

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION



PERFORMANCE AND ACCOUNTABILITY REPORT Fiscal Year 2014

**Christopher Columbus Fellowship Foundation
Performance and Accountability Report
Fiscal Year 2014**

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This document was prepared by the GSA Financial Services Division

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Christopher Columbus Fellowship Foundation

Message from the Chair

Pursuant to the Performance and Accountability Report, the Christopher Columbus Fellowship Foundation presents the enclosed report including both financial and program performance results for FY 2014. The data contained is believed to be complete and reliable.

Based upon prior performance and executive review, the Foundation wishes to provide reasonable assurance that the objectives of the Accountability of Tax Dollars Act have been met. The Foundation can also provide assurance that its financial systems utilize prior systems and methods conforming to government-wide standards.

Mission

The Christopher Columbus Fellowship Foundation was established by Congress through Public Law 102-281 to “encourage and support research, study, and labor designed to produce new discoveries in all fields of endeavor for the benefit of mankind.” The Foundation pursues these goals through public outreach and the Christopher Columbus Awards (CCA) program: Community Service through Science, Technology, Engineering and Mathematics (STEM) by Middle and High School Students.

Goals and Accomplishments

The Foundation continually targets and nurtures outstanding STEM middle school innovations and research being conducted around the country throughout the year. The Foundation recognizes and facilitates student STEM development through its multi-phase competitions enabling science education and community service.

The Christopher Columbus Fellowship Foundation accomplished a great deal in FY 2014. In this, it has recognized the concerns voiced by the Administration and Members of Congress with respect and close attention. In fact, this has been the first year of a vital, well publicized, Foundation-wide dedication to refocus, retool and rebuild. Private and public sector resources have been pursued to enable expansion and enhancement. Built upon its record of achievement, today’s Board commits to fulfillment of the Foundation’s mission in achievement of current national priorities and execution of congressional direction.

In 2014, the Foundation sponsored the 18th Annual *Christopher Columbus Awards* designed exclusively for teams of middle school students. The teams were challenged to explore opportunities for positive change in their communities using the scientific method. Two teams won *Gold Medals* and \$2,000 for each team member, and one team won the \$25,000 *Columbus Foundation Community Grant* to take back to their community to implement their idea.

The programs sponsored by the Foundation have changed and evolved as new discoveries and technological breakthroughs by American innovators and educators emerged throughout the country. With today's focus on STEM Education competitions, the Foundation utilizes expertise from the Christopher Columbus Awards programs to plan and finance new "National Challenge" initiatives centered upon Life Sciences and Agriculture with others emergent.

Contact

Please visit: www.christophercolumbusfoundation.gov for more information on the programs sponsored by the Foundation. If you have any questions, please feel free to contact Hallock Northcott, Executive Director of the Foundation at: (202) 401-9653 or email: jh.northcott@christophercolumbusfoundation.gov

Sincerely,

A handwritten signature in cursive script that reads "Dr. Maria Lombardo".

Maria Lombardo, Ed.D.
Chair



Christopher Columbus Fellowship Foundation

Statement of Assurance from the Chair

I, Maria Lombardo, Chair of the Christopher Columbus Fellowship Foundation, state and assure that to the best of my knowledge:

1. The financial data included in this report is reliable and complete.
2. Pursuant to 31 U.S.C. 3512(c), (d) (commonly referred to as the *Federal Managers' Financial Integrity Act*), we have reviewed the effectiveness of the organization's internal controls in achieving the following objectives:
 - a. Reliability of financial reporting: Transactions are properly recorded, processed, and summarized to permit the preparation of the financial statements and supplementary information in accordance with generally accepted accounting principles for Federal entities, except as discussed in Section 2 of this report, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition.
 - b. Compliance with applicable laws and regulations: Transactions are executed in accordance with laws governing the use of budget authority; other laws and regulations that could have a direct and material effect on the financial statements and any other laws, regulations, and government-wide policies identified in applicable OMB guidance.
3. The controls in place on September 30, 2014, and during the Fiscal Year then ended; provide reasonable assurance that the foregoing objectives are met.
4. There have been no changes to internal controls subsequent to September 30, 2014, or other factors that might significantly affect the effectiveness of internal control.

Dr. Maria Lombardo

Maria Lombardo, Ed.D.
Chair

PART I: MANAGEMENT'S DISCUSSION AND ANALYSIS

MISSION

The Foundation was established by Congress in 1992 through Public Law 102 – 281. It is an independent Federal Agency. The Board of Trustees is appointed by the President.

Our mission: Community service through science, technology, engineering, and mathematics (STEM) by middle school and high school students nationwide.

Our focus: Competitions and awards driving STEM education's practical application benefitting communities from urban to rural America.

Our task: A three-year program to refocus, retool and rebuild to fully implement the Foundation's unique national service.

In FY 2014 the Foundation opened multiple new mission-driven initiatives. Board action in September 2013 led to: 1) comprehensive review; 2) reorganization; 3) relocation to Washington, DC; 4) installation of new staff leadership; 5) creation of new Public-Private Partnership (PPP) initiatives; and 6) at its core, a renewed enterprise to efficiently and effectively implement Congressman Annunzio's (D-Illinois) vision.

Organizational Structure Overview

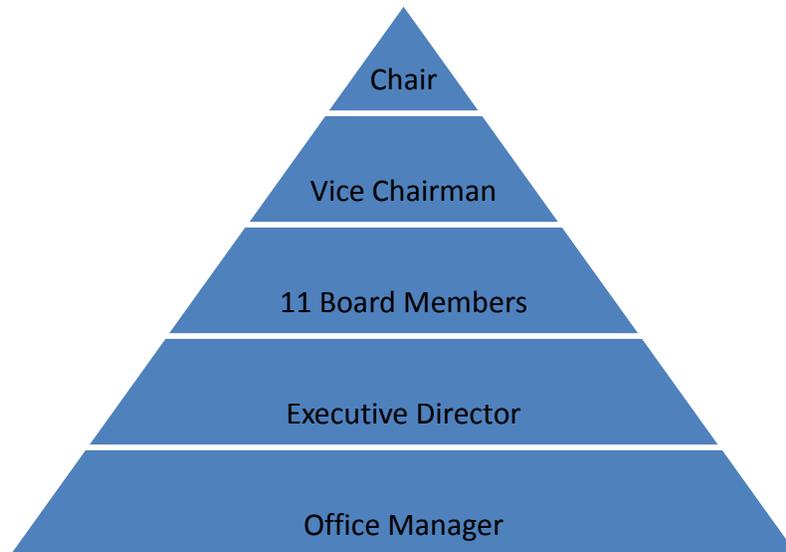
Board of Trustees

Public Law 102-281 designates that the Foundation be governed by a 13-member Board of Trustees serving six-year terms. Board members are appointed by the President in consultation with the following:

- 1) 5 members appointed by the President
- 2) 2 members nominated by the President pro tempore of the Senate
- 3) 2 members nominated by Senate Minority Leader
- 4) 2 members nominated by Speaker of the House
- 5) 2 members nominated by House Minority Leader

The Chair and Vice Chair of the Foundation are designated by the President from among the members appointed to the Board. In the absence of serving officers; the Board may designate Convening members to provide ongoing governance.

The full Board has met three times in FY 2014. In addition to Governance, it is actively engaged in "hands on" fulfillment of the Foundation's STEM mission. Members oversee student training and nurture needed to achieve community service objectives. Mentor, teach and parent volunteer leadership support and facilitation is ongoing.



Daily operations of the Foundation are handled by a two-person staff--the Executive Director and Staff Assistant.

Executive Director

The Executive Director is appointed by the Board, serves as the chief executive officer and is responsible for the operations of the Foundation, subject to the supervision and direction of the Board. The Executive Director develops, implements and represents all facets of the Foundation's programs; guides internal and external communications, oversees and implements legislative and regulatory liaison and handles other executive and administrative duties as required.

Office Manager

The Office Manger runs operations, processes financial obligations and fulfills reporting requirements. The Manager provides multiple agency administrative liaison, clerical and administrative support as well as meeting needs in IT and web management, regulatory compliance and all manner of logistics.

Other Government Agencies

Under contract, required services are provided to the Foundation by GSA and other federal agencies. The pricing for these services is set by GSA. For instance, a \$40,000 contract includes Accounting and Human Resources among other professional functions. In addition, Rent and Security of \$18,400 are also paid to GSA. Extensive interface with multiple additional agencies is supported including OGE and OMB.

AWARDS Programs

Today's Christopher Columbus Awards (CCA) produce demonstrable and remarkably consistent high grade results. In FY 2014, as in previous years, students were challenged through the CCA competitions to identify a problem in their community and apply the scientific method to create an innovative solution. From thousands of team proposals, first 30 semifinalist teams were selected to provide further documentation. Then eight finalists of three to four students and their adult coaches were selected to attend the National Championship Week – learning at the Christopher Columbus Academy in Walt Disney World.

FY 2014 Academy competitions are year+ long efforts spanning, from initiation to final public report, up to three fiscal years. The finalists compete for valuable scholarships, 2 Gold Medal awards and a \$25,000 Community Grant to bring the winning STEM solution to life in their communities. Each winning grant team builds upon new community leadership, scientific guidance, private and public resources and extensive volunteer energy. Extensive volunteer leadership and private sector participation across the nation are vital to team performance and community benefit.

Thousands of middle school students from across the country, 50+ percent girls and up to 40 percent minorities, take part in this unique STEM education program. Public Private Partnership (PPP), student and team nurture, ongoing mentor education, program mobility and required community service are among the unique elements of this effort. Its application through volunteers, in-kind contributions, expert guidance and continuing support provides tangible results. All students - not just winners - are enabled and rewarded throughout. Nationwide, this program is delivering results. Environment, housing, minority education and natural disaster priorities continue to drive vital initiatives.

The 2014 Community Grant winner is:

'Bee Aware' –from Elk Banner, North Carolina. The team learned of and approached ongoing precipitous decline in the honeybee population. Compiling data and scientific analysis they constructed and offered practical approaches to remediation and population growth. Their outreach program, endorsed by the state legislature and honored by its own License plate, builds model safe habitats, encourages agricultural community participation and educates the public.

Gold Medal winners in the 2014 Christopher Columbus Awards program were:

- **Pipe Saver** - Team members from Hollis, New Hampshire, noted widespread community and civic concerns over water damage caused by frozen pipes bursting. They developed "Pipe Saver", an inexpensive, easily available, device that automatically drains building pipes when it detects that the temperature is cold enough for the pipe to freeze.
- **Hyperboloid House** – The team from Gahanna, Ohio, became concerned about the death and destruction from earthquakes resulting from a lack of proper building materials and construction techniques. They developed and initiated public discussion of "Hyperboloid House" - a hyperboloid-shaped house made from

interlocking, high-strength bamboo connected to flexible joints, intended to withstand an earthquake with minimal destruction and loss of life.

Multiple 2014 Awardees demonstrated the same application of the scientific method as had previous winners:

'Rez Protectors'- from the Crow Reservation in Montana. The all-girl team faced and addressed inadequate school facilities and community housing. Utilizing the scientific method, they developed and spread straw block school halls, from indigenous materials, to other reservations. In addition to multiple media appearances, including an Oprah Winfrey feature, they continued community leadership initiatives on the Reservation and beyond;

'Zero Waste' of Hockessin, Delaware. The 3-member team successfully launched city-wide environmentally aggressive composting plans and brought their message of economic and efficient community action to the state legislature, Congress, the White House and back to neighboring communities where municipal review is underway; and

'The River Rangers' of Myrtle Beach, South Carolina utilized technology to open up navigable waterways and clear repeated natural disaster damage. FEMA and state agency input supported local and civic action. White House Science Fair recognition drove wide attention and problem focus.

In addition to these Grant winners, literally thousands of applicants and semifinalist winners presented projects addressing their community concerns reflecting priorities including environment, diversity, healthy lifestyles, consumer product safety, child abuse, auto and traffic safety, affordable housing and energy conservation among others.

For the fourth consecutive year, the Foundation was invited to have a winning student team at the *White House Science Fair*. The 2013 \$25,000 *Columbus Foundation Community Grant* winning team, The Zero Waste Team, of Hockessin, Delaware, presented their statewide, curbside composting plan to ease shrinking landfill space.

The Foundation had two winning teams at the 2014 *USA Science & Engineering Festival*, in Washington, DC. Teams from the 2013 *Christopher Columbus Awards* presented their projects – The Zero Waste Team of Hockessin, Delaware, (above) and the S.L.I.D.E.: Solar Light Indicating Danger Ecologically Team from Roan Mountain, Tennessee, who had developed S.L.I.D.E. SLIDE is a solar-powered warning system designed to detect surface temperatures and to visually alert playground supervisors and visitors when the surface becomes dangerously hot, to prevent the frequent occurrence of second to third-degree burns.

POLICY INITIATIVES

A. FEDERAL INTEGRATION

Initial collaboration with the Federal Committee on STEM Education (CoSTEM), working within the National Science and Technology Council (NTSC), has been begun. CoSTEM will coordinate a “cohesive national strategy”, to reorganize STEM education programs. Comprised of 13 partner agencies, it incorporates the mission science primary agencies led by the Department of Education.

Advancing vital national policy goals through its partnerships has long been a focus of the Foundations ongoing innovation. This year it has increased the impact of federal investments in areas where CCA has an established presence: Middle School STEM instruction and application; increasing and sustaining public and youth community engagement with STEM; and better serving groups historically underrepresented in STEM fields.

As primary focus in program development, the CCA is working to replicate for inner city and educationally underserved communities the successful outreach that has grown annual female student participation to between 55 percent and 62 percent annually. It is striving to innovatively grow opportunities for competition among our significant number of alternate education opportunity, home or online schooling teams. Concurrently, the programs will also meet the broadly recognized need to dramatically grow the application of STEM beyond simple classroom and contest environments to meet CoSTEM mission.

Building upon its record, CCFF has actively explored opportunities to utilize expertise and systems in place administering multiple aspects of existing and new competitions. It conducts nationwide nomination solicitations; promotes and advertises all phases of the competitions; and develops the nomination and related materials including procedures and criteria. It can and does provide federal network facilitation by which the recipient(s) can pursue the development and funding of their innovation(s) and community service.

A. PUBLIC PRIVATE PARTNERSHIPS

The Foundation has placed high priority on rebuilding and restructuring programs providing 22 years of success in forming public-private partnerships. In the short term, these new initiatives have not yet come to fruition.

The model for current resource development is built upon the Foundations record of successful partnerships including organizations as diverse as the National Science Foundation, Bayer Corporation, U.S. Chamber of Commerce, Walt Disney World, *DISCOVER Magazine*, the National Italian American Foundation, the National Museum of Education, the Association of Middle Level Education, and the American Farm Bureau Federation, as well as noted colleges and universities.

Through its program and competition development, CCFF can and will utilize relationships with both public and private sector entities aligned with particular themes or an award program to open related avenues for collaboration. Building upon multiple established PPP elements to pursue ongoing “national opportunity challenge” themes and subjects will enable development of implementable solutions to the issues our students face in their own communities.

CCFF has actively sought to encourage private sector funding sources to augment existing and future programs through direct, tax exempt contributions to the Treasury Fund. A complimentary effort is being undertaken by a new independent advisory group, Innovation Generation: A STEM Education Foundation (iGEN). iGEN will provide leadership of public and private sector nonprofit 501(c) (3) promotion and support to fulfill its purpose: Community Service through STEM by middle and high school students. iGEN funds are anticipated to become the principal source of funding provided through the Treasury Fund.

Among private sector resources, the longstanding national volunteer network is invaluable. Adult coaches, teachers, judges, and many others donate an estimated 30 thousand hours annually for just those teams that make it through the first screening. Overall competition volunteer totals, currently not recorded, may exceed 100,000 hours. Volunteers often remain with the program for multiple years, mentoring and supporting new entrants through social media and direct contact. The Foundation enhances training and technology support for this invaluable resource.

PROGRAMMATIC INCREASES OR ANOMALIES

Program funding has been provided through a Trust Fund held in the department of Treasury by a mix of original 1992 coin sales revenue, ongoing interest, appropriated funds and multiple private sector contributions. The Foundation requested \$676,000 in funding for FY 2014 and received \$150,000, which is \$276,462 less than the amount allocated in 2013. The appropriation funded less than one third of the program expenditures. Trust Fund expenditures required for FY 2014 programs have virtually exhausted Department of Treasury mixed source funds.

FINANCIAL PERFORMANCE OVERVIEW

As of September 30, 2014, the financial condition of the Christopher Columbus Fellowship Foundation is sound. The accompanying financial statements have been prepared in conformity with the hierarchy of accounting principles approved by the Federal Accounting Standards Advisory Board and the Office of Management and Budget Circular A-136, Financial Reporting Requirements.

SOURCES OF FUNDS

In 1992, Congress commemorated the 500th anniversary of the discovery of the Americas by passing Public Law 102-281. Its sole purpose was to create and fund the Foundation. It created the multi-source funding which continues today.

The Foundation received \$7.6 million from surcharges on the sale of three denominations of specially minted coins sold by the United States Mint. (This fund, sometimes called the "endowment", is held by the Department of Treasury.) The Foundation operated entirely under the original funds through 2007. At that point, coin revenues, OGA funds and private sector contributions had been nearly depleted through program expansion.

To address this gap, Congress appropriated funds to supplement multi-source funding maintaining the competitions and multiple awards. Congress permanently authorized funding for the Foundation in the Omnibus Appropriations Act, 2009 with strong bipartisan support.

Since 2008, the Foundation has operated through a combination of the original "endowed" support, private sector contributions and federal appropriations. The Foundation has received the following appropriations:

- FY 2008 – \$600,000
- FY 2009 – \$1,000,000
- FY 2010 – \$750,000
- FY 2011 – \$499,000
- FY 2012 – \$450,000
- FY 2013 – \$426,462
- FY 2014 – \$150,000

It is important to note that until FY 2011 the Foundation was, by Administrative directive, not permitted to utilize multiple common private sector fund raising tools. As a result of agency reversal of that ruling, multi-source approaches were undertaken.

The Foundation has \$156,032 remaining in its trust fund maintained with the U.S. Treasury. These funds were received through both Federal Appropriation agency support and substantial private sector contributions.

In FY 2014, new efforts were initiated to secure Public Private Partnership, contributions, grants and individual program ownership. In the first 6 months of this long term effort – no funding has been committed.

AUDIT RESULTS

Based upon its many years of unqualified audits, opinions and its current financial position the foundation needs to and will request a waiver. To date, the Foundation has not obtained an audit of its FY 2014 financial operations.

In FY 2014, the Foundation has employed the same process and procedures utilized in previous years. To our knowledge, there were no material internal control weaknesses or instances of substantial noncompliance with relevant laws and regulations that could have a material impact on the financial statements.

FINANCIAL STATEMENTS

The financial statements summarize the financial activity and financial position of the Foundation in FY 2014. The financial statements and notes appear in Part II, Financial Section.

The principal financial statements have been prepared by the GSA Financial Services Division to report the financial position and results of operations of the Foundation, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of the Foundation in accordance with GAAP for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the U.S. government, a sovereign entity. Thus, they are not comparable with private sector philanthropic or funding requirements under either multiple private sector standards or Section 501(c)3 of the IRS Code.

MANAGEMENT CONTROLS, SYSTEMS AND COMPLIANCE

The Accountability of Tax Dollars Act (ATDA) requires Federal agencies to provide an annual statement of assurance regarding management controls and financial systems. The statement of assurance is provided at the beginning of the Performance and Accountability Report. It is based on the review and consideration of analyses of the Foundation's financial statements.

PROMPT PAYMENT ACT

The Prompt Payment Act requires Federal agencies to make timely payments to vendors, including any interest penalties for late invoice payments. In FY 2014, the Foundation did not pay any interest or penalties on invoices processed.

ACCOUNTABILITY OF TAX DOLLARS ACT (ATDA)

The Accountability of Tax Dollars Act (ATDA) requires Federal agencies to report on agency substantial compliance with Federal financial management system requirements, Federal accounting standards, and the U.S. Government Standard General Ledger. Under this law, the agency head is required to assess and report on whether these systems comply with ATDA on an annual basis. In assessing compliance with ATDA, the Foundation adheres to ATDA implementation guidance provided by OMB and considers the results of annual financial statement audits and any other information available. Based on all of the information considered, we have determined that the Foundation is compliant with ATDA requirements.

IMPROPER PAYMENTS INFORMATION ACT

The Improper Payments Information Act (PL 107-300) defined requirements to reduce improper/erroneous payments made by the Federal government. OMB also has established specific reporting requirements for agencies with programs that possess a significant risk of erroneous payments and for reporting on the results of

recovery auditing activities. A significant erroneous payment as defined by OMB guidance is an annual payment in a program that exceeds both 2.5 percent of the program payments and \$10 million.

The Foundation has not identified any programs where significant erroneous payments have occurred within the agency. The Foundation will continue to review programs on an annual basis to determine if any significant erroneous payments exist.



THE CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

GENERAL/TRUST FUND

FINANCIAL STATEMENTS

As of and For The Years Ended September 30, 2014 and 2013

Christopher Columbus Fellowship Foundation

BALANCE SHEET

As Of September 30, 2014 and 2013

		2014	2013
Assets:			
Intragovernmental:			
Fund Balance With Treasury	(Note 2)	\$ 156,032	\$ 570,714
Total Intragovernmental		156,032	570,714
Total Assets		\$ 156,032	\$ 570,714
Liabilities:			
Intragovernmental:			
Accounts Payable	(Note 3)	\$ -	\$ 19
Other:	(Note 4)		
Employer Contributions and Payroll Taxes Payable		803	519
Total Intragovernmental		803	538
Liabilities With the Public:			
Accounts Payable	(Note 3)	1,949	17,580
Other:	(Note 4)		
Accrued Funded Payroll and Leave		3,397	2,719
Employer Contributions and Payroll Taxes Payable		170	14
Unfunded Leave		6,367	18,616
Total Liabilities		12,686	\$ 39,467
Net Position:			
Cumulative Results of Operations - All Other Funds (Consolidated Totals)		143,346	531,247
Total Net Position - All Other Funds (Consolidated Totals)		143,346	531,247
Total Net Position		\$ 143,346	\$ 531,247
Total Liabilities and Net Position		\$ 156,032	\$ 570,714

**CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION
STATEMENT OF NET COST**

As of and For The Years Ended September 30, 2014 and 2013

		2014	2013
		<hr/>	<hr/>
Program Costs:			
CCFF:			
Gross Costs	(Note 6)	\$ 561,307	\$ 578,418
Net Program Costs		<u>561,307</u>	<u>578,418</u>
 Net Cost of Operations		 <u><u>\$ 561,307</u></u>	 <u><u>\$ 578,418</u></u>

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION
STATEMENT OF CHANGES IN NET POSITION
As of and For The Years Ended September 30, 2014 and 2013

FY 2014 (CY)

	Funds From Dedicated Collections (Consolidated Totals)	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
Cumulative Results of Operations:				
Beginning Balances	\$ -	\$ 531,247		\$ 531,247
Beginning balance, as adjusted	-	531,247	-	531,247
Budgetary Financing Sources:				
Appropriations used	-	150,000		150,000
Donations and forfeitures of cash and cash equivalents	-	11,471		11,471
Other Financing Sources (Non-Exchange):				
Imputed financing	-	11,935		11,935
Total Financing Sources	-	173,406	-	173,406
Net Cost of Operations	-	561,307		561,307
Net Change	-	(387,901)		(387,901)
Cumulative Results of Operations	-	143,346		143,346
Unexpended Appropriations:				
Budgetary Financing Sources:				
Appropriations received	-	150,000		150,000
Appropriations used	-	(150,000)		(150,000)
Net Position	-	143,346		143,346

The accompanying notes are an integral part of these statements.

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION
STATEMENT OF CHANGES IN NET POSITION
As of and For The Years Ended September 30, 2014 and 2013

FY 2013 (PY)

	Funds From Dedicated Collections (Consolidated Totals)	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
Cumulative Results of Operations:				
Beginning Balances		\$ 660,477		\$ 660,477
Beginning balance, as adjusted	-	660,477	-	660,477
Budgetary Financing Sources:				
Appropriations used	-	426,462		426,462
Nonexchange revenue		115		115
Other Financing Sources (Non-Exchange):				
Imputed financing	-	22,611		22,611
Total Financing Sources	-	449,188	-	449,187
Net Cost of Operations		578,418		578,418
Net Change	-	(129,230)		(129,230)
Cumulative Results of Operations		531,247		531,247
Unexpended Appropriations:				
Budgetary Financing Sources:				
Appropriations received	-	450,000		450,000
Other adjustments	-	(23,538)		(23,538)
Appropriations used	-	(426,462)		(426,462)
Net Position	-	531,247		531,247

The accompanying notes are an integral part of these statements.

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION
STATEMENT OF BUDGETARY RESOURCES

As of and For The Years Ended September 30, 2014 and 2013

	<u>2014</u> <u>Budgetary</u>	<u>2013</u> <u>Budgetary</u>
BUDGETARY RESOURCES		
Unobligated balance brought forward, October 1	\$ 549,863	\$ 666,491
Unobligated balance brought forward, October 1, adjusted	\$ 549,863	666,491
Recoveries of prior year unpaid obligations (unobligated balances)	\$ 24	1,123
Unobligated balance from prior year budget authority, net	\$ 549,887	667,614
Appropriations (discretionary and mandatory)	\$ 311,470	853,039
Spending authority from offsetting collections	\$ 1,000	
Total budgetary resources	<u>\$ 862,357</u>	<u>\$ 1,520,653</u>
 STATUS OF BUDGETARY RESOURCES		
Obligations incurred	(Note 7) \$ 715,148	\$ 970,790
Exempt from apportionment	147,209	549,863
Unobligated balance brought forward, end of year	147,209	549,863
Total budgetary resources	<u>\$ 862,357</u>	<u>\$ 1,520,653</u>
 CHANGE IN OBLIGATED BALANCE		
Unpaid obligations, brought forward, October 1 (gross)	\$ 20,852	\$ 15,145
Obligations incurred	715,148	970,790
Outlays (gross) (-)	(727,153)	(963,961)
Recoveries of prior year unpaid obligations (-)	(24)	(1,123)
Unpaid obligations, end of year	(Note 8) 8,823	20,851
Obligated balance, start of year (net)	20,852	15,145
Obligated balance, end of year (net)	<u>\$ 8,823</u>	<u>\$ 20,851</u>
 BUDGET AUTHORITY AND OUTLAYS, NET		
Budget authority, gross (discretionary and mandatory)	\$ 312,471	\$ 853,039
Actual offsetting collections (discretionary and mandatory) (-)	(1,000)	
Budget authority, net (discretionary and mandatory)	311,471	853,039
Outlays, gross (discretionary and mandatory)	727,153	963,961
Actual offsetting collections (discretionary and mandatory) (-)	(1,000)	-
Outlays, net (discretionary and mandatory)	726,153	963,961
Distributed offsetting receipts (-)	161,471	426,462
Agency outlays, net (discretionary and mandatory)	<u>\$ 564,682</u>	<u>\$ 537,499</u>

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Christopher Columbus Fellowship Foundation (“The Foundation”) is an independent agency of the Executive Branch of the United States Government. From its beginning, The Foundation has encouraged and supported individual and team research, study, and labor designed to produce advances in all fields of scientific endeavor.

In 1992 Americans celebrated the 500th anniversary of the discovery of the Americas. Congress enacted Public Law 102-281, the Christopher Columbus Quincentenary Coins and Fellowship Foundation. The Foundation is governed by a 13 member Board of Trustees appointed by the President of the United States.

Initial funding for the Foundation’s Endowment (Trust Fund) was derived from the sale of three denominations of specially minted coins sold by the United States Mint from August 1992-June 1993. Today, the Foundation receives interest income from the trust fund assets, Congressional appropriations, and tax exempt private donations. The reporting entity consists of the Foundation and the associated Trust Fund established at the U.S. Treasury.

Across multiple scientific fields, the Foundation has a proud history of recognizing outstanding individuals and teams who innovate to serve their communities. Over time, as new discoveries and technological breakthroughs were made and our nation’s agenda grew, the Foundation’s awards programs evolved.

One unique program, the Christopher Columbus Awards (CCA) competition has repeatedly demonstrated national value. For 19 years, the CCA has challenged students nationwide to identify and explore problems in their communities and then apply the scientific method to create and implement practical solutions.

Building upon the CCA competitions innovative record, the Foundation strives to meet emerging critical needs through its new mission. The Foundations mission and sole focus is “*Community Service through Science, Technology, Engineering, and Mathematics (STEM) by Middle School and High School Students*”.

In fulfilling its STEM-driven mission, the Foundation has undertaken further competition and awards initiatives. The fruits of these new efforts are emerging.

Basis of Presentation

These financial statements have been prepared from the accounting records of the Foundation in accordance with generally accepted accounting principles (GAAP) as promulgated by the Federal Accounting Standards Advisory Board (FASAB), and the form and content for entity financial statements specified in Office of Management and Budget (OMB) Circular A-136, “Financial Reporting Requirements.” GAAP for Federal entities is the hierarchy of accounting

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

principles prescribed in Statement of Federal Financial Accounting Standards (SFFAS) 34, “The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards issued by the Financial Accounting Standards Board.”

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

OMB Circular No. A-136 requires agencies to prepare principal statements, which include a Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources. The balance sheet presents, as of September 30, 2013, amounts of future economic benefits owned or managed by The Foundation (assets), amounts owed by the Foundation (liabilities), and amounts which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the Foundation and other reporting entities. The Statement of Budgetary Resources reports an agency’s budgetary activity.

Basis of Accounting

Transactions are recorded on the accrual accounting basis of accounting in accordance with OMB Circular A-136. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to the receipt or payment of cash.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Budgets and Budgetary Accounting

The Foundation follows standard federal budgetary accounting policies and practices in accordance with OMB Circular A-11, “Preparation, Submission, and Execution of the Budget,” dated June 2008. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds. For Fiscal Years (FY) 2014, 2013, 2012, 2011, 2010, and 2009, Congress provided the Foundation with no-year appropriations to incur obligations in support of agency programs. The Foundation is accountable for these appropriations, which carryover if not expended. The Foundation recognizes budgetary resources as assets when cash (funds held by Treasury) is made available through warrants and when spending authority from the offsetting collection is incurred.

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Other Financing Sources

The Foundation has a general fund and a trust fund, which includes a receipt account that receives an inter fund transfer. The Foundation receives an annual appropriation from Congress, interest income, and private donations that may be used, within statutory limits, for operating and capital expenditures. Appropriations are recognized as revenues as the related program or administrative expenses are incurred. Inter fund transactions effect the financial presentation and disclosure. Appropriations are recorded in the general fund and are then transferred to the receipt account of the trust fund. Due to the way federal accounting works, the Statement of Budgetary Resources is reported on a combined basis as opposed to the consolidated basis of the proprietary statements. Therefore, the reporting effect is to show the appropriations received line of the Statement of Budgetary Resources as being doubled. All other effects of the inter fund transfer eliminate between the general fund and the trust fund due to the consolidated basis of the proprietary financial statements.

Other financing sources for the Foundation consist of imputed financing sources which are costs financed by other federal entities on behalf of the Foundation, as required by SFFAS No. 5, "Accounting for Liabilities of the Federal Government." In certain instances, operating costs of the Foundation are paid out of funds appropriated to other federal agencies. In accordance with SFFAS 5, all expenses of a federal entity should be reported by that agency regardless of whether the agency will ultimately pay those expenses. Amounts for certain expenses of the Foundation, which will be paid by other federal agencies, are recorded in the Statement of Net Cost. A related amount is recognized in the Statement of Changes in Net Position as an imputed financing source. The Foundation records imputed expenses and financing sources for employee retirement plan contributions, group term life insurance, and health benefit costs, which are paid by the Office of Personnel Management (OPM).

Personnel Compensation and Benefits

Salaries and wages of employees are recognized as accrued payroll expenses and related liabilities as earned. These expenses are recognized as a funded liability when accrued. Annual leave is accrued as it is earned by employees and is included in personnel compensation and benefit costs. An unfunded liability is recognized for earned but unused annual leave, since from a budgetary standpoint, this annual leave will be paid from future appropriations when employees use the leave. The amount accrued is based upon current pay rates for employees. Sick leave and other types of leave that are not vested are expensed when used and no future liability is recognized for these amounts.

The Foundation's employees participate in one of two retirement programs, either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), which became effective on January 1, 1987. The Foundation and its employees both contribute to these systems. Although the Foundation funds a portion of the benefits under CSRS and FERS and

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Personnel Compensation and Benefits (continued)

makes the necessary payroll withholdings, it does not report assets associated with these benefit plans in accordance with SFFAS 5.

For CSRS employees, the Foundation contributes an amount equal to 11.9% of the employees' basic pay to the plan. For FERS employees, the Foundation contributes an amount equal to 7% of the employees' basic pay to the plan.

Both CSRS employees and FERS employees are eligible to participate in the Thrift Savings Plan (TSP). The TSP is a defined contribution retirement plan intended to supplement the benefits provided under CSRS and FERS. For FERS employees, the Foundation contributes an amount equal to 1% of the employee's basic pay to the TSP and matches employee contributions up to an additional 4%. CSRS employees receive no matching contribution from the Foundation.

OPM is responsible for reporting assets, accumulated plan benefits, and unfunded liabilities, if any, applicable to CSRS participants and FERS employees government-wide, including the Foundation's employees. The Foundation has recognized an Imputed Cost and Imputed Financing Source for the difference between the estimated service cost and the contributions made by the Foundation and its covered employees. The estimated cost of pension benefits is based on rates issued by OPM.

Employees are entitled to participate in the Federal Employees Group Life Insurance (FEGLI) Program. Participating employees can obtain "basic life" term life insurance, with the employee paying two-thirds of the cost and the Foundation paying one-third. Additional coverage is optional, to be paid fully by the employee. The basic life coverage may be continued into retirement if certain requirements are met. OPM administers the FEGLI program and is responsible for the reporting of related liabilities. Each fiscal year, OPM calculates the U.S. Government's service cost for the post-retirement portion of basic life coverage. Because the Foundation's contributions to the basic life coverage are fully allocated by OPM to the pre-retirement portion of coverage, the Foundation has recognized the entire service cost of the post-retirement portion of basic life coverage as an Imputed Cost and Imputed Financing Source.

Assets and Liabilities

Intra-governmental assets and liabilities arise from transactions between the Foundation and other Federal entities.

Funds with the U.S. Treasury comprise the majority of assets on the Foundation's balance sheet. All other assets result from activity with non-federal sources.

Liabilities represent amounts that are likely to be paid by the Foundation as a result of transactions that have already occurred. The accounts payable portion of liabilities consists of

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets and Liabilities (continued)

amounts owed to federal agencies and commercial vendors for goods, services, and other expenses received but not yet paid.

Liabilities covered by budgetary or other resources are those liabilities of the Foundation for which Congress has appropriated funds, or funding is otherwise available to pay amounts due.

Fund Balance with Treasury

The U.S. Department of the Treasury (Treasury) processes the Foundation's receipts and disbursements. Fund Balance with Treasury is the aggregate amount of the Foundation's accounts with Treasury for which the Foundation is authorized to liquidate obligations, pay funded liabilities, and make expenditures. The fund balance is increased through the receipt of non-expenditure Treasury warrants for appropriations, interest income, private donations, positive non-expenditure transfers, and other expenditure inflows of funds. The fund balance is reduced through non-expenditure Treasury Warrants for rescissions, negative non-expenditure transfers, disbursements, and other expenditure cash outflows of funds.

The Foundation's funds with the U.S. Treasury are cash balances from appropriations as of the fiscal year-end from which the Foundation is authorized to make expenditures and pay liabilities resulting from operational activity.

General Property, Plant and Equipment, Net

Property, plant, and equipment (PP&E) have been defined in the Federal Government as tangible items owned by the Federal Government and having an expected useful life of greater than two years. The following policies will be effective for PP&E:

PP&E will be reported at acquisition cost.

The capitalization threshold will be established at \$5,000 for assets with a useful life of two or more years.

For bulk purchases, items will be capitalized when the individual useful lives are at least two years and have an aggregate value of \$100,000 or more.

Acquisitions of PP&E that do not meet the capitalization criteria will be recorded as operating expenses. General PP&E consists of items that are used by the Foundation to support its mission.

Depreciation on these assets is calculated using the straight-line method. Depreciation begins the month after the asset is placed in service.

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Property, Plant and Equipment, Net (continued)

Useful lives are as follows:

Equipment -	4 years
Furniture -	4 years

Maintenance, repairs and minor renovations are expensed as incurred. Expenditures that materially increase values, change capacities or extend useful lives are capitalized.

The costs of any leasehold improvements financed with the Foundation's appropriated funds will be capitalized if the total cost exceeds \$25,000. Construction costs will be accumulated as "construction in-progress" until completion and then transferred and capitalized as a "leasehold improvements." Leasehold improvements are depreciated over the lesser of 7 years or the remaining life of the underlying lease.

Internal use software development and acquisition costs of \$25,000 will be capitalized as "software development-in-progress" until the development stage is completed and the software is successfully tested. At acceptance, "software development-in-progress" costs are reclassified as "internal use software" and amortized using the straight-line method over an estimated useful life of 4 years. Purchased commercial software that does not meet the capitalization criteria will be expensed. Enhancements that do not add significant new capability or functionality will be expensed.

Prepaid and Deferred Charges

Payments in advance of the receipt of goods and services are recorded as prepaid charges at the time of prepayment and recognized as expenses when the related goods and services are received.

Liabilities

Liabilities represent amounts expected to be paid as the result of a transaction or event that has already occurred. Liabilities covered by budgetary resources are liabilities incurred which are covered by realized budgetary resources as of the balance sheet date. Available budgetary resources include new budget authority, spending authority from the offsetting collections, recoveries of unexpired budget authority through downward adjustments of prior year obligations, and unobligated balances of budgetary resources at the beginning of the year. Unfunded liabilities are not considered to be covered by such budgetary resources. Examples of unfunded liabilities are actuarial liabilities for future Federal Employees' Compensation Act (FECA) payments and annual leave. The Government, acting in its sovereign capacity, can abrogate liabilities arising from other than contracts.

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingencies

The criteria for recognizing contingencies for claims are (1) a past event or exchange transaction has occurred as of the date of the statements; (2) a future outflow or other sacrifice of resources is probable; and (3) the future outflow or sacrifice of resources is measurable (reasonably estimated). The Foundation recognizes material contingent liabilities in the form of claims, legal action, administrative proceedings and environmental suits that have been brought to the attention of legal counsel, some of which will be paid by the Treasury Judgment Fund. It is the opinion of management and legal counsel that the ultimate resolution of these proceedings, actions and claims, will not materially affect the financial position or results of operations.

Net Position

Net position consists of unexpended appropriations and cumulative results of operations. Unexpended appropriations represent amounts of budget authority to include unobligated or obligated balances not rescinded or withdrawn. Cumulative results of operations is comprised of the following: (1) the difference between revenues and expenses, (2) the net amount of transfers of assets in and out without reimbursement, and (3) donations, all since inception of the fund(s).

NOTE 2 – FUND BALANCE WITH TREASURY

The Foundation’s Fund Balance with Treasury is derived from investment interest revenue, appropriations, and private donations. The table below displays the composition of Fund Balance with Treasury. The “Trust Fund” listed in Item A is the remainder of funds from coin sale surcharges described in Note 1. Since the Trust Fund is invested in cash and cash equivalents (U.S. Treasury debt instruments with maturities of three months or less), there is no specific line item for investments.

	2014	2013
A. Fund Balance with Treasury		
Trust Fund (Investment & Cash)	\$ 156,032	\$ 570,714
Total (Investment & Cash)	\$ 156,032	\$ 570,714
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	147,209	549,863
2) Obligated Balance not yet Disbursed	8,823	20,851
Total	\$ 156,032	\$ 570,714

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

NOTE 3 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities of the Foundation are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2014, the Foundation showed liabilities covered by budgetary resources of \$6,319 and liabilities not covered by budgetary resources of \$6,367. As of September 30, 2013, the Foundation showed liabilities covered by budgetary resources of \$20,851 and liabilities not covered by budgetary resources of \$18,616.

As of September 30, 2014, liabilities covered by budgetary resources was composed of Accounts Payable \$1,949, Accrued Funded Payroll and Leave \$3,397, and Employer Contributions and Payroll Taxes Payable \$973. As of September 30, 2013, liabilities covered by budgetary resources was composed of Accounts Payable \$17,599, Accrued Funded Payroll and Leave \$2,719, and Employer Contributions and Payroll Taxes Payable \$534.

	<u>2014</u>	<u>2013</u>
With the Public		
Other	<u>\$ 6,367</u>	<u>\$ 18,616</u>
Total liabilities not covered by budgetary resources	6,367	18,616
Total liabilities covered by budgetary resources	<u>6,319</u>	<u>20,851</u>
Total Liabilities	<u><u>\$ 12,686</u></u>	<u><u>\$ 39,467</u></u>

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

NOTE 4 – OTHER LIABILITIES

As of September 30, 2014, other liabilities with the public consisted of Accrued Funded Payroll and Leave of \$3,398, Unfunded Leave in the amount of \$6,367, and employer contributions and payroll taxes payable – TSP of \$170. Other Intragovernmental liabilities consist of employer contributions and payroll taxes payable \$803. As of September 30, 2013, other liabilities with the public consisted of Accrued Funded Payroll and Leave of \$2,719, Unfunded Leave in the amount of \$18,616, and employer contributions and payroll taxes payable – TSP of \$14. Other Intragovernmental liabilities consist of employer contributions and payroll taxes payable \$519.

	<u>With the Public</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
2014	Other Liabilities	6,367	3,567	\$9,935
2013	Other Liabilities	18,616	2,733	\$21,349

	<u>Intragovernmental</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
2014	Other Liabilities		803	\$803
2013	Other Liabilities		519	\$519

NOTE 5 - LEASES

The Foundation leased office space at 110 Genesee Street in Auburn, New York from October 1, 2013 – December 31, 2013 (3 months at \$1,485 per month). The Foundation moved the bulk of its office material to storage and then leased office space in Washington, DC. The lease was entered into on March 11, 2014 with an expiration date of September 30, 2014. The office space was leased from the General Services Administration (GSA) at the GSA Regional Office Building (ROB), 301 7th Street, SW, Room 2904-1 & 2, Washington, DC. (Rent paid to GSA was \$1,115.71 per month, plus an additional monthly fee to DHS for Security at ROB at \$134.35 per month for March – May, June – September was at \$136.63 per month.)

In preparation for the office move, the Foundation paid off the lease on its copier in November 2013. (Payments totaling \$1,205 were paid: \$172 for October 2013, \$172 for November 2013, plus a final payment of \$861 to pay off the lease.)

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

NOTE 6 – INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

Intragovernmental costs are those of goods/services purchased from a federal entity.

	Total 2014	Total 2013
Program A		
Intragovernment costs	86,515	65,276
Public costs	474,791	513,141
Total Program A	<u>561,307</u>	<u>578,418</u>

NOTE 7 – APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

Apportionment is a plan, approved by OMB, to spend resources provided by one of the annual appropriations acts, a supplemental appropriations act, a continuing resolution, or a permanent law (mandatory appropriations). Resources are apportioned by Treasury Account Fund Symbol (TAFS). The apportionment identifies amounts available for obligation and expenditure. It specifies and limits the obligations that may be incurred and expenditures made (or makes other limitations, as appropriate) for specified time periods, programs, activities, projects, objects, or any combination thereof. An apportioned amount may be further subdivided by an agency into allotments, suballotments, and allocations.

All of the Foundation’s obligations incurred are considered direct. None are reimbursable. Obligations incurred for the Foundation include both Category B apportionments and obligations exempt from apportionment, as defined by OMB Circular A-11, and reported on the Foundation’s latest SF 132. Category B apportionments typically distribute budgetary resources by activities, projects, objects or a combination of these categories. The direct obligations against the Foundation’s appropriated funds are Category B. The direct obligations for the Foundation’s trust fund are exempt from apportionment. The table below presents the distribution of obligations incurred by apportionment category for the fiscal years ended September 30, 2014 and 2013.

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

	Total 2014	Total 2013
Direct		
Category A	0	426,462
Category B	150,000	0
Exempt From Apportionment	565,148	544,328
Total Obligations	<u>\$715,148</u>	<u>\$970,790</u>

NOTE 8 – UNDELIVERED ORDERS AT THE END OF THE PERIOD

Undelivered orders represent the value of goods and services ordered and obligated that have not been received. This amount includes any orders for which advance payment has been made but for which delivery or performance has not yet occurred. The amount of Unpaid Obligated Balance, Net, End of Period includes obligations relating to Undelivered Orders (good and services contracted for but not yet received at the end of the year) and Accounts Payable (amounts owed at the end of the year for goods and services received).

	Undelivered Orders	Accounts Payable	Unpaid Obligated Balance, Net
2014	\$2,504	6,319	\$8,823
2013	\$0	20,851	\$20,851

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

NOTE 9 – EXPLANATION OF THE RELATIONSHIP BETWEEN LIABILITIES NOT COVERED BY BUDGETARY RESOURCES ON THE BALANCE SHEET AND THE CHANGE IN COMPONENTS REQUIRING OR GENERATING RESOURCES IN FUTURE PERIODS

The Change in Components Requiring or Generating Resources in Future Periods equals the difference between the opening and ending balances of Liabilities Not Covered by Budgetary Resources (as shown on the Balance Sheet, reference Note 5), shown as follows:

FY 2014

	FY 2013	FY 2014	Change
Unfunded Annual Leave	\$18,616	\$6,367	\$12,249

FY 2013

	FY 2012	FY 2013	Change
Unfunded Annual Leave	\$17,205	\$18,616	(\$1,411)

Note accrued funded payroll liability is covered by budgetary resources and is included in the net cost of operations, whereas unfunded annual leave liability includes the expense related to the increase in annual leave liability for which the budgetary resources will be provided in a subsequent period.

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

**NOTE 10 – RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY)
TO BUDGET**

Budgetary resources obligated are obligations for personnel, goods, services, benefits, etc. made by the Foundation in order to conduct operations or acquire assets. Other (i.e., non-budgetary) financing resources are also utilized by the Foundation in its program (proprietary) operations. For example, spending authority from offsetting collections and recoveries are financial resources from the recoveries of prior year obligations (e.g., the completion of a contract where not all the funds were used) and refunds or other collections (i.e., funds used to conduct operations that were previously budgeted). An imputed financing source is recognized for future federal employee benefits costs incurred for the Foundation employees that will be funded by OPM. Changes in budgetary resources obligated for goods, services, and benefits ordered by not yet provided represents the difference between the beginning and ending balances of undelivered orders (i.e., good and services received during the year based on obligations incurred the prior year represent a cost of operations not funded from budgetary resources). Resources that finance the acquisition of assets are budgetary resources used to finance assets and not cost of operations (e.g., increases in accounts receivables or capitalized assets). Financing sources yet to be provided represents financing that will be provided in future periods for future costs that are recognized in determining the net cost of operations for the present period. Finally, components not requiring or generating resources are costs included in the net cost of operations that do not require resources (e.g., depreciation and amortized expenses of assets previously capitalized).

A reconciliation between budgetary resources obligated and net cost of operations (i.e., providing an explanation between budgetary and financial (proprietary) accounting) is as follows (note: in prior years this information was presented as a separate financial statement (the Statement of Financing)):

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2014 and 2013

**NOTE 10 – RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY)
TO BUDGET (CONTINUED)**

	FY 2014	FY 2013
Budgetary Resources Obligated	\$715,148	\$970,790
Spending Authority from Recoveries and Offsetting Collections	1,023	1,123
Distributed Offsetting Receipts	(161,471)	(426,462)
Imputed Financing from Costs Absorbed by Others	11,935	22,611
Changes in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	2,504	(11,190)
Other Resources or Adjustments to Net Obligated Resources That Do Not Affect Net Cost of Operations	(11,471)	
Financing Sources Yet to be Provided (see Note 9)	(12,249)	1,412
Net Cost of Operations	\$561,307	\$578,418

NOTE 11 – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through October 20, 2014, which is the date the financial statements were available to be issued.

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

Fluctuation Analysis for Significant Differences

For the Years Ended September 30, 2014 and 2013

STATEMENT	Difference from FY 2013 to FY 2014	Explanation for Significant Increase or Decrease
BALANCE SHEET		
Fund Balance With Treasury	(414,682)	Brought forward less in FY14 than FY13 due to reduced appropriation; program costs remain constant.
Accounts Payable	(15,631)	Greater number of FY 13 accruals
Unfunded Leave	(12,249)	Retirement of one employee; annual leave paid out
STATEMENT OF NET COST		
STATEMENT OF BUDGETARY RESOURCES		
Spending authority from offsetting collections	1,000	Stale dated check - reissued
Unpaid obligations, end of year	(12,028)	Fewer obligations
Budget authority, gross (discretionary and mandatory)	(540,568)	Brought forward less in FY14 than FY13 due to reduced appropriation; program costs remain constant.