

Financial Statements and Report of
Independent Certified Public
Accountants

The American Ireland Fund

December 31, 2019 and 2018

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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, 2019 and 2018, 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, 2019 and 2018, 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
July 30, 2020

The American Ireland Fund

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 9,421,354	\$ 7,865,560
Investment securities, at fair value	14,321,301	12,137,621
Prepaid expenses	359,937	336,912
Contributions receivable, net	1,225,148	1,870,666
Furniture and equipment, net	53,824	56,616
Cash surrender value of life insurance policies	483,156	499,606
Works of art and literature on public display	95,800	298,791
Total assets	\$ 25,960,520	\$ 23,065,772
LIABILITIES AND NET ASSETS		
Grants payable	\$ 8,365,361	\$ 7,128,280
Accounts payable	194,111	354,398
Accrued liabilities	213,983	203,892
Deferred revenue	187,655	85,368
Total liabilities	8,961,110	7,771,938
NET ASSETS		
Net assets without Donor Restrictions		
General	3,196,095	3,537,689
Board designated	3,247,722	2,364,851
	6,443,817	5,902,540
Net assets with Donor Restrictions		
Purpose and time restricted	5,250,946	4,086,647
Perpetual	5,304,647	5,304,647
	10,555,593	9,391,294
Total net assets	16,999,410	15,293,834
Total liabilities and net assets	\$ 25,960,520	\$ 23,065,772

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

The American Ireland Fund
STATEMENTS OF ACTIVITIES

Years ended December 31, 2019 and 2018

	2019	2018
Changes in net assets without donor restrictions		
Operating activities:		
Revenues and support:		
Contributions	\$ 9,745,486	\$ 17,302,884
Fundraising events	10,613,026	12,139,336
Less: fundraising event expenses	(3,172,580)	(3,300,759)
Net revenues from fundraising events	7,440,446	8,838,577
Investment return designated for current operations	-	74,589
Other	(16,450)	(12,569)
Net gain (loss) on foreign exchange translation	(34,375)	(207,641)
Net assets released from restrictions	1,220,081	663,969
Total revenues and support	18,355,188	26,659,809
Expenses:		
Program services:		
Grant awards	12,700,672	20,153,964
Other program services	1,922,745	2,774,314
Management and general	2,223,137	2,508,691
Fundraising	1,792,361	1,837,289
Total expenses	18,638,915	27,274,258
Change in net assets without donor restrictions from operations	(283,727)	(614,449)
Non operating activities:		
Investment return, net of amount designated for current operations	213,811	(125,005)
Investment gain (loss) on endowment fund	596,193	(84,773)
Contribution of art and literary collections	15,000	62,500
Change in net assets without donor restrictions	541,277	(761,727)
Changes in net assets with donor restrictions		
Revenues and support:		
Contributions	268,750	1,645,292
Investment gain (loss) on endowment	2,115,630	(249,846)
Net assets released from restrictions	(1,220,081)	(663,969)
Change in net assets with donor restrictions	1,164,299	731,477
Change in total net assets	1,705,576	(30,250)
Net assets, beginning of year	15,293,834	15,324,084
Net assets, end of year	\$ 16,999,410	\$ 15,293,834

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

The American Ireland Fund

STATEMENTS OF CASH FLOWS

Years ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 1,705,576	\$ (30,250)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Contribution of art and literary collections	(15,000)	(62,500)
Depreciation	17,516	15,504
Realized and unrealized (gain)/loss on investment securities	(2,745,117)	558,938
Noncash grants given - art and literary collections	217,991	-
Noncash stock donations	(543,033)	(1,364,202)
Changes in operating assets and liabilities		
Contributions receivable	645,518	(579,193)
Cash surrender value of life insurance policies	16,450	13,368
Prepaid expenses	(23,025)	(19,710)
Accounts and grants payable	1,076,794	(1,850,139)
Deferred revenue	102,286	(16,542)
Accrued liabilities	10,091	(13,624)
Net cash (used in) provided by operating activities	466,047	(3,348,350)
Cash flows from investing activities:		
Purchase of equipment	(14,724)	-
Purchase of investments	(2,932,769)	(6,008,388)
Proceeds from sales and maturities of investments	4,037,240	6,689,360
Net cash provided by (used in) investing activities	1,089,747	680,972
Net change in cash and cash equivalents	1,555,794	(2,667,378)
Cash and cash equivalents, beginning of year	7,865,560	10,532,938
Cash and cash equivalents, end of year	\$ 9,421,354	\$ 7,865,560
Noncash activity:		
Contribution received - art and literary collections	\$ 15,000	\$ 62,500
Noncash grants given - art and literary collections	\$ (217,991)	\$ -
Noncash stock donations	\$ 543,033	\$ 1,364,202

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

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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, 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. The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue 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 \$3,112,086 and \$4,732,393 at December 31, 2019 and 2018, 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.

Contributions and Contributions Receivable

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.

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

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2019 and 2018

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.

Conditional promises to give and intentions to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

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 6% and 40% of contribution revenues for the years ended December 31, 2019 and 2018, 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 2019 or 2018.

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 16% and 13% of total revenues for the years ended December 31, 2019 and 2018, 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.

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.

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“US 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 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.

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 \$128,502 and \$236,241 in 2019 and 2018, 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 is 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 is effective for the Fund as a “resource provider” in the fiscal year ending December 31, 2020. Management is in the process of evaluating the impact of this standard on the financial statements of the Fund as a resource provider.

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, 2019 and 2018

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, 2019 and 2018:

	2019	2018
Financial assets:		
Cash and cash equivalents	\$ 9,421,354	\$ 7,865,560
Contributions receivable to be collected during the year	1,065,721	1,512,216
Spending policy allocation	63,805	54,000
Total financial assets available within one year	10,550,879	9,431,776
Liquidity resources:		
Board approved draw per policy	-	500,000
Total financial assets and liquidity resources available within one year	\$ 10,550,879	\$ 9,931,776

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:

	2019	2018
U.S. government obligations	\$ 524,259	\$ 731,292
Corporate bonds	2,940,136	2,932,538
Mutual funds	627,253	696,258
Equity securities	9,253,869	6,988,776
Money market funds	975,785	788,757
Total investments	\$ 14,321,301	\$ 12,137,621

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 American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2019 and 2018

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

	2019	2018
Investment return		
Interest and dividends, net of investment fees	\$ 180,518	\$ 187,270
Change in value of cash surrender value of life insurance	-	(13,367)
Net realized gain (loss) on investments	556,163	751,814
Net unrealized gain (loss) on investments	2,188,954	(1,310,752)
Total return on investments	\$ 2,925,634	\$ (385,035)
As reported in the statement of activities		
Current operations		
Investment return designated for current operations	\$ -	\$ 74,589
Non-operating activities		
Investment gain (loss), net of amount designated for current operations	213,811	(125,005)
Investment gain (loss) on endowment	596,193	(84,773)
Changes in donor restricted net assets		
Investment gain (loss) on endowment	2,115,630	(249,846)
Total return on investments	\$ 2,925,634	\$ (385,035)

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, 2019 and 2018

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:

Description	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>

Description	December 31, 2018		
	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. government obligations	\$ 731,292	\$ -	\$ 731,292
Corporate bonds	-	2,932,538	2,932,538
Mutual funds	696,258	-	696,258
Equity securities	6,988,776	-	6,988,776
Money market funds	788,757	-	788,757
	<u>\$ 9,205,083</u>	<u>\$ 2,932,538</u>	<u>\$ 12,137,621</u>

NOTE 6 - CONTRIBUTIONS RECEIVABLE

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

	2019	2018
Amounts due		
Within one year	\$ 1,065,721	\$ 1,512,216
Between one and five years	170,000	380,000
	<u>1,235,721</u>	<u>1,892,216</u>
Less: unamortized discount	(10,573)	(21,550)
	<u>\$ 1,225,148</u>	<u>\$ 1,870,666</u>
Net unconditional promises to give		

The discount rates used in measuring the present value of these contribution receivables range from 1.38% to 2.49%.

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2019 and 2018

NOTE 7 - FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following at December 31:

	2019	2018
Computer equipment	\$ 69,168	\$ 63,128
Furniture and fixtures	115,936	107,252
Software	2,523	2,523
	187,627	172,903
Accumulated depreciation	(133,803)	(116,287)
Net furniture and equipment	\$ 53,824	\$ 56,616

Depreciation expense recorded in the Statements of Activities is \$17,516 and \$15,504 in 2019 and 2018, 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. The face value of the one policy currently in force as of December 31, 2018 and 2019 was \$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 inception of the program, four insurance policies were contributed to the Fund with a total face value of \$1,295,760. The total cash surrender value of all policies is \$483,156 and \$499,606 at December 31, 2019 and 2018, respectively, and is reflected as cash surrender value of life insurance policies in the accompanying Statements of Financial Position.

NOTE 9 - CONTRIBUTIONS OF ART WORK

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.

During 2018, the Fund received a collection of art works with an appraised value of \$40,000 and signed a Loan, Display and Scholarly Use Agreement for 3 years with the College of the Holy and Undivided Trinity of Queen Elizabeth. During 2018, the Fund also received a literary publication with an appraised value of \$22,500 and signed a Loan and Use Agreement with University College Dublin.

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

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 \$12,700,672 for 2019 and \$20,153,964 for 2018.

Grants awarded and unpaid at December 31, 2019 and 2018 totaled \$8,365,361 and \$7,128,280, 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, 2019 or December 31, 2018.

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, 2019 and 2018

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 2018 and 2019. As it relates to fiscal year 2019, \$50,803 was authorized by the Board and appropriated in 2019. As it relates to fiscal year 2018, \$500,000 was authorized by the Board and appropriated in 2019.

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.

	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>
	As of December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ -	\$ 7,520,628	\$ 7,520,628
Board-designated funds	2,364,851	-	2,364,851
Total funds	<u>\$ 2,364,851</u>	<u>\$ 7,520,628</u>	<u>\$ 9,885,479</u>
	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>

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

	Year Ended December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	\$ 2,949,624	\$ 7,370,456	\$ 10,320,080
Investment return			
Investment income	37,109	110,346	147,455
Net appreciation	(121,883)	(360,173)	(482,056)
Total investment return	(84,774)	(249,827)	(334,601)
Contributions to endowment	-	400,000	400,000
Appropriation of investment return for operations	(500,000)	-	(500,000)
Net assets, end of year	<u>\$ 2,364,851</u>	<u>\$ 7,520,629</u>	<u>\$ 9,885,479</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:

	2019	2018
Net assets with donor restrictions:		
Contributions receivable, net	\$ 719,334	\$ 1,870,666
Appreciation on endowment	4,631,612	2,515,981
Endowment	5,204,647	5,004,647
Total	<u>\$ 10,555,593</u>	<u>\$ 9,391,294</u>

Net assets released from donor restrictions were \$1,220,081 and \$663,951 for the years ended December 31, 2019 and 2018, respectively. The releases were all based on satisfaction of time restrictions.

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE 13 - NATURAL AND FUNCTIONAL EXPENSES

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

	Program Activities	Supporting Activities			Total Expenses
	Programs Subtotal	Management and General	Fundraising	Support Subtotal	
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	59,793	119,587	119,587	239,173	298,967
Office expenses	56,102	112,203	112,203	224,407	280,508
Printing and publications	103,903	17,317	51,951	69,269	173,171
Travel and development	31,734	63,469	63,469	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	-	14,318	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	9,979	12,474
Total expenses	\$ 14,623,417	\$ 2,223,137	\$ 1,792,361	\$ 4,015,498	\$ 18,638,914

Natural and functional expenses for the year ended December 31, 2018 were as follows:

	Program Activities	Supporting Activities			Total Expenses
	Programs Subtotal	Management and General	Fundraising	Support Subtotal	
Grant awards	\$ 20,153,964	\$ -	\$ -	\$ -	\$ 20,153,964
Salaries and benefits	889,152	1,255,715	1,297,827	2,553,542	3,442,694
Grant recipient support	659,879	64,500	-	64,500	724,379
Professional fees	423,691	874,067	225,053	1,099,120	1,522,811
Conference	389,974	-	-	-	389,974
Rent	100,379	100,379	100,379	200,758	301,137
Office expenses	102,474	102,474	102,474	204,948	307,422
Printing and publications	123,720	26,511	26,511	53,022	176,742
Travel and development	45,031	45,031	45,031	90,062	135,093
Insurance	14,023	14,023	14,023	28,046	42,069
Taxes and filing fees	10,578	10,245	10,245	20,490	30,735
Depreciation expense	5,168	5,168	5,168	10,336	15,504
IT Development costs	10,245	10,578	10,578	21,156	31,734
Total expenses	\$ 22,928,278	\$ 2,508,691	\$ 1,837,289	\$ 4,345,980	\$ 27,274,258

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

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 Fund also contributes ten percent 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 \$182,534 in 2019 and \$213,450 in 2018.

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 \$298,967 in 2019 and \$298,648 in 2018.

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,	
2020	\$ 295,349
2021	280,043
2022	118,892
2023	114,429
	<hr/>
	\$ 808,714

NOTE 16 - SUBSEQUENT EVENTS

The Funds has evaluated subsequent events through July 30, 2020, the date that the financial statements were available for issuance.

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 2020 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.

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 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. The COVID-19 pandemic has resulted in the cancellation of the Fund's in-person fundraising events since March 12, 2020. These cancelled fundraising events generated \$5,228,211 and \$5,486,116 in net revenues from fundraising events for the years ended December 31, 2019 and 2018, respectively.