Transportation Research Center Inc.

Financial Statements
June 30, 2013 and 2012

Board of Directors
Transportation Research Center Inc.
2040 Blankenship Hall
901 Woody Hayes Drive
Columbus, Ohio 43210

We have reviewed the *Independent Auditor's Report* of the Transportation Research Center Inc., Franklin County, prepared by Pricewaterhouse Coopers LLP, for the audit period July 1, 2012 through June 30, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Transportation Research Center Inc. is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

November 18, 2013

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Independent Auditor's Report

To the Board of Directors of
Transportation Research Center Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Transportation Research Center Inc. ("TRC"), a component unit of The Ohio State University, which comprise the statements of net position as of June 30, 2013 and June 30, 2012, and the related statements of revenues, expenses, and changes in net position, and of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise TRC's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the TRC's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the TRC's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall pwc

presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of TRC at June 30, 2013 and June 30, 2012 and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The accompanying management's discussion and analysis on pages 3 through 10 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated September 30, 2013 on our consideration of TRC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TRC's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

Columbus, Ohio
October 7, 2013

This Management Discussion and Analysis provides an overview of the financial position and activities of Transportation Research Center Inc. ("TRC Inc.") for the fiscal year ended June 30, 2013, with comparative information for the fiscal years ended June 30, 2012 and June 30, 2011.

Introducing Transportation Research Center Inc.

TRC Inc. independently manages the Transportation Research Center, a transportation research and testing facility located on 4,500 acres near East Liberty, Ohio, and various other laboratories. TRC Inc. assists the needs of the transportation industry, government, and educational institutions worldwide by creating safer, improved products through vehicle research and testing services. Research and testing programs are designed to test for safety, energy, fuel economy, emissions, durability, and crash worthiness on passenger vehicles, trucks, buses, motorcycles, recreational vehicles and their associated components.

The Transportation Research Center facility was developed by the State of Ohio and began operations in 1974. In 1979, the State of Ohio entered into an agreement with The Ohio State University's College of Engineering to oversee the operations of the Transportation Research Center. In 1988, the State of Ohio sold the facility to Honda of America Manufacturing, Inc. (HAM) as an economic inducement to secure a second automobile manufacturing plant. After the sale, The Ohio State University created TRC Inc. TRC Inc. and Honda of America Manufacturing, Inc. entered into a management agreement that provides the foundation for TRC Inc. to manage the Transportation Research Center as a multi-user facility.

TRC Inc. is governed by a six-member board chaired by the Dean of the College of Engineering at The Ohio State University. The TRC Inc. Board of Directors are the sole members of TRC Inc. The Ex-Officio Directors on the TRC Inc. Board of Directors represent The Ohio State University and its interest within TRC Inc. The Ex-Officio Directors on the TRC Inc. Board of Directors are the persons who hold the following positions at The Ohio State University: the University Controller (currently R. Michael Gray); the Senior Vice President for Research of the University (currently Dr. Caroline C. Whitacre); the Dean of the College of Engineering of the University (currently Dr. David B. Williams); and the Director of Transportation Research Center Inc. (currently Rick D. Gildow). The financial statements of TRC Inc. are included in the financial statements of The Ohio State University.

TRC Inc. is a tax-exempt organization as described in section 501(c)(3) and section 509(a)(3) of the Internal Revenue Code. TRC Inc.'s tax-exempt purpose is conducting and supporting humanistic, scientific and engineering research and development activities solely and exclusively to the conduct of, or providing assistance in connection with the conduct of, research in automotive, vehicular, and related forms of transportation, and for the development of improved highway facilities for vehicular traffic. TRC Inc. does perform work outside of this exempt purpose, and as a result, does pay unrelated business tax on that income.

Key Financial Highlights

Significant financial events during fiscal year 2013 were:

- Excess revenue over expense before the unrealized appreciation in the fair value of investments of $210,929;
- The transfer of TRC Inc.'s fiscal year 2012 excess revenue over expense before unrealized gain on of investments of $1,752,874 in November 2012 to the College of Engineering at The Ohio State University entirely from its operating cash fund;

- Research and testing operating revenues falling 12%;
- The funding of test track re-pavement in the amount of $15 million;
- The reduction of the note payable to $332,000 at June 30, 2013; and
- The market recovery of investments by $177,335.

Financial Statement Overview
For a summary of TRC Inc.'s significant accounting policies, please see footnote number two attached in this audit report.

Presented in the audit report are the Statements of Net Position at June 30, 2013 and June 30, 2012; the Statements of Revenue, Expenses and Changes in Net Position for fiscal years ended June 30, 2013 and 2012; and the Statements of Cash Flows for fiscal years ended June 30, 2013 and 2012.

The Statements of Net Position reflect TRC Inc.'s assets, liabilities and net position.

The Statements of Revenue, Expenses and Changes in Net Position reflect information showing how net position changed during the fiscal year.

The Statements of Cash Flows reports changes in the cash and cash equivalent balances during the fiscal year.

Statements of Net Position
The major components of the Statement of Net Position at June 30, 2013, June 30, 2012 and June 30, 2011 are reflected below:

	June 30, 2013	June 30, 2012	Changes	June 30, 2011
Assets				
Current assets	$ 11,657,252	$ 13,865,207	-15.9%	$ 13,515,382
Net property and equipment	632,979	797,353	-20.6%	1,055,789
Total assets	$ 12,290,231	$ 14,662,560	-16.2%	$ 14,571,171
Liabilities				
Current liabilities	$ 3,596,460	$ 4,272,179	-15.8%	$ 3,808,141
Long term debt	-	332,000	-100.0%	642,000
Total liabilities	3,596,460	4,604,179	-21.9%	4,450,141
Net Position	8,693,771	10,058,381	-13.6%	10,121,030
Total liabilities and net position	$ 12,290,231	$ 14,662,560	-16.2%	$ 14,571,171

Current Assets
Current Assets decreased $2,207,955, or 16%, in fiscal year 2013 to $11,657,252. The significant changes in Current Assets were in Cash and Cash Equivalents, Investments, Trade Accounts Receivable, and Receivable from HAM.

Cash and Cash Equivalents decreased by $1,610,330, or 74%, in fiscal year 2013 to $569,964. The decrease was due to the:

- Annual transfer to The Ohio State University of $1,752,874 in fiscal year 2013, entirely from Operating Cash;

- Reduction in the collection of Trade Accounts Receivable of $3.2 million in fiscal year 2013, primarily because of the reduction in Research and Testing Operating Revenues of $4.2 million, or 12%, in fiscal year 2013; and

- Down payment of $392,000 to a supplier for an emissions laboratory bench in late June 2013 that had not yet been reimbursed by the property owner at June 30, 2013.

Investments increased $321,782 or 11%, in fiscal year 2013 to $3,381,820. The increase resulted from:

- The market recovery of TRC Inc.'s investments maintained and managed by The Ohio State University's Office of Investments; and

- The reinvestment of interest earned of $144,447 on TRC Inc.'s investments at The Ohio State University in fiscal year 2013.

TRC Inc. owns investments that are maintained and managed by The Ohio State University's Office of Investments. These investments are in stocks and mutual funds.

As required by Governmental Accounting Standards Board Statement Number 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, TRC Inc. records the unrealized appreciation or depreciation on its investments each year.

The unrealized appreciation or depreciation in the fair value of investments for fiscal years 2013, 2012 and 2011 are as follows:

	2013	**2012**	**2011**
Market value of endowment fund	$ 3,381,820	$ 3,060,038	$ 3,090,311
Book value of endowment fund	3,534,512	3,390,065	3,246,513
Appreciation/(depreciation)	$ (152,692)	$ (330,027)	$ (156,202)
Unrealized appreciation (depreciation)	$ 177,335	$ (173,825)	$ (279,202)

TRC Inc.'s investments sustained losses in the world-wide market collapses in fiscal years 2009 and 2012. Losses incurred in those two fiscal years have yet recovered, and the book value of investments still exceeds the market value.

Trade Accounts Receivable decreased $1,216,454, or 16%, in fiscal year 2013 to $6,276,826. The decrease was due to:

- The reduction in Research and Testing Operating Revenues of $4.2 million, or 12%, in fiscal year 2013;
- The increase in the percentage of receivables over 90 days old to 19% at June 30, 2013; and
- The increase in allowance for doubtful accounts in fiscal year 2013 of $93,725.

TRC Inc. had a receivable delinquency with its largest customer, which at June 30, 2013 had $742,000 of receivables over 90 days old. TRC Inc. has met several times in late fiscal year 2013 and early fiscal year 2014 with this customer regarding its truant receivables and has made progress in collecting the past due receivable.

TRC Inc. also had a receivable truancy with another major customer, which at June 30, 2013 had $215,000 of the receivables over 90 days old. The entire $215,000 was collected from this customer in July 2013.

TRC Inc. believes that most of its receivables over 90 days old will be collected with minimal bad debt write-offs.

Receivables from HAM grew by $279,201, or 32%, in fiscal year 2013 to $1,166,406. This receivable represents the balance due from the owner of Transportation Research Center for maintenance and capital improvements made to the facility by TRC Inc. The increase was due to the invoicing of $392,000 for an emissions laboratory bench in June 2013 to the owner.

Net Property and Equipment

Net Property and Equipment decreased $164,374, or 21%, in fiscal year 2013 to $632,979. The decrease was due to another year of depreciation of the leasehold improvements made to Building 60, totaling $189,575. This leasehold improvement is the largest asset that TRC Inc. owns.

During fiscal year 2013, TRC Inc. expended $260,568 on five capital items. The largest acquisition was $128,789 for a snow plow truck used for snow removal at the facility.

During fiscal year 2012, TRC Inc. expended $172,840 on five capital items. The largest acquisition was $98,570 for a global positional tracking system used for vehicle dynamics testing.

During fiscal year 2011, TRC Inc. expended $309,741 on seven capital items. The largest acquisition was $92,000 for an automated steering controller data system used for rollover testing.

The asset with the largest net book value at June 30, 2013 is leasehold improvements made to Building 60, totaling $189,575, or 30%, of the total net book value. The remaining book values of each of the individual remaining 208 capital assets are less than $23,000 and generally are assets used to maintain and secure the 4,500-acre facility, assist in the driver training program, or are vehicles used for travel purposes. Of the 208 capital assets at TRC Inc., 143 are fully depreciated.

Current Liabilities

Current Liabilities decreased $675,719, or 16%, in fiscal year 2013 to $3,596,460. The significant changes in Current Liabilities were in Accounts Payable - HAM and the Current Portion of Long-Term Debt.

Accounts Payable - HAM decreased $670,159, or 45%, in fiscal year 2013 to $807,386. The decrease was due to the reduction of the demand of facilities, equipment and buildings of TRC Inc. customers in May 2013 and June 2013 as compared to the same period one year prior.

The Current Portion of Long-Term Debt increased $22,000, or 7%, in fiscal year 2013 to $332,000. TRC Inc. entered into a note payable with a bank in January 1999 to procure $3,200,000 to fund leasehold improvements for one of TRC Inc.'s largest customers. The note is a 15-year instrument with an interest rate of 2% plus prime. The note is due in semi-annual installments in January and July of each year. The maturity date of the loan is January 1, 2014. The amount in Current Portion of Long-Term Debt represents the remaining $332,000 of principle due at July 1, 2013 and January 1, 2014. The Company retired the note on August 5, 2013. The remaining balance of the note that existed at August 5, 2013, or $169,000, which was originally due at January 1, 2014, was paid on August 5, 2013.

Long-Term Debt

Long-Term Debt decreased $332,000, or 100%, in fiscal year 2013 to $0. As explained in the Current Liability section, the note payable was due in full at January 1, 2014, thus making none of the debt long-term at June 30, 2013.

Statements of Revenues, Expenses and Changes in Net Position

The major components of the Statements of Revenue, Expenses and Changes in Net Position for fiscal years ended June 30, 2013, 2012 and 2011 are reflected below:

	FY 2013	FY 2012	Changes	FY 2011
Operating revenues	$ 50,600,388	$ 44,279,197	14.3%	$ 40,628,975
Operating expenses	50,523,201	42,642,405	18.5%	39,095,250
Operating income	77,187	1,636,792	(95.3)%	1,533,725
Nonoperating revenue	133,742	116,082	15.2%	107,973
Appreciation (Depreciation) FMV of investment	177,335	(173,825)	(202.0)%	279,202
Excess revenue over expenses	388,264	1,579,049	(75.4)%	1,920,900
Transfer to Ohio State	(1,752,874)	(1,641,698)	6.8 %	(1,919,368)
Change in net position	(1,364,610)	(62,649)	(2,078.2)%	1,532
Beginning net position	10,058,381	10,121,030	(0.6)%	10,119,498
Ending net position	$ 8,693,771	$ 10,058,381	(13.6)%	$ 10,121,030

Operating Revenues
The two sources of revenue that TRC Inc. earns are Research and Testing Agreement Revenue and Owner's Maintenance and Repair Revenue.

Research and Testing Agreement Revenue is revenue TRC Inc. earns from its customers for conducting durability, dynamic, emissions, impact and sled research and testing. It also includes revenues for supplying dedicated personnel to customers to operate their research and testing laboratories.

Owner's Maintenance and Repair Revenue is revenue TRC Inc. earns for maintaining and improving the owner's facility as a result of the Management Agreement between TRC Inc. and the facility owner.

Revenue summary for fiscal years 2013, 2012 and 2011 were:

	FY 2013	FY 2012	Changes	FY 2011
Research and testing agreement rev	$ 29,968,489	$ 34,131,055	(12.2)%	$ 36,681,200
Owner's maintenance and repair rev	20,631,899	10,148,142	103.3 %	3,947,775
Total operating revenue	$ 50,600,388	$ 44,279,197	14.3 %	$ 40,628,975

Research and Testing Agreement Revenue decreased by $4,162,566, or 12%, in fiscal year 2013 to $29,968,489. The development, research and testing activities during the past year continue to be impacted by the automobile and truck manufacturers curtailing research expenditures.

Operating Revenue in the Durability and Dynamics business area fell 23%, or $3.2 million, in fiscal year 2013. About $1 million of that resulted from a governmental vehicle-to-vehicle communication project that ran in fiscal year 2012 that was not replaced or replicated in fiscal year 2013. The repaving of the 7.5 mile test track in the summer and fall of 2012 supplanted some Research and Testing Agreement Revenue in the Durability and Dynamics business area. The remaining shortfall is the continued shrinkage of the market as manufacturers continue to control costs.

The composition of the top four customers at TRC Inc. in fiscal year 2013 remained the same as it was in fiscal year 2012. All three of TRC Inc.'s top customers are government agencies or large corporations in the truck or automotive manufacturing market. Revenue for each of the top four customers fell in fiscal year 2013, with the decrease ranging from 1% to 18%

In fiscal year 2013, the top four customers accounted for 84% of total Research and Testing Agreement Revenue, as compared to 81% in fiscal year 2012 and 82% in fiscal year 2011. The concentration of revenue in our top four customers has always been high. Many of TRC Inc.'s long-time customers outside the top four have continued to maintain a low expense level in response to the sluggish condition of the automotive and truck industry.

TRC Inc. foresees Research and Testing Agreement Revenues in fiscal year 2014 to be $31 million.

Owner's Maintenance and Repair Revenue increased by $10,483,757, or 103%, in fiscal year 2013 to $20,631,899. The major components of this revenue are maintenance and capital improvements made to the facility that the facility owner funds each year. The owner spent $15 million to repave the 7.5 mile test track in fiscal year 2013. The owner spent $4.5 million to repave the 50-acre asphalt vehicle dynamics area in fiscal year 2012. The owner spent $1 million to begin repaving of the 7.5 mile test track in fiscal year 2012. Since most of the capital improvements and maintenance items are sold to the facility owner at TRC Inc. cost, gain or loss of revenue on this line item does not have a major impact upon excess revenues over expenses.

Operating Expenses

Major components of operating expense in fiscal years 2013, 2012 and 2011 were:

	FY 2013	FY 2012	Changes	FY 2011
Direct expense	$ 35,783,635	$ 28,243,882	26.7 %	$ 23,688,225
General and administrative expense	14,320,455	13,967,247	2.5 %	14,999,415
Depreciation expense	419,111	431,276	(2.8)%	407,610
Total operating expense	$ 50,523,201	$ 42,642,405	18.5 %	$ 39,095,250

Total Operating Expense increased by $7,880,796, or 19%, in fiscal year 2013 to $50,523,201. The 27% increase in Direct Expense is fiscal 2013 was due to the $15 million expense to repave the 7.5 mile test track. The 19% increase in Direct Expense in fiscal 2012 was due to $4.5 million to repave the 50-acre asphalt vehicle dynamics area in fiscal year 2012 and the $1 million to begin repaving of the 7.5 mile test track. With the reduction in operating revenue, TRC Inc. has been vigilant in controlling expense growth.

TRC Inc.'s largest operating expense is salaries and benefits. In fiscal year 2013, salaries and benefits were $19,296,258, or 38%, of total operating expense. In fiscal year 2012, salaries and benefits were $20,227,660, or 47%, of total operating expense. In fiscal year 2011, salaries and benefits were $22,555,512, or 58%, of total operating expense. Salaries and benefits decreased 5% in fiscal year 2013, 10% in fiscal year 2012 and 3% in fiscal year 2011.

Nonoperating Revenues and Expenses

Interest expense represents the interest paid to a bank for the note payable that was described in the Long-Term Debt section. Interest expense decreased 6% due to reduced interest rates in the market and the declining balance due on the principle of the note.

Interest income reflects the interest earned from TRC Inc.'s operating cash account and the interest earned from investments TRC Inc. owns in the endowment fund at The Ohio State University. Interest income was up 3% in fiscal year 2012 due to an increase in the book value of the endowment fund at The Ohio State University.

Net Change in Fair Value of Investments

TRC Inc. owns investments that are maintained and managed by The Ohio State University's Office of Investments. These investments are invested as part of The Ohio State University Investment pool.

As required by Governmental Accounting Standards Board Statement Number 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, TRC Inc. records the unrealized appreciation or depreciation on its investments each year.

The unrealized appreciation or depreciation in the fair value of investments for fiscal years 2013, 2012 and 2011 are as follows:

	FY 2013	FY 2012	FY 2011
Market value of Endowment Fund	$ 3,381,820	$ 3,060,038	$ 3,090,311
Book value of Endowment Fund	3,534,512	3,390,065	3,246,513
Appreciation/(depreciation)	$ (152,692)	$ (330,027)	$ (156,202)
Unrealized gain/(loss)	$ 177,335	$ (173,825)	$ 279,202

TRC Inc.'s investments sustained losses in the world-wide market collapses in fiscal years 2009 and 2012. Losses incurred in those two fiscal years have yet recovered, and the book value of investments still exceeds the market value.

Excess of Revenue over Expense

Excess revenue over expense before the unrealized appreciation in the fair value of investments and before the transfer to the Transportation Research Fund decreased by $1,541,946, or 88%, in fiscal year 2013 to $210,929. The decrease was primarily due to the erosion in Research and Testing Revenues in the Durability and Dynamic business area.

TRC Inc. expects Research and Testing Agreement Revenue to be $31 million in fiscal year 2014 as TRC Inc. believes our customers will continue to hold the line on expenses. TRC Inc. foresees Excess Revenues over Expenses before Unrealized Gains/Loss in the Fair Value of Investments to be $1 million in fiscal year 2014.

Transportation Research Center Inc.
Statements of Net Position
June 30, 2013 and 2012

	2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 569,964	$ 2,180,294
Restricted cash	135,691	126,543
Investments	3,381,820	3,060,038
Trade accounts receivable, net of allowance for doubtful accounts of $492,725 for 2013 and $399,000 for 2012	6,276,826	7,493,280
Receivable from HAM	1,166,406	887,205
Interest receivable	3,580	-
Supplies and prepaid expenses	122,965	117,847
Total current assets	11,657,252	13,865,207
Noncurrent assets		
Property and equipment	7,357,161	7,236,934
Less accumulated depreciation	(6,724,182)	(6,439,581)
Property and equipment, net	632,979	797,353
Total assets	$ 12,290,231	$ 14,662,560
Liabilities		
Current liabilities		
Trade accounts payable	$ 1,284,566	$ 1,309,888
Accounts payable HAM	807,386	1,477,545
Accrued payroll and related expenses	945,371	948,268
Advance payments for goods and services	227,137	226,478
Current portion of long-term debt	332,000	310,000
Total current liabilities	3,596,460	4,272,179
Noncurrent liabilities		
Long-term portion of debt	-	332,000
Total liabilities	3,596,460	4,604,179
Net Position		
Investment in property and equipment, net of related debt	$ 632,979	$ 797,353
Unrestricted net position	8,060,792	9,261,028
Total net position	8,693,771	10,058,381
Total liabilities and net position	$ 12,290,231	$ 14,662,560

The accompanying notes are an integral part of these financial statements.

Transportation Research Center Inc.
Statements of Revenues, Expenses and Changes in Net Position
June 30, 2013 and 2012

	2013	2012
Operating Revenues		
Research and testing	$ 29,968,489	$ 34,131,055
Owner's maintenance and repair	20,631,899	10,148,142
Total operating revenue	50,600,388	44,279,197
Operating Expenses		
Direct	35,783,635	28,243,882
General and administrative	14,320,455	13,967,247
Depreciation	419,111	431,276
Total operating expenses	50,523,201	42,642,405
Total operating income	77,187	1,636,792
Nonoperating Revenue (Expense)		
Gain (loss) on sales of assets	12,866	
Interest expense	(10,203)	(10,848)
Interest income	131,079	126,930
Total nonoperating revenue	133,742	116,082
Net change in fair value of investments	177,335	(173,825)
Excess of revenues over expenses before transfers	$ 388,264	$ 1,579,049
Other Transfers and Changes		
Transfer to Transportation Research Fund	$ 1,752,874	$ 1,641,698
Change in net position	(1,364,610)	(62,649)
Net position, beginning of year	10,058,381	10,121,030
Net position, end of year	$ 8,693,771	$ 10,058,381

The accompanying notes are an integral part of these financial statements.

Transportation Research Center Inc.
Statements of Cash Flows
June 30, 2013 and 2012

	2013	2012
Cash Flows from Operating Activities		
Cash received from customers	$ 16,390,404	$ 19,559,618
Cash received from affiliates	35,052,873	24,737,588
Cash paid to suppliers	(5,971,412)	(6,677,286)
Cash paid for taxes	(438,828)	(348,510)
Cash paid to affiliates	(24,897,086)	(13,874,900)
Cash paid to employees	(14,353,795)	(15,397,582)
Cash paid for fringe benefits and payroll taxes	(5,052,740)	(5,085,189)
Advances to employees	1,298	14,302
Net cash provided by operating activities	730,714	2,928,041
Cash Flows from Noncapital Financing Activities		
Transfer to Transportation Research Fund	(1,752,874)	(1,641,698)
Noncapital financing interest expense	(10,203)	(10,848)
Cash used in noncapital financing activities	(1,763,077)	(1,652,546)
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of property and equipment	18,697	-
Payment of long term debt	(310,000)	(290,000)
Additions to property and equipment	(260,568)	(172,840)
Restricted cash	(9,148)	(8,531)
Net cash used in capital and related financing activities	(561,019)	(471,371)
Cash Flows from Investing Activities		
Interest income	127,499	126,930
Purchase of investments	(1,897,321)	(1,785,250)
Proceeds from sale of investments	1,752,874	1,641,698
Net cash provided by investing activities	(16,948)	(16,622)
Decrease in cash and cash equivalents	(1,610,330)	787,502
Cash and cash equivalents, beginning of year	2,180,294	1,392,792
Cash and cash equivalents, end of year	$ 569,964	$ 2,180,294
Reconciliation of Operating Income to Net Cash Provided By Operating Activities		
Operating income	$ 77,187	$ 1,636,792
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	419,111	431,276
Provision for bad debt expense	93,725	149,000
(Increase) decrease in trade accounts receivable	1,122,729	109,300
(Increase) decrease in receivable from HAM	(279,201)	(168,700)
(Increase) decrease in supplies and prepaid expenses	(5,118)	326,333
Increase (decrease) in payable to HAM	(670,159)	827,634
Increase (decrease) in trade accounts payable	(25,322)	(338,439)
Increase (decrease) in accrued payroll and related expenses	(2,897)	(136,865)
Increase (decrease) in advance payments for goods and services	659	91,710
Net cash provided by operating activities	653,527	1,291,249
Net cash provided by(used In) operating activities	$ 730,714	$ 2,928,041
Supplemental Cash Flow Information		
Unrealized gain (loss) on investments	$ 177,335	$ (173,825)

The accompanying notes are an integral part of these financial statements.

1. Description of the Business

The Transportation Research Center of Ohio (the “Center”) was created by the General Assembly of the State of Ohio in October 1972. On January 26, 1988, substantially all of the assets of the Center were sold to Honda of America Manufacturing (“HAM”). The corporation is organized exclusively for educational, charitable, and scientific purposes within the meaning of Section 501(c)(3) and Section 509(a)(3) of the Internal Revenue Code by conducting and supporting humanistic, scientific and engineering research and development activities solely and exclusively to the conduct of, or providing assistance in connection with the conduct of, research in automotive, vehicular and related forms of transportation, and for the development of improved highway facilities for vehicular traffic.

In conjunction with the sale, the legislation which initially established the Transportation Research Board was repealed. The Center was reincorporated as a not-for-profit organization, Transportation Research Center Inc. (“TRC”), with The Ohio State University Affiliates, Inc. (“OSU”) as the sole member of the corporation. TRC is considered a component unit of OSU. Therefore, TRC’s financial statements are consolidated with OSU’s for purposes for complying with OSU’s reporting requirements.

2. Summary of Significant Accounting Policies

A summary of TRC’s significant accounting policies applied in preparation of the financial statements is as follows:

Basis of Accounting
The financial statements have been prepared on the basis of accounting principles generally accepted in the United States of America. Proprietary fund types are presented using the flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. All assets and liabilities associated with operation of these funds are included in the statement of net position. The statements of revenues, expenses, and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. TRC follows applicable Government Accounting Standards Board (“GASB”) guidance and Financial Accounting Standard Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, that does not conflict with, or contradict, GASB pronouncements. GASB Statement Nos. 20 and 34 provide TRC the option of electing to apply FASB pronouncements issued after November 30, 1989. TRC has elected not to apply those pronouncements. The proprietary fund types are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liabilities are incurred. Differences between amounts earned and received are shown as receivables. Differences between expenses incurred and paid are shown as accounts payable and accrued liabilities.

Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant Customers
TRC derives a substantial portion of total revenues from a limited number of commercial enterprises and government agencies. For the year ended June 30, 2013 and 2012, the revenue from the four highest volume commercial enterprises and one government agency was $25,627,969 and $28,560,338, respectively. The above amounts are exclusive of revenues related to the HAM management agreement.

Revenue Recognition
TRC derives revenue from facility usage, personnel charges, cost reimbursement and management of the facility. Revenues for facility usage are remitted to HAM as described in Note 6 and are included in direct expenses. TRC evaluates the credit of customers and establishes its allowance for doubtful accounts based on its evaluation of credit risk related to individual customers. TRC does not require collateral with its receivables.

Included in accounts receivables are $464,097 and $118,845 of unbilled accounts receivable for fiscal years 2013 and 2012, respectively. Unbilled accounts receivable represent revenue earned in excess of amounts billed.

Cash and Cash Equivalents
TRC considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash is held in one bank at June 30, 2013 and 2012.

Restricted Cash
TRC is required to deposit funds monthly into a sinking fund as part of its long-term debt agreement (see Note 7). TRC does not have access to these funds once they are deposited into the sinking fund.

Investment Policy
All investments consist of amounts invested in The Ohio State University Investment Pool and are recorded at fair value, as reported by The Ohio State University's Office of Investments. Investments are carried at market value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.* The cumulative unrealized loss on investments held at June 30, 2013 and 2012, is $152,692 and $330,027, respectively.

GASB Pronouncements
No new GASB pronouncements became effective in 2013 that materially affect the financial statements.

Property and Equipment
Property and equipment is recorded at cost. Assets purchased by TRC costing more than $5,000 and having an estimated useful life of two or more years will be capitalized and depreciated. Depreciation is provided for in amounts sufficient to allocate the cost of depreciable assets to operations over their estimated service lives, which range from 3 to 15 years, on the straight-line method. TRC removes the asset cost and related accumulated depreciation from the appropriate accounts and reflects any gain or loss in current operations upon sale or retirements.

Compensated Absences
Employees are granted paid time off in amounts which vary by length of service. The policy prohibits employees from accumulating unused compensated absences.

3. Income Taxes

In July 1989, TRC received Internal Revenue Service ("IRS") approval of its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. In addition, because of its relationship as a supporting organization of OSU, TRC has received qualification from the IRS as a public charity and, therefore, is not subject to various taxes and restrictions applicable to other organizations, such as private foundations.

TRC is subject to unrelated business tax for the leasing of certain TRC employees. Unrelated income tax expense in 2013 is estimated to be approximately $481,406 and was approximately $438,828 for 2012.

4. Cash, Cash Equivalents and Investments

Cash, cash equivalents, and investments at June 30, 2013 and 2012 were as follows:

	2013	2012
Cash on hand	$ 600	$ 600
Cash in bank	569,364	2,179,694
Restricted cash	135,691	126,543
Investment in OSU's long term investment pool	3,381,820	3,060,038
Total	$ 4,087,475	$ 5,366,875

At June 30, 2013 and 2012, the bank statement balances of cash in banks were $1,231,739 and $2,506,861, respectively. Of the bank statement balances, $135,691 and $126,543, respectively, represent restricted cash. Of the bank statement balances, $1,096,048 and $2,380,316, respectively, represented overnight sweep investments which are generally not covered by FDIC. The remaining bank balances were covered by FDIC insurance, which covers up to $250,000 per financial institution.

TRC's investments are maintained in the university's investment pool. The pool consists of more than 4,400 named funds. Each named fund is assigned a number of shares, based on the value of the gifts, income-to-principal transfers, or transfers of operating funds to that named fund. The pool is invested in a diversified portfolio of equities, fixed income, real estate, hedge funds, private equity, venture capital and natural resources that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support TRC's mission.

The university holds certain types of alternative investments, including limited partnerships and private equity, which are carried at estimated fair value provided by the management of these funds. The purpose of this alternative investment class is to increase portfolio diversification and reduce risk due to the low correlation with other asset classes. Methods for determining estimated fair values include discounted cash flows and estimates provided by general partners.

After the significant market decline in fiscal year 2009, the university's Board of Trustees revised the distribution policy. In fiscal year 2010, the two pools (named funds established before or after the June 30, 2004 cutoff date) were combined into one, resulting in one payout rate for all funds. As a result of this change a temporary one year floor limiting the total distribution decline to 3% for any college or area was implemented. Based on this method, undistributed gains were transferred from the Long Term Investment Pool to current funds. Beginning in fiscal year 2011, annual distribution per share is 4.25% of the average market value per share of the Long Term Investment Pool over the most recent seven year period.

TRC Inc. held 599.2441 and 574.0045 shares in the university's investment pool at June 30, 2013 and 2012, respectively. The market values of these investments were $3,381,820 and $3,060,038 at June 30, 2013 and 2012, respectively. Total realized and unrealized gains (losses) for the year ended June 30, 2013 were $0 and $177,335 and at June 30, 2012 were $0 and ($173,825). TRC may redeem its shares in the university investment pool at its discretion.

5. Property

The property balance as of June 30, 2013 consists of the following:

	Balance June 30, 2012	Additions	Disposals/ Transfers	Balance June 30, 2013
Capital Assets				
Building/leasehold improvements	$ 3,020,574	$ -	$ -	$ 3,020,574
Equipment	4,130,228	260,568	140,341	4,250,455
Other	86,132	-	-	86,132
Total capital assets	7,236,934	260,568	140,341	7,357,161
Less accumulated depreciation				
Building/leasehold improvements	2,641,425	189,575	-	2,831,000
Equipment	3,712,024	229,536	134,510	3,807,050
Other	86,132	-	-	86,132
Total accumulated depreciation	6,439,581	419,111	134,510	6,724,182
Property, net	$ 797,353	$ (158,543)	$ 5,831	$ 632,979

The property balance at June 30, 2012 consists of the following:

		Balance June 30, 2011		Additions		Disposals/ Transfers		Balance June 30, 2012
Capital Assets								
Building/leasehold improvements	$	3,020,574	$	-	$	-	$	3,020,574
Equipment		3,958,188		172,840		800		4,130,228
Other		86,132		-		-		86,132
Total capital assets		7,064,894		172,840		800		7,236,934
Less accumulated depreciation								
Building/leasehold improvements		2,451,850		189,575		-		2,641,425
Equipment		3,471,123		241,701		800		3,712,024
Other		86,132		-		-		86,132
Total accumulated depreciation		6,009,105		431,276		800		6,439,581
Property, net	$	1,055,789	$	(258,436)	$	-	$	797,353

6. Management Agreement

Under the terms of the Management Agreement with HAM, TRC remits to HAM certain revenues for use of the facilities (owner revenues). Additionally, expenses for repairs and capital improvements made by TRC are reimbursed by HAM (owner expenses).

For the years ended June 30, 2013 and 2012 the amounts of transactions with HAM are as follows:

		2013		2012
Owner revenues	$	5,048,579	$	6,031,401
Owner expenses		20,631,899		10,148,142

At June 30, 2013 and 2012, there was a receivable from HAM for owner expenses of $1,166,406 and $887,205, respectively. In addition, at June 30, 2013 and 2012, there was a payable to HAM for owner revenues earned of $807,386 and $1,477,545, respectively.

TRC also earns operational revenues from Honda of America Manufacturing and affiliated entities outside of the Management Agreement. These revenues were $13,996,834 and $15,497,749 for the years ended June 30, 2013 and 2012, respectively. Trade accounts receivable at June 30, 2013 and 2012 included $3,645,429 and $4,348,771, respectively, related to these operational revenues.

7. Long-Term Debt

Long-term debt as of June 30, 2013 and 2012 is summarized as follows:

June 30	Principal	Interest
2014	332,000	624
Total outstanding	332,000	624
Current portion	(332,000)	
Long term portion	$ -	

In January 1999, TRC entered into a promissory note agreement (the "Note") for $3.2 million with a lending institution. The Note bears interest at a floating rate of interest, which is adjusted weekly by the lender. Interest on the Note is due monthly and principal payments are due in semi-annual installments through January 1, 2014. The lending institution made the loan from proceeds received from the sale of the Lender's Floating Rate Option Notes. The Floating Rate Option Notes of the lender are secured by an initial $3.2 million letter of credit ("LOC") issued by a bank. The available LOC balance decreases semi-annually in conjunction with the scheduled payments on the Note. The LOC bears interest at a rate of prime plus 2% and expired on January 6, 2012. As allowed under the terms of the LOC, the expiration date was extended for a year until January 6, 2013, with the option for additional extensions on the expiration date, subject to certain conditions set forth in the agreement. There were no amounts outstanding on the LOC as of June 30, 2012

In January 1999, TRC also entered into a reimbursement agreement with the bank that issued the LOC. Under the reimbursement agreement with the bank, TRC is required to make monthly principal and interest payments into a sinking fund account on the first of each month through January 1, 2014. The sinking fund is owned by TRC, but use of the funds is restricted to payment of the scheduled semi-annual payments on the Note. The Reimbursement Agreement contains restrictive covenants and warranties, which, among others, requires TRC to maintain complete and accurate accounting records. In addition, in order to secure the payment of amounts due under the Reimbursement Agreement, TRC assigned to the bank its interest in certain leaseholds, buildings, and land created by the Ground and Existing Building Lease with HAM (see Note 11) as well as future rental payments received from the sublease of the same leasehold, building and land.

In the event that the LOC agreement is not extended after the expiration date, the entire unpaid principal amount due on the Note and therefore the reimbursement agreement becomes due and payable. Annual maturities of long-term debt are as follows:

Debt activity for the year ended June 30, 2013 is as follows:

	Beginning Balance	Principal Payment	Ending Balance	Current Portion
Promissory note	$ 642,000	$ 310,000	$ 332,000	$ 332,000

Debt activity for the year ended June 30, 2012 is as follows:

	Beginning Balance	Principal Payment	Ending Balance	Current Portion
Promissory note	$ 932,000	$ 290,000	$ 642,000	$ 310,000

8. Deferred Compensation Plan

TRC's employees are able to participate in a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

As a result of the implementation of GASB Statement No. 32 in fiscal 1999, all amounts of compensation deferred under the Plan, all property and rights purchased with these amounts and all income attributable to those amounts, property or rights (until paid or made available to the employee or other beneficiary) are solely the property and rights of the Ohio Public Employees Deferred Compensation Program ("OPEDC"). Accordingly, TRC has not recorded any deferred compensation assets or liabilities in the financial statements.

9. Net Assets

TRC's Code of Regulations specify that TRC shall, within 120 days of the end of the Corporation's fiscal year, transfer any accumulated surplus in excess of its January 27, 1988 fund balance, less $911,466, or $6,677,225, or such lesser amount authorized by the Board, to the endowment portfolio of The Ohio State University to form a fund, the income from which is to be used as determined by the Board of Trustees of The Ohio State University for the support and encouragement of research in automotive, vehicular and related forms of transportation, and for the development of improved highway facilities for vehicular traffic. Upon such transfer, those funds shall no longer be available to pay for any of TRC's obligations. If net assets funds fall below $6,677,225, no transfer may take place.

The TRC Board typically authorizes an amount to be transferred equating to the fiscal year's excess of revenues over expenses less any unrealized change in the fair value of investments.

TRC's Articles of Incorporation stipulate that upon the ultimate dissolution of TRC, any remaining funds shall be paid to The Ohio State University and be devoted exclusively to public purposes and/or other purposes permissible under Code Section 501(c)(3), with any cash, marketable securities, investments and accounts receivable being transferred to the endowment portfolio of The Ohio State University to form a fund, the income from which is to be used as determined by the Board of Trustees of The Ohio State University for the support and encouragement of research in automotive, vehicular and related forms of transportation, and for the development of improved highway facilities for vehicular traffic. However, if at the time of dissolution of the Corporation, The Ohio State University is not an organization described in Code Section 170(c)(1), the remaining assets of the Corporation shall be paid over to such organization or organizations as shall be selected by the affirmative vote of a majority of the Board of Directors, provided, however, that such organization or organizations shall be exempt from federal income taxation and described in either Section 170(c)(1) or Code Section 501(c)(3) with such remaining assets to be devoted exclusively to public purposes and/or other purposes permissible under Code Section 501(c)(3).

At June 30, 2013 and 2012, the net assets were comprised of the following:

	2013	2012
Investment in property and equipment	$ 632,979	$ 797,353
Unrestricted net assets	8,060,792	9,261,028
Total net assets	$ 8,693,771	$ 10,058,381

Net assets include a cumulative unrealized loss in investments at June 30, 2013 and 2012 of $152,692 and $330,027, respectively.

10. Defined Benefit Pension Plan and Post-Employment Benefits

As part of the formation of TRC on January 27, 1988, existing employees were given the option to continue participation in the Ohio Public Employees Retirement System ("OPERS"), a cost sharing, multiple employer defined benefit pension plan. The following disclosure is representative of the portion of employees who opted to continue to participate in OPERS. Since the time of formation, new employees of TRC are not eligible to participate in this plan.

OPERS administers three separate pension plans as described below:

- The Traditional Pension Plan - a cost sharing, multiple-employer defined benefit pension plan.
- The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
- The Combined Plan - a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012 and 2011, the member and employer contribution rates were 14.0% and 10.0%, respectively.

TRC's total PERS payroll for the years ended June 30, 2013, 2012 and 2011 was $414,478, $709,386 and $778,776, respectively. TRC's employer contributions to PERS for the years ended June 30, 2013, 2012 and 2011 were $58,027, $99,314 and $109,030, respectively, equal to 100% of the required contributions for each year.

Post-Employment Benefits Other Than Pension

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Health Care Preservation Plan ("HCPP") adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1, of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

For the years ended June 30, 2013, 2012 and 2011 the amount of employer contributions used to fund post-employment benefits is estimated to be $22,800, $39,016 and $38,935, respectively.

11. Leases

As an agent for HAM, TRC leases various buildings to TRC's customers. Lease terms range from one to fifteen years with various renewal option features. The leases are accounted for as operating leases. At June 30, 2013, future minimum lease receipts are due as follows:

2014	$ 930,839
2015	251,396
Total	$ 1,182,235

TRC leases office space from HAM under agreements with terms expiring through July 31, 2012. These operating leases contain renewal options with an indefinite term. The lease amount is subject to annual adjustment based on the consumer price index. As of June 30, 2013, future minimum rental payments under operating leases with initial terms in excess of one year are summarized as follows:

2013	$ 78,676
Total	$ 78,676

Rental expense charged to operations was $961,726 and $978,368 during 2013 and 2012, respectively.

12. Risk Management

During the course of the year TRC is subjected to certain types of risks in the performance of its normal functions. These risks include risks that TRC might be subjected to by its employees in the performance of their normal duties. TRC manages these types of risks through commercial insurance.

13. Employees' Retirement Savings Plan And Trust

TRC maintains the Employees' Retirement Savings Plan and Trust (the "Plan"). The Plan is intended to comply with Section 401(a) of the Internal Revenue Code. All employees are eligible to participate in the Plan. Employer contributions to the Plan are determined solely at the discretion of TRC's board of directors. For the years ended June 30, 2013 and 2012, TRC expended $369,973 and $395,552, respectively, for contributions to the Plan.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors of
Transportation Research Center Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Transportation Research Center Inc. ("TRC") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise TRC's basic financial statements, and have issued our report thereon dated October 7, 2013.

Internal Control *o*ver Financial Reporting

In planning and performing our audit of the financial statements, we considered TRC's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TRC's internal control. Accordingly, we do not express an opinion on the effectiveness of TRC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether TRC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Columbus, OH
October 7, 2013

Transportation Research Center Inc. Employees' Retirement Savings Plan and Trust

Financial Statements
December 31, 2012 and 2011, and
Supplemental Schedule at December 31, 2012

Transportation Research Center Inc.
Employees' Retirement Savings Plan and Trust
Index
December 31, 2012 and 2011

Page(s)

Note: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act ("ERISA") of 1974 have been omitted because they are not applicable.

Independent Auditor's Report

To the Participants and Administrator of the
Transportation Research Center Inc. Employees'
Retirement Savings Plan and Trust

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Transportation Research Center Inc. Employees' Retirement Savings Plan and Trust (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011 and the related statement of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Reliance Trust Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2012 and 2011 and for the years then ended, that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Other Matter

The supplemental Schedule of Assets (Held at End of Year) at December 31, 2012 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

PricewaterhouseCoopers LLP

October 4, 2013

Transportation Research Center Inc.
Employees' Retirement Savings Plan and Trust
Statements of Net Assets Available for Benefits
December 31, 2012 and 2011

	2012	2011
Assets		
Investments, at fair value		
Mutual funds	$ 11,170,397	$ 10,113,775
Guaranteed investment contract	2,126,346	-
Common collective trust	-	1,286,512
Total investments	13,296,743	11,400,287
Receivables		
Employer contributions	1,624	4,030
Employee contributions	-	14
Due from broker for securities sold	-	79,860
Notes receivable from participants	494,999	372,315
Total receivables	496,623	456,219
Cash	5,771	6,608
Total assets	13,799,137	11,863,114
Liabilities		
Due to broker for securities purchased	5,771	86,468
Total liabilities	5,771	86,468
Net assets available for benefits, at fair value	13,793,366	11,776,646
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(208,300)	(32,552)
Net assets available for benefits	$ 13,585,066	$ 11,744,094

The accompanying notes are an integral part of these financial statements.

Transportation Research Center Inc.
Employees' Retirement Savings Plan and Trust
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2012 and 2011

	2012	2011
Additions		
Investment income		
Interest and dividends	$ 348,973	$ 243,670
Net appreciation (depreciation) in fair value of investments	1,256,363	(523,205)
Total investment income (loss)	1,605,336	(279,535)
Contributions		
Employee contributions	658,221	713,285
Employer contributions	367,885	400,599
Rollovers	8,307	5,894
Total contributions	1,034,413	1,119,778
Interest on notes receivable from participants	17,307	21,947
Total additions	2,657,056	862,190
Deductions		
Benefit payments	778,003	1,157,666
Administrative expenses	38,081	38,922
Total deductions	816,084	1,196,588
Net increase (decrease) in net assets available for benefits	1,840,972	(334,398)
Net assets available for benefits, beginning of year	11,744,094	12,078,492
Net assets available for benefits, end of year	$ 13,585,066	$ 11,744,094

The accompanying notes are an integral part of these financial statements.

1. Plan Description

The following description of the Transportation Research Center Inc. Employees' Retirement Savings Plan and Trust (the "Plan") provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

General

The Plan was adopted by the Transportation Research Center Inc. (the "Company") effective July 1, 1992 and was amended and restated on January 1, 2009. The purpose of the Plan is to provide an opportunity for employees to increase their savings and provide additional income upon retirement. The Plan is a defined contribution plan with a deferral feature. Employees are eligible to participate in the Plan and make tax-deferred contributions after completing one year of eligible service.

Custodian

The Company has entered into an agreement with Reliance Trust Company whereby it has the authority as custodian to invest and control all contributions made to it under the Plan.

Administration

The Plan is administered by certain members of the Company's management. Administrative expenses are paid by the Plan to the extent they are not paid by the Company. Loan processing fees are paid by the Plan participants and are directly deducted from the participant's account balance.

Contributions

Participants may contribute up to 75% of their compensation, as defined by the Plan, on a pretax basis, subject to Internal Revenue Code ("IRC") limitations ($17,000 for 2012 and $16,500 for 2011 except that participants age 50 or over may be eligible to make an additional catch-up contribution of up to $5,500 per year). Participants may also contribute funds from another qualified plan ("rollover contributions"), subject to certain requirements. The Company's matching contribution is equivalent to 100% of the first 3% of the participant's contribution and 50% of the next 2% of the participant's contribution. Employer profit sharing contributions are determined based on the discretion of the Board of Directors of the Company. The Company did not make any discretionary profit sharing contributions for the years ended December 31, 2012 and 2011.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's matching and discretionary contributions, and the participant's allocation of plan earnings (loss) and expenses. The allocation of contributions to one or more of the investment accounts is designated by each participant. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions and employer matching contributions. Participants become vested in employer profit sharing contributions after completing three years of 1,000 or more hours of service.

Investments
Upon enrollment into the Plan, a participant may direct employee and employer contributions in 1% increments into various investment options. The Plan currently offers 18 investment options to participants. Participants may reallocate their investments at any time during the year.

Notes Receivable from Participants
A participant may borrow a minimum of $1,000 or a maximum equal to the lesser of $50,000 or 50% of the participant's vested account balance, subject to Plan limitations. Loans are collateralized by the participant's nonforfeitable interest in the Plan and are supported by a promissory note with interest rates ranging from 4.25% to 6.25% at December 31, 2012 and 4.25% to 9.25% at December 31, 2011. Loans must be repaid over a period not to exceed five years. Principal and interest are paid through payroll deductions.

Distribution of Benefits
The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Benefits may be distributed to participants upon termination of employment by reason of retirement, disability, death or other separation from service. Participants receive a lump-sum amount equal to the value of the participant's vested interest in their account. A participant may also request a withdrawal upon attainment of age 59 1/2 or upon demonstration by the participant to the plan administrator that the participant is suffering from a hardship, as defined by the IRC.

Plan Termination
Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become fully vested in their account balances.

Forfeitures
When certain terminations of participation in the Plan occur, the nonvested portion of a participant's account represents a forfeiture, as defined by the Plan. If a forfeiting participant is re-employed and fulfills certain requirements, as set forth in the Plan, the participant's account will be restored. Remaining forfeitures are allocated among participants' accounts. Forfeitures of $0 and $2,126 were allocated among participant's accounts for the years ended December 31, 2012 and 2011, respectively. Unallocated forfeitures remaining at December 31, 2012 and 2011 were $401 and $366, respectively.

Recently Adopted Accounting Standards
In May 2011, the FASB issued a new accounting standard intended to improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRS. The amendments are of two types: (i) those that clarify the Board's intent about the application of existing fair value measurement and disclosure requirements and (ii) those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The update is effective for annual periods beginning after December 15, 2011. The adoption of this guidance did not have a material impact on the Plan's financial statements.

2. Summary of Significant Accounting Policies

Basis of Accounting
The financial statements are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition
Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Plan has evaluated guaranteed investment contracts held in the guaranteed investment contract and the common collective trust and determined that they are fully benefit-responsive contracts. Accordingly, the Statements of Net Assets Available for Benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statements of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants
Notes receivable from participants are stated at the unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions if the participant fails to make payment within ninety days following the date on which such payment is due.

Contributions
Employee contributions are made through regular payroll deductions and are paid into the Plan each payroll period along with the corresponding Company matching contribution.

Payments of Benefits
Benefit payments are recorded when paid.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan provides investment options which allow participants to invest in a combination of various funds. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

3. Investments

The following investments represent 5% or more of the Plan's net assets available for benefits as of December 31:

	2012	2011
The Standard Stable Asset Fund A	$ 1,918,046	*
The Morley Investment Omnibus Institutional	*	1,253,960
Pimco Total Return Fund	1,855,379	1,645,873
Dodge & Cox Stock Fund	1,593,049	1,527,568
American Funds Europacific Growth Fund R4	1,072,677	917,600
Vanguard 500 Index Fund Signal	1,481,135	1,344,029
T Rowe Price Blue Chip Growth Fund Advisor	1,415,248	1,295,871
Vanguard Intermediate - Term Treasury Fund Investor	951,672	973,203

*does not exceed 5% of net assets as of the respective reporting period

The Plan's investments, including gains and losses on investments bought and sold, as well as held during the year, appreciated (depreciated) in value for the years ended December 31, as follows:

	2012	2011
Mutual funds	$ 1,203,519	$ (528,978)
Common collective trust	47,041	5,773
Guaranteed investment contract	5,803	-
	$ 1,256,363	$ (523,205)

4. Fair Value Measurements

Accounting guidance for fair value measurements establishes a framework for measuring fair value and expanded disclosures regarding fair value measurements. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under accounting guidance for fair value measurements are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

Common Collective Trusts: The Plan's interest in the collective trust was valued based on information reported by the investment advisor using audited financial statements of the collective trust at year-end. The fair value and contract value were based on the fair value and contract value of the underlying investments of the trust. Underlying securities for which quotations were readily available were valued at their most recent bid prices in the principal market in which such securities are normally traded. Underlying securities for which quotations were not readily available were valued at original cost plus accrued interest or at amortized costs, which approximates current value. Investments in underlying funds were valued at their closing net asset value.

Generally, under ordinary market conditions, all common collective trust positions provide daily market liquidity to Plan participants and the Plan. The Plan invested in the Morely Investment Omnibus Institutional Fund, a bank collective investment trust, in which participant transactions (issuances and redemptions) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidation will be carried out in an orderly business manner.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Guaranteed investment contract: Valued at fair value by the insurance company by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer. See Note 5. Because the participants transact at contract value, fair value is determined annually for financial statement reporting purposes only.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within fair value hierarchy, the Plan's assets at fair value as of December 31, 2012 and 2011:

	Assets at Fair Value as of December 31, 2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds				
Equities - large cap	$ 4,489,432	$ -	$ -	$ 4,489,432
Equities - mid cap	1,663,896	-	-	1,663,896
Equities - small cap	698,158	-	-	698,158
Bond funds	3,086,489	-	-	3,086,489
Real estate	134,397	-	-	134,397
Balanced hybrid funds	25,348	-	-	25,348
International/global equity funds	1,072,677	-	-	1,072,677
Total mutual funds	11,170,397	-	-	11,170,397
Guaranteed investment contract	-	-	2,126,346	2,126,346
Total assets, at fair value	$ 11,170,397	$ -	$ 2,126,346	$ 13,296,743

	Assets at Fair Value as of December 31, 2011			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds				
Equities - large cap	$ 4,167,468	$ -	$ -	$ 4,167,468
Equities - mid cap	1,499,424	-	-	1,499,424
Equities - small cap	727,666	-	-	727,666
Bond funds	2,761,925	-	-	2,761,925
Real estate	26,020	-	-	26,020
Balanced hybrid funds	13,672	-	-	13,672
International/global equity funds	917,600	-	-	917,600
Total mutual funds	10,113,775	-	-	10,113,775
Common collective trust	-	1,286,512	-	1,286,512
Total assets, at fair value	$ 10,113,775	$ 1,286,512	$ -	$ 11,400,287

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2012:

	Level 3 Assets Guaranteed Investment Contact
	Year Ended December 31, 2012
Balance, beginning of year	$ -
Interest	5,812
Purchases/transfers in	1,920,315
Sales/transfers out	(8,081)
Changes in fair value	208,300
Balance, end of year	$ 2,126,346

See Note 6 for the significant unobservable inputs associated with the Plan's level 3 assets.

5. Information Certified by the Custodian

The following financial information and data at December 31, 2012 and 2011 and for the years then ended was certified as complete and accurate by Reliance Trust Company, the custodian of the Plan, in accordance with Section 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA:

	2012	2011
Statements of Net Assets Available for Benefits		
Investments, at fair value		
Mutual funds	$ 11,170,397	$ 10,113,775
Common collective trust	-	1,286,512
Investments, at contract value		
Guaranteed investment contract	1,918,046	-
Statements of Changes in Net Assets Available for Benefits		
Interest and dividends	348,973	243,670
Net appreciation (depreciation) in fair value of investments	1,256,363	(509,333)

6. Guaranteed Investment Contract with Insurance Company

The Plan and Company entered into a fully benefit-responsive guaranteed investment contract with Standard Insurance Company (“Standard”) in 2012. Standard maintains the contributions in a general account named The Standard Stable Asset Fund A. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. The guaranteed investment contract is presented on the face of the statement of net assets available for benefits at fair value with an adjustment to contract value in arriving at net assets available for benefits.

Contract value, as reported to the Plan by Standard, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2012 was $2,126,346. The average yield and crediting interest rates were 2.66% and 2.68% for the year ended December 31, 2012, respectively.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include termination of the contract, spin-offs, divestitures, layoffs, corporate relocation, partial or total plan termination, retirement incentive programs, and the liberalization of plan withdrawal or transfer rules. Upon occurrence of any of these events, a payout adjustment may apply. The plan administrator believes that any events that would limit the Plan’s ability to transact at contract value with participants are probable of not occurring.

The guaranteed investment contract may be terminated for reasonable cause, which includes the contract owner’s failure to abide by state and federal law, failure to render performance necessary to comply with the terms of the contract, failure to maintain assets of at least $25,000, and plan disqualification. Upon termination, a payout value adjustment may apply.

7. Investment Contracts in Common Collective Trust

The Plan maintained an investment contract in a common collective trust, Morely Investment Omnibus Institutional, which was liquidated in 2012 The account was credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value, because it is fully benefit-responsive. Withdrawals from this account for other than payment of benefits may be subject to a market value adjustment for Form 5500 reporting purposes. The investment contract held in the common collective trust is reported in the accompanying financial statements at contract value. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The average yield and crediting interest rates were 1.62% and 1.65% for the year ended December 31, 2012, respectively and 2.37% and 2.45% for the year ended December 31, 2011, respectively. The crediting interest rate is based on a formula agreed upon with the issuer and there is no minimum credit rate. Such interest rates are reviewed annually for resetting.

8. Tax Status

The Plan obtained its latest determination letter on October 10, 2011, in which the Internal Revenue Service (the "IRS") stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and the Plan and related trust continue to be tax-exempt. Therefore, no provisions for income taxes have been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions by the Plan and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

9. Related Party Transactions

The Plan has notes receivable from participants, as described in Note 1, that are considered party-in-interest transactions. In addition, the Company provides certain accounting, recordkeeping and administrative services to the Plan for which it is not compensated.

10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31:

	2012	2011
Net assets available for benefits per the financial statements	$ 13,585,066	$ 11,744,094
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	-	32,552
Net assets available for benefits per the Form 5500	$ 13,585,066	$ 11,776,646

The following is a reconciliation of the increase in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2012:

Increase in net assets available for benefits per the financial statements	$ 1,840,972
Change in adjustment from fair value to contract value for fully benefit-responsive investment contracts	(32,552)
Increase in net assets available for benefits per the Form 5500	$ 1,808,420

Other differences between net assets available for benefits per the financial statements and the Form 5500 at December 31, 2012 and 2011 were the result of unsettled transactions with brokers.

11. Subsequent Events

The Plan has evaluated subsequent events through October 4, 2013 as this was the date financial statements were made available to be issued. No matters were identified that would materially impact the financial statements or require disclosure.

Transportation Research Center Inc.
Employees' Retirement Savings Plan and Trust
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2012

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Cost **	(e) Current Value ***
	Guaranteed Investment Contract			
	The Standard	The Standard Stable Asset Fund A		$ 1,918,046
	Mutual Funds			
	Pimco	Total Return Fund		1,855,379
	Vanguard	500 Index Fund Signal		1,481,135
	T Rowe Price	Blue Chip Growth Fund Advisor		1,415,248
	Vanguard	Intermediate -Term Treasury Fund Investor		951,672
	American Funds	Europacific Growth Fund R4		1,072,677
	Artisan	Mid Cap Fund IV		512,075
	Columbia Funds	Acorn Fund A		474,291
	Dodge & Cox	Stock Fund		1,593,049
	Goldman Sachs	Small Cap Value Fund A		556,517
	Goldman Sachs	Mid Cap Value Fund A		500,618
	T Rowe Price	New Horizons Fund		141,641
	Loomis Sayles	Bond Fund Retail		95,473
	Templeton	Global Bond Fund United States		117,328
	Blackrock	Inflation Protected Bond - Investment A		66,637
	Wasatch	1st Source Long/Short Fund		176,912
	Cohen & Steers	Realty Shares, Inc.		134,397
	Vanguard	Balanced Index Fund Investor		25,348
	Other			
*	Participant loans	Interest rates ranging from 4.25% to 6.25%		494,999
				$ 13,583,442

Note: This schedule reports those assets required to be reported under ERISA Section 25020.102-11 and Form 5500 Schedule H, Line 4i.

* Reliance Trust Company is a party-in-interest

** Information omitted because all investments are participant directed.

*** Information certified as to completeness and accuracy by Reliance Trust Company.

TRANSPORTATION RESEARCH CENTER INC.

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 03, 2013