



# Annual Report FY 2012

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Keeping a strong Fulbright presence in Iceland

1 October 2011 – 30 September 2012



Reception for Icelandic grantees, June 2012. A group of newly selected grantees pose with the Icelandic Minister of Education and Culture, the US Ambassador and the Fulbright Commission Executive Director

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## **MESSAGE FROM THE EXECUTIVE DIRECTOR**



Whatever our field and wherever we are in the world, we all need to think about innovation, to reflect on how we can adapt to changing times and position ourselves to effectively meet the future. A Fulbright Commission is no exception. We need to stay on our toes and continuously ask ourselves whether we are meeting the needs of our stakeholders as effectively as possible, whether our time and resources are being put to the best possible use and to think of ways to meet the challenges facing us today, as guardians of the legacy that is Fulbright. This can sometimes be a challenge, especially for a small Commission with limited staff resources, when day-to-day operations constantly make demands on our time. However, we simply must make such work a priority, even if we can only make small steps at a time. We at the Commission have strived to keep this in mind throughout the year and hope it is reflected in our work. During the past year, we have focused on a few key areas and introduced some innovations that we believe will strengthen the work of the Commission in the long run and pave the way for further necessary evolution.

Communication is a key element to maintaining a strong Commission that is able to meet stakeholder expectations, defend and strengthen the current grant program, and adequately represent the values of Fulbright. It is vital for our work to be visible and in this respect our grantees, of course, play a vital role. They are what the program is all about. It is, therefore, very important to highlight and celebrate the accomplishments of our grantees, past and present.

As you will recall, FY2011 saw the first published annual report of the Commission, as well as our first steps in social media use. In FY2012, we continued to prioritize our communication strategy. We decided to devote this past year to the fundamental task of improving our alumni database. By the end of this effort we compiled e-mail contact information for approximately 70% of all living alumni, up from approximately 17% at the start of the campaign. This lays the groundwork for the next phase of the strategy, which will be introduced in FY2013: the Fulbright Commission semi-annual newsletter. In order to better reach our target student audiences, increased social media use has also been a priority, with updates and tips being added on almost a daily basis. Further work in the area of communications is planned for next year.

Another priority in FY2012 was the development of new practices with regard to the US grant program. One noteworthy innovation was the introduction of a monthly enrichment event for US Fulbright grantees, organized by the Commission. Icelandic grantees have the opportunity to enjoy a number of Fulbright activities while in the US. Further, getting a Fulbright award is an honor and a high accomplishment. We want to make sure that our US grantees feel appreciated and we want to provide a structured forum for interaction while they are in Iceland. Our experience in the first year has been overwhelmingly positive. Grantees look very much forward to these events and there is something for everyone, whether their interests run towards politics,

nature, culture or sampling local cuisine. I believe that these events bring an added Fulbright enrichment factor to our US grant program, bring the grantees closer together as a group and also allow the Commission to develop a closer relationship with them. Grantees were also for the first time required to submit a short mid-term report to the Commission (in addition to their report to IIE), on which they received feedback. This is important to ensure that grantees stay on track with their Fulbright projects and highlight issues of which the Commission should be aware.

We possess a treasure trove, i.e. the vibrant network of individuals who share a common vision to make the world a better place through dialogue, cooperation, the exchange of ideas and expertise and a strong sense of civic responsibility. We need to make sure we engage this diverse and talented group and provide them with a platform which they can utilize long after their Fulbright days. Here our alumni association does very important work. Last year, the association started a new project called the Alumni Talk Series, where alums can share their expertise. The talks, which are hosted at the Fulbright Commission, are geared towards laymen and open to the public. The Commission is proud to be associated with this work.

Higher education is ever evolving and educational advising must evolve with it. Students have infinite choices and the “jungle of universities” can often be quite daunting in and of itself. In addition to this plethora of choice, students face increasing financial challenges, brought on by rising costs of higher education and more limited individual resources during a time of economic downturn and instability. It is more important than ever for students to have access to unbiased and reliable information, provided in a manner that meets the needs of each individual.

The Commission is the only EducationUSA advising center in Iceland and is the only venue in Iceland providing comprehensive, unbiased advising on US education opportunities, both at the undergraduate and graduate level. Our adviser has put much effort into developing the Commission’s social media presence, as well as a strong network of contacts in the upper secondary schools and universities.

I would like to use this opportunity to thank Minister of Education Katrín Jakobsdóttir, US Ambassador Luis Arreaga, the Fulbright Board, the Alumni Association, and last but not least, our fabulous American and Icelandic grantees for a successful FY2012.



Belinda Theriault



## **LETTER FROM THE CHAIRMAN OF THE BOARD**

It has been a privilege to sit on the Fulbright Board for the past five years, this last year as Chairman. It has been a very rewarding experience for me personally and as a university professor. It fills me with great hope for our future when I read the applications from both Icelandic and American applicants. We on the Board look for people with ambitious goals, a clear vision and a sense of civic responsibility, and we are seldom disappointed as we evaluate the fine men and women who fill the ranks of Fulbrighters. Meeting and interacting with our grantees is always a pleasure. They undertake diverse and important projects, whether as graduate and post-graduate students, professors, researchers or artists, adding to the richness of the Icelandic and US societies, and paving the way for a better future. Anyone who questions the value of spending public funds on a program like Fulbright should take some time to acquaint themselves with Fulbright grantees and their projects. Fostering intellectual pursuits and academic excellence, while also emphasizing social responsibility and a culture of giving back, Fulbright accentuates the best that each society has to offer. There is no doubt that Fulbright grants have an enormous multiplier effect. We get back many times what we put in. The Fulbright Program is, in the words of one of my colleagues on the Fulbright Board, a real bargain.

The Fulbright Program in Iceland could not exist without a strong Commission. The Fulbright Board has in the past year worked with the Executive Director (ED) to set an ambitious agenda for the Commission and supported the steps taken to strengthen Commission work, within the current financial parameters. Substantial efforts have been made, but it is clear that the weak position of the ISK will necessitate increased funding over the next years if the Commission is to function properly. Staff cutbacks made at the onset of the financial crash should be rescinded as soon as possible. Further, the number of grants for Icelanders needs to start to come back to former levels, and grant amounts should be increased, to reflect the rising costs of education. It is important that top Icelandic students and scholars, who are accepted to study and do research at many of the finest institutions in the US, are able to avail themselves of the opportunity and thus ultimately enrich Icelandic society. A Fulbright grant can make all the difference. As I end my term on the Board I am optimistic that both the US and Icelandic governments are eager to continue to work together to ensure the integrity of the Fulbright Program in Iceland.

On behalf of the Board, I wish to thank the Minister of Education and the US Embassy for their dedication to Fulbright and the Commission staff for its excellent work. I wish the incoming Board of Directors all the best in their important work.

Unnur Dís Skaptadóttir,  
Chairman of the Board FY2012

## I. PROGRAM IMPLEMENTATION AND ACTIVITIES

The Commission implements a selective grant program, for both graduate students and scholars. In addition to Fulbright grants, the Commission oversees Icelandic applications for the BOAS award towards an LLM at Harvard and the Cobb Family Fellowship for graduate study at the University of Miami. The Commission consistently gets outstanding applications from Americans and Icelanders, scholars and students. The Commission Board puts much effort into the selection of grantees, which is done in cooperation with the Fulbright Scholarship Board in Washington, D.C.

Below is a list of grantees for 2012-2013, who generally started their grant period in September 2012, one month before the end of the fiscal year and grantees 2011-2012, who were grantees for the larger part of FY2012.

### Grantees 2012-2013

	Field	Home	Host
<b>Icelandic students</b>			
Arnaldur Hjartarson	Law	University of Iceland	Yale University
Brynjólfur Ólafsson	Engineering	Reykjavik University	University of Texas, Austin
Hafsteinn Dan Kristjánsson	Law	University of Iceland	Harvard University
Jón A Hjaltason	Engineering	University of Iceland	University of Minnesota
Katrín Jónsd Hjördísardóttir	Fine Arts	Iceland Academy of the Arts/University of Iceland	School of Visual Arts, NY
Halldór Smáráson	Music	Iceland Academy of the Arts	Manhattan School of Music, NY
<b>Boas award</b>			
Hafsteinn Dan Kristjánsson	Law	University of Iceland	Harvard University
<b>Cobb Family Fellowship</b>			
Íris Björk Hreinsdóttir	Law	Reykjavik University	University of Miami, FL
Nína Margrét Rólfssdóttir	Engineering	University of Iceland	University of Miami, FL
<b>US students</b>			
Giselle Conde	Geology	University of Wisconsin-Eau Claire, WI	University of Iceland
Megan O'Brien	Environmental Studies	University of Rhode Island	Univ Center ísafjörður
Patrick Frank	Creative Writing	NA	University of Iceland
Tenley Banik	Earth Science	NA	University of Iceland
Lindsay Huffhines	Psychology	Texas Tech, TX	Reykjavik University
Larissa Kyzer	Lang/Literature	NA	University of Iceland
<b>US scholars</b>			
Ellis E Williams Jr.	Fish Biology	Salisbury University, MD	Hólar University
James Leary	Scandin. Studies/ Folklore	University of Wisconsin-Madison, WI	University of Iceland
Gran Brian Keith	Sociology	Case Western Reserve University, OH	Reykjavik University
<b>US specialists</b>			
Aileen E. Wilson	Education	Pratt Institute New York	Iceland Academy of the Arts
Kevin Wanner	US Studies	Western Michigan University	University of Iceland



## Grantees 2011-2012

	Field	Home	Host
<b>Icelandic students</b>			
Margrét Valdimarsdóttir	Phd. Criminology	University of Iceland	City University of New York
Rannveig S. Sigurvinsdóttir	Phd. Psychology	University of Iceland	University of Illinois, Chicago
Bergljót G. Guðmundsdóttir	Phd. Psychology	University of Iceland	University of Rhode Island
Harpa L. Jónsdóttir	Phd. Psychology	University of Iceland	University of North Dakota
Geirprúður Guðjónsdóttir	MA Music	Iceland Academy of the Arts	University of Hartford, Connecticut
<b>Icelandic scholars</b>			
Dr. Ólöf Garðarsdóttir	History	University of Iceland	University of Minnesota
Dr. Hólmfríður Garðarsdóttir	Literature	University of Iceland	Georgetown University
<b>US students</b>			
Catherine Patricia Chambers	Interdisc.	University of Alaska, Fairbanks	Hólar University
Kimberly Darlene Cannady	Ethnomusic.	University of Washington	University of Iceland
Jessica Connelly Harvey	Photography	At-Large, Illinois	Reykjavik Museum of Photography
Jennifer Courtney Lail	Publ. Admin.	University of Washington	University of Akureyri
James Mayhew	Installation Art	University of Maryland, Baltimore	Lorna, Association of Electronic Arts
David Bond West	Mid. Icel. Lit	Baylor University	University of Iceland
<b>US scholars</b>			
Dr. Margaret Mary Hansen	Nursing	University of San Francisco	University of Iceland
Dr. Sally Renee Hays	Economics	Western State College of Colorado	Bifröst University
Dr. Pamela Joan Innes	Anthropology	University of Wyoming	University of Iceland
<b>US specialists</b>			
Aileen Wilson	Art Education	Pratt Institute, Brooklyn, New York	Iceland Academy of the Arts
Linda Wang	Violin	Lamont Sch. of Music, Univ. of Denver	Iceland Academy of the Arts



US grantees enjoy experiencing Iceland, whether hiking in Mount Esja, learning to play an Icelandic instrument or going on a fishing expedition with local fishermen.

## Summary of Grant-Supporting Activities

### Events for Icelandic grantees

In spring 2012, two orientation meetings were held for grantees leaving for the US for the 2012-2013 academic year, one in March and one in April. The Commission also hosted a reception for Icelandic grantees at the National Culture House on 23 May. The reception was attended by Icelandic grantees and their guests, the Icelandic Minister of Education, the US Ambassador, the Fulbright Board, alumni representatives and American grantees.



Icelandic grantees and family members enjoying themselves at the grantee reception hosted by the Fulbright Commission

One Icelandic student participated in the Gateway orientation program sponsored by the US State Department in August/September 2011. This five-day program is offered to first-year Fulbright foreign students upon their arrival in the US and provides an overview of the Fulbright program, its goals, student responsibilities and specifics of US academic and cultural life, as well as leadership training and networking opportunities.



## Orientation and enrichment activities for American grantees

Our grantees are very important to us. We know that Icelandic grantees are given many opportunities while in the United States to network, take part in seminars and conferences and attend cultural events. Being a Fulbrighter opens many doors. We at the Fulbright Commission feel that it is important that US grantees in Iceland are made to feel welcome and valued during their stay.

One of the innovations introduced in FY2012 was a monthly grantee event for US grantees in Iceland. This program is generally hosted by the Commission and is tailored to include a wide variety of enrichment activities, which give grantees an opportunity to explore new places, gain insight into Icelandic society and customs and fosters a sense of community amongst the grantees and between the grantees and the Commission. In addition, one monthly event is graciously hosted by the US Embassy. Quite often a member of the Fulbright Board will join in grantee events, providing a welcome opportunity to get to know the grantees they have selected.



An eager audience during grantee presentations, including US Embassy reps and the Chairman of the Board of the Fulbright Commission.

One especially noteworthy innovation was the May event, where grantees, both students and scholars, presented the projects they had completed during their Fulbright stay in Iceland. There was standing room only, as grantees presented their projects to a full house. Each grantee did a wonderful job, confirming that the Board had made excellent choices when this group was chosen. The event was a resounding success, which will now become a tradition at the Commission.

### Enrichment activities in FY2012:

October:	Esja mountain hike
November:	Cancelled due to unforeseen circumstances
December:	Christmas concert
January:	Scholar orientation
February:	Bun Day celebration
March:	Visit to the Parliament of Iceland
April:	US Embassy coffee get-together
May:	End-of-year presentations and reception



Grantees, accompanying family members and Commission and Embassy staff pose with host US Ambassador Arreaga during the US Embassy get-together.



Grantees enjoy Bun Day celebrations at the home of the Fulbright Executive Director



In addition to the grantee events, grantees were invited to a number of other events, both at the Commission and the US Embassy.

In September 2012, the Commission welcomed a new group of US grantees. In line with the new practice started the year before, grantees were invited to a half day orientation session at the Commission in early September. The event started off with grantees being introduced to Icelandic crêpes, followed by a succession of talks given by the Commission Executive Director and Adviser, US Embassy Consular Officer and Fulbright Board Member Marcy Brown, Haukur Ingi Jónasson from the Alumni Board and Catherine Chambers, Fulbright grantee 2011-2012. After the session, participants enjoyed a typical Icelandic meal at a local café.



Intro 101 to Icelandic crêpes



Newly arrived US grantees

## Other Commission Activities

### Communications

It has been a priority of the Commission to improve contacts with all stakeholders, including alumni and current grantees, former board members, universities and schools, sponsors and partners, prospective applicants and advisees, and relevant organizations. In FY 2011, an annual report was introduced and published electronically. In FY 2012, a major effort was undertaken to update and fill in gaps in the alumni database. The Commission adviser took the lead on this project and did a tremendous amount of work over the summer of 2012. The Commission also hired an employee for one month to assist with updating information on US grantees. The result is that the Commission now has contact information for approximately 70% of all alumni, both Icelandic and US, compared to 17% before the project. This achievement lays the groundwork for effective communication with alumni and other stakeholders. The next step in the Commission's communication strategy is a semi-annual newsletter, to be implemented in FY2013.

### Outreach

The Executive Director (ED) made visits to all universities outside Reykjavik in September 2012, meeting both with students and faculty. The institutions in question were: Bifröst University and the Agricultural University of Iceland at Hvanneyri in West Iceland, and Hólar University and the University of Akureyri in North Iceland. Additionally, she had meetings at the University of Iceland, the Icelandic Academy of the Arts and Reykjavik University. During these visits, she gave talks on graduate education opportunities in the US and on Fulbright grant opportunities, combining general outreach with advising activities.

The ED was interviewed for the publication of a special newspaper insert on the occasion of the 70<sup>th</sup> anniversary of diplomatic relations between Iceland and the US, which was published in late 2011. There was also an eight page spread on Fulbright in the magazine of the Association of Icelandic Students Abroad (SÍNE) in June 2012, which included an interview with the ED, and with two current Icelandic Fulbrighters. Finally, the ED published an article in *Fréttablaðið*, a major Icelandic newspaper, in June, highlighting Fulbright's role as a cornerstone in the bilateral relationship between Iceland and the US.

### Other

The ED liaised with a number of partners over the year, in order to discuss possibilities for innovations in the Fulbright grants program. These included businesses, governmental organizations and organizations involved in promoting entrepreneurship. This work will continue in the coming years, with a view to strengthening and expanding the Fulbright program in

**Fulbright Commission partners  
and sponsors in FY2012:**



**Vesturgarður ehf.**

Iceland. The ED worked on an *ad hoc* committee tasked with reviewing the Fulbright Manual for Bi-national Commissions. The committee, comprised of EDs from Greece, Iceland and Portugal, completed its work, with input from a number of other European EDs, in the summer of 2012.

## **II. ADVISING ACTIVITIES**

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The Fulbright EducationUSA adviser took part in seven school events during FY2012, both educational fairs and school presentations. This is almost double the amount of last year. These included two international days at the University of Reykjavik and a fair at the Hamrahlíð College (Upper Secondary School), as well as four presentations at upper secondary schools, 2 at the Commercial College of Iceland, and one talk each at Borgarholtsskóli and Fjölbrautarskólinn við Ármúla. Further, a Fulbright grantee in Akureyri represented the Commission during International Day at the University of Akureyri.

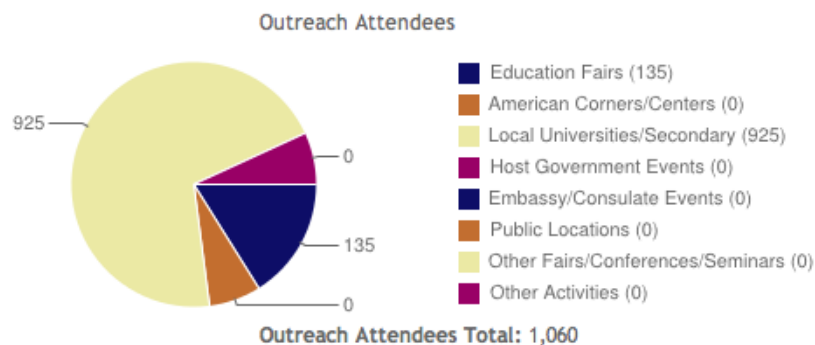
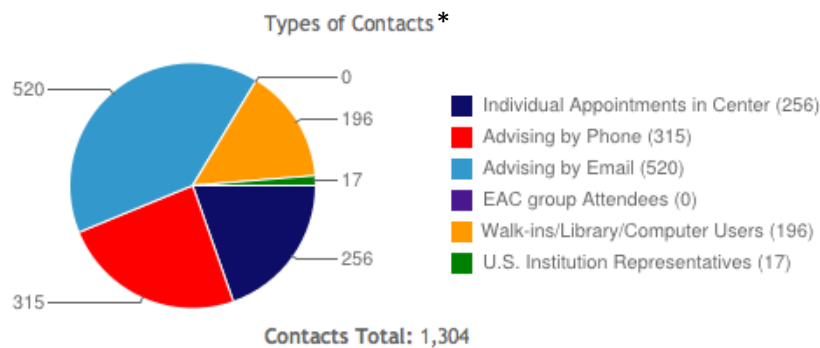
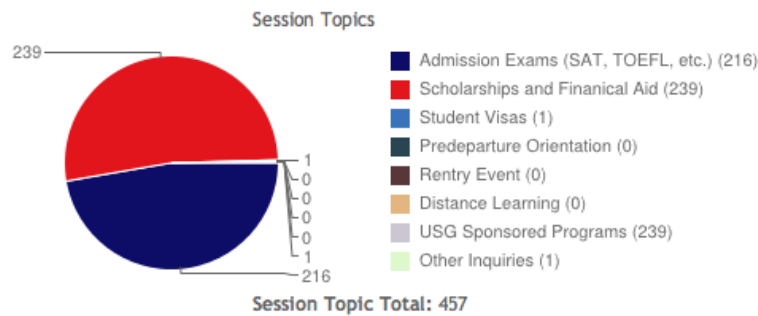
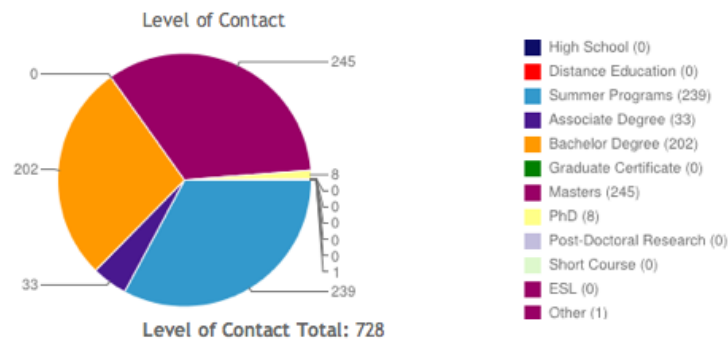
The advising center was able to maintain the increased opening hours which had been instituted in the previous year, meaning the center was open one morning and two afternoons a week. Additional appointments were given outside opening hours as needed. Telephone and e-mail inquiries were answered on a daily basis, to the extent possible.

It is clear that the advising center would benefit from increased exposure, and this will be a priority in coming years. As a first step, the adviser sent a letter to academic counselors in all upper secondary schools in December 2011, highlighting the services of the advising center and the possibility for classes to visit for group advising sessions. Further, the adviser has made a substantial effort to engage with counselors, compiling a comprehensive contact list and sending them information on a regular basis.

The ED and the adviser have worked together to highlight the services of the Commission for those contemplating graduate studies in the US, through speaking engagements, participation in fairs and increased contacts with appropriate staff at the universities.

The advising center maintains a substantial library of reference materials, which students and scholars can use in-house, in addition to electronic databases. Furthermore, students can borrow preparation books for all tests that they must take when applying to US schools, including TOEFL, SAT/ACT, GRE and GMAT. However, it should be noted that a major overhaul of library materials took place during the summer of 2012, in response to technological changes over the past years. It was decided to downsize considerably in terms of paper-based reference materials, as there decreasing demand for such materials today. While the library will keep certain key reference books and guides in stock, in addition to comprehensive supply of test preparation books, the main emphasis will be on assisting students with on-line information.

## Advising statistics 2012

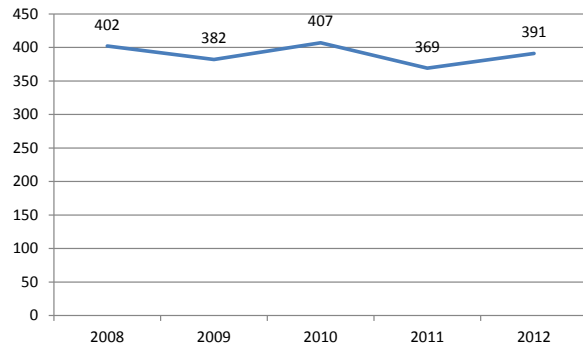


\*Website Hits/Visitors 7,338

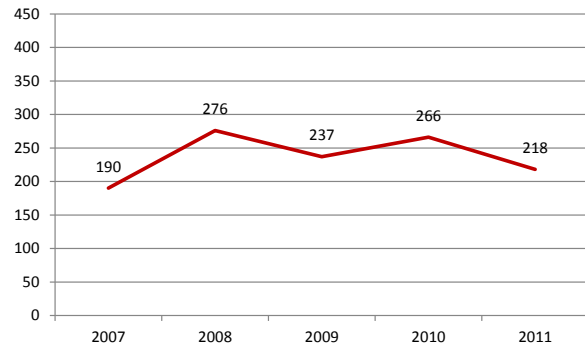


## Education USA statistics on Iceland 2012

### Icelandic Students in the US



### US Students in Iceland



### Icelandic Students in the US

Year	Number of Students
2007-2008 Academic Year	402
2011-2012 Academic Year	391
% Change (2008-2012)	-2,7%

Source: IIE Open Doors 2012

### Icelandic Students by Program Level

Program Type	Number	%	% Change (2008-2012)
Undergraduate	134	34,3%	7,2%
Graduate	179	45,8%	-22,2%
Non-Degree	40	10,2%	81,8%
OPT	38	9,7%	52,0%
<b>Total</b>	<b>391</b>	<b>100,0%</b>	

Source: IIE Open Doors 2012

### Undergraduate Student Breakdown

Type of Institution	% of Students
4-Year Institutions*	89,4%
2-Year Community Colleges	10,6%

\*Degree seeking students

### US Study Abroad in Iceland

Year	Number of Students
2009-2010 Academic Year	266
2010-2011 Academic Year	218
% Change	-18,0%

Source: IIE Open Doors 2012

### III. ALUMNI ACTIVITIES

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The Fulbright Alumni Association in Iceland is an important partner of the Fulbright Commission. The Association was founded in 2008, and has from the outset played an active role in fostering a sense of community amongst recipients of the various grants administered by the Commission. Alumni Board meetings are generally held at the Commission premises, and the ED sits in on meetings. The Alumni Board is chaired by Ragnhildur Sigurðardóttir, an ecologist who received her PhD from Yale University.

Alumni activities in FY 2012 included:

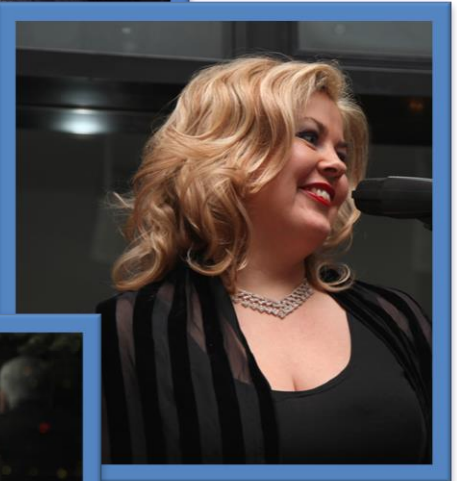
- The Alumni Talk Series was launched in October, with a talk by Dr. Magnús Tumi Guðmundsson, President of the Faculty of Earth Sciences in the School of Engineering and Natural Sciences of the University of Iceland. He discussed his recent experiences as a Fulbright Research Scholar in Hawaii, as well as the current situation in the Katla and Grímsvötn regions.
- The Alumni Association hosted its annual Thanksgiving fundraising dinner in November. Fulbright alumnus Ambassador Hjalmar W. Hannesson, recently returned from the Icelandic Embassy in Washington, D.C., was the keynote speaker. Guests enjoyed a traditional Thanksgiving meal, entertainment and an auction, where the most coveted item up for bid was a dinner invitation for four at the residence of the US Ambassador.
- The Annual Meeting was held in January 2012 at the Fulbright Commission.
- Alumni board member Pétur Þorsteinsson gave a talk on Icelandic traditions at the Bun Day celebration, which was held for US grantees in February.
- Alumni board member Haukur Ingi Jónasson took part in the orientation session for incoming American grantees in September, where he gave a talk about Icelandic nature.
- In addition, Alumni Board Members participate in a number of Commission and Embassy activities each year.



Alumni Talk Series



Pitching in on Bun Day



Guest enjoying the Thanksgiving event organized by the Alumni Association

## IV. BOARD MEMBERS AND STAFF

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### **Fulbright Board of Directors**

#### *Honorary Co-Chairs:*

***Katrín Jakobsdóttir, Minister of Education***

***Luis E. Arreaga, US Ambassador to Iceland***

#### *Icelandic Board members:*

Unnur Dís Skaptadóttir **Chairman of the Board**, Professor of Anthropology, University of Iceland

Bryndís Brandsdóttir Research scholar, Earth Institute, University of Iceland, Fulbright scholar

Margrét Jónsdóttir Consultant, PhD in Spanish literature, Fulbright scholar

Jóhannes Þorðarson Dean, Department of Design and Architecture, Icelandic Academy of the Arts

Alternate:

Ríkarður Ríkarðsson Engineer, Director of Sales and Business Development, Landsvirkjun

#### *US Board members:*

Jeffrey Sussman **Vice-Chairman of the Board**, Head of Creditor Relations at Landsbanki Íslands hf.

Kristyna Rabassa **Treasurer**, Consular Officer, US Embassy

Laura Gritz PAO, US Embassy

Anne Benassi Musician and translator

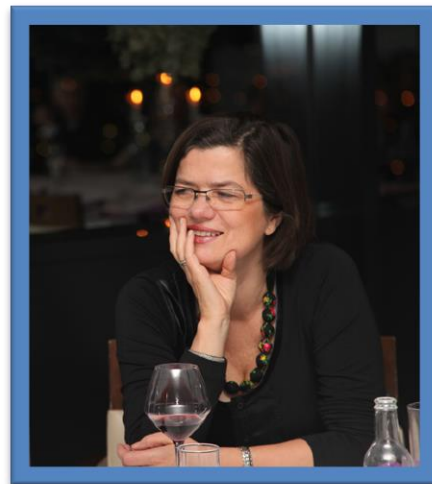
Alternate:

Timothy Spanos Executive Director, Head of International Lending, Íslandsbanki

The Board of Directors has important responsibilities to carry out the goals of the bilateral agreement between Iceland and the US and to realize long-term program objectives. In addition to normal Board duties, members read grant applications and interview and select candidates, as well as participate in Commission activities. The Board works closely with the ED, and individual Board members, who volunteer their time and expertise, are instrumental in achieving the goals of the Commission.

The Board met five times during the year, in October, November, December, January and May. Consultations take place between the ED and the Board between Board meetings as necessary.

Warm thanks go to Unnur Dís Skaptadóttir, as well as to Laura Gritz and Kristyna Rabassa from the US Embassy, who left the Board at the end of FY2012. These women were important allies in keeping Fulbright strong in Iceland and made a huge difference to the work of the Commission.



Board members Ríkarður Ríkarðsson, Tim Spanos, Unnur Dís Skaptadóttir (Chairman), Margrét Jónsdóttir, Laura Gritz and Jeff Sussman (Vice-Chairman) at Fulbright events.



## Fulbright Staff

In FY2012 there was no staff turnover. Belinda Theriault completed her first full year as Executive Director and Sandra Berg Cepero served as advisor/administrative assistant. Generally, the Commission has had two staff members, an Executive Director and an adviser/administrative assistant. A few years ago the adviser/administrative assistant position was reduced to part-time, in response to decreased funding due to the economic crash in 2008. During the 2012 fiscal year, the adviser/administrative assistant worked part-time for the majority of the year, due to budgetary constraints, but worked full time from May. This was made possible by a special supplement received from the Ministry of Education, to meet specific needs that were foreseen for approximately a one year period. This also allowed the Commission to undertake some long-overdue administrative projects that are very important to the good functioning of the Commission, such as the alumni database project.

While it is foreseen that the advisor will go back to part-time hours around mid-year FY2013, it is the goal of the Commission to reinstate the advisor's position to full time on a permanent basis as soon as the financial situation allows. This will be necessary if the Commission is to continue to provide an adequate level of service and fulfill its commitments vis-à-vis the contracting parties.

The Commission offices received a much needed facelift over the summer. A thorough overhaul of the library, a fresh coat of paint, new installations for the bathrooms and various furniture and equipment upgrades have made the Commission a much more attractive destination.

## Conferences and training

The adviser took part in a work shop organized by EducationUSA in Ukraine for new advisers in March. This emphasis was on bachelor degree education, student advising and admissions procedures in the US.



European ED's meeting at the Austrian Fulbright Commission.

In March, the ED attended a Conference of European Fulbright

Executive Directors in Vienna. The purpose of the meeting was to give Executive Directors in Europe an opportunity to discuss issues of mutual interest, coordinate, strategize and exchange information and best practices.



Adviser with colleagues in Kiev

## **V. FINANCIAL INFORMATION**

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Below is the Financial Statement for FY2012, including a Statement by the Executive Director, Auditor's Report, Income Statement, Balance Sheet, Status of Funds Report, Notes to the Financial Statements, and Inventory of Non-Expendable Property. The Statement is prepared by the Executive Director and audited by the Icelandic National Audit Office (INAO), an independent body operating under the auspices of the Icelandic Parliament, Althingi. Its main role is to audit the financial statements of central government bodies and to monitor and promote improvements in the financial management of the State and in the use of public funds. It also undertakes the auditing of the accounts of entities that operate under the auspices of the State or provide statutory services or undertake other projects in exchange for payment or contributions from the State Treasury.

The status, role, and mandate of the INAO are laid down in the National Audit Act of 1997. The Office also takes into account the standards and guidelines of the International Organization of Supreme Audit Institutions (INTOSAI), as well as the standards of the International Federation of Accountants (IFAC) and the International Financial Reporting Standards (IFRS), insofar as these are applicable to state auditing.

The Presidential Committee of Althingi appoints the Auditor General for a period of six years, and the Auditor General employs the staff. The staff must be completely independent of the ministries and organizations they audit.

As a rule, recommendations made in financial audits are followed up a year after being put forward.

# ICELAND - UNITED STATES EDUCATIONAL COMMISSION

Financial Statement and Balance Sheet  
for the Budget Year 2011 - 2012 (FY 2012)  
Amounts are in ISK

March 2013

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## Executive Director's report

In FY2012, the Icelandic government contribution amounted to 12 million ISK, plus an additional 2.5 million ISK supplement due to special circumstances. The US government contribution decreased by 5% or 12,250 USD (from 245,000 to 232,750). This decrease was implemented for all European countries which did not contribute at least 50% as much as the US government to the Commission budget.

In FY2012, the Commission awarded 6 Fulbright grants to Icelandic graduate students, 5 Fulbright grants and 1 joint Fulbright -MoE grant to US students and 3 grants to US scholars. In addition 2 Icelandic students were awarded Cobb Fellowships and 1 received a Boas award. 2 specialist grants were awarded in the first half of the fiscal year, before the program was suspended. In FY2011, the Commission awarded 9 grants to Icelandic graduate students, 6 Fulbright grants to US students, 2 grants to Icelandic scholars and 3 to US scholars. In addition, 1 scholar visited Iceland on a specialist grant.

The Commission accounts are based on cash accounting, and thus show only funds received and dispersed through the Commission accounts during the fiscal year in question. Receivables and debt are not shown, but Commission debt at any given time is negligible. The income statement shows a deficit, but this is explained by the fact that the Commission had transferred substantial funds from the US government just prior to the start of the fiscal year. Expenditures are thus in line with income, when taking into account the cash balance existing at the beginning of the fiscal year. Revenue of the fiscal year from October 1, 2011 to September 30, 2012 amounted to over 31 million ISK according to the income statement, but the Commission had close to another 27 million ISK in available funds, due in part to funds deposited at the end of FY2012. With expenditures just under 50 million ISK, the balance sheet shows funds on hand at the end of year to be close to 10.5 million ISK. Funds on hand will be used to ensure sufficient cash flow in the beginning of FY2013.

Important contributions, such as the Boas award, the Cobb Fellowship and specialist grants, do not go through the Commission, but directly from the institution involved to the student, so these figures, although substantial, are not part of the financial statement. Nor do various in-kind (non-cash) contributions made to the Commission. These contributions add up to close to 12 million ISK or over 90 thousand USD. Since these non-cash and in-kind contributions provide substantial additional value, which is not captured in the annual accounts, it is important to provide information, to give a more accurate picture of the Commission's financial value. Below is a list of non-cash contributions, limited to direct contributions that are quantifiable. (Various additional indirect benefits can be attributed to the Fulbright Program, such as additional financial aid that grantees get due to their Fulbright status, but are not mentioned here as they are not easily quantifiable). Figures are in some cases approximations and have not been audited. Therefore, I am solely responsible for the non-cash figures as presented below.

Non-cash contributions	ISK	USD
Visas for Icelandic students	160.000	1.280
Rent discount	400.000	3.200
Computer discount	195.530	1.564
<b>Total non-cash admin contributions</b>	<b>755.530</b>	<b>6.044</b>
Boas award	2.812.500	22.500
Cobb award	3.000.000	24.000
Cobb tuition waivers	3.836.250	30.690
Gateway seminar	125.000	1.000
Specialist grants	1.283.250	10.266
<b>Total non-cash grant contributions</b>	<b>11.057.000</b>	<b>88.456</b>
<b>Total non-cash contributions</b>	<b>11.812.530</b>	<b>94.500</b>

As Executive Director of the Fulbright Commission in Iceland, I hereby confirm and accept the financial statements for FY 2012.



Belinda Theriault



## Auditor's report

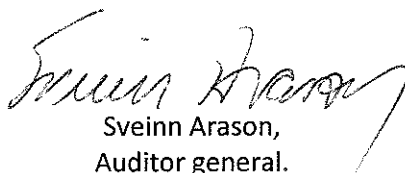
To the board of the Iceland - United States Educational Commission

I have audited the accompanying general purpose financial statements of The Iceland - United States Educational Commission, as of and for the financial year ended September 30th 2012, as listed in the table of contents. This financial statement is the responsibility of the management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for our opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Iceland - United States Educational Commission, at September 30 2012, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles in Iceland.

National Audit Office, March 27, 2013



Sveinn Arason,  
Auditor general.

## Iceland - United States Educational Commission

**INCOME STATEMENT**

October 1 2011 - September 30 2012

	FY 2012 ISK	FY 2011 ISK
<b>Revenues:</b>		
Allocation, US government.....	14.135.156	47.845.732
Allocation, Icelandic government.....	14.500.000	10.600.000
Other government contributions.....	2.590.912	635.554
<b>Total revenues:</b>	<u>31.226.068</u>	<u>59.081.286</u>
<b>Expenditures:</b>		
Program costs, Scholar program.....	8.886.326	6.301.110
Program costs, Student program.....	20.015.646	20.981.976
Salary and salary related costs.....	12.787.754	10.462.109
Rent and utilities.....	2.932.510	3.325.315
Services.....	879.240	1.668.469
Equipment and furniture.....	1.722.743	148.078
Supplies.....	420.392	413.782
Travel, training and transport .....	431.018	1.382.107
Communication and PR.....	449.615	713.290
Grant supporting activities.....	1.023.339	484.528
<b>Total expenditures:</b>	<u>49.548.583</u>	<u>45.880.764</u>
<b>Income (deficit) before interest expense/revenue</b>	(18.322.515)	13.200.522
Interest revenue.....	54.231	119.362
Exchange rate profit/loss.....	1.895.665	1.350.223
<b>Income for the year</b>	<u>(16.372.619)</u>	<u>14.670.107</u>

## Iceland - United States Educational Commission

**BALANCE SHEET**

September 30 2012

	FY 2012 ISK	FY 2011 ISK
<b>Assets</b>		
Cash (USD) .....	710.092	19.667.120
Cash (ISK).....	10.235.066	7.274.301
	<u>10.945.158</u>	<u>26.941.421</u>
<b>Trust account</b>		
Alumni - Trust account.....	<u>265.658</u>	<u>322.804</u>
<b>Total Assets</b>	<b><u>11.210.816</u></b>	<b><u>27.264.225</u></b>
<b>Liabilities</b>		
Income-tax deduction .....	464.992	131.493
Pension fund deduction.....	65.406	22.549
	<u>530.398</u>	<u>154.042</u>
<b>Trust account</b>		
Alumni - Trust account.....	<u>265.658</u>	<u>322.804</u>
<b>Equity</b>		
Funds on hand October 1 2011.....	26.787.379	12.117.273
Income for the year.....	(16.372.619)	14.670.107
Funds on hand September 30 2012.....	<u>10.414.760</u>	<u>26.787.379</u>
<b>Total Liabilities and Equity</b>	<b><u>11.210.816</u></b>	<b><u>27.264.225</u></b>

## Iceland - United States Educational Commission

**STATUS OF FUNDS REPORT**

For Quarter ending: September 30 2012

**2012**
**ISK**

1.	FUNDS ON HAND OCTOBER 1 2011.....	26.941.421	
	-Current liabilities .....	<u>-154.042</u>	<b>26.787.379</b>
2.	RECEIPTS: CURRENT FISCAL YEAR		
	A. Current Quarter Receipts:		
	1. Received from U.S. Mission.....	163.625	
	2. Host Government Contribution.....	6.000.000	
	3. Other Contributions.....	0	
	4. Other Funds received.....	0	
	5. Interests on Deposits.....	0	
	6. Exchange fluctuation.....	<u>1.895.665</u>	
	Total Received Current Quarter	8.059.290	
	B. Total Previous Quarter receipts:		
	1. Received from U.S. Mission.....	13.971.531	
	2. Host Government Contribution.....	8.500.000	
	3. Other Contributions.....	2.590.912	
	4. Other Funds received.....	0	
	5. Interests on Deposits.....	54.231	
	6. Exchange fluctuation.....	<u>0</u>	
	Total Received Previous Quarter	25.116.674	
	C. Total Funds Received Current Fiscal Year		<b>33.175.964</b>
3.	DISBURSEMENT: CURRENT FISCAL YEAR		
	A. Current Quarter Disbursement		
	1. Administration.....	3.289.157	
	2. Counseling.....	2.236.468	
	3. Grant supporting activities.....	884.894	
	4. Program.....	<u>11.787.191</u>	
	Total Disbursement Current Quarter	18.197.710	
	B. Total Previous Quarters:		
	1. Administration.....	8.647.204	
	2. Counseling.....	5.450.443	
	3. Grant supporting activities.....	138.445	
	4. Program.....	<u>17.114.781</u>	
	Total Disbursement Previous Quarter	31.350.873	
	C. Total Disbursement to Date		<b>49.548.583</b>
4.	FUNDS ON HAND SEPTEMBER 30 2012.....	10.945.158	
	-Current liabilities.....	<u>-530.398</u>	<b>10.414.760</b>

## Notes to the Financial Statements

1. The accounting records that have been kept include Journal, Status of Funds Report, Program Status Report, Grants Accounts and Fund Requirement Reports. Some changes have been made to the itemization of the annual accounts/income statement in order to bring these in line with standard paractice.
2. The accounts are based on cash accounting. In past years the US government contribution has not always been transferred in full from the Payment Management System into the commission accounts within the actual fiscal year. Last year, 150.000 USD was deposited in the Commisson account on August 31 2011, for use in FY2012.
3. The bank balance as per statement from Íslandsbanki hf., account no. 560169, has been verified at September 30 2012 as ISK 10.235.066 taking into account payments at the end of the fiscal year.
4. A dollar account no. 102882 in Íslandsbanki hf. has been verified as at September 30 2012 USD 5.755,79, or ISK 710.092 (exchange rate booked at daily rate of 123,37).
5. There is no petty cash.
6. The basic Icelandic government contribution for 2012 amounted to 12 million ISK in FY2012. Payment is received in two installments, early year and summer. A supplement of 2.5 million ISK was provided in May to meet special circumstances at the Commission, which required additional staff resources for a period of approximately one year. The US government contribution decreased by 5% (12.250 USD), bringing the US contribution to 232.750. The decrease was part of a genaral decrease across the board for European countries where the host government did not contribute at least 50% as much as the US government to the Commission budget. The income statement does not reflect the full US contribution due to the reasons stated in point 2.
7. Alumni - Trust account: This account is kept in trust for the Alumni Association. The funds do not belong to the Fulbright Commission.
8. Awards granted in one fiscal year are in some cases paid out the same year, in other cases they are paid out in part or in full in the next fiscal year.
9. The breakdown of program costs is as follows in ISK:

US Scholars	7.904.646
Icelandic Scholars	981.680
US Students	11.174.040
Icelandic Students	8.841.606

10. The deficit shown in the income statement for FY2012 is explained by cash accounting and the fact that a large portion of the government contributions had been transferred into the Fulbright accounts before the start of the fiscal year.
11. Non-expendable property is insured for ISK 8.729.706 (fire, burglary, etc.) from July 1 2012 to June 30 2013.
12. The bonding company, Sjóvá - Almennar tryggingar hf. confirms that Ms. Belinda Theriault has been bonded to the amount of USD 25.000. This insurance is valid for the period from January 1 to December 31 2012 and renewed annually.
13. Ratio of adminlstrative costs to grant costs:

	IKR.	%
Grants and grant supporting activities	29.925.311	60%
Adminlstrative costs	19.623.272	40%
Total costs	<u>49.548.583</u>	<u>100%</u>



## Inventory of non-expendable property

Nr.	Items	Purchase year	Original price ISK	Original USD Value	Depreciation	Current ISK Value 30/09/2012
20	Meeting chairs	2012	762.950	6.104	0	762.950
2	Office computer equipment**	2012	350.354	2.803	0	350.354
1	Laptop***	2012	306.266	2.450	0	306.266
1	Desk in Director's office*	2012	238.163	1.905	0	238.163
1	Lecturn	2012	65.000	520	0	65.000
1	Projector	2011	148.000	1.184	20%	118.400
2	Office Desks	N/A	N/A	N/A	Full	0
1	Tapestry	N/A	N/A	N/A	Full	0
1	Chair in Director's office	N/A	N/A	N/A	Full	0
2	Office Swivel Chairs	N/A	N/A	N/A	Full	0
1	Teak 6 place table	N/A	N/A	N/A	Full	0
1	Teak 8 place table	N/A	N/A	N/A	Full	0
14	Table chairs	N/A	N/A	N/A	Full	0
3	Book cases	N/A	N/A	N/A	Full	0
1	Office Shredder	N/A	N/A	N/A	Full	0
	Kitchen crockery and cutlery	N/A	N/A	N/A	Full	0
1	Automatic Coffee pot	N/A	N/A	N/A	Full	0
1	Microwave oven	N/A	N/A	N/A	Full	0
1	Telephone System w. 2 phones	N/A	N/A	N/A	Full	0
4	File Cabinets	N/A	N/A	N/A	Full	0
1	Framed Map of Iceland	N/A	N/A	N/A	Full	0
1	ADSL router / modem	N/A	N/A	N/A	Full	0
2	Printers	N/A	N/A	N/A	Full	0
1	Stereo system ELTA	N/A		Disposed of		
<b>Total</b>			<b>1.870.743</b>	<b>14.966</b>		<b>1.841.133</b>

Exchange rate (average rate in FY2012): 125

### Footnotes:

A new system of inventory is being established, where purchase year of items purchased from FY2011 is shown and depreciation is at 20% for technical equipment and 10% for all other inventory. Items remain on the list once they are fully depreciated, unless disposed of.

The original price is shown for all items purchased as of FY 2011, when the first steps were taken to introduce a new system.

The value of very old equipment with no resale value has been adjusted to 0, irrespective of the original purchase price, as for many years original prices were not recorded and no depreciation took place.

Some old items which were on the inventory for FY2011, but which were disposed of in FY2012, were given to charity, as they had no resale value (old desk, stereo). This also avoided disposal costs.

\* The old desk was given to charity when a new desk was purchased.

\*\* 2 new office computers were purchased and the old ones were disposed of, as they had no residual value.

\*\*\* A new laptop was purchased when the old one broke down. It had no residual value and was disposed of.

\*\*\*\* The old stereo was given to charity, as the Commission had no further use for it. No replacement was purchased.