

***CHRISTOPHER COLUMBUS  
FELLOWSHIP FOUNDATION***



***PERFORMANCE AND ACCOUNTABILITY REPORT  
Fiscal Year 2011***

**Christopher Columbus Fellowship Foundation**  
**Performance and Accountability Report**  
**Fiscal Year 2011**

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## **Part III: Financial Statements Section**

The Financial Statement Section is a document created by the auditor and appears in its original format.



## 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 2011. The data contained in this report is complete and reliable.

Based on the results of an independent financial statement audit, the Foundation can provide reasonable assurance that the objectives of the Accountability of Tax Dollars Act have been met. The Foundation can also provide reasonable assurance that its financial systems conform 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 is authorized to award fellowships to outstanding individuals to encourage discovery. Recipients shall be known as "Columbus Scholars." Recipients of the fellowships may be selected directly, by contract or through a nationwide competition.

#### Agency Goals and Accomplishments

The Foundation continually targets and monitors outstanding innovations and research being conducted around the country throughout the year. The Foundation developed awards programs to encourage and honor these efforts including science education and research, agriscience, homeland security and community service. The programs sponsored by the Foundation are constantly changing and evolving as new discoveries and technological breakthroughs by American innovators and educators emerge throughout the country.

The Foundation's goal is to raise awareness and honor the "cutting edge" research being conducted by Americans around the country, whether in schools, universities, companies or government labs and to encourage community service. The Foundation currently strives to promote science education and research, agriscience, homeland security, community service and honor educators.

The Foundation has been very successful in forming public-private partnerships with organizations such as the National Science Foundation, Bayer Corporation, Xerox Corporation, U.S. Chamber of Commerce, American Farm Bureau Federation, AgustaWestland North America, Walt Disney World®, *DISCOVER Magazine*, National Italian American Foundation, National Museum of Education and Association for Middle Level Education.

In 2011, the Foundation presented the Second Annual *Agriscience Awards* in partnership with the American Farm Bureau Federation. Eight *Agriscience Awards* were presented honoring scientists, educators and students working in the field of agriscience. The *Agriscience Awards* presented \$95,000 in monetary awards as incentive for continuing science education and research. The two winning scientists will each receive up to an additional \$25,000 in funding research to provide an employment opportunity for a researcher or for the research itself. The Foundation handles all administrative aspects of the awards program.

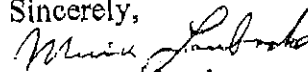
The Foundation continued its partnership with the U.S. Chamber of Commerce to present awards honoring a scientist, educators and students working in the life sciences field. The Fourth Annual *Life Sciences Awards* presented seven monetary awards totaling \$70,000 as incentive for continuing science education and research. The scientist will also receive up to \$25,000 in funding for research to provide an employment opportunity for a researcher or for the research itself. The Foundation handles all administrative aspects of the awards program.

For the sixth year, the Foundation partnered with AgustaWestland North America to sponsor the Ninth Annual *Homeland Security Award* to honor an innovation in the area of homeland security. Nominations are accepted in the following four fields: *Biological, Radiological, Nuclear, Chemical and Explosive Attacks; Border and Transportation Security; Cyber Security and Information Sharing; and Emergency Response to Natural and Man-Made Disasters*. One \$25,000 award was presented this year.

The Foundation sponsored the 15<sup>th</sup> Annual *Christopher Columbus Awards* designed exclusively for teams of middle school students. The teams are challenged to explore opportunities for positive change in their communities using the scientific method. One team receives the \$25,000 *Columbus Foundation Community Grant* to implement their idea in their hometown.

The Christopher Columbus Fellowship Foundation accomplished a great deal in FY 2011. Please visit: [www.columbusfdn.org](http://www.columbusfdn.org) for more information on all the programs sponsored by the Foundation. If you have any questions, please feel free to contact Judi Shellenberger, Executive Director of the Foundation at: (315) 258-0090 or email: [judithmscolumbus@cs.com](mailto:judithmscolumbus@cs.com).

Sincerely,



Maria Lombardo  
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, 2011, and during the Fiscal Year then ended; provide reasonable assurance that the foregoing objectives are met.
4. There are no material weaknesses or significant deficiencies to report.
5. There have been no changes to internal controls subsequent to September 30, 2011, or other factors that might significantly affect the effectiveness of internal control.

*Maria Lombardo*

Maria Lombardo, Chair



## Christopher Columbus Fellowship Foundation

### **PART I: MANAGEMENT'S DISCUSSION AND ANALYSIS**

#### **Mission**

The Christopher Columbus Fellowship Foundation was established by Congress in 1992 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 seeks to nurture and recognize pioneering individuals and programs which reflect the visionary spirit and pioneering heritage of Christopher Columbus. The Foundation is authorized to award fellowships to outstanding individuals to encourage discovery. Recipients shall be known as “Columbus Scholars.” Recipients of the fellowships may be selected directly, by contract or through a nationwide competition.

#### **Organizational Structure Overview**

##### **Board of Trustees**

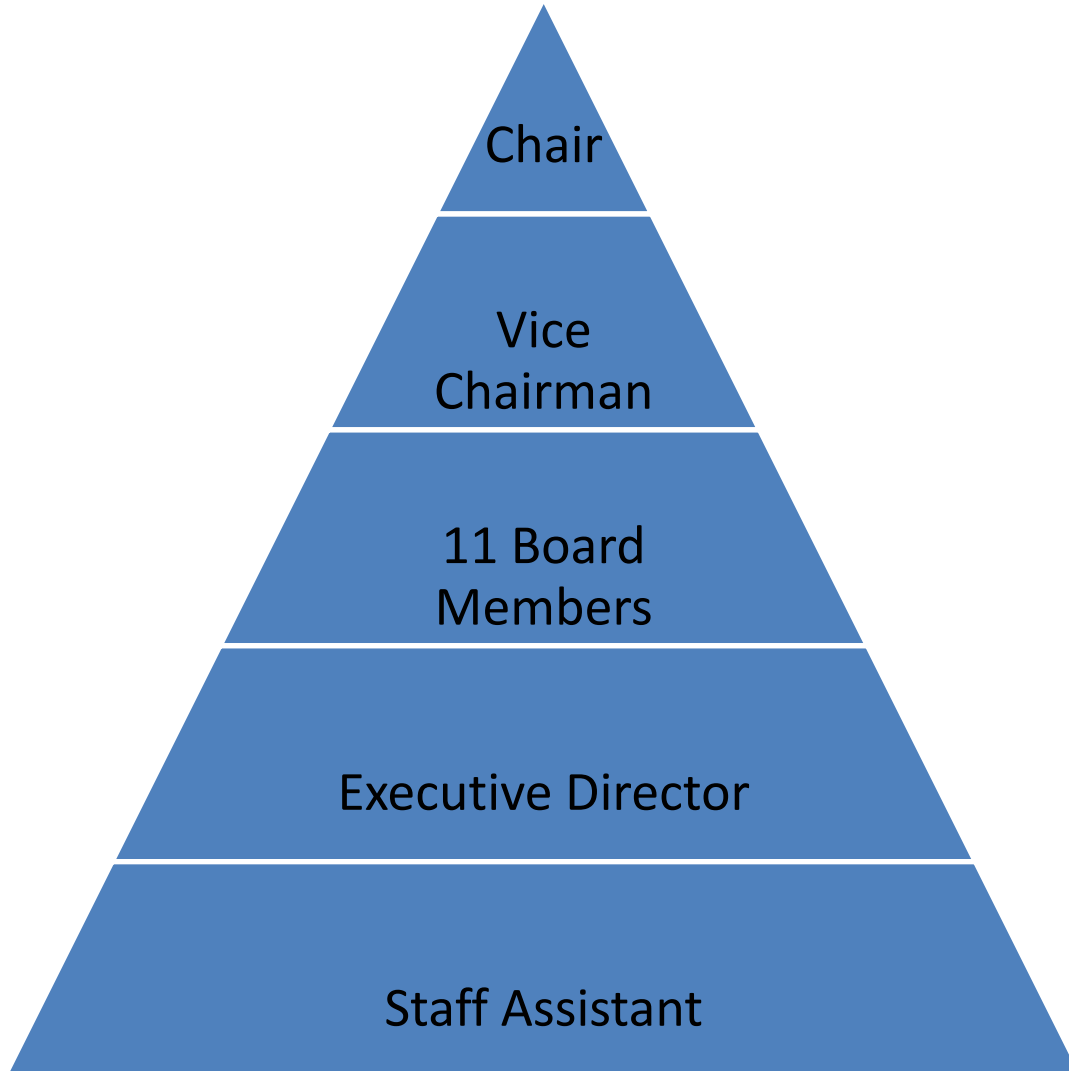
Public Law 102-281 designates that the Foundation be governed by a 13-member Board of Trustees serving six-year terms. Board members are appointed by the President in consultation with the following:

- 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.

The Board designates the programs to be sponsored each year and makes awards presentations at the various awards ceremonies. The Board judges the Nominations and ultimately selects the winners of each award. The Board normally meets twice a year in conjunction with awards presentations.

Christopher Columbus Fellowship Foundation  
Organization Chart



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, and serves as the chief executive officer and is responsible for the day-to-day operations of the Foundation subject to the supervision and direction of the Board. The Executive Director develops and implements all facets of the Foundation's programs; processes all payments; handles other administrative duties including correspondence and inquires from the public regarding the Foundation's programs; and represents the Foundation at various meetings and conferences throughout the year.



### **Staff Assistant**

The Staff Assistant handles the financial reporting and audit requirements; manages designated awards programs; handles web management and provides other administrative and clerical support.

### **Foundation Goals**

In 2011, the Foundation continually targeted and monitored outstanding innovations and research being conducted around the country. The Foundation developed awards programs encouraging and honoring Americans working on the front lines of research and development and education. The programs sponsored by the Foundation are constantly changing and evolving as new discoveries and technological breakthroughs by American innovators and educators emerge throughout the country.

The Foundation's goal is to raise awareness and honor the “cutting edge” research being conducted by Americans around the country whether in schools, universities, companies or government labs, as well as community service. The Foundation currently strives to promote science education and research, agriscience, homeland security, job creation, community service and honors educators. Americans across the country are working on countless innovations, and the Foundation takes on the challenge of finding and honoring this American ingenuity. New programs are continually being developed as the needs of the country change.

The Foundation's awards programs often start at the grassroots with students. It is imperative to introduce our youth--both boys and girls--to the power and importance of math and science by making the instruction interesting and hands-on, not just lessons from a textbook. This is the type of experience the Foundation encourages and presents to students.

The Foundation does not have the monetary resources to fund all the incredible research it finds around the country. However, the goal of every Foundation award program is to encourage and highlight the work of America's innovative leaders and educators. Receiving recognition from a Federal government agency contributes stature and validation of the honorees' work, and often leads to additional funding allowing the research and development to continue. This recognition and encouragement plays a vital role in the United States continuing to be a world leader.

### **Strategies to Achieve Goals**

Each award competition offered by the Foundation is a unique opportunity for Americans “in all walks of life” to improve the quality of life for all U.S. citizens through their innovative ideas. The Foundation takes on the challenge to locate and encourage these individuals and companies. The Foundation issues a Call for Nominations/Entries for each competition.

1. Publicize the competitions nationwide.
  - Develop relationships with nationwide magazines, newspapers, and appropriate associations to promote the competitions.
2. Provide a network by which the recipients can pursue the development and funding of their inventions and innovations.
  - Develop relationships with entities aligned with the particular theme of an awards program and open avenues for collaboration.
  - Develop a relationship with the U.S. Patent and Trademark Office.
3. Promote math and science in middle and high schools across the nation to instill in the youth of America the importance these subjects play in their own lives, as well as to ensure the United States remains a global leader.
  - Work with the U.S. Department of Education, education departments in each State, as well as middle and high schools around the country.
  - Work with governors' offices around the country.
  - Promote middle school program and positive aspects of community service.
  - Develop a relationship with Americorp.
4. Work with Federal government agencies, government laboratories, colleges, universities, secondary and middle schools, companies and corporations.
  - Develop relationships with each of the above mentioned entities to encourage Nominations/Entries.
  - Work with local universities such as Syracuse, Cornell and Rochester Institute of Technology, and expand to other universities.
5. Develop a close working relationship with the Department of Homeland Security.
6. As a Federal government agency, the Foundation continues to be an integral partner with other Federal and non-Federal agencies and associations in setting long-term goals for encouraging innovation and science education.
  - Attend and participate in National conferences on science education, and continue to be a leader and dissemination point for “cutting edge” information on inventions, innovation and science education.

## **Program Performance Overview**

The Foundation sponsored four prestigious awards in 2011 as follows:

- *Life Sciences Awards*
- *Christopher Columbus Awards*
- *Homeland Security Award*
- *Agriscience Awards*

With over 15 years of experience in developing and administering national competitions, the Foundation has the expertise and systems in place to administer all aspects of the four awards programs listed above. In 1992 the United States Congress established the Christopher Columbus Fellowship Foundation with the mission of seeking out, encouraging and supporting research that will produce new discoveries and innovations in all fields of endeavor. This mandate is accomplished through the sponsorship and administration of competitions that reward American ingenuity.

The Foundation confidently and efficiently administered the four competitions to present cash awards to advance the research, development, demonstration and commercial application of each project. The goal of each competition is to encourage new innovations and provide incentive for American individuals and/or companies in diverse fields such as science, technology, life sciences, agriscience, homeland security, education and community service to sustain the status of the United States as a global leader in these fields.

For each program, the Foundation conducts a nationwide application solicitation; promotes and advertises all phases of each competition; and develops the Nomination forms and related materials such as Procedures and Criteria using successful systems and practices already in place. The Foundation receives most Nominations online on a secure website. The Foundation solicits Evaluators to serve on the national Evaluation Committees to assess the Nominations. The overall goal is to receive Nominations from all 50 States for each of the four programs.

## **AWARDS PROGRAMS**

### **Life Sciences Awards**

The Foundation has formed a public/private partnership with the U.S. Chamber of Commerce to offer the *Life Sciences Awards* across the country. In 2011, the partnership presented the Fourth Annual *Life Sciences Awards* presenting seven awards totaling \$70,000, in recognition of United States citizens including a scientist, educators and students who are judged to exemplify excellence in life sciences. In addition, up to \$25,000 in research funds are presented to the scientist to allow them to hire a research assistant or to be used toward the research itself. Information on the seven recipients is as follows:

**Life Sciences Awards (cont'd)**

**\$25,000 Chairmen's Distinguished Life Sciences Award - Melissa Knothe Tate, Ph.D.**

**Melissa Knothe Tate, Ph.D.**, Professor of Biomedical Engineering, Case Western Reserve University, Cleveland, Ohio, was awarded the ***\$25,000 Chairmen's Distinguished Life Sciences Award***. Dr. Knothe Tate will also receive up to \$25,000 in research funds as an employment opportunity for a researcher or toward the research itself.

Dr. Knothe Tate's work involves studying the mechanobiology of living cells and how stresses, strains and mechanical forces affect cell signaling, differentiation, etc. This expands understanding of bone healing and supports development of synthetic tissues.

Through the National Science Foundation, Dr. Knothe Tate recently led a new national research initiative in the area of stem cell mechanics during prenatal development, and postnatal growth and healing. Recently, her research has expanded to the areas of cellular and biofluid mechanics as well as development and clinical translation of novel bio-inspired flow directing materials and implants.

**\$10,000 Life Sciences Educator Award - Deborah Wasylik**

**Deborah Wasylik**, Educator, Dr. Phillips High School, Orlando, FL, was awarded a ***\$10,000 Life Sciences Educator Award***. Mrs. Wasylik received a Biology degree from Grove City College in Pennsylvania. She entered pharmaceutical sales and held various sales positions for the next 20 years, including demonstrating power tools live on QVC.

In 1996, she moved to Florida and became a teacher at an inner-city school. The first phone call she received in class was from a probation officer asking if one of her students was wearing his ankle bracelet. During her first lab, a student had an asthma attack triggered by earthworm preservative and she had to call 911, but it was too late—she was in love with the job and the students.

For the last ten years, she has enjoyed teaching life sciences at Dr. Phillips High School. Deborah has been the recipient of many awards including being selected last year as a NASA Endeavor STEM Fellow, and being invited by President Bush to the White House to receive the Presidential Award for Excellence in Mathematics and Science Teaching.

**Life Sciences Awards (cont'd)**

**\$10,000 Life Sciences Educator Award - Leslie Brinson**

**Leslie Brinson**, Biology Teacher, North Carolina School of Science and Mathematics, Durham, NC, was awarded a ***\$10,000 Life Sciences Educator Award***. As an experienced teacher looking back on her career, Leslie sees the importance of activities outside the classroom—whether field trips after-school research projects or science competitions. What these activities have in common is that the students are engaged, physically and mentally in things they elect to do. Taking rural students to State competitions did more to inspire future scientists than any classroom experience she could provide.

Leslie has been teaching at NCCSM since 1995. In this residential location, students are provided a competitive and nurturing pedagogical setting to conduct their own research and pursue a myriad of science competitions within North Carolina and beyond. Leslie has enthusiastically embraced a key mission of the school—providing outreach to biology teachers throughout the State.

Leslie's workshops include AP Biology, GLOBE, Biotechnology and SITE (a State developed curriculum for teachers in underperforming schools). She received the NCSSM Award for Exceptional Contribution to Outreach and the NABT Outstanding Biology Teacher Award for NC as a result of her support of her fellow teachers.

**\$10,000 Life Sciences Educator Award - Coit Hendley**

**Coit Hendley**, Teacher, Eleanor Roosevelt High School, Greenbelt, Maryland, was awarded a ***\$10,000 Life Sciences Educator Award***. Coit has been teaching for 32 years, and is currently teaching five sections of AP Chemistry and one section of Research Practicum. He has developed the AP Chemistry program into one that involves three teachers, eight section and 240 students.

His Research Practicum section is part of a program where seniors do an individual research project. He runs the Watershed Integrated Study Program in which teams of students measure the water quality of 14 sites in the area and use the data to study local and general water quality.

Coit has received the Leo Shubert Memorial Award—The Chemical Society of Washington, the Presidential Award for Excellence in Math and Science Teaching, the RadioShack National Teacher Award, the Christa McAuliffe Award and the Siemens AP Teacher Award.

**Life Sciences Awards (cont'd)**

**\$5,000 Life Sciences Student Award – Amy Chyao**

**Amy Chyao**, Junior, Plano East Senior High School, Plano, TX, was awarded a **\$5,000 Life Sciences Student Award**. Since first grade, Amy has conducted a science fair project each year. Amy's passion for science led her to a unique opportunity offered by the University of Texas Dallas. She joined the 2009 Nano-Explorers summer program and stepped into the intricate world of nanotechnology. In 2010, she was the winner of the first Gordon Moore Award at the Intel ISEF. She had the honor to attend President Obama's 2011 State of the Union Address.

As an International Baccalaureate student and the top student of her class of 1,488 students, Amy values challenging courses her school offers as well as the opportunities to develop her leadership skills.

**\$5,000 Life Sciences Student Award – Kayla Dowell**

**Kayla Dowell**, Junior, Germann Hills Christian School, Manhattan, KS, was awarded a **\$5,000 Life Sciences Student Award**. In 2008, Kayla showed that near-infrared spectroscopy (NIRS) could measure the protein, fat and moisture content of eggs by scanning the egg through the shell. She learned about NIRS as a student volunteer with the USDA Agriculture Research Service.

Intrigued by the ability of NIRS to measure traits of biological materials, in 2009 she worked at a malaria research lab in Tanzania, Africa, where she applied the technique to evaluate a method to determine age and species of preserved mosquitoes that transmit malaria. The results have prompted international interest, including one peer-reviewed publication, a poster presented at an international meeting by a co-author, submission of a second paper for journal review, and additional studies currently underway by Tanzanian, Kenyan and Nigerian scientists.

In 2010, Kayla worked at a medical clinic at an orphanage in Zimbabwe where she became interested in the extract of a local plant, *Artemisia annua*, which is used to cure malaria. She showed that NIRS could be used to determine the artemisinin content in plant extracts, and this could be used to rapidly evaluate new cultivars of this important cure for a disease that kills over 1 million people each year. This technique could be used to help develop open-pollinated plants to replace current *Artemisia* hybrids which are more expensive.

Kayla won first place and Best Research Project in 2008 Kansas Junior Academy of Science, received all-expense-paid trip to Chicago's American Junior Academy of Sciences in 2009 for her "does added protein in a hen's diet affect the number of eggs laid?" She won second place, Division 1 in the Kansas Science and Engineering Fair and trip to ISEF 2009. She was a finalist in the Kansas BioGENEius Challenge (top 7 students from KS), and first place in 2011 Wamego Regional Science and Engineering Fair.

### **Life Sciences Awards (cont'd)**

#### **\$5,000 Life Sciences Student Award – Christopher Duncan-Lewis**

**Christopher Duncan-Lewis**, Senior, Winter Springs High School, Winter Springs, FL, was awarded a **\$5,000 Life Sciences Student Award**. From a young age, Christopher showed an interest in medicine and health sciences. Excelling in science courses, Christopher undertook a significant research project during his junior and senior high school years.

In his studies, Christopher demonstrated the harmful effects of certain compounds (those possessing a divalent cation) on the sense of smell. One of the compounds he tested had been used in a popular homeopathic nasal spray. Christopher believes that the results of his research provide evidence against the use of such compounds in the nasal passage, and have the potential to increase our understanding of the sense of smell. His research report has been accepted for publication in *Comparative Medicine*, a medical journal.

With over 13 years of training as a classical pianist, Christopher frequently performs at churches and local events. He has also served as a volunteer laboratory technician at the University of Central Florida.

Christopher is a National Achievement Scholar, AP Scholar, and AXA Achievement Scholar. He won second prize in medicine and health at the 2011 ISEF. He will attend the University of Pennsylvania in the Fall, majoring in biochemistry.

In 2012, the Foundation plans to award seven **Life Sciences Awards**. The monetary amounts of each award has not been determined.

### **Christopher Columbus Awards**

In 2011, the Foundation sponsored the 15<sup>th</sup> Annual **Christopher Columbus Awards** program which challenges middle school students to explore opportunities for positive change in their communities. Teams of three or four middle school students and adult coaches identify community issues and use the scientific process to solve them.

The awards program has attracted over 19,000 ‘everyday’ students from all across the United States, and appeals to educators who are increasingly looking to develop critical thinking skills in students while meeting State and Federal standards. The program:

- is a cross-curricular activity that helps meet both NCLB and State standards
- helps address the performance gap in U.S. science education by encouraging critical thinking skills in all students
- encourages community service
- encourages STEM Initiatives - President's Educate to Innovate

**Christopher Columbus Awards (cont'd)**

The program attracts many students who may not typically enter a science competition. More than half of the entrants are girls, and more than a fourth are from diverse ethnic and cultural backgrounds, statistics that are higher than those of most science competitions.

Eight Finalist teams and their coaches attend National Championship Week, where they take part in National Judging and the **Christopher Columbus Academy**, a custom-designed educational program conducted by scientists, engineers and educators at Walt Disney World®, Orlando, Florida.

Finalist teams compete for additional prizes including Gold Medals and U.S. Savings Bonds. Each member of two Gold Medal winning teams receives a \$2,000 U.S. Savings Bond, and one team receives the **\$25,000 Christopher Columbus Foundation Community Grant** as seed money to help bring its idea to life in their community. The Grant winning team receives support from the Foundation and continued guidance from its coach and community leaders throughout the following year. The areas of students' concerns are diverse.

The three top winners in the 2011 **Christopher Columbus Awards** program were:

- **Pick Up Patrol** – Team from Mont Vernon Village School, Mont Vernon, NH. The problem was communication problems between parents and school administration when students' end-of-day travel plans change. The team's solution was an application that allows parents to change a child's after-school travel plans with the school by computer or mobile device. **Gold Medal winning team.**
- **The Solar Solution to Fossil Fuels** – Team from Mirman School, Los Angeles, CA. The problem was diminishing supply of fossil fuels and the pollution they cause. The team's solution was a dome-shaped solar collection system that is functional anywhere in the world. **Gold Medal winning team.**
- **The River Rangers** – Team from Ripley's Aquarium, Myrtle Beach, SC. The problem was abandoned boats in waterways. The team's solution was an outreach effort to educate the community about the environmental problems created by abandoned boats and the creation of an alarm system to alert boaters of navigational hazards. **\$25,000 Christopher Columbus Foundation Community Grant winners.**



**Christopher Columbus Awards (cont'd)**

Past grant winners have included:

- Team of Native American girls who built a study hall on the Crow Indian Reservation in Montana out of straw bales;
- Team of students from Pennsylvania who developed a video/motion sensor device to deter motorists from trying to illegally pass stopped school buses;
- Another team from Pennsylvania developed a handheld grocery scanner that quickly deciphers food labels to detect whether the item contains allergens such as dyes or nuts;
- Team from West Branch, Iowa, felt there was an environmental hazard caused by used oil filters being disposed of in household trash. They developed an awareness campaign to educate the public about the dangers of placing used oil filters in landfills. Proper disposal is now Iowa State law thanks to the students' efforts in working with elected State officials.

Other examples of return on investment for this program include six teams who have received United States Patents and provisional Patents on their ideas. Many entrants have decided to major in science in college as a result of becoming involved in the program. A complete list of past winners can be found on the website below.

The program is sponsored by the Christopher Columbus Fellowship Foundation and is endorsed by the Association of Middle Level Education and the National Association of Secondary School Principals. Please visit: [www.christophercolumbusawards.com](http://www.christophercolumbusawards.com) for more information on the program.

The 2011-2012 budget is as follows:

|                            |                  |
|----------------------------|------------------|
| Program Management         | \$105,975        |
| National Championship Week | 133,605          |
| 2011 Grant                 | <u>25,000</u>    |
| <b>Total</b>               | <b>\$264,580</b> |

### **Homeland Security Award**

In 2011, the Foundation presented the Ninth Annual ***Homeland Security Award*** in partnership with AgustaWestland, North America. The mission of the awards is to promote and encourage “cutting edge” innovations in the vast arena of homeland security. The awards are presented to American individuals or companies that are making measurable and constructive contributions related to basic and/or advanced research in the area of homeland security which will provide a significant and positive benefit to society. The awards provide incentive for continuing the research or specific project. Nominations are accepted in the following four fields:

***1) Biological, Radiological, Nuclear, Chemical and Explosive Attacks; 2) Border and Transportation Security; 3) Cyber Security and Information Sharing; and 4) Emergency Responses to Natural and Man-Made Disasters.***

One ***\$25,000 Homeland Security Award*** was presented.

### **\$25,000 Homeland Security Award – Michael Sossong, Ph.D.**

**Michael Sossong, Ph.D.**, Director of Nuclear Technology Research, Decision Sciences International Corporation, Poway, California, was awarded the ***\$25,000 Homeland Security Award***.

Dr. Sossong has revolutionized passive nuclear threat detection using cosmic ray muon tomography (MT). He joined Decision Sciences as the Director of Nuclear Technology Research in April 2008, leading the development of the company’s Multi-Mode Passive Detection System (MMPDS), a commercial multi-mode passive detector system, as well as other proprietary scanners and methods.

Under Dr. Sossong, the MMPDS has evolved from its laboratory origins into a robust, deployable commercial system that passively and effectively identifies nuclear and radiological threats in cargo within seconds, without impeding commerce flow or compromising the safety of cargo, passengers or inspection personnel.

Previously, Principal Investigator for muon tomography at Los Alamos National Laboratory, Dr. Sossong was instrumental in the creation of full-physics simulation models for MT development, the application of tomographic algorithms to MT data, and the design and construction of Decision Sciences’ prototype.

In 2012, the Foundation will present one \$25,000 award.

### **Agriscience Awards**

Agriculture is the bedrock of American life, and is vital to our sustained security and relief from foreign market dependency. The umbrella of agriculture includes the production of plants, animals and related supplies, mechanics, products processing and marketing. According to the National FFA, approximately 21 million Americans work in agriculture (farming). Agriscience careers include botanists, food scientists, geneticists, microbiologists, quality assurance specialists, research technicians, soil scientists, water quality specialists and veterinarians, to name a few.

In 2011, the Foundation presented the Second Annual ***Agriscience Awards*** in partnership with the American Farm Bureau Federation. The Foundation sponsored eight monetary ***Agriscience Awards*** totaling \$95,000 to recognize United States citizens including scientists, teachers and students, who are judged to promote and exemplify excellence in agriscience. In addition, up to \$25,000 in research funds are presented to the scientists to allow them to hire a research assistant or to be used toward the research itself.

#### **\$25,000 Distinguished Agriscience Scientist Award**

**Randall Prather, Ph.D.**, Distinguished Professor of Reproductive Biotechnology, Division of Animal Science, The University of Missouri, Columbia, MO, was awarded a ***\$25,000 Distinguished Agriscience Scientist Award***. Dr. Prather will also receive up to \$25,000 in research funds.

Dr. Prather's research focuses on genetic improvement of pig and cattle livestock to reduce the thirty percent loss of pregnancies that occur in mammals, as well as cloning animals for biomedical research for the treatment of diseases such as cystic fibrosis, spinal muscle atrophy, cardiovascular, immune and reproduction research.

Dr. Prather is a co-Director of the NIH-funded National Swine Resource and Research Center. He has helped to secure over \$81 million in research funding, and has over 240 peer-reviewed publications and 103,000 GeneBank submissions.

**Agriscience Awards (cont'd)**

**\$25,000 Distinguished Agriscience Scientist Award**

**Andrew H. Paterson, Ph.D.**, Distinguished Research Professor, University of Georgia, Athens, GA was awarded a ***\$25,000 Distinguished Agriscience Scientist Award***. Dr. Paterson will also receive up to \$25,000 in research funds.

Dr. Paterson's research uses genomic tools and approaches to study crop improvement, plant biodiversity and molecular evolution. His lab has contributed to knowledge of sorghum, cotton, sugar cane, peanut and other crops for sustainability and drought tolerance, as well as the efficient production of biofuels for renewable energy.

Dr. Paterson is a member of the American Association for the Advancement of Science (AAAS), and became an AAAS Fellow in 1998. His contributions and research in agricultural genomics, plant sciences, and genetics and evolutionary biology, have resulted in national and international recognition. His 250+ scientific publications and four books have elucidated fundamental principles of plant biology and their application to improving food, feed, fiber and biomass crops.

**\$10,000 Agriscience Educator Award**

**Michele Sutton**, Tompkins Seneca Tioga BOCES, Ithaca, NY, was awarded a ***\$10,000 Agriscience Educator Award***. Michele grew up in Greenville, NY, on a small hobby farm. She was active in FFA and 4-H, and worked in many facets of agriculture—inspired by her own Ag teacher and FFA advisor.

She left her ten-year career in government, to pursue an education degree when she realized that her true calling was to work with young people in a field she was truly passionate about—agriculture. During her first secondary school teaching position, she transformed an outdated, struggling program of 13 students into a program of more than 100 students in two short years. In 2005, she became the Tompkins Seneca Tioga BOCES teacher of the New Visions in Life Sciences program for area high school students at Cornell University where she has taught agricultural science for the past six years.

**Agriscience Awards (cont'd)**

**\$10,000 Agriscience Educator Award**

**Melissa Braun**, Gillett Secondary School, Gillett, WI, was awarded a ***\$10,000 Agriscience Educator Award***. Melissa's passion for agriculture has always been a part of her life, as she was raised on a dairy farm in northeast Wisconsin. After teaching agriscience to students in grades 7-12 for the last eight years, this Fall she began a new venture at Shawano High School in the agriculture department.

Melissa teaches a wide array of agriscience courses, but has a great interest in the areas of food science, horticulture, and greenhouse management. Her teaching includes many hands-on activities and field trips to reinforce the scientific principles throughout her lessons. Her students succeed because of their immersion in the complete agricultural education model which involves all three components: classroom instruction, FFA involvement, and a Supervised Agricultural Experience project.

**\$10,000 Agriscience Educator Award**

**Paul Heasley**, State College Area School District, State College, PA, was awarded a ***\$10,000 Agriscience Educator Award***. Paul has taught Agricultural Sciences in grades 9-12 for 30 years. The program's courses are grouped in Career Paths including: Ag Mechanics, Animal Science, Natural Resources and Plant Sciences. A senior year option includes a "Dual Enrollment" with The Pennsylvania State University's (PSU) College of Agricultural Sciences and 18 different Agricultural Science courses provided on campus or through the World Campus. The program has active chapters in the FFA and Young Farmers.

Paul also has instructed pre-service students in Agricultural and Extension Education for the past 14 years through the Professional and Personal Development Center at PSU. He has earned many teaching awards including national finalist in the National FFA Organization's "Agricultural Science Teacher" of the year in 2009.

**Agriscience Awards (cont'd)**

**\$5,000 Agriscience Student Award**

**Laura Lane**, Senior, Aztec High School, Aztec, NM, was awarded a **\$5,000 Agriscience Student Award**. Laura is a 2011 high school graduate. Following graduation, she relocated to Las Cruces where she works at New Mexico State University with the Ecology and Nematology department through an REU grant that employs undergraduate students.

Her love of science inspired her project to tackle indicators of soil ecosystem health for Oil and Gas Reclamation. One out of every three abandoned wellsites does not reestablish plant biodiversity, leaving thousands of acres of undesirable soil that cannot support grazing. Her four years of research took her to the ISEF three times; most recently she received a grand prize award of third in the category of Environmental Management.

Laura worked with Habitat for Humanity, and last summer went to Guatemala on a build. In the Fall she plans to attend New Mexico Tech to study Pre-Med; and major in Biochemistry or Chemical Engineering. She dreams of becoming a trauma doctor.

**\$5,000 Agriscience Student Award**

**Bhiravi Rathinasabapathi**, Senior, Eastside High School, Gainesville, FL, was awarded a **\$5,000 Agriscience Student Award**. Bhiravi's interests include science, service and literature. She developed an interest in science at an early age, starting with an elementary school science project on soft rot in potatoes. Over the years, she has studied various topics in plant biology, including the genetics of high-temperature stress tolerance.

She is currently researching the biofortification of crops with iron. Biofortification is the breeding or genetic modification of plants to increase their nutrient content. Bhiravi is examining the effects of the overexpression of a ferritin gene on plants' iron content and biomasses. This research may eventually lead to an iron-biofortified crop. Such a crop would combat anemia, which affects an estimated two billion people worldwide. For her research, she was selected as a semifinalist in the Intel Science Talent Search, and received various awards at regional and State levels.

**Agriscience Awards (cont'd)**

**\$5,000 Agriscience Student Award**

**Stephen Bethel**, Senior, Lake Brantley High School, Altamonte Springs, FL, was awarded a ***\$5,000 Agriscience Student Award***. Stephen's research "*Evaluation of Ubiquitin Promoter Express Abilities for Potential Use in Transgenic Grape Vine*" explored consumer-friendly genetic alternatives to replace viral DNA currently used in genetically modified produce. His love of math and science, and his research in plant genetics has opened up a world of opportunities.

Stephen has travelled throughout the country presenting his work and winning awards at State, national, and international levels. He met Nobel Laureate Dr. Martin Chalfie, a biological sciences researcher who first demonstrated the value of GFP, a luminous genetic tag that Stephen used in his work. Meeting national and world renowned scientists and discussing his research with them has fostered his passion.

In 2012, the Foundation will present eight awards. The monetary amounts of each award has not been determined.

**PROGRAM BUDGETS**

|                                    |               |
|------------------------------------|---------------|
| <i>Life Sciences Awards</i>        | \$            |
| <i>Christopher Columbus Awards</i> |               |
| <i>Homeland Security Awards</i>    |               |
| <i>Agriscience Awards</i>          |               |
| Winners' Travel                    | <u>15,000</u> |
| <b>TOTAL</b>                       |               |

## **POLICY AND FUNDING PRIORITIES**

The Foundation's main policy is to encourage and promote American innovation in several areas. The Foundation furthers the President's goals of **economic growth** by encouraging and rewarding new discoveries in medical, life sciences, agricultural and homeland security research and providing funds for employment opportunities. The funds bestowed by the Foundation on innovative Americans oftentimes leads to additional funding and recognition for the research as well as for the recipients. The Foundation makes an **investment in the future** by encouraging and rewarding middle and high schools students during a critical developmental stage in their lives. Students at this age are constantly coming to crossroads—which direction their future should take—and the Foundation presents positive and exciting experiences which allow them to present their ideas to adults and be taken seriously. The Foundation has testimonials from students, parents and teachers that laud the Foundation's programs for presenting vital and positive programs that change the lives of these students forever. The programs fortify the students' desire to achieve in everything they pursue, and reinforces their understanding of the need for community service.

In 2012, the Foundation will continue to **create jobs** by providing research funds to the winner of the *Chairmen's Distinguished Life Sciences Award* and the winners of the *Agriscience Scientist Awards* to be used to hire research assistants who will work on a specific research project. A comprehensive outline of the specific research projects must be submitted and approved by the Foundation. The project outline will be judged as part of the overall Nomination packet submitted. Funds for the project will be released in increments based on the progression of the research, with a final report on the results due upon completion.

## **PROGRAMMATIC INCREASES OR ANOMALIES**

The Foundation requested \$750,000 in funding for FY 2012.

## **FINANCIAL PERFORMANCE OVERVIEW**

As of September 30, 2011, the financial condition of the Christopher Columbus Fellowship Foundation was uncertain. The Foundation anticipates receiving up to a \$750,000 appropriation in FY 2012. With the anticipated appropriation, the Foundation has sufficient funds to meet program needs and adequate financial controls are in place. 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 FY 2011, the Foundation received a Congressional appropriation to support its programs and other collections. The Foundation received a no-year appropriation that may be used, within statutory limits, for operating expenditures. The appropriated budget authority for FY 2011 was \$499,000.

The Foundation still has \$671,897 in its trust fund which the General Services Administration invests in interest-bearing obligations of the United States.

## **AUDIT RESULTS**

The Foundation received an unqualified audit opinion of FY 2011 financial operations. 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 2011. The financial statements and notes appear in Part III, Financial Section.

The principal financial statements have been prepared 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.

## **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 in the Statement of Assurance from the Chair at the beginning of the Performance and Accountability Report. This statement was based on the review and consideration of internal analyses, reconciliations and the independent auditor's opinion on 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 2011, the Foundation did not pay any interest 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, the Executive Director has 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 agency will continue to review programs on an annual basis to determine if any significant erroneous payments exist.

## **PART II: PERFORMANCE SECTION**

The Foundation confidently and efficiently administers competitions to present cash awards to advance the research, development, demonstration and commercial application of each project. The goal of each competition is to encourage new innovations and provide incentive for American individuals and/or companies in diverse fields such as science, technology, life sciences, homeland security, agriscience, education and community service to sustain the status of the United States as a global leader in these fields.

For each program, the Foundation conducts a nationwide application solicitation; promotes and advertises all phases of each competition; and develops the Nomination forms and related materials such as Procedures and Criteria using successful systems and practices already in place. The Foundation receives most Nominations online on a secure website. The Foundation solicits Evaluators to serve on the national Evaluation Committees to assess the Nominations. The overall goal is to receive Nominations from all 50 States for each of its programs.

### **Performance by Strategic Goals**

***1. Each award competition offered by the Foundation is a unique opportunity for innovative Americans “in all walks of life” to improve the quality of life for all U.S. citizens. The Foundation takes on the challenge to locate and encourage these individuals and companies.***

The Foundation issues a Call for Nominations/Entries for each competition through online and mail solicitations, publications and word of mouth. The Foundation’s goal is to receive Nominations/Entries from all 50 States for each competition. Staff promotes the programs to area schools as well as local universities.

A database was developed of all the top schools around the country known for their AP life sciences classes and student performance/recognition.

Nominations are received online, except entries for the ***Christopher Columbus Awards***.

***2. Work with Federal government agencies, government laboratories, colleges, universities, secondary and middle schools, companies and corporations.***

The staff continually develops relationships with each of the above mentioned entities to encourage Nominations/Entries for each of its programs.

**3. *Publicize the competitions nationwide.***

The staff continues to develop relationships with nationwide magazines, newspapers, and appropriate associations and government agencies to promote the competitions. This assists in promoting the competitions nationwide.

**4. *Provide a network by which the recipients can pursue the development and funding of their inventions and innovations.***

The Foundation would like to become more involved in assisting award recipients in taking their innovation to the next level, facilitate a partnership with potential sponsors and open avenues for collaboration.

**5. *Promote math and science in middle and high schools across the nation to instill in the youth of America the importance these subjects play in their own lives, as well as to ensure the United States remains a global leader.***

Work with the U.S. Department of Education, Department of Education in each State, as well as middle and high schools around the country. The Foundation's ***Christopher Columbus Awards***, designed exclusively for middle school students, promotes community service as well as math and science. The ***Life Sciences Awards*** and ***Agriscience Awards*** honor high school educators as well as high students who exemplify excellence in the study of life sciences and agriscience.

**6. *As a Federal government agency, the Foundation continues to be an integral partner with other Federal and non-Federal agencies and associations in setting long-term goals for encouraging innovation and science education.***

The staff would like to attend and participate in more National conferences on science education, and continue to be a leader and dissemination point for "cutting edge" information on inventions, innovation and science education.



## **THE CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION**

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### **FINANCIAL STATEMENTS**

**As Of And For The Years Ended September 30, 2011 and 2010**

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## **Independent Auditor's Report**

Foundation Chair and Executive Director  
Christopher Columbus Fellowship Foundation  
Auburn, NY

In accordance with the Accountability of Tax Dollars Act of 2002, we are responsible for conducting audits of the Christopher Columbus Fellowship Foundation. We have audited the accompanying balance sheets of the Christopher Columbus Fellowship Foundation as of September 30, 2011 and 2010 and the related statements of net cost, changes in net position, and budgetary resources for the years then ended.

The objective of our audits was to express an opinion on the fair presentation of these financial statements. In connection with our audits, we also considered the Christopher Columbus Fellowship Foundation's internal control over financial reporting and tested the Christopher Columbus Fellowship Foundation's compliance with selected provisions of applicable laws and regulations that could have a direct and material effect on these financial statements.

### **Summary**

In our audits of the Christopher Columbus Fellowship Foundation for the fiscal years ended September 30, 2011 and 2010, we found:

- the financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles,
- no material weaknesses in internal control over financial reporting (including safeguarding assets),
- no reportable noncompliance with laws and regulations we tested.

The following sections discuss our opinion on the Foundation's financial statements; our consideration of the Foundation's internal controls over financial reporting; our tests of the Foundation's compliance with certain provisions of applicable laws, regulations, contracts and grant agreements; and management's and our responsibilities.

### **Opinion on Financial Statements**

We have audited the accompanying balance sheets of the Christopher Columbus Fellowship Foundation as of September 30, 2011 and 2010 and the related statements of net cost, changes in net position, and budgetary resources for the years then ended.



In our opinion, the financial statements referred to above, including the accompanying notes, present fairly, in all material respects, the financial position of the Christopher Columbus Fellowship Foundation, as of September 30, 2011 and 2010, and its net costs, changes in net position, and budgetary resources for the years then ended, in conformity with U.S. generally accepted accounting principles. We also audited the adjustments in Note 13 that were applied to restate the 2010 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

The information in the Management's Discussion and Analysis, Required Supplementary Stewardship Information and Required Supplementary Information sections is not a required part of the financial statements, but is supplemental information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted of principally inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it.

### **Internal Control Over Financial Reporting**

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements, fraud or noncompliance in amounts that would be material to the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the Responsibilities section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. In our fiscal years 2011 and 2010 audits, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We noted certain additional matters that we reported to the Foundation's management addressing internal control matters.

### **Compliance and Other Matters**

The results of our tests of compliance as described in the Responsibilities section of this report disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 07-04, as amended.

### **Responsibilities**

**Management Responsibilities:** Christopher Columbus Fellowship Foundation's management is responsible for (1) preparing the financial statements in conformity with U.S. generally accepted accounting principles, (2) establishing and maintaining effective internal control, (3) complying with laws, regulations, contracts and grant agreements applicable to the Foundation.

**Auditor's Responsibilities:** Our responsibility is to express an opinion on the fiscal years 2011 and 2010 financial statements of the Christopher Columbus Fellowship Foundation based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Bulletin No. 07-04, as amended. Those standards and OMB Bulletin 07-04, as amended, require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures





that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Christopher Columbus Fellowship Foundation's internal control over financial reporting. Accordingly, we express no such opinion.

An audit also includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used and significant estimates made by management;
- Evaluating the overall financial statement presentation;
- Obtaining an understanding of the entity and its operations, including its internal control related to financial reporting (including safeguarding assets), and compliance with laws and regulations (including execution of transactions in accordance with budget authority);
- Considering the design of the process for evaluating and reporting on internal control;
- Testing compliance with selected provisions of laws, regulations, grants and controls applicable to the Foundation that could have a direct and material effect on the financial statements.

We believe that our audits provide a reasonable basis for our opinion.

In planning and performing our fiscal years 2011 and 2010 audits, we considered the Christopher Columbus Fellowship Foundation's internal control over financial reporting by obtaining an understanding of the Foundation's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*. Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with controls may deteriorate. In addition, we caution that our internal control testing may not be sufficient for other purposes.

As part of obtaining reasonable assurance about whether the Christopher Columbus Fellowship Foundation's fiscal years 2011 and 2010 financial statements are free of material misstatement, we performed tests of the Foundation's 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, and certain provisions of other laws and regulations specified in OMB Bulletin No. 07-04, as amended. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations, contracts and grant agreements applicable to the Foundation. However, providing an opinion on compliance with laws, regulations, contracts and grant agreements was not an objective of our audit, and accordingly, we do not express such an opinion. We caution that noncompliance may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.



### **Agency Comments and Our Evaluation**

In commenting on a draft of this report (see Appendix A), the Christopher Columbus Fellowship Foundation concurred with the facts and conclusions in our report.

### **Use and Distribution of Report**

This report is intended solely for the information and use of the Christopher Columbus Fellowship Foundation's management, U.S. Office of Management and Budget, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

*Charles F. Sottahy, LL.P.*

Washington, DC  
November 30, 2011

# CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

## BALANCE SHEETS

As Of September 30, 2011 and 2010

|  |          | 2011              | 2010                |
|--|----------|-------------------|---------------------|
| Assets:  |          |                   |                     |
| Intragovernmental:                                 |          |                   |                     |
| Fund Balance With Treasury                         | (Note 2) | \$ 867,753        | \$ 1,095,065        |
| Total Intragovernmental                            |          | 867,753           | 1,095,065           |
| Cash, Foreign Currency and                         |          |                   |                     |
| Other Monetary Assets                              | (Note 3) | 200               | 200                 |
| Other: Advances & Prepayments                      | (Note 4) | 9,889             | 6,875               |
| Total Assets                                       |          | <u>\$ 877,843</u> | <u>\$ 1,102,140</u> |
| Liabilities:                                       | (Note 5) |                   |                     |
| Intragovernmental:                                 |          |                   |                     |
| Accounts Payable                                   |          | 7,025             | 17                  |
| Other  | (Note 6) | 495               | 1,421               |
| Total Intragovernmental                            |          | 7,520             | 1,438               |
| Liabilities With the Public:                       |          |                   |                     |
| Accounts Payable                                   |          | 11,954            | 44,401              |
| Other  | (Note 6) | 19,880            | 20,308              |
| Total Liabilities                                  |          | 39,354            | 66,147              |
| Net Position:                                      |          |                   |                     |
| Unexpended Appropriations - Other Funds            |          | 123,762           | 376,809             |
| Cumulative Results of Operations - Earmarked Funds | (Note 8) | 714,727           | 672,097             |
| Cumulative Results of Operations - Other Funds     |          |                   | (12,912)            |
| Total Net Position                                 |          | 838,489           | 1,035,993           |
| Total Liabilities and Net Position                 |          | <u>\$ 877,843</u> | <u>\$ 1,102,140</u> |

\*Amounts may be off by a dollar due to rounding.

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

# CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

## STATEMENTS OF NET COST

For The Years Ended September 30, 2011 and 2010

|                        |          | 2011       | 2010       |
|------------------------|----------|------------|------------|
| Program Costs:         |          |            |            |
| Program A:             |          |            |            |
| Gross Costs            | (Note 9) | \$ 721,670 | \$ 841,655 |
| Net Program Costs      |          | 721,670    | 841,655    |
| Net Cost of Operations |          | \$ 721,670 | \$ 841,655 |

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

**CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION**

**STATEMENT OF CHANGES IN NET POSITION**

**For The Years Ended September 30, 2011 and 2010**

|  |                    |                    | <u>2011</u>  |                       |
|--|--------------------|--------------------|--------------|-----------------------|
|  | Earmarked<br>Funds | All Other<br>Funds | Eliminations | Consolidated<br>Total |
| <b>Cumulative Results of Operations:</b>               |                    |                    |              |                       |
| Beginning Balances                                     | \$ 672,097         | \$ (12,912)        | \$           | \$ 659,184            |
| <b>Budgetary Financing Sources:</b>                    |                    |                    |              |                       |
| Appropriations Used                                    |                    | 752,047            |              | 752,047               |
| Non-exchange Revenue                                   | 429                |                    |              | 429                   |
| Donations and Forfeitures of Cash and Cash Equivalents | 500                |                    |              | 500                   |
| Transfers-In/Out Without Reimbursement                 | 499,000            | (499,000)          |              |                       |
| Other  | (244)              |                    |              | (244)                 |
| <b>Other Financing Resources (Non-Exchange):</b>       |                    |                    |              |                       |
| Imputed Financing                                      |                    | 24,481             |              | 24,481                |
| Total Financing Sources                                | 499,685            | 277,528            |              | 777,213               |
| Net Cost of Operations (+/-)                           | 457,055            | 264,615            |              | 721,670               |
| Net Change   | 42,630             | 12,912             |              | 55,543                |
| <b>Cumulative Results of Operations</b>                | <u>\$ 714,727</u>  | <u>\$</u>          | <u>\$</u>    | <u>\$ 714,727</u>     |
| <b>Unexpended Appropriations:</b>                      |                    |                    |              |                       |
| Beginning Balances                                     | \$                 | \$ 376,809         | \$           | \$ 376,809            |
| <b>Budgetary Financing Sources:</b>                    |                    |                    |              |                       |
| Appropriations Received                                |                    | 500,000            |              | 500,000               |
| Other Adjustments                                      |                    | (1,000)            |              | (1,000)               |
| Appropriations Used                                    |                    | (752,047)          |              | (752,047)             |
| Total Budgetary Financing Sources                      |                    | (253,047)          |              | (253,047)             |
| Total Unexpended Appropriations                        |                    | 123,762            |              | 123,762               |
| <b>Net Position</b>                                    | <u>\$ 714,727</u>  | <u>\$ 123,762</u>  | <u>\$</u>    | <u>\$ 838,489</u>     |

\*Amounts may be off by a dollar due to rounding.

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

**CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION**

**STATEMENT OF CHANGES IN NET POSITION**

**For The Years Ended September 30, 2011 and 2010**

|  |                    | <u>2010</u>        |                       |
|--|--------------------|--------------------|-----------------------|
|  | Earmarked<br>Funds | All Other<br>Funds | Eliminations          |
|  |                    |                    | Consolidated<br>Total |
| <b>Cumulative Results of Operations:</b>               |                    |                    |                       |
| Beginning Balances                                     | \$ 646,079         | \$ 9,335           | \$ 655,414            |
| Adjustments:   |                    |                    |                       |
| (b) Corrections of Errors (+/-)                        |                    | (26,299)           | (26,299)              |
| Beginning Balances, as Adjusted                        | \$ 646,079         | \$ (16,964)        | \$ 629,115            |
| <b>Budgetary Financing Sources:</b>                    |                    |                    |                       |
| Appropriations Used                                    |                    | 827,750            | 827,750               |
| Non-exchange Revenue                                   | 1,018              |                    | 1,018                 |
| Donations and Forfeitures of Cash and Cash Equivalents | 25,000             |                    | 25,000                |
| <b>Other Financing Resources (Non-Exchange):</b>       |                    |                    |                       |
| Imputed Financing                                      |                    | 17,956             | 17,956                |
| Total Financing Sources                                | 26,018             | 845,706            | 871,724               |
| Net Cost of Operations (+/-)                           |                    | 841,655            | 841,655               |
| Net Change   | 26,018             | 4,051              | 30,069                |
| <b>Cumulative Results of Operations</b>                | <u>\$ 672,097</u>  | <u>\$ (12,912)</u> | <u>\$ 659,184</u>     |
| <b>Unexpended Appropriations:</b>                      |                    |                    |                       |
| Beginning Balances                                     | \$                 | \$ 428,260         | \$ 428,260            |
| Adjustments:   |                    |                    |                       |
| (b) Corrections of Errors (+/-)                        |                    | 26,299             | 26,299                |
| Beginning Balances, as Adjusted                        | \$                 | \$ 454,559         | \$ 454,559            |
| <b>Budgetary Financing Sources:</b>                    |                    |                    |                       |
| Appropriations Received                                |                    | 750,000            | 750,000               |
| Appropriations Used                                    |                    | (827,750)          | (827,750)             |
| Total Budgetary Financing Sources                      |                    | (77,750)           | (77,750)              |
| Total Unexpended Appropriations                        |                    | 376,809            | 376,809               |
| <b>Net Position</b>                                    | <u>\$ 672,097</u>  | <u>\$ 363,896</u>  | <u>\$ 1,035,993</u>   |

\*Amounts may be off by a dollar due to rounding.

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

# CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

## STATEMENTS OF BUDGETARY RESOURCES

For The Years Ended September 30, 2011 and 2010

|   | 2011                | 2011  | 2010                | 2010  |
|---|---------------------|---|---------------------|---|
|   | Budgetary           | Non-Budgetary<br>Credit Program<br>Financing Accounts | Budgetary           | Non-Budgetary<br>Credit Program<br>Financing Accounts |
| Budgetary Resources:                                    |                     |   |                     |   |
| Unobligated Balance:                                    |                     |   |                     |   |
| Beginning of Period                                     | \$ 885,727          | \$  | \$ 1,100,437        | \$  |
| Recoveries of Prior Year Obligations                    | 30,084              |   | 3,035               |   |
| Budget Authority:                                       |                     |   |                     |   |
| Appropriations Received                                 | 999,685             |   | 776,018             |   |
| Spending Authority from Offsetting Collections (Gross): |                     |   |                     |   |
| Earned  |                     |   |                     |   |
| Collected   |                     |   | 208                 |   |
| Subtotal  | \$ 999,685          | \$  | \$ 776,226          | \$  |
| Permanently Not Available                               | (1,000)             |   |                     |   |
| Total Budgetary Resources                               | <u>\$ 1,914,496</u> | <u>\$</u>   | <u>\$ 1,879,699</u> | <u>\$</u>   |
| Status of Budgetary Resources:                          |                     |   |                     |   |
| Obligations Incurred                                    |                     |   |                     |   |
| Direct (Note 10)  | \$ 1,090,065        | \$  | \$ 993,971          | \$  |
| Subtotal  | \$ 1,090,065        |   | \$ 993,971          |   |
| Unobligated Balances                                    |                     |   |                     |   |
| Apportioned   | 95,732              |   | 210,587             |   |
| Exempt from Apportionment                               | 700,675             |   | 671,897             |   |
| Subtotal  | \$ 796,407          | \$  | \$ 882,484          | \$  |
| Unobligated Balances - Not Available                    | 28,024              |   | 3,243               |   |
| Total Status of Budgetary Resources                     | <u>\$ 1,914,496</u> | <u>\$</u>   | <u>\$ 1,879,699</u> | <u>\$</u>   |
| Change in Obligated Balances:                           |                     |   |                     |   |
| Obligated Balance, Net:                                 |                     |   |                     |   |
| Unpaid Obligations, Brought Forward, October 1          | \$ 209,337          | \$  | \$ 41,975           | \$  |
| Total, Unpaid Obligated Balance, Brought Forward, Net   | \$ 209,337          |   | \$ 41,975           |   |
| Obligations Incurred                                    | 1,090,065           |   | 993,971             |   |
| Gross Outlays (-)                                       | (1,225,996)         |   | (823,574)           |   |
| Recoveries of Prior-Year Unpaid Obligations, Actual (-) | (30,084)            |   | (3,035)             |   |
| Obligated Balance, Net, End of Period:                  |                     |   |                     |   |
| Unpaid Obligations (+) (Note 11)                        | 43,323              |   | 209,337             |   |
| Total, Unpaid Obligated Balance, Net, End of Period     | <u>\$ 43,323</u>    | <u>\$</u>   | <u>\$ 209,337</u>   | <u>\$</u>   |
| Net Outlays:  |                     |   |                     |   |
| Gross Outlays (+)                                       | 1,225,996           |   | 823,574             |   |
| Offsetting Collections (-)                              |                     |   | (208)               |   |
| Less: Distributed Offsetting Receipts                   | 499,000             |   |                     |   |
| Net Outlays   | <u>\$ 726,996</u>   | <u>\$</u>   | <u>\$ 823,366</u>   | <u>\$</u>   |

\*Amounts may be off by a dollar due to rounding.

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

The Christopher Columbus Fellowship Foundation  
Notes to Financial Statements  
September 30, 2011 and 2010

**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. The Foundation was established in 1992 to encourage and support research, study, and labor designed to produce new discoveries in all fields of endeavor, with an emphasis on nurturing and recognizing pioneering individuals and programs that reflect the visionary spirit and pioneering heritage of Christopher Columbus. The Foundation is governed by a Board of Trustees appointed by the President of the United States.

In 1992 Americans celebrated the 500th anniversary of the discovery of the Americas, and the United States Congress joined in the commemoration by passing Public Law 102-281, the Christopher Columbus Quincentenary Coins and Fellowship Foundation. The initial funding for the Christopher Columbus Foundation was derived from the sale of three denominations of specially minted coins sold by the United States Mint from August 1992-June 1993. The coin sales surcharges constituted the Foundation's endowment thus establishing a living legacy of explorer Christopher Columbus. The Foundation is responsible for managing this endowment. The Foundation also receives interest income from the trust fund assets, Congressional appropriations, and private donations. The reporting entity consists of the Foundation and the associated Trust Fund established at the U.S. Treasury.

The Foundation continually targets and monitors outstanding innovations and research being conducted around the country throughout the year. The Foundation developed awards programs to encourage and honor these efforts including science education, homeland security and community service. The programs sponsored by the Foundation are constantly changing and evolving as new discoveries and technological breakthroughs by American innovators and educators emerge throughout the country.

The Foundation's goals are to raise awareness and honor the “cutting edge” research being conducted by Americans around the country, whether in schools, universities, companies or government labs and to encourage community service. The Foundation currently strives to promote science education and research, homeland security, community service and honor educators.

**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 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.”



The Christopher Columbus Fellowship Foundation  
Notes to Financial Statements  
September 30, 2011 and 2010

**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 sheets present, as of September 30, 2011 and 2010, 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 Statements 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 Statements 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) 2011, 2010, 2009 and 2008, 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, 2011 and 2010

**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 affect 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, 2011 and 2010

**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 11.2% 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, 2011 and 2010

**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 recissions, negative non-expenditure transfers, disbursements, and other expenditure cash outflows of funds.

**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, 2011 and 2010

**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  
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**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 funds.

**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.

|   | 2011               | 2010                 |
|---|--------------------|----------------------|
| A. Fund Balance with Treasury           |                    |                      |
| General Funds                           | \$123,756          | \$423,168            |
| Trust Fund (Investment & Cash)          | \$743,997          | \$671,897            |
| Total (Investment & Cash)               | <u>\$867,753</u>   | <u>\$1,095,065</u>   |
| B. Status of Fund Balance with Treasury |                    |                      |
| 1) Unobligated Balance                  |                    |                      |
| a) Available                            | 796,407            | 882,484              |
| b) Unavailable                          | 28,024             | 3,243                |
| 2) Obligated Balance not yet Disbursed  | 43,323             | 209,337              |
| Total                                   | <u>\$867,753</u> * | <u>\$1,095,065</u> * |

Rounding \*

The Christopher Columbus Fellowship Foundation  
Notes to Financial Statements  
September 30, 2011 and 2010

**NOTE 3 – CASH AND OTHER MONETARY ASSETS**

The Foundation has Imprest funds that are not restricted and are available for agency use.

|                                      | <u>2011</u>   | <u>2010</u>   |
|--------------------------------------|---------------|---------------|
| Total Cash and Other Monetary Assets | <u>\$ 200</u> | <u>\$ 200</u> |

**NOTE 4 – OTHER ASSETS WITH THE PUBLIC**

The Foundation has an obligation that involves the advancement of funds for services to be provided in the future with the Arthritis Foundation & UPS and MMS Education in fiscal year 2011 and 2010, respectively.

|                                      | <u>2011</u>     | <u>2010</u>     |
|--------------------------------------|-----------------|-----------------|
| Total Assets With The Public - Other | <u>\$ 9,889</u> | <u>\$ 6,875</u> |

**NOTE 5 – 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, 2011, the Foundation showed liabilities covered by budgetary resources of \$22,145 and liabilities not covered by budgetary resources of \$17,209. As of September 30, 2010, the Foundation showed liabilities covered by budgetary resources of \$53,234 and liabilities not covered by budgetary resources of \$12,912.

As of September 30, 2011, liabilities covered by budgetary resources was composed of Accounts Payable \$18,979, Accrued Funded Payroll and Leave \$2,641, and Employer Contributions and Payroll Taxes Payable \$525. As of September 30, 2010, liabilities covered by budgetary resources was composed of Accounts Payable \$44,417, Accrued Funded Payroll and Leave \$7,395, and Employer Contributions and Payroll Taxes Payable \$1,421.

|  | <u>2011</u>      | <u>2010</u>        |
|--|------------------|--------------------|
| With the Public                                      |                  |                    |
| Other  | <u>\$ 17,209</u> | <u>\$ 12,912</u>   |
| Total liabilities not covered by budgetary resources | 17,209           | 12,912             |
| Total liabilities covered by budgetary resources     | 22,145           | 53,234 *           |
| Total Liabilities                                    | <u>\$ 39,354</u> | <u>\$ 66,147 *</u> |

\*Rounding

The Christopher Columbus Fellowship Foundation  
Notes to Financial Statements  
September 30, 2011 and 2010

**NOTE 6 – OTHER LIABILITIES**

As of September 30, 2011, other liabilities with the public consisted of Accrued Funded Payroll and Leave of \$2,641, Unfunded Leave in the amount of \$17,209, and employer contributions and payroll taxes payable – TSP of \$30. Other Intra-governmental liabilities consist of employer contributions and payroll taxes payable \$495. As of September 30, 2010, other liabilities with the public consisted of Accrued Funded Payroll and Leave of \$7,395 and Unfunded Leave in the amount of \$12,912. Other Intra-governmental liabilities consist of employer contributions and payroll taxes payable \$1,421.

|      | <u>With the Public</u> | <u>Non-Current</u> | <u>Current</u> | <u>Total</u> |
|------|------------------------|--------------------|----------------|--------------|
| 2011 | Other Liabilities      | 17,209             | 2,671          | \$19,880     |
| 2010 | Other Liabilities      | 12,912             | 7,395          | \$20,308 *   |

\*Rounding

|      | <u>Intragovernmental</u> | <u>Non-Current</u> | <u>Current</u> | <u>Total</u> |
|------|--------------------------|--------------------|----------------|--------------|
| 2011 | Other Liabilities        | 0                  | 495            | \$495        |
| 2010 | Other Liabilities        | 0                  | 1,421          | \$1,421      |

**NOTE 7 - LEASES**

The Foundation leases office space at 110 Genesee Street in Auburn, New York. The lease was entered into in February 2000, and had an original expiration date of April 2003. The original lease contained two subsequent options to extend the lease. These were exercised in May 2003 and May 2005, and each option extended the lease for two years. In April 2007, the Foundation negotiated another option and the lease was extended for two years. In February 2009, the Foundation negotiated a one year extension with the option to extend the lease for one additional year. In January 2011, the Foundation negotiated a one year lease extension (May 10, 2011 – April 30, 2012) with the option to extend for one year. The minimum lease payment required by the lease amounted to \$10,395 as of April 30, 2012.

The Foundation leases a copier. The lease was entered into in April 2009 and has a 60-month term. The following is a schedule of minimum lease payments required by the lease:



The Christopher Columbus Fellowship Foundation  
Notes to Financial Statements  
September 30, 2011 and 2010

**NOTE 7 – LEASES (CONTINUED)**

| <u>Fiscal Year Ended</u> | <u>Minimum Lease Payments</u> |
|--------------------------|-------------------------------|
| September 30, 2012       | 2,064                         |
| September 30, 2013       | 2,064                         |
| September 30, 2014       | 1,032                         |
|                          | <hr/>                         |
| \$                       | 5,160                         |
|                          | <hr/>                         |

The Foundation leases a postage machine. The lease was entered into in August 2009 and has a 24 month term. The following is a schedule of minimum lease payments required by the lease:

| <u>Fiscal Year Ended</u> | <u>Estimated Minimum Lease Payments</u> |
|--------------------------|---|
| September 30, 2012       | 516                                     |
|                          | <hr/>                                   |
| \$                       | 516                                     |
|                          | <hr/>                                   |

The Christopher Columbus Fellowship Foundation  
Notes to Financial Statements  
September 30, 2011 and 2010

**NOTE 8 – EARMARKED FUNDS**

Earmarked funds are funds that are financed by specifically identified revenues, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities or purposes, and must be accounted for separately from the federal government's general revenues, per SFFAS 27, *Identifying and Reporting Earmarked Funds*.

The Foundation is an independent Federal government agency established by Congress to “encourage and support research, study and labor designed to produce new discoveries in all fields of endeavor for the benefit of mankind.” Governed by a Presidential appointed Board of Trustees, the Foundation seeks to nurture and recognize individuals and programs which reflect the visionary spirit and pioneering heritage of Christopher Columbus.

In 1992, Americans celebrated the 500<sup>th</sup> anniversary of the discovery of the Americas, and the United States Congress joined in the commemoration by passing Public Law 102-281, the Christopher Columbus Quincentenary Coins and Fellowship Foundation. The initial funding for the Foundation was derived from the sale of three denominations of specially minted coins sold by the United States Mint from August 1992 – June 1993. The Foundation received the coin sales surcharges, which constituted the Foundation's endowment, thus establishing a living legacy of explorer Christopher Columbus.

In FY 2011, the Foundation had three sources of income; interest from investments, donations, and an appropriation. Interest and donations would be considered inflows of resources to the Government.

The tables below presents the Foundation's earmarked funds, other funds and total funds by financial statement element for the fiscal years ended September 30, 2011 and 2010. The Foundation's imputed financing are not considered earmarks.

The Christopher Columbus Fellowship Foundation  
Notes to Financial Statements  
September 30, 2011 and 2010

**NOTE 8 – EARMARKED FUNDS (CONTINUED)**

| FY 2011   | CCFF<br>Earmarked<br>Funds | CCFF Other<br>Funds | Total Funds       |
|---|----------------------------|---------------------|-------------------|
| <b>Balance Sheet as of September 30</b>                                       |                            |                     |                   |
| <b>ASSETS</b>   |                            |                     |                   |
| Fund Balance with Treasury  | \$ 743,997                 | \$ 123,756          | \$ 867,753        |
| Cash, Foreign Currency & Other Monetary Assets                                | 200                        |                     | 200               |
| Other Assets  | 9,883                      | \$ 6                | 9,889             |
| Total Assets  | <u>\$ 754,081</u>          | <u>\$ 123,762</u>   | <u>\$ 877,843</u> |
| <b>Intragovernmental Liabilities:</b>   |                            |                     |                   |
| Accounts Payable  | \$ 7,025                   | \$                  | \$ 7,025          |
| Other Liabilities   | 495                        |                     | 495               |
| Total Intragovernmental Liabilities   | <u>7,520</u>               |                     | <u>7,520</u>      |
| <b>Liabilities With the Public:</b>   |                            |                     |                   |
| Accounts Payable  | \$ 11,954                  | \$                  | 11,954            |
| Other Liabilities   | 19,880                     |                     | 19,880            |
| Total Liabilities With the Public   | <u>31,834</u>              |                     | <u>31,834</u>     |
| Total Liabilities   | <u>\$ 39,354</u>           | <u>\$</u>           | <u>\$ 39,354</u>  |
| Unexpended Appropriations   |                            | 123,762             | 123,762           |
| Cumulative Results of Operations  | 714,727                    |                     | 714,727           |
| Total Net Position  | <u>\$ 714,727</u>          | <u>\$ 123,762</u>   | <u>\$ 838,489</u> |
| Total Liabilities and Net Position  | <u>\$ 754,081</u>          | <u>\$ 123,762</u>   | <u>\$ 877,843</u> |
| <b>Statement of Net Cost For the Period Ended September 30</b>                |                            |                     |                   |
| Gross Program Costs   | \$ 457,055                 | \$ 264,615          | \$ 721,670        |
| Net Program Costs   | 457,055                    | 264,615             | 721,670           |
| Net Cost of Operations  | <u>\$ 457,055</u>          | <u>\$ 264,615</u>   | <u>\$ 721,670</u> |
| <b>Statement of Changes in Net Position For the Period Ended September 30</b> |                            |                     |                   |
| Net Position Beginning of Period  | \$ 672,097                 | \$ (12,912)         | \$ 659,184        |
| Appropriations Used   |                            | 752,047             | 752,047           |
| Non-Exchange Revenue  | 429                        |                     | 429               |
| Donations of Cash   | 500                        |                     | 500               |
| Transfer In Without Reimbursement   | 499,000                    | (499,000)           |                   |
| Other Financing Sources   | \$ (244)                   |                     | (244)             |
| Imputed Financing   |                            | 24,481              | 24,481            |
| Total Financing Sources   | 499,685                    | 277,528             | 777,213           |
| Net Cost of Operations  | 457,055                    | 264,615             | 721,670           |
| Change in Net Position  | <u>\$ 42,630</u>           | <u>\$ 12,912</u>    | <u>\$ 55,543</u>  |
| <b>Unexpended Appropriations:</b>   |                            |                     |                   |
| Beginning Balance   | \$                         | \$ 376,809          | \$ 376,809        |
| Appropriations Received   |                            | 500,000             | 500,000           |
| Other Adjustments   |                            | (1,000)             | (1,000)           |
| Appropriations Used   |                            | (752,047)           | (752,047)         |
| Total Budgetary Financing Sources   |                            | (253,047)           | (253,047)         |
| Total Unexpended Appropriations   | \$                         | \$ 123,762          | \$ 123,762        |
| Net Position End of Period  | <u>\$ 714,727</u>          | <u>\$ 123,762</u>   | <u>\$ 838,489</u> |

The Christopher Columbus Fellowship Foundation  
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**NOTE 8 – EARMARKED FUNDS (CONTINUED)**

| FY 2010   | CCFF Earmarked<br>Funds | CCFF Other<br>Funds | Total Funds           |
|---|-------------------------|---------------------|-----------------------|
| <b>Balance Sheet as of September 30</b>                                       |                         |                     |                       |
| <b>ASSETS</b>   |                         |                     |                       |
| Fund Balance with Treasury  | \$ 671,897              | \$ 423,168          | \$ 1,095,065          |
| Cash, Foreign Currency & Other Monetary Assets                                | 200                     |                     | 200                   |
| Other Assets  |                         | \$ 6,875            | 6,875                 |
| Total Assets  | <u>\$ 672,097</u>       | <u>\$ 430,043</u>   | <u>\$ 1,102,140</u>   |
| <b>Intragovernmental Liabilities:</b>   |                         |                     |                       |
| Accounts Payable  | \$                      | \$ 17               | \$ 17                 |
| Other Liabilities   |                         | 1,421               | 1,421                 |
| Total Intragovernmental Liabilities   |                         | <u>1,438</u>        | <u>1,438</u>          |
| <b>Liabilities With the Public:</b>   |                         |                     |                       |
| Accounts Payable  |                         | 44,401              | 44,401                |
| Other Liabilities   |                         | 20,308              | 20,308                |
| Total Liabilities With the Public   |                         | <u>64,709</u>       | <u>64,709</u>         |
| Total Liabilities   | <u>\$</u>               | <u>\$ 66,147</u>    | <u>\$ 66,147</u>      |
| Unexpended Appropriations   |                         | 376,809             | 376,809               |
| Cumulative Results of Operations  | 672,097                 | (12,912)            | 659,185               |
| Total Net Position  | <u>\$ 672,097</u>       | <u>\$ 363,897</u>   | <u>\$ 1,035,993</u>   |
| Total Liabilities and Net Position  | <u>\$ 672,097</u>       | <u>\$ 430,043</u>   | <u>\$ 1,102,140</u>   |
| <b>Statement of Net Cost For the<br/>Period Ended Sept. 30</b>                |                         |                     |                       |
| Gross Program Costs   | \$                      | \$ 841,655          | \$ 841,655            |
| Net Program Costs   |                         | 841,655             | 841,655               |
| Net Cost of Operations  | <u>\$</u>               | <u>\$ 841,655</u>   | <u>\$ 841,655</u>     |
| <b>Statement of Changes in Net Position<br/>For the Period Ended Sept. 30</b> |                         |                     |                       |
| Net Position Beginning of Period  | \$ 646,079              | \$ 9,335            | \$ 655,414            |
| Adjustments - Corrections of Errors   |                         | (26,299)            | (26,299)              |
| Beginning Balances, as adjusted   | <u>\$ 646,079</u>       | <u>\$ (16,964)</u>  | <u>\$ 629,115</u>     |
| Appropriations Used   |                         | 827,750             | 827,750               |
| Non-Exchange Revenue  | 1,018                   |                     | 1,018                 |
| Donations of Cash   | 25,000                  |                     | 25,000                |
| Imputed Financing   |                         | 17,956              | 17,956                |
| Total Financing Sources   | <u>26,018</u>           | <u>845,706</u>      | <u>871,724</u>        |
| Net Cost of Operations  |                         | 841,655             | 841,655               |
| Change in Net Position  | <u>\$ 26,018</u>        | <u>\$ 4,051</u>     | <u>\$ 30,069</u>      |
| <b>Unexpended Appropriations:</b>   |                         |                     |                       |
| Beginning Balance   | \$                      | \$ 428,260          | \$ 428,260            |
| Adjustments - Corrections of Errors   |                         | 26,299              | 26,299                |
| Beginning Balance - as adjusted   | <u>\$</u>               | <u>\$ 454,559</u>   | <u>\$ 454,559</u>     |
| Appropriations Received   |                         | 750,000             | 750,000               |
| Appropriations Used   |                         | (827,750)           | (827,750)             |
| Total Budgetary Financing Sources   |                         | <u>(77,750)</u>     | <u>(77,750)</u>       |
| Total Unexpended Appropriations   | <u>\$</u>               | <u>\$ 376,809</u>   | <u>\$ 376,809</u>     |
| Net Position End of Period  | <u>\$ 672,097</u>       | <u>\$ 363,897</u>   | <u>* \$ 1,035,994</u> |

\*Rounding

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**NOTE 9 – INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE**

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

|                       | Total<br>2011  | Total<br>2010  |
|-----------------------|----------------|----------------|
| Program A             |                |                |
| Intragovernment costs | 100,900        | 56,212         |
| Public costs          | 620,770        | 785,443        |
| Total Program A       | <u>721,670</u> | <u>841,655</u> |

**NOTE 10 – 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, 2011 and 2010. Total obligations incurred include an inter-fund transfer of \$499,000 which is shown as distributed offsetting receipts in the Statement of Budgetary Resources and Note 12 below.

|                           | Total<br>2011        | Total<br>2010    |
|---------------------------|----------------------|------------------|
| Direct                    |                      |                  |
| Category B                | 619,159              | 993,971          |
| Exempt From Apportionment | 470,907              |                  |
| Total Obligations         | <u>\$1,090,065</u> * | <u>\$993,971</u> |

\*Rounding

The Christopher Columbus Fellowship Foundation  
Notes to Financial Statements  
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**NOTE 11 – 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 (goods and services contracted for but not yet received at the end of the year) and Delivered Orders, Obligated, Unpaid (amounts owed at the end of the year for goods and services received).

|      | Undelivered<br>Orders | Delivered<br>Orders, Obl.<br>Unpaid | Unpaid Obligated<br>Balance, Net |
|------|-----------------------|-------------------------------------|----------------------------------|
| 2011 | \$21,178              | \$22,145                            | \$43,323                         |
| 2010 | \$156,103             | \$53,234                            | \$209,337                        |

The Christopher Columbus Fellowship Foundation  
Notes to Financial Statements  
September 30, 2011 and 2010

**NOTE 12 – RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET (FORMERLY THE STATEMENT OF FINANCING)**

|  | 2011                  | 2010                  |
|--|-----------------------|-----------------------|
|  | <hr/>                 | <hr/>                 |
| <i>Resources Used to Finance Activities:</i>   |                       |                       |
| Budgetary Resources Obligated  |                       |                       |
| Obligations Incurred   | \$ 1,090,065          | \$ 993,971            |
| Less: Spending Authority from Offsetting Collections<br>and Recoveries   | <hr/> 30,084          | <hr/> 3,243           |
| Obligations Net of Offsetting Collections and Recoveries   | 1,059,981             | 990,728               |
| Less: Distributed Offsetting Receipts  | <hr/> 499,000         | <hr/>                 |
| Net Obligations  | 560,981               | 990,728               |
| <br>Other Resources  |                       |                       |
| Imputed Financing from Costs Absorbed by Others  | <hr/> 24,481          | <hr/> 17,956          |
| Net Other Resources Used to Finance Activities   | <hr/> 24,481          | <hr/> 17,956          |
| <br>Total Resources Used to Finance Activities   | 585,462               | 1,008,684             |
| <br><i>Resources Used to Finance Items not Part of the Net Cost of Operations</i>  |                       |                       |
| Change in Budgetary Resources Obligated for Goods  |                       |                       |
| Services and Benefits Ordered But Not Yet Provided   | <hr/> (131,911)       | <hr/> 162,978         |
| Total Resources Used to Finance Items Not Part of the Net Cost<br>of Operations  | <hr/> (131,911)       | <hr/> 162,978         |
| <br>Total Resources Used to Finance the Net Cost of Operations   | 717,373               | 845,706               |
| <br><i>Components of the Net Cost of Operations that will not Require or Generate<br/>Resources in the Current Period:</i> |                       |                       |
| Components Requiring or Generating Resources in Future Periods:  |                       |                       |
| Increase (Decrease) in Annual Leave Liability  | <hr/> 4,297           | <hr/> (4,051)         |
| Total Components of Net Cost of Operations that will Require or Generate<br>Resources in Future Periods                    | <hr/> 4,297           | <hr/> (4,051)         |
| Total Components of Net Cost of Operations that will not Require or Generate<br>Resources in the Current Period            | <hr/> 4,297           | <hr/> (4,051)         |
| Net Cost of Operations   | <hr/> <hr/> \$721,670 | <hr/> <hr/> \$841,655 |

\*Amounts may be off by a dollar due to rounding.

The Christopher Columbus Fellowship Foundation  
Notes to Financial Statements  
September 30, 2011 and 2010

**NOTE 12 – RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET (FORMERLY THE STATEMENT OF FINANCING) (CONTINUED)**

Liabilities not covered by budgetary resources total \$17,209 and the change in components requiring or generating resources in future period shows \$4,297. The \$4,297 is the net increase of future funded expenses – leave between appropriations of annual fund 2010 and annual fund 2011. Accrued funded payroll liability is covered by budgetary resources and is included in the net cost of operations. Whereas, the unfunded 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.

|   | <u>2011</u> | <u>2010</u> |
|---|-------------|-------------|
| Liabilities not covered by budgetary resources      | \$17,209    | \$12,912    |
| Change in components requiring/generating resources | \$4,297     | (\$4,051) * |

\*Rounding

**NOTE 13 – RESTATEMENTS**

The Foundation's fiscal year 2010 financial statements have been restated to include the effects for correction of errors that overstated Cumulative Results of Operations by \$52,598 while understating Unexpended Appropriations by the same amount, with no net effect on total Net Position. Since there was no impact on total Net Position, the previously issued unqualified audit opinion is unaffected.

|  | <u>Original Amount</u> | <u>Restated</u>    | <u>Change</u> |
|--|------------------------|--------------------|---------------|
| Net Position                                       |                        |                    |               |
| Unexpended Appropriations – All Other Funds        | \$324,211              | \$376,809          | (\$52,598)    |
| Cumulative Results of Operations - Earmarked Funds | \$672,097              | \$672,097          | \$0           |
| Cumulative Results of Operations – All Other Funds | \$39,686               | (\$12,912)         | \$52,598      |
|  | <u>\$1,035,993</u>     | <u>\$1,035,993</u> | <u>\$0</u>    |

\*Amounts may vary due to rounding.

During fiscal year 2010, the Foundation made an adjustment of \$26,299 to correct a tie point difference on the trial balance. This adjustment is presented as a "Correction of Errors" line item in the 2010 Statement of Changes in Net Position. However, an error occurred in the financial statement presentation of the adjustment noted in adjusting the Cumulative Results of Operations and Unexpended Appropriations beginning balances, respectively. According to the Treasury crosswalks, the "Correction of Errors" (+/-) should have shown as a negative instead of a positive amount on the Cumulative Results of Operations beginning balance. In addition, the beginning balances Correction of Errors (+/-) should have shown as a positive number instead of a negative number on the Unexpended Appropriations beginning balances. This error has resulted in a restatement of the prior year financial statements due to the Cumulative Results of



The Christopher Columbus Fellowship Foundation  
Notes to Financial Statements  
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**NOTE 13 – RESTATEMENTS (CONTINUED)**

Operations being overstated by \$52,598 and the Unexpended Appropriations being understated by \$52,598. Accordingly, the 2010 balance sheet and statement of changes in net position have been restated to properly reflect the adjustment noted. While the correction of error is material to the individual components of net position, the correction has a minimal overall impact on the financial statements given that the restatement is a reclassification of line items within Net Position; and not a change to the overall Net Position line item.

In accordance with current standards, the error is being corrected with this issuance of the financial statements. The previously year financial statements are being restated for comparative purposes. In addition, the appropriate disclosure and communication requirements were followed.

**NOTE 14 – SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 30, 2011, which is the date the financial statements were available to be issued.

APPENDIX A –  
THE CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION COMMENTS ON  
DRAFT AUDIT REPORT



## Christopher Columbus Fellowship Foundation

The late Honorable Frank Annunzio  
*Founder*

November 30, 2011

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Thomas K. Thomas  
M. Joyce Van Schaack

Judith M. Shellenberger  
*Executive Director*

Martin & Wall, A Division of Chortek & Gottschalk, LLP  
Mark E. Albrecht, CPA, Partner  
1633 Q Street, NW, Suite 230  
Washington, DC 20009

Dear Mr. Albrecht:

We have reviewed the draft audit report provided to us relating to your audit of Christopher Columbus Fellowship Foundation for the fiscal years ended September 30, 2011 and 2010. We concur with the facts and conclusions in the draft report.

Sincerely,

Judith M. Shellenberger  
Executive Director