



Annual Report FY 2011

Continuity and Change

1 October 2010 – 30 September 2011



American grantees 2010-2011 with Fulbright Commission staff

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MESSAGE FROM THE EXECUTIVE DIRECTOR

FY 2011 was a year of considerable change within the Fulbright Commission in Iceland. I was appointed halfway through the year, and a new adviser was hired towards the end of the fiscal year. Thus we had a staff turnover of 100%. Fortunately, the Commission has a strong foundation, and it was my goal from the start to maintain the great work done by my most recent predecessor and those who came before, while also bringing in some new innovations and ideas to further strengthen the Commission.

When I was appointed Executive Director in March 2011, I knew I was joining an amazing and vibrant organization. The importance of fostering the ideals embodied by the Fulbright Program is no less important today than it was when the Program was launched in 1946 and when the Commission was established in Iceland in 1957. As the US flagship for educational and cultural exchange, Fulbright provides wonderful opportunities and fosters relations between Iceland and US on many different levels and in a variety of fields.

Around the world, Fulbright is synonymous with academic excellence and personal and professional achievement, but it is also about open-mindedness, diversity, and a strong sense of responsibility towards our fellow man and our planet. Since I took office, I have found our grantees – American and Icelandic, students and scholars – to personify these ideals and embrace them. I have come to understand in my short time here that this is what makes being involved with Fulbright so satisfying.

The opportunities provided through Fulbright for students, scholars, and artists are invaluable. American grantees who come to Iceland add much-needed diversity to society and foster life-long ties between individuals and institutions. I am astonished at the vast array of exciting projects they undertake here in Iceland. Last year each American grantee was visited on average by ten additional friends and family members from the US, so there is also a significant multiplier effect. As for Icelanders, it is no exaggeration to say that the Commission plays a vital role in assisting those who are interested in studying and doing research in the US. The Commission is the only EducationUSA advising center in Iceland and is the only place providing comprehensive advising on US education opportunities. In FY 2011, the Commission dealt with over 2,700 inquiries and reached 700 students through outreach. Furthermore, many of our excellent grantees would not have been able to choose the US and Iceland as a study or research destination without the help of a Fulbright grant. The Icelanders who receive Fulbright grants are amongst the top students and academics the country has to offer. Thus both Iceland and the US derive enormous long-term benefits from their cooperation through the Fulbright Program.

For these reasons, it is crucial that both governments continue to work together to ensure the long-term viability of the Commission. The Fulbright Program has been going strong in Iceland for over 50 years. We must be ever-vigilant, maintain a long-term approach, and not give in to

short-term perspectives that could threaten the program in Iceland, to the detriment of both countries.

We must also ensure that the work of the Commission evolves with the ever-changing times, so that we can continue to fulfill the needs of our various stakeholders. During my first six months on the job, I focused on laying a strong foundation for the future development of the Commission. Work was done to update various office procedures to facilitate future work. An example of this is the MoU signed with the Directorate of Immigration last summer, which clarifies and spells out procedures for the processing of temporary residence permits for American grantees. Towards the end of the year, advising services were expanded to meet need more effectively. This annual report is also an innovation in the work of the Commission. This is the first comprehensive annual report to be published, providing an overview of Commission activities for the fiscal year. It will be available on the Commission website and sent to various partners, both in Iceland and the US. This is an effort to increase transparency, which I believe is essential to the work of any organization receiving public funds.

I would also like to highlight an exciting development last fall – the installation of a new lecture room in our office space, allowing the Commission to do on-site presentations and group advising, as well as host lectures and talks. Among other things, this allowed us to develop a new orientation session for incoming US grantees, the first one taking place in September 2011. The orientation consisted of a half-day of lectures on Icelandic society, as well as an information session with the US Embassy. The new orientation session was a big hit with grantees and will now be a permanent fixture on our grantee event calendar.

During my first months, I had the opportunity to visit Icelandic universities and engage with these important partners. My first visit was to Bifröst's International Day in April, but in September I visited Bifröst, Hvanneyri, Hólar, the University of Akureyri, and the University of Iceland, where I met both with faculty and students and gave presentations on the Fulbright Program and educational opportunities in the US.

I would like to use this opportunity thank US Ambassador Luis Arreaga, Minister of Education Katrín Jakobsdóttir, the Fulbright Board, the Alumni Association, outgoing Fulbright staff, and last but not least, our fabulous American and Icelandic grantees for a successful FY2011 and for all their help during my first months on the job.



Belinda Theriault

LETTER FROM THE CHAIRMAN OF THE BOARD

The year 2011 was a year of change for the Fulbright Commission in Iceland.

The Board bid a fond farewell to outgoing Executive Director, Lára Jónsdóttir, as she announced to the board that she would be leaving at the start of the year. Lára did a tremendous job during her ten years at the helm of the Fulbright Commission and she is wished the best for her future endeavors. Similarly, the Academic Advisor, Hjördís Bjartmars Arnardóttir, left the commission after four very good years in the position.

There were three outgoing Board Members, one in spring 2011, Hallbjörn Karlsson, and two who left at the end of the fiscal year, Erla Björk Atladóttir and Margrét Hilmisdóttir. The Board likewise thanks them for their contributions during their tenure.

The Commission has emerged strongly following these changes.

In February, the Board engaged Belinda Theriault as Executive Director. Belinda previously worked as Director of the International Department at the Parliament of Iceland and has been awarded three grants and a prize for business innovation for her work on an innovation project in Iceland.

In August, the Commission engaged Sandra Berg Cepero as Educational advisor. Sandra had worked previously at the Icelandic University of Education (KHÍ) and the University of Iceland, both in the Rector's office and the Árni Magnússon Institute.

One new member joined the Board in FY 2011, Margrét Jónsdóttir, a former Fulbright grant recipient with a PhD from Princeton University in Spanish language and literature.

The board established in 2011 three priority objectives for the Commission:

1. Improving the financial condition.
2. Develop additional links into Universities (i.a. increasing annual pool of applicants and diversifying fields from which they apply)
3. Alumni outreach

In a time of considerable fiscal consolidation in both the US and Iceland, funding has become a significant priority for the Fulbright Commission. The Board is dedicated to supporting the Executive Director in achieving this objective and the Commission has made some significant progress towards this priority during the year.

The Board is very grateful to the Ministry of Education for the Ministry's commitment to increase its contribution for FY2012 to ISK 12 million. The Commission is also very thankful for the efforts of the US Embassy and US Ambassador Arreaga for its strong support of the Commission in promoting its continued operations.

Efforts towards securing additional sources of funding included developing initiatives with the private sector and other sources. In this respect, the Commission made significant effort in engaging stakeholders, including the Ministry of Foreign Affairs, the Parliament Education Committee and Board of the Fulbright Alumni Association.

Progress has been made in developing the Commissions ties to universities. This has included work with both US college representatives visiting Iceland, outreach to universities and upper secondary schools in Iceland in promoting the Fulbright Program and visits to universities outside of Reykjavik.

Alumni relations have been further pursued notably with the successful launch of the Alumni Talk Series in collaboration with the Fulbright Alumni Association. Work with the Alumni Association also ties in with the board's funding objectives, with such funding events such as the Thanksgiving Dinner, and the Commission is supportive of the Alumni Association's efforts in this regard.

Finally, the Board implemented a reporting framework for the Executive Director with the goal of tracking progress towards achieving the priorities it set out for the Commission.



Jeffrey Sussman,
Chairman of the Board FY2011

I. PROGRAM IMPLEMENTATION AND ACTIVITIES

The Commission boasts a robust grant program, including 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 Board puts much effort into the selection of grantees, which is done in cooperation with the Fulbright Scholarship Board in Washington, D.C.

Grantees 2011

Icelandic students	Field	Home	Host
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
Icelandic scholars			
Dr. Ólöf Garðarsdóttir	History	University of Iceland	University of Minnesota
Dr. Hólmfríður Garðarsdóttir	Literature	University of Iceland	Georgetown University
US students			
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
US scholars			
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
US specialists			
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

N.B: The cost of specialist grants is borne directly by CIES, so they do not show up on the Commission financial statement, although they provide an additional value of approximately USD 3,500 per specialist visit.

Grantees 2010

Icelandic students	Field	Home	Host
Agla Friðjónsdóttir	M.Sc. Engineering	Reykjavik University	University of Southern California
Andri Egilsson	Ph.D. Math	Reykjavik University	Carnegie Mellon, Pittsburgh
Berglind Hólm Ragnarsdóttir	Ph.D. Sociology	University of Iceland	Suny, Stony Brook, NY
Egill Tómasson	Ph.D. Engineering	University of Iceland	Boston University
Ívar Snorrason	Ph.D. Psychology	University of Iceland	University of Wisconsin
Magnús Þór Snæbjörnsson	Ph.D. History	University of Iceland	San Francisco State University
BOAS award			
Sigríður Rut Júlíusdóttir	Law	At large	Harvard University
Icelandic scholars			
Árni Heimir Ingólfsson	Musicology	Iceland Symphony Orchestra	Boston University
Inga Dóra Sigfúsdóttir	Sociology	Reykjavik University	Columbia University
Magnús Gottfreðsson	Medicine	University of Iceland	Fogarty Intern Center/Nat Instit of Health
Magnús Tumi Guðmundsson	Earth Sciences	University of Iceland	University of Hawaii
US students			
Andrea L. Sisson	Design	University of Cincinnati, OH	Sruli Recht
Nathan Hall	Music Composition	Carnegie - Mellon	Iceland Academy of the Arts
Nicholas B. Sepulveda	History	Juniata College, PA	University of Iceland
Nicole Susanne Pietrantoni	Painting and print	University of Iowa	Iceland Academy of the Arts
Robert Lynch	Anthropology	Rutgers University	Decode Genetics, Reykjavik
Thomas Robert Benson	Geology	At-Large, Massachusetts	Ísor Reykjavik
US scholars			
Dr. Jyl Josephson	Political Science	Rutgers, Newark, NJ	University of Iceland
Dr. Kristin Jonina Taylor	Music	Waldorf College, Forest City, IA	Iceland Academy of the Arts
Dr. Martha Kean Raynolds	Geobotany	University of Alaska, Fairbanks	Iceland Institute of Natural History

“In the long course of history, having people who understand your thought is much greater security than another submarine”.

J. William Fulbright

Summary of Grant-Supporting Activities

Events for Icelandic grantees

In spring 2011, two orientation meetings were held for grantees leaving for the US for the 2011-2012 academic year, one in March and one in May. The Commission also hosted a reception for Icelandic grantees at the National Culture House on June 28th. The reception was attended by Icelandic grantees and their guests, the US Ambassador, the Fulbright Board, the Alumni Board, and American grantees.



An Icelandic grantee receiving her award at the Fulbright reception



Icelandic grantees with US Ambassador Luis Arreaga at a reception hosted by the Fulbright Commission

Three Icelandic students participated in the Gateway orientation program sponsored by the US State Department in August/September 2011 at various locations in the US. 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. The cost of this program does not show up on the Commission financial report, but it adds a value of approximately USD 1,000 per participating student.

Orientation and enrichment activities for American grantees

In February 2011, Commission ED Lára Jónsdóttir took American grantees 2010-2011 on a trip to North Iceland to cheer on a Fulbrighter who was defending his master's thesis at the University of Akureyri. The group visited Akureyri and took a tour of the Mývatn area.

In September, the Commission inaugurated its new lecture room, holding a half-day orientation session for newly arrived American grantees. The event started off with grantees being introduced to Icelandic crêpes and the art of eating them.



Newly arrived American grantees with Embassy and Fulbright staff at the September 2011 orientation.

After words of welcome from Commission ED Belinda Theriault and a brief introduction of each grantee, the Commission gave an overview of practical information for grantees. Fulbright Board Member Kristyna Rabassa from the US Embassy gave an introduction to the work of the Embassy. Belinda gave a talk on Icelandic society and culture; Ragnhildur Sigurðardóttir, Chairman of the Alumni Board, gave a talk on Icelandic nature; and Alda Rose Cartwright, student at the Icelandic Academy of the Arts, gave grantees the inside scoop on the artistic scene in Iceland. After the session, participants enjoyed a typical Icelandic meal at a local café.

OTHER COMMISSION ACTIVITIES – 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 prestigious 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 will have demonstrated a commitment to American values and culture and will have effectively communicated these values to Icelanders by his or her actions and leadership. The recipient is selected bi-annually by the Board of Directors of the Fulbright Commission.



Ambassadors Cobb and Arreaga, with award winner Bert Hansen

In 2011, the Board decided to open the nomination process up to the public, and a nomination form was made available on the Commission website. After receiving and reviewing a number of nominations, the Board decided to bestow the award upon Bert Hansen, the founder of IceAm, a major company in Iceland. Bert has spent the past 46 years fostering relations between Iceland and the United States. As a business leader, he has played an important role in the development of trade between the two countries, building strong and long-lasting relationships and introducing innovative business ideas.

US Ambassador Luis Arreaga hosted a lovely reception to honor the award recipient. Speeches were made by Ambassador Arreaga, Ambassador Cobb, and the Fulbright Commission ED, as well as Mr. Hansen.

II. ADVISING AND OUTREACH ACTIVITIES

Advising activities

The Fulbright EducationUSA adviser took part in three education fairs, one at the Commercial College of Iceland, an upper secondary school in Reykjavik, in October 2010, another at the University of Iceland in November 2010, and the third at Reykjavik Univers-



Students visit the Fulbright table at an education fair

ity in February 2011. In addition, the adviser gave a talk at Borgarholtsskóli, an upper secondary school in Reykjavik, in March 2011.

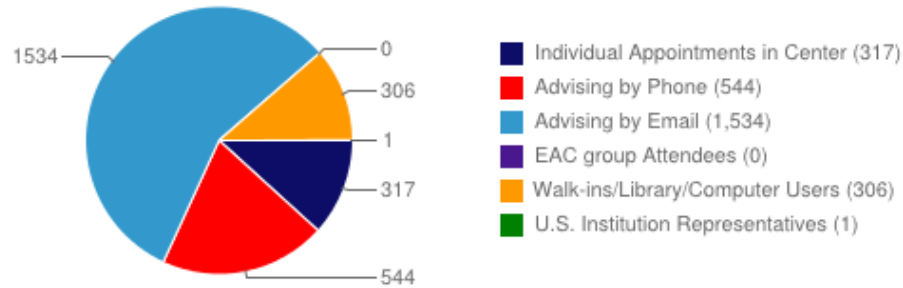
The advising center was open two afternoons a week for most of the year. In September the opening hours were expanded to include one morning as well. This was necessary in order to meet the demand for advising services more effectively. Telephone and e-mail inquiries are answered on a daily basis, to the extent possible. The 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.

Outreach

The ED took part in the International Day at Bifröst University in April 2011. In September 2011, she visited universities outside Reykjavik, 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. The ED also visited the University of Iceland in September. During these visits, she gave general talks on graduate education opportunities in the US and on Fulbright grant opportunities.

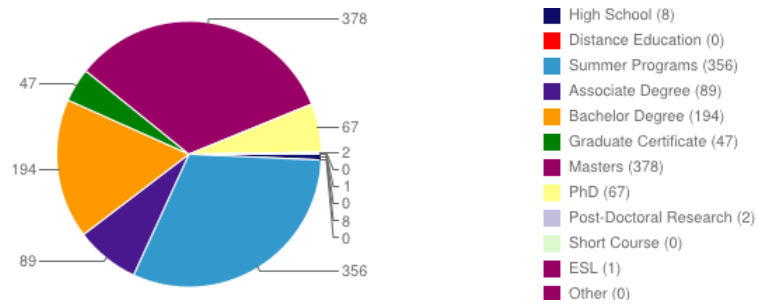
Advising statistics

Type of contact



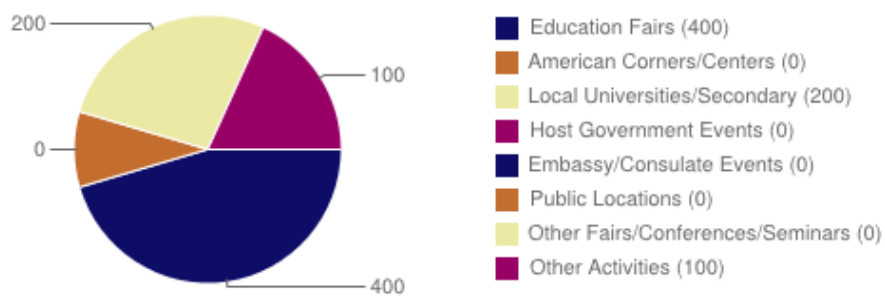
Contacts Total: 2,702

Level of contact



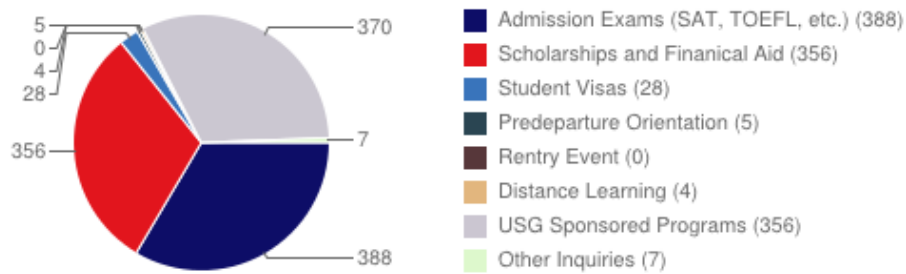
Level of Contact Total: 1,142

Outreach



Outreach Attendees Total: 700

Topics



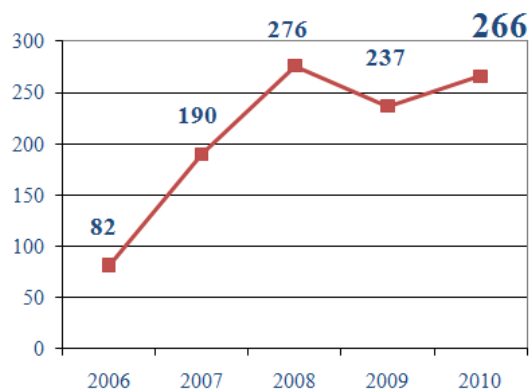
Session Topic Total: 1,158

Website Hits/Visitors	6,468
Promotional Items (e.g., bags, pens, etc.) distributed	42
Print Materials (e.g., posters, brochures) distributed	1,458

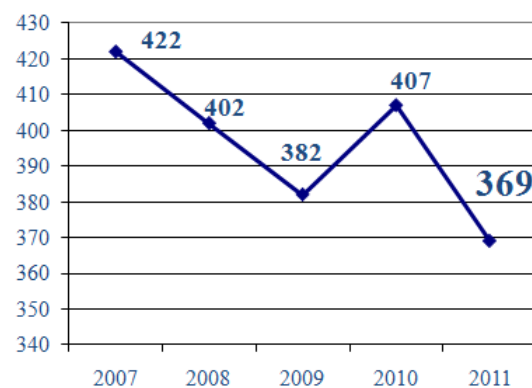
EducationUSA statistics on Iceland 2011



US students in Iceland



Icelandic students in the US



ICELANDIC STUDENTS IN THE U.S

Year	Number of Students
2006-2007 academic year	422
2010-2011 academic year	369
% Change (2007-2011)	-12.6%

Source: IIE Open Doors 2011

US STUDY ABROAD IN ICELAND

Year	Number of Students
2008-2009 academic year	237
2009-2010 academic year	266
% Change (2007-2011)	+12.2%

III. ALUMNI ACTIVITIES

The Fulbright Alumni Association in Iceland is an important partner of the Fulbright Commission. The Association is young, founded in 2008, but has from the outset played an active role and worked closely with 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 2011 included:

- The Alumni Association hosted its annual Thanksgiving fundraising dinner in November.
- The Annual Meeting was held in January 2011.
- The Board organized a farewell event for the outgoing Commission ED in February.
- The Board co-organized 4th of July festivities, along with Icelandic-American Business Forum.
- The Chairman gave a talk on Icelandic nature at the orientation session for incoming American grantees in September.
- The Chairman visited the Norwegian Alumni Association when she was at a US-sponsored sustainability conference in Norway.
- In addition, Alumni Board Members participate in a number of Commission and Embassy activities each year.



Members of the Alumni Association enjoy the Thanksgiving event

IV. BOARD MEMBERS AND STAFF

Fulbright Board of Directors

Honorary Co-Chairs:

Luis E. Arreaga, US Ambassador to Iceland

Katrín Jakobsdóttir, Minister of Education (Svandís Svavarsdóttir, Acting Minister of Education, took over during the Minister's maternity leave in spring 2011 and served until the end of the FY.)

US Board members:

Jeffrey Sussman	Chairman of the Board , Banker at Landsbanki Íslands hf.
Kristyna Rabassa	Treasurer , Consular Officer, US Embassy
Timothy Spanos	Managing Director of Glacier Securities
Laura Gritz	PAO, US Embassy
Anne Benassi	Musician and translator

Icelandic Board members:

Unnur Dís Skaptadóttir	Vice Chairman of the Board , Professor of Anthropology, University of Iceland
Margrét Hilmiðsdóttir	Consultant
Erla Björk Atladóttir	International coordinator, Office of International Education
Bryndís Brandsdóttir	Research scholar, Earth Institute, University of Iceland
Hallbjörn Karlsson	Investor and businessman (until April 2011)
Margrét Jónsdóttir	Director, International Department, Reykjavik University (from April 2011)

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 applications and interview candidates, work on *ad hoc* committees that may be set up for specific tasks, and 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 six times during the year: in October, November, December, February, March and May. In addition to its regular work, the Board undertook the hiring of a new ED, which necessitated an unusually large number of meetings. Consultations take place between the ED and the Board between Board meetings as necessary.

Warm thanks go to Hallbjörn Karlsson, Erla Björk Atladóttir, and Margrét Hilmysdóttir, who left the Board after years of dedicated service.



Board members Jeff Sussman (chairman), Laura Gritz and Tim Spanos at Fulbright events

Fulbright Staff

Generally, the Commission has had two staff members, an Executive Director and an adviser/administrative assistant. During the 2011 fiscal year, the adviser/administrative assistant only worked part-time due to budgetary constraints. This is insufficient for the long term if the Commission is to provide an adequate level of service and fulfill its commitments vis-à-vis the contracting parties. It should be noted that, in addition to the work highlighted in this report, a substantial amount of staff time is spent on important and essential administrative work not visible to the outside eye.

FY 2011 was a year of staff turnover at the Commission. Lára Jónsdóttir served as Executive Director for the first half of FY2011. After 10 years of service to the Commission, she left to pursue other interests in March 2011. Belinda Theriault was hired through a competitive hiring process as the new Executive Director. She holds an MA in International Relations from Johns Hopkins SAIS and an MBA from Reykjavik University. She also has a long and successful career in public service.

Hjördís Bjartmars Arnardóttir worked as adviser and administrative assistant for most of FY2011, leaving at the end of August to pursue further studies. She was replaced on 1 September by Sandra Berg Cepero, who holds an MS in International Business from Florida International University. She has considerable prior experience working in the university sector, which will be an asset to the Commission.

Both Lára and Hjördís are thanked for their dedication to Fulbright over the past years.

Conferences and training

In April, the ED attended the Fulbright Workshop for Financial Officers in Amsterdam. The meeting was attended by European EDs and Financial Officers, as well as representatives from the US State Department, totaling 32 participants from 23 countries. The purpose of the meeting was threefold:

1. to allow European Fulbright Commissions to exchange information and learn from each other;
2. to standardize certain accounting practices to ensure that comparisons are meaningful;
3. to provide feedback to the US DoS on US procedures and reporting requirements, with a view to maximizing efficiency and transparency and minimizing undue burden.

Iceland gave a presentation on its financial practices, and the ED took a seat on an *ad hoc* committee tasked with reviewing the Fulbright Manual for Bi-national Commissions.



With Ambassador Hjalmar W. Hannesson at the Icelandic Embassy

The ED made a mandatory visit to Washington, DC and New York in June 2011 to meet with ECA, CIES and IIE officials. The visit gave the new ED the opportunity to get to know colleagues and confer with them, exchange information and views on all aspects of the work of the Fulbright Commission, and gain a better understanding of the various requirements that commissions must fulfill vis-à-vis the US

government. In addition, meetings were held with the Icelandic Ambassador in Washington, a colleague at the American-Scandinavian Foundation in New York, and a representative of the Thor Thors Scholarship Fund. The DoS Program Officer for Iceland, Linda Duncan, accompanied the ED throughout the visit.

The ED attended a Fulbright workshop in Vienna in September. The workshop was centered on programs both for US and foreign grantees. The purpose of the workshop was to allow European Fulbright Commissions to share best practice, discuss relevant issues with US officials, and gain a better understanding of various processes and procedures. The ED did a presentation on the MoU that had then recently been completed with the Icelandic Directorate of Immigration, an innovation received with interest by other participants. The Fulbright Commission in Iceland is looking at a number of innovations based on information received at the workshop.

V. FINANCIAL INFORMATION

Below is the Financial Statement for FY2011, 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 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 the 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.

US government funding for FY2011 totaled USD 245,000. The Icelandic government funding was ISK 10.6 million. In addition to regular government contributions, the Commission received additional funding from EducationUSA totaling USD 16,425. Furthermore, the Commission received Central Funds from ECA to fund one additional US student in the arts field. Various other activities add value to the program as well, although funding does not go through the Commission. As is mentioned earlier in this report, three Icelandic students took part in the IIE Gateway orientation program for foreign students commencing graduate studies in the US, adding approximately USD 3,000 value. The Specialist Program, funded directly by IIE, added another USD 7,000 of value, through visits of two specialists to Iceland during the fiscal year.

ICELAND - UNITED STATES
EDUCATIONAL COMMISSION

Financial Statement and Balance Sheet
for the Budget Year 2010 - 2011 (FY 2011)
Amounts are in ISK

April 2012

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Executive Director's report

The Fulbright Commission in Iceland operates according to a bilateral agreement between the governments of Iceland and the United States.

The Icelandic Fulbright Commission's mission is to promote and increase mutual communication and exchange between the peoples of Iceland and the United States in the fields of education and research. The commission's role is twofold: to award grants for study, research and teaching, to Icelandic and American students and scholars and to distribute information to the public about educational opportunities in the U.S., in part by maintaining a specialized reference library, a website and social media presence and through personalized advising services.

For the academic year 2010-2011 the commission awarded 6 grants to Icelandic students to go to the U.S. for graduate studies, 6 grants to American students to study in Iceland, 4 scholar grants for Icelanders to do research in the U.S. and 3 scholar grants to Americans to do research or teach in Iceland. For the academic year 2011-2012, the Commission awarded 5 grants to Icelandic graduate students, 6 grants to U.S. graduate students, 2 to Icelandic scholars and 3 to U.S. 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, not outstanding income or debt. This explains the disparities between years. The net income of the fiscal year from October 1, 2010 to September 30, 2011 amounted to ISK over 14,6 million ISK according to the income statement. Assets amounted to just under ISK 27 million, while liabilities were negligible and funds on hand amounted to ISK 26,7 million, according to the balance sheet September 30, 2010. These funds will be used to ensure sufficient cash flow in the first half of FY2012, when outgoing funds far exceed incoming funds.

Reykjavík, April 30 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 2011, as listed in the table of contents. This financial statement is the responsibility of the commission's board. 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 2011, 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, April 30 2012



Sveinn Arason,
Auditor general.

Iceland - United States Educational Commission

INCOME STATEMENT

October 1 2010 - September 30 2011

	2011 ISK	2010 ISK
Revenues:		
Allocation, US government.....	47.845.732	33.230.060
Allocation, Icelandic government.....	10.600.000	11.600.000
Other government contributions.....	635.554	1.801.240
Total revenues:	<u>59.081.286</u>	<u>46.631.300</u>
Expenditures:		
Program costs, Scholar program.....	6.301.110	9.664.395
Program costs, Student program.....	20.981.976	22.410.494
Salary and salary related costs.....	10.462.109	9.997.394
Rent and utilities.....	3.325.315	3.289.469
Services.....	1.668.469	2.217.253
Equipment and furniture.....	148.078	0
Supplies.....	413.782	547.805
Travel, training and transport	1.382.107	960.728
Communication and PR.....	713.290	696.086
Grant supporting activities.....	484.528	0
Total expenditures:	<u>45.880.764</u>	<u>49.783.624</u>
Income (deficit) before interest expense/revenue	13.200.522	(3.152.324)
Interest revenue and currency fluctuations.....	1.469.585	(526.345)
Income (deficit) for the year	<u>14.670.107</u>	<u>(3.678.669)</u>

Iceland - United States Educational Commission

BALANCE SHEET

September 30 2011

	2011 ISK	2010 ISK
Assets		
Cash (USD)	19.667.120	4.202.614
Cash (ISK).....	7.274.301	8.224.644
	<u>26.941.421</u>	<u>12.427.258</u>
Trust account		
Alumni - Trust account.....	<u>322.804</u>	<u>0</u>
Total Assets	<u>27.264.225</u>	<u>12.427.258</u>
Liabilities		
Salary related liabilities.....	131.493	273.810
Income-tax deduction	22.549	36.176
	<u>154.042</u>	<u>309.986</u>
Trust account		
Alumni - Trust account.....	<u>322.804</u>	<u>0</u>
Equity		
Funds on hand October 1 2010.....	12.117.273	15.795.942
Income (deficit) for the year.....	14.670.107	(3.678.669)
Funds on hand September 30 2011.....	<u>26.787.380</u>	<u>12.117.273</u>
Total Liabilities and Equity	<u>27.264.226</u>	<u>12.427.259</u>

Iceland - United States Educational Commission

STATUS OF FUNDS REPORT

For Quarter ending: September 30 2011

		2011 ÍKR.
1.	FUNDS ON HAND OCTOBER 1 2010.....	12.427.258
	-Current liabilities	-309.986
		12.117.272
2.	RECEIPTS: CURRENT FISCAL YEAR	
	A. Current Quarter Receipts:	
	1. Received from U.S. Mission.....	16.947.000
	2. Host Government Contribution.....	5.300.000
	3. Other Contributions.....	0
	4. Other Funds received.....	0
	5. Interests on Deposits.....	0
	6. Exchange fluctuation.....	1.080.449
	Total Received Current Quarter	23.327.449
	B. Total Previous Quarter receipts:	
	1. Received from U.S. Mission.....	30.898.732
	2. Host Government Contribution.....	5.300.000
	3. Other Contributions.....	635.554
	4. Other Funds received.....	0
	5. Interests on Deposits.....	119.362
	6. Exchange fluctuation.....	269.774
	Total Received Previous Quarter	37.223.422
	C. Total Funds Received Current Fiscal Year	60.550.871
3.	DISBURSEMENT: CURRENT FISCAL YEAR	
	A. Current Quarter Disbursement	
	1. Administration.....	3.304.828
	2. Counseling.....	2.068.722
	3. Grant supporting activities.....	241.400
	4. Program.....	11.208.019
	Total Disbursement Current Quarter	16.822.969
	B. Total Previous Quarters:	
	1. Administration.....	8.947.144
	2. Counseling.....	3.792.456
	3. Grant supporting activities.....	243.128
	4. Program.....	16.075.067
	Total Disbursement Previous Quarter	29.057.795
	C. Total Disbursement to Date	45.880.764
4.	FUNDS ON HAND SEPTEMBER 30 2011.....	26.941.421
	-Current liabilities.....	-154.042
		26.787.379

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 practice.
2. The accounts are based on cash accounting.
3. The bank balance as per statement from Íslandsbanki hf., account no. 560169, has been verified quarterly and at September 30 2011 as ISK 7.274.301.
4. A dollar account no. 102882 in Íslandsbanki hf. has been verified ISK 19.667.120 or USD 166,939.31 at September 30 2011.
5. There is no petty cash.
6. Alumni - Trust account: This account is kept in trust for the Alumni Association. The funds do not belong to the Fulbright Commission.
7. Non-expendable property is insured for ISK 7.483.306 (fire, burglary, etc.) from July 1 2011 to June 30 2012.
8. We have received confirmation from the bonding company, Sjóvá - Almennar tryggingar hf. to the effect that Ms. Belinda Theriault has been bounded to the amount of USD 25.000. This insurance is valid for the period from January 1 to December 31 2012.
9. A large amount of cash is necessary at the beginning of the financial year, in order to ensure adequate cash flow for the first half of the year, as income is received late in the financial year.
10. Grant supporting activities cover expenditures that directly benefit grantees, such as enrichment events, receptions, etc.
11. 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.
12. Ratio of operational costs to grant costs:

	Total ISK	%
Grants and grant supporting activities	27.767.614	61%
Operational costs	18.113.150	39%
	45.880.764	100%

Inventory of non-expendable property

Number	Items	Purchase year	Original price ISK	Current USD Value 09/30/ 2010	Depreci- ation	Current USD Value 09/30/2011
2	Office Desks			50	8	43
1	Desk in Director's office			80	12	68
1	Tapestry			20	3	17
1	Chair in Director's office			50	8	43
2	Office Swivel Chairs			50	8	43
1	Teak 6 place table			50	8	43
1	Teak 8 place table			50	8	43
14	Table chairs			80	12	68
3	Book cases			50	8	43
1	Office Shredder			10	2	9
	Kitchen crockery and cutlery			80	12	68
1	Automatic Coffee pot			20	3	17
1	Microwave oven			20	3	17
1	Telephone System w. 2 phones			40	6	34
4	File Cabinets			400	60	340
1	Framed Map of Iceland			50	8	43
3	Dell office computers			700	700	0
1	ADSL router / modem			100	15	85
2	Printers			10	2	9
1	Apple Macbook laptop computer			500	75	425
1	Stereo system ELTA			20	3	17
1	Projector	2011	148.000	1.175	0	1.175
Total USD				3.605	959	2.646

Footnote: The value of old equipment, has been adjusted and in some cases is valued at 0. A new system of inventory is being established, where purchase year of items purchases from FY2011 and depreciation at 15% across the board will be shown.