BREATHE CALIFORNIA OF THE BAY AREA

Financial Statements
For the Years Ended
June 30, 2013
and 2012

CONTENTS

Delucchi Hawn LLP
certified public accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Breathe California of the Bay Area
San Jose, California

We have audited the accompanying financial statements of Breathe California of the Bay Area (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows 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 these 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 these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the auditor's 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, the auditor considers internal control relevant to the entity'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 entity'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 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 opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Breathe California of the Bay Area as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Delucchi Hawn, LLP

San Jose, California
November 7, 2013

BREATHE CALIFORNIA OF THE BAY AREA
STATEMENTS OF FINANCIAL POSITION

Assets

	June 30, 2013	2012
Assets:		
Cash	$ 39,888	$ -
Accounts receivable	65,320	157,830
Grants receivable	-	22,256
Inventory	143,929	114,612
Prepaid expenses	1,628	2,172
Investments	544,078	644,792
Property and equipment, net	695,275	709,970
Deposits	1,810	1,810
Total assets	$ 1,491,928	$ 1,653,442

Liabilities and Net Assets

	2013	2012
Liabilities:		
Cash overdraft	$ -	$ 3,938
Accounts payable	26,389	68,461
Accrued expenses	37,054	45,095
Deferred revenue	-	2,500
Accrued pension cost	356,684	549,193
Total liabilities	420,127	669,187
Net assets:		
Unrestricted	1,071,801	958,264
Temporarily restricted	-	25,991
	1,071,801	984,255
	$ 1,491,928	$ 1,653,442

See Notes to Financial Statements

BREATHE CALIFORNIA OF THE BAY AREA

STATEMENTS OF ACTIVITIES

	For the Years Ended					
	June 30, 2013			June 30, 2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support						
Contributions and revenue	$ 187,226	$ -	$ 187,226	$ 178,502	$ 59,512	$ 238,014
Government contracts	347,862	-	347,862	682,814	-	682,814
In-kind contributions	234,077	-	234,077	217,424	-	217,424
Program service fees	94,234	-	94,234	59,893	-	59,893
Special events revenue	104,709	-	104,709	186,642	-	186,642
Special events expenses	(91,174)	-	(91,174)	(174,896)	-	(174,896)
Realized/unrealized gains (losses) on investments	57,762	-	57,762	(18,556)	-	(18,556)
Interest and dividends	13,117	-	13,117	11,227	-	11,227
Other income	1,816	-	1,816	6,490	-	6,490
Net assets released from restrictions	25,991	(25,991)	-	33,521	(33,521)	-
Total revenues, gains and other support	975,620	(25,991)	949,629	1,183,061	25,991	1,209,052
Expenses						
Program services						
Environmental health	327,984	-	327,984	483,307	-	483,307
Tobacco control	138,995	-	138,995	436,704	-	436,704
Asthma and other lung disease	377,444	-	377,444	222,931	-	222,931
Community outreach	130,574	-	130,574	136,653	-	136,653
	974,997	-	974,997	1,279,595	-	1,279,595
Supporting services						
Fundraising	58,043	-	58,043	51,391	-	51,391
Administrative and general	21,624	-	21,624	30,146	-	30,146
Total expenses	1,054,664	-	1,054,664	1,361,132	-	1,361,132
Change in net assets from operations	(79,044)	(25,991)	(105,035)	(178,071)	25,991	(152,080)
Other revenue (expense)						
Pension related changes other than net periodic benefit cost	192,581	-	192,581	(262,673)	-	(262,673)
Change in net assets	113,537	(25,991)	87,546	(440,744)	25,991	(414,753)
Net assets, beginning of year	958,264	25,991	984,255	1,399,008	-	1,399,008
Net assets, end of year	$ 1,071,801	$ -	$ 1,071,801	$ 958,264	$ 25,991	$ 984,255

See Notes to Financial Statements

BREATHE CALIFORNIA OF THE BAY AREA

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2013

	Program Services				Supporting Services		
	Environmental Health	Tobacco Control	Asthma and Other Lung Disease	Community Outreach	Fundraising	Administrative and General	Total
Functional expenses:							
Salaries	$ 197,753	$ 77,773	$ 217,736	$ 85,555	$ 29,519	$ 16,068	$ 624,404
Employee benefits	32,171	19,474	49,928	17,838	7,823	2,216	129,450
Payroll taxes	10,142	6,159	15,737	5,641	2,480	646	40,805
Professional fees	41,668	7,387	17,732	5,315	8,139	427	80,668
Building occupancy	2,534	1,539	3,933	1,410	620	161	10,197
Insurance	4,185	2,541	6,493	2,328	1,023	266	16,836
Telephone	1,771	572	1,898	453	22	-	4,716
Office supplies and expenses	2,053	638	1,848	531	211	99	5,380
Program supplies	16,638	8,203	21,761	7,033	4,793	1,248	59,676
Printing and publishing	385	9,999	596	207	483	-	11,670
Postage and shipping	1,393	697	1,842	638	1,195	12	5,777
Dues and subscriptions	834	246	628	225	721	221	2,875
Media expenses	6,031	1,125	3,584	997	20	5	11,762
Awards and grants	116	70	25,179	64	28	8	25,465
Meeting and travel	6,657	354	2,882	307	73	15	10,288
Depreciation and amortization	3,653	2,218	5,667	2,032	893	232	14,695
Total expenses	$ 327,984	$ 138,995	$ 377,444	$ 130,574	$ 58,043	$ 21,624	$ 1,054,664
Percentage of expenses	31%	13%	36%	12%	6%	2%	100%

See Notes to Financial Statements

BREATHE CALIFORNIA OF THE BAY AREA

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2012

	Program Services				Supporting Services		
	Environmental Health	Tobacco Control	Asthma and Other Lung Disease	Community Outreach	Fundraising	Administrative and General	Total
Functional expenses:							
Salaries	$ 270,098	$ 130,587	$ 117,077	$ 92,823	$ 25,999	$ 19,452	$ 656,036
Employee benefits	48,082	28,731	27,406	16,790	6,602	4,715	132,326
Payroll taxes	16,097	9,654	9,022	5,679	2,232	1,593	44,277
Professional fees	52,332	102,949	5,787	3,517	8,750	462	173,797
Building occupancy	3,324	2,988	1,833	1,121	423	303	9,992
Insurance	6,294	5,898	3,601	2,221	873	623	19,510
Telephone	2,095	1,709	813	376	28	2	5,023
Office supplies and expenses	4,662	1,124	4,007	661	664	127	11,245
Program supplies	34,343	142,469	16,456	8,581	2,829	2,019	206,697
Printing and publishing	2,594	1,102	1,270	534	309	48	5,857
Postage and shipping	2,729	1,153	1,502	647	927	47	7,005
Dues and subscriptions	4,115	399	1,328	199	749	37	6,827
Media expenses	19,979	2,191	1,076	468	15	11	23,740
Awards and grants	209	66	25,061	39	-	-	25,375
Meeting and travel	9,991	1,868	3,126	752	109	77	15,923
Depreciation and amortization	6,363	3,816	3,566	2,245	882	630	17,502
Total expenses	$ 483,307	$ 436,704	$ 222,931	$ 136,653	$ 51,391	$ 30,146	$ 1,361,132
Percentage of expenses	36%	32%	16%	10%	4%	2%	100%

See Notes to Financial Statements

BREATHE CALIFORNIA OF THE BAY AREA

STATEMENTS OF CASH FLOWS

	For the Years Ended June 30, 2013	2012
Cash flows from operating activities:		
Changes in net assets	$ 87,546	$ (414,753)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	14,695	17,502
Realized/unrealized (gains) losses on investments	(57,762)	18,556
Changes in assets and liabilities:		
Accounts receivable	92,510	(10,282)
Grants receivable	22,256	(22,256)
Inventory	(29,317)	43,600
Prepaid expenses	544	9,001
Cash overdraft	(3,938)	3,938
Accounts payable	(42,072)	2,153
Accrued expenses	(8,041)	1,566
Deferred revenue	(2,500)	(11,000)
Accrued pension cost	(192,509)	234,021
Net cash used in operating activities	(118,588)	(127,954)
Cash flows from investing activities:		
Purchase of property and equipment	-	(2,425)
Purchase of investments	(739,340)	(788,934)
Redemption of investments	897,816	898,065
Net cash provided by investing activities	158,476	106,706
Increase (decrease) in cash and cash equivalents	39,888	(21,248)
Beginning cash and cash equivalents balances	-	21,248
Ending cash balances	$ 39,888	$ -

See Notes to Financial Statements

Note A - Summary of Significant Accounting Policies

Nature of Activities

Breathe California of the Bay Area (the Organization) was founded in 1911 and recognized by the Internal Revenue Service as an exempt, not-for-profit, voluntary health organization 501(c)(3) in February 1948. The Organization was incorporated in California on November 30, 1959. The purpose of the Organization is to pursue, promote and assist in the prevention, care and study of diseases of the lung. The Organization conducts programs to inform the public of environmental health issues, smoking and health hazards, asthma, lung disease and community health. The Organization relies on public donations and grants for its funding.

The previous name of the Organization was the American Lung Association of Santa Clara - San Benito Counties. Effective February 13, 2006, the Organization adopted its new name when it terminated its affiliate agreements and separated from the American Lung Association (ALA) and the American Lung Association of California (ALAC).

Basis of Presentation

The Organization follows standards of accounting and financial reporting prescribed for voluntary health and welfare Organizations which include reporting on the accrual basis of accounting.

In accordance with generally accepted accounting principles, the Organization reports its financial position and operating activities in three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization. The Organization has elected to report as an increase in unrestricted net assets any restricted revenue received in the current period for which the restrictions have been met in the current period.

Temporarily restricted net assets include those assets which are subject to a donor imposed restriction and for which the applicable restriction was not met as of the end of the current reporting period.

Permanently restricted net assets include those assets which are subject to a non-expiring donor imposed restriction. The Organization has no permanently restricted assets.

Revenue Recognition

The Organization recognized contributions and pledges as revenue in the period the donor makes a promise to give that is, in substance, unconditional. Contributions restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the revenue is recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction as to time or use expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Note A - Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Amounts received for services or events not yet provided are classified as deferred support and revenue, and are recognized in the period in which the service are provided or the event takes place.

Government Grant Revenue

Government grant revenue represents third-party reimbursement for program services. Grant revenues are recognized as revenue in the period in which the reimbursable costs are incurred.

In-kind Support

Donated services are recognized as contributions at their fair value (Level 2) if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as in-kind services are offset by a like amount of expense. Donated services in 2013 were valued at approximately $156,000 and related to volunteer professional services ($165,000 in 2012). Donated supplies in 2013 were reported at fair value (Level 2) at the date the contributions were received and were valued at approximately $78,000 ($53,000 in 2012).

The Organization also receives a significant amount of donated time from attorneys that help to further its mission. These services do not meet the criteria for recognition as donated services because the Organization would not purchase the services if not provided by donation.

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentration of credit risk consist primarily of cash and cash equivalents, accounts receivable and investments.

The Organization primarily maintains its cash and cash equivalents and investments with a credit union, a major financial institution, and major domestic brokerage firm, which were insured by the Securities Investor Protection Corporation (SIPC) for up to $500,000, including $100,000 for cash deposits. At various times throughout the years ended June 30, 2013 and 2012, the Organization's investments balance in its accounts has exceeded these insured limits.

One major grantor accounted for 17% of revenues and support for the year ended June 30, 2013 (45% from two grantors in 2012). Major grantors are defined as those who represent greater than ten percent of the Organization's total annual revenue and support. Three grantors composed 84% of accounts/grants receivable as of June 30, 2013 (73% from three grantors at June 30, 2012).

Note A - Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The carrying amounts approximate fair value.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on management's experience with uncollectible accounts. Receivables are considered impaired if full payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management does not consider an allowance for doubtful accounts to be necessary as all receivables are considered collectible.

Inventory

Inventory is valued at the lower of cost or market and consists primarily of smoking cessation products, respiratory care supplies, and educational media.

Investments

The Organization's marketable securities consist of fixed income and equity securities and are presented at fair value based on prices quoted on established security exchanges. Unrealized gains and losses are included in the change in net assets in non-operating activities on the accompanying Statements of Activities.

Fair Value Measurements

Generally accepted accounting principles require the Organization to classify its financial assets and liabilities based on a valuation method using three levels. Level 1 value is based on quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect the Organization's determination of assumptions that market participants might reasonably use in valuing the securities. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investments.

Note A - Summary of Significant Accounting Policies (Continued)

Property, Equipment and Depreciation

The Organization capitalizes property and equipment acquisitions in excess of $500. Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair value on the date received. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, ranging from 5 to 40 years. Leasehold improvements are amortized over the lesser of the remaining lease term or the assets' estimated useful lives. The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value of assets may not be recoverable.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the statement of activities. Direct expenses are allocated to the related program or service benefited. Indirect expenses are generally allocated based on the direct salaries incurred.

Advertising

The Organization expenses advertising costs as incurred. For the year ended June 2013, advertising expense was $9,963 ($22,406 in 2012).

Income Taxes

The Organization is a not-for-profit corporation exempt from income taxes under Internal Revenue Code Section 501(c)(3). The Organization is exempt from California income taxes under Section 23701(d) of the California Revenue and Taxation Code. As a result no provision for federal or state income taxes is provided in the accompanying financial statements.

Although the Organization is recognized as tax exempt, it is still liable for tax on its unrelated business taxable income (UBTI). The Organization does not believe it has UBTI that should have been reported for tax purposes.

The Organization applies the provision set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 740 to account for uncertainty in income taxes. The Organization assessed all income tax positions taken where the statute of limitation remained open. The Organization believes that its tax filing positions will be sustained upon tax examinations; therefore, no liability for unrecognized income tax benefits has been recorded at June 30, 2013.

The Organization files income tax returns in the U.S. federal jurisdiction and the State of California. The Organization’s federal income tax returns for tax years 2009 and beyond remain subject to examination by the Internal Revenue Service. The Organization’s California income tax returns of the tax years 2008 and beyond remain subject to examination by the Franchise Tax Board.

Note A - Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management has evaluated subsequent events through November 7, 2013, the date the financial statements were available to be issued.

Note B - Investments (See Note A)

The fair market values of investments measured on a recurring basis at June 30, 2013 are as follows:

	Level 1	Level 2	Total
Equity securities	$ 358,538	$ -	$ 358,538
Mutual funds-fixed income	104,088	-	104,088
Corporate bonds	-	33,938	33,938
Government securities	-	47,514	47,514
Total investments	$ 462,626	$ 81,452	$ 544,078

The fair market values of investments measured on a recurring basis at June 30, 2012 are as follows:

	Level 1	Level 2	Total
Equity securities	$ 180,857	$ -	$ 180,857
Mutual funds-fixed income	237,122	-	237,122
Mutual funds-equity	226,813	-	226,813
Total investments	$ 644,792	$ -	$ 644,792

Investment income (losses) for the years ended June 30, 2013 and 2012 consisted of the following:

	2013	2012
Interest and dividend income	$ 19,919	$ 18,596
Realized gains	92,944	36,345
Unrealized gains (losses)	(35,182)	(54,901)
Investment advisory fees	(6,802)	(7,369)
Net investment income (losses)	$ 70,879	$ (7,329)

Note C - Property and Equipment

At June 30, 2013 and 2012, property and equipment consisted of the following:

	2013	2012
Land	$ 366,000	$ 366,000
Building	406,668	406,668
Office equipment	133,102	133,102
Leasehold improvements	129,534	129,534
Vehicles	16,211	16,211
	1,051,515	1,051,515
Less accumulated depreciation	356,240	341,545
	$ 695,275	$ 709,970

Note D - Temporarily Restricted Net Assets

At June 30, 2013, the Organization did not have any temporarily restricted net assets and were $25,911 at June 30, 2012. Temporarily restricted net assets represent the total amount of funds required to complete the Organization’s programs.

Note E - Pension Plan

The Organization has a noncontributory defined funded pension plan covering certain current and former employees. The Organization's funding policy is to make the minimum annual contribution required by applicable regulations. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. The Organization's Board of Directors closed the plan to new participants.

The Organization's expected contributions for the year ending June 30, 2014 are $66,600. Contributions in 2013 were $91,350, ($88,750 in 2012, of which $24,750 was included in accounts payable at June 30, 2012).

Plan assets primarily consist of collective trust funds offered by First State Trust Company, which are classified as Level 2 investments under the fair value hierarchy (Note A). The measurement dates used to determine the pension measurements for the majority of the plan assets and benefit obligations were June 30, 2013 and 2012.

For the year ended June 30, 2013, the Organization recorded pension expense, other than net periodic benefit of $192,581, primarily due to changes in the discount rate used in determining the projected benefit obligation (expense of $262,673 in 2012).

Note E - Pension Plan (Continued)

The following tables set forth further information regarding the plan as of and for the years ended June 30, 2013 and 2012:

	2013	2012
Obligations and funded status		
Projected benefit obligation	$ (1,633,159)	$ (1,672,805)
Plan assets at fair value	1,276,475	1,123,612
Funded status (accrued pension cost)	$ (356,684)	$ (549,193)
Accumulated benefit obligation	$ 1,556,590	$ 1,580,963
Plan expense paid	$ 11,874	$ 6,582
Components of net periodic benefit cost:		
Service cost	$ 61,438	$ 48,562
Interest cost	65,705	71,467
Expected return on plan assets	(80,928)	(74,526)
Recognized net loss	39,044	14,595
Net periodic benefit cost	$ 85,259	$ 60,098
Cumulative other changes in plan assets and obligations recognized as change in unrestricted net assets:		
Unrecognized net loss, beginning of year	$ (555,764)	$ (293,091)
Current year unrecognized return	186,418	(262,673)
Unrecognized net loss, end of year	$ (369,346)	$ (555,764)

The following assumptions were used to determine the plan status as of and for the years ended June 30, 2013 and 2012:

	2013	2012
Weighted average assumptions used to determine benefit obligation:		
Discount rate	4.6%	5.4%
Rate of compensation increase	3.0%	3.0%
Weighted average assumptions used to determine net periodic benefit cost:		
Discount rate	4.0%	4.0%
Rate of compensation increase	3.0%	3.0%
Expected long-term return on plan assets	7.0%	7.0%

Note E - Pension Plan (Continued)

The Organization's expected rate of return on plan assets is determined by the plan assets historical long-term investment performance, current asset allocation and estimates of future long-term returns by asset class.

Benefits paid in 2013 were $35,529 ($30,949 in 2012). Benefits expected to be paid in each of next five fiscal years and following five years in aggregate are as follows:

Year ending June 30:	
2014	$ 52,039
2015	65,666
2016	102,624
2017	110,048
2018	114,102
2019 - 2023	545,747
	$ 990,226

Plan asset allocation as of June 30, 2013 is 50% equity securities and 50% fixed income investments.

In order to meet its needs, the Organization's investment strategy emphasizes total return; that is, the aggregate return from capital appreciation, dividend income and interest income. Specifically, the primary objective in the investment management for the plan is income and growth in order to achieve a balanced return of current income and appropriate growth of principal.

The secondary objective in the investment management of assets is the preservation of purchasing power after spending in order to achieve the returns in excess of the rate of inflation plus spending over the investment horizon in order to preserve the purchasing power of plan assets. Additional objectives for the Organization's investment managers are preservation of capital and minimization of costs.

Risk control is an important element in the investment of plan assets and is achieved through a diversified target allocation and the prohibition of investment in derivative instruments, private placements, limited partnership, and venture-capital investments. In addition, short selling and margin transaction are prohibited. Investments in companies that derive their revenue from the manufacture and sale of tobacco products are strictly prohibited under Organization's investment policy.

Note F - Allocation of Joint Costs

Joint costs are costs that relate to fundraising activities as well as program services. The following joint costs were incurred for informational material and activities that included fundraising appeals for the year ended June 30, 2013 and 2012:

	2013	2012
Program services:		
Environmental health	$ 449	$ 411
Tobacco control	190	358
Asthma and other lung disease	517	191
Community outreach	179	118
	1,335	1,078
Support services:		
Fundraising	1,524	1,182
Administrative and general	30	20
	1,554	1,202
	$ 2,889	$ 2,280

Note G - Termination of Affiliate Agreements

Effective February 13, 2006, the Organization terminated its affiliate agreements and separated from ALA and ALAC. Although the Organization is legally separated from both ALA and ALAC, the Organization is restricted in various matters subject to consent judgments and certain revenues for a certain period of time continued to be shared with ALA and ALAC. Shared revenue of $7,550 was paid for the year ending June 30, 2013 and no payment was made for the year ending June 30, 2012. Management is not aware of any violation of the consent judgment as of June 30, 2013.