

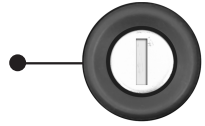
41st Annual Report



2003

*T R A F F I C
I N J U R Y
R E S E A R C H
F O U N D A T I O N*

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

41st ANNUAL REPORT

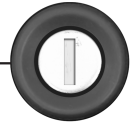
2003



171 Nepean Street, Suite 200
Ottawa, Ontario
K2P 0B4

TEL: (613) 238-5235 FAX: (613) 238-5292
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 2003 supported the Foundation's efforts to reduce the losses that occur from road crashes.

Platinum Level

Anheuser-Busch Companies
Dollar Thrifty Automotive Group
Canada Inc.
Ontario Ministry of Transportation
Saskatchewan Government
Insurance
Toyota Canada Inc.

Gold Level

ACS Public Sector Solutions Inc.
Brewers of Canada
Canadian Automobile Association
Canadian Wireless
Telecommunications Association
Imperial Oil Foundation
Labatt Breweries of Canada
Manitoba Public Insurance
The Beer Store Coin Box Collection

Silver Level

Alberta Transportation
Allstate Foundation of Canada
Association of Canadian Distillers
Bank of Montreal
Bell Canada
Cara Operations Limited
CIBC
Crescent School
Diageo Canada Inc.
Gore Mutual Insurance Company
Guardian Interlock Systems Corp.
ING Canada
Insurance Bureau of Canada
LifeSafer Interlock, Inc.
Liquor Control Board of Ontario Retail
Coin Box Collection
Manitoba Transportation & Government
Services
Michelin North America (Canada) Inc.

Molson Inc.
Moosehead Breweries Limited
Munich Reinsurance Company of
Canada
National Life
New Brunswick Department of
Public Safety
Nissan Canada Inc.
OK Transportation Limited
Prince Edward Island Department of
Transportation and Public Works
Sleeman Breweries Ltd.
State Farm Insurance Companies
The Co-operators Group Limited
The Dominion Group Foundation
The Personal
Tirecraft Auto Centers Ltd.
TD Bank Financial Group

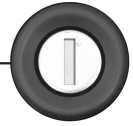
Bronze Level

Baird MacGregor Insurance Brokers Inc.
Canadian Restaurant and Foodservices
Association
Economical Insurance Group
Federated Insurance
Federation Insurance Company of Canada
Liberty Mutual
Newfoundland and Labrador, Government
Services & Lands

Ontario Trucking Association
Retail Council of Canada
Royal Canadian Mounted Police
Smart Start, Inc.
Volkswagen Canada Inc.
Wawanesa Insurance



PROJECT GRANTS & CONTRACTS



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

AAA Foundation for Traffic Safety

ACS Public Sector Solutions Inc.

Alberta Motor Association

Alcohol Countermeasure Systems Corp.

Anheuser-Busch Companies, Inc.

Brewers of Canada

Canada Safety Council

Canadian Council of Motor Transport Administrators

Centers for Disease Control and Prevention

Guardian Interlock Systems Corp.

Insurance Bureau of Canada

Insurance Corporation of British Columbia

Insurance Institute for Highway Safety

LifeSafer Interlock, Inc.

Ministry of Transportation, Ontario

Royal & SunAlliance Insurance Company of Canada

The Railway Association of Canada

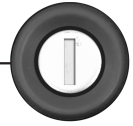
Toyota Canada Inc.

Transport Canada (Road Safety and Motor Vehicle Regulation)

Young Drivers of Canada

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





Our mission is to reduce deaths and injuries on our roads. This requires a comprehensive action plan that embraces activities as diverse as improving public knowledge and concern about road safety, to implementing more effective laws and regulations; from allocating more resources to research and prevention efforts, to improving communication, coordination, and cooperation among stakeholders to maximize the effectiveness and efficiency of what we do. The TIRF agenda encompasses such a broad perspective and guides us in our mission to decrease casualties arising from road crashes.

Raising the level of public and political concern and commitment has, and continues to be, a challenge, especially in these times when public attention constantly flits from one new problem to another: from some instance of financial wrongdoing in government or industry, to the latest pandemic; from the poisoning of dogs in a Toronto park, to the abduction of a young child; from an uprising in some Caribbean country, to claims of sexual abuse among the clergy. These and a myriad of other problems compete for a share of the public's mind. As communication systems have expanded worldwide in both quality and quantity, the number and apparent relevance of problems that face us have increased exponentially. But the public has a limited capacity for attending to problems and issues, making the competition for share of mind profound. Somewhere in this booming, buzzing confusion, the voice of traffic safety needs to be heard. Difficult though it may be, we have a collective responsibility to find novel ways to elevate road safety on the list of public and political priorities, so that resources commensurate with the magnitude of the problem are allocated to solving it. We are committed to doing our part to achieve this often illusive goal.

TIRF is also committed to improving the knowledge base in our field. Knowledge and facts should form the foundation for effective action. At TIRF, we seek a better understanding of the human-related causes of road crashes – who is at risk, under what conditions, when, where, and most importantly, why.

Equally important, we are committed to ensuring that this knowledge base is used to develop effective and timely prevention programs. Too often public policy is shaped by anecdote or personal opinion. But safety initiatives must be based on sound research – developed and implemented in response to the latest research findings. At TIRF we strive to make our knowledge available in a timely manner and to communicate it effectively so its relevance to safety countermeasures is clear.



41st Annual Report

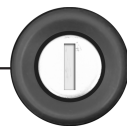
Those of you who have followed the activities of the Foundation over the past several decades know that staff has been true to these principles – the international sphere of influence that TIRF has established and the reputation it has developed for innovative, quality work speak volumes about the credibility and value placed on our products. The scope and extent is impressive indeed, again testimony to how much TIRF is respected by government and private sector agencies around the world.

The Board of Directors is indeed proud to be a part of the accomplishments of TIRF and to support staff in their daily efforts to make the roads a safer place.

I want to thank my fellow Board members for their support and guidance during the past three years and to recognize the staff for their excellent work that continues to move us effectively toward our vision of ever-safer roads.

**Diane Brisebois
Chair**





Our vision is to have Canadians become the safest road users in the world. Our mission is to reduce the number of deaths and injuries resulting from road crashes on our highways. We achieve this by increasing awareness, concern and commitment, and by developing effective prevention programs and policies, that are anchored in sound research.

As an independent national charity, TIRF has for four decades relentlessly pursued the goal of reducing the number of deaths and injuries resulting from motor vehicle crashes on our highways. We achieve this by raising awareness, concern and commitment, and by developing effective prevention programs and policies, that are anchored in sound research.

Our mandate and focus is on the behaviour of all road users – drivers, pedestrians, motorcyclists and bicyclists – because how they act and interact determines how safe we are. We seek to determine:

- the groups of road users that are at greatest risk (from child pedestrians to senior drivers);
- the circumstances and conditions that most contribute to the risk of injury or collision (from distracted driving to driving while impaired); and
- the times and places that are most dangerous (from nighttime driving to intersections).

In addition to basic research, TIRF is actively involved in evaluation – to determine whether prevention programs and policies are effective, to establish why they work, and how they can be improved. Our long-term program for reducing collisions among young drivers through the continued improvement of measures such as graduated licensing and driver education is illustrative of this commitment. Through evaluation, the safety delivery system is enhanced because effective measures can be emphasized and ineffective ones improved or replaced.

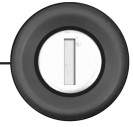
Ultimately, our research and evaluation provide the knowledge base from which effective public policy and prevention programs spring. We have helped regenerate interest in, and support for, quality driver education and training as effective prevention programs for new drivers. We have successfully focused public and political attention on the real drinking driving problem – the hard core of individuals who repeatedly drive after consuming large quantities of alcohol. We have identified a set of interventions to deal more effectively with this group and identified ways to improve the legal system so that these savvy repeat offenders do not continue to “slip through the cracks”, avoiding detection, arrest and sanctioning.



At the same time, we are dedicated to raising the level of public and political concern about, and commitment to, road safety. If the public demands it, a priority will be placed on improving road safety. And, it should be a priority since it is a leading cause of death and injury in Canada. A sustained and compelling demand for action is needed and TIRF will continue to foster this demand so we can see meaningful and sustained reductions in the personal, social and economic damage from road crashes.

Herb M. Simpson, Ph.D.
President and CEO





The conduct of research and the development of effective policies and programs are the cornerstones of the Foundation's mission. 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 work we conduct continues to provide 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 2003, twenty 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, included projects on:

- reviewing the international literature on the issue of drugs and road crashes;
- examining the magnitude, characteristics and trends in crashes involving youth in Canada;
- reviewing the international literature on crashes involving elderly drivers;
- determining if novice drivers in the Ontario graduated licensing program who take driver education differ from those that do not;
- maintaining a national database to examine the incidence of alcohol among fatally injured drivers and pedestrians in all jurisdictions in Canada;
- determining the relative contribution of age-related and experience-related factors in the crashes of young drivers;
- determining the magnitude of the problem of the hard core repeat offender; and
- determining the problem of drugs in fatally injured drivers.

Our work on monitoring trends included projects on:

- conducting a national public opinion poll on driver attitudes, perceptions and behaviours;
- identifying changes over time in the alcohol-fatal crash problem;
- monitoring progress on the Strategy to Reduce Impaired Driving (STRID 2001 and STRID 2010); and
- examining collision trends in Alberta.

Our studies evaluating the effectiveness of programs included projects on:

- evaluating the impact of short-term license suspensions for drinking-drivers in Saskatchewan;
- evaluating bike helmet laws and community-based strategies for increasing helmet usage rates in British Columbia;
- developing a method to evaluate the alcohol interlock program in Ontario; and
- conducting a roadside survey to assess the effectiveness of enhanced enforcement in reducing drinking and driving in British Columbia.

Program and policy development initiatives included:

- investigating why young drivers still crash;
- improving the efficiency and effectiveness of the DWI system for dealing with hard core drinking drivers;
- developing an inventory of road safety programs targeting youth in Canada; and
- conducting an international symposium on alcohol ignition interlock programs.

Publications

TIRF produces an extensive number of research reports, papers and speeches each year in support of our mission to reduce the road crash problem in Canada. The following list provides a sample of recent work:

Alcohol, Drugs and Traffic Safety

- DWI system improvements: stopping the revolving door;
- DWI system improvements for dealing with hard core drinking drivers: monitoring;
- DWI system improvements for dealing with hard core drinking drivers: sanctioning;
- DWI system improvements for dealing with hard core drinking drivers: prosecution;
- DWI system improvements for dealing with hard core drinking drivers: enforcement;
- Enhancing the effectiveness of alcohol ignition interlock programs: proceedings of an international symposium;
- Alcohol interlocks as a condition of licence reinstatement;
- The impact of mandatory versus voluntary participation in the Alberta ignition interlock program; and
- Best practices for alcohol interlock programs: findings from two workshops.



Driver Licensing and Improvement

- Graduated driver licensing: safety program proves effective in reducing crashes;
- The learner’s permit;
- The evolution and effectiveness of graduated licensing;
- The safety value of driver education and training;
- Specific and long-term effects of Nova Scotia’s graduated licensing program;
- Changes in collision rates among novice drivers during the first months of driving;
- Graduated licensing – a blueprint for North America;
- The effectiveness of graduated driver licensing; and
- Teen and senior drivers: High risk for different reasons.

Trends

- Road safety monitor 2003: commercial operators and vehicles;
- Road safety monitor 2003: drinking and driving;
- Road safety monitor 2003: highway/railway crossing safety;
- Road safety monitor 2002: drugs and driving;
- STRID 2010 monitoring report: progress in 2001 and 2002;
- The alcohol-crash problem in Canada: 2001;
- Trends in fatal crashes involving female drivers; and
- Heavy trucks and road crashes.

Public Awareness Brochures

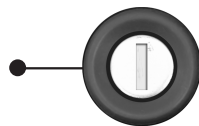
- Hard core drinking drivers: solutions;
- Youth and road crashes: reducing the risks from inexperience, immaturity, and alcohol; and
- Hard core drinking drivers are a dangerous minority.

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

Daniel R. Mayhew
Senior Vice President

Douglas J. Beirness
Vice President, Research





Fostering awareness and concern about road crashes and their consequences and promoting effective policies and programs reflect our commitment to encouraging individual behaviour change, to establishing a basis for new road safety policies and programs, and to encouraging funding that is commensurate with the magnitude of the problem.

Marketing and communications support these goals through promotional activities, media relations and sponsorship opportunities.

Marketing

Our newsletter, the *TIRF Bulletin*, keeps stakeholders informed of TIRF's recent scientific papers, technical reports, partnerships, sponsored projects, and staff activity. Financial support from our donors has ensured the *TIRF Bulletin* will continue in 2004.

The TIRF website is a valuable marketing and public relations tool. We continue to use our home page to highlight featured activities – e.g., the 4th Annual Ignition Interlock Symposium and our multi-year study on DWI System Improvements for Dealing with Hard Core Drinking Drivers. We also promote our email registration link to encourage people to sign up to receive our regular updates that inform donors, stakeholders and other interested organizations about important TIRF initiatives and events.

TIRF staff continues to be invited to give presentations at conferences, seminars, symposia and workshops. These forums provide an opportunity to present the results of our work, to promote the implementation of effective programs and policies, to learn about new developments from others, and to foster and maintain relationships with our colleagues around the world.

Strategic partnerships enhance our effectiveness and help spread the financial load across several agencies. For example, the 3rd Annual Road Safety Monitor, a national opinion poll that surveys Canadians on key traffic safety issues was funded by a consortium of sponsors -- Transport Canada, Brewers of Canada, The Railway Association of Canada, Toyota Canada Inc. and the Canada Safety Council. The 4th Annual Ignition Interlock Symposium that took place on Hilton Head Island, South Carolina on October 27-28, 2003. The conference, which was organized and hosted by TIRF, was sponsored by Alcohol Countermeasure Systems, LifeSafer Interlock, Inc. and the International Committee on Alcohol, Drugs and Traffic Safety (ICADTS). And,



in September 2003, TIRF and Toyota Canada Inc. announced that TIRF would undertake a three-year comprehensive study of young driver risk factors supported by a grant from Toyota Canada Inc.

Media Relations

Our media relations assist in raising public awareness and concern about traffic safety and helps promote TIRF. Among the highlights of our media relations initiatives last year were the release of three reports from the 3rd Annual Road Safety Monitor -- *Highway/Railway Crossing Safety, Drinking and Driving, and Commercial Operators and Vehicles*. These reports generated extensive coverage in print, TV, radio and online media outlets across the country. In fact, the Drinking and Driving report was the most successful report we have released to date in generating media attention. The media coverage continues to establish the Road Safety Monitor as a credible voice on road safety issues and the media relations efforts for the survey continue to position TIRF as a leader in road safety research.

The fourth report from our study on DWI System Improvements for Dealing with Hard Core Drinking Drivers was released in July 2003. This report dealt with the need for improvements in the monitoring phase of the DWI system. Significant national media coverage across the US was generated by distributing a news release to all the major media outlets in the United States, having our spokespersons participate in satellite TV interviews as well as a national radio tour, and submitting articles to relevant legislative and judicial publications.

In December 2003, Dr. Simpson received the 'Humanitarian of the Year' award from the Washington, D.C.-based National Commission Against Drunk Driving (NCADD), in recognition of his pioneering work on hard core drunk drivers. The news release we issued announcing this honour received national media coverage in Canada.

Communications

It is imperative that we disseminate the findings and policy implications of our research so that they can be used by others to further the cause of road safety. In this context, TIRF scientists were very productive again this year, publishing a dozen scientific papers and technical reports.

TIRF continues to be a reliable source of accurate, timely and credible information on a wide variety of road safety issues. We respond to hundreds of requests per year from policy makers, researchers, judiciary, enforcement agencies, health professionals, safety councils, the media, concerned citizens and students.



Committee Memberships

As part of our commitment to community and public service, TIRF staff provides expertise and assistance by participating in numerous committees concerned with road safety. These range from national committees (CAA School Safety Patrol Lifesaving Medal Review Board) to international ones (International Committee on Alcohol, Drugs and Traffic Safety). Our involvement in these committees serves to broaden the scope of our influence, provides a forum for our views, 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 on our library resources and subject search services. Research firms, enforcement, legal, health and safety agencies value not only the time they save using our services but also the 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.

Fund Raising

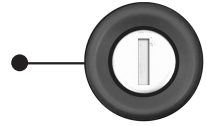
In 2003, we developed a new fundraising package (kit folder, TIRF information booklet, letter and donor/membership privileges card) for our annual campaign. Working with a fundraising consultant and graphic artist, we updated the material to make it easier for prospective donors to learn about TIRF. The new materials are packaged in a eye-catching design that is consistent with TIRF's image.

We achieved our fundraising campaign target by raising \$186,000. The campaign was enhanced by TIRF's designation for the second year as the beneficiary of Dollar Thrifty Automotive Group Canada Inc.'s annual golf tournament. All proceeds raised from the event were donated to TIRF.

We also raised money through special campaigns such as the charity coin box programs sponsored by the liquor and beer stores in the province of Ontario. TIRF was featured in the Liquor Control Board of Ontario's 600 outlets for the fifth year and we participated for the fourth year in The Beer Store's charity coin box program, being featured in 200 Ontario Beer Store retail outlets.

Barbara Koppe
Manager,
Marketing and Communications





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

Project Sponsorship

In 2003, project sponsorship exceeded \$954,000.

Project support from the Federal government came from Transport Canada. All provinces and territories, through the Canadian Council of Motor Transport Administrators, jointly sponsored several projects with Transport Canada. As well, special project funds and in-kind support this year came from Alberta Transportation, the Insurance Corporation of British Columbia, the Ontario Ministry of Transportation and Saskatchewan Government Insurance.

Project sponsorship from the private sector in Canada came from ACS Public Sector Solutions Inc., Alberta Motor Association, Alcohol Countermeasure Systems Corp., Brewers of Canada, Canada Safety Council, Guardian Interlock Systems Corp., Insurance Bureau of Canada, Royal & SunAlliance Insurance Company of Canada, The Railway Association of Canada, Toyota Canada Inc. and Young Drivers of Canada.

Project support from sources in the United States was received from the AAA Foundation for Traffic Safety, the Insurance Institute for Highway Safety, Centers for Disease Control and Prevention, LifeSafer Interlock, Inc. and the Anheuser-Busch Companies, Inc. The Oregon Department of Transportation and the Oregon Department of Motor Vehicles provided in-kind support.

To extend our areas of expertise and to provide additional human resources on projects, we partner with external agencies in Canada, the United States and abroad. In 2003, we partnered with the Highway Safety Research Center at the University of North Carolina.

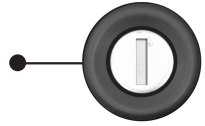
Donations

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



W

e have audited the statement of financial position of Traffic Injury Research Foundation of Canada as at December 31, 2003 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.

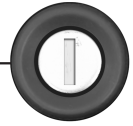
In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

KMPG LLP
Chartered Accountants

Ottawa, Canada
March 29, 2004



STATEMENT OF FINANCIAL POSITION



December 31, 2003, with comparative figures for 2002

	2003	2002
Assets		
Current assets:		
Cash	\$ 69,577	\$ 295,184
Investments	501,775	173,590
Amounts receivable	31,302	29,701
Grants receivable for project expenditures	165,606	120,294
Prepaid expenses	7,518	12,154
	775,778	630,923
Capital assets (note 3)	38,678	13,419
	\$ 814,456	\$ 644,342

Liabilities and Net Assets

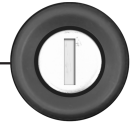
Current liabilities:

Accounts payable and accrued liabilities	\$ 43,884	\$ 12,731
Deferred revenue (note 4)	511,889	397,548
	555,773	410,279
Net assets:		
Unrestricted	220,005	220,644
Invested in capital assets	38,678	13,419
	258,683	234,063
Lease commitments (note 5)		
	\$ 814,456	\$ 644,342

See accompanying notes to financial statements.



STATEMENT OF OPERATIONS



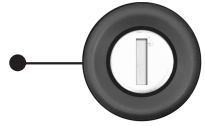
Year ended December 31, 2003, with comparative figures for 2002

	2003	2002
Revenues		
Grants:		
Projects	\$ 954,751	\$ 655,313
Governments	44,650	44,450
Fees and honoraria:	54,184	158,987
Donations:		
Industry	101,844	102,842
Associations	11,350	10,350
Coin-box	12,882	14,487
Individuals	1,750	249
Memberships	13,644	11,666
Information sales	496	2,929
Gain on foreign exchange	-	786
Interest	5,870	5,201
	<hr/>	<hr/>
	1,201,421	1,007,260
Expenses:		
Research:		
Projects	830,404	613,947
Development	88,853	68,162
Administration	199,019	241,394
Promotion	58,525	70,810
	<hr/>	<hr/>
	1,176,801	994,313
Excess of revenue over expenses	<hr/>	<hr/>
	\$ 24,620	\$ 12,947

See accompanying notes to financial statements.



STATEMENT OF CHANGES IN NET ASSETS



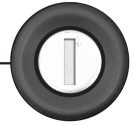
Year ended December 31, 2003, with comparative figures for 2002

	Unrestricted	Invested in capital assets	Total 2003	Total 2002
Balance, beginning of year	\$ 220,644	\$ 13,419	\$ 234,063	\$ 221,116
Excess of revenue over expenses	24,620	-	24,620	12,947
Capital asset additions	(38,131)	38,131	-	-
Amortization of capital assets	12,872	(12,872)	-	-
Balance, end of year	\$ 220,005	\$ 38,678	\$ 258,683	\$ 234,063

See accompanying notes to financial statements.



STATEMENT OF CASH FLOWS

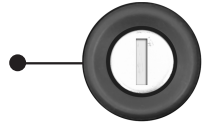


Year ended December 31, 2003, with comparative figures for 2002

	2003	2002
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 24,620	\$ 12,947
Items not involving cash:		
Amortization of capital assets	12,872	6,784
Gain on sale of capital assets	-	(7)
Changes in non-cash operating working capital:		
Increase in amounts receivable	(1,601)	(1,431)
Decrease (increase) in grants receivable for project expenditures	(45,312)	670
Decrease (increase) in prepaid expenses	4,636	(5,171)
Increase (decrease) in accounts payable and accrued liabilities	31,153	(359)
Increase in deferred revenue	114,341	214,568
	140,709	228,001
Investments:		
Capital asset additions	(38,131)	-
Proceeds on sale of capital assets	-	345
Purchase of investments	(676,775)	(4,981)
Proceeds from redemption	348,590	-
	(366,316)	(4,636)
Increase (decrease) in cash	(225,607)	223,365
Cash, beginning of year	295,184	71,819
Cash, end of year	\$ 69,577	\$ 295,184

See accompanying notes to financial statements.





Year ended December 31, 2003

1. Description:

The Foundation is incorporated without share capital under the Canada Corporations Act as a non-profit organization whose 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 stated 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 expenditures are incurred or the project milestones are met. Revenues received in advance of the performance of contract services are accounted for as deferred revenue.
- (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 revenue is recognized as the Foundation renders the membership services throughout the membership year. 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.

(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 those 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:

			2003	2002
	Cost	Accumulated amortization	Net book value	Net book value
Computer software	\$ 9,534	\$ 1,621	\$ 7,913	\$ -
Computer hardware	56,600	29,643	26,957	9,680
Office equipment	21,804	17,996	3,808	3,739
	\$ 87,938	\$ 49,260	\$ 38,678	\$ 13,419

Cost and accumulated amortization as at December 31, 2002 amounted to \$49,807 and \$36,388 respectively.

4. Deferred revenue:

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

	2003	2002
Balance, beginning of year	\$ 397,548	\$ 182,980
Received during the year	1,079,092	869,881
Recognized as revenue during the year:		
Projects	(954,751)	(655,313)
Donations	(10,000)	-
	\$ 511,889	\$ 397,548



5. Lease commitments:

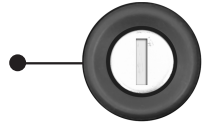
The future minimum lease payments for operating leases entered into by the Foundation are as follows:

2004	\$ 96,124
2005	89,223
2006	89,223
2007	72,238
2008	13,475
<hr/>	
	<u>\$ 360,283</u>

6. Fair value of financial instruments:

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





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