



Annual Report FY 2013

Promoting the trans-Atlantic link through Fulbright

1 October 2012 – 30 September 2013



Orientation dinner for US grantees in September 2013

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MESSAGE FROM THE EXECUTIVE DIRECTOR

The US and Europe are traditionally strong allies that share a broad ideological vision founded on a belief in democracy, human rights, and the rule of law. While individual countries may certainly disagree on specific issues and have differing approaches to some of the challenges of our day, we must not lose sight of this fundamental truth. Secular government of the people, by the people, and for the people is central to belief systems on both sides of the Atlantic. We aspire to a fair and egalitarian society based on individual and collective responsibility. In today's tumultuous world, it is important to cultivate old friendships based on shared beliefs, to accentuate that which unites us, to share knowledge and ideas, and to ensure that an understanding of the trans-Atlantic relationship is passed on from generation to generation.

Fulbright plays a significant role in maintaining the trans-Atlantic link. By bringing together some of the best minds from both sides of the Atlantic, fostering dialogue, and sharing ideas and knowledge through the exchange of students and scholars, Fulbright is a major facilitator of understanding across the Atlantic. Not only is each Fulbright fellow affected on a personal level, but his or her Fulbright experience also has a multiplier effect. Connections are made between institutions; grantees build lasting collaborations with a variety of people in the host country; and spouses, children, and visiting friends and family are afforded opportunities to build lasting connections and enhance their understanding of the host country.

Having worked extensively on both "soft" and "hard" political issues in my career, I know that sometimes the "soft" issues get relegated to second place. Defense and security, as well as business and trade, are certainly important components of international cooperation and trans-Atlantic cooperation specifically, but if we aspire to build on the societal progress that has been founded on Western cooperation, education, research, and the arts are equally important. Cooperation and friendship-building at the grassroots level are the best way to build mutual understanding and ensure that the trans-Atlantic link flourishes. We must hold true to the institutions and friendships that have served us well and build on them further as we navigate this increasingly complex world.

While relationship-building across the globe is important, both Europe and the US ultimately become weaker if they do not maintain and strengthen their relationships, not least among young people who are poised to take on leadership positions, research scientists, academics, and artists. If we do not ensure that these people understand the deep historical and philosophical bond between Europe and the US and the importance of the trans-Atlantic link, if we do not ensure that they become invested in the transatlantic relationship, important alliances will suffer, and this will put our fundamental belief systems in jeopardy. Long-term strategic thinking therefore calls for a strong Fulbright presence in Europe.

The Commission takes its role as a facilitator of the trans-Atlantic link seriously. We had a busy and productive FY2013, working to maintain and strengthen the Commission while dealing with continuing budget cutbacks. We were happy to receive an increase in funding from the Icelandic government in 2013, but unfortunately, it was offset by a decrease in US government funding. Further financial information can be found in the final chapter of this report.

As is noted in previous annual reports, one of the priorities of the past few years has been to enhance our communication strategy. This work was continued in FY2013, with the introduction of a semi-annual newsletter in October 2012. The newsletter gives the Commission an opportunity to profile grantees and alumni and highlight their accomplishments, as well as highlight activities. We are pleased to have a vehicle that allows us to remain in touch with grantees and alumni.

Of course, the grant program is what Fulbright is all about, and our fabulous group of grantees in FY2013 is as impressive as ever. In addition to our core programs, the Commission participated in a two programs for the first time last year. We had an Icelandic artist take part in the Scholar-in-Residence Program and sent our first participant to a Summer Institute for European Student Leaders. These were very exciting developments.

The Commission introduced some interesting new initiatives in the field of advising this past year, in order to broaden the services we offer to Icelandic students. We participated for the first time in the Virtual College Fair organized by EducationUSA in November. The Commission also partnered with College Council to organize College Day Reykjavik. These two events, while somewhat resource-intensive, are important in terms of fulfilling the Commission's commitment to providing comprehensive and unbiased advising services to students. Both events were very well received by Icelandic students.

The Commission continued to partner closely with the Alumni Association on various activities during the year. The alumni Thanksgiving event, the highlight of the alumni activity program, was the best ever and is really becoming THE Thanksgiving event in Iceland, not only for Fulbrighters, but also for anyone interested in celebrating this wonderful American holiday.

Finally, a few words of thanks are appropriate. I would like to thank Minister of Education Katrín Jakobsdóttir, who was in office for the first part of the fiscal year, and Illugi Gunnarsson, who took over as Minister of Education following Iceland's parliamentary elections in May 2012, as well as US Ambassador Luis Arreaga for their support and goodwill. I would also like to thank the Fulbright Board of Directors and the Alumni Association for their cooperation and hard work throughout the year, as well as our partners at ECA, IIE and CIES. Last but not least, I thank our fabulous Icelandic and US grantees for a successful FY2013.



Belinda Theriault



LETTER FROM THE CHAIRMAN

I have had the pleasure of serving on the Board of Directors of the Fulbright Commission since I moved to Iceland in 2005. This long tenure has given me the opportunity to become well acquainted with the operations of the Commission and the Fulbright Program. I have been in a position to evaluate the worth of the Program for both Iceland and the United States. I am convinced that the educational and cultural exchange programs sponsored by Fulbright provide great value to both countries. Since the Icelandic Fulbright Commission was established in 1957, more than 1,300 students and scholars have been awarded grants, deepening the already strong ties between the two countries. However, I am concerned that the Commission will not be able to sustain its current level of activities without additional funding.

Funding has been flat or declining in recent years. Not only has inflation taken its toll, but budgetary pressures have led to a decrease in the U.S. contribution over the past couple of years. The Icelandic contribution fell sharply in the wake of the financial crisis in 2008. While the Icelandic contribution has increased in ISK terms in recent periods, it remains far below parity with the U.S. contribution. These developments are troubling and should be reversed. With reserve funds currently being depleted, the Commission will not be able to maintain its current operations in the longer term. Funding thus needs to be increased if the Commission is to fulfill its role.

Although a majority of the Commission's funding will continue to come from the two governments, I believe the Commission should consider partnering with the private sector. The Executive Director and I started to develop ideas for this during my chairmanship and I hope they will come to fruition in the future. There is no doubt in my mind that the value proposition is solid and should be attractive to both Icelandic companies and U.S. companies that operate in Iceland, many of which employ Fulbright grantees.

The Board is pleased with the development of the Commission over the past year. I met regularly with the Executive Director during the year and we worked together to enhance financial reporting, which I prioritized during my chairmanship. The Board as a whole has maintained a close working relationship with the Executive Director and has worked with her to develop strategies and goals to enhance the work of the Commission. It is a credit to Commission staff that improvements have been made despite declining resources, while maintaining a high level of professionalism.

I wish the Commission and the incoming Board continued success in FY 2014 and beyond.

Timothy H. Spanos,
Chairman of the Board FY2013

I. PROGRAM IMPLEMENTATION AND ACTIVITIES

The Commission implements a selective grant program for both graduate students and scholars. Grantees include Icelandic students who are awarded grants to commence graduate studies in the US, Icelandic scholars who are awarded grants to undertake research in the US for 3-12 months, US students who are awarded Fulbright grants to spend 9 months in a study program or doing research in Iceland, and US scholars who teach at university level and do research for one semester. In addition to the core Fulbright grants, the Commission provides additional opportunities for Icelandic institutions to receive US scholars for shorter periods. These opportunities include Specialists who come to Iceland for 2-6 weeks and inter-country travel grants for US Fulbright scholars in other European countries who come to Iceland for up to one week. Icelandic scholars also have an opportunity to teach at the college level in the US through the Scholar-in-Residence program. Finally, the Commission is able to offer an Icelandic student between 18 and 22 years of age the opportunity to participate in a 5-week long summer institute. 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.



Fulbright Commission Board Meeting
with the Honorary Co-Chairs in attendance

In addition to the grant programs and advising activities, the Commission has a wider mandate in regard to enhancing the bilateral US-Iceland relationship. To this end, the Commission undertakes a variety of activities.

The Commission consistently receives outstanding applications from Americans and Icelanders, scholars and students. Grantees are selected by the Fulbright Commission Board, in cooperation with the Fulbright Scholarship Board in Washington, DC. Academic excellence, project merit, leadership abilities,

the ability to meet challenges, civic-mindedness, and diversity are among the criteria that are weighed by Board members, when choosing from among the many excellent applicants each year.

Below is a list of grantees for 2013-2014, many of whom began their grant period in September 2013, one month before the end of the fiscal year and, grantees for 2012-2013, who were grantees for the majority of FY2013.

**Fulbright Commission partners
and sponsors in FY2013:**

Vesturgarður ehf.

1. Grantees 2013-2014

	Field	Home	Host
Icelandic students			
Ásdís Ólafsdóttir	International Relations	University of Iceland	New York University
Egill Bjarnason	Journalism	University of Iceland	University of California
Friðrik Ársællsson	Law	University of Iceland	Harvard Law School
Friðrik Á. Friðriksson Hirst	Law	University of Iceland	Harvard Law School
Guðmundur Kári Stefánsson	Astrophysics	University of Iceland	Pennsylvania State Univ.
Hólmfríður Arnalds	Psychology	University of Iceland	University of North Texas
Boas award			
Friðrik Ársællsson	Law	University of Iceland	Harvard University
Icelandic Scholar			
Dr. Þorgerður Einarsdóttir	Gender Studies	University of Iceland	Rutgers University
Scholar in Residence			
Margrét Björnsdóttir	Art	At-Large	Green River Commun. College
Summer Institute			
Rut Þorsteinsdóttir	Environm. Stewardsh.	Breiðholt College	University of Kansas
US students			
Derek Barisas	Biology	Washington and Lee Univ.	University of Iceland
Burke Jam	Installation Art	University of Montana	Iceland Academy of the Arts
Ryan Dennis	Creative Writing	At-Large, New York	The Agricultural University
Sarah Lucht	Medicine	Gustavus Adolphus College	University of Iceland
Jonathan Marshal	Energy Studies	At-Large, Oregon	Reykjavik University
Elliott Brandsma	Icelandic Language	Texas State University	University of Iceland
US scholars			
Kristin Van Gaasbeck	Macro-Economics	California State University	University of Iceland
Thomas Brewer	Arts Education	University of Central Florida	University of Akureyri
Robin Grenier	Museum Studies	University of Connecticut	University of Iceland
Specialists			
Ray Marcano	Communications	Cox Media Group	University of Iceland
Murthy Rallapalli	Computer Sciences	Stevens Institute of Techn.	Reykjavik University
Inter-Country Travel Grant			
Rory John Stuart	Music	New School	FIH School of Music

2. Grantees 2012-2013

	Field	Home	Host
Icelandic students			
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
Halldór Smáráson	Music	Iceland Academy of the Arts	Manhattan School of Music
Íris Björk Hreinsdóttir	Law	Reykjavik University	University of Miami
Nína Margrét Rolfsdóttir	Engineering	University of Iceland	University of Miami
US students			
Giselle Conde	Geology	University of Wisc-Eau Claire	University of Iceland
Megan O'Brien	Environmental Studies	University of Rhode Island	University Center Ísafjörður
Patrick Frank	Creative Writing	At-Large, Texas	University of Iceland
Tenley Banik	Earth Science	At-large, Nevada	University of Iceland
Lindsay Huffhines	Psychology	Texas Tech University	Reykjavik University
Larissa Kyzer	Lang/Literature	At-Large, New York	University of Iceland
US scholars			
Ellis E Williams Jr.	Fish Biology	Salisbury University	Hólar University
James Leary	Scandin. Studies/ Folklore	University of Wisconsin - Madison	University of Iceland
Gran Brian Keith	Sociology	Case Western Reserve University	Reykjavik University
US specialists			
Aileen E. Wilson	Education	Pratt Institute	Iceland Academy of the Arts
Kevin Wanner	US Studies	Western Michigan University	University of Iceland

"My time here is just the beginning of what I hope will be a long and fruitful connection with Iceland, its culture, and people."

Larissa Kyzer, recipient of the Fulbright-Ministry of Education Grant in Icelandic language



Icelandic grantees: At the Cobb fountain at the University of Miami, with the Dean of Yale Law School, and preparing for university life in the US at the Reno Gateway.



US grantees enjoy experiencing Iceland, whether getting a taste of small-town life in the Northwest, hiking to a beautiful waterfall or catching a fish for dinner.

"I am meeting interesting people every single day, whether fellow students and neighbors who have been brought up in completely different circumstances from me, or professors and lecturers from a variety of backgrounds, who are introducing me to new teaching methods."

Fridrik Arsaellsson, Fulbright LLM student at Harvard Law School

"My time at Green River was an amazing adventure. I met so many wonderful people and was able to build some great connections between our communities. I encourage Icelandic scholars to take part in the Scholar-in-Residence Program."

Sossa, Artist and Fulbright Scholar-in-Residence at Green River Community College

3. Summary of Grant-Supporting Activities

A. Events for Icelandic grantees

In spring 2013, two orientation meetings were held for grantees leaving for the US for the 2013-2014 academic year, one in March and one in April. The Commission also hosted a reception for Icelandic grantees at the National Culture House on 28 May. The reception was attended by Icelandic grantees and their guests, the Icelandic Minister of Education, the US Ambassador, the Fulbright Board, Commission staff and alumni representatives.



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

Four Icelandic students participated in the Gateway orientation program sponsored by the US State Department in August/September 2013. This five-day program, which is offered to first-year Fulbright foreign students upon their arrival in the US, 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. Three students travelled to a Gateway seminar in Reno, and one went to Miami.

In the spring of 2013, two Icelandic students participated in Fulbright enrichment seminars in Atlanta and Philadelphia, and one participated in a lab-to-market seminar in Raleigh. Various additional local opportunities were offered to Icelandic grantees during the year.

During a trip to the US in spring 2013, the ED invited grantees in the New York area to a grantee dinner. This provided a welcome opportunity to catch up with grantees and discuss their Fulbright experience.

B. Orientation and enrichment activities for American grantees

We at the Fulbright Commission feel that it is important that US grantees are made to feel welcome and valued during their stay in Iceland. To this end, the Commission organizes a variety of events for US grantees, including the enrichment program introduced in FY2012, which provides monthly grantee events. This program is tailored to include a wide variety of enrichment activities that give grantees an opportunity to explore new places, gain insight into Icelandic society and customs, and foster a sense of community among the grantees and between the grantees and the Commission. Quite often, a member of the Fulbright Board will join in grantee events, providing a welcome opportunity for board members to get to know the grantees they have selected.



US grantees and Commission board members
in front of the Parliament building

As in the previous year, all US students and scholars presented their projects towards the end of their stay at special events hosted by the Commission. In only two years, this event has established itself as an important tradition, both for the grantees themselves and for the Commission, contracting parties, alumni, and other friends of Fulbright.

Enrichment activities in FY2013:

October: Day trip to South Iceland and farm of the Alumni Association Chairman
November: US Embassy visit and coffee with Ambassador Arreaga
December: Christmas concert
January: Visit to Althingi, the Parliament of Iceland
February: Bun Day celebration at the ED's home
March: Sea swimming at Nauthólsvík beach
April: Visit to Landsvirkjun, the National Power Company
May: End-of-year presentations and reception



Grantees enjoying a visit to the US Embassy in November 2012



Puppy love – at the farm of the Alumni Association Chairman in October 2012

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

In August/September 2013, the Commission welcomed a new group of US grantees. Grantees participated in a half-day orientation session at the Commission in early September. Talks were given by the Commission Executive Director and Adviser, US Embassy Consular Officer and Fulbright Board Member Marcy Brown,

Guðmundur Ingi Guðbrandsson from the Alumni

Board, and Fulbright adviser Greta Ósk Óskarsdóttir. After the session, participants enjoyed a meal featuring fresh Icelandic fish at an Icelandic restaurant by the old harbor.



Fulbright scholar Brian Gran giving his final presentation

4. Other Commission Activities

A. Communications



The Commission continued to prioritize communications with a wide variety of stakeholders, including alumni and current grantees, former board members, universities and schools, sponsors and partners, prospective applicants and advisees, and relevant organizations. In the annual report for FY2012, it was announced that a semi-annual newsletter would be introduced in FY2013. As promised, the first newsletter was published in October 2012, followed by a second issue in May 2013. The response has been overwhelmingly positive, with US alumni especially pleased to hear from the Commission. A number of alumni have made contact to express their satisfaction, some who had not been in touch for many years, even decades. The first steps were also taken to set up a

Wikipedia page for the Commission, to be finalized in FY2014, and a YouTube presence. When these steps have been taken, the communication strategy introduced by the ED in 2011 will be complete.

B. Outreach



The ED with the rector of Hólar University
in North Iceland

The Executive Director (ED) made visits to all universities outside Reykjavik at the end of August 2013, 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 Iceland 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 Commission and the US Embassy partnered for an interview on Iceland's State Radio (RÚV) about Thanksgiving traditions and the Fulbright Alumni Thanksgiving event.

C. Partnership Award

The Fulbright Commission administers the Partnership Award, which was established in 1991 by Ambassador Chuck Cobb, on the 50th anniversary of diplomatic relations between Iceland and the United States. He and his wife presented the City of Reykjavik with the statue *Partnership* to commemorate the anniversary and established this award at the same time. The award goes to an American who has demonstrated a long commitment to fostering US relations with Iceland and to building bridges between the two countries. The recipient is selected every two years, on average, by the Board of Directors of the Fulbright Commission.



Ambassadors Arreaga and Cobb
with award recipient Beth Fox

After receiving and reviewing nominations, the Board selected Beth Fox, Operations Director of the National Sports Center for the Disabled (NSCD). Beth was selected for her important work towards making winter sports more accessible to the disabled in Iceland. She has worked to build bridges between Iceland and the US on many levels, fostering opportunity and giving great assistance to Icelandic trainers and disabled athletes, both during her many trips to Iceland and by welcoming Icelanders to Denver. US Ambassador Luis Arreaga hosted a lovely reception to honor the award recipient.

D. Other

The ED liaised with a number of partners over the year, in order to discuss Fulbright and possibilities for innovations in the Fulbright program. These included government and parliament representatives, business people, and individuals involved with higher education and research, both in Iceland and the US. This work will continue in coming years, with the aim of strengthening the work of the Commission. The ED met with both the new Icelandic Minister of Education and the Minister for Foreign Affairs following parliamentary elections in Iceland. The ED also met regularly with the US Ambassador.

Fulbrighter Andrea Sisson shot footage for her documentary “I Send You This Place” during her Fulbright year in 2010-2011. She returned to showcase her film at the Reykjavik International Film Festival RIFF in October 2012. The Commission was thrilled that the film was accepted into this prestigious festival and hosted a reception in Andrea’s honor. Following the reception, guests flocked to a showing of the film, after which a lively Q&A session ensued.



Guests at the Fulbright RIFF reception
Andrea is on the far right

II. ADVISING ACTIVITIES

1. The advising center and advising services

The advising center was able to maintain its opening hours despite budget cuts, 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. The center welcomes individuals interested in both undergraduate and graduate studies and provides comprehensive one-on-one advising services for all fields and levels of university education.

The advising center maintains a substantial library of reference materials that 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. While the library intends to keep a supply of certain key reference books and guides, as well as a comprehensive range of test preparation books, its main emphasis is now on assisting students with online information.

The ED and the adviser have worked together to provide services for those contemplating graduate studies in the US, through speaking engagements, participation in fairs, and increased contact with appropriate staff at the universities. Often, speaking engagements to highlight Fulbright grant opportunities also feature student advising, and vice versa. Thus all opportunities are used to create synergies between grant work and advising. The Fulbright adviser also provides services to students contemplating undergraduate studies in the US, on an individual and group basis.

The Fulbright EducationUSA adviser made four visits to upper secondary schools during FY2013, including the Technical College, Borgarholt College, and the Commercial College. Three group advising sessions were held at the Commission, with field-specific information provided. The adviser also took part in three international days at the University of Iceland and Reykjavik University, with a Fulbright and EducationUSA table. In addition to the annual visits made by the ED to each university, she gave talks on graduate studies upon request by individual universities.



Students from the Technical College at a group advising session at the Commission

Occasionally, US students travelling in Iceland request a visit to the Commission. This gives us an opportunity to tell US students about Fulbright opportunities in Iceland, which they might be interested in pursuing. In 2013, students from the Alexander Dawson School visited the Commission and were encouraged to think about applying for a Fulbright after college.

2. Virtual College Fair 2013

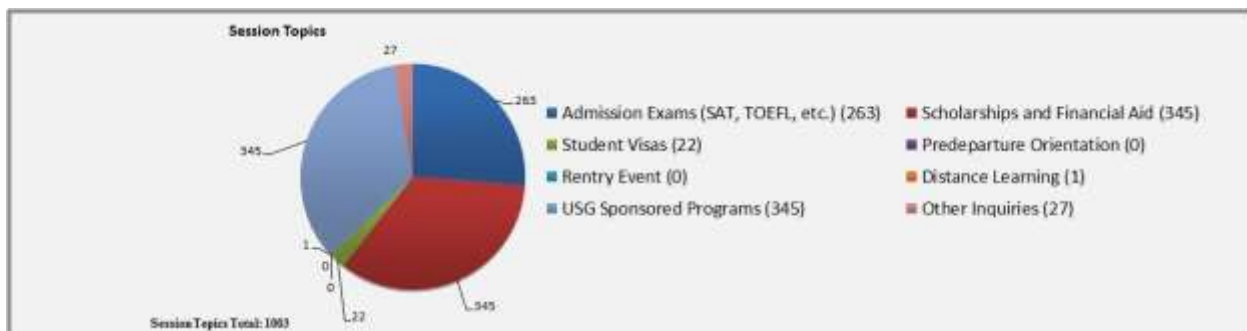
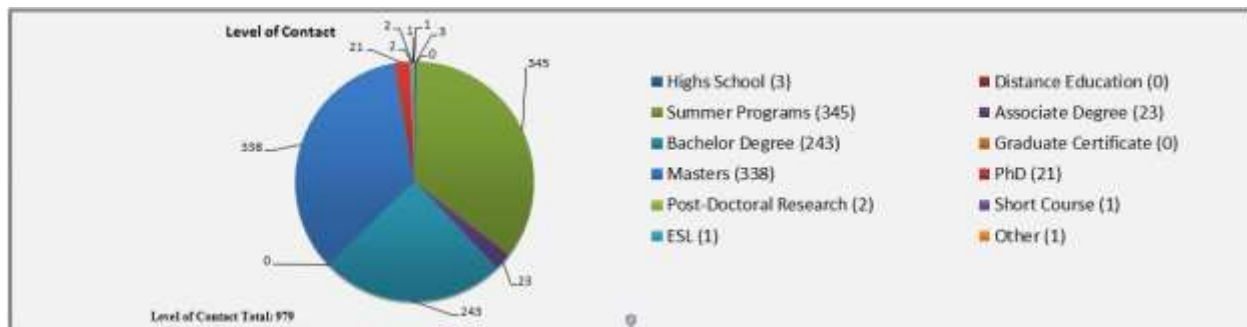
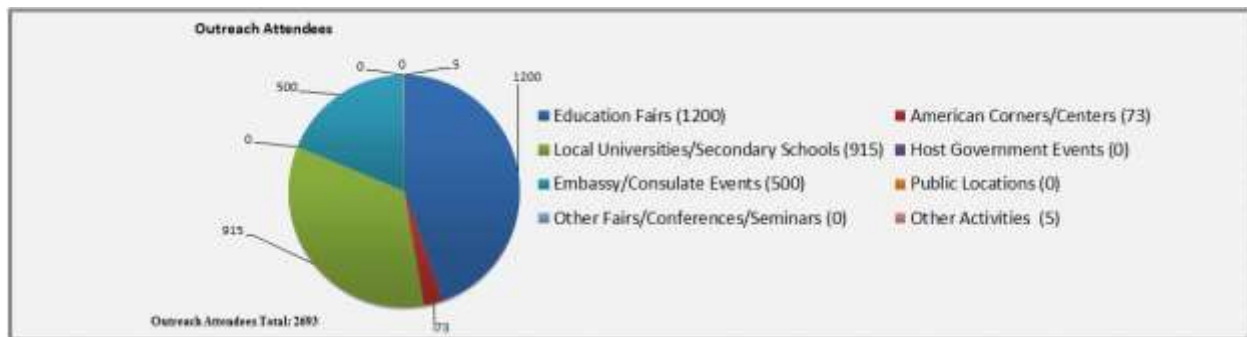
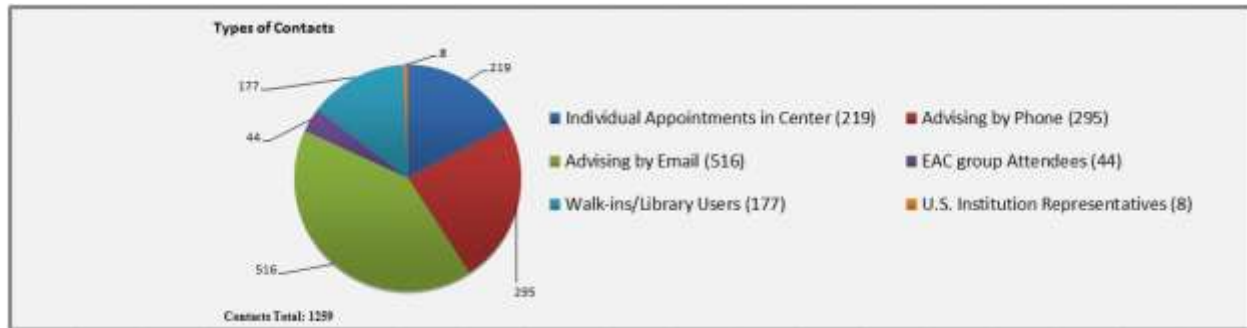
The Commission participated for the first time in the Virtual College Fair organized by EducationUSA. This is an exciting development, giving students the opportunity to “meet” representatives of approximately 100 US colleges and universities for chats and attend interactive online lectures. This type of event is perfect for the tech-savvy students of Iceland, since Icelanders are quick to embrace new technologies and the opportunities they afford. The Commission held an open house where people could watch lectures on a big screen. While this event was well-attended, the beauty of the virtual fair is, of course, that students can access it from anywhere on their computer, tablet, or smart phone.

3. College Day Reykjavik

Another exciting innovation in FY2013 was the new Scandinavian College Fair – Nordic Tour. Initially, the fair was planned for Denmark, Norway and Sweden, but after discussions between the College Council and the Commission, it was decided to add a fair in Reykjavik. This event was co-organized by the College Council and the Commission, with support from the US Embassy. In addition, the Commercial College of Iceland provided an excellent venue for the fair and AMÍS generously funded a reception in honor of the US college representatives who attended. Around 300 participants attended the fair, where they had the opportunity to meet with representatives of 17 US universities and listen to a wide variety of expert lectures on topics including Icelandic student loans for US study, acquiring a student visa, how to write a winning college application, and tips for applying to graduate school.



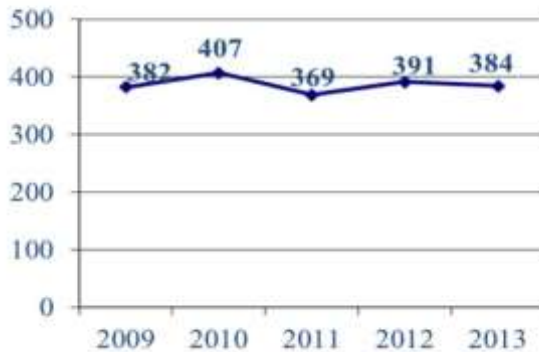
4. Advising statistics 2013



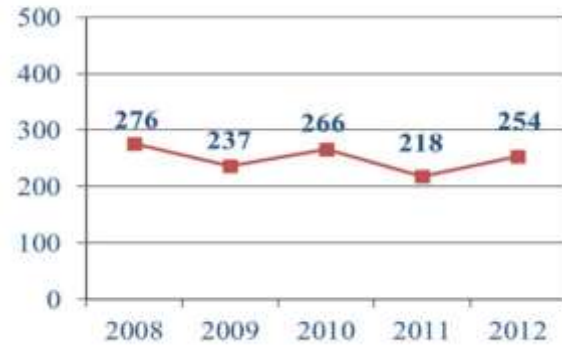
Website visitors: 6467

5. Education USA statistics on Iceland 2013

ICELANDIC STUDENTS IN THE U.S.



U.S. STUDENTS IN ICELAND



ICELANDIC STUDENTS IN THE U.S.

Year	Number of Students
2008/2009 academic year	382
2012/2013 academic year	384
5-Year % Change	+0.5%

Source: IIE Open Doors 2013

ICELANDIC STUDENTS BY LEVEL

Type of Program	%	Number	% Change (Over 5 years)
Undergraduate	42.4%	163	+27.3%
Graduate	40.4%	155	-28.6%
Non-Degree	6.5%	25	+31.6%
OPT	10.7%	41	+127.8%

Source: IIE Open Doors 2013

UNDERGRADUATE STUDENT BREAKDOWN*

Type of Institution	% of students
4-Year Institutions	89.7%
2-year Community Colleges	10.3%

*Degree-seeking students

U.S. STUDY ABROAD IN ICELAND

2010/2011 academic year	218
2011/2012 academic year	254
1-Year % Change	+16.5%

Source: IIE Open Doors 2013

III. ALUMNI ACTIVITIES

The Fulbright Alumni Association in Iceland (FFSI) is an important partner of the Fulbright Commission. Founded in 2008, the Association has from the outset played an active role in fostering a sense of community among grant recipients. Alumni Board meetings are generally held at the Commission office, and the ED sits in on meetings. The Alumni Board is chaired by Ragnhildur Sigurðardóttir, an ecologist who received her PhD from Yale University.



Annual meeting January 2013

Alumni activities in FY 2013 included the following events:

- The Alumni Association invited US grantees on an excursion to the Chairman's farm in South Iceland in October 2012. Grantees had an opportunity to see some of Iceland's spectacular rural environment, get to know Icelandic horses and sheepdogs, and enjoy a farmhouse meal.
- Three events were held under the Alumni Talk Series:
 - Dr. Árni Kristjánsson, psychologist, gave a talk on visual perception
 - Dr. Ewa-Elwira Klondowski, forensic anthropologist, discussed her work in the former Yugoslavia
 - Dr. Sigríður Kristjánsdóttir, PhD in urban planning, held a talk entitled "Reykjavik – planned or not"
- The Alumni Association hosted its annual Thanksgiving fundraising dinner in November 2012. Fulbright Board Member Bryndís Brandsdóttir was the keynote speaker. Guests enjoyed a traditional Thanksgiving meal, entertainment, and a raffle.
- The Annual Meeting was held in January 2013 at the Fulbright Commission.
- The Alumni Association cooperated with the Icelandic-American Business Forum to organize a 4th of July picnic.
- Alumni board member Guðmundur Ingi Guðbrandsson took part in the orientation session for incoming grantees.



Dr. Klondowski with ED and FFSI Chair



4th of July barbeque

In addition to these events, Alumni Board members participate in a number of Commission and Embassy activities each year.

IV. BOARD MEMBERS AND STAFF

1. Fulbright Board of Directors

Honorary Co-Chairs:

Katrín Jakobsdóttir, Minister of Education

Luis E. Arreaga, US Ambassador to Iceland

US Board members:

Timothy Spanos **Chairman of the Board**, Executive Director, Head of International Lending, Íslandsbanki

Marcy Brown **Treasurer**, Consular Officer, US Embassy

Jeffrey Sussman Head of Creditor Relations at Landsbanki Íslands hf.

Paul Cunningham Public Affairs Officer, US Embassy

Alternate:

Anne Benassi Musician and translator

Icelandic Board members:

Bryndís Brandsdóttir **Vice-Chairman of the Board**, Research scholar, Earth Institute, University of Iceland, Fulbright scholar

Margrét Jónsdóttir CEO of Mundo, PhD in Spanish literature, Fulbright scholar

Jóhannes Thórdarson Architect and Dean, Department of Design and Architecture, Iceland Academy of the Arts

Hellen Gunnarsdóttir Departmental Director, Ministry of Education

Alternate:

Ríkarður Ríkardsson Engineer, Director of Business Development, Landsvirkjun National Power Company

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 participating 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 April. Consultations took place between the ED and the Board between Board meetings as necessary.

Warm thanks go to Tim Spanos, Jeffrey Sussman, and Hellen Gunnarsdóttir, who left the Board at the end of FY2013. These individuals did a great job in their years with the Commission. While they will be sorely missed, they all remain strong allies and advocates of Fulbright.

2. Fulbright Staff

The Commission staff consists of the Executive Director and an adviser/administrative assistant, a position that was full-time for part of the year and then scaled down to part-time due to budgetary constraints. Sandra Berg Cepero, adviser/administrative assistant, left the Commission towards the end of FY2013. She was a valued staff member who made an important contribution to the many changes that have been implemented over the past couple of years. The Commission wishes Sandra success as she moves on to new challenges. With one month remaining in the fiscal year, Greta Ósk Óskarsdóttir, MA in literature stepped in as a temporary replacement.

As was noted last year, it should be reiterated that the Commission's goal is to return the advisor's post to a full-time, permanent position 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.



At the Fulbright lunch hosted by the Icelandic Embassy in Washington, DC

Conferences, meetings and training

In March, the ED attended a meeting of European Executive Directors, organized by the State Department in Washington, DC. She also met with officials from CIES and NSF. While the ED was in Washington, the Icelandic Embassy generously hosted a Fulbright luncheon at the Ambassador's residence, with Deputy Assistant Secretary of State Bay Fang, officials from the State Department, and Fulbright alumni living in the DC area.

The ED was also invited to visit Stony Brook University on Long Island, before heading to New York City for meetings at IIE. The ED used this opportunity to meet with the Icelandic Consul General in New York.

V. FINANCIAL INFORMATION

Below is the Financial Statement for FY2013, 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 Commission's accountant and 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.

"We must dare to think 'unthinkable' thoughts. We must learn to explore all the options and possibilities that confront us in a complex and rapidly changing world."

Senator J. William Fulbright

ICELAND - UNITED STATES
EDUCATIONAL COMMISSION

Financial Statement and Balance Sheet
for the Budget Year 2012 - 2013 (FY 2013)
Amounts are in ISK

March 2014

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Executive Director's report

In FY2013, the Icelandic government monetary contribution amounted to 14.5 million ISK, which was an increase of 2.5 million ISK, bringing the contribution up to pre-crash ISK levels (not USD levels). The US government monetary contribution decreased by 5% for the second year in a row, which brings the US government contribution to 221.113 USD. Both governments provide additional funding or in-kind contributions.

Grant commitments made in one year, may be paid out in the same fiscal year or they may be partially or wholly paid in the next fiscal year. For FY2013, the Commission awarded 6 grants to Icelandic graduate students, 5 Fulbright grants and 1 joint Fulbright-ÁMI grant to US students, 1 grant to an Icelandic scholar and 3 grants to US scholars. In addition, 1 Icelandic scholar received a scholar-in-residence grant and 1 Icelandic student received a Boas award. In FY2012, the Commission awarded 6 Fulbright grants to Icelandic graduate students, 5 Fulbright grants and 1 joint Fulbright-ÁMI 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.

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 these are generally negligible and in balance. Expenditures are in line with income, when taking into account the cash balance existing at the beginning of the fiscal year. This cash balance was more than sufficient to off-set the slight income deficit. Revenue of the fiscal year from October 1, 2012 to September 30, 2013 amounted close to 46 million ISK, but funds on hand amounted close to 10.5 million. With expenditures just under 47 million ISK, the balance sheet shows funds on hand at the end of year to be approximately 9.6 million ISK.

An important innovation in this year's financial statement is the inclusion of non-cash contributions, which are received by domestic parties, both governmental and non-governmental. For FY2013 this includes both a grant from the Árni Magnússon Institute for Icelandic language studies and other in-kind contributions from the public and private sectors. This allows the financial statement to better reflect actual financial value. This innovation is being introduced through consultations with the State Auditor and only contributions that are verifiable and quantifiable are included. This accounting for non-cash contributions may be expanded in the future.

However, there are still important contributions, which are not part of the financial statement. These substantial awards are part of the Commission's grant programs, but funds do not go through the Commission, but directly from the institution involved to the student/scholar. Furthermore, various in-kind (non-cash) contributions made to the Commission are not at this time authorized for inclusion in the financial statement. These contributions, which are denominated in USD, add up close to 40 thousand USD, or approximately 5 million ISK. 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 not included in the annual accounts, limited to direct contributions that are quantifiable. (Various additional indirect benefits can be attributed to the Fulbright Program, but are not included here, as they are not easily quantifiable or verifiable). The figures below are documented, but are not part of the accounts, so they are set forth under my sole responsibility.

Non-cash contributions not included in the financial statement	ISK	USD
Visas for Icelandic students		1.440
Boas award		30.000
Gateway seminar		3.311
Fulbright student seminars		4.800
Scholar-in-Residence award		11.872,50
Total non-cash contributions		51.424

As Executive Director of the Fulbright Commission in Iceland, I hereby confirm and accept the financial statements for FY 2013.

March 21, 2014



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 2013, 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 2013, 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 21, 2014



Sveinn Arason,
Auditor general.

Iceland - United States Educational Commission

INCOME STATEMENT

October 1 2012 - September 30 2013

	FY 2013 ISK	FY 2012 ISK
Revenues:		
Allocation, US government.....	28.721.663	14.135.156
Allocation, Icelandic government.....	14.500.000	14.500.000
Other contributions.....	2.540.267	2.590.912
Total revenues:	<u>45.761.930</u>	<u>31.226.068</u>
Expenditures:		
Program costs, Scholar program.....	5.439.084	8.886.326
Program costs, Student program.....	20.910.900	20.015.646
Salary and salary related costs.....	13.234.036	12.787.754
Rent and utilities.....	3.043.960	2.932.510
Services.....	1.141.474	879.240
Equipment and furniture.....	0	1.722.743
Supplies.....	218.698	420.392
Travel, training and transport	807.714	431.018
Communication and PR.....	496.881	449.615
Grant supporting activities.....	1.641.708	1.023.339
Total expenditures:	<u>46.934.455</u>	<u>49.548.583</u>
Income (deficit) before interest expense/revenue	(1.172.525)	(18.322.515)
Interest revenue.....	143.817	54.231
Exchange rate profit/loss.....	185.971	1.895.665
Income for the year	<u>(842.737)</u>	<u>(16.372.619)</u>

NON-CASH CONTRIBUTIONS

October 1 2012 - September 30 2013

	ISK
Rent discount.....	442.377
Auditing services	480.000
Government grant for Icelandic studies, Árnastofnun.....	912.000
Total non-cash contributions	<u>1.834.377</u>

Iceland - United States Educational Commission

BALANCE SHEET

September 30 2013

	FY 2013 ISK	FY 2012 ISK
Assets		
Cash (USD)	4,499,458	710,092
Cash (ISK).....	5,480,942	10,235,066
	<u>9,980,400</u>	<u>10,945,158</u>
Trust account		
Alumni - Trust account.....	<u>275,692</u>	<u>265,658</u>
Total Assets	<u>10,256,092</u>	<u>11,210,816</u>
Liabilities		
Income-tax deduction	270,177	464,992
Pension fund deduction.....	138,200	65,406
	<u>408,377</u>	<u>530,398</u>
Trust account		
Alumni - Trust account.....	<u>275,692</u>	<u>265,658</u>
Equity		
Funds on hand October 1.....	10,414,760	26,787,379
Income for the year.....	(842,737)	(16,372,619)
Funds on hand September 30.....	<u>9,572,023</u>	<u>10,414,760</u>
Total Liabilities and Equity	<u>10,256,092</u>	<u>11,210,816</u>

Iceland - United States Educational Commission

STATUS OF FUNDS REPORT

For Quarter ending: September 30 2013

		2013 ISK
1.	FUNDS ON HAND OCTOBER 1 2012.....	10.945.158
	-Current liabilities	-530.398
		10.414.760
2.	RECEIPTS: CURRENT FISCAL YEAR	
A.	Current Quarter Receipts:	
	1. Received from U.S. Mission.....	0
	2. Host Government Contribution.....	7.250.000
	3. Other Contributions.....	390.678
	4. Other Funds received.....	0
	5. Interests on Deposits.....	0
	6. Exchange fluctuation.....	-244.921
	Total Received Current Quarter	7.395.757
B.	Total Previous Quarter receipts:	
	1. Received from U.S. Mission.....	28.721.663
	2. Host Government Contribution.....	7.250.000
	3. Other Contributions.....	2.149.589
	4. Other Funds received.....	0
	5. Interests on Deposits.....	143.817
	6. Exchange fluctuation.....	430.892
	Total Received Previous Quarter	38.695.961
C.	Total Funds Received Current Fiscal Year	46.091.718
3.	DISBURSEMENT: CURRENT FISCAL YEAR	
A.	Current Quarter Disbursement	
	1. Administration.....	451.684
	2. Counseling.....	4.497.040
	3. Grant supporting activities.....	414.500
	4. Program.....	14.980.692
	Total Disbursement Current Quarter	20.343.916
B.	Total Previous Quarters:	
	1. Administration.....	11.200.629
	2. Counseling.....	2.793.410
	3. Grant supporting activities.....	1.227.208
	4. Program.....	11.369.292
	Total Disbursement Previous Quarter	26.590.539
C.	Total Disbursement to Date	46.934.455
4.	FUNDS ON HAND SEPTEMBER 30 2013.....	9.980.400
	-Current liabilities.....	-408.377
		9.572.023

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.
2. The accounts are based on cash accounting.
3. The bank balance as per statement from Íslandsbanki hf., account no. 560169, has been verified at September 30 2013 as ISK 5.480.942 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 2013 USD 37.164,1, or ISK 4.499.458 (exchange rate booked at daily rate of 121,07).
5. There is no petty cash.
6. The Icelandic government contribution for 2013, of 14,5 million ISK, was paid in two installments, in April and July. The US government contribution, which for FY 2013 was 221,113 USD, becomes available in the latter part of the fiscal year, so the Commission must have available funds from the previous year to cover expenses. Thus, US funding from FY2012 was used in FY2013.
7. Other contributions refers to an allocation from EducationUSA for 16.500 USD, as well as small contributions received for specific tasks the commission was asked to undertake.
8. Alumni - Trust account: This account is kept in trust for the Alumni Association. The funds do not belong to the Fulbright Commission.
9. 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.

US Scholars	4.116.714
Icelandic Scholars	970.240
US Students	9.977.100
Icelandic students	10.933.800
Other grant programs	352.130
10. Non-expendable property is insured for ISK 7.053.459 (fire, burglary, etc.) from July 1 2013 to June 30 2014. Insurance is renewed annually.
11. 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 and renewed annually.
12. Ratio of administrative costs to grant costs:

	IKR.	%
Grants and grant supporting activities	27.991.692	60%
Administrative costs	18.942.763	40%
Total costs	<u>46.934.455</u>	<u>100%</u>

Inventory of non-expendable property

Nr.	Items	Purchase year	Original price ISK	Depreci- ation	Current ISK Value
					30/09/2013
20	Meeting chairs	2012	762.950	10%	686.655
2	Office computer equipment	2012	350.354	10%	315.319
1	Laptop	2012	306.266	10%	275.639
1	Desk in Director's office	2012	238.163	10%	214.347
1	Lecturn	2012	65.000	10%	58.500
1	Projector	2011	148.000	40%	88.800
2	Office Desks	N/A	N/A	Full	0
1	Tapestry	N/A	N/A	Full	0
1	Chair in Director's office	N/A	N/A	Full	0
2	Office Swivel Chairs	N/A	N/A	Full	0
1	Teak 6 place table	N/A	N/A	Full	0
1	Teak 8 place table	N/A	N/A	Full	0
14	Table chairs	N/A	N/A	Full	0
3	Book cases	N/A	N/A	Full	0
1	Office Shredder	N/A	N/A	Full	0
	Kitchen crockery and cutlery	N/A	N/A	Full	0
1	Automatic Coffee pot	N/A	N/A	Full	0
1	Microwave oven	N/A	N/A	Full	0
1	Telephone System w. 2 phones	N/A	N/A	Full	0
4	File Cabinets	N/A	N/A	Full	0
1	Framed Map of Iceland	N/A	N/A	Full	0
1	ADSL router / modem	N/A	N/A	Full	0
2	Printers	N/A	N/A	Full	0
Total			1.870.733		1.639.260

Footnotes:

A new system of inventory has been 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.