

***CHRISTOPHER COLUMBUS
FELLOWSHIP FOUNDATION***



***PERFORMANCE AND ACCOUNTABILITY
REPORT
Fiscal Year 2010***

Christopher Columbus Fellowship Foundation
Performance and Accountability Report
Fiscal Year 2010

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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 2010. 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, AgustaWestland North America, Walt Disney World®, **DISCOVER Magazine**, National Italian American Foundation, National Museum of Education and National Middle School Association.

In 2010, the Foundation continued its partnership with the U.S. Chamber of Commerce to present awards honoring scientists, educators and students working in the life sciences field. The six **Life Sciences Awards** present \$65,000 in monetary awards as incentive for continuing science education and research; the scientist will also receive up to \$25,000 in additional funding for research. The Foundation handled all administrative aspects of the awards program.

For the fifth year, the Foundation partnered with AgustaWestland North America to sponsor the Eighth Annual **Homeland Security Awards** to honor innovations in four fields of homeland security. A \$25,000 award was presented 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.**

The Foundation sponsored the 14th 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.

In 2010, the Foundation began its partnership with the American Farm Bureau Federation to present eight **Agriscience Awards** honoring scientists, educators and students working in the field of agriscience. The **Agriscience Awards** present \$145,000 in monetary awards as incentive for continuing science education and research. Two scientists will receive up to \$25,000 in funding to provide an employment opportunity for a researcher. The Foundation handled all administrative aspects of the awards program.

The Christopher Columbus Fellowship Foundation accomplished a great deal in FY 2010. Please visit: www.columbusfdn.org for more information on all the programs sponsored by the Christopher Columbus Fellowship 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.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly A. Owens".

Kimberly A. Owens
Chair



Christopher Columbus Fellowship Foundation

Statement of Assurance from the Chair

I, Kimberly A. Owens, 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, 2010, 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, 2010, or other factors that might significantly affect the effectiveness of internal control.

Kimberly A. Owens, 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

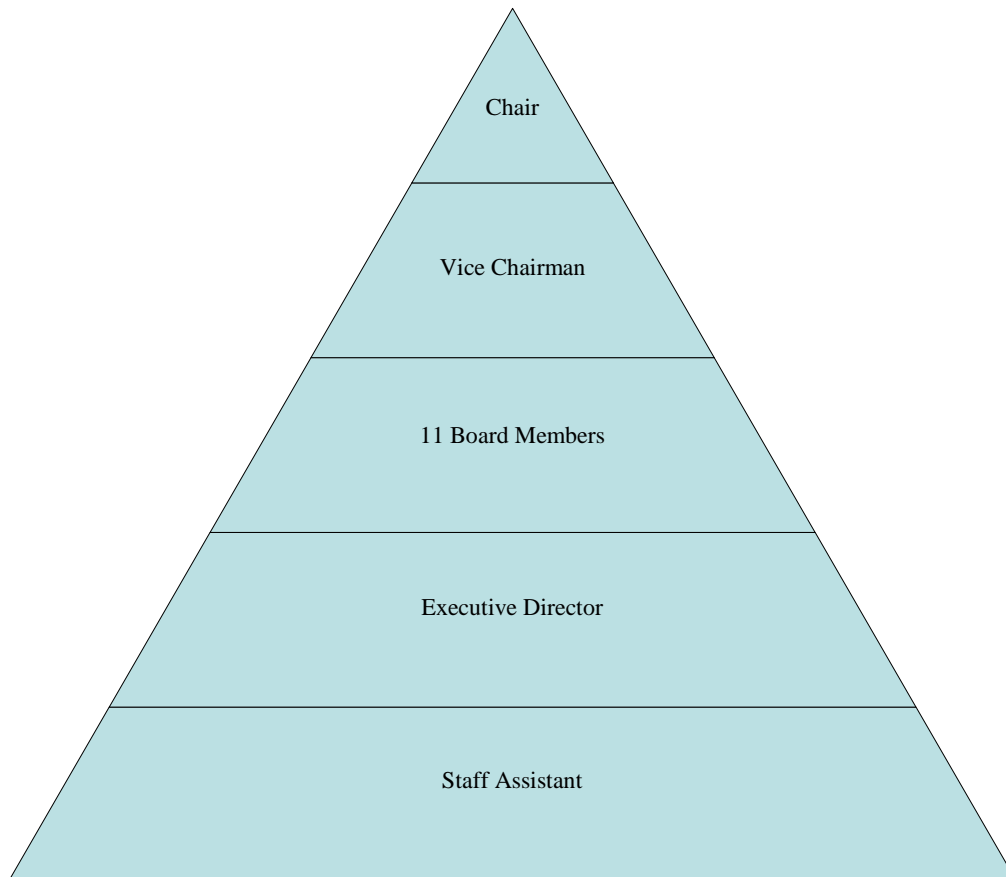
Public Law 102-281 designates that the Foundation be governed by a 13-member Board of Trustees serving six-year terms. Board members are appointed by the President in consultation with the following:

- 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 award programs; handles web management and provides other administrative and clerical support.

Foundation Goals

In 2010, 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 award 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 then 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 2010 as follows:

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

With over 14 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 conducted a nationwide application solicitation; promoted and advertised all phases of each competition; and developed the Nomination forms and related materials such as Procedures and Criteria using successful systems and practices already in place. The Foundation received most Nominations online on a secure website. The Foundation solicited 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 2010, the partnership presented six *Life Sciences Awards* totaling \$90,000, in recognition of United States citizens including scientists/researchers, teachers and students who are judged to exemplify excellence in life sciences. Information on the six recipients is as follows:

Life Sciences Awards (cont'd)

\$25,000 Chairmen's Distinguished Life Sciences Award - James F. Leary, Ph.D.

James F. Leary, Ph.D., SVM Professor of Basic Medical Sciences and Biomedical Engineering, Birck Nanotechnology Center, Purdue University, Lafayette, IN, was awarded the ***\$25,000 Distinguished Chairmen's Life Sciences Award***.

Dr. Leary's research involves designing "next-generation", advanced nanodelivery systems for drugs and genes to combat cancer and other diseases. He has invented a variety of new nanomedical devices with targeting molecules that deliver therapeutic drugs precisely to diseased cells to perform single cell "nanosurgery", which eliminate the diseased cells while trying to preserve nearby normal cells, allowing for much smaller drug doses and fewer side effects. Dr. Leary will also receive up to \$25,000 in research funds as an employment opportunity for a researcher.

\$10,000 Life Sciences Educator Award - Michelle Bagley

Michelle Bagley, Biology Educator, Centennial High School, Ellicott City, MD, was awarded a ***\$10,000 Life Sciences Educator Award***. Michelle has been an educator for 30 years teaching biology and research, a passion she developed doing science fair projects during her own school years.

Michelle has written curriculum for the county and the National Association of Biology Teachers and has made numerous presentations for conferences and organizations on a variety of topics. She has been at Centennial High School since 1991 and currently works with students in the Intern/Mentor Program as part of the Gifted and Talented Program.

Among her students, she boasts winners in the Siemens Competition, Christopher Columbus Life Science Student Award, Intel Science Talent Search, Intel International Science and Engineering Fair, and many others. Michelle has been honored as a Presidential Scholar Teacher, a Coca-Cola Educator of Distinction, and Intel Teacher of the Year.

Life Sciences Awards (cont'd)

\$10,000 Life Sciences Educator Award - Ryan Templeton

Ryan Templeton, Biology Educator, Mathematics and Science High School at Clover Hill, Midlothian, VA, was awarded a ***\$10,000 Life Sciences Educator Award***. Ryan teaches freshman Biology and AP Biology at the Mathematics and Science High School at Clover Hill, where he also serves as Research Coordinator.

Ryan is also Director of the Virginia Summer Governor's School for Life Sciences and Medicine at Virginia Commonwealth University. Emphasizing and encouraging student research in his classes, his students conduct independent research projects and present their findings at national and international competitions.

His efforts have been recognized by the Virginia Academy of Science with an E.C.L. Miller Teaching Award, and a Virginia Presidential Award for Excellence in Mathematics and Science Teaching, as well as commendations from the Virginia Department of Education and Virginia Mathematics and Science Coalition.

\$10,000 Life Sciences Educator Award - Derrick C. Wood

Derrick C. Wood, Chemistry Educator, Conestoga High School, Berwyn, PA, was awarded a ***\$10,000 Life Sciences Educator Award***. Teaching at Conestoga High School since 2004, Derrick instills the same passion for Chemistry that he experiences - by showing his students that Chemistry is not an exercise in futility, but is extremely relevant to their lives.

Derrick authored Case-Studies for his high school Chemistry curriculum and uses them as an alternative and authentic way of integrating the lab component into Chemistry, giving his students the opportunity to experience science in the same way it is done outside the classroom. Derrick has given presentations at NSTA and ACS National Conventions where he shared his curriculum with teachers across the country.

In Derrick's opinion though, his greatest accomplishments are "the students that have graduated from Conestoga with a passion for science and have pursued college majors and careers as a result of the same love for science that I embrace."

Life Sciences Awards (cont'd)

\$5,000 Life Sciences Student Award - Jason Gandelman

Jason Gandelman, Senior, Staples High School, Westport, CT, was awarded a **\$5,000 Life Sciences Student Award**. Jason's high school research investigated toxic compounds called Advanced Glycation End-products (AGEs), which are known to contribute to the long-term health problems associated with diabetes, a disease his family has a long history with.

Jason's study showed that yeast has evolved mechanisms to minimize the formation of toxic AGE compounds. Attempting to identify a protein that will block the human body's receptor sites from binding with AGEs, Jason believes his study will lead to new medications to prevent or cure blood vessel and kidney damage associated with diabetes.

\$5,000 Life Sciences Student Award - Anirudh Mohan

Anirudh Mohan, Senior, Thomas Jefferson High School for Science and Technology, Alexandria, VA, was awarded a **\$5,000 Life Sciences Student Award**. Ani's primary passion lies in the field of biomedical engineering, with an interest in pursuing both technical and business perspectives.

During his last two years of high school, he conducted nanobiotechnology research at George Mason University. His research involved the nanoengineering of polymers to synthesize novel, "smart" diagnostic devices which can be utilized in lieu of conventional techniques, such as differential diagnosis.

Ani published his results in American Chemical Society journals, earned semifinalist status in the Siemens Competition, and received multiple science fair honors at the Virginia state level.

In 2011, the Foundation plans to award seven ***Life Sciences Awards*** as follows:

One \$25,000 award to an adult researcher/scientist and \$25,000 for specific research	\$50,000
Three \$10,000 awards to educators	30,000
Three \$ 5,000 awards to high school students	<u>15,000</u>
Seven awards and funds for research totalling	\$95,000

Christopher Columbus Awards

In 2010, the Foundation presented the 14th 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 an adult coach identify a community issue and use the scientific process to solve it.

The award program has attracted over 18,000 '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

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 2010 **Christopher Columbus Awards** program were:

- **Kreepy Krawlers** – Team from All Saints Catholic School, Manahawkin, NJ.
The problem was increased gypsy moth population and the damage they cause. The solution was an outreach program to educate the community about various ways to control the gypsy moth population. **Gold medal winning team.**
- **Lights Out** – Team from Learning Without Limits Science Club, West Branch, IA.
The problem was businesses still using inefficient T12 lighting systems. The team's solution was retrofitting inefficient T12 florescent lighting with energy efficient T8 or T5 lighting systems. **Gold medal winning team.**

- **Arthritis Magic** - Team from Madison Middle School, Madison, MS.
The problem was people with arthritis having trouble gripping objects, making opening doors a difficult task. The solution is "Arthritis Magic," a pull, similar to a fan pull, attached to the left side of the doorknob so when pulled will open the door. The team has received a provisional patent. The Foundation will work with the team over the next year to make their project a reality. **\$25,000 Columbus Foundation Community Grant winning team.** President Obama invited the team to exhibit their invention at the first White House Science Fair on October 18, 2010.

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 National Middle School Association and the National Association of Secondary School Principals. Please visit: www.christophercolumbusawards.com for more information on the program.

The 2010-2011 budget is as follows:

Program Management	\$105,475
National Championship Week	140,480
2010 Grant	25,000
2011 Grant Management	<u>7,500</u>
Total	\$278,455

Homeland Security Awards

In 2010, the Foundation presented the 8th Annual ***Homeland Security Awards*** in partnership with AugustaWestland, 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. Four **\$25,000 Homeland Security Awards** were presented in the following 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.

Field of Biological, Radiological, Nuclear, Chemical and Explosive Attacks

Charles A. Gentile, Head, Tritium Systems, Princeton University - Plasma Physics Laboratory, Princeton, NJ, was awarded the **\$25,000 Homeland Security Award** in the field of ***Biological, Radiological, Nuclear, Chemical and Explosive Attacks***.

Mr. Gentile's career spans over 30 continuous years in the field of nuclear research, fission power production, magnetic fusion energy (MFE) research, and inertial fusion energy (FE) research. He has worked in the commercial nuclear power sector in both PWR and BWR facilities.

Post 9/11, he began work on the development of the Miniature Integrated Nuclear Detection System (MINDS). MINDS, a real time, radionuclide identification system, specifically engineered for homeland security deployments.

The concept for MINDS is based upon earlier work he performed--prior to 9/11--for determining the distribution of radionuclides resident inside the magnetically confined Tokamak Fusion Test Reactor.

MINDS is valued for its ability to, in a matter of seconds, identify radionuclides at levels slightly above the ambient background. This feature provides a rapid means of assessing large numbers of packages, components, luggage and populations with minimum impact on the flow of commerce and traffic. A main feature of the system is the ability to accurately differentiate threat materials that may be found in radiological dispersion devices (RDD), commonly known as dirty bombs, from non-threat radionuclides used in medical procedures, or naturally occurring isotopes commonly found in certain consumer products.

As a result of his work, MINDS has been successfully licensed to the private sector for marketing and deployment. Two patents have been issued for the technology. For the development of MINDS, Mr. Gentile has received the 2008 Thomas Alva Edison Patent Award, granted by the Research and Development Council of New Jersey; and the 2009 National Excellence in Technology Transfer Award, granted by the Federal Laboratory Consortium.

Homeland Security Awards (cont'd)

Field of Border and Transportation Security

Milind Tambe, Ph.D., Professor of Computer Science and Industrial & Systems Engineering at the USC Viterbi School of Engineering, Los Angeles, CA, was awarded the **\$25,000 Homeland Security Award** in the field of **Border and Transportation Security**.

Dr. Tambe's research is focused on Artificial Intelligence, with an emphasis on agent-based and multi-agent systems. His research has resulted in significant advances in game theoretic algorithms that are essential to critical applications of counter-terrorism and homeland security. His game theoretic approach provides "intelligent" randomization of security forces' actions with security guarantees, significantly increasing adversary cost and uncertainty and providing a powerful deterrence.

Dr. Tambe's research in game theory, a fundamental theory of understanding how people or agents interact with each other, focuses on Stackelberg games. These games refer to real-world situations where police commit to some security schedules, and the adversaries can observe police actions over time, and then choose a location and time of their attack. Solving such games leads to the optimal randomized strategy for the police, e.g. how to randomize their patrols. His research has led to fundamental advances in algorithms for Stackelberg games; this research has been published in a dozen papers in journals and prestigious conferences in Artificial Intelligence.

One major success is the Assistant for Randomized Monitoring Over Routes (ARMOR) system, deployed at Los Angeles International Airport (LAX) since August 2007. ARMOR randomizes when and where police checkpoints are set up on in-bound roads into the airport, as well as randomizing patrols of bomb-detecting canine units at the airport terminals. ARMOR has been credited with helping LAX police prevent several loaded weapons from being carried into LAX, and in seizing large quantities of drugs.

Dr. Tambe and his research group's papers have been selected as best papers or finalists for best papers at over a dozen premier Artificial Intelligence and Operations Research Conferences and workshops, and their algorithms have been deployed for real-world use by several agencies including LAX police and Federal Air Marshals Service.

Homeland Security Awards (cont'd)

Field of Cyber Security and Information Sharing

The Law Enforcement National Data Exchange (N-DEx) System – FBI Criminal Justice Information Services, Clarksburg, WV, was awarded the ***\$25,000 Homeland Security Award*** in the field of ***Cyber Security and Information Sharing***.

To meet the nation's critical need to share criminal justice life-cycle information among agencies, the FBI, in concert with its local, state, tribal and federal partners, created the Law Enforcement National Data Exchange (N-DEx). This nationally-scaled system has been designed to share criminal justice information across jurisdictional boundaries in a way not previously possible.

Building upon and complementing already successful sharing systems where they exist, the N-DEx system is a cornerstone of the United States Department of Justice's (DOJ) Law Enforcement Information Sharing Program (LEISP). The effort also follows the mandate set forth by the "National Strategy for Law Enforcement Incident Sharing" established by the by the FBI's Criminal Justice Information Sharing Division (CJIS) Advisory Policy Board (APB). The CJIS APB is comprised of representatives from criminal justice agencies across the country.

The driving core of N-DEx is its main mission: "To enable the sharing of complete, accurate, timely, and useful information across jurisdictional boundaries and to provide new investigative tools that enhance the nation's ability to fight crime and terrorism." In simpler terms, the overarching goal of N-DEX is to get the "right information" to the "right people" at the "right time."

With the Raytheon as the lead contractor, N-DEx is being built and deployed in three increments. Each increment serves to bolster the system with additional capacity, services, and capabilities while allowing for lessons learned to be incorporated in to the next one. The incremental approach also enabled the expedited fielding of an operational system to those on the front lines in the battles against crime and terrorism.

The Law Enforcement National Data Exchange (N-DEx) system reached a major milestone at the end of August 2010 by surpassing 100 million searchable records contained within the innovative and trailblazing project. N-DEx is being built and maintained at the Federal Bureau of Investigation (FBI), Criminal Justice Information Services (CJIS) Division in Clarksburg, West Virginia. Once fully deployed, the N-DEx system will be capable of containing in excess of one billion searchable records.

Homeland Security Awards (cont'd)

Field of Emergency Response to Natural and Man-Made Disasters

Budhendra Bhaduri, Ph.D., Group Leader, Geographic Information Science & Technology, Oak Ridge National Laboratory, Oak Ridge, TN, was awarded the ***\$25,000 Homeland Security Award*** in the field of ***Emergency Response to Natural and Man-Made Disasters***. Dr. Bhaduri is also a founding member of the U.S. Department of Energy's Geospatial Sciences Steering Committee.

Dr. Bhaduri is internationally recognized for his leadership role in conceiving, designing, and implementing innovative geocomputational methods and algorithms to solve a wide variety of national and global problems involving population dynamics modeling, natural resource studies, transportation modeling, critical infrastructure protection, and disaster management. Dr. Bhaduri is a principal member of the LandScan population modeling programs at ORNL and leads the LandScan USA project.

The unanticipated occurrences of most natural and technological disasters put a large number of people at risk. High resolution population distribution data is nucleus to disaster management. Commonly available data from Census has traditionally been the exclusive source for population information. However, typical Census data is constrained both in space and time and fails to capture the obvious dynamic behavior of population as functions of space and time. Using an innovative approach with geographic information science and remote sensing, human activity patterns are modeled to produce LandScan USA data that describes US population for 90m cells for nighttime residential and daytime scenarios.

LandScan USA potentially magnifies the utility of high-resolution population data across a broad range of applications. Among all, disaster and consequence management, public health, and socio-economic analysis are the three areas where the impacts are immediate and more significant. The main accomplishment of LandScan USA is its impact on enabling the homeland security and defense community to estimate populations at risk during emergency preparedness and in saving lives during emergency response.

In 2011, the Foundation will present four \$25,000 awards, an award in each of the fields below.

Biological, Radiological, Nuclear, Chemical and Explosive Attacks	\$ 25,000
Border and Transportation Security	25,000
Cyber Security and Information Sharing	25,000
Emergency Responses to Natural and Man-Made Disasters	<u>25,000</u>
Four Awards Totalling	\$100,000

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 2010, the Foundation established a public/private partnership with the American Farm Bureau Federation to sponsor eight monetary ***Agriscience Awards*** totaling \$145,000 to recognize United States citizens including scientists, researchers, teachers and students, who are judged to promote and exemplify excellence in agriscience.

\$25,000 Distinguished Agriscience Scientist Award

Patricia Kennedy, Ph.D., Professor in the Department of Fisheries and Wildlife at Oregon State University, Eastern Oregon Agricultural Research Center, Union, OR, was awarded a ***\$25,000 Distinguished Agriscience Scientist Award***. She will also receive up to \$25,000 in research funds.

Professor Kennedy has a unique faculty position; she is one of the few wildlife biology faculty at a land grant institution who is stationed at an Agricultural Experiment Station. She represents the future of these stations where research into agricultural sustainability requires both a commodity and ecological perspective.

When Oregon State University (OSU) hired Dr. Kennedy in 2002, she was a tenured faculty member in the Department of Fish and Wildlife Biology at Colorado State University. She was renowned for her practical and proactive approach to endangered species management, with research aimed at reducing the need to list wildlife as threatened or endangered. OSU hired her to develop a research program that would provide scientific information to address the questions arising from the national debate on the sustainability of livestock grazing. Her position was the result of additional money allocated to OSU from the State legislature after the Oregon Cattlemen's Association lobbied the legislature to fund a research ecologist that could evaluate the contentious issues they faced with rigorous science.

In her current position, Dr. Kennedy directs a variety of collaborative investigations on management alternatives that promote sustainable livestock and crop production in the inter-mountain west.

Agriscience Awards (cont'd)

\$25,000 Distinguished Agriscience Scientist Award

Thomas J. Jackson, Ph.D., Research Hydrologist with the U.S. Department of Agriculture, Agricultural Research Service, Hydrology and Remote Sensing Lab, Beltsville, MD, was awarded a ***\$25,000 Distinguished Agriscience Scientist Award***. He will also receive up to \$25,000 in research funds.

Dr. Thomas Jackson's research involves the application and development of remote sensing technology in hydrology and agriculture, primarily microwave measurement of soil moisture. This research has resulted in over 300 scientific publications. Dr. Jackson has established himself as an international expert in the field of remote sensing in hydrology, in particular as the world leader in soil moisture measurement, as evidenced by invited international presentations, contributions to manuals, and invited journal papers on this topic. Based on his scientific expertise, he is often invited to participate on panels for NASA, NOAA and foreign institutions.

He has been a member of the science teams of numerous U.S. as well as international satellite projects. The focus of his current research is the development of the Soil Moisture Active Passive (SMAP) satellite, scheduled for 2014. He is the SMAP science team lead for calibration and validation.

\$10,000 Agriscience Educator Award

Crystal Retzlaff, Agriculture Educator and FFA Advisor, Oconto Falls High School, Oconto Falls, WI, was awarded a ***\$10,000 Agriscience Educator Award***.

Crystal's love for animals did not end with the cows; she stated raising sheep when she was eight year old, and joined 4-H so she could exhibit them at the county fair. When her father passed away when she was 14, the cows were sold but she kept her sheep.

Crystal has been teaching at Oconto Falls High School for seven years. She teaches Genetics, Biotechnology, Pet/Companion Animals, Exploring Agriculture, Veterinary Science, Food Science, Introduction to Career Foods, Food Processing, Wildlife/Forestry, Animal Science, Landscape/Floriculture and Anatomy/Physiology. She also advises the 125-member local FFA. Crystal received the Wisconsin State Agriscience Teacher of the Year award in 2006.

Agriscience Awards (cont'd)

\$10,000 Agriscience Educator Award

Lisa Konkell, Agriscience Educator and FFA Advisor, Big Foot Union High School, Walworth, WI, was awarded a ***\$10,000 Agriscience Educator Award***.

Lisa is a veteran teacher with 17 years of teaching experience. She started a half-time program at Big Foot High School, which quickly became a full-time program after her first year, and now is a two-person Agriscience Department. Curriculum transformation has occurred in the past 15 years she has taught at Big Foot from a primarily production agriculture focus to the balance of production and agribusiness concepts with a strong emphasis on science incorporation.

As an FFA advisor, Lisa strongly encourages participation in all FFA competitions and Agriscience Fairs and wants students to defend their research. Lisa was the FFA's Agriscience Teacher of the Year in 1998 and the National Association of Agriculture Educators' Outstanding Teacher winner in 2008.

\$10,000 Agriscience Educator Award

Byron L. Ernest, Department Head for Agriculture, Lebanon Community School Corporation, Lebanon, IN, was awarded a ***\$10,000 Agriscience Educator Award***.

The flagship courses of the program, taught by Ernest, are the Advanced Life Science courses in animals, plant and soil, and food science. These are dual credit courses with Purdue University College of Agriculture. Through teaching these rigorous agriscience courses, he learned we must reinvent our classrooms to be places where young people are challenged and engaged; understand what they study and why; and where they have a sense that they belong.

In cooperation with AgReliant Genetics, he has developed project/inquiry-based agriscience lessons where students are doing actual research, and publish their findings through the use of pod-casts and wiki sites. This transparency allows actual scientists from around the world critique the students' work.

Mr. Ernest was named the 2010 Indiana Teacher of the Year. This is the first time an Agriculture Instructor has ever been selected for this honor. He holds two Bachelor of Science Degrees from Purdue University in Agricultural Education and Animal Science, and a Masters in Science in Agricultural Education, also from Purdue. He is currently finishing his Ph.D. in Administrative and Teacher Leadership from Walden University.

Agriscience Awards (cont'd)

\$5,000 Agriscience Student Award

Rosemary Chapple, Senior, Waterloo High School, Waterloo, IL, was awarded a ***\$5,000 Agriscience Student Award***. Rosemary's three chick experiments led her to 24 different competitions including two International science fairs and three National FFA agriscience fairs.

Raised on a small Angus cattle farm in Southern Illinois, Rosemary was a 7-year 4-H member and showed cattle and show chickens. She was a member of the Waterloo FFA and served on the State officer team as president of 14 FFA chapters.

She recently won the Illinois State SAE award in Emerging Technologies featuring her experiments. She was a National Agriscience Student Finalist in 2009.

\$5,000 Agriscience Student Award

Stephanie Hoskins, Senior, Lincoln Park Academy High School, Fort Pierce, FL, was awarded a ***\$5,000 Agriscience Student Award***.

From a young age, Stephanie Hoskins has been intrigued by the enigmas of natural science. In seventh grade, she began researching the use of bacteria isolates as biological control agents against plant pathogenic fungi and has developed her research over the past six years.

At the conclusion of her research, she has confirmed *Paenibacillus lentimorbus* and *Burkholderia pyrrocinia* as biological control agents against 13 plant pathogenic fungi, and is the first person to identify the genes responsible for the observed antimicrobial activity. She received numerous awards for her research, including qualifying for the International Science and Engineering Fair for three years, placing fourth, third and second in microbiology; chosen as a Siemens Math and Science Competition semifinalist; winning multiple special awards at the Intel International Fair, and was chosen as the Young Floridian for Science in 2010.

Agriscience Awards (cont'd)

\$5,000 Agriscience Student Award

Jake Carlson, Junior, Elk Grove High School, Elk Grove, CA, was awarded a **\$5,000 Agriscience Student Award**.

Jake Carlson has been showing livestock since he was eight, and he currently owns 35 head of Toggenburg and Saanen dairy goats. He has successfully exhibited his goats in California and across the western United States. He also exhibits meat goats at local fairs and has won Master Showmanship the last two years at the Sacramento County Fair.

He will begin serving as President of the Elk Grove FFA Chapter, as well as Sacramento Section Vice President. He will represent the State of California at the National FFA Convention in Indianapolis in October, with his winning Agriscience Fair project and as a member of the State winning farm business management team.

During the 2010-2011 school year, Jakes plans to run for a California State FFA office. He completed his Eagle Scout requirements this year by building and installing ten Wood Duck nesting boxes in the Deer Creek Wildlife Preserve.

In 2011, the Foundation will present eight awards totalling \$145,000 as follows:

Two \$25,000 awards to adult researchers/scientists	\$100,000
and \$25,000 each for specific research	
Three \$10,000 awards to educator/agricultural leaders	30,000
Three \$5,000 awards to high school students	<u>15,000</u>
Eight awards and funds for research totalling	\$145,000

PROGRAM BUDGETS

<i>Life Sciences Awards</i>	\$ 95,000
<i>Christopher Columbus Awards</i>	278,455
<i>Homeland Security Awards</i>	100,000
<i>Agriscience Awards</i>	145,000
Winners' Travel	<u>15,000</u>
TOTAL	\$633,455

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 2011, the Foundation will **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 anticipates FY 2011 funding of \$750,000, and \$750,000 funding level for FY 2012.

FINANCIAL PERFORMANCE OVERVIEW

As of September 30, 2010, the financial condition of the Christopher Columbus Fellowship Foundation was sound. The Foundation anticipates receiving a \$750,000 appropriation in FY 2011. 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 2010, 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 2010 was \$750,000.

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 2010 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 2010. 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 2010, 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

FINANCIAL STATEMENTS

As Of And For The Years Ended September 30, 2010 and 2009

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Independent Auditors' 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. In our audits of the Christopher Columbus Fellowship Foundation for fiscal years ended September 30, 2010 and 2009, 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) and compliance with laws and regulations,
- no reportable noncompliance with laws and regulations we tested.

The following sections discuss in more detail (1) these conclusions, (2) our conclusions on Management Discussion and Analysis and other supplementary information, (3) our audit objectives, scope and methodology, and (4) agency comments and our evaluation.

Opinion on Financial Statements

The financial statements including the accompanying notes present fairly, in all material respects, in conformity with U.S. generally accepted accounting principles, the Christopher Columbus Fellowship Foundation's assets, liabilities, and net position as of September 30, 2010 and 2009; and net costs; changes in net position; and budgetary resources; for the years then ended.



Consideration of Internal Control

In planning and performing our audit, we considered the Christopher Columbus Fellowship Foundation's internal control over financial reporting and compliance. We did this to determine our procedures for auditing the financial statements and to comply with OMB audit guidance, not to express an opinion on internal control. Accordingly, we do not express an opinion on internal control over financial reporting and compliance or on management's assertion on internal control included in Management's Discussion and Analysis. However, for the controls we tested, we found no material weakness in internal control over financial reporting (including safeguarding assets) and compliance.

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 and compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Our internal control work would not necessarily disclose all deficiencies in internal control that might be material weaknesses or other significant deficiencies.

Compliance with Laws and Regulations

Our tests of the Christopher Columbus Fellowship Foundation's compliance with selected provisions of laws and regulations for fiscal year 2010 disclosed no instances of noncompliance that would be reportable under U.S. generally accepted government auditing standards or OMB audit guidance. However, the objective of our audit was not to provide an opinion on overall compliance with laws and regulations. Accordingly, we do not express such an opinion.

Consistency of Other Information

The Christopher Columbus Fellowship Foundation's Management's Discussion and Analysis, required supplementary information (including stewardship information), and other accompanying information contain a wide range of information, some of which is not directly related to the financial statements. We do not express an opinion on this information. However, we compared this information for consistency with the financial statements and discussed the methods of measurement and presentation with Christopher Columbus Fellowship Foundation officials. Based on this limited work, we found no material inconsistencies with the financial statements, U.S. generally accepted accounting principles, or OMB guidance.



Objectives, Scope, and Methodology

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, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers' Financial Integrity Act are met, and (3) complying with applicable laws and regulations.

We are responsible for obtaining reasonable assurance about whether the financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. We are also responsible for (1) obtaining a sufficient understanding of internal control over financial reporting and compliance to plan the audit, (2) testing compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements and laws for which OMB audit guidance requires testing, and (3) performing limited procedures with respect to certain other information appearing in the Annual Financial Statement.

In order to fulfill these responsibilities, we

- examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessed the accounting principles used and significant estimates made by management;
- evaluated the overall presentation of the financial statements;
- obtained 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);
- tested relevant internal controls over financial reporting, and compliance, and evaluated the design and operating effectiveness of internal control;
- considered the design of the process for evaluating and reporting on internal control and financial management systems under the Federal Managers' Financial Integrity Act; and
- tested compliance with selected provisions of the following laws and regulations: the Anti-Deficiency Act; Provisions Governing Claims of the U.S. Government (31 U.S.C. 3711-3720E), including the Debt Collection Improvement Act of 1996 (DCIA), the Prompt Payment Act; the Pay and Allowance System for Civilian Employees as provided primarily in Chapters 51-59 of title 5, United States Code; the Civil Service Retirement Act, 5 U.S.C. Chapter 83; Federal Employee Health Benefits Act, 5 U.S.C. Chapter 89; Federal Employees Compensation Act (FECA), 5 U.S.C. Chapter 81; and the Federal Employee's Retirement System (FERS) Act of 1986, 5 U.S.C. Chapter 84.



We did not evaluate all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to controls over financial reporting and compliance. 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.

We did not test compliance with all laws and regulations applicable to the Christopher Columbus Fellowship Foundation. We limited our tests of compliance to selected provisions of laws and regulations that have a direct and material effect on the financial statements and those required by OMB audit guidance that we deemed applicable to the Christopher Columbus Fellowship Foundation's financial statements for the fiscal year ended September 30, 2010. We caution that noncompliance may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

We performed our audit in accordance with U.S. generally accepted government auditing standards and OMB audit guidance.

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.

Martin & Wall, P.C.

Washington, DC
November 15, 2010

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

BALANCE SHEET

As Of September 30, 2010 and 2009

		2010	2009
Assets:			
Intragovernmental:			
Fund Balance With Treasury	(Note 2)	\$ 1,095,065	\$ 1,142,412
Total Intragovernmental		<u>1,095,065</u>	<u>1,142,412</u>
Cash, Foreign Currency and			
Other Monetary Assets	(Note 3)	200	200
Other	(Note 4)	6,875	
Total Assets		<u>\$ 1,102,140</u>	<u>\$ 1,142,612</u>
Liabilities:			
Intragovernmental:	(Note 5)		
Accounts Payable		\$ 17	\$ 5,650
Other	(Note 6)	1,421	1,010
Total Intragovernmental		<u>1,438</u>	<u>6,660</u>
Liabilities With the Public:			
Accounts Payable		44,401	28,760
Other	(Note 6)	20,308	23,519
Total Liabilities		<u>66,147</u>	<u>58,939</u>
Net Position:			
Unexpended Appropriations - Other Funds		324,211	428,260
Cumulative Results of Operations			
- Earmarked Funds	(Note 8)	672,097	646,079
- Other Funds		39,686	9,335
Total Net Position		<u>1,035,993</u>	<u>1,083,673</u>
Total Liabilities and Net Position		<u>\$ 1,102,140</u>	<u>\$ 1,142,612</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 NET COST

For The Years Ended September 30, 2010 and 2009

		2010	2009
Program Costs:			
Program A:			
Gross Costs	(Note 9)	\$ 841,655	\$ 643,000
Net Program Costs		841,655	643,000
Net Cost of Operations		\$ 841,655	\$ 643,000

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, 2010 and 2009

2010

	Earmarked Funds	All Other Funds	Eliminations	Consolidated Total
Cumulative Results of Operations:				
Beginning Balances	\$ 646,079	\$ 9,335	\$	\$ 655,414
Adjustments:				
(b) Corrections of Errors (+/-)		26,299		26,299
Beginning Balances, as Adjusted	\$ 646,079	\$ 35,634	\$	\$ 681,713
Budgetary Financing Sources:				
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
Other Financing Resources (Non-Exchange):				
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
Cumulative Results of Operations	<u><u>\$ 672,097</u></u>	<u><u>\$ 39,686</u></u>	<u><u>\$</u></u>	<u><u>\$ 711,782</u></u>
Unexpended Appropriations:				
Beginning Balances	\$	\$ 428,260	\$	\$ 428,260
Adjustments:				
(b) Corrections of Errors (+/-)		(26,299)		(26,299)
Beginning Balances, as Adjusted	\$	\$ 401,960	\$	\$ 401,960
Budgetary Financing Sources:				
Appropriations Received		750,000		750,000
Appropriations Used		(827,750)		(827,750)
Total Budgetary Financing Sources		(77,750)		(77,750)
Total Unexpended Appropriations		324,211		324,211
Net Position	<u><u>\$ 672,097</u></u>	<u><u>\$ 363,896</u></u>	<u><u>\$</u></u>	<u><u>\$ 1,035,993</u></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, 2010 and 2009

2009

	Earmarked Funds	All Other Funds	Eliminations	Consolidated Total
Cumulative Results of Operations:				
Beginning Balances	\$ 642,497	\$ (16,658)	\$	\$ 625,839
Budgetary Financing Sources:				
Appropriations Used		626,382		626,382
Non-exchange Revenue	3,582			3,582
Donations and Forfeitures of Cash and Cash Equivalents	25,000			25,000
Other Financing Resources (Non-Exchange):				
Imputed Financing		17,610		17,610
Total Financing Sources	28,582	643,992		672,574
Net Cost of Operations (+/-)	25,000	618,000		643,000
Net Change	3,582	25,993		29,575
Cumulative Results of Operations	<u>\$ 646,079</u>	<u>\$ 9,335</u>	<u>\$</u>	<u>\$ 655,414</u>
Unexpended Appropriations:				
Beginning Balances	\$	\$ 54,642	\$	\$ 54,642
Budgetary Financing Sources:				
Appropriations Received		1,000,000		1,000,000
Appropriations Used		(626,382)		(626,382)
Total Budgetary Financing Sources		373,618		373,618
Total Unexpended Appropriations		428,260		428,260
Net Position	<u>\$ 646,079</u>	<u>\$ 437,595</u>	<u>\$</u>	<u>\$ 1,083,673</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 BUDGETARY RESOURCES

For The Years Ended September 30, 2010 and 2009

	2010	2010	2009	2009
	Budgetary	Non-Budgetary Credit Program Financing Accounts	Budgetary	Non-Budgetary Credit Program Financing Accounts
Budgetary Resources:				
Unobligated Balance:				
Beginning of Period	\$ 1,100,437	\$	\$ 696,695	\$
Recoveries of Prior Year Obligations	3,035		4,826	
Budget Authority:				
Appropriations Received	776,018		1,027,764	
Spending Authority from Offsetting Collections (Gross):				
Earned				
Collected	208			
Subtotal	\$ 776,226		\$ 1,027,764	
Total Budgetary Resources	<u>\$ 1,879,699</u>	<u>\$</u>	<u>\$ 1,729,285</u>	<u>\$</u>
Status of Budgetary Resources:				
Obligations Incurred				
Direct (Note 10)	\$ 993,971	\$	\$ 628,847	\$
Subtotal	\$ 993,971		\$ 628,847	
Unobligated Balances				
Apportioned	210,587		454,559	
Exempt from Apportionment	671,897		645,879	
Subtotal	\$ 882,484		\$ 1,100,438	
Unobligated Balances - Not Available	3,243			
Total Status of Budgetary Resources	<u>\$ 1,879,699</u>	<u>\$</u>	<u>\$ 1,729,285</u>	<u>\$</u>
Change in Obligated Balances:				
Obligated Balance, Net:				
Unpaid Obligations, Brought Forward, October 1	\$ 41,975	\$	\$ 27,361	\$
Total, Unpaid Obligated Balance, Brought Forward, Net	\$ 41,975		\$ 27,361	
Obligations Incurred	993,971		628,847	
Gross Outlays (-)	(823,574)		(609,408)	
Recoveries of Prior-Year Unpaid Obligations, Actual (-)	(3,035)		(4,826)	
Obligated Balance, Net, End of Period:				
Unpaid Obligations (+) (Note 11)	209,337		41,975	
Total, Unpaid Obligated Balance, Net, End of Period	<u>\$ 209,337</u>	<u>\$</u>	<u>\$ 41,975</u>	<u>\$</u>
Net Outlays:				
Gross Outlays (+)	823,574		609,408	
Offsetting Collections (-)	(208)			
Net Outlays	<u>\$ 823,366</u>	<u>\$</u>	<u>\$ 609,408</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, 2010 and 2009

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 Fellowship 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 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 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, agriscience, 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, 2010 and 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

OMB Circular No. A-136 requires agencies to prepare principal statements, which include a Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources. The balance sheet presents, as of September 30, 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 Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the Foundation and other reporting entities. The Statement of Budgetary Resources reports an agency's budgetary activity.

Basis of Accounting

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

Use of Estimates

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

Budgets and Budgetary Accounting

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

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2010 and 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Other Financing Sources

The Foundation is a trust fund and receives interest revenue, direct Congressional funding 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.

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 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.

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2010 and 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Personnel Compensation and Benefits (continued)

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 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.

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2010 and 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The Foundation's Fund Balance with Treasury is derived from initial coin sales surcharges that funded the trust fund, appropriations, investment interest revenues, and private donations as of the fiscal year-end from which the Foundation is authorized to make expenditures and pay liabilities resulting from operational activity.

Investments

The Foundation is authorized to purchase U.S. Treasury debt securities with its trust fund assets. Management's investment policy is to purchase short-term Treasury bills and notes to earn interest on trust fund assets (non-exchange revenue) and hold those debt securities to maturity. If no investments remain at year-end, no investments are reported on the balance sheet. Bond premiums and discounts are amortized in accordance with guidelines in the Treasury Financial Manual.

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.

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2010 and 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Property, Plant and Equipment, Net (continued)

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

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.

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2010 and 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Contingencies

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

Net Position

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

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2010 and 2009

NOTE 2 – FUND BALANCE WITH TREASURY

The Foundation's Fund Balance with Treasury is derived from appropriations, investment interest revenues, 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.

	<u>2010</u>	<u>2009</u>
A. Fund Balance with Treasury		
General Funds	\$ 423,168	\$ 496,533
Trust Fund (Investment & Cash)	<u>671,897</u>	<u>645,879</u>
Total (Investment & Cash)	<u><u>\$ 1,095,065</u></u>	<u><u>\$ 1,142,412</u></u>
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	\$ 882,484	\$ 1,100,438
b) Unavailable	3,243	
2) Obligated Balance not yet Disbursed	<u>209,337</u>	<u>41,975</u>
Total	<u><u>\$ 1,095,065</u></u> *	<u><u>\$ 1,142,412</u></u> *

Rounding *

NOTE 3 – CASH AND OTHER MONETARY ASSETS

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

	<u>2010</u>	<u>2009</u>
Cash	\$ 200	\$ 200
Total Cash and Other Monetary Assets	<u><u>\$ 200</u></u>	<u><u>\$ 200</u></u>

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2010 and 2009

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 MMS Education.

	<u>2010</u>	<u>2009</u>
Assets With The Public - Other Assets	\$ 6,875	\$ -
Total Assets With The Public - Other	<u>\$ 6,875</u>	<u>\$ -</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, 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, 2009, the Foundation showed liabilities covered by budgetary resources of \$41,975 and liabilities not covered by budgetary resources of \$16,964.

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. As of September 30, 2009, liabilities covered by budgetary resources was composed of Accounts Payable \$34,410, Accrued Funded Payroll and Leave \$6,555, and Employer Contributions and Payroll Taxes Payable \$1,010.

	<u>2010</u>	<u>2009</u>
With the Public		
Other	<u>\$ 12,912</u>	<u>\$ 16,964</u>
Total liabilities not covered by budgetary resources	12,912	16,964
Total liabilities covered by budgetary resources	<u>53,234</u>	<u>41,975</u>
Total Liabilities	<u>\$ 66,147</u>	<u>\$ 58,939</u>

*Rounding

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2010 and 2009

NOTE 6 – OTHER LIABILITIES

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 Intragovernmental liabilities consist of employer contributions and payroll taxes payable \$1,421. As of September 30, 2009, other liabilities with the public consist of Accrued Funded Payroll and Leave of \$6,555 and Unfunded Leave in the amount of \$16,964. Other Intragovernmental liabilities consist of employer contributions and payroll taxes payable \$1,010.

	<u>With the Public</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>	
2010	Other Liabilities	12,912	7,395	\$ 20,308	*
2009	Other Liabilities	16,964	6,555	\$ 23,519	

*Rounding

	<u>Intragovernmental</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>	
2010	Other Liabilities	-	1,421	\$ 1,421	
2009	Other Liabilities	-	1,010	\$ 1,010	

NOTE 7 - LEASES

The Foundation has operating leases for office space, a copier and a postage machine. Descriptions of leasing arrangements and future minimum lease payments are presented below.

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 covering the term May 1, 2009 – April 30, 2010. The Foundation exercised the option to extend the lease term for one additional year (May 1, 2010 – April 30, 2011). Negotiation of a further lease extension is in process.

The following is a schedule of minimum lease payments required by the lease:

Year Ending September 30, 2011	<u>\$ 10,203</u>
	<u>\$ 10,203</u>

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, 2010 and 2009

NOTE 7 – LEASES (CONTINUED)

<u>Fiscal Year Ended</u>	<u>Minimum Lease Payments</u>
September 30, 2011	2,064
September 30, 2012	2,064
September 30, 2013	2,064
September 30, 2014	1,032
<u>\$</u>	<u>7,224</u>

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>Minimum Lease Payments</u>
September 30, 2011	516
<u>\$</u>	<u>516</u>

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 Presidentially 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 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 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.

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2010 and 2009

NOTE 8 – EARMARKED FUNDS (CONTINUED)

In FY 2010, 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 year ended September 30, 2010 and 2009. The Foundation's imputed financing are not considered earmarks.

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2010 and 2009

NOTE 8 – EARMARKED FUNDS (CONTINUED)

FY 2010	CCFF Earmarked Funds	CCFF Other Funds	Total Funds
Balance Sheet as of Sept. 30			
ASSETS			
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>
Intragovernmental Liabilities:			
Accounts Payable	\$	\$ 17	\$ 17
Other Liabilities		1,421	1,421
Total Intragovernmental Liabilities		<u>1,438</u>	<u>1,438</u>
Liabilities With the Public:			
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		324,211	324,211
Cumulative Results of Operations	672,097	39,686	711,782
Total Net Position	<u>\$ 672,097</u>	<u>\$ 363,896</u>	<u>\$ 1,035,993</u>
Total Liabilities and Net Position	<u>\$ 672,097</u>	<u>\$ 430,044</u>	<u>\$ 1,102,140</u>
Statement of Net Cost For the Period Ended Sept. 30			
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>
Statement of Changes in Net Position For the Period Ended Sept. 30			
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>\$ 35,634</u>	<u>\$ 681,713</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>
Unexpended Appropriations:			
Beginning Balance	\$	\$ 428,260	\$ 428,260
Adjustments - Corrections of Errors		(26,299)	(26,299)
Beginning Balance - as adjusted	<u>\$</u>	<u>\$ 401,960</u>	<u>\$ 401,960</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>\$ 324,211</u>	<u>\$ 324,211</u>
Net Position End of Period	<u>\$ 672,097</u>	<u>\$ 363,896</u>	<u>\$ 1,035,993</u>

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2010 and 2009

NOTE 8 – EARMARKED FUNDS (CONTINUED)

FY 2009	CCFF Earmarked Funds	CCFF Other Funds	Total Funds
Balance Sheet as of Sept. 30			
ASSETS			
Fund Balance with Treasury	\$ 645,879	\$ 496,533	\$ 1,142,412
Cash, Foreign Currency & Other Monetary Assets	200		200
Total Assets	<u>\$ 646,079</u>	<u>\$ 496,533</u>	<u>\$ 1,142,612</u>
Intragovernmental Liabilities:			
Accounts Payable	\$	\$ 5,650	\$ 5,650
Other Liabilities		1,010	1,010
Total Intragovernmental Liabilities		6,660	6,660
Liabilities With the Public:			
Accounts Payable		28,760	28,760
Other Liabilities		23,519	23,519
Total Liabilities With the Public		52,279	52,279
Total Liabilities	<u>\$</u>	<u>\$ 58,939</u>	<u>\$ 58,939</u>
Unexpended Appropriations		428,260	428,260
Cumulative Results of Operations	646,079	9,335	655,414
Total Net Position	<u>\$ 646,079</u>	<u>\$ 437,595</u>	<u>\$ 1,083,673</u>
Total Liabilities and Net Position	<u>\$ 646,079</u>	<u>\$ 496,533</u>	<u>\$ 1,142,612</u>
Statement of Net Cost For the Period Ended Sept. 30			
Gross Program Costs	\$ 25,000	\$ 618,000	\$ 643,000
Net Program Costs	25,000	618,000	643,000
Net Cost of Operations	<u>\$ 25,000</u>	<u>\$ 618,000</u>	<u>\$ 643,000</u>
Statement of Changes in Net Position For the Period Ended Sept. 30			
Net Position Beginning of Period	\$ 642,497	\$ (16,658)	\$ 625,839
Appropriations Used		626,382	626,382
Non-Exchange Revenue	3,582		3,582
Donations of Cash	25,000		25,000
Imputed Financing		17,610	17,610
Total Financing Sources	28,582	643,992	672,574
Net Cost of Operations	25,000	618,000	643,000
Change in Net Position	<u>\$ 3,582</u>	<u>\$ 25,993</u>	<u>\$ 29,575</u>
Unexpended Appropriations:			
Beginning Balance	\$	\$ 54,642	\$ 54,642
Appropriations Received		1,000,000	1,000,000
Appropriations Used		626,382	626,382
Total Budgetary Financing Sources		373,618	373,618
Total Unexpended Appropriations	<u>\$</u>	<u>\$ 428,260</u>	<u>\$ 428,260</u>
Net Position End of Period	<u>\$ 646,079</u>	<u>\$ 437,595</u>	<u>\$ 1,083,673</u>

The Christopher Columbus Fellowship Foundation
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NOTE 9 – INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

Intragovernmental costs are those of goods/services purchased from a federal entity. Costs with the Public are incurred from exchange transactions with non-Federal entities (i.e., all other program costs). The table below presents the portion of the Foundation's program costs related to Intragovernmental Costs and Costs with the Public. Since the Foundation earns no revenue from its operations, gross costs and net costs are identical.

	Total 2010	Total 2009
Program A		
Intrgovernment costs	\$ 56,212	\$ 54,808
Public costs	785,443	588,192
Total Program A	<u>\$ 841,655</u>	<u>\$ 643,000</u>

NOTE 10 – APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

Apportionment is a plan, approved by the U.S. Office of Management and Budget (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 Appropriation 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.

OMB Circular A-11 defines apportionment categories as follows:

- *Category A* apportionments distribute budgetary resources by fiscal quarters.
- *Category B* apportionments typically distribute budgetary resources by activities, projects, objects or a combination of these categories.
- *Category C* apportionments may be used in multi-year and no-year TAFS to apportion funds into future fiscal years.
- *Exempt* – Exempt from apportionment (see OMB Circular A-11, paragraph 120.8 for details).

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Notes to Financial Statements
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**NOTE 10 – APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED
(CONTINUED)**

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. 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, 2010 and 2009.

	<u>2010</u>	<u>2009</u>
Direct		
Category B	\$ 993,971	\$ 603,847
Exempt From Apportionment	<u>-</u>	<u>25,000</u>
Total Obligations	<u><u>\$ 993,971</u></u>	<u><u>\$ 628,847</u></u>

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 shown on the Statement of Budgetary Resources includes obligations relating to Undelivered Orders and Delivered Orders, Obligations Unpaid (amounts owed at the end of the year by the Foundation for goods and services received plus unfunded leave presented in Note 6). The amount of each is as follows:

	<u>Undelivered Orders</u>	<u>Accounts Payable</u>	<u>Unpaid Obligated Balance, Net</u>
2010	156,103	53,234	\$ 209,337
2009	-	41,975	\$ 41,975

The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2010 and 2009

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

	2010	2009
	<u> </u>	<u> </u>
<i>Resources Used to Finance Activities:</i>		
Budgetary Resources Obligated		
Obligations Incurred	\$ 993,971	\$ 628,847
Less: Spending Auth and Recoveries	<u>3,243</u>	<u>4,826</u>
Obligations Net of Offsetting Collections and Recoveries	<u>990,728</u>	<u>624,022</u>
Net Obligations	990,728	624,022
 Other Resources		
Imputed Financing from Costs Absorbed by Others	<u>17,956</u>	<u>17,610</u>
<i>Net Other Resources Used to Finance Activities</i>	<u>17,956</u>	<u>17,610</u>
 <i>Total Resources Used to Finance Activities</i>	1,008,684	641,632
 <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	<u>162,978</u>	<u>(1,061)</u>
<i>Total Resources Used to Finance Items Not Part of the Net Cost of Operations</i>	<u>162,978</u>	<u>(1,061)</u>
 <i>Total Resources Used to Finance the Net Cost of Operations</i>	845,706	642,693
 <i>Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:</i>		
Components Requiring or Generating Resources in Future Periods:		
Increase in Annual Leave Liability	<u>(4,051)</u>	<u>306</u>
<i>Total Components of Net Cost of Operations that will Require or Generate Resources in Future Periods</i>	<u>(4,051)</u>	<u>306</u>
<i>Total Components of Net Cost of Operations that will not Require or Generate Resources in the Current Period</i>	<u>(4,051)</u>	<u>306</u>
<i>Net Cost of Operations</i>	<u><u>\$841,655</u></u>	<u><u>\$643,000</u></u>

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

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The Christopher Columbus Fellowship Foundation
Notes to Financial Statements
September 30, 2010 and 2009

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

Liabilities not covered by budgetary resources total \$12,912 and the change in components requiring or generating resources in future period shows (\$4,051). The (\$4,051) is the net decrease of future funded expenses – leave between appropriations of annual fund 2009 and annual fund 2010. 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 decrease in annual leave liability for which the budgetary resources will be provided in a subsequent period.

	<u>2010</u>		<u>2009</u>
Liabilities not covered by budgetary resources	\$ 12,912		\$ 16,964
Change in components requiring/generating resources	\$ (4,051)	*	\$ 308

*Rounding

NOTE 13 – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 15, 2010, 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

November 15, 2010

The late Honorable Frank Annunzio
Founder

Board of Trustees

Kimberly A. Owens
Chair

James H. Herring
Vice Chairman

Valentino F. DiGiorgio, III
John Salamone
M. Joyce Van Schaack
Anthony C. Wisniewski

Trustee Emeriti

Jason E. Allen
Rosalyn Queen Alonso
Maria P. Aristigueta
Arun Bhumitra
Salvador Diaz-Verson, Jr.
Gerard D. DiMarco
William S. Gates
E. Gordon Gee
Robert J. Glovitz
John H. Kuhnle
Maria Lombardo
A. Michael Perry
John C. Pierce
Paul S. Polo, Sr.
Curtis A. Prins
Joyce Savocchio
Lynda H. Scribante
William A. Seavey
Thomas K. Thomas

Judith M. Shellenberger
Executive Director

Martin & Wall, P.C.
Andrew B. Martin, CFE, CFF, CICA CPA
Managing Partner
1633 Q Street, NW
Suite 230
Washington, DC 20009

Dear Mr. Martin:

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, 2010 and 2009. We concur with the facts and conclusions in the draft report.

Sincerely,

Judith M. Shellenberger
Executive Director