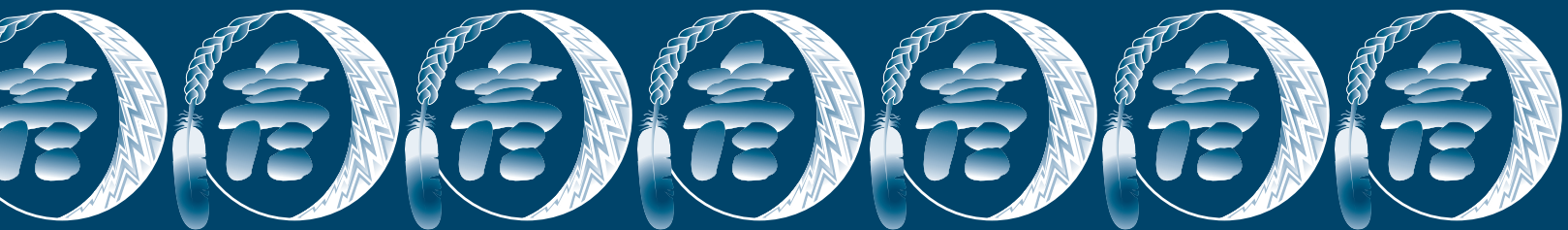


Aboriginal Healing Foundation

ANNUAL REPORT · 2003





Helping Aboriginal People Heal Themselves

Reporting Principles · 3	Goals · 35
Message from the Board · 5	Strategies · 35
Our Vision, Mission and Values · 10	Results · 36
Structure and Accountability of the AHF · 12	Research · 39
The Aboriginal Healing Foundation: Historical Landmarks · 13	Function · 39
Resolving the Repercussions of the Residential School System · 16	Research Goals · 39
Legal Obligations · 20	Research Completed in 2001-02 · 39
Funding Agreement · 20	Research Completed in 2002-03 · 40
Eligible Projects · 20	Research in Progress · 40
Mandatory Criteria · 21	Other Research Objectives · 41
Funded Allocations Update · 22	Objective 1 · 41
Revenues and Expenditures · 23	Objective 2 · 41
Submissions and Approvals · 24	Objective 3 · 43
Types of Projects · 25	Evaluation Update:
Distribution of Healing Funds · 26	Where we are in 2002-2003 · 44
Board of Directors, 2002-2003 · 27	Prospects · 46
Photos of the Board of Directors · 27-28	Message from the Board 2002-2003 · 46
Functions · 29	Communication · 46
Main Objective · 29	Assessment and Finance · 47
Executive Director · 30	Community Support Service · 48
Objectives · 30	Research · 48
Communications · 31	Financial Statements · 51
Functions · 31	Auditors' Report to the Directors · 53
Objective 1 · 31	Statement of Financial Position · 54
Objective 2 · 33	Statement of Operations · 55
Objective 3 · 34	Statement of Changes in Deferred Contributions · 56
Assessment and Finance Operations · 35	Statement of Cash Flows · 57
Functions · 35	Notes to Financial Statements · 58
	Schedule of Project Commitments and Expenses · 63
	Wolfcrest Capital Advisors Inc. · 64



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

When I started on my healing journey, I realized that the healing was the most important thing. It took care of everything ... I'm so happy to have the feeling I have today after being on this journey since 1996. I feel so good.

(Inuvik Regional Gathering, 2002•04•27)



Reporting Principles

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.

There are layers and layers of hurt and injustice on Aboriginal people. It takes time to go through the layers, but in the end it will be worth it. Thank-you to the AHF for the funding that we received in our community.

*(Calgary Regional
Gathering, 2002•10•01)*



I applaud the fellow who said that they wanted to use their culture. These are the things that we need to support. Our cultural ways were good before the residential school. Our ways of raising our children were good. People respected one another – that has been lost. These are the things that we have to get back.

(Prince Albert Regional Gathering, 2002-10-03)



The year 2002-2003 has been a turning point in many ways for the Aboriginal Healing Foundation. After 5 years of operations, and in conformity with the terms of the Funding Agreement between the Foundation and the Government of Canada, a large proportion of the one-time grant has been expended on community healing projects.

In early 2000, the Board of the Foundation sought options that would guide their decisions regarding the yearly AHF project funding envelope, and, through a new investment strategy and longer time-frame, would also maximise the recovery and healing of communities affected by the Legacy of residential schools.

In December 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. In February 2001, 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.

Message from the Board

In late 2001, with a 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 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.

The last deadline for proposals was February 28, 2003, and the Foundation is currently examining the submissions received by that date. Now that we are considering proposals for multi-year funding and Healing Centre programs, we expect the remainder of the \$350 million healing fund to be committed quickly. Starting with this February 2003 deadline, therefore, the Foundation has entered a wind-down period, and its activities will be trimmed progressively over the next few years. Choosing recipients of the AHF funds is a major task. In dollar terms, demand outweighs AHF funding by a ratio of about 4 to 1, making the selection process rigorous and competitive. The Board of Directors has always striven to ensure a fair

We're all thinking about the sundown – the money coming to an end. We need to have a plan to decide how to maintain the services that we have right now. Continuity is very important when it comes to healing.

(Whitehorse Regional Gathering, 2002•10•03)



Message from the Board

The hardest people to work for is your own. We can't battle amongst ourselves. We need to work together in a collaborative effort. ... We all need to work together so we all move together as one Nation, not 14 communities, towards that goal of healing, with all our brothers and sisters.

(Whitehorse Regional Gathering, 2001•01•30)



and equitable distribution of funds that reflects the interests of all Aboriginal people. This has meant making adjustments in funding priorities.

From March 2002 until the end of this fiscal year, however, the Foundation has accomplished much to ensure that, in funding solid grassroots projects, Aboriginal communities' healing progress and gains were consolidated. The dedication and resolve of Aboriginal individuals and communities to heal themselves were clearly demonstrated from the first round of proposals, but the knowledge and quality of the proposed projects sent to us has increased tremendously over the years.

As the first organisation of its kind, serving First Nations, Métis and Inuit communities, the Aboriginal Healing Foundation has a unique vantage point from which to observe the momentum of healing throughout Canada. This momentum has been accelerated by the awakening and education process encouraged by the funding of new healing initiatives and by the accumulated knowledge and shared expertise of Aboriginal people themselves. Taking into account this vigorous and growing healing movement and the expected withdrawal of the Foundation as a funding Agency, Board and staff have directed great efforts in encouraging communities to plan and integrate approaches which will foster the sustainability of their healing work.

Message from the Board

Through regional gatherings, site visits, correspondence, phones and e-mail, we have dedicated time and effort to reach out to communities, listening to them so that our work remains on track. Communities have now realised that the AHF healing fund will no longer be available, and we have encouraged them to seek other sources of funding to continue the work they have started. We understand the consequences of diminishing resources at a time when a growing number of people are looking for our help. On March 28-30, 2003, a Project Gathering was held in Ottawa, Ontario. The Aboriginal Healing Foundation invited 12 funded projects to participate in the Project Gathering based on community impact, project type and a long-term relationship with the Foundation.

From the feedback and healing initiatives of Aboriginal individuals and communities, the AHF has accumulated much knowledge about healing in the context of the residential school legacy. The Foundation, since its creation, has progressively begun a process of knowledge gathering, not only in relation to community healing, but also in regard to the history of residential schools. The AHF Resource Centre currently contains over 2,000 documents. The Aboriginal Healing Foundation, through its various publications – in particular its research and evaluation series and its newsletter – has played an important role in documenting the multitudinous aspects of the residential school issue.

When you begin a project, begin slowly. No matter how slow you go, the most important thing is to train the support team in the communities, because that is so needed.

(Yellowknife Regional Gathering, 2001•01•26)



Message from the Board

As long as the doors of the Foundation are open, its healing work will continue. We still have funds to commit and will therefore continue to support the dedicated work of Aboriginal communities which are moving forward on the path to healing and well being. The Board and staff of the Foundation have embraced the cause of Aboriginal communities. Funds are not the only contribution the Foundation can make to the healing process. We began this year to offer some of the elements that will constitute the Foundation's legacy: documents, manuals, expertise in many areas related to healing. We will continue to find ways to pass on the collective knowledge we have all acquired over the last few years. Together, we build a healing legacy that will finally break another legacy: the cycle of physical and sexual abuse stemming from residential schools.

In closing, the Board of Directors acknowledge the 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,
Aboriginal Healing Foundation.*

*Now I'm not ashamed
because I can relate to others
about how it was growing
up in a residential school. I
don't want to see outsiders
involved. If we can all come
together it would be a great
relief. We need to help
ourselves so we can help
others, especially the ones
that are worse off than me.
Help us to recover so we can
be proud of who we are.*

*(Yellowknife Regional
Gathering, 2001•01•26)*



Our Vision, Mission, and Values

Five 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 nine-year timeframe. 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.

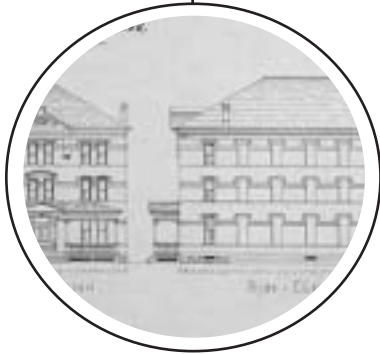
The Foundation's 17-member Board of Directors reflects Canada's diverse Aboriginal population. The Board's role is to help Aboriginal people help themselves by providing funds for healing projects, promoting knowledge about the issues and the need for healing, and gaining public support from Canadians.

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.

I love my life today. It's difficult, but it's a good feeling when I get up in the morning without having to think about the pain that I went through in residential school. I try not to ask for too much strength, and I ask for balance for others to follow my example.

(Ottawa Regional Gathering, 2000•11•09)



Our Vision, Mission, and Values

I just wanted to share and say thank-you to those people sitting there for making it possible for our parents to talk to one another, because that's what the AHF has done for us. I just wanted to say thank-you to each one of you that have been a part of this program.

(Vancouver Regional Gathering, 2000•10•26)



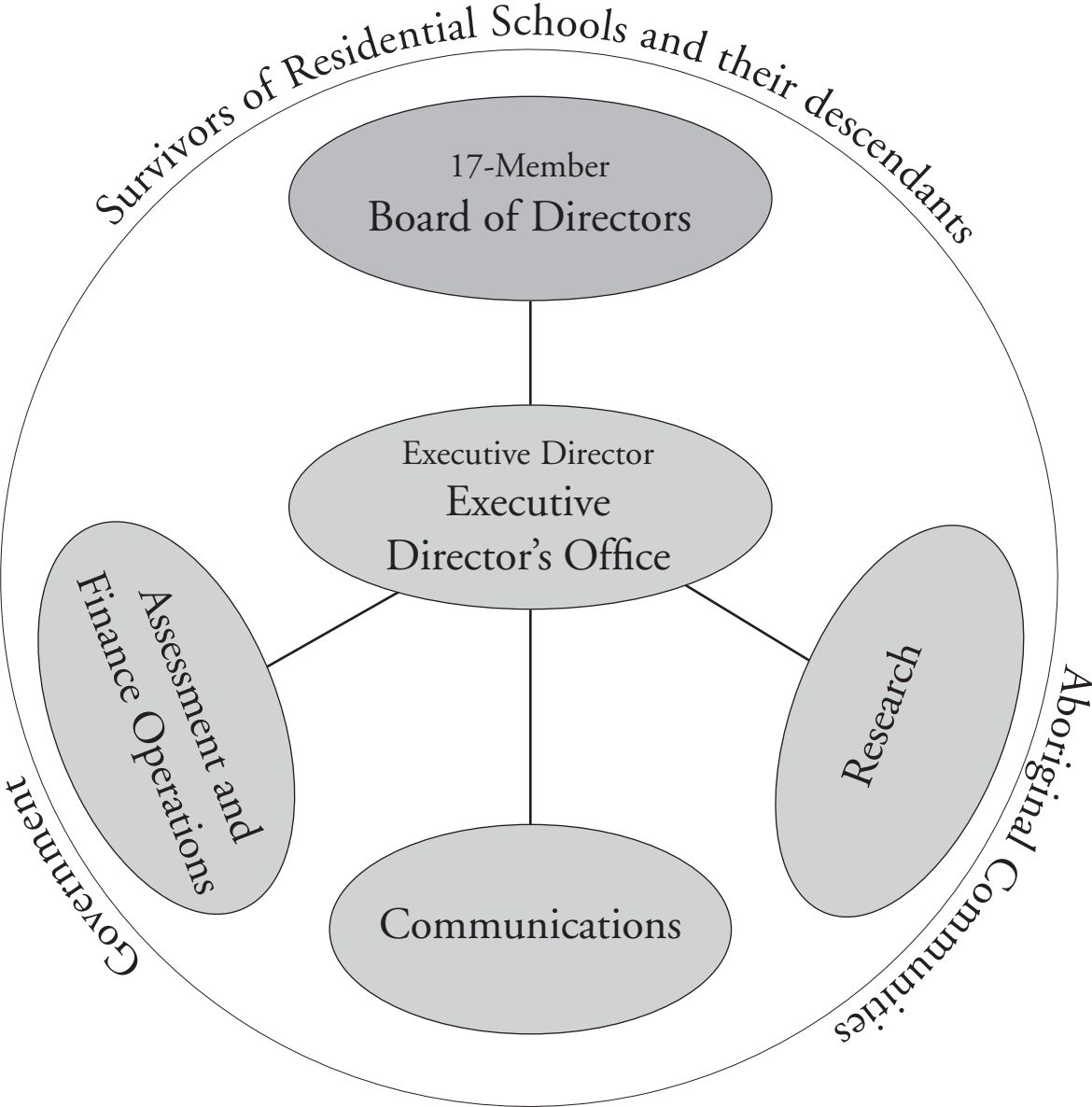
We see our role as facilitators in the healing process by helping Aboriginal people help themselves, by providing resources for healing initiatives, by promoting awareness of healing issues and needs, and by nurturing a supportive public environment. We also work to engage Canadians in this healing process 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 and Accountability 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.

We need our language back, we need our culture back. We can't be ashamed anymore. ... I want the women and children to stand up and talk about their abuse – it's healing. I want all the Aboriginal people to stand together with one voice. Dreams can come through for our people if we believe in ourselves.

(Winnipeg Regional Gathering, 2000•10•12)



Historical Landmarks of the AHF

We had a project last year that was very successful. That project helped a lot of our people deal with their issues. It helped us tremendously, and I acknowledge the AHF for that.

(Kenora Regional Gathering, 2002•10•16)



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



Historical Landmarks of the AHF

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 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.

The Foundation is now engaged in the review process of the proposals sent for this deadline and will continue its monitoring, report writing, and other wind-up tasks until March 2009.

Resolving the Repercussions of the Residential School System

When the funding is completed with the AHF, we plan to continue with our own healing circles because our people are in need of help. The money that you have given helped us and has helped people to open up. That is the start of their healing.

(Quebec Regional Gathering, 2002•10•30)



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. 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 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

Resolving the Repercussions of the Residential School System

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

We need to think of the children as our future leaders – and with that in mind, we need to help the residential school children who have to face their problems.

*(Iqaluit Regional Gathering,
2000•09•28)*



Resolving the Repercussions of the Residential School System

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 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.

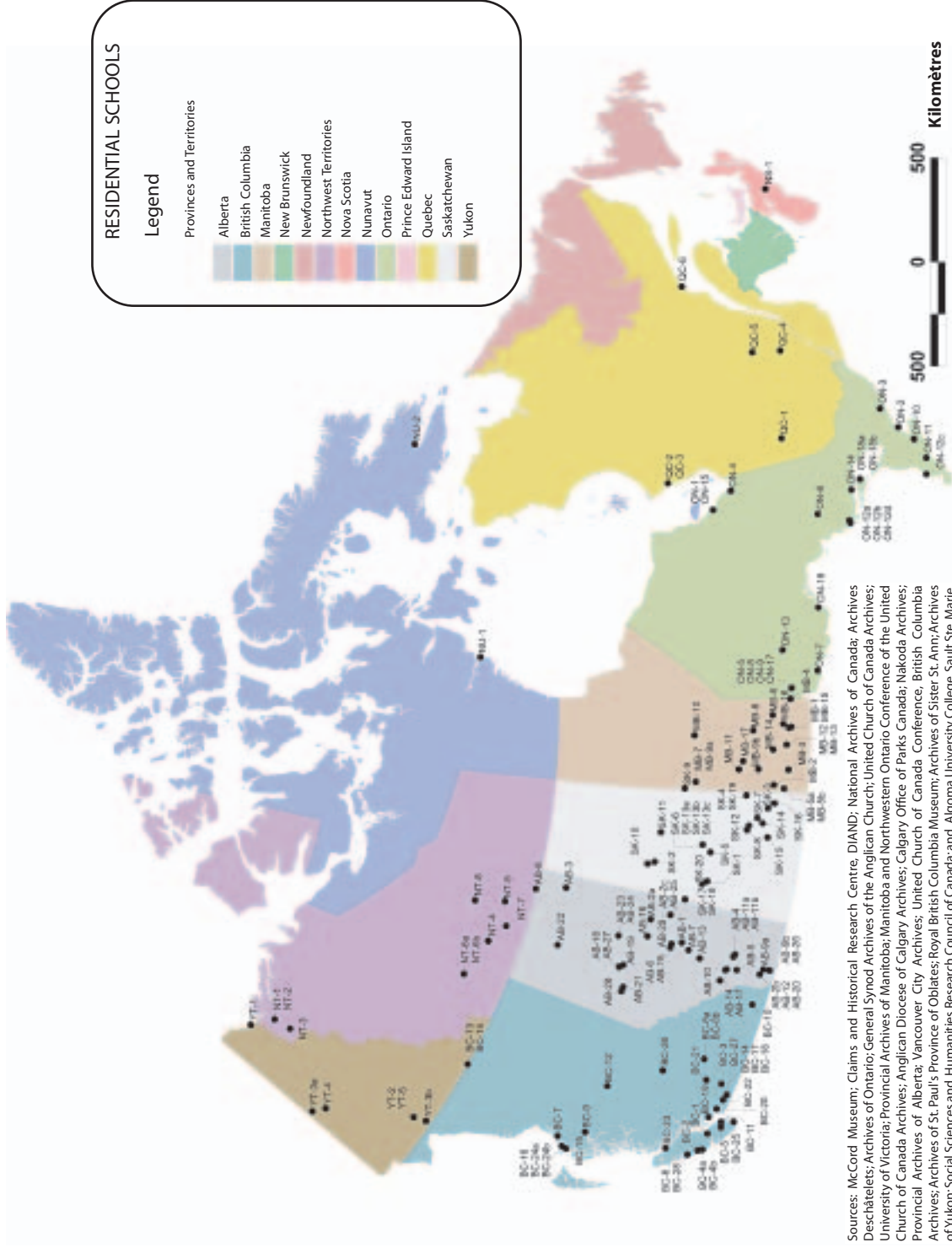
In August 2002, the Honourable Ralph Goodale, Minister of Public Works and Government Services Canada and also Federal Interlocutor for Métis and Non-

Status Indians, assumed responsibility for Indian Residential Schools Resolution Canada.

As of March 31, 2002, more than 10,000 former Indian residential school students had filed claims against the Government of Canada, 493 of which had been settled. 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.

The Aboriginal Healing Foundation's original mandate will end in 2009. At this time, the \$350 million fund will have been spent. If the Foundation itself as an entity were to continue beyond that point, it would have to secure other monies. To date, the Foundation has succeeded in bringing many individuals and communities forward on the path of healing. For many communities throughout Canada who had already begun their journey, the funds from the Foundation were the means to make good strides. 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 pursuing their journey. In the time remaining, the Foundation will strive to help them find ways to maintain their healing.

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

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:



Legal Obligations

- 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)
 - 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.
- 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.
 - 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 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

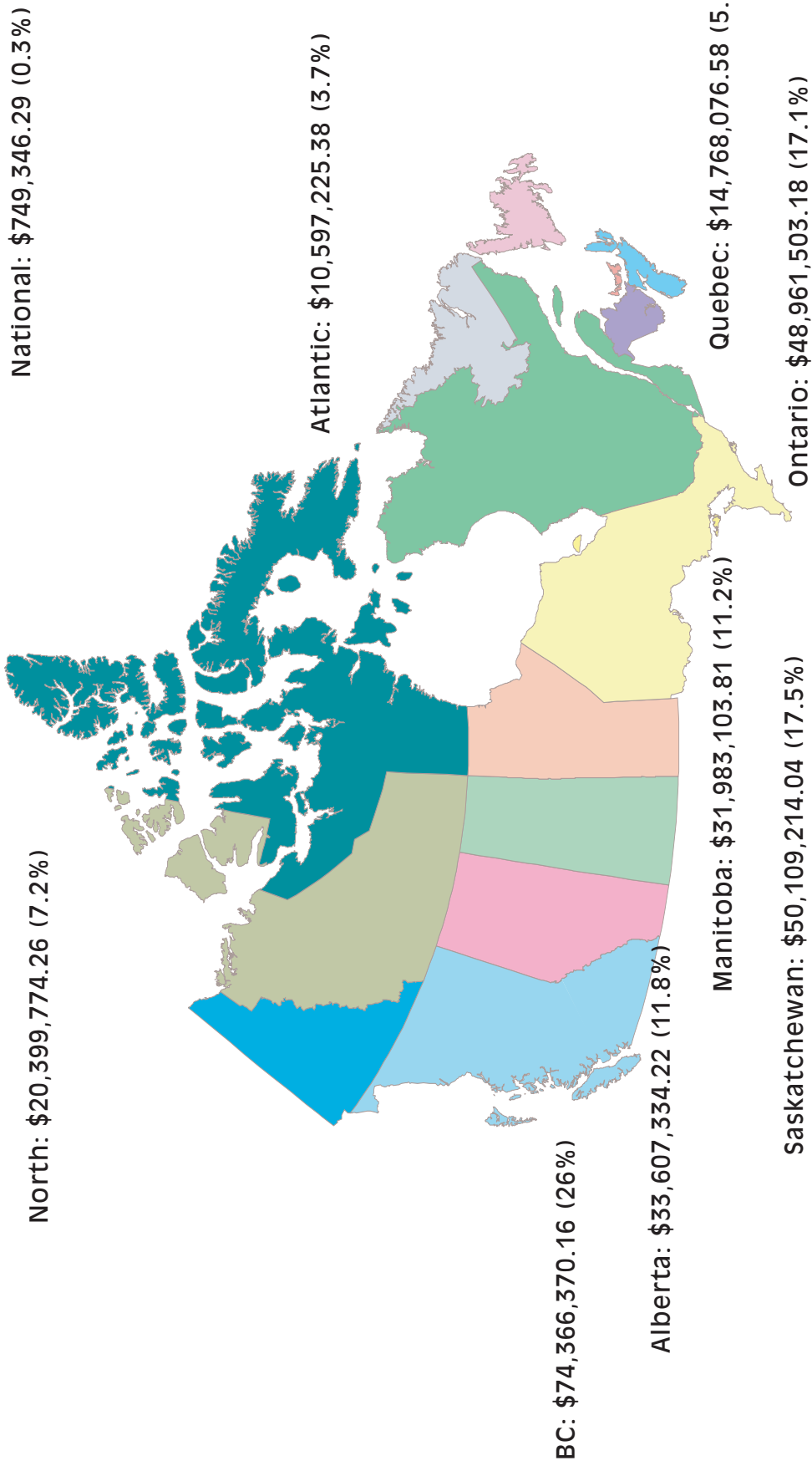
- 1 *Address the Legacy.* Each proposal must address the Legacy of Sexual Abuse and Physical Abuse in Residential Schools, including Intergenerational Impacts.

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 2002-2003

Total Commitment: \$285,541,947.92



Funded Projects 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 · \$75,822,952
Total Fund · \$425,822,952
Expenditures to date
Total committed to project funding · \$285,541,947.92
AHF Administration costs to date · \$36,019,496¹
Total expenditures/commitments · \$321,561,443.92²

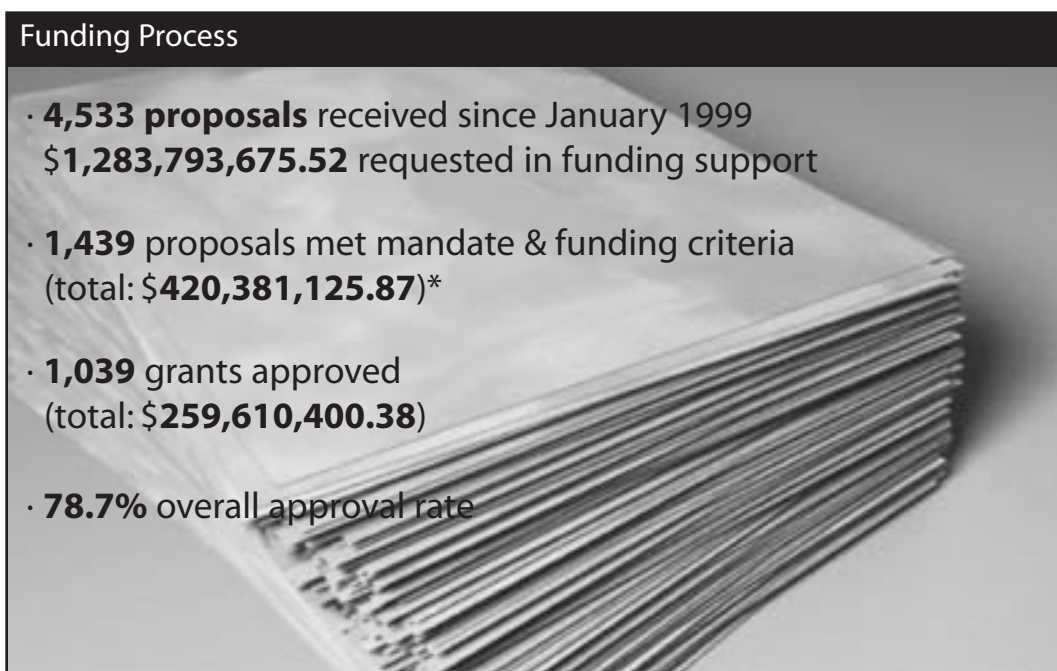
¹ Represents approximately 11% of \$285,541,947.92 (includes research).

² Represents approximately 85% of Total Fund (\$425,822,952).

Funded Projects 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.

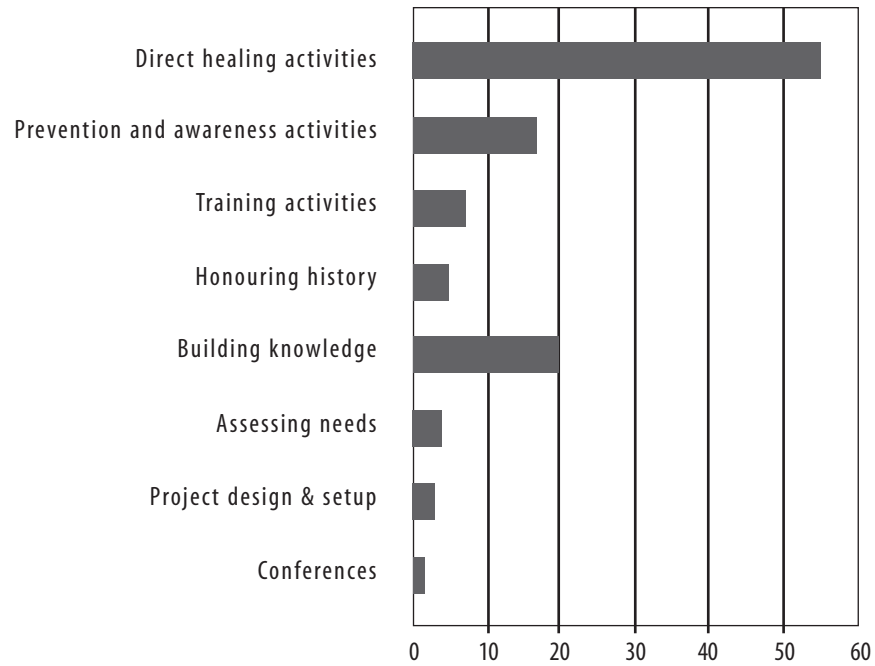


Funding Process

- **4,533 proposals** received since January 1999
\$1,283,793,675.52 requested in funding support
- **1,439** proposals met mandate & funding criteria
(total: **\$420,381,125.87**)*
- **1,039** grants approved
(total: **\$259,610,400.38**)
- **78.7%** overall approval rate

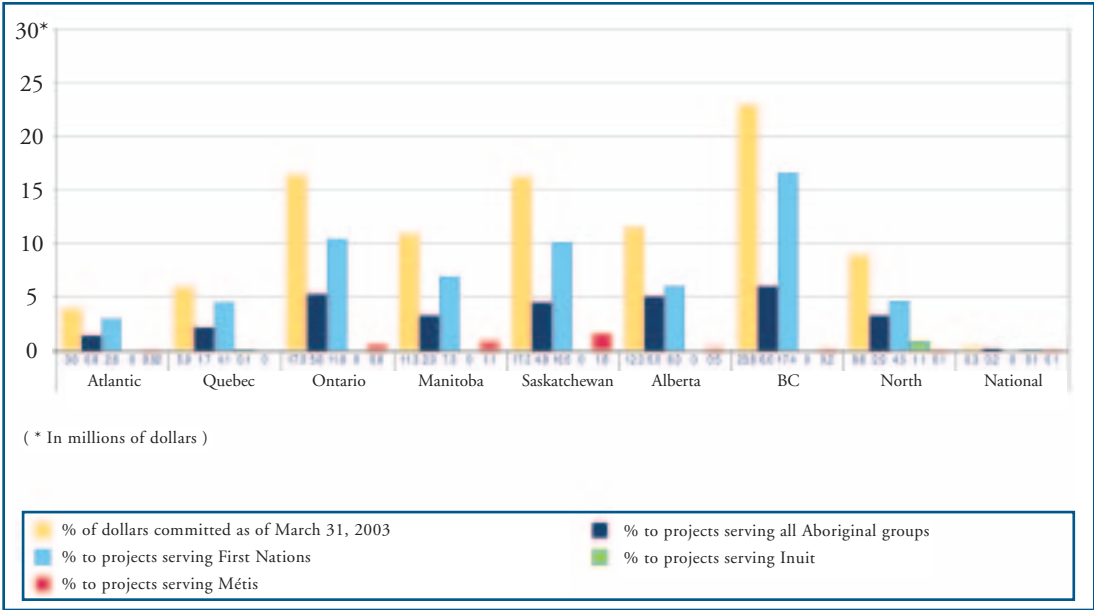
* Because many applicants have resubmitted proposals, actual funding level is higher.

Types of Projects Funded *



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

Distribution of Healing Funds, by Regional and Aboriginal Affiliation



Board of Directors, 2002-2003

Board Elder: Dorris Peters

Directors:

Georges Erasmus (President and Chair)

Richard Kistabish (Vice-President)

Garnet Angecone (Secretary)

Carrielynn Lamouche (Treasurer)

Roy Bird

Rose-Marie Blair-Smith

Angus Cockney

Keith Conn

Phil Fontaine

Susan M. Hare

Bill Lightbown

Elizebeth Hourie Palfrey

Viola Robinson

Grant Severight

Navalik (Helen) Tologanak

Charles Weaselhead

Cindy Whiskeyjack



Dorris Peters



Garnet Angecone



Georges Erasmus



Carrielynn Lamouche



Richard Kistabish



Roy Bird

Board of Directors, 2002-2003



Rose-Marie Blair-Smith



Susan M. Hare



Grant Severight



Angus Cockney



Bill Lightbown



Navalik (Helen) Tologanak



Keith Conn



Elizebeth Hourie Palfrey



Charles Weaselhead



Phil Fontaine



Viola Robinson



Cindy Whiskeyjack



The Board of Directors, composed of 17 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

- 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.

The AHF has done a lot of work and has the best foundation to continue this process. If they separate the responsibility to distribute funding to different departments it won't reach the Aboriginal people. The Aboriginal people are the ones who can see where the healing is required.

(Moncton Regional Gathering, 2002-10-28)



In the fiscal year 2002-2003, the Board met on 7 occasions, through teleconferencing (2) regular 2-day Board meetings in Ottawa (3) and in Vancouver (1). The Board meeting in Vancouver was preceded by a two-day retreat.

Executive Director

The Executive Director reports to the Board of Directors. In partnership with the Chairperson, 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.



Function

Communications' main responsibilities are to communicate the Board's strategic decisions to the Foundation's stakeholders, to promote in a proactive manner the vision, mission and activities of the Foundation.

Guided by the AHF Communications Strategy, the variegated work of Communications involves providing an interactive forum for knowledge-sharing with Aboriginal communities in Canada and identifying issues related to the residential school system, healing, and reconciliation, in order to educate the Canadian public. Communications also collaborate in ensuring the efficient flow of internal information. Communications serves its stakeholders in three languages: English, French and Inuktitut.

Communications bears lead responsibility for:

- Publications
- Website
- Media liaison
- Regional Gatherings
- Public presentations
- Advertisement
- Public education
- Mailing and database
- Translation & editing

2002-2003 was a turning point in the work of the AHF and Communications developed the means and tools to implement the

decisions of the Board. An important focus was to enhance the efficiency of our communications tools and to enlarge our reach both with Aboriginal communities and with the public-at-large. We directed our effort to broadening and deepening the scope of public discourse, and preparing Aboriginal communities for the devolution process leading to the cessation of funding and fulfilment of the original mandate.

Communications has provided regular funding updates, showcasing quality projects and profiling issues of current interest to our primary target audience of Aboriginal people, especially Survivors. We have done this mainly through our website, newsletters, presentations and Regional Gatherings, as well as through direct contact by phone, fax, and e-mail.

Communications contributed to the efficient flow of internal information through regular and informal meetings with other members of the organisation, use of other internal communications channels, and the launch of a new internal newsletter.

Objective 1

To report on the Foundation's processes and activities to Survivors and their descendants and generate awareness of its mandate among Aboriginal Communities and Nations.

Communications

Strategy 1

Encouraging attendance at specific AHF events designed to report on the Foundation's mandate and activities and to hear the concerns of survivors and communities.

Strategy 2

Maintaining channels of communication with Aboriginal Survivors, communities, the Canadian public and media through thorough research, writing and publication of a variety of documents.

Results

With the AHF now established as a focal point regarding knowledge of community healing and residential school information, Communications, in addition to the telephone calls, faxes, e-mails and letters requesting specific information on the AHF mandate and activities, received several hundred requests for documents, updates and information related to residential schools and healing. Responding both to internal and external request for documents, Communications ensured the supply and mail-out of thousands of its documents.

In 2002-2003, we organised seven Regional Gatherings across the Country, to maintain meaningful dialogues with Aboriginal communities and obtain their feedback. Six of these seven Regional Gatherings (Inuvik, Calgary, Prince Albert, Prince George,

Kenora, Moncton, and Québec) took place in October 2002. The Communications team took care of logistics, documentation, liaison with the media and outreach with communities. Over 1,500 participants came to the Gatherings.

This year, in conformity with the AHF devolution plan, budget for paid advertising was eliminated. The Communications team directed its outreach efforts to the development of other cost-free advertising such as making use of personal and professional contacts, and using a network of organisations and local, regional, and national conferences to present our message and documents.

In 2002-2003, our Website has undergone various changes and improvements, while maintaining the same consistent interface congeniality. In particular:

- We included sections for the Research & Evaluation Series of publications.
- We rewrote the funded projects web application & are now using xml/xslt, a more versatile format for data collection.
- We wrote an application for online creation of PDF files for downloading and printing.
- We created an online comment form.
- Our website was enlarged and reformatted.



The AHF Website usage has nearly quadrupled from approximately 60,000 to nearly 231,000 hits per month (in January 2003).

Objective 2

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

Strategy 1

Researching, writing, publishing and distributing a variety of documents exploring the issue of healing in the context of residential school.

Strategy 2

Maintaining relations with the media and community organisations, by responding to their invitation to events, their requests for information, and by organising radio or television interviews for the AHF spokespersons.

Results

In FY 2002-2003 in addition to the regular, in-house quarterly publications *Healing Words* (English) and *Le premier pas* (French), distributed to over 30,000 individuals per issue, Communications collaborated with the Aboriginal Healing Charitable Association

and the National Archives, producing a photographic exhibition entitled *Where are the Children? Healing the Legacy of the Residential School*, as well as a 22-minute video.

In May 2003, Communications published a document entitled *The Healing Has Begun – an Operational Update from the Aboriginal Healing Foundation*, designed to inform and educate the public regarding issues related to Canada's Indian residential school system. This publication was distributed to over 923,000 people as an insert in national newspapers. In 2002-2003, a further 25,000 copies distributed at conferences and gatherings, and were sent to universities, colleges, schools, carceral institutions, medical and nursing schools, psychologists, and mental health and community healing workers who requested copies for themselves and their clients.

During this fiscal year, Communications prepared over 65 public presentations delivered by AHF Board members and staff to diverse Canadian and international organisations.

In 2002-2003, the AHF continued its efforts to obtain from Government a revision of the Foundation's mandate and investment policy. Throughout this process, Communications provided the Board with research and documentation, which were presented to Federal Government officials.

Communications

In 2002-2003, we provided information to many journalists, via telephone, e-mail and through documentation. We also organised radio interviews with the media for the Foundation's spokespersons, or gave interviews directly.

Objective 3

To provide support to AHF departments in the area of production, translation and editing of their correspondence, documents and other materials, in French, English and Inuktitut.

Strategy

- Providing in-house editing and translating services
- Supervising the performance of a core team of external translators

Results

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

Communications assisted in the interviewing and translation of the video, *Where are the Children? Healing the Legacy of the Residential Schools*.

It will take Aboriginal people to change the plight of Aboriginal people. Once we take control it will improve. The process needs to be culture-specific and culture-appropriate.

(Halifax Regional Gathering, 2001•10•24)



Functions

Led by the Director of Assessment and Finance Operations, the Department is grouped into two units, Finance and Programs, who work closely together on a daily basis. In addition to supporting all corporate needs, both units work closely with Community Support field staff.

This Department has thirty-nine employees and a large pool of contracted external proposal assessors 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.

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 less time sorting through historic information, and more time forecasting project and operational expenditures.

Support communities by providing information and follow-up communication through a 1-888 toll-free line, as well co-ordinating Information Sessions, Networking Visits and Proposal Development Workshops,

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

Assessment and Finance Operations

Results

1. On April 1, 2003 the Programs and Finance Departments became one department called "Assessment and Finance Operations." This amalgamation was successful in the following areas:
 - a) eliminated duplication;
 - b) provided quick responses to assessment and financial review process;
 - c) improved communication and information sharing;
 - d) improved efficient, effective and economical utilisation of human resources; and
 - e) developed and maintained a co-ordinated approach to manage and planning for both units.
2. Developed specific information templates, charts, graphs and maps from the project data base for strategic planning such as determining potential funding demand, and identifying specific funding categories to address the diverse needs of Aboriginal communities.
3. A new assessment report format was developed that addresses key risk indicators and improves the efficiency of proposal assessments. On average the amount of time a proposal spends in the funding process has

improved. On average a proposal is in the funding process 4.2 months compared to eight months, as indicated in handbook.

4. A new quarter report format was developed to ensure recipients receive quarterly payments in a timely manner and to correlate with the new assessment report. This resulted in a reduction to six days from forty days before payments were issued to projects. In addition, an improvement with on-time quarterly reports increased from 24% to 49% on-time.
5. 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. During the year, eleven on-site visits were carried out with a majority of issues addressed and completed.
6. This year, the Community Support program completed 187 activities as follows:



Assessment and Finance Operations

26	Proposal Development Workshops – Community Support Coordinators (CSCs) provide step by step guidance to interested community groups and organisations on the development of proposals for submission to the AHF. PDWs are approximately two days in duration and can be customised to meet the needs of each group/organisation.
16	Information Sessions are organised by CSCs to provide AHF information on funding guidelines, mandatory criteria, and the application process.
4	Support Visits are scheduled visits to AHF-funded projects either at the request of the project staff and/or sponsor or head office. Support visits are integral to the role of the Community Support Coordinators.
7	Networking Meetings are organised between and among our funded projects for the express purpose of sharing best practices, what did not work, and what measures were taken to fine tune the project.
15	Invitations are an opportunity for the AHF to present a face to the communities and to develop relationships.
40	Public Relations/Awareness includes conferences, gatherings, seminars, and related public fora dealing with residential school issues at which CSCs promote the AHF funding program to interested community groups and organisations.
15	Informal/Introductory Visits are usually arranged when a CSC is in the area of another funded project.
64	Special Assignments are requested from various AHF departments. Special assignments are delegated on an ad hoc basis and may include assisting with policy writing, proposal assessments, comprehensive on-site visits, assisting applicants with their proposal re-submissions, & meeting with priority groups and organisations.

Assessment and Finance Operations

7. Implemented a strategy to generate more applications for funding Inuit communities and developed two Inuit-specific applications with assistance from the Community Support program.

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

9. The investment portfolio generated \$12,400,541 of investment income in a time where returns are low in the global economy.

10. Completed an upgrade of computer stations and its supporting software, including new servers.

We see positive effects in the community. We are going through our third year. There are 100 people who have gone through our intensive therapy with follow-up with professionals. We have professionals and Elders in prayer and a natural working environment – a very good sharing context.

Montreal Regional Gathering, 2001-10-12)



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 AHF Evaluation and Research
- Supervising and co-ordinating the AHF Final Report

The research agenda of the Aboriginal Healing Foundation focuses on applied or strategic research that contributes to the design, implementation, effectiveness or evaluation of community-level healing projects.

Research Goals

1. To contribute to effective program design/redesign, implementation and evaluation.
2. To promote holistic healing and identify “promising healing practices” of community-based projects.

3. To provide information on substantive issues which supports healing practices and enhances 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.

Research Completed in 2001-02

- (a) Hollow Water and Rama: Cost Benefit Analysis of Healing (undertaken in partnership with Aboriginal Corrections, Solicitor General Canada);

- (b) Mapping the Healing Experiences of Canadian Aboriginal Communities (undertaken in partnership with Aboriginal Corrections, Solicitor General Canada);

- (c) Aboriginal Sex Offending in Canada: A review of the Occurrence, Literature and Best Healing Practices;

- (d) The History, Experience and Intergenerational Impacts of Inuit in the Residential School System (Part I);

- (e) Intergenerational Impacts of Residential Schools: Definition and Review of the Literature;



Research

- (f) Foetal Alcohol Syndrome Among Canadian Aboriginal Peoples: Review and Analysis of Intergenerational Links to Residential Schools and Addressing the Impacts of FAS/FAE;
- (g) The History and Experience of Aboriginal Residential School Workers;
- (h) Research for an Exhibit on Residential Schools (in partnership with the Legacy of Hope Foundation and the National Archives of Canada);
- (i) Lifetime Healing Journey Aboriginal Sexual/Violent Offender Healing Program for Inmates, Healing Lodge Residents and Communities;
- (j) Residential School Abuse and Aboriginal Homelessness in Canada; and
- (k) Residential School Curricula and Teacher's Manuals for Aboriginal and non-Aboriginal schools: Two Units for Grades 5 & 6; Two Units for Secondary 1 & 2; (under review).

Research Completed in 2002-03

- (a) Mental Health Profiles of British Columbia Residential School Survivors;
- (b) Aboriginal Domestic Violence: A Review of the Occurrence, Literature and Models of Best Practices;
- (c) Aboriginal Children in Care: Foster Care

and Adoption and the Legacy of Abuse in Residential School (1);

- (d) Historic Trauma and Aboriginal Healing;
- (e) Blending Traditional and Western Healing Techniques;
- (f) Aboriginal Elder Abuse and Links to Residential Schools;
- (g) Aboriginal Resiliency and the Healing of Residential School Physical and Sexual Abuse;
- (h) The History and Experience of Métis in the Residential School System;
- (i) Addictive Behaviors and Links to Residential School
- (j) HIV/AIDS and Links to Residential Schools;
- (k) Profiling Aboriginal Healers;
- (l) Residential School Directory (1); and
- (m) Case Studies of AHF-funded healing projects (13)

Research in Progress

- (a) Aboriginal Suicide: A Review of the Occurrence, Literature and Models of Best Practices for Prevention and Intervention;



(b) A Narrative History of the Aboriginal Healing Foundation;

(c) The History, Experience and Intergenerational Impacts of Inuit in the Residential School System (part 2);

(d) Models and Metaphors of Healing: A Maximum of Six In-depth Case Studies;

(e) Promising Healing Practices that Emerge from Community-Based, Holistic Healing Projects funded by the Aboriginal Healing Foundation (research will continue until the final report is submitted in 2005);

(f) Healing Strategies for Men;

(g) Aboriginal Children in Care: Foster Care and Adoption and the Legacy of Abuse in Residential Schools (part 2);

(h) International Perspectives on Indigenous Healing Approaches;

(i) Residential School Directory (2); and

(j) Inuit Experience and Residential Schools: Children's book

Other Research Objectives

Objective 1

To evaluate the role and effectiveness of the Foundation's activities.

Strategy

Research supervises an external consultant contracted by the AHF to undertake a substantial four-year evaluation of the role and effectiveness of the Foundation's activities. As part of this Evaluation, a research team surveyed 344 projects in December 1999; reviewed 36 sample project files; and in 2001, completed in-depth case studies on 13 different types of projects funded by the Foundation. A second survey was undertaken in December 2002; and a review of AHF files was undertaken to document "promising healing practices."

Results

A first "Interim Evaluation Report of Aboriginal Healing Foundation Program Activity" was completed in June 2001.

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.

A third Interim Evaluation Report is anticipated at the end of June 2003. This report is essentially an update of information obtained through a survey in 2001.

Objective 2

To maximise the Foundation's limited resources in the area of research.

Research

Strategy

Research has partnered with other organisations to fund research falling within the mandate of the Aboriginal Healing Foundation. We have collaborated with Aboriginal Corrections on two studies and with the National Archives of Canada on the development of a traveling exhibit on residential schools.

Results

AHF Research has been an active participant in the network of Aboriginal and government organisations that are involved in research that is relevant to healing the Legacy of Physical and Sexual Abuse in the Residential School System. Some of these activities in 2002-03 include:

- (a) Co-Chair (with INAC) 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 the National Aboriginal Health Organisation's First Annual Conference and Health Information Fair; the National Indigenous Sexual Abuse conference; and the Aboriginal Policy Research conference;
- (c) 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 AHF Research and Dr. Laurence Kirmayer of McGill University;

(d) Along with the National Aboriginal Health Organisation 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; AHF Research is a Co-Investigator.

(e) Research is a co-investigator on a \$100,000, one-year research grant to Simon Fraser University and York University on "Indigenous Women: Inequality and Health: Intercommunity, Interdisciplinarity and International Strategies for Research and Action," funded by the Canadian Institutes of Health Research; and participated in the formative national meeting of the Aboriginal Woman's Health and Healing Research Group.

(f) AHF Research participated in meetings to set Aboriginal research agendas for the Canadian Population Health Initiative, Canadian Institute for Health Information; and for the Social Science and Humanities

Research Council of Canada and serves on the editorial Board of the Journal of the National Aboriginal Health Organisation.

(g) Networking continues to increase our knowledge of the impacts of residential school experience and allows us to maximise the return of our investments in research and expand our research initiatives. We are also able, through our partnerships, to access the expertise and resources of outside agencies.

Objective 3

To incorporate a National Aboriginal Archives and Library to house records concerning residential schools.

Strategy

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...”

Results

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, which were collected in the process of researching the Commission’s Child Abuse Report, issued in 2000.

In addition to external research material, the Resource Centre will house research on “best healing practices” drawn from projects funded by AHF, and any archival documents received by the Foundation, including personal memoirs, journals, photographs or other items consigned by the Residential School Survivors, their descendants or other parties. The AHF Resource Centre currently contains over 2,000 documents.

Evaluation Update – Where we are in 2002-2003

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. 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 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:

- 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;



Evaluation Update – Where we are in 2002-2003

*I want to thank the AHF.
They carry the torch and
spread it across Canada.
Help us heal – for women
give birth to nations. We've
been sexually violated and
we want to heal. That's the
message from Pine Grove.*

*(Regina Regional
Gathering, 2001•10•21)*

- support 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
- focus efforts upon realistically attainable outcomes in reasonably restricted target groups.

A third Interim Evaluation Report that is essentially an update of information obtained through a survey in 2001 is anticipated at the end of June 2003 (see *AHF Prospects*).



Prospects

“As long as the doors of the Foundation are open, its healing work will continue. We still have funds to commit and will therefore continue to support the dedicated work of Aboriginal communities which are moving forward on the path to healing and well being.”

Message from the Board, 2002-2003

The Foundation has now reached the stage where it can not only look back on lessons learnt, 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 improve the AHF format of the Regional Gatherings in order to encourage meaningful dialogue with the First Nations, Métis and Inuit communities served by the Foundation.

The AHF Newsletters, *Healing Words* and *Le premier pas* have become over the years a source of information on the work of the Foundation, of AHF financed projects and on Residential Schools issues, in demand from a wide spectrum of Aboriginal and Canadian communities, institutions and professionals. Communications will strive to maintain a high quality of articles and share the healing progress of Aboriginal communities and projects.

In 2003-2004, Communications will collaborate closely with Research to produce a document on residential schools and to translate and edit the Research and Evaluation series in French.



Communications will continue to collaborate in the smooth flow of internal information, in particular through its internal newsletter. We will continue to offer an efficient translation service in French and Inuktitut to other departments, and to monitor the bilingual content of the AHF Website. Improvement of the AHF Website's congeniality is an on-going effort. In 2003-2004, Communications will provide a new page on the site for special external resources and documents related specifically to the issue of residential schools.

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 2003-2004, are as follows:

1. All contribution agreements with projects will be completed.
2. Review and change investment strategy as required in consideration of the cash flow requirements.
3. Develop and implement an organisational winding down strategy.

By August 31, 2003, all proposals received by our final deadline of February 28, 2003 are expected to be assessed. To assess the applications for funding, AHF relies on a large number of external assessors, experts in this field, who review proposals.

At the October 2003 Board Meeting, assessed proposals that have met mandatory criteria will be brought forward for consideration for final funding decisions. We will complete all contracts for Board approved proposals, so that by March 31, 2004, all Board approved proposals will be contracted. We will maintain an accurate current cash flow projection and revise the investment strategy to match the cash flow requirements.

Community Support

On August 31, 2003 the Community Support program with the exception of one position in Iqaluit, will be ending due to the Foundation winding down. The purpose of this program was to assist the Foundation to develop and implement the field function of the Community Support initiative that started in January 1999. A field worker position involves a significant amount of travelling and requires an extensive knowledge of Aboriginal communities across Canada. The Foundation acknowledges the dedication and hard work carried out by the personnel involved in the Community Support initiative.

Prospects

Research

In 2001-02, the AHF has completed 11 research studies, which include curricula units and teacher's manuals. Thirteen research studies will be completed in 2003 and 10 research projects are in progress.

A third Interim Evaluation Report is anticipated at the end of June 2003. That report is essentially an update of information obtained through a survey in 2001. This report will provide 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 practices, context, unique strategies for engaging men and estimated community impact.

In addition, this report will have a special focus on community members who have completed an Individual Participant Questionnaire. To date, over 700 completed questionnaires have been received from a variety of project types.

This report will comment 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.

It is a personal thank-you that I give the Foundation, because I've seen people help themselves in projects that the Foundation has supported and provided for. Helping people help themselves helps us to understand that healing starts with ourselves and it helps create links with the people who surround us.

(Quebec Regional Gathering, 2002.10.30)



I think about everything that I missed when I was a child. I have a lot to be grateful for today. Seeing everyone here makes me realize I'm not alone. I want to thank you all for what you've done, because in one way or another we're all connected. Thank-you for this day.

(Toronto Regional Gathering, 2001•10•10)

Finally, the Aboriginal Healing Foundation is reviewing funded projects to collect information on "Promising Healing Practices." A draft report on lessons learned will be submitted to an AHF conference in July 2004. A three-volume Final Report will be submitted in July 2005.



Financial Statements of

**ABORIGINAL HEALING
FOUNDATION**

Year ended March 31, 2003



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, 2003 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, 2003 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 16, 2003

ABORIGINAL HEALING FOUNDATION

Statement of Financial Position

March 31, 2003, with comparative figures for 2002

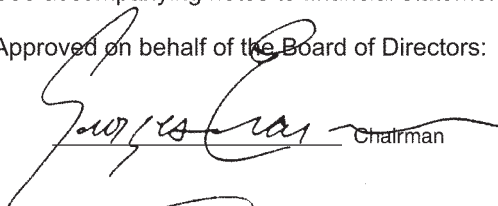
	2003	2002
Assets		
Current assets:		
Cash	\$ 346,268	\$ 299,423
Amounts receivable	230,802	224,771
Interest receivable	1,680,520	1,855,804
Prepaid expenses	133,557	130,021
Prepaid project expenses	1,100,421	—
	<u>3,491,568</u>	<u>2,510,019</u>
Capital assets (note 3)	646,404	860,605
Investments (note 4)	213,418,461	276,920,450
	<u>\$ 217,556,433</u>	<u>\$ 280,291,074</u>

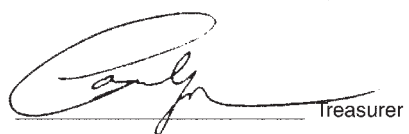
Liabilities and Deferred Contributions

Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,029,371	\$ 1,263,394
Deferred contributions:		
Deferred capital contributions	646,404	860,605
Deferred grant	215,880,658	278,167,075
	<u>216,527,062</u>	<u>279,027,680</u>
Lease commitments (note 5)		
Project commitments (schedule)		
	<u>\$ 217,556,433</u>	<u>\$ 280,291,074</u>

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:


Chairman


Treasurer

ABORIGINAL HEALING FOUNDATION

Statement of Operations

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Revenue:		
Grant	\$ 62,360,552	\$ 45,274,824
Investments (note 4)	12,400,541	14,212,133
Amortization of deferred capital contributions	222,170	175,716
	<u>74,983,263</u>	<u>59,662,673</u>
Expenses:		
Project:		
Project funding (schedule)	67,240,532	51,880,069
Proposal development	(691)	(18,933)
	<u>67,239,841</u>	<u>51,861,136</u>
2004 National Conference (note 7)	209,552	-
Administrative:		
General (note 6)	4,941,899	5,177,163
Research	937,903	654,297
Governance	743,338	690,871
Communication and promotion	248,517	561,389
Amortization of capital assets	222,170	175,716
Regional meetings	169,614	72,442
Community support services	145,610	354,790
Monitoring	66,637	79,747
Merit review	35,200	35,483
Donation of capital assets (note 7)	22,982	-
Youth Advisory Panel	-	(361)
	<u>7,533,870</u>	<u>7,801,537</u>
	<u>74,983,263</u>	<u>59,662,673</u>
Excess of revenue over expenses	\$ -	\$ -

See accompanying notes to financial statements.

ABORIGINAL HEALING FOUNDATION

Statement of Changes in Deferred Contributions

Year ended March 31, 2003, with comparative figures for 2002

	Deferred capital contributions	Deferred grant	Total 2003	Total 2002
Balance, beginning of year	\$ 860,605	\$ 278,167,075	\$ 279,027,680	\$ 324,478,220
Recognized as revenue	–	(62,360,552)	(62,360,552)	(45,274,824)
Capital asset additions	30,951	(30,951)	–	–
Donation of capital assets (note 7)	(22,982)	105,086	82,104	–
Amortization of deferred capital contributions	(222,170)	–	(222,170)	(175,716)
Balance, end of year	\$ 646,404	\$ 215,880,658	\$ 216,527,062	\$ 279,027,680

See accompanying notes to financial statements.



ABORIGINAL HEALING FOUNDATION

Statement of Cash Flows

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Cash provided by (used for):		
Operations:		
Increase in amounts receivable	\$ (6,031)	\$ (159,275)
Decrease in interest receivable	175,284	29,639
Decrease (increase) in prepaid expenses	(3,536)	217,229
Increase in prepaid project advances	(1,100,421)	–
Increase (decrease) in accounts payable and accrued liabilities	(234,023)	705,525
Amortization of capital assets	222,170	175,716
Loss on disposal of capital assets	22,982	–
	(923,575)	968,834
Investments:		
Purchase of investments	(317,831,466)	(297,938,910)
Sale of investments	385,435,547	348,886,139
Amortization of bond discounts/premiums	(4,102,092)	(5,541,961)
Capital asset additions	(30,951)	(248,139)
	63,471,038	45,157,129
Financing:		
Increase (decrease) in deferred capital contributions	(214,201)	72,423
Decrease in deferred grant	(62,286,417)	(45,522,963)
	(62,500,618)	(45,450,540)
Increase in cash	46,845	675,423
Cash (bank indebtedness), beginning of year	299,423	(376,000)
Cash, end of year	\$ 346,268	\$ 299,423

See accompanying notes to financial statements.

ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements

Year ended March 31, 2003

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, 2003

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	2003 Net book value	2002 Net book value
Furniture and equipment	\$ 536,772	\$ 201,572	\$ 335,200	\$ 357,282
Computer hardware	589,455	356,647	232,808	394,176
Computer software	136,805	70,272	66,533	93,895
Leasehold improvements	16,947	5,084	11,863	15,252
	<u>\$ 1,279,979</u>	<u>\$ 633,575</u>	<u>\$ 646,404</u>	<u>\$ 860,605</u>

Cost and accumulated amortization at March 31, 2002 amounted to \$1,354,114 and \$493,509 respectively.

ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements, page 3

Year ended March 31, 2003

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:

	2003		2002	
	Cost	Market value	Cost	Market value
Cash	\$ 2,628,779	\$ 2,628,779	\$ 6,293,694	\$ 6,294,694
Cash equivalents:				
Federal government	6,192,978	6,192,978	25,731,904	25,731,904
Corporate	—	—	7,976,400	7,976,400
Bonds, coupons and residuals:				
Federal government	129,690,535	135,887,496	148,491,637	153,938,015
Provincial government	38,249,548	39,340,559	50,641,975	50,655,973
Corporate	33,292,107	33,555,031	32,242,879	32,125,735
	210,053,947	217,604,843	271,378,489	276,722,721
Amortization of bond discounts/premiums	4,102,092	—	5,541,961	—
Payable on purchase of investments	(737,578)	—	—	—
	\$ 213,418,461	\$ 217,604,843	\$ 276,920,450	\$ 276,722,721

(b) Investment revenue is comprised of:

	2003	2002
Interest	\$ 6,098,594	\$ 7,448,226
Gain on disposal	2,199,855	1,221,946
Amortization of bond discounts/premiums	4,102,092	5,541,961
	\$ 12,400,541	\$ 14,212,133

ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements, page 4

Year ended March 31, 2003

5. Lease commitments:

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

2004	\$ 207,488
2005	33,437
2006	8,359
	<hr/>
	\$ 249,284

6. General expenses:

	2003	2002
Salaries	\$ 3,426,710	\$ 3,574,982
Rent	335,255	364,652
Investment fees	275,471	273,439
Office	262,575	301,760
Computer maintenance	148,324	138,574
Professional fees	115,765	69,262
Travel	103,723	104,233
Training	79,809	122,872
Equipment lease	74,491	70,741
Translation	62,913	102,808
Insurance	50,364	35,792
Fundraising	6,499	18,048
	<hr/>	<hr/>
	\$ 4,941,899	\$ 5,177,163

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, 2003

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:

	2003	2002
Assets	\$ 119,877	\$ 153,401
Liabilities and Net Assets		
Liabilities:		
Due to Aboriginal Healing Foundation	\$ 1,267	\$ 47,999
Other liabilities	94,434	88,604
	95,701	136,603
Net assets	24,176	16,798
	\$ 119,877	\$ 153,401
Revenue	\$ 257,764	\$ 131,578
Expenses	249,886	122,554
Net earnings	\$ 7,878	\$ 9,024

During the 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, 2004 to July 11, 2004 in Edmonton, Alberta. As part of this agreement, the Foundation paid the Charity a planning fee of \$30,000 in fiscal year 2003 and will pay \$50,000 in fiscal year 2004 and \$150,000 in fiscal year 2005. The Foundation also forwarded \$64,500 to the Charity in the year for direct expenses related to the conference.

During the year, the Foundation donated 45 used computers to the Charity (cost - \$105,086, accumulated amortization - \$82,104).

ABORIGINAL HEALING FOUNDATION

Schedule of Project Commitments and Expenses

Year ended March 31, 2003

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	\$202,102,908	\$ 67,646,039	\$269,748,947	\$ 97,887,114	\$ 67,102,315	\$164,989,429	\$104,759,518
Healing Centres	6,286,620	9,506,381	15,793,001	5,877,433	138,217	6,015,650	9,777,351
Total	\$208,389,528	\$ 77,152,420	\$285,541,948	\$103,764,547	\$ 67,240,532	\$171,005,079	\$114,536,869



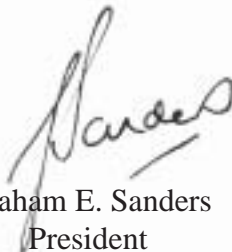
June 11, 2003

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,

A handwritten signature in black ink, appearing to read "G. Sanders".

Graham E. Sanders
President

Aboriginal Healing Foundation
75 Albert Street, Suite 801, Ottawa, Ontario K1P 5E7
Telephone: (613) 237-4441
Toll-free: (888) 725-8886
Fax: (613) 237-4442
Email: programs@ahf.ca
Website: www.ahf.ca

