

Financial Statements and Report of
Independent Certified Public
Accountants

The American Ireland Fund

December 31, 2020 and 2019

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
The American Ireland Fund:

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, 2020 and 2019, 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, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Boston, Massachusetts
June 30, 2021

The American Ireland Fund

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 11,854,880	\$ 9,421,354
Investment securities, at fair value	15,275,874	14,321,301
Prepaid expenses	295,149	359,937
Contributions receivable, net	767,130	1,225,148
Furniture and equipment, net	40,471	53,824
Cash surrender value of life insurance policies	402,424	483,156
Works of art and literature on public display	<u>77,500</u>	<u>95,800</u>
Total assets	<u><u>\$ 28,713,428</u></u>	<u><u>\$ 25,960,520</u></u>
LIABILITIES AND NET ASSETS		
Grants payable	\$ 8,325,111	\$ 8,365,361
Accounts payable	156,034	194,111
Accrued liabilities	215,704	213,983
Deferred revenue	<u>730,639</u>	<u>187,655</u>
Total liabilities	<u>9,427,488</u>	<u>8,961,110</u>
NET ASSETS		
Net assets without donor restrictions		
General	4,133,467	3,196,095
Board designated	<u>4,565,648</u>	<u>3,247,722</u>
	8,699,115	6,443,817
Net assets with donor restrictions		
Purpose and time restricted	5,232,178	5,250,946
Perpetual	<u>5,354,647</u>	<u>5,304,647</u>
	10,586,825	10,555,593
Total net assets	<u>19,285,940</u>	<u>16,999,410</u>
Total liabilities and net assets	<u><u>\$ 28,713,428</u></u>	<u><u>\$ 25,960,520</u></u>

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

The American Ireland Fund

STATEMENTS OF ACTIVITIES

Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Changes in net assets without donor restrictions		
Operating activities:		
Revenues and support:		
Contributions	\$ 15,440,803	\$ 9,745,486
Fundraising events	5,491,130	10,613,026
Less: fundraising event expenses	<u>(1,540,662)</u>	<u>(3,172,580)</u>
Net revenues from fundraising events	3,950,468	7,440,446
Investment return designated for current operations	63,571	-
Other	9,313	(16,450)
Net gain on foreign exchange translation	(34,535)	(34,375)
Net assets released from restrictions	<u>1,416,877</u>	<u>1,220,081</u>
Total revenues and support	<u>20,846,497</u>	<u>18,355,188</u>
Expenses:		
Program services:		
Grant awards	14,301,830	12,700,672
Other program services	1,443,589	1,922,745
Management and general	1,616,704	2,223,137
Fundraising	<u>1,531,039</u>	<u>1,792,361</u>
Total expenses	<u>18,893,162</u>	<u>18,638,915</u>
Change in net assets without donor restrictions from operations	1,953,335	(283,727)
Non operating activities:		
Investment return, net of amount designated for current operations	(61,817)	213,811
Investment gain on endowment fund	363,780	596,193
Contribution of art and literary collections	<u>-</u>	<u>15,000</u>
Change in net assets without donor restrictions	<u>2,255,298</u>	<u>541,277</u>
Changes in net assets with donor restrictions		
Revenues and support:		
Contributions	50,000	268,750
Investment gain on endowment	1,398,109	2,115,630
Net assets released from restrictions	<u>(1,416,877)</u>	<u>(1,220,081)</u>
Change in net assets with donor restrictions	<u>31,232</u>	<u>1,164,299</u>
Change in total net assets	2,286,530	1,705,576
Net assets, beginning of year	<u>16,999,410</u>	<u>15,293,834</u>
Net assets, end of year	<u><u>\$ 19,285,940</u></u>	<u><u>\$ 16,999,410</u></u>

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

The American Ireland Fund

STATEMENTS OF CASH FLOWS

Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,286,530	\$ 1,705,576
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contribution of art and literary collections	-	(15,000)
Depreciation	18,569	17,516
Realized and unrealized (gain)/loss on investment securities	(1,618,537)	(2,745,117)
Noncash grants given - art and literary collections	18,300	217,991
Noncash stock donations	(1,726,167)	(543,033)
Changes in operating assets and liabilities		
Contributions receivable	458,018	645,518
Cash surrender value of life insurance policies	80,732	16,450
Prepaid expenses	64,788	(23,025)
Accounts and grants payable	(78,327)	1,076,794
Deferred revenue	542,984	102,286
Accrued liabilities	1,721	10,091
	<u>48,611</u>	<u>466,047</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchase of equipment	(5,216)	(14,724)
Purchase of investments	(4,518,982)	(2,932,769)
Proceeds from sales and maturities of investments	6,909,113	4,037,240
	<u>2,384,915</u>	<u>1,089,747</u>
Net cash provided by investing activities		
Net change in cash and cash equivalents	2,433,526	1,555,794
Cash and cash equivalents, beginning of year	<u>9,421,354</u>	<u>7,865,560</u>
Cash and cash equivalents, end of year	<u><u>\$ 11,854,880</u></u>	<u><u>\$ 9,421,354</u></u>
Noncash activity:		
Contribution received - art and literary collections	\$ -	\$ 15,000
Noncash grants given - art and literary collections	\$ (18,300)	\$ (217,991)
Noncash stock donations	\$ 1,726,167	\$ 543,033

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

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 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, community development and education primarily in Ireland. The Fund was created in Pennsylvania in 1976.

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 under its program pillars of peace & reconciliation, arts & culture, community development and education are continually re-evaluated in terms of changing needs and challenges of the times. The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"), as well as state income taxes.

NOTE 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:

Without donor restrictions - Net assets that are not subject to donor-imposed restrictions or for which restrictions have expired. Also included in this category are net assets designated by the Board of Directors.

With donor restrictions - Net assets subject to donor-imposed restrictions that permit the Fund to use or expend the donated assets as specified and are satisfied by either the passage of time or by actions of the Fund. Also included in this category are net assets subject to donor-imposed restrictions that stipulate that resources be maintained permanently but may permit the Fund to use or expend part or all of the economic benefits derived from the donated assets.

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 \$3,526,762 and \$3,112,086 at December 31, 2020 and 2019, respectively. These assets are translated using the current exchange rates at the Statements 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.

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/loss in the Statements of Activities. Realized gains or losses from the sale of investment securities are computed on the specific-identification cost basis. Interest and dividends are reflected within investment gains/loss in the Statements of Activities.

Contributions and Contributions Receivable

The Fund recognizes revenue from contributions in accordance with Accounting Standards Update (ASU) 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Fund evaluates whether contributions are conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Fund is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Contributions are considered to be available without restrictions unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying financial statements as net assets released from restrictions.

Contributions received for an event which is postponed to a future calendar year are recorded as deferred revenue until the event occurs in the future calendar year. 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 a 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.

The Fund receives contributions from corporations, foundations and individuals. The revenue from contributions fluctuates from year to year based on external economic conditions and donor preferences. The largest single contribution received in each year represented 12% and 6% of contribution revenues for the years ended December 31, 2020 and 2019, respectively.

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. Computer software, computer equipment and furniture and fixtures are depreciated over three, five and seven years, respectively. 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 2020 or 2019.

Fundraising Events

The direct costs 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 12% and 16% of total revenues for the years ended December 31, 2020 and 2019, respectively.

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 including but not limited to salaries and benefits, professional fees, rent and depreciation have been allocated among the programs and supporting services benefited based upon headcount, time allocated, and other criteria.

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2020 and 2019

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 of America ("U.S. GAAP") 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. Estimates in the financial statements include the valuation of any contributed artwork and the allocation of functional expenses.

Income Taxes

The Fund is a not-for-profit organization as described in Section 501(c)(3) of the 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.

Donated Goods and Services

Contributed goods and services are reflected in the accompanying financial statements at their estimated fair value. The contributions of services are recognized if the services received (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. Donated goods and services totaled \$44,643 and \$128,502 in 2020 and 2019, respectively.

Recently Adopted Accounting Standards

ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, was issued to assist "resource recipient" entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) with the scope of Topic 958, *Not-for-Profit Entities*, or as an exchange (reciprocal) transaction subject to other guidance and (2) determining whether a contribution is conditional. ASU 2018-08 was effective for the Fund as a "resource recipient" in the fiscal year ending December 31, 2019. Management has adopted this standard and there has been no impact. ASU 2018-08 was effective for the Fund as a "resource provider" in the fiscal year ending December 31, 2020.

Accounting Pronouncements Effective in Future Years

In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires that most leased assets be recognized on the balance sheet as assets and liabilities for the rights and obligations created by these leases. Through various subsequent ASUs, ASU 2016-02 is effective for the Fund in the fiscal year ending December 31, 2022. Management is in the process of evaluating the impact of this standard on the financial statements of the Fund.

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2020 and 2019

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Fund's financial assets available within one year of the Statement of Financial Position for general expenditure are as follows as of December 31, 2020 and 2019:

	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 11,854,880	\$ 9,421,354
Contributions receivable to be collected during the year	723,660	1,065,721
Spending policy allocation	19,622	63,805
	<u>\$ 12,598,162</u>	<u>\$ 10,550,879</u>
Total financial assets available within one year		

As part of the Fund's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Fund invests cash in excess of daily requirements in short-term investments. Although the Fund does not intend to spend from its undesignated investments (other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process), amounts from its undesignated investments could be made available if necessary.

NOTE 4 - INVESTMENTS

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

	2020	2019
U.S. government obligations	\$ 212,208	\$ 524,259
Corporate bonds	4,737,951	2,940,136
Mutual funds	175,617	627,253
Equity securities	9,340,623	9,253,869
Money market funds	809,475	975,785
	<u>\$ 15,275,874</u>	<u>\$ 14,321,301</u>
Total investments		

The Fund's investments include a separate account which acts as an endowment. The Fund's total endowment account includes net assets that are restricted in perpetuity and related appreciation, as well as 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.

The Fund's Board of Directors has approved a spending policy for the non-endowment investments whereby a predetermined amount (defined at 5% of the average three previous years 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 non-endowment investment balance.

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2020 and 2019

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

	<u>2020</u>	<u>2019</u>
Investment return		
Interest and dividends, net of investment fees	\$ 154,419	\$ 180,518
Change in value of cash surrender value of life insurance	(9,313)	-
Net realized gain on investments	1,128,121	556,163
Net unrealized gain on investments	<u>490,417</u>	<u>2,188,954</u>
Total return on investments	<u>\$ 1,763,643</u>	<u>\$ 2,925,634</u>
As reported in the Statement of Activities		
Current operations		
Investment return designated for current operations	\$ 63,571	\$ -
Non-operating activities		
Investment (loss) gain, net of amount designated for current operations	(61,817)	213,811
Investment gain on board designated endowment	363,780	596,193
Changes in donor restricted net assets		
Investment gain on endowment fund	<u>1,398,109</u>	<u>2,115,630</u>
Total return on investments	<u>\$ 1,763,643</u>	<u>\$ 2,925,634</u>

NOTE 5 - 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 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; and
- 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 American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

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

	December 31, 2020		
	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. government obligations	\$ 212,208	\$ -	\$ 212,208
Corporate bonds	-	4,737,951	4,737,951
Mutual funds	175,617	-	175,617
Equity securities	9,340,623	-	9,340,623
Money market funds	809,475	-	809,475
	<u>\$ 10,537,923</u>	<u>\$ 4,737,951</u>	<u>\$ 15,275,874</u>
	December 31, 2019		
	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. government obligations	\$ 524,259	\$ -	\$ 524,259
Corporate bonds	-	2,940,136	2,940,136
Mutual funds	627,252	-	627,252
Equity securities	9,253,869	-	9,253,869
Money market funds	975,785	-	975,785
	<u>\$ 11,381,165</u>	<u>\$ 2,940,136</u>	<u>\$ 14,321,301</u>

NOTE 6 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following unconditional promises to give as of December 31:

	2020	2019
Amounts due		
Within one year	\$ 723,660	\$ 1,065,721
Between one and five years	50,000	170,000
	<u>773,660</u>	<u>1,235,721</u>
Less: unamortized discount	<u>(6,531)</u>	<u>(10,573)</u>
Net unconditional promises to give	<u>\$ 767,130</u>	<u>\$ 1,225,148</u>

The discount rates used in measuring the present value of these contribution receivables range from 2.09% to 2.49%.

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2020 and 2019

NOTE 7 - FURNITURE AND EQUIPMENT, NET

Furniture and equipment consisted of the following at December 31:

	2020	2019
Computer equipment	\$ 74,384	\$ 69,168
Furniture and fixtures	115,937	115,936
Software	2,523	2,523
	<u>192,843</u>	<u>187,627</u>
Accumulated depreciation	<u>(152,372)</u>	<u>(133,803)</u>
Net furniture and equipment	<u>\$ 40,471</u>	<u>\$ 53,824</u>

Depreciation expense recorded in the Statements of Activities is \$18,569 and \$17,516 in 2020 and 2019, respectively.

NOTE 8 - LIFE INSURANCE PROGRAM

The Fund and members of its Board of Directors approved 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. 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 inception of the program, four insurance policies were contributed to the Fund with a total face value of \$1,319,545. The total cash surrender value of all policies is \$402,424 and \$483,156 at December 31, 2020 and 2019, respectively, and is reflected as cash surrender value of life insurance policies in the accompanying Statements of Financial Position.

NOTE 9 - CONTRIBUTIONS OF ARTWORK

During 2020, the Fund did not receive any collections of art works. During 2019, the Fund received a collection of art works with an appraised value of \$15,000 and signed a Loan and Use Agreement with the Museum of Irish Literature.

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2020 and 2019

NOTE 10 - GRANT AWARDS

Grants awarded by the Fund vary in amounts according to the needs of each recipient organization. Grants awarded are classified as program services in the accompanying Statement of Activities and totaled \$14,301,830 for 2020 and \$12,700,672 for 2019. Included within the total Grants awarded are Scholarship grants of \$1,042,080 for 2020 and \$397,519 for 2019.

Grants awarded and unpaid at December 31, 2020 and 2019 totaled \$8,325,111 and \$8,365,361, respectively, and are included in grants payable in the accompanying Statements of Financial Position.

NOTE 11 - ENDOWMENTS

The Fund's endowment consists of funds established 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 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 donor-restricted corpus amount will generally remain intact. The remaining portion of the donor-restricted endowment fund represents net appreciation and is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Fund in a manner consistent with the Fund's spending policy.

Underwater Endowment 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 net assets without donor restrictions and a corresponding increase to net assets with donor restrictions. There were no such deficiencies as of December 31, 2020 or December 31, 2019. The Fund does not appropriate from underwater endowment funds.

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, 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 period 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 investments that combine income and dividend growth for inflation protection, and earnings growth for wealth accumulation.

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Spending Policy

The spending policy for the endowment fund requires that the fund (including Board designated funds) reach a balance of \$10 million prior to distribution of any earnings. Distributions from earnings will be made using the total return method. The fund exceeded \$10 million in fiscal year 2019 and 2020, respectively. As it relates to fiscal year 2020, \$971,012 was authorized by the Board and appropriated in 2020. As it relates to fiscal year 2019, \$50,803 was authorized by the Board and appropriated in 2019.

The Fund's Board of Directors has approved a spending policy for the period 2020-2022 for the endowment investments, whereby a predetermined amount (defined at 10% of the average three previous year end investment balance) of investment income earned by these investments is appropriated to move to the net assets without Donor Restrictions category to be available if needed in the future to fund current operations.

As of December 31, 2020			
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ -	\$ 10,313,356	\$ 10,313,356
Board-designated funds	4,565,648	-	4,565,648
Total funds	<u>\$ 4,565,648</u>	<u>\$ 10,313,356</u>	<u>\$ 14,879,004</u>
As of December 31, 2019			
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ -	\$ 9,836,259	\$ 9,836,259
Board-designated funds	3,247,722	-	3,247,722
Total funds	<u>\$ 3,247,722</u>	<u>\$ 9,836,259</u>	<u>\$ 13,083,981</u>
Year Ended December 31, 2020			
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	\$ 3,247,722	\$ 9,836,259	\$ 13,083,981
Investment return			
Investment income	28,918	111,139	140,057
Net appreciation	334,862	1,286,970	1,621,832
Total investment return	363,780	1,398,109	1,761,889
Contributions to endowment	-	50,000	50,000
Board appropriation out of with donor restriction endowment	-	(971,012)	(971,012)
Board appropriation into board designated endowment	954,146	-	954,146
Net assets, end of year	<u>\$ 4,565,648</u>	<u>\$ 10,313,356</u>	<u>\$ 14,879,004</u>

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

	Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	\$ 2,364,851	\$ 7,520,628	\$ 9,885,479
Investment return			
Investment income	32,935	123,259	156,194
Net appreciation	563,258	2,043,174	2,606,432
Total investment return	596,193	2,166,433	2,762,626
Contributions to endowment	286,678	200,000	486,678
Appropriation of investment return for operations	-	(50,803)	(50,803)
Net assets, end of year	<u>\$ 3,247,722</u>	<u>\$ 9,836,259</u>	<u>\$ 13,083,981</u>

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS

The Fund's net assets with donor restrictions are available for and consist of the following as of December 31:

	2020	2019
Net assets with donor restrictions:		
Contributions receivable, net	\$ 273,470	\$ 719,334
Appreciation on donor endowment	4,958,708	4,531,612
Donor restricted endowment	5,354,647	5,304,647
Total	<u>\$ 10,586,825</u>	<u>\$ 10,555,593</u>

Net assets released from donor restrictions were \$1,416,877 and \$1,220,081 for the years ended December 31, 2020 and 2019, respectively. The releases were all based on satisfaction of time restrictions.

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 13 - NATURAL AND FUNCTIONAL EXPENSES

Natural and functional expenses for the year ended December 31, 2020 were as follows:

	Program Activities	Supporting Activities			Total
	Programs Subtotal	Management and General	Fundraising	Support Subtotal	Expenses
Grant awards	\$ 14,301,830	\$ -	\$ -	\$ -	\$ 14,301,830
Salaries and benefits	720,995	1,009,393	1,153,594	2,162,987	2,883,982
Grant recipient support	425,586	47,287	-	47,287	472,873
Professional fees	72,202	252,709	36,101	288,810	361,012
Conference	22,545	-	9,662	9,662	32,207
Rent	57,442	114,884	114,884	229,768	287,210
Office expenses	57,430	114,860	114,860	229,720	287,150
Printing and publications	73,107	12,184	36,554	48,738	121,845
Travel and development	11,177	22,353	22,353	44,706	55,883
Insurance	-	37,764	37,763	75,527	75,527
Bad debts	-	(16,363)	(16,363)	(32,726)	(32,726)
Taxes and filing fees	-	6,139	6,139	12,278	12,278
Depreciation expense	-	9,285	9,284	18,569	18,569
IT Development costs	3,105	6,209	6,208	12,417	15,522
Total expenses	<u>\$ 15,745,419</u>	<u>\$ 1,616,704</u>	<u>\$ 1,531,039</u>	<u>\$ 3,147,743</u>	<u>\$ 18,893,162</u>

Natural and functional expenses for the year ended December 31, 2019 were as follows:

	Program Activities	Supporting Activities			Total
	Programs Subtotal	Management and General	Fundraising	Support Subtotal	Expenses
Grant awards	\$ 12,700,672	\$ -	\$ -	\$ -	\$ 12,700,672
Salaries and benefits	745,508	1,043,711	1,192,813	2,236,524	2,982,032
Grant recipient support	524,536	58,282	-	58,282	582,818
Professional fees	212,068	742,238	106,034	848,272	1,060,340
Conference	186,606	-	79,974	79,974	266,580
Rent	59,794	119,587	119,587	239,174	298,968
Office expenses	56,102	112,203	112,203	224,406	280,508
Printing and publications	103,902	17,318	51,952	69,270	173,172
Travel and development	31,734	63,469	63,468	126,937	158,671
Insurance	-	19,811	19,811	39,622	39,622
Bad debts	-	18,454	18,454	36,908	36,908
Taxes and filing fees	-	14,317	14,318	28,635	28,635
Depreciation expense	-	8,758	8,758	17,516	17,516
IT Development costs	2,495	4,989	4,989	9,978	12,473
Total expenses	<u>\$ 14,623,417</u>	<u>\$ 2,223,137</u>	<u>\$ 1,792,361</u>	<u>\$ 4,015,498</u>	<u>\$ 18,638,915</u>

NOTE 14 - 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 American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

The Fund also contributes 10% of each employee's annual salary to this plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act (ERISA). Costs of the Plan, in the form of contributions, totaled \$158,585 in 2020 and \$182,534 in 2019.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The Fund leases certain office space under non-cancelable leases. Total rental expense under such arrangements amounted to \$294,543 in 2020 and \$298,967 in 2019.

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. The Fund entered into a facility lease agreement for office space which commenced January 2020 and expires December 31, 2024.

Future minimum lease rentals are as follows:

Years Ending December 31,	
2021	\$ 280,043
2022	118,892
2023	114,429
2024	114,429
	<hr/>
	\$ 627,794

Contingencies

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on our operational and financial performance in 2021 will depend on certain developments, including the duration and spread of the outbreak and its impact on our investments, fundraising efforts (particularly as it relates to fundraising events), vendors, all of which at present, cannot be determined.

While the external environment is improving with the rollout of the vaccinations and gradual re-opening of physical entertainment and hospitality locations, the extent to which COVID-19 may impact our financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the ongoing effects of this pandemic, if any. The liquidity and availability of resources is provided in Note 3 and details on the quasi-endowment in Note 11.

NOTE 16 - SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through June 30, 2021, the date that the financial statements were available for issuance, and is not aware of any subsequent events, other than disclosed as follows, which would require recognition or disclosure in the accompanying financial statements.

In 2021 the Fund received a loan of \$411,400 under the Paycheck Protection Program ("PPP") under the under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") that bears interest at 1% per annum. Based on the terms of the loans and the program, the loan balances and any interest may be forgiven and converted into grants to the Fund if certain conditions are met. If a portion of the loan must be repaid, however, the terms are 1% per annum, repayable over a maximum of five years with a six-month deferral period.