

Financial Statements and Report of  
Independent Certified Public Accountants

**THE AMERICAN IRELAND FUND**

December 31, 2016 and 2015

# THE AMERICAN IRELAND FUND

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Directors

**The American Ireland Fund:**

### **Report on the financial statements**

We have audited the accompanying financial statements of The American Ireland Fund (the “Fund”), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The American Ireland Fund as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Grant Thornton LLP".

Boston, Massachusetts  
June 30, 2017

**THE AMERICAN IRELAND FUND**  
**Statements of Financial Position**  
**As of December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,719,483	\$ 6,369,485
Investments	9,303,481	8,528,507
Prepaid expenses	443,120	290,105
Contributions receivable, net	3,071,706	813,679
Cash surrender value of life insurance policies	515,441	596,937
Furniture and equipment, net	79,562	14,786
Works of art and literature on public display	<u>219,491</u>	<u>344,916</u>
Total assets	<u>\$ 21,352,284</u>	<u>\$ 16,958,415</u>
<b>LIABILITIES AND NET ASSETS</b>		
Grants payable	\$ 6,331,906	\$ 4,903,030
Accounts payable	534,529	274,232
Accrued liabilities	184,752	115,304
Deferred revenue	<u>189,370</u>	<u>60,800</u>
Total liabilities	<u>7,240,557</u>	<u>5,353,366</u>
Commitments (Note 8)		
<b>NET ASSETS</b>		
Unrestricted net assets		
General	3,387,053	4,164,836
Board designated	<u>2,567,945</u>	<u>2,393,781</u>
Total unrestricted net assets	<u>5,954,998</u>	<u>6,558,617</u>
Temporarily restricted	2,952,082	2,226,823
Permanently restricted	<u>5,204,647</u>	<u>2,819,609</u>
Total net assets	<u>14,111,727</u>	<u>11,605,049</u>
Total liabilities and net assets	<u>\$ 21,352,284</u>	<u>\$ 16,958,415</u>

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

**THE AMERICAN IRELAND FUND**  
**Statements of Activities**  
For the years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
Operating activities		
Changes in unrestricted net assets from operations		
Revenues and support		
Contributions	\$ 9,936,185	\$ 18,602,429
Fundraising event revenues	11,473,383	12,008,141
Less: fundraising event expenses	<u>(3,700,710)</u>	<u>(3,160,566)</u>
Net revenues from fundraising events	<u>7,772,673</u>	<u>8,847,575</u>
Investment return designated for current operations	82,515	88,593
Other revenues	37,000	797
Net loss on foreign exchange translation	(139,373)	(63,883)
Net assets released from restrictions	<u>624,052</u>	<u>2,418,430</u>
Total unrestricted revenues and support	<u>18,313,052</u>	<u>29,893,941</u>
Expenses		
Program services		
Grant awards	13,403,283	23,715,120
Other program services	2,356,535	1,931,245
Management and general	1,749,065	1,578,179
Fundraising	<u>1,647,697</u>	<u>1,444,235</u>
Total expenses	<u>19,156,580</u>	<u>28,668,779</u>
Change in unrestricted net assets from operating activities	(843,528)	1,225,162
<b>NON OPERATING ACTIVITIES</b>		
Investment return, net of amount designated for current operations	20,392	(227,094)
Investment gains (losses) on endowment fund	171,267	(36,570)
Contribution of art and literary collections	<u>48,250</u>	<u>103,225</u>
Change in unrestricted net assets	<u>(603,619)</u>	<u>1,064,723</u>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>		
Revenues and support		
Contributions	1,047,103	525,460
Investment gains (losses) on endowment fund	302,208	(56,153)
Net assets released from restrictions	<u>(624,052)</u>	<u>(2,418,430)</u>
Change in temporarily restricted net assets	<u>725,259</u>	<u>(1,949,123)</u>
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>		
Contributions	<u>2,385,038</u>	<u>274,000</u>
Change in net assets	<u>2,506,678</u>	<u>(610,400)</u>
Net assets, beginning of year	<u>11,605,049</u>	<u>12,215,449</u>
Net assets, end of year	<u>\$ 14,111,727</u>	<u>\$ 11,605,049</u>

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

**THE AMERICAN IRELAND FUND**  
**Statements of Cash Flows**  
**For the years ended December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,506,678	\$ (610,400)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributions for long-term purposes	(2,385,038)	-
Contribution received - art and literary collections	(48,250)	(103,225)
Depreciation	21,830	23,837
Realized and unrealized losses (gains) on investment	(433,834)	215,784
Non-cash grants given - art and literary collections	173,675	-
Changes in operating assets and liabilities		
Contributions receivable	(2,258,027)	16,928
Cash surrender value of life insurance policies	81,496	111,472
Prepaid expenses	(153,015)	(82,428)
Grants and accounts payable	1,689,173	1,581,251
Accrued liabilities	69,447	(8,446)
Deferred revenue	128,570	(217,724)
Net cash (used in) provided by operating activities	<u>(607,295)</u>	<u>927,049</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	(86,606)	-
Purchases of investments	(3,460,076)	(3,479,827)
Proceeds from sales and maturities of investments	<u>3,118,937</u>	<u>3,229,908</u>
Net cash used in investing activities	<u>(427,745)</u>	<u>(249,919)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions for long-term purposes	<u>2,385,038</u>	<u>-</u>
Net change in cash and cash equivalents	1,349,998	677,130
Cash and cash equivalents, beginning of year	<u>6,369,485</u>	<u>5,692,355</u>
Cash and cash equivalents, end of year	<u>\$ 7,719,483</u>	<u>\$ 6,369,485</u>
<b>NON-CASH ACTIVITY DISCLOSURES:</b>		
Contribution received - art and literary collections	<u>\$ (48,250)</u>	<u>\$ (103,225)</u>
Non-cash grants given - art and literary collections	<u>\$ 173,675</u>	<u>\$ -</u>

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

**THE AMERICAN IRELAND FUND**  
**Notes to Financial Statements**  
**December 31, 2016 and 2015**

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**1. ORGANIZATION**

The American Ireland Fund (the “Fund”), which also operates under the names The Ireland Funds America, and The Ireland Funds, is a publicly supported organization that receives contributions, primarily in the United States, and applies them to the furtherance of peace, culture, charity and education primarily in Ireland. Contributions received by the Fund are distributed through grants to recognized charitable institutions and organizations that provide essential charitable programs or services primarily in Ireland. The Fund’s specific interests in the general program areas of peace, culture, charity and education are continually reevaluated in terms of changing needs and challenges of the times.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Fund classifies net assets, revenues and gains based on the existence or absence of donor-imposed restrictions, as follows:

*Unrestricted:* Unrestricted net assets are resources over which the Fund has discretionary control. Unrestricted net assets also include funds designated by the Board of Directors.

*Temporarily Restricted:* Temporarily restricted net assets are those resources with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. In addition, based on the Massachusetts Attorney General’s interpretation of state law, the Fund has classified appreciation on permanently restricted net assets as temporarily restricted until appropriated for expenditure by the Board of Directors.

*Permanently Restricted:* Permanently restricted net assets are those resources subject to donor-imposed restrictions that they be maintained permanently by the Fund.

Donor-restricted gifts which are received and spent within the same fiscal year are reported as unrestricted contributions. Investment income is reported as an increase or decrease in unrestricted net assets unless its use is restricted by explicit donor stipulation or by law.

**Cash and Cash Equivalents**

Cash equivalents include amounts invested in money market funds. In addition, the Fund maintains bank accounts in Ireland that are denominated in a foreign currency equivalent to \$2,932,576 and \$2,703,522 at December 31, 2016 and 2015, respectively. These assets are translated using the current exchange rates at the statement of financial position dates.

At times the Fund maintains cash balances in excess of federally insured limits. The Fund has not experienced any losses in such accounts and does not believe it is exposed to significant credit risks.



**THE AMERICAN IRELAND FUND**  
**Notes to Financial Statements**  
**December 31, 2016 and 2015**

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**Investments**

The Fund reports investments at fair value. Changes in fair value are recorded as unrealized gains or losses on investments and reflected within investment gains in the Statements of Activities. Realized gains or losses from the sale of investment securities are computed on the specific-identification cost basis.

**Contributions and Contributions Receivable**

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily or permanently restricted support.

Gifts of non-cash assets are recorded at their fair value at the date of contribution.

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on those amounts are computed based upon the risk free rate adjusted for any market factors associated with the nature of the contribution receivable. Amortization of the discounts is included within contributions revenue.

Conditional promises to give are not included as support until the conditions are substantially met.

**Furniture and Equipment**

Furniture and equipment, including computer hardware and software, are stated at cost and are depreciated using the straight-line method based on estimated useful lives ranging from three to seven years. Maintenance and repair expenditures are charged to expense as incurred. The cost and accumulated depreciation of assets retired or sold are removed from the accounts, and any gain or loss is included in the accompanying Statements of Activities.

**Works of Art and Literature on Public Display**

Accessions of collection items are capitalized at cost, if the items were purchased, or at their appraised or fair value on the accession date (the date on which the item is accepted by the Board of Directors) if the items were contributed. Gains or losses from de-accessions of these items (if any) are reflected in the Statements of Activities as changes in the appropriate net asset classes, depending on the existence and type of donor-imposed restrictions. The Fund's policy is to review its collections for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. There were no impairments recognized in 2016 or 2015.

**Fundraising Events**

The direct cost of fundraising events that provide a benefit to the contributors are deducted from the gross revenues raised at such events.

Net fundraising revenue from two events represented 19% and 14% of total revenues for the years ended December 31, 2016 and 2015, respectively.

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**Functional Allocation of Expenses**

The costs of providing the various programs have been summarized on a functional basis in the accompanying Statements of Activities. Accordingly, certain common costs have been allocated among the programs and supporting services benefited.

**Operating and Nonoperating Activities**

The Statements of Activities report the change in net assets from operating and non-operating activities. Non-operating activities consist of investment income, net of amounts appropriated for operations, non-operating contributions, and contributions of art and literary collections. All other activities are reported as operating.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Significant estimates to the financial statements include the allowance for doubtful accounts and the valuation of any contributed artwork.

**Income Taxes**

The Fund is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code, as amended (the “Code”), and is generally exempt from income taxes pursuant to Section 501(a) of the Code. The Fund is required to assess uncertain income tax positions and has determined that there were no such positions that are material to the financial statements.

**Related Party Transactions**

A member of the Fund’s Board of Trustees is an attorney that represents the Fund periodically for certain types of legal matters. Legal fees incurred by the Fund for these services totaled approximately \$102,000 and \$89,000 in 2016 and 2015, respectively.

**3. CONTRIBUTIONS RECEIVABLE**

Contributions receivable, as presented in the accompanying Statements of Financial Position, consisted of the following unconditional promises to give as of December 31:

	<u>2016</u>	<u>2015</u>
Amounts due		
Within one year	\$ 2,336,985	\$ 663,224
Between one and five years	<u>785,015</u>	<u>154,296</u>
	3,122,000	817,520
Less: unamortized discount	<u>(50,294)</u>	<u>(3,841)</u>
Net unconditional promises to give	<u>\$ 3,071,706</u>	<u>\$ 813,679</u>

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The discount rates used in measuring the present value of these contribution receivables range from 0.8% to 1.9%.

Contributions receivable from two entities represented 55% of total contributions receivable, net, as of December 31, 2016.

**4. GRANT AWARDS**

Grants awarded by the Fund vary in amounts according to the needs of each recipient organization and the general financial condition of the Fund. Grants awarded are classified as program services in the accompanying Statement of Activities and totaled \$13,403,283 for 2016 and \$23,715,120 for 2015.

Grants awarded and unpaid at December 31, 2016 and 2015 totaled \$6,331,906 and \$4,903,490, respectively, and are included in grants and accounts payable in the accompanying Statements of Financial Position.

**5. INVESTMENTS**

Investments held by the Fund as of December 31, are as follows:

	<u>2016</u>	<u>2015</u>
U.S. government obligations	\$ 958,515	\$ 867,821
Corporate bonds	1,870,951	1,850,003
Mutual funds	490,242	465,991
Equity securities	4,885,183	4,721,310
Money market funds	<u>1,098,590</u>	<u>623,382</u>
Total investments	<u>\$ 9,303,481</u>	<u>\$ 8,528,507</u>

The Fund's investments include a separate account which acts as an endowment. The Fund's total endowment account includes permanently restricted net assets and related appreciation, which is included in temporarily restricted net assets, as well as unrestricted Board designated amounts.

Investment income, including interest, dividends, realized and unrealized gains and losses in excess of amounts designated for current operations, is shown in the accompanying Statements of Activities as a non-operating activity.

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The Fund's investment return for the years ended December 31 consisted of the following:

	<u>2016</u>	<u>2015</u>
Investment return		
Interest and dividends	\$ 99,476	\$ 96,032
Change in value of cash surrender value of life insurance	81,498	(111,472)
Net realized gain on investments	223,352	47,136
Net unrealized gain (loss) on investments	<u>172,056</u>	<u>(262,920)</u>
Total return on investments	<u>\$ 576,382</u>	<u>\$ (231,224)</u>
As reported in the statement of activities		
Unrestricted operations		
Investment return designated for current operations	\$ 82,515	\$ 88,593
Non-operating activities		
Investment return, net of amount designated for current operations	20,392	(227,094)
Investment gain (loss) on endowment fund	171,267	(36,570)
Changes in temporarily restricted net assets		
Investment gain (loss) on endowment fund	<u>302,208</u>	<u>(56,153)</u>
Total return on investments	<u>\$ 576,382</u>	<u>\$ (231,224)</u>

Investment management fees which are netted in the above amounts were approximately \$103,000 and \$97,000 for the years ended December 31, 2016 and 2015, respectively.

## 6. ENDOWMENTS

The Fund's endowment consists of funds established for the purpose of creating unencumbered funds that will provide annual monies to support the ongoing work of The American Ireland Fund in Ireland and worldwide. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as quasi-endowments.

### Interpretation of Relevant Law

Under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), the Board of Directors is permitted to determine and continue a prudent payout amount, even if the market value of the fund is below the historic-dollar-value. There is an expectation that, over time, the permanently restricted amount will generally remain intact. This perspective is aligned with the accounting standards definition that permanently restricted funds are those that must be held in perpetuity even though the historic-dollar-value may be spent on a temporary basis. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets and is regarded as net appreciation is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the Fund's spending policy.

### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the "historic dollar value." Deficiencies of this nature are reported by a charge to unrestricted net

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assets and a corresponding increase to temporarily restricted net assets. There were no such deficiencies as of December 31, 2016 or 2015.

**Endowment Investment Policy**

The Fund has adopted an investment philosophy that attempts to provide long term returns that match or exceed the specified minimum obligations of the endowment to provide growth at a rate in excess of inflation and to diversify the Endowment assets in order to reduce the risk of incurring large losses or wide swings in market value from year to year and to achieve investment results over the long term that compare favorably with those of foundations and of appropriate market indexes. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified periods as well as board-designated funds.

**Strategies Employed for Achieving Objectives**

The primary objective is to utilize a total return approach with a cross section of stocks that combine income and dividend growth for inflation protection, and earnings growth for wealth accumulation.

**Spending Policy**

The spending policy for the endowment fund requires that the fund (including Board designated funds) reach a balance of \$5 million prior to distribution of any earnings. Distributions from earnings will be made using the total return method. Although the fund exceeded \$5 million in fiscal year 2014, the Board determined that there would be no amounts appropriated in fiscal years 2016 and 2015. To date, no funds have been distributed from the endowment fund.

The Fund's Board of Directors has approved a spending policy for the other investments whereby a predetermined amount (defined as 5% of the three year average investment balance) of investment income earned by these investments is appropriated to fund current operations. Investment return designated for operations, as reflected in the accompanying Statements of Activities, reflects a 5% return based on the Fund's three year average investment balance. Endowments consists of the following at December 31:

	<b>2016</b>			
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor restricted endowment funds	\$ -	\$ 1,746,397	\$ 3,299,647	\$ 5,046,044
Board-designated funds	<u>2,567,945</u>	<u>-</u>	<u>-</u>	<u>2,567,945</u>
Total funds	<u>\$ 2,567,945</u>	<u>\$ 1,746,397</u>	<u>\$ 3,299,647</u>	<u>\$ 7,613,989</u>
	<b>2015</b>			
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor restricted endowment funds	\$ -	\$ 1,447,066	\$ 2,690,609	\$ 4,137,675
Board-designated funds	<u>2,393,781</u>	<u>-</u>	<u>-</u>	<u>2,393,781</u>
Total funds	<u>\$ 2,393,781</u>	<u>\$ 1,447,066</u>	<u>\$ 2,690,609</u>	<u>\$ 6,531,456</u>

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**Notes to Financial Statements**  
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**Endowment Fund Activity**

	<b>Year Ended December 31, 2016</b>			<b>Total</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	
<b>Beginning of year</b>	\$ 2,393,781	\$ 1,447,066	\$ 2,690,609	\$ 6,531,456
Investment return				
Investment income	35,087	53,924	-	89,011
Net appreciation	139,077	245,407	-	384,484
Total investment return	174,164	299,331	-	473,495
New gifts	-	-	609,038	609,038
<b>End of year</b>	<u>\$ 2,567,945</u>	<u>\$ 1,746,397</u>	<u>\$ 3,299,647</u>	<u>\$ 7,613,989</u>

  

	<b>Year Ended December 31, 2015</b>			<b>Total</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	
<b>Beginning of year</b>	\$ 2,430,351	\$ 1,503,218	\$ 2,545,609	\$ 6,479,178
Investment return				
Investment income	31,920	53,882	-	85,802
Net depreciation	(68,490)	(110,034)	-	(178,524)
Total investment return	(36,570)	(56,152)	-	(92,722)
New gifts	-	-	145,000	145,000
<b>End of year</b>	<u>\$ 2,393,781</u>	<u>\$ 1,447,066</u>	<u>\$ 2,690,609</u>	<u>\$ 6,531,456</u>

**7. FURNITURE AND EQUIPMENT**

Furniture and equipment consisted of the following at December 31:

	<b>2016</b>	<b>2015</b>
Computer equipment	\$ 63,128	\$ 245,134
Furniture and fixtures	97,770	111,061
Software	2,523	71,008
	163,421	427,203
Accumulated depreciation	(83,859)	(412,417)
Net furniture and equipment	<u>\$ 79,562</u>	<u>\$ 14,786</u>

During 2016, the Fund disposed of \$350,388 of fully depreciated furniture and equipment.

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**Notes to Financial Statements**  
**December 31, 2016 and 2015**

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**8. COMMITMENTS AND CONTINGENCIES**

**Operating Leases**

The Fund leases certain office space under non-cancelable leases. Total rental expense under such arrangements amounted to \$265,974 in 2016 and \$260,968 in 2015.

In May 2016, the Fund entered into a facility lease agreement for office space which commenced August 2016 and expires December 31, 2021. The Fund has the option to extend the lease for a period of five years at the fair market rate at the time of renewal.

Future minimum lease rentals are as follows:

**Years ending December 31,**

2017	\$ 283,937
2018	283,146
2019	277,281
2020	160,122
2021	<u>157,964</u>
	<u>\$ 1,162,450</u>

**9. LIFE INSURANCE PROGRAM**

The Fund and the members of its Board of Directors approved, in a prior year, a program to purchase life insurance policies for up to 28 board members in the form of a maximum of 14 policies, each insuring two board members. The face value of the one policy currently in force as of December 31, 2016 is approximately \$291,000. The Fund is the sole beneficiary of the proceeds upon the death of the last surviving director under the policy.

One-time premiums for these policies are shared equally by the board members. The amounts received for Trustee premiums are reflected as contributions when received. Premium payments, if any, are reflected as management and general expense as incurred. Proceeds from these policies will be recognized as revenue upon receipt by the Fund.

Since 2006, four insurance policies were contributed to the Fund with a total face value of \$775,000. The total cash surrender value of all policies is \$515,441 and \$596,937 at December 31, 2016 and 2015, respectively, and is reflected in cash surrender value of life insurance policies in the accompanying Statements of Financial Position.

**10. EMPLOYEE BENEFITS**

The Fund sponsors a qualified 401(k) retirement plan (the "Plan") covering substantially all of its employees over the age of 21. Employees may set aside a portion of their income through salary deductions on a before-tax basis up to the deferral limit as specified by the Internal Revenue Service. The Fund also contributes ten percent of each employee's annual salary to this Plan. The Plan is subject to the

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provisions of the Employee Retirement Income Security Act (“ERISA”). Costs of the Plan, in the form of contributions, totaled \$208,748 in 2016 and \$182,046 in 2015.

**11. RESTRICTED NET ASSETS**

The Funds’s restricted net assets are available for and consist of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Temporarily restricted:		
Contributions receivable, net	\$ 1,205,685	\$ 779,757
Appreciation on permanently restricted net assets	<u>1,746,397</u>	<u>1,447,066</u>
Total	<u>\$ 2,952,082</u>	<u>\$ 2,226,823</u>
Permanently restricted:		
Contributions receivable, net	\$ 1,905,000	\$ -
Endowment	<u>3,299,647</u>	<u>2,819,609</u>
Total	<u>\$ 5,204,647</u>	<u>\$ 2,819,609</u>

Net assets released from donor restrictions were \$624,052 and \$2,418,430 for the years ended December 31, 2016 and 2015, respectively. The releases were all based on time restrictions. Temporarily restricted contributions receivable will be released to unrestricted net assets upon receipt of payment.

**12. CONTRIBUTIONS OF ART WORK**

During 2016, the Fund received literary publications with an appraised value of \$46,750 on the date of acceptance of the gift. The Fund signed a Loan and Display agreement for 3 years with University College Dublin for purposes of public display. In addition, during 2016, the Fund received a gift with an appraised value of \$1,500 on the date of acceptance of the gift. The Fund signed a Loan and Display agreement for 3 years with The National Maritime Museum of Ireland for purposes of public display. In 2015, the Fund received a donation of a collection of books and letters and other materials with an appraised value of \$103,225 on the date of acceptance of the gift. The Fund signed a Loan and Display agreement for 3 years with University College Dublin for purposes of public display. These donations are included in contribution of art and literary collections in the Statements of Activities.

**13. FAIR VALUE MEASUREMENTS**

The Fund follows the provisions for fair value measurements as outlined in generally accepted accounting principles where fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value accounting establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair



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value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 - Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;
- Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following table sets forth the Fund's financial assets and liabilities that were accounted for at fair values on a recurring basis by level within the fair value hierarchy:

<b>Description</b>	<b>December 31, 2016</b>	
	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>
U.S. government obligations	\$ 958,515	\$ -
Corporate bonds	-	1,870,951
Mutual funds	490,242	-
Equity securities	4,885,183	-
Money market funds	1,098,590	-
	<u>\$ 7,432,530</u>	<u>\$ 1,870,951</u>

  

<b>Description</b>	<b>December 31, 2015</b>	
	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>
U.S. government obligations	\$ 867,821	\$ -
Corporate bonds	-	1,850,003
Mutual funds	465,991	-
Equity securities	4,721,310	-
Money market funds	623,382	-
	<u>\$ 6,678,504</u>	<u>\$ 1,850,003</u>

**14. SUBSEQUENT EVENTS**

The Fund has evaluated subsequent events through June 30, 2017, the date that the financial statements were available for issuance.