,327</u>	<u>\$ 371,781</u>	<u>\$ 506,533</u>

Cost and accumulated amortization at March 31, 2004 amounted to \$1,333,274 and \$826,741 respectively.



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements, page 3

Year ended March 31, 2005

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:

	2005		2004	
	Cost	Market value	Cost	Market value
Cash	\$ 1,451	\$ 1,451	\$ 500	\$ 500
Cash equivalents:				
Federal government	3,979,240	3,979,240	48,457,214	48,457,214
Corporate	19,805,479	19,805,479	-	-
Bonds, coupons and residuals:				
Federal government	5,127,718	5,243,317	44,169,575	46,706,078
Provincial government	30,588,241	30,630,292	30,878,417	31,600,662
Corporate	24,911,681	24,646,450	27,271,688	27,731,729
	84,413,810	84,306,229	150,777,394	154,496,183
Amortization of bond discounts (premiums)	(593,279)	-	1,227,264	-
	\$ 83,820,531	\$ 84,306,229	\$ 152,004,658	\$ 154,496,183

- (b) Investment revenue is comprised of:

	2005	2004
Interest	\$ 4,106,395	\$ 5,699,298
Gain on disposal	930,739	4,517,980
Amortization of bond discounts (premiums)	(593,279)	1,227,264
	\$ 4,443,855	\$ 11,444,542



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements, page 4

Year ended March 31, 2005

5. Lease commitments and guarantee:

(a) Commitments:

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

2005/2006	\$ 380,514
2006/2007	368,221
2007/2008	353,954
2008/2009	176,977
	<hr/>
	\$ 1,279,666

(b) Guarantee:

In the normal course of business, the Foundation has entered into lease agreements for premises and equipment. It is common in such commercial lease transactions for the Foundation as the lessee, to agree to indemnify the lessor for liabilities that may arise from the use of the leased assets. The maximum amount potentially payable under the foregoing indemnities cannot be reasonably estimated. The Foundation has liability insurance that relates to the indemnifications described above.

6. General expenses:

	2005	2004
Salaries	\$ 2,631,875	\$ 3,188,215
Rent	375,431	360,106
Office	239,501	242,258
Computer maintenance	165,504	153,437
Travel	114,450	81,002
Training	64,199	74,737
Investment fees	57,717	180,878
Insurance	51,169	36,890
Equipment lease	41,111	37,778
Professional fees	34,389	116,853
Translation	26,816	27,718
Fundraising	2,383	36,338
	<hr/>	<hr/>
	\$ 3,804,545	\$ 4,536,210



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements, page 5

Year ended March 31, 2005

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.

The Charity's assets, liabilities, revenue and expenses are as follows for the years ended March 31:

	2005	2004
Assets	\$ 159,739	\$ 391,149
Liabilities and Net Assets		
Liabilities:		
Due to Aboriginal Healing Foundation	\$ 27,104	\$ 12,160
Other liabilities	57,348	333,150
	<u>84,452</u>	<u>345,310</u>
Net assets	75,287	45,839
	<u>\$ 159,739</u>	<u>\$ 391,149</u>
Revenue	\$ 773,548	\$ 446,237
Expenses	744,100	424,574
Net earnings	<u>\$ 29,448</u>	<u>\$ 21,663</u>

In 2003, 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 an additional \$150,000 in fiscal year 2005.

The Foundation provides payroll services without charge and subleases office space to the Charity at \$12,000 per year which includes operating costs.

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 investments is disclosed in note 4.



ABORIGINAL HEALING FOUNDATION

Schedule of Project Commitments and Expenses

Year ended March 31, 2005

Theme	Opening cumulative project commitments	Current year project commitments (decommitments)	Closing cumulative project commitments	Opening cumulative project expenses	Current year project expenses	Closing cumulative project expenses	Remaining project commitments
General Projects	\$ 356,451,973	\$ 492,277	\$ 356,944,250	\$ 231,011,700	\$ 62,205,309	\$ 293,217,009	\$ 63,727,241
Healing Centres	22,110,575	(1,308,968)	20,801,607	8,925,538	2,898,544	11,824,082	8,977,525
Total	\$ 378,562,548	\$ (816,691)	\$ 377,745,857	\$ 239,937,238	\$ 65,103,853	\$ 305,041,091	\$ 72,704,766






May 31, 2005

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

12 Wanless Crescent Toronto Ontario Canada M4N 3B7
(416) 484-4001 giraf@wolfcrestcap.com



✿ *Notes* ✿

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