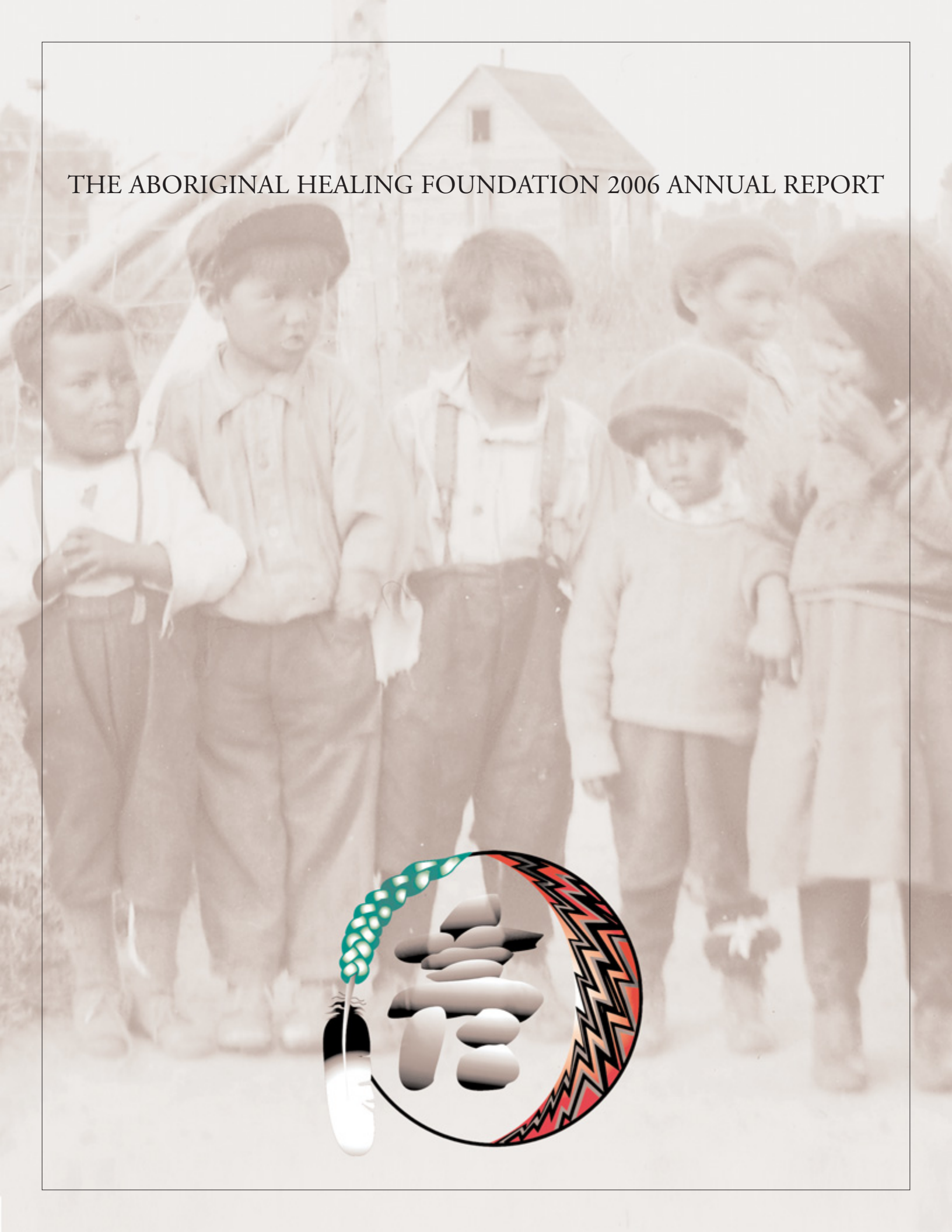


THE ABORIGINAL HEALING FOUNDATION 2006 ANNUAL REPORT





Rock painting, Yellowknife, NWT

Helping Aboriginal People Heal Themselves

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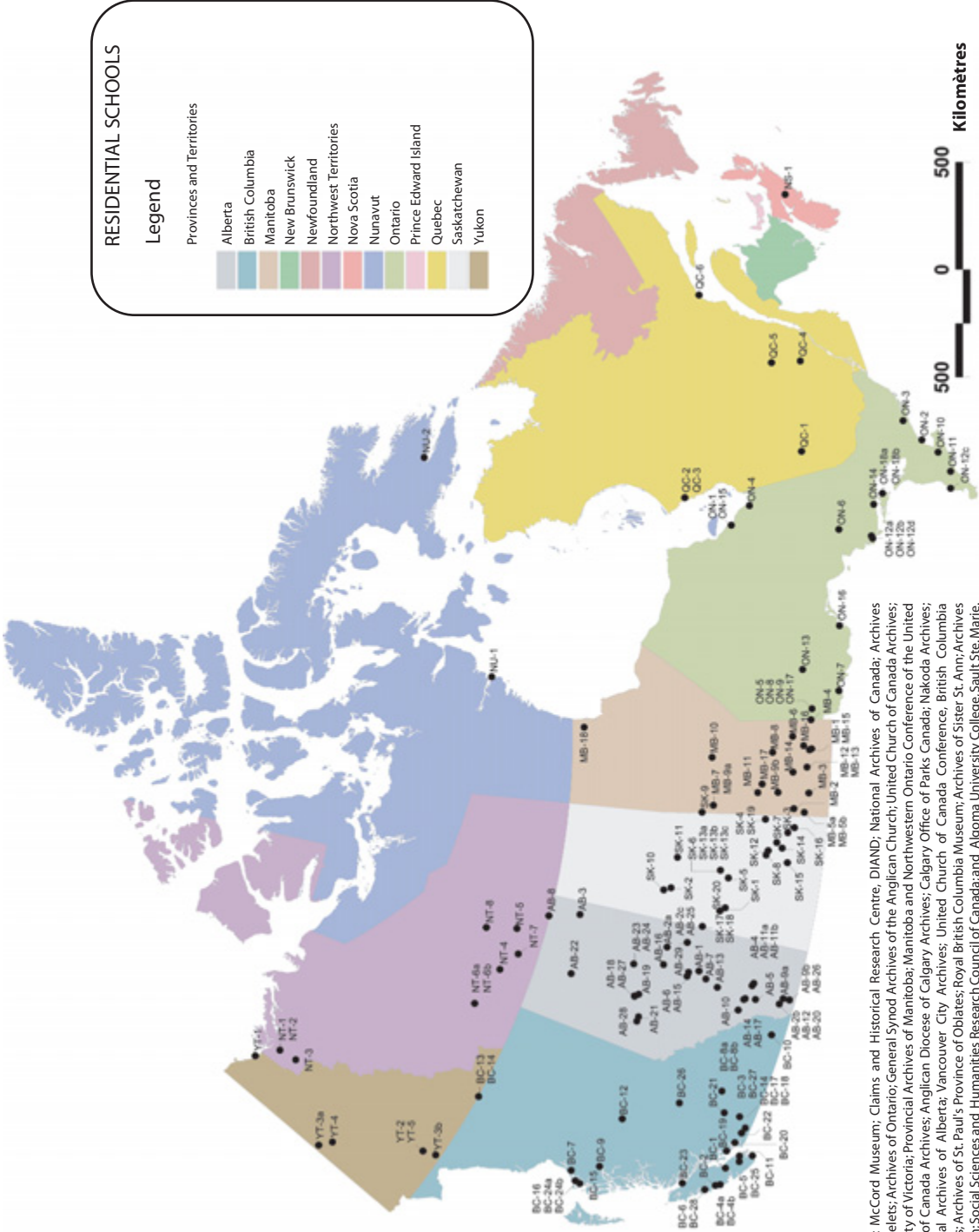


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The AHF Winnipeg Regional Gathering, Children of the Earth School

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.



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 four principles:

- Clear context and strategies.
- Meaningful performance expectations.
- Performance accomplishments against expectations.
- 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

About two and-a-half years ago, in October 2003, the Aboriginal Healing Foundation's Board of Directors committed the last available portion of the original \$350 million entrusted to the Foundation. When interest accumulated by this invested fund is added, about \$380 million has gone toward 1,346 grants.

In 2000, we initiated a series of meetings with government and with Aboriginal organisations. We took with us a message that the work of healing would require both more time and more resources than we had available in our mandate. Of course we had always known this to be the case, but one of the consequences of our experience and our research is that we are today able to add further depth to this message.

In January 2006, we released a Final Report during the first Regional Gathering of the year, at the Children of the Earth School in Winnipeg, Manitoba. The Aboriginal Healing Foundation Final Report, which we believe readers will find very detailed and comprehensive, represents the collected experiences both of our funded projects and of individuals who have participated in healing supported by the AHF.

The first volume traces the Aboriginal healing movement and the role of the Aboriginal Healing Foundation within it, the second synthesizes data collected throughout our evaluation processes, and the third reports on promising AHF-funded healing practices. Distributed along with this was a forty-eight page booklet summary of the Final Report,

entitled *A Healing Journey*. We encourage you to have a look at these publications, copies of which may be obtained from the Ottawa office.

In the Foundation's view, the Final Report makes a powerful case for the critical importance of healing. Most who have sought out AHF-supported healing initiatives have never participated in healing before. These projects are in many cases the only service of their kind in the community. The Final Report, having gathered practical insights, therefore not only looks backward but is also a work for the future. It contains stories of healing, courage, resilience and hope. One of the primary conclusions of this study is that it takes ten years of continuous work on average to effect meaningful long-term change in a community. The journey of healing, in other words, requires long-term commitments and financial support.

With this report we have endeavoured to honour survivors and their families. We have made great efforts to promote a supportive environment for healing, by fostering awareness and understanding. Nor have we been alone in these efforts. As you are no doubt aware, this has been an important year for all concerned with the residential school legacy. Thanks to the efforts of many dedicated people, a settlement agreement addressing the legacy of residential schools has been reached.

The Settlement Agreement is a cause for hope and celebration. May its provisions for commemoration contribute to the honour of our peoples, and may its provisions for truth



Message from the Board

and reconciliation bring us closer to justice and a better relationship.

Part of the Settlement Agreement is a five-year, \$125 million commitment to the Aboriginal Healing Foundation. We feel that this was an endorsement of the work of the Foundation and, more important, a recognition of the valuable work of healing being undertaken in our communities. This \$125 million commitment to healing will enable us to sustain many of our existing projects for two or three years, although unfortunately no new projects can be funded due to the scale of funding support that exists in Aboriginal communities.

These funds will be greatly appreciated by the projects receiving them. The money will also extend the life of the Foundation for perhaps three years beyond the original mandate, which provides an opportunity for dialogue concerning a broader role or longer-term arrangements.

In anticipation of this additional \$125 million for healing, the Aboriginal Healing Foundation Board has met to decide upon a plan of action. One matter to which we have committed ourselves is the potential impact of the Common Experience Payments. Most survivors will welcome the acknowledgement of their time spent in residential school. However, for others such payments may put into a state of crisis a number of survivors of institutional trauma.

We have therefore been working closely with Health Canada, Indian Residential Schools

Resolution Canada, the First Nations and Inuit Health Branch, the Assembly of First Nations, the Métis National Council, Inuit Tapiriit Kanatami, and the RCMP to ensure that health supports are in place when they are required, as surely they will be in the coming months.

We know there is urgent need for healing support among our peoples. We also know that this 125 million dollars will be insufficient to allow us to consider new funding proposals. In many ways we faced the same situation as we did when we received a commitment of \$40 million dollars last year. At that time we knew there were many people who had waited patiently for a chance to access funds. We also knew that the sudden loss of funding support to our existing projects would have disastrous effects on those who had just begun to address the legacy of abuse in their lives. We felt we had no responsible option but to extend our existing commitments to those who had sought out help.

This doesn't mean we have given up on the possibility of longer-term support for community-based healing. However, as matters stand we have the resources to support existing funded projects for another two years. In the meantime we will continue to foster a better understanding of the residential school system and its effects today. We will keep up our efforts to cultivate a supportive public environment for healing.

The Foundation's research tells a story of resilience, courage, and community successes.



Message from the Board

Not long ago, the residential school system was a forbidden subject. The pain was made more unbearable by the silence. Today, we are moving beyond this terrible condition of unspeakable shame. There are many accomplishments which demonstrate the courage and strength of survivors and indeed of all Aboriginal people.

We hope that the work so far will stand as a model to encourage and support others, and we look forward to a day when Aboriginal people

– Inuit, Métis, First Nations – have meaningfully addressed the legacy of historic trauma and have broken the cycles of abuse.

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

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



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 an eleven-year time-frame. This one-time grant has enabled the Foundation to fund community healing projects and to cover expenses. The Foundation is an Aboriginal-run, not-for-profit corporation that is independent of governments and the representative Aboriginal organisations.

The Foundation's 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.



What is the Aboriginal Healing Foundation?

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. The Aboriginal Healing Foundation was given an eleven-year mandate, ending March 31, 2009, to 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 is the AHF necessary?

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 is the AHF managed?

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.

Is funding currently available?

Not at present. The original \$350 million fund (plus interest generated — a total of about \$420 million) was fully committed by the AHF Board of Directors to 1,347 community-based healing grants by October of 2003. (Details of every funding grant is available on-line at:

http://www.ahf.ca/fp/e_funded_projects.php.

You may also contact the office for details.) In February of 2005, the federal government



FAQs

committed an additional \$40 million over two years to the Aboriginal Healing Foundation. The Board of Directors decided to apply this money to some of the projects operating at that time. There was therefore not enough money for new proposals. This additional 40 million dollars enabled the Foundation to extend about 24% of active projects for another two years (that is, to March 31, 2007).

The Aboriginal Healing Foundation has also been identified for a commitment of \$125 million as part of the Indian Residential Schools Settlement Agreement, announced on May 10, 2006 by the Government of Canada. This Agreement is currently in the process of being approved, a process which is expected to take about one year (i.e., to March 31, 2007). The Government, churches, and lawyers representing survivors have all approved the Agreement. Now it awaits the approval of six provincial governments and one territorial government where residential school lawsuits are currently underway, as well as the approval of former students. These additional funds are expected to be available to the Foundation in fiscal year 2007-2008, when the Agreement has gone completely through the approval process. In preparation for this scenario, the AHF Board has met to discuss a course of action. Details are available from the Aboriginal Healing Foundation.

Is the Foundation closing its doors?

Prior to the announcement of a commitment of an additional \$125 million from the federal government, in the Indian Residential Schools Settlement Agreement, the Aboriginal Healing Foundation mandate expired March 31, 2009. If approved by the courts, the Indian Residential Schools Settlement Agreement will extend the Foundation's life an additional five years beyond the date it takes effect. In other words, the Aboriginal Healing Foundation mandate will be extended to March 2012.

Will there be funding for new proposals?

There will not be a call for new funding proposals at this time. The additional \$125 million committed to the AHF in the Indian Residential Schools Settlement Agreement will be committed to existing AHF-funded projects. Please be aware that we do not expect new money to be at the disposal of the Aboriginal Healing Foundation before March 2007, and perhaps several months later.

Why haven't the additional funds committed to the AHF been used to fund new proposals?

The Board struggled with this decision. We know there are many survivors and communities in urgent need of healing support. The decision came down to the following



reasoning. For some years we have been delivering the message to government that the healing has just begun and must be continued. The Board felt an obligation to those who had put their trust in an AHF-funded healing project, and therefore decided it would be potentially harmful to allow those beginning the healing journey suddenly to lose their support. We therefore set ourselves to the task of deciding which projects would receive additional funds. Although of great importance, the additional money committed to the AHF is modest in relation to need. We knew we would have to apply as best we could a clear, reasonable, and public set of criteria. The Board therefore settled on the following criteria:

- the project must have a history of sound financial management
- the project must have a broad reach, serving women, youth, Elders etc.
- the project must deliver direct therapeutic services

Even when the criteria were applied, there were many good projects doing good work that we could not fund. This was a very difficult message to convey – many people interpreted our funding decision as a judgement on their project and whether or not it was deemed by the Foundation to be "good work." The decision was a matter of limited resources, by an organization that has already received over 1.3 billion dollars in funding requests from Aboriginal communities.



Will existing projects be extended?

Yes, in some cases. Projects are being contacted by the AHF well in advance of their contribution agreement end dates to discuss the details of their funding.

Will there be money available for language and culture?

We have always been able to fund healing activities which include Aboriginal languages and traditional cultural components as part of their activities. However we will continue to focus our funding support on direct healing activities.



FAQs

Why is the Aboriginal Healing Foundation part of the Indian Residential Schools Settlement Agreement?

The Agreement is intended to address the residential school issue wholistically. It includes not just compensation for language and culture, but also memorials, truth-telling, commemoration, and of course healing. It is based upon recommendations made by the Assembly of First Nations and negotiated among the Assembly of First Nations, the churches, the Government of Canada, and lawyers representing survivors. The Aboriginal

Healing Foundation participated in discussion related specifically to healing.

How can I get more information?

For more information please contact The Aboriginal Healing Foundation at:

Suite 801-75 Albert Street
Ottawa, Ontario, K1P 5E7
Toll-free: 1-888-725-8886
In Ottawa: (613) 237-4441
Fax: (613) 237-4442
Internet: <http://www.ahf.ca>



A Condensed Timeline of Events

17th Century: First missionary-operated school established near Quebec City, 1620-1629.

1831: Mohawk Indian Residential School opens in Brantford, Ontario. It will become the longest-operated residential school, closing in 1969.

1842: Bagot Commission recommends agriculture-based boarding schools, placed far from parental influence.

1847: Egerton Ryerson's study of Indian education recommends religious-based, government funded industrial schools.

1857: Gradual Civilization Act.

1850s-1860s: Assimilation of Aboriginal people through education becomes official policy.

1860: Management of "Indian Affairs" transferred from Imperial Government to Province of Canada.

1867: British North America Act.

1869: Act for the Gradual Civilization of the Indian.

1876: First Indian Act.

1860s-1870s: Macdonald's "National Policy"; Homestead Act; RCMP established to facilitate Government control of West.

1879: Nicholas Flood Davin Report,

submitted to Sir John A. Macdonald, makes 13 recommendations concerning the administration of industrial boarding schools.

1892: Federal Government and churches enter into formal partnership in the operation of Indian schools.

1907: Indian Affairs' Chief Medical Inspector P.H. Bryce reports numerous deficiencies of the schools.

1920: Deputy Superintendent General of Indian Affairs Duncan Campbell Scott makes residential school attendance compulsory.

1944: Senior Indian Affairs officials argue for policy shift from residential to day schools.

1940s-1950s: Government begins efforts to integrate Aboriginal and non-Aboriginal education.

1958: Indian Affairs Regional Inspectors recommend abolition of residential schools.

April 1, 1969: Partnership between Government and churches ends. Government takes over residential school system, begins to transfer control to Indian bands.

1970: Blue Quills first residential school to be transferred to band control.

1980s-1990s: About one dozen residential schools operated by bands; one school operated by Government at band request.



A Condensed Timeline of Events

Gradually only a few remain, the last Government-run school closing in 1996, and the last band-run in 1998.

1989: Disclosures of abuse at Mount Cashel Orphanage.

1991: Phil Fontaine speaks publicly of abuse he suffered in the residential schools.

1991: Cariboo Tribal Council publishes "Impact of the residential school."

1986-1994: Churches issue apologies for their role in residential schools. United Church (1986), Oblates of Mary Immaculate (1991), Anglican Church (1993), Presbyterian Church (1994).

1996: RCAP Final Report. Volume One Chapter 10 concerns residential schools.

1997: John Watson, the highest ranking Indian Affairs official in BC, is the first Government representative to admit that residential schools were part of an assimilation policy of the Government of Canada.

January 1998: Government's "Statement of Reconciliation." Gathering Strength—Canada's Aboriginal Action Plan includes a \$350 million healing fund. AHF established March 31, 1998 to manage fund.

2002: Government announces an Alternative Dispute Resolution Framework to provide compensation for residential school abuse.

March 2004: House of Commons Standing Committee on Aboriginal Affairs and Northern Development motion calls for a comprehensive response on residential schools resolution that incorporates the new approach and process detailed by the AFN in its Report on Canada's [Alternative] Dispute Resolution Plan to Compensate for Abuses in Indian Residential Schools.

May 30, 2005 : Government announces the appointment of the Honourable Frank Iacobucci as the Government's Representative to lead discussions concerning the resolution of the legacy of Indian residential schools.

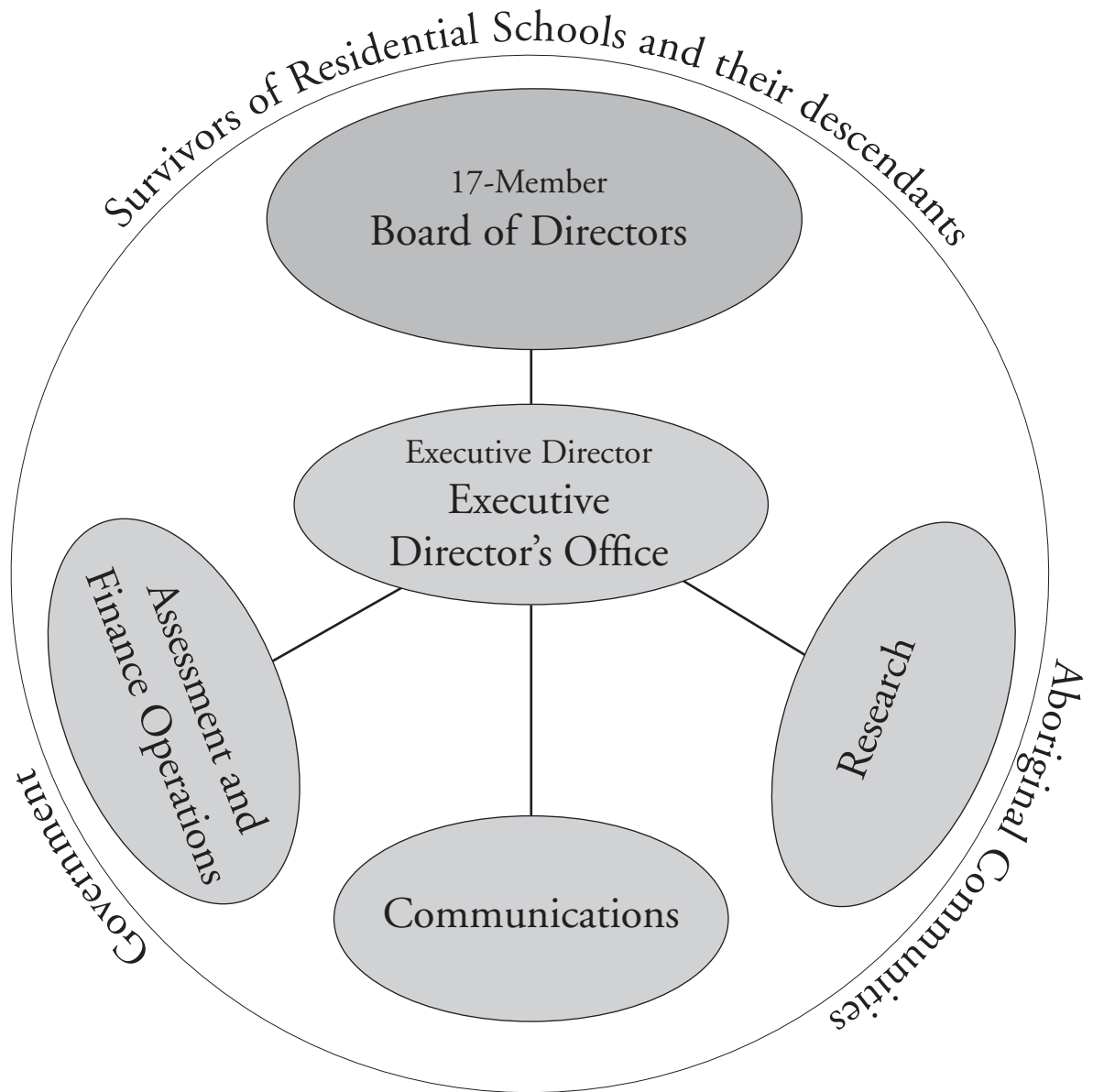
August 3, 2005: Assembly of First Nations National Chief Phil Fontaine announces that he and the AFN are launching a class action lawsuit against the Government of Canada for the residential schools legacy. The claim states that the residential schools policy and schools caused "irreparable harm and damage" to First Nations' "culture, language, way of life, family, community and social structures".

November 23, 2005: Government of Canada announces an Agreement in Principle "toward a fair and lasting resolution of the legacy of Indian residential schools." Includes a Common Experience Payment formula of \$10,000 for the first year of attendance at a residential school, plus \$3,000 for each additional year of attendance.

May 10, 2006: The Agreement in Principle is approved. Advance Payments begin shortly after.



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



Historical Landmarks of the AHF

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. 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.

On May 10, 2006, the Indian Residential School Settlement Agreement receives cabinet approval. Part of the Settlement Agreement concerns a \$125 million commitment to the Aboriginal Healing Foundation. For more information on this funding, please see the section FAQs beginning at page 9.



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



Resolving the Legacy of 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 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

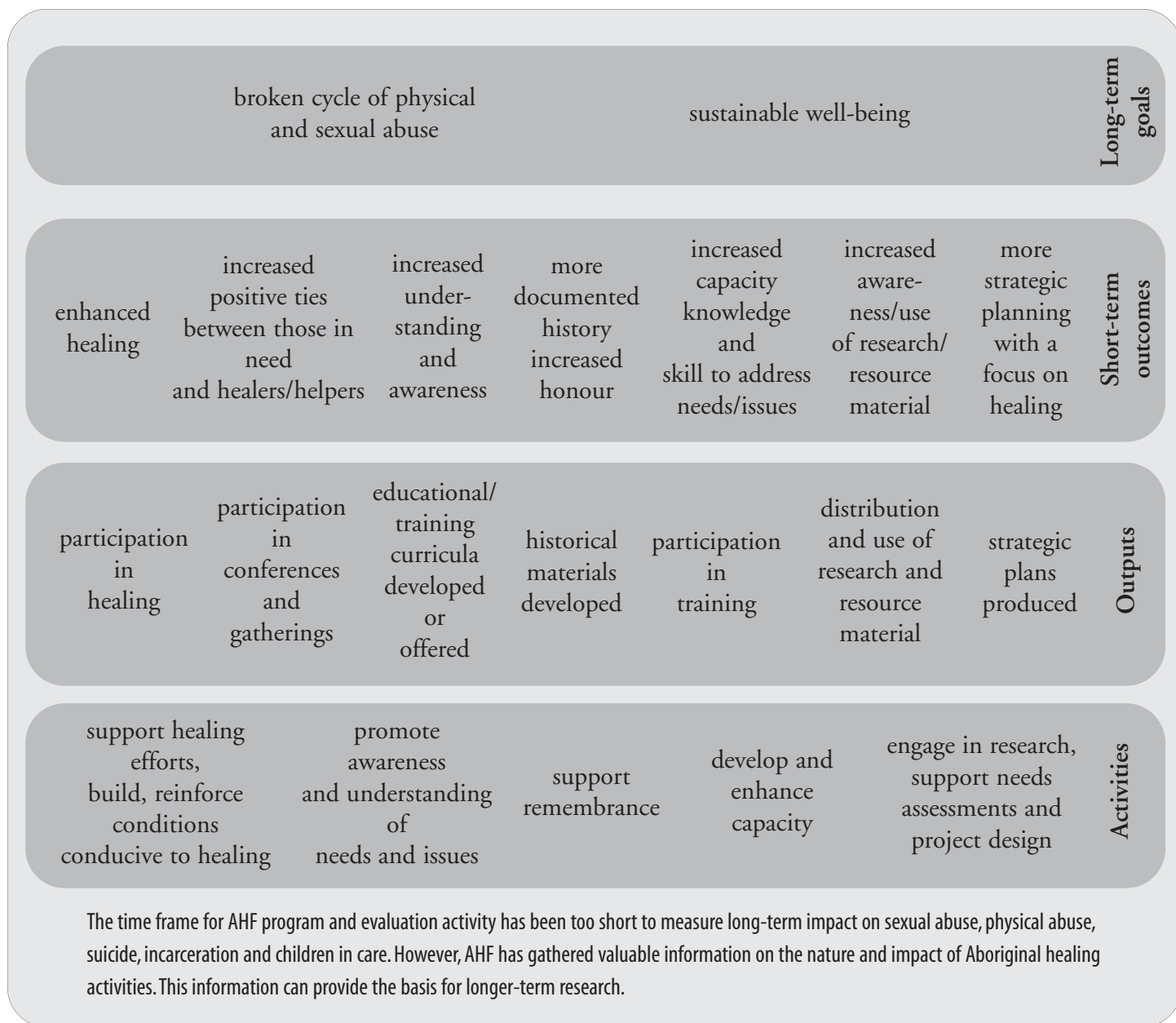
<http://www.irsr-rqpi.gc.ca/english/index.html>, or contact the Office of Indian Residential Schools Help Desk at 1-800-816-7293.)

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.

On May 30, 2006, the Government of Canada formally approved the Indian Residential Schools Settlement Agreement and announced an Advance Payment program for former students 65 years of age or older on May 30, 2005, the day the negotiations began. Application forms for the Advance Payment, as well as the Settlement Agreement itself, are available on the IRSRC website at: www.irsr-rqpi.gc.ca. See also: <http://www.residentialschoolsettlement.ca/>



The AHF Logic Model



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



Legal Obligations

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.

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

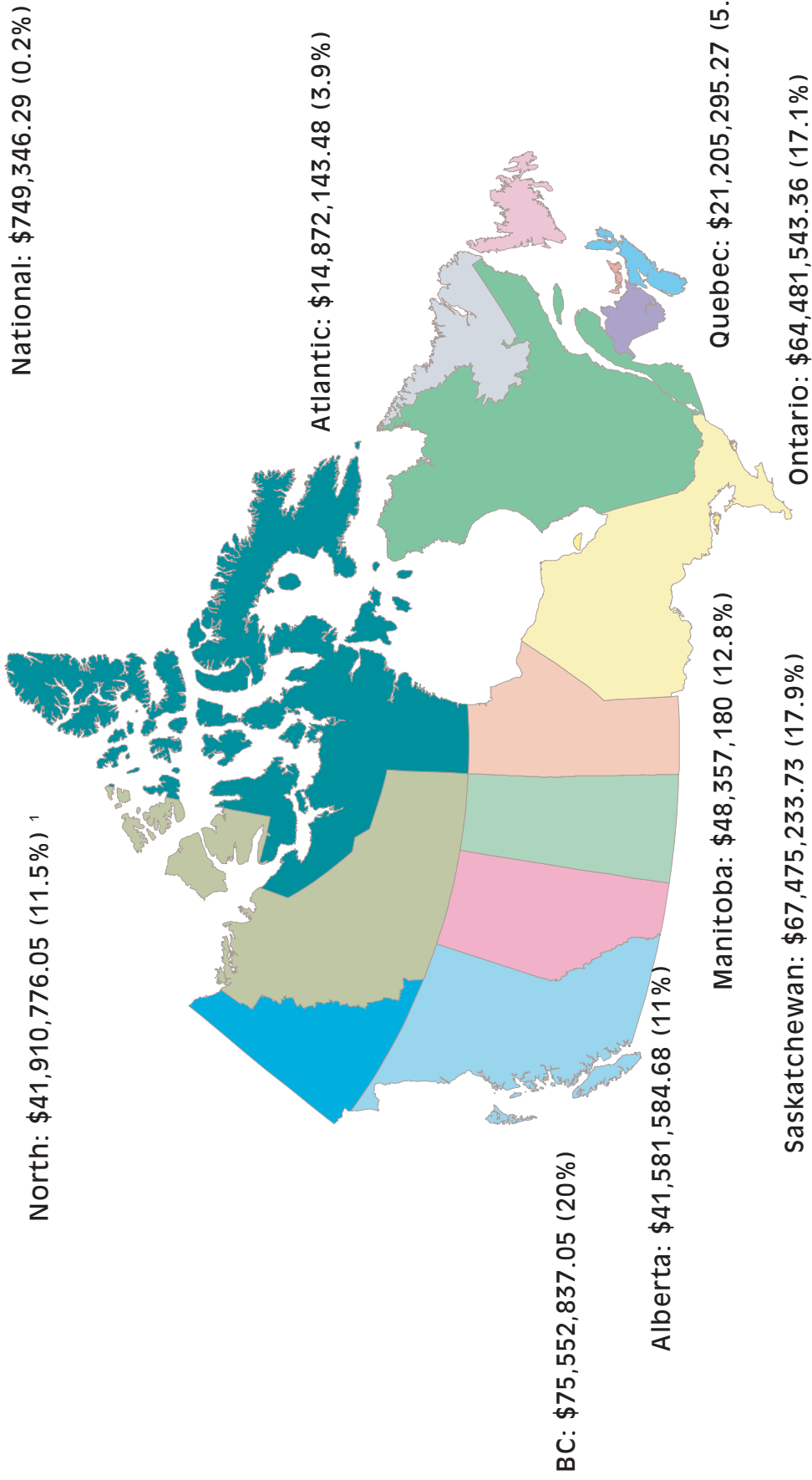
intergenerational impacts; use of safe healing processes; proposal of well-planned, strategic methods and activities; evidence of background and experience of the management team; evidence of lasting benefit of the proposal to the healing of survivors; evidence of sustainability of the project beyond 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.

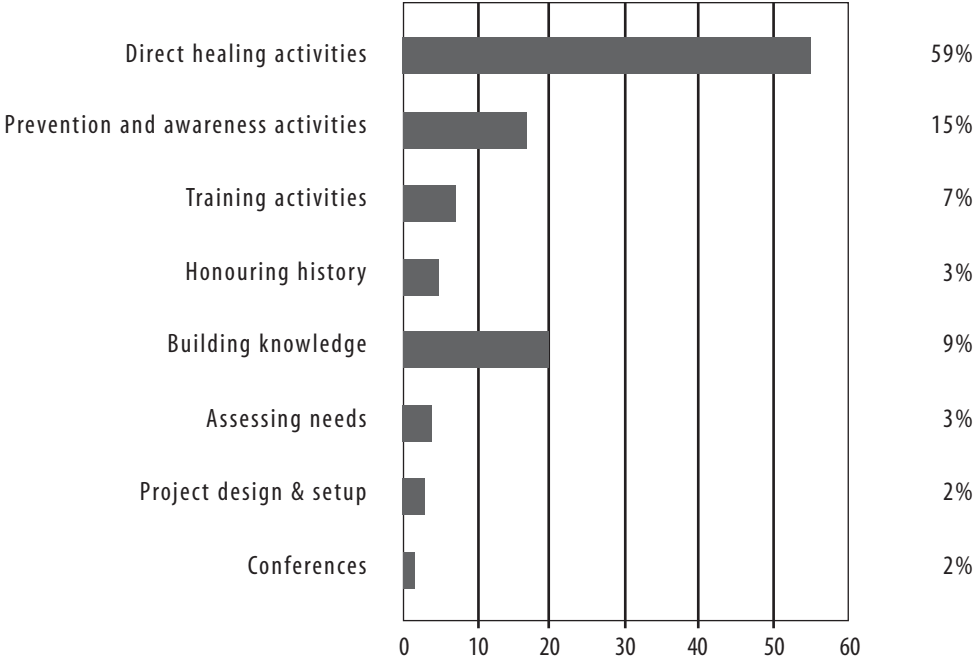
Revenues
Grants from the Government of Canada · \$390,000,000
Total interest generated · \$94,595,565
Total Fund · \$484,595,565
Expenditures to date
Total committed to project funding · \$373,402,490
AHF Administration costs to date · \$53,955,784 ¹
Total expenditures/commitments · \$427,358,274 ²

¹ Represents approximately 11% of Total Fund (includes research).

² Represents approximately 88% of Total Fund (\$484,595,565).



Types of Projects Funded



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



Board of Directors

Board Elders



Nora Cummings



Helen Maksagak



Danny Musqua

Directors



Garnet Angecone
Secretary



Georges Erasmus
President and Chair



Carri Lynn Lamouche
Treasurer



Richard Kistabish
Vice-President



Rose-Marie Blair



Keith Conn



Board of Directors



Marlyn Cook



Martha Flaherty



Dan George



Susan M. Hare



Elizebeth Hourie Palfrey



Viola Robinson



Cindy Swanson



Navalik (Helen) Tologanak



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.

The Executive Director's office attends to its responsibilities in the following areas:

- Board of Directors
- Management
- Staff
- Finances
- Research
- 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 made up of a Director, Communications Officer, and Editor. Main strategic responsibilities are communicating Board policy decisions and promoting the vision, mission, and activities of the Aboriginal Healing Foundation.

The AHF is guided by a Communications Strategy which identifies issues related to the residential school system, healing, and reconciliation, and which establishes principles and guidelines for Communications work.

Communications bears lead responsibility for:

- Non-research publications
- AHF website (<http://www.ahf.ca>)
- Media liaison (interviews, media requests)
- 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

Communications provides regular funding updates, showcasing projects and profiling issues of interest to our target audiences. We accomplish this through our website, newsletters, and public presentations.

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

In Fiscal Year 2005-2006 Communications organised a series of Regional Gatherings, bringing the total number of these day-long events to thirty-three. The centrepiece of the 2006 gatherings was the Final Report of the Aboriginal Healing Foundation, officially released on January 30, 2006. The first Regional Gathering took place January 26 at the Children of the Earth School in Winnipeg, Manitoba. Additional Regional Gatherings occurred in Vancouver, Iqaluit, Halifax, Quebec City and Yellowknife.

Updates of AHF activities were integrated into our public presentations and our media work. As always, 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. We have also participated in international events such as Australia's National Reconciliation Week. Communications has prepared briefing notes, decks, and background materials for Members of Parliament, media, and the general public.



Communications



Objective

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

Strategy

In this fiscal year Communications produced an updated version of the popular 2002 publication, *The Healing Has Begun*. The Aboriginal Healing Foundation also produced a ninety-minute residential school documentary entitled *Muffins for Granny*. This film will be premiered August 9, 2006 at the international Healing Our Spirit Worldwide conference in Edmonton, Alberta.

Results

AHF residential school materials are highly-regarded as educational tools across the country and internationally. 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

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.



Communications



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.

Our newsletters Healing Words (English) and Le premier pas (French) continue to receive universal positive feedback and are one of our most popular documents. Distribution is 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.

Strategic Objectives

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.

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.



Assessment and Finance Operations



Specific Goals & Outcomes

1. To extend eligible project contribution agreements for the additional \$40 million.

Result: Over 99% of eligible contribution agreements have been signed and put in place.

2. To monitor all projects in accordance with the Risk Management Strategy.

Result: Staff undertook twenty-four site reviews. A site review determines a project's governance, program delivery, and fiscal management performance levels.

3. To close all project files with end dates between April 1, 2001 and March 31, 2002.

Result: Seventy-one percent of files (17 of 24) have been closed. The remaining twenty-nine percent are in the process of being closed.

4. To ensure that the AHF exercises proper financial management.

Result: For the seventh consecutive year, the AHF has received an unqualified or clean audit opinion.

5. To cash manage projects which will allow the AHF to fund additional projects to March 31, 2007.

Result: The AHF has funded an additional seventeen projects to March 31, 2007.



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.

Publications:

- 1) Aboriginal Healing Foundation Final Report (hard copy and CD-ROM):

Volume 1: A Healing Journey: Reclaiming Wellness

Volume II: Measuring Progress: Program Evaluation

Volume III: Promising Healing Practices in Aboriginal Communities

- (2) A Healing Journey: Final Report Summary Points;

- (3) Aboriginal Sex Offending in Canada;

- (4) Mental Health Profiles for a Sample of British Columbia’s Aboriginal Survivors of the Canadian Residential School System;

- (5) An Interim Evaluation Report of Aboriginal Healing Foundation Program Activity (2001);

- (6) Journey and Balance: Second Interim



Research

Evaluation Report of Aboriginal Healing Foundation Program Activity (2002);

(7) Directory of Residential Schools in Canada (Draft);

(8) Aboriginal Domestic Violence in Canada;

(9) Aboriginal People, Resilience and the Residential School Legacy;

(10) Third Interim Evaluation Report of Aboriginal Healing Foundation Program Activity (2003);

(11) Fetal Alcohol Syndrome Among Canadian Aboriginal People in Canada: Review and Analysis of the Intergenerational Links to Residential Schools;

(12) Aboriginal Elder Abuse in Canada;

(13) Examining HIV/AIDS Among the Aboriginal Population in Canada in the post-residential school era;

(14) Historic Trauma and Aboriginal Healing;

(15) Reclaiming Connections: Understanding Residential School Trauma Among Aboriginal People: A Resource Manual;

(16) Warrior-Caregivers: Understanding the Challenges and Healing of First Nations Men: A Resource Guide;

(17) Community Guide to Evaluating

Aboriginal Healing Foundation Activity;

(18) AHF Evaluation Update (October 18, 2002);

(19) A Directory of Funding Sources for Healing Activities;

(20) The History and Experience of Inuit in Residential Schools in Canada (Executive Summary);

(21) International Perspectives on Aboriginal Healing: Colonization, Decolonization and Healing: Indigenous Experiences in the United States, New Zealand, Australia and Greenland; and

(22) Métis History and Experience and Residential Schools in Canada.

Published in partnership with other organizations/governments:

(1) 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);

(2) 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



Research



(3) A Cost-Benefit Analysis of Biidaabiin: the Mnjikaning Community Healing Model (with Aboriginal Corrections Policy Unit, Public Safety and Emergency Preparedness Canada).

Reprinted in 2005-2006:

(1) Aboriginal Healing Foundation Final Report (3 volumes)

(2) A Healing Journey: Final Report Summary Points

(3) Aboriginal Sex Offending in Canada

(4) Historic and Aboriginal Healing

(5) Warrior-Caregivers: Understanding the Challenges and Healing of First Nations Men: A Resource Guide; and

(6) Aboriginal Domestic Violence in Canada

(7) Reclaiming Connections: Understanding Residential School Trauma Among Aboriginal People: A Resource Manual

In progress:

(1) Traditional Healing Practices;

(2) Aboriginal Homelessness in Canada and the Legacy of Residential Schools;

(3) Addictive Behaviors and Aboriginal People in Canada;



- (4) *Aboriginal Children in Care in Canada* (to be published by the University of Manitoba Press);
- (5) *Curriculum: Aboriginal Awareness and Residential School (Grades 11 and 12)*
- (6) *The History and Experience of Inuit in Residential Schools in Canada* (to be published by the University of Manitoba Press);
- (7) *Aboriginal Suicide in Canada*;
- (8) *Aboriginal Residential School Workers*;
- (9) *Directory of Residential Schools in Canada (Final)*; and
- (10) *Models of Resolution and Reconciliation*.

Expected results

The publication of ten research reports or papers are in progress, including two book-length manuscripts that will be published by the University of Manitoba Press in 2007, and a book-length *Directory of Residential Schools in Canada*.

Objective

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 include:

→ 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.

→ The Research Department participated in the following conferences/meetings: 1) National Aboriginal Mental Health Network, Vancouver;



Research

2) Aboriginal Policy Research Conference Planning meetings-INAC; 3) National Aboriginal Health Organization Conference, Ottawa; 4) Aboriginal Women's Health Roundtable, Ottawa 5) Correctional Service Canada: Aboriginal Offender Substance Abuse Program meeting, Winnipeg; 6) Indigenous Knowledge Summit, Panel Discussant, Saskatoon; 7) European Science Foundation Grants Evaluation Panel, France; 8) AFN Residential Schools Gathering; 9) AFN/FSIN meeting on Crystal Methamphetamine, Regina; 10) National Collaborating Centre for Aboriginal Health Roundtable, Prince George; 11) Social Sciences and Humanities Research Council, Aboriginal Research Program Evaluation Panel 12) Aboriginal Policy Research Conference, 6 papers delivered in 2 sessions; Ottawa; 13) Wabano Centre for Aboriginal Health and Minwaashin Lodge, Ottawa, Protecting the Circle: An Aboriginal Crime Prevention Symposiums, Ottawa; 14) Carleton University Graduate Seminar on Aboriginal Issues; 15) International Council of Canadian Studies faculty seminar; 16) Healing Our Spirit Worldwide Conference, Edmonton

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. In conjunction with the work of this network, the co-Directors are editing a



book on Aboriginal Mental Health that will be published by the University of British Columbia Press.

(c) 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).

Along with the Canadian Population Health



Research

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).

AHF Research is a partner on two studies undertaken by the Canadian Aboriginal Aids Network: 1) A Needs Assessment on Incarceration Issues, Residential Schooling, with Emphasis on HIV and HIV/Hep C; and 2) Sexual Violence, HIV-Aids and Aboriginal Women.

The AHF Research Director serves on the Advisory Board of the Institute for Aboriginal Peoples' Health, Canadian Institutes of Health Research; is Co-Director of the Aboriginal Mental Health Research Network; sits on the editorial Board of the Journal of the National Aboriginal Health Organization; served on the planning committee for the 2006 Aboriginal Policy Research Conference; served on the Review Committee for the European Science Foundation EUROCORES BOREAS Research Project, chaired the Review Committee for the Aboriginal Strategic Research Program, Social Science and Humanities Research Council of Canada, and is a member of the Advisory

Committee of the National Collaborating Centre for Aboriginal Health.

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

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 ..."



Research

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; archival materials and material developed by AHF-funded projects. In 2006, Research has focused on organizing and cataloguing the material collected over the past several years.

The AHF Resource Centre currently contains over 3,500 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.

In 2006-2007, 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' objectives for FY 2006-2007 are as follows:

1. To extend eligible project contribution agreements for the anticipated \$125 million.
2. To monitor all projects in accordance with the risk management strategy.
3. To close all project files with end dates between April 1, 2001 and March 31, 2004.
4. To ensure the AHF exercises proper financial management.
5. To strengthen internal and external financial accountability.
6. To develop and carry-out an organisational winding-down strategy.
7. To prepare staff with knowledge and skills that will assist them in future organisational contexts.

Research

In 2006-07, Research will publish a minimum of four of the ten in-progress reports or papers in the Research and Evaluation series and continue the widespread distribution of AHF reports and studies.



Prospects

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, 2006





KPMG LLP
Chartered Accountants
Suite 2000
100 Elgin Street
Ottawa, ON K2P 2P8
Canada

Telephone (613) 212-KPMG (5764)
Fax (613) 212-2896
Internet www.kpmg.ca

AUDITORS' REPORT TO THE DIRECTORS

We have audited the statement of financial position of Aboriginal Healing Foundation as at March 31, 2006 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, 2006 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 20, 2006



ABORIGINAL HEALING FOUNDATION

Statement of Financial Position

March 31, 2006, with comparative figures for 2005

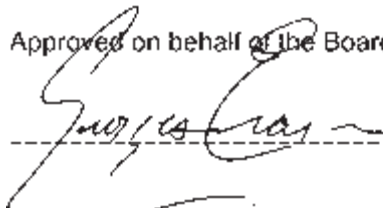
	2006	2005
Assets		
Current assets:		
Cash	\$ 141,228	\$ 249,755
Amounts receivable	353,056	153,747
Interest receivable	546,363	731,747
Prepaid expenses	171,339	182,392
	<u>1,211,986</u>	<u>1,317,641</u>
Capital assets (note 3)	336,038	371,781
Investments (note 4)	70,382,866	83,820,531
	<u>\$ 71,930,890</u>	<u>\$ 85,509,953</u>


Liabilities and Deferred Contributions

Current liabilities:		
Accounts payable and accrued liabilities	\$ 705,924	\$ 567,331
Deferred contributions:		
Deferred capital contributions	336,038	371,781
Deferred grant	70,888,928	84,570,841
	<u>71,224,966</u>	<u>84,942,622</u>
Lease commitments and guarantees (note 5)		
Project commitments (schedule)		
	<u>\$ 71,930,890</u>	<u>\$ 85,509,953</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, 2006, with comparative figures for 2005

	2006	2005
Revenue:		
Grant	\$ 53,579,583	\$ 67,094,094
Grant – Brighter Futures	236,000	–
Investment (note 4(b))	2,884,216	4,443,855
Amortization of deferred capital contributions	138,073	158,126
	<u>56,837,872</u>	<u>71,696,075</u>
Expenses:		
Project:		
Project funding (schedule)	50,846,167	65,103,853
2004 National Conference (note 7)	–	1,311,672
Administrative:		
General (note 6)	4,014,571	3,804,545
Research	922,161	666,860
Governance	472,765	435,625
Communication and promotion	219,962	109,561
Amortization of capital assets	138,073	158,126
Monitoring	114,890	91,250
Community support services	16,241	12,327
Regional meetings	93,042	–
Loss on disposal of capital assets	–	2,256
	<u>5,991,705</u>	<u>5,280,550</u>
	<u>56,837,872</u>	<u>71,696,075</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, 2006, with comparative figures for 2005

	Deferred capital contributions	Deferred grant	Total 2006	Total 2005
Balance, beginning of year	\$ 371,781	\$ 84,570,841	\$ 84,942,622	\$ 152,189,304
Recognized as revenue	–	(53,579,583)	(53,579,583)	(67,094,094)
Grant received (note 1)	–	40,000,000	40,000,000	–
Capital asset additions	102,330	(102,330)	–	–
Disposal of capital assets	–	–	–	5,538
Amortization of deferred capital contributions	(138,073)	–	(138,073)	(158,126)
Balance, end of year	\$ 336,038	\$ 70,888,928	\$ 71,224,966	\$ 84,942,622

See accompanying notes to financial statements.



ABORIGINAL HEALING FOUNDATION

Statement of Cash Flows

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Cash provided by (used for):		
Operations:		
Increase in amounts receivable	\$ (199,309)	\$ (57,190)
Decrease in interest receivable	185,384	70,004
Decrease in prepaid expenses	11,053	27,953
Increase (decrease) in accounts payable and accrued liabilities	138,593	(1,032,578)
Amortization of capital assets	138,073	158,126
Amortization of deferred capital contribution	(138,073)	(158,126)
Loss on disposal of capital assets	-	2,256
	135,721	(989,555)
Investments:		
Purchase of investments	(206,223,552)	(234,615,084)
Sale of investments	219,863,583	302,471,163
Amortization of bond premiums (discounts)	(202,366)	593,279
Capital asset additions	(102,330)	(26,005)
	13,335,335	68,423,353
Financing:		
Increase in deferred capital contributions	102,330	23,749
Decrease in deferred grant	(13,681,913)	(67,377,161)
	(13,579,583)	(67,353,412)
Increase (decrease) in cash	(108,527)	80,386
Cash, beginning of year	249,755	169,369
Cash, end of year	\$ 141,228	\$ 249,755

See accompanying notes to financial statements.



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements

Year ended March 31, 2006

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.

The funding agreement was amended under the 2005 Federal Budget and, as a result of the amendment, the Foundation received a one-time grant of \$40,000,000 during the year. 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 are to be made over a four-year period ending March 31, 2009.

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, 2006

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	2006 Net book value	2005 Net book value
Furniture and equipment	\$ 532,532	\$ 349,997	\$ 182,535	\$ 227,707
Computer hardware	649,897	553,279	96,618	111,967
Computer software	136,806	131,402	5,404	18,149
Leasehold improvements	77,900	26,419	51,481	13,958
	<u>\$ 1,397,135</u>	<u>\$ 1,061,097</u>	<u>\$ 336,038</u>	<u>\$ 371,781</u>

Cost and accumulated amortization at March 31, 2005 amounted to \$1,351,108 and \$979,327 respectively. During the year, the Foundation wrote-off \$56,303 of fully amortized capital assets no longer in use.



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements, page 3

Year ended March 31, 2006

4. Investments:

(a) Investments held by the Foundation are to be used for project funding. The cost and market values of the investments are as follows:

	2006		2005	
	Cost	Market value	Cost	Market value
Cash	\$ -	\$ -	\$ 1,451	\$ 1,451
Cash equivalents:				
Federal government	47,665,416	47,870,573	3,979,240	3,979,240
Corporate	-	-	19,805,479	19,805,479
Bonds, coupons and residuals:				
Federal government	4,064,371	4,051,561	5,127,718	5,243,317
Provincial government	16,859,658	16,832,302	30,588,241	30,630,292
Corporate	1,591,055	1,589,373	24,911,681	24,646,450
	70,180,500	70,343,809	84,413,810	84,306,229
Amortization of bond discounts (premiums)	202,366	-	(593,279)	-
	\$ 70,382,866	\$ 70,343,809	\$ 83,820,531	\$ 84,306,229

(b) Investment revenue is comprised of:

	2006	2005
Interest	\$ 2,685,176	\$ 4,106,395
Gain (loss) on disposal	(3,326)	930,739
Amortization of bond discounts (premiums)	202,366	(593,279)
	\$ 2,884,216	\$ 4,443,855



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements, page 4

Year ended March 31, 2006

5. Lease commitments and guarantees:

(a) Commitments:

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

2006/2007	\$ 392,919
2007/2008	368,138
2008/2009	176,977
	<hr/>
	\$ 938,034

(b) Guarantees:

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:

	2006	2005
Salaries	\$ 2,712,913	\$ 2,631,875
Rent	316,439	375,431
Office	266,442	239,501
Computer maintenance	148,386	165,504
Travel	182,026	114,450
Training	86,941	64,199
Investment fees	53,776	57,717
Insurance	44,487	51,169
Equipment lease	37,178	41,111
Professional fees	161,603	34,389
Translation	4,380	26,816
Fundraising	-	2,383
	<hr/>	<hr/>
	\$ 4,014,571	\$ 3,804,545



ABORIGINAL HEALING FOUNDATION

Notes to Financial Statements, page 5

Year ended March 31, 2006

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:

	2006	2005
Assets	\$ 230,598	\$ 159,739
Liabilities and Net Assets		
Liabilities:		
Due to Aboriginal Healing Foundation	\$ 14,492	\$ 27,104
Other liabilities	160,012	57,348
	174,504	84,452
Net assets	56,094	75,287
	\$ 230,598	\$ 159,739
Revenue	\$ 590,304	\$ 773,548
Expenses	609,497	744,100
Excess (deficiency) of revenue over expenses	\$ (19,193)	\$ 29,448

The Foundation provides payroll services without charge and subleased office space to the Charity at \$9,500 for the year which included 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, 2006

	Opening cumulative project commitments	Current year net project commitments	Closing cumulative project commitments	Opening cumulative project expenses	Current year project expenses	Closing cumulative project expenses	Remaining project commitments
General Projects	\$377,745,857	\$ 30,057,801	\$407,803,658	\$305,041,091	\$ 50,846,167	\$355,887,258	\$ 51,916,400






May 31, 2006

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

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✿ Notes ✿

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