

Financial Statements and Report of
Independent Certified Public
Accountants

The American Ireland Fund

December 31, 2021 and 2020

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GRANT THORNTON LLP

75 State St., 13th Floor
Boston, MA 02109-1827

D +1 617 723 7900
F +1 617 723 3640

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
The American Ireland Fund

Opinion

We have audited the financial statements of The American Ireland Fund (the “Fund”), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2021 and 2020, 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.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Boston, Massachusetts
June 28, 2022

The American Ireland Fund

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 9,852,199	\$ 11,854,880
Investment securities, at fair value	17,401,056	15,275,874
Prepaid expenses	157,375	295,149
Contributions receivable, net	836,734	767,130
Furniture and equipment, net	55,495	40,471
Cash surrender value of life insurance policies	398,051	402,424
Works of art and literature on public display	15,000	77,500
	<u> </u>	<u> </u>
Total assets	<u>\$ 28,715,910</u>	<u>\$ 28,713,428</u>
LIABILITIES AND NET ASSETS		
Grants payable	\$ 6,814,532	\$ 8,325,111
Accounts payable	396,360	156,034
Accrued liabilities	362,587	215,704
Deferred revenue	146,100	730,639
	<u> </u>	<u> </u>
Total liabilities	<u>7,719,579</u>	<u>9,427,488</u>
NET ASSETS		
Net assets without Donor Restrictions		
General	3,803,589	4,133,467
Board designated	5,795,485	4,565,648
	<u>9,599,074</u>	<u>8,699,115</u>
Net assets with Donor Restrictions		
Purpose and time restricted	6,042,610	5,232,178
Perpetual	5,354,647	5,354,647
	<u>11,397,257</u>	<u>10,586,825</u>
Total net assets	<u>20,996,331</u>	<u>19,285,940</u>
	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 28,715,910</u>	<u>\$ 28,713,428</u>

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

The American Ireland Fund

STATEMENTS OF ACTIVITIES

Years ended December 31, 2021 and 2020

	2021	2020
Changes in net assets without donor restrictions		
Operating activities		
Revenues and support:		
Contributions	\$ 18,320,554	\$ 15,440,803
Fundraising events	4,605,535	5,491,130
Less: fundraising event expenses	(1,627,530)	(1,540,662)
Net revenues from fundraising events	2,978,005	3,950,468
Investment return designated for current operations	15,433	63,571
Other	2,200	9,313
Net loss on foreign exchange translation	(17,112)	(34,535)
Net assets released from restrictions	1,001,778	1,416,877
Total revenues and support	22,300,858	20,846,497
Expenses		
Program services:		
Grant awards	17,742,439	14,301,830
Other program services	1,402,048	1,443,589
Management and general	1,443,126	1,616,704
Fundraising	1,281,332	1,531,039
Total expenses	21,868,945	18,893,162
Change in net assets without donor restrictions from operations	431,913	1,953,335
Non operating activities		
Investment return, net of amount designated for current operations	7,948	(61,817)
Investment gain on endowment fund	460,098	363,780
Change in net assets without donor restrictions	899,959	2,255,298
Changes in net assets with donor restrictions		
Revenues and support		
Contributions	-	50,000
Investment gain on endowment	1,812,210	1,398,109
Net assets released from restrictions	(1,001,778)	(1,416,877)
Change in net assets with donor restrictions	810,432	31,232
CHANGE IN TOTAL NET ASSETS	1,710,391	2,286,530
Net assets, beginning of year	19,285,940	16,999,410
Net assets, end of year	\$ 20,996,331	\$ 19,285,940

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

The American Ireland Fund

STATEMENTS OF CASH FLOWS

Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,710,391	\$ 2,286,530
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation	18,540	18,569
Realized and unrealized (gain)/loss on investment securities	(2,173,628)	(1,618,537)
Noncash grants given - art and literary collections	62,500	18,300
Noncash stock donations	(453,489)	(1,726,167)
Changes in operating assets and liabilities		
Contributions receivable	(69,604)	458,018
Cash surrender value of life insurance policies	4,373	80,732
Prepaid expenses	137,774	64,788
Accounts and grants payable	(1,270,253)	(78,327)
Deferred revenue	(584,539)	542,984
Accrued liabilities	146,883	1,721
	<u>(2,471,052)</u>	<u>48,611</u>
Net cash (used in) provided by operating activities		
	<u>(2,471,052)</u>	<u>48,611</u>
Cash flows from investing activities:		
Purchase of equipment	(33,564)	(5,216)
Purchase of investments	(3,520,340)	(6,245,149)
Proceeds from sales and maturities of investments	4,022,275	8,635,280
	<u>468,371</u>	<u>2,384,915</u>
Net cash provided by investing activities		
	<u>468,371</u>	<u>2,384,915</u>
Net change in cash and cash equivalents	(2,002,681)	2,433,526
Cash and cash equivalents, beginning of year	<u>11,854,880</u>	<u>9,421,354</u>
Cash and cash equivalents, end of year	<u><u>\$ 9,852,199</u></u>	<u><u>\$ 11,854,880</u></u>
Noncash activity:		
Noncash grants given - art and literary collections	\$ (62,500)	\$ (18,300)
Noncash stock donations	\$ 453,489	\$ 1,726,167

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

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

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 \$614,688 and \$3,526,762 and at December 31, 2021 and 2020, 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, 2021 and 2020

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.

Government grant revenue is accounted for as contribution revenue. In 2021, the Fund received a loan of \$411,400 under the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") that bore interest at 1% per annum. Based on the terms of the loans and the program, the loan balances were forgiven in 2021 and converted into grants to the Fund as certain conditions were met.

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 16% and 12% of contribution revenues for the years ended December 31, 2021 and 2020, 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 2021 or 2020.

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 7% and 12% of total revenues for the years ended December 31, 2021 and 2020, respectively.

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

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.

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 \$121,470 and \$44,643 in 2021 and 2020, respectively.

Recently Adopted Accounting Standards

Accounting Standards Update ("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, 2021. There was no impact to the financial statements as a result of adopting this new standard in 2021.

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

Accounting Pronouncements Effective in Future Years

In February 2016, the Financial Accounting Standards Board 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.

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, 2021 and 2020:

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 9,852,199	\$ 11,854,880
Contributions receivable to be collected during the year	840,897	723,660
Spending policy allocation	-	19,622
	<u>\$ 10,693,096</u>	<u>\$ 12,598,162</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:

	2021	2020
U.S. government obligations	\$ 214,320	\$ 212,208
Corporate bonds	4,869,967	4,737,951
Mutual funds	194,564	175,617
Equity securities	11,177,909	9,340,623
Money market funds	944,296	809,475
	<u>\$ 17,401,056</u>	<u>\$ 15,275,874</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 American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

The Fund's Board of Directors has approved a spending policy for the non-endowment investments whereby a predetermined amount (defined at 2% 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 2% return based on the Fund's three-year average non-endowment investment balance.

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

	2021	2020
Investment return		
Interest and dividends, net of investment fees	\$ 126,434	\$ 154,419
Change in value of cash surrender value of life insurance	(4,373)	(9,313)
Net realized gain on investments	1,106,782	1,128,121
Net unrealized gain on investments	1,066,846	490,417
	<u>\$ 2,295,689</u>	<u>\$ 1,763,643</u>
 Total return on investments		
	<u>\$ 2,295,689</u>	<u>\$ 1,763,643</u>
 As reported in the Statement of Activities		
Current operations		
Investment return designated for current operations	\$ 15,433	\$ 63,571
Non-operating activities		
Investment (loss) gain, net of amount designated for current operations	7,948	(61,817)
Investment gain on board designated endowment	460,098	363,780
Changes in donor restricted net assets		
Investment gain on endowment fund	1,812,210	1,398,109
	<u>1,812,210</u>	<u>1,398,109</u>
 Total return on investments		
	<u>\$ 2,295,689</u>	<u>\$ 1,763,643</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, 2021 and 2020

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, 2021		
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. government obligations	\$ 214,320	\$ -	\$ 214,320
Corporate bonds	-	4,869,967	4,869,967
Mutual funds	194,564	-	194,564
Equity securities	11,177,909	-	11,177,909
Money market funds	944,296	-	944,296
	<u>\$ 12,531,089</u>	<u>\$ 4,869,967</u>	<u>\$ 17,401,056</u>

	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>

NOTE 6 - CONTRIBUTIONS RECEIVABLE

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

	2021	2020
Amounts due		
Within one year	\$ 836,734	\$ 723,660
Between one and five years	-	50,000
	<u>836,734</u>	<u>773,660</u>
Less: unamortized discount	-	(6,531)
Net unconditional promises to give	<u>\$ 836,734</u>	<u>\$ 767,130</u>

The discount rates used in measuring the present value of these contribution receivables range from 1.93% to 2.49%.

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

NOTE 7 - FURNITURE AND EQUIPMENT, NET

Furniture and equipment consisted of the following at December 31:

	2021	2020
Computer equipment	\$ 107,947	\$ 74,384
Furniture and fixtures	115,937	115,937
Software	2,523	2,523
	<u>226,407</u>	<u>192,843</u>
Accumulated depreciation	<u>(170,912)</u>	<u>(152,372)</u>
Net furniture and equipment	<u>\$ 55,495</u>	<u>\$ 40,471</u>

Depreciation expense recorded in the Statements of Activities is \$18,540 and \$18,569 in 2021 and 2020, 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 \$1,295,760. The total cash surrender value of all policies is \$398,051 and \$402,424 at December 31, 2021 and 2020, 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 2021 and 2020, the Fund did not receive any collections of art works.

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 \$17,742,439 for 2021 and \$14,301,830 for 2020. Included within the total Grants awarded are Scholarship grants of \$2,832,039 for 2021 and \$1,042,080 for 2020.

Grants awarded and unpaid at December 31, 2021 and 2020 totaled \$6,814,532 and \$8,325,111, respectively, and are included in grants payable in the accompanying Statements of Financial Position.

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

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, 2021 or December 31, 2020. 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.

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 2020 and 2021, respectively. As it relates to fiscal year 2021, \$954,146 was authorized by the Board and appropriated out of with donor restriction endowment in 2021, of which \$184,407 was appropriated for use in operations. As it relates to fiscal year 2020, \$971,012 was authorized by the Board and appropriated out of with donor restriction endowment in 2020.

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

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, 2021			
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ -	\$ 11,221,419	\$ 11,221,419
Board-designated funds	5,795,485	-	5,795,485
Total funds	\$ 5,795,485	\$ 11,221,419	\$ 17,016,904
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	\$ 4,565,648	\$ 10,313,356	\$ 14,879,004
Year Ended December 31, 2021			
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	\$ 4,565,648	\$ 10,313,356	\$ 14,879,004
Investment return			
Investment income	25,194	99,233	124,427
Net appreciation	434,904	1,712,976	2,147,880
Total investment return	460,098	1,812,209	2,272,307
Contributions to endowment	-	50,000	50,000
Board appropriation out of Board-designated funds	(184,407)		(184,407)
Board appropriation out of with donor restriction endowment	-	(954,146)	(954,146)
Board appropriation into board designated endowment	954,146	-	954,146
Net assets, end of year	\$ 5,795,485	\$ 11,221,419	\$ 17,016,904

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

	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>

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:

	2021	2020
Net assets with donor restrictions:		
Contributions receivable, net	\$ 175,838	\$ 273,470
Appreciation on donor endowment	5,866,772	4,958,708
Donor restricted endowment	5,354,648	5,354,647
Total	<u>\$ 11,397,258</u>	<u>\$ 10,586,825</u>

Net assets released from donor restrictions were \$1,001,778 and \$1,416,877 for the years ended December 31, 2021 and 2020, respectively. The releases were all based on satisfaction of time restrictions.

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

NOTE 13 - NATURAL AND FUNCTIONAL EXPENSES

Natural and functional expenses for the year ended December 31, 2021 were as follows:

	Program Activities	Supporting Activities			Total
	Programs Subtotal	Management and General	Fundraising	Support Subtotal	Expenses
Grant awards	\$ 17,742,439	\$ -	\$ -	\$ -	\$ 17,742,439
Salaries and benefits	550,965	771,351	881,544	1,652,895	2,203,860
Grant recipient support	611,971	67,997	-	67,997	679,968
Professional fees	66,227	331,135	100,101	431,236	497,463
Conference	1,224	-	525	525	1,749
Rent	71,803	100,524	114,884	215,408	287,211
Office expenses	47,815	66,940	76,503	143,443	191,258
Printing and publications	27,093	5,419	21,675	27,094	54,187
Travel and development	11,493	11,493	34,479	45,972	57,465
Insurance	-	42,675	14,225	56,900	56,900
Bad debts	-	580	580	1,160	1,160
Taxes and filing fees	-	5,675	631	6,306	6,306
Depreciation expense	-	9,270	9,270	18,540	18,540
IT Development costs	13,457	26,915	26,915	53,830	67,287
Other miscellaneous costs	-	3,152	-	3,152	3,152
Total expenses	<u>\$ 19,144,487</u>	<u>\$ 1,443,126</u>	<u>\$ 1,281,332</u>	<u>\$ 2,724,458</u>	<u>\$ 21,868,945</u>

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>

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

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 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 \$139,671 in 2021 and \$158,585 in 2020.

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 \$295,607 in 2021 and \$294,543 in 2020.

The Fund entered into a facility lease agreement for office space which commenced in May 2022 and expires June 30, 2025.

Future minimum lease rentals are as follows:

Years Ending December 31,

2022	\$	229,282
2023		195,423
2024		197,042
2025		41,714
		<hr/>
	\$	663,461

Contingencies

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on our operational and financial performance in 2022 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 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 28, 2022, 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.