



44th Annual Report

2006



TRAFFIC
INJURY
RESEARCH
FOUNDATION

A DRIVING FORCE FOR SAFETY

The mission of the Traffic Injury Research Foundation (TIRF) is to reduce traffic related deaths and injuries by designing, promoting and implementing effective programs and policies based on sound research.

**Traffic Injury Research Foundation
of Canada**

44th ANNUAL REPORT

2006

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Registered Charity Number: 10813 5641 RR0001
Website: www.trafficinjuryresearch.com
Email: tirf@trafficinjuryresearch.com

Donors

TIRF gratefully acknowledges the many concerned companies, corporations, associations and governments whose contributions in 2006 supported the Foundation's efforts to reduce the losses that occur from road crashes.

Platinum Level:

Anheuser-Busch Companies
Saskatchewan Government Insurance
TD Meloche Monnex Inc.

Gold Level:

Brewers Association of Canada
Canadian Automobile Association
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Labatt Breweries of Canada
Liquor Control Board of Ontario - Retail Coin Box Collection
Manitoba Public Insurance
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OK Transportation Limited
Prince Edward Island Department of Transportation and Public Works
Sleeman Breweries Ltd.
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State Farm Insurance Companies
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The Co-operators
The Dominion of Canada General Insurance Company
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Tirecraft Auto Centers Ltd.

Bronze Level:

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Canadian Restaurant and Foodservices Association
Canadian Vehicle Manufacturers' Association
Federated Insurance
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Ignition Interlock of Washington, Inc.
Newfoundland and Labrador Government Services
Ontario Trucking Association
Royal Canadian Mounted Police
The Economical Insurance Group
Trico Group
Used Car Dealers Association of Ontario
VerXdirect
Volkswagen Canada Inc.
Wawanesa Insurance
Young Drivers of Canada



Project Grants and Contracts

TIRF also acknowledges the support received in the form of project grants and contracts from the following:

AAA Foundation for Traffic Safety
Alcohol Countermeasure Systems Corp.
Alcohol Monitoring Systems, Inc.
American Automobile Association
Anheuser-Busch Companies, Inc.
BC Office of the Superintendent of Motor Vehicles
BC Trucking Association
Brewers of Canada
Canada Safety Council
Canadian Automobile Association
Canadian Council of Motor Transport Administrators
Canadian Wireless Telecommunications Association
Department for Transport, United Kingdom
Dräger Safety
Guardian Interlock Systems
i-KEY™
LifeSafer Interlock, Inc.
Manitoba Public Insurance Corporation
Monitech, Inc.
Smart Start, Inc.
Toyota Canada Inc.
Transport Canada (Road Safety and Motor Vehicle Regulation)

We also acknowledge with gratitude the private, individual donations and memorial donations received from individuals across Canada.



Report from the Board Chair

The past year has been one of transition for TIRF since it has experienced new leadership for the first time in over 30 years. This has created both challenges and new opportunities. The challenges have been few and far between, owing to careful planning that has made the transition smooth and seamless. The opportunities have been substantial and the new leadership is capitalizing on these at every turn to ensure that TIRF's visibility and sphere of influence continue to escalate.

The new President and CEO, Robyn Robertson, has gained considerable experience in the past year, and her leadership continues to inspire confidence in the Board and staff. Her intelligence and strength of character are clearly evident. She has demonstrated her strong work ethic and dedication to the organization, she has faced new challenges head-on, and she has established effective partnerships with many organizations. She is highly-respected by her peers, and Robyn has instilled a real sense of "team" within the organization.

In addition, the continued involvement of Herb Simpson in Foundation activities, as Research and Policy Consultant, has facilitated the seamless transition in leadership. He has worked effectively to provide guidance and support to the new President. His dedication to the organization is immense, and he continues to encourage and inspire staff with his contributions in many areas. We are pleased to have him with us today.

With guidance from the Board and support of staff, TIRF has begun strategic planning to build upon a sound business model and promote long-term growth within the organization. Staff continues to work diligently to generate and develop innovative research opportunities to ensure that TIRF remains a strong leader in the traffic safety community. Efforts have been directed at fostering partnerships with a broader range of agencies to strengthen and augment funding opportunities in Canada and internationally.

TIRF has also developed activities that will enhance the visibility of its research and effectively disseminate its products to a wider range of audiences. Marketing and communication activities have focused on making TIRF more accessible and visible to our stakeholders and increasing our standing as a gateway to traffic safety information. As a result, TIRF is becoming increasingly well-known in the United States, Europe, and Australia as diverse agencies actively seek out their expertise and research to guide policy and program initiatives.

At the same time, the organization has renewed its commitment to excellence in research that was established under Herb's leadership. TIRF has sustained its reputation for innovative, objective, and high-quality research, for which it is so well-known. Government, industry, and policymakers around the world continue to rely on the sound and substantive research produced at TIRF to enhance understanding of the causes of road crashes and guide the development of effective road safety initiatives.

Progress is evident on all fronts and the Board is enthusiastic about the future.



In closing, let me say that I have greatly enjoyed my term as Chair of the Board during this exciting time at TIRF. I want to express my appreciation to the staff and Board for their dedication and support.

I am confident that my successor, John Lee of Canada Post, will enjoy the opportunity to serve as the Board Chair as much as I have. I also look forward to continued involvement with TIRF staff and Board members as Past-Chair of the TIRF Board.

Howard Collins
Chair



Report from the President and CEO

In the past two decades, there has been substantial progress in reducing traffic-related deaths and injuries in Canada and abroad. In recent years this progress has stalled, and in some instances, even been eroded. Of considerable concern, Canada recorded an increase in deaths and injuries due to road crashes in 2005 -- more than 3,000 people were killed and almost 230,000 were injured. Of these, more than 17,000 suffered serious, life-altering injuries.

Research shows that many collisions are due to the unsafe driving habits of road users who are aggressive, distracted, fatigued, impaired by alcohol or drugs, or impaired by other factors. The impact of these conditions on young drivers is particularly pronounced due to their immaturity and lack of driving experience. Similarly, elderly drivers have an increased risk of crashing due to diminishing physical skills, visual-perceptual functions, and mental capacities that are associated with ageing.

In the past decade, effective laws, programs and policies based on solid research have been implemented to address problem drivers. However, the lack of progress suggests that these individuals are not consistently identified and subjected to the very programs put in place to change behaviour and protect the public. As such, people continue to be killed and injured on the nation's highways at an alarming rate, resulting in immense economic and social costs that are borne by all Canadians.

In order to improve road safety, greater understanding is needed of the causes of collisions, the magnitude and characteristics of these problems, and effective ways to minimize and overcome risk factors to create a safer driving environment and reduce the carnage. Traffic safety is a multi-faceted issue. We must draw upon knowledge and research from many domains, including, safety, health, human behaviour, criminal justice, technology, and public policy.

For this reason, TIRF is pursuing an integrated approach to research, program and policy development, evaluation, and raising public awareness. There is no "silver bullet" or "quick fix" that will singularly reduce traffic-related deaths and injuries. A comprehensive approach that targets specific factors and conditions across diverse populations is critical to improving traffic safety for all Canadians. Jurisdictions must employ a wide-ranging set of strategies aimed at addressing problem behaviours, and these strategies must reflect a continuum of approaches involving education and prevention, deterrence, and sanctioning.

More importantly, these strategies must be informed by practice and based on input from agencies representing diverse sectors and interests. TIRF strives to acknowledge the experiences of practitioners in the field of road safety and works closely with them to ensure policies and programs are practical, achievable, and user-friendly. Such insight is paramount to success in reducing deaths and injuries.

In 2006, we partnered with and engaged researchers, practitioners, and policymakers representing the public and private sectors as part of some 20 research projects focusing on high-risk driving behaviours. This work -- valued at more than \$1 million --



was made possible by grants and contracts from more than 20 different agencies in Canada, the United States, and the United Kingdom.

My first year as President and CEO has been both challenging and rewarding. During this time, the Board of Directors has provided valuable direction, encouragement and support. The staff at TIRF is truly our greatest resource. Their teamwork, dedication and commitment to the organization are immense and it is my pleasure to work with them individually and collectively across many projects and issues. And, I continue to be inspired by our Research and Policy Consultant, Herb Simpson.

I look forward to continuing to expand cooperative partnerships at TIRF both nationally and internationally, and working closely with stakeholders and practitioners to identify innovative ways to improve road safety. When people harness their collective intellect, energy, and experiences to achieve common goals, progress can be achieved.

**Robyn Robertson
President and CEO**



Report on Research & Programs

TIRF's core business is to make roads safer for all types of road users. We accomplish this mission through solid, innovative research that provides a strong foundation for the development of effective policies and programs. Research and evaluation are the fulcrum from which programs and policies are leveraged. Our work explicitly acknowledges this close interdependence between research and programs. The research we produce continues to form the basis for prevention programs and policies that can effectively address the road crash problem. Quality, integrity, and ingenuity continue to characterize our projects that span a wide range of traffic safety issues.

WORK IN PROGRESS

In 2006, several projects were in progress. These can be broadly grouped in four areas: epidemiology, trends, evaluation, and program and policy development.

Epidemiological studies on the magnitude, characteristics and causes of road crashes, including:

- ◆ reviewing literature on fatigued and drowsy driving;
- ◆ examining the social cost of motor vehicle accidents;
- ◆ examining the magnitude, characteristics and trends in crashes involving youth in Canada;
- ◆ maintaining a national database to examine the incidence of alcohol among fatally injured drivers and pedestrians in all jurisdictions in Canada; and,
- ◆ obtaining national data on drugs in fatally injured drivers.

Studies to monitor trends, including:

- ◆ conducting a national public opinion poll on driver attitudes, perceptions and behaviours;
- ◆ identifying changes over time in the alcohol-fatal crash problem; and,
- ◆ monitoring progress on the Strategy to Reduce Impaired Driving (STRID 2010).

Studies to evaluate the effectiveness of programs, including:

- ◆ investigating the usefulness and application of continuous transdermal alcohol monitoring technology for offenders who abuse alcohol;
- ◆ investigating the usefulness, acceptability and the impact on the lifestyle of alcohol ignition interlocks on drink driving offenders;
- ◆ evaluating the impact of short-term license suspensions for drinking-drivers in Saskatchewan;
- ◆ evaluating the effectiveness of driver education; and,



- ◆ developing a framework for the evaluation of Manitoba's graduated driver licensing (GDL) program.

Program and policy development initiatives, including:

- ◆ planning and conducting a forum on driving and function;
- ◆ investigating why young drivers still crash;
- ◆ improving the efficiency and effectiveness of the DWI system for dealing with hard core drinking drivers;
- ◆ identifying GDL programs that are effective in crash reductions;
- ◆ developing an inventory of road safety programs targeting youth in Canada; and,
- ◆ developing a national DWI strategy for AAA.

PUBLICATIONS

TIRF produces an extensive number of research reports, papers and speeches each year in support of our mission to reduce traffic-related deaths and injuries. The following list provides a sample of recent work.

Alcohol, Drugs and Traffic Safety

- Short-term license suspensions for drinking drivers: an assessment of effectiveness in Saskatchewan;
- 10 steps to a strategic review of the DWI system: a guidebook for policymakers;
- A criminal justice perspective on ignition interlocks;
- Ignition interlocks: from research to practice;
- Continuous transdermal alcohol monitoring: a primer for criminal justice professionals;
- The road safety monitor: drugs and driving;
- The road safety monitor 2006: drinking and driving;
- The road safety monitor 2006: distracted driving;
- The road safety monitor 2006: aggressive driving; and,
- Alcohol interlock programs: a global perspective.

Driver Licensing and Improvement

- Commercial vehicle driver licensing standards in British Columbia;
- Collisions involving senior drivers: high-risk conditions and locations;
- Reducing the crash risk for young drivers;
- Best practices for graduated driver licensing in Canada; and,
- International conference on distracted driving: summary of the proceedings and recommendations of the international conference.



Trends

- Fatigued and drowsy driving – attitudes, concerns, and practices of Ontario drivers;
- STRID 2010 monitoring report: progress in 2004 and 2005;
- The alcohol-crash problem in Canada: 2004;
- Heavy trucks and road crashes; and,
- Attitudes and perceptions of legal professionals regarding impaired driving and the criminal justice system.

Public Awareness Brochures

- DWI system improvements for dealing with hard core drinking drivers: quick reference guide;
- Hard core drinking drivers: solutions; and,
- Youth and road crashes: reducing the risks from inexperience, immaturity, and alcohol.

Further details on current projects, papers and publications can be found on our website at: www.trafficinjuryresearch.com.

Daniel R. Mayhew
Senior Vice President



Report on Marketing & Communications

Marketing and communications efforts at TIRF promote our research, policy, and program initiatives and identify TIRF as an innovative leader in the road safety arena. Raising awareness and concern among our stakeholders and the public about road crashes and the related consequences allows TIRF to:

- Build a foundation for new road safety policies and programs;
- Encourage funding that is commensurate with the magnitude of the problem; and,
- Promote positive driving behaviours.

These goals are accomplished through media relations, promotional activities, and sponsorship opportunities. A summary of these activities in 2006 is offered below.

Marketing

Our newsletter, the *TIRF Bulletin*, keeps stakeholders abreast of TIRF's activities by highlighting recently released reports and journal articles, and the many invited presentations TIRF staff members deliver yearly. The *TIRF Bulletin* also profiles our Board members and provides visibility to new donors. In 2006, financial support from our donors allowed us to publish three issues of the *TIRF Bulletin* which is available in both hard copy and electronic format. Throughout 2006, demand for electronic copies of the *TIRF Bulletin* grew continuously.

TIRF's website is a valuable marketing and public relations tool that is routinely reviewed and expanded to make it a comprehensive source of information for researchers, government officials, the media, and practitioners around the world. TIRF's website traffic increased dramatically in 2006 with 77,000 more web sessions than in the previous year, raising our total to 182,000 web sessions for 2006. This figure represents a twelve-fold increase over the number of sessions TIRF logged in 2002. In addition, the TIRF-CAA microsite, www.distracteddriving.ca continues to draw a steady amount of web traffic with nearly 40,000 unique web visitor sessions logged in 2006.

A new website sub-section on the Forum on Driving and Function was also added in 2006. This new segment increased activity on our website and also served as the distribution hub for the research presentations associated with the Forum. Information in this new section highlights research presentations on functional impairment and crash risk, and the functions needed for safe driving.

TIRF staff is frequently invited to give presentations on their work at conferences, seminars, symposia, and workshops for practitioners, policymakers, and researchers. In 2006, staff gave over 40 invited presentations and also chaired and moderated numerous other events. These engagements allowed staff to actively disseminate important research findings, promote the implementation of effective programs and policies, learn about new developments from others, and foster and maintain relationships with fellow colleagues around the world.



In addition, TIRF continues to form strategic partnerships to enhance our effectiveness and share the financial costs across several agencies. Some examples include:

- **The 6th Annual Road Safety Monitor (RSM).** This national opinion poll surveys Canadians on key traffic safety issues. A consortium of sponsors fund the RSM – Transport Canada, the Brewers of Canada, and Toyota Canada Inc.
- **The Forum on Driving and Function.** This forum – under funding from the Office of the Superintendent of Motor Vehicles (OSMV), Province of British Columbia – brought together a diverse group of individuals including researchers, medical and legal professionals, and people who specialize in driver assessment and rehabilitation to examine the evidence and best practices that are required for functional driving.
- **National Survey of Crown and Defence Attorneys on Impaired Driving.** The goal of this survey is to increase the understanding of needed improvements to the criminal justice system by examining the legal process as it applies to impaired driving offenders. This work was jointly funded by the Canadian Council of Motor Transport Administrators (CCMTA) and Transport Canada.

Media Relations

TIRF's media activities promote public awareness and concern about traffic safety and establish the Foundation as a leader in the field. Media initiatives included two high-profile reports – *The Road Safety Monitor 2006: Drinking and Driving* and *Reducing the Crash Risk for Young Drivers*. These reports generated extensive coverage in print, TV, radio, and online media outlets reaching several million people across Canada and the United States.

The release of our *Drinking and Driving* report resulted in an interview with TIRF's President and CEO on CTV's Canada AM. Findings from this report also appeared in the Ottawa Sun and Calgary Sun. Our *Young Drivers* report generated extensive coverage in both print and radio media. An Associated Press story about the report featuring quotes from TIRF's Dan Mayhew was picked up by several national newspapers in the United States. Dan Mayhew was also interviewed by CNN radio and Global National News.

TIRF researchers are regularly called upon by the media year-round to provide expert commentary on a variety of road safety topics. In 2006 alone, TIRF researchers gave over 30 media interviews and provided valuable data used for several stories. Among the highlights, TIRF was pleased to be referenced in the New York Times and the Globe and Mail, and also to be interviewed by CTV National News and Global National News.

Communications

The marketing and communications department plays a crucial role in proactively disseminating the findings and policy implications of TIRF's research, and ensuring that TIRF's work is accessible to inform the public. The numerous scientific papers and technical reports published in 2006 were announced using TIRF's list serve messaging



system, the TIRF Bulletin, and TIRF's website. Hard copies of these publications were mailed out to key stakeholders and policymakers to further enhance report distribution. TIRF also makes its publications available in electronic format on the TIRF website. This initiative has proven to be incredibly successful with approximately 64,000 reports, papers, and presentations being downloaded in 2006 alone.

TIRF also continues to be a reliable source of accurate, timely, and credible information on a wide variety of road safety issues. We responded to hundreds of information requests in 2006 from policymakers, researchers, the judiciary, enforcement agencies, health professionals, safety councils, the media, concerned citizens, and students. TIRF's website has played an important function in channeling these information requests.

Committee Memberships

To demonstrate our continued commitment to community and public service, TIRF staff share their expertise and provide assistance to other agencies by participating in numerous committees concerned with road safety. These range from national committees (CAA School Safety Patrol Lifesaving Medal Review Board and the Association of Traffic Safety Information Professionals) to international ones (International Council on Alcohol, Drugs and Traffic Safety, Transportation Research Board). Our involvement in these committees enhances the scope of our influence and provides a forum for our views. Committee involvement also strengthens our understanding of road safety issues and assists in the information and communication efforts of other road safety organizations.

TIRF Library Services

Traffic safety stakeholders depend on TIRF as a source of credible and accurate road safety information. Our efforts to promote awareness and concern are evident by the increased demand for our library resources and subject search services. Research firms, donors, and agencies in enforcement, legal, health, and safety fields value the time they save using our services and the wide array of material available from TIRF's specialized library. The library is continually updated with the latest research reports, journals, periodicals, and articles on traffic safety issues from around the world.

Fundraising

In 2006, TIRF raised over \$140,000 and acquired five new corporate donors. TIRF was also pleased to participate in the Liquor Control Board of Ontario's (LCBO) charitable coin box program in August 2006 which resulted in TIRF donation boxes being featured in some 600 LCBO stores. Our fundraising booklet, "It's in your hands," was also updated in 2006 to feature updated statistics and staff profiles. The booklet size was also increased for stronger visuals.

**Dean Morin
Manager
Marketing and Communications**



Financial Support

Various federal and provincial/state government agencies as well as private sector associations, corporations and foundations in Canada, the United States and abroad sponsored the projects undertaken by TIRF.

Project Sponsorship

In 2006, project sponsorship exceeded \$1,051,000.

Project support from the Federal government came from Transport Canada. All provinces and territories, through the Canadian Council of Motor Transport Administrators, sponsored several projects. As well, special project funds and in-kind support this year came from the Office of the Superintendent of Motor Vehicles for British Columbia and the Manitoba Public Insurance Corporation.

Project sponsorship from the private sector in Canada came from Alcohol Countermeasure Systems Corp., the Brewers of Canada, the BC Trucking Association, the Canada Safety Council, the Canadian Automobile Association, the Canadian Wireless Telecommunications Association, and Toyota Canada Inc.

Project support from sources in the United States included the AAA Foundation for Traffic Safety, Alcohol Monitoring Systems Inc., the American Automobile Association, as well as the Anheuser-Busch Companies, Inc., Dräger Safety, Guardian Interlock Systems, LifeSafer Interlock, Inc., Monitech, Inc. and Smart Start, Inc. The Oregon Department of Transportation and the Oregon Department of Motor Vehicles provided in-kind support.

International sponsors of TIRF projects included the Department for Transport in the United Kingdom and i-KEY™.

Donations

Sustaining donations support our information and communications services, public awareness activities, our library and the development and conduct of independent studies.

Gisèle Perron
Vice President
Finance and Administration



AUDITORS' REPORT TO THE MEMBERS

We have audited the statement of financial position of Traffic Injury Research Foundation of Canada as at December 31, 2006 and the statements of operations, changes in net assets 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 December 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.

KMPG LLP
Chartered Accountants

Ottawa, Canada
March 9, 2007



Statement of Financial Position

December 31, 2006, with comparative figures for 2005

	2006	2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 369,022	\$ 577,180
Amounts receivable	69,048	18,426
Project grants receivable	157,573	112,845
Prepaid expenses	4,454	5,587
	600,097	714,038
Capital assets (note 3)	16,713	20,539
	\$ 616,810	\$ 734,577
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 41,249	\$ 177,152
Deferred revenue (note 4)	328,103	323,816
	369,352	500,968
Net assets:		
Unrestricted	230,745	213,070
Invested in capital assets	16,713	20,539
	247,458	233,609
Lease commitments (note 5)		
	\$ 616,810	\$ 734,577

See accompanying notes to financial statements.



Statement of Operations

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

	2006	2005
Revenue:		
Grants:		
Project	\$ 1,051,566	\$ 1,658,369
Government	27,950	24,650
Fees and honoraria	27,530	28,510
Donations:		
Industry	193,200	96,028
Associations	5,300	15,550
Coin-box	7,060	5,561
Individuals	500	176
Memberships	9,273	4,023
Information sales	4,752	8,342
Interest	857	238
	1,327,988	1,841,447
Expenses:		
Research:		
Projects	991,066	1,566,645
Development	89,643	92,882
Administration	198,644	170,401
Promotion	34,786	40,255
	1,314,139	1,870,183
Excess (deficiency) of revenue over expenses	\$ 13,849	\$ (28,736)

See accompanying notes to financial statements.



Statement of Changes in Net Assets

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

	Invested in capital assets	Unrestricted	2006 Total	2005 Total
Balance, beginning of year	\$ 20,539	\$ 213,070	\$ 233,609	\$ 262,345
Excess (deficiency) of revenue over expenses	-	13,849	13,849	(28,736)
Additions to capital assets	7,401	(7,401)	-	-
Amortization of capital assets	(11,227)	11,227	-	-
Balance, end of year	\$ 16,713	\$ 230,745	\$ 247,458	\$ 233,609

See accompanying notes to financial statements.



Statement of Cash Flows

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

	2006	2005
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 13,849	\$ (28,736)
Amortization of capital assets, which does not involve cash	11,227	16,633
Changes in non-cash operating working capital:		
Decrease (increase) in amounts receivable	(50,622)	22,771
Decrease (increase) in project grants receivable	(44,728)	30,539
Decrease (increase) in prepaid expenses	1,133	(1,076)
Increase (decrease) in accounts payable and accrued liabilities	(135,903)	116,165
Increase (decrease) in deferred revenue	4,287	(110,725)
	(200,757)	45,571
Investments:		
Capital asset additions	(7,401)	(18,419)
Increase (decrease) in cash and cash equivalents	(208,158)	27,152
Cash and cash equivalents, beginning of year	577,180	550,028
Cash and cash equivalents, end of year	\$ 369,022	\$ 577,180
Cash and cash equivalents are comprised of:		
Cash	\$ 49,661	\$ 450,739
Cashable guaranteed investment certificates	319,361	126,441
	\$ 369,022	\$ 577,180

The Foundation considers deposits in banks and cashable guaranteed investment certificates as cash and cash equivalents.

See accompanying notes to financial statements.



Notes to Financial Statements

Year ended December 31, 2006

1. Description:

The Foundation is incorporated without share capital under the Canada Corporations Act as a non-profit organization. The Foundation's principal activity is researching traffic accidents and reporting upon their causes. The Foundation is registered with Revenue Canada as a charitable organization and is tax exempt.

2. Significant accounting policies:

(a) Capital assets:

Capital assets are recorded at cost. Contributed capital assets are recorded at their fair value at the date of contribution. Amortization is calculated on a straight-line basis over the estimated useful lives of the capital assets. The estimated useful lives of the capital assets are:

Asset	Useful Life
Computer software	3 years
Computer hardware	3 years
Office equipment	5 years

(b) Revenue recognition:

- (i) Project grant revenue is recognized as revenue in the year in which the related expenses are incurred or the project milestones are met. Grant revenue received in advance of the performance of project contract services is deferred and recognized as revenue when the contract services are performed.
- (ii) Fees and honoraria are recognized as revenue in the period in which the related services are performed.
- (iii) Membership fees are assessed annually on continuing members of the Foundation. Membership fees are recognized as revenue in the membership year to which they apply. Membership fees received in advance of the membership year are deferred.
- (iv) Government grants are recognized as revenue in the period for which they are provided.
- (v) Donations are recognized as revenue in the period in which they are received, unless designated for a future period, in which case they are recorded as deferred revenue and recognized as revenue in the period for which they are designated.

(c) Investments:

Investments in guaranteed investment certificates are recorded at cost, which approximates market value.



2. Significant accounting policies (continued):

(d) 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 recognized in the financial statements in the period they become known.

3. Capital assets:

			2006	2005
	Cost	Accumulated amortization	Net book value	Net book value
Computer software	\$ 11,034	\$ 9,952	\$ 1,082	\$ 1,557
Computer hardware	55,643	49,955	5,688	11,232
Office equipment	25,553	15,610	9,943	7,750
	<u>\$ 92,230</u>	<u>\$ 75,517</u>	<u>\$ 16,713</u>	<u>\$ 20,539</u>

Cost and accumulated amortization as at December 31, 2005 amounted to \$97,744 and \$77,205 respectively. During the year, the Foundation disposed of assets with cost and accumulated amortization of \$12,915 (2005 - \$8,613).

4. Deferred revenue:

Deferred revenue consists of project grant revenue and donations designated for future periods. The changes in the deferred revenue balance are as follows:

	2006	2005
Balance, beginning of year	\$ 323,816	\$ 434,541
Received during the year	1,055,853	1,557,644
Recognized as revenue during the year:		
Projects	(1,051,566)	(1,658,369)
Donations	-	(10,000)
	<u>\$ 328,103</u>	<u>\$ 323,816</u>



5. Lease commitments:

The Foundation is committed to payments under operating leases for office space and office equipment expiring at various dates to March 2011. Annual payments over the next five years are as follows:

2007	\$ 87,209
2008	20,623
2009	6,571
2010	6,571
2011	1,643
<hr/>	
	\$ 122,617
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6. Fair value of financial instruments:

The carrying value of cash, investments, amounts receivable, project grants receivable and accounts payable and accrued liabilities approximates their fair value due to the relatively short periods to maturity of the instruments.



Board of Directors

(as of October 1, 2007)

Officers

Mr. John D. Lee
Chair

Mr. Ian Anderson
Treasurer

Mr. John O'Brien
Vice Chair

Robyn D. Robertson
Secretary

Board Members

Mr. Ian Anderson
President
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Toronto, Ontario

Dr. Barry McLellan
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*Ministry of Community Safety and
Correctional Services*
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Executive Vice President International
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Officer in Charge,
National Traffic Services
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Ottawa, Ontario

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