

Financial Statements and Report of
Independent Certified Public
Accountants

The American Ireland Fund

December 31, 2023 and 2022

Contents

Page

Report of Independent Certified Public Accountants	3
Financial Statements	
Statements of financial position	5
Statements of activities	6
Statements of cash flows	7
Notes to financial statements	8

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, 2023 and 2022, 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, 2023 and 2022, 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.

Grant Thornton LLP

Boston, Massachusetts
July 2, 2024

The American Ireland Fund

STATEMENTS OF FINANCIAL POSITION

December 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 8,344,586	\$ 9,659,008
Investment securities, at fair value	16,235,342	14,104,132
Prepaid expenses	373,275	482,417
Contributions receivable, net	487,150	426,554
Furniture and equipment, net	75,656	82,888
Cash surrender value of life insurance policies	377,870	393,757
Operating lease right of use assets	258,523	478,319
Works of art and literature on public display	100,415	103,465
	<u>26,252,817</u>	<u>25,730,540</u>
Total assets	<u>\$ 26,252,817</u>	<u>\$ 25,730,540</u>
LIABILITIES AND NET ASSETS		
Grants payable	\$ 4,052,366	\$ 6,098,492
Accounts payable	153,924	461,423
Accrued liabilities	475,160	418,423
Operating lease liabilities	266,662	489,934
Deferred revenue	325,100	214,070
	<u>5,273,212</u>	<u>7,682,342</u>
Total liabilities	<u>5,273,212</u>	<u>7,682,342</u>
Net assets		
Net assets without donor restrictions		
General	5,083,349	4,256,883
Board designated	6,252,128	6,131,037
	<u>11,335,477</u>	<u>10,387,920</u>
Net assets with donor restrictions		
Purpose and time restricted	4,089,480	2,205,631
Perpetual	5,554,647	5,454,647
	<u>9,644,127</u>	<u>7,660,278</u>
Total net assets	<u>20,979,604</u>	<u>18,048,198</u>
Total liabilities and net assets	<u>\$ 26,252,817</u>	<u>\$ 25,730,540</u>

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

The American Ireland Fund
STATEMENTS OF ACTIVITIES
Years ended December 31,

	2023	2022
Changes in net assets without donor restrictions		
Operating activities		
Revenues and support:		
Contributions	\$ 18,957,056	\$ 15,967,499
Fundraising events	10,060,732	5,529,502
Less: fundraising event expenses	(2,991,598)	(2,141,414)
Net revenues from fundraising events	7,069,134	3,388,088
Investment return designated for current operations	29,308	-
Other	126,915	2,095,941
Net loss on foreign exchange translation	(6,962)	(7,817)
Net assets released from restrictions	-	1,235,149
Total revenues and support	26,175,451	22,678,860
Expenses		
Program services:		
Grant awards	19,550,642	16,474,438
Other program services	1,971,797	1,659,198
Management and general	1,932,651	1,563,352
Fundraising	2,088,313	1,659,181
Total expenses	25,543,403	21,356,169
Change in net assets without donor restrictions from operations	632,048	1,322,691
Non operating activities		
Investment return, net of amount designated for current operations	(14,281)	(54,078)
Investment gain/(loss) on endowment fund	317,946	(568,233)
Contribution of art and literary collections	11,950	88,465
Change in net assets without donor restrictions	947,663	788,845
Changes in net assets with donor restrictions		
Revenues and support		
Contributions	100,000	100,000
Investment gain/(loss) on endowment	1,883,743	(2,601,829)
Net assets released from restrictions	-	(1,235,149)
Change in net assets with donor restrictions	1,983,743	(3,736,978)
CHANGE IN TOTAL NET ASSETS	2,931,406	(2,948,133)
Net assets, beginning of year	18,048,198	20,996,331
Net assets, end of year	\$ 20,979,604	\$ 18,048,198

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

The American Ireland Fund

STATEMENTS OF CASH FLOWS

Years ended December 31,

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,931,406	\$ (2,948,133)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Contribution of art and literary collections	(11,950)	(88,465)
Depreciation	24,874	22,234
Realized and unrealized (gain)/loss on investment securities	(2,023,574)	3,383,346
Noncash grants given - art and literary collections	15,000	-
Noncash stock donations	(1,049,324)	(454,806)
Changes in operating assets and liabilities		
Contributions receivable	(60,596)	410,180
Cash surrender value of life insurance policies	15,887	4,294
Prepaid expenses	109,142	(325,042)
Accounts and grants payable	(2,353,625)	(650,977)
Deferred revenue	111,030	67,970
Accrued liabilities	56,737	55,836
	<u>(2,234,993)</u>	<u>(523,563)</u>
Net cash used in operating activities		
Cash flows from investing activities:		
Purchase of equipment	(12,362)	(24,445)
Purchase of investments	(5,565,893)	(5,975,746)
Proceeds from sales and maturities of investments	<u>6,498,826</u>	<u>6,330,563</u>
	<u>920,571</u>	<u>330,372</u>
Net cash provided by investing activities		
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,314,422)	(193,191)
Cash and cash equivalents, beginning of year	<u>9,659,008</u>	<u>9,852,199</u>
Cash and cash equivalents, end of year	<u><u>\$ 8,344,586</u></u>	<u><u>\$ 9,659,008</u></u>
Noncash activity:		
Contributions received - art and literary collections	\$ 11,950	\$ 88,465
Noncash grants given - art and literary collections	\$ (15,000)	\$ -
Noncash stock donations	\$ 1,049,324	\$ 454,806
Reinvested Interest and dividend income	\$ 209,029	\$ 165,500

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

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

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 and reconciliation, arts and 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 \$330,487 and \$2,634,147 at December 31, 2023 and 2022, respectively. These assets are translated using the current exchange rates at the statement of financial position dates.

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

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 American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2023 and 2022

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.

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 scheduled in a future calendar year are recorded as deferred revenue until the event occurs in the future calendar year. Gifts of noncash 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 discount 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 14% and 11% of contribution revenues for the years ended December 31, 2023 and 2022, 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 2023 or 2022.

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 13% and 8% of total revenues for the years ended December 31, 2023 and 2022, 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

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2023 and 2022

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 Non-operating 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.

During 2022, the Fund received a partial grant repayment of \$1,559,880, which is recorded as other income. During 2022, a grant payable of \$536,020 was withdrawn and is recorded as other income.

Related Party Transactions

During 2023, a firm that is owned by a board member of the Fund was also engaged by the Fund to provide professional services related to a fundraising event. The amount paid to the firm owned by the board member was \$60,000.

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 \$83,074 and \$164,373 in 2023 and 2022, respectively.

Recently Adopted Accounting Standards

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 ended December 31, 2022. Management has adopted this standard in the financial statements of the Fund, recording a right-of-use asset and a corresponding lease liability of \$670,739 as of January 1, 2022, the date of adoption.

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2023 and 2022

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Fund's financial assets available within one year of the Statements of Financial Position for general expenditure are as follows as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 8,344,586	\$ 9,659,009
Contributions receivable to be collected within one year	487,150	426,554
	<u>\$ 8,831,736</u>	<u>\$ 10,085,563</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:

	<u>2023</u>	<u>2022</u>
U.S. government obligations	\$ 195,078	\$ 196,421
Corporate bonds	5,113,001	4,447,143
Mutual funds	178,693	155,034
Equity securities	9,917,021	8,267,005
Money market funds	831,550	1,038,529
	<u>\$ 16,235,343</u>	<u>\$ 14,104,132</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, 2023 and 2022

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

	2023	2022
Investment return		
Interest and dividends, net of investment fees	\$ 209,030	\$ 163,500
Change in value of cash surrender value of life insurance	(15,887)	(4,294)
Net realized gain on investments	737,450	492,286
Net unrealized gain/(loss) on investments	1,286,124	(3,875,632)
Total return on investments	\$ 2,216,717	\$ (3,224,140)
As reported in the statement of activities		
Current operations		
Investment return designated for current operations	\$ 29,308	\$ -
Non-operating activities		
Investment (loss) gain, net of amount designated for current operations	(14,281)	(54,078)
Investment (loss) gain on board designated endowment	317,946	(568,233)
Changes in donor restricted net assets		
Investment (loss) gain on endowment fund	1,883,743	(2,601,829)
Total return on investments	\$ 2,216,717	\$ (3,224,140)

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, 2023 and 2022

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, 2023		
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. government obligations	\$ 195,078	\$ -	\$ 195,078
Corporate bonds	-	5,113,001	5,113,001
Mutual funds	178,692	-	178,692
Equity securities	9,917,021	-	9,917,021
Money market funds	831,550	-	831,550
	<u>\$ 11,122,341</u>	<u>\$ 5,113,001</u>	<u>\$ 16,235,342</u>
	December 31, 2022		
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. government obligations	\$ 196,421	\$ -	\$ 196,421
Corporate bonds	-	4,447,143	4,447,143
Mutual funds	155,034	-	155,034
Equity securities	8,267,005	-	8,267,005
Money market funds	1,038,529	-	1,038,529
	<u>\$ 9,656,989</u>	<u>\$ 4,447,143</u>	<u>\$ 14,104,132</u>

NOTE 6 - CONTRIBUTIONS RECEIVABLE

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

	2023	2022
Amounts due		
Within one year	\$ 487,150	\$ 426,554
Between one and five years	-	-
Contributions receivable	<u>\$ 487,150</u>	<u>\$ 426,554</u>

The American Ireland Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2023 and 2022

NOTE 7 - FURNITURE AND EQUIPMENT, NET

Furniture and equipment consisted of the following at December 31:

	2023	2022
Computer equipment	\$ 144,753	\$ 132,392
Furniture and fixtures	146,399	141,118
Software	2,523	2,523
	283,675	276,033
Accumulated depreciation	(218,019)	(193,145)
Net furniture and equipment	\$ 75,656	\$ 82,888

Depreciation expense recorded in the Statements of Activities is \$24,874 and \$22,234 in 2023 and 2022, 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 \$377,870 and \$393,757 at December 31, 2023 and 2022, respectively, and is reflected as cash surrender value of life insurance policies in the accompanying Statements of Financial Position.

NOTE 9 - CONTRIBUTIONS OF ARTWORK

The Fund received a collection of art works with a valuation of \$11,950 during 2023 and \$88,465 during 2022.

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 Statements of Activities and totaled \$19,550,642 for 2023 and \$16,474,438 for 2022. Included within the total Grants awarded are Scholarship grants of \$3,903,804 for 2023 and \$3,886,574 for 2022.

Grants awarded and unpaid at December 31, 2023 and 2022 totaled \$4,052,366 and \$6,098,492, 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, 2023 and 2022

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, 2023 or December 31, 2022. 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 endowment (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's Board of Directors has approved a spending policy for the period 2020-2022 for the endowment 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 net assets without donor restrictions, to be available if needed in the future to fund current operations. The fund exceeded \$10 million in fiscal year 2023 and 2022. As it relates to fiscal year 2023, there were no appropriations from donor restricted endowment and \$195,000 was appropriated out of without donor restriction endowment for use in operations. As it relates to fiscal year 2022, \$1,109,311 was authorized by the Board and appropriated out of with donor restriction endowment in 2022, and \$210,000 was appropriated out of without donor restriction endowment for use in operations.

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

Endowment net assets and related activity consist of the following as of and for the years ended December 31:

	As of December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ -	\$ 9,619,022	\$ 9,619,022
Board-designated funds	6,252,128	-	6,252,128
Total funds	<u>\$ 6,252,128</u>	<u>\$ 9,619,022</u>	<u>\$ 15,871,150</u>
	As of December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ -	\$ 7,635,279	\$ 7,635,279
Board-designated funds	6,131,037	-	6,131,037
Total funds	<u>\$ 6,131,037</u>	<u>\$ 7,635,279</u>	<u>\$ 13,766,316</u>
	Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	\$ 6,131,037	\$ 7,635,279	\$ 13,766,316
Investment return			
Investment income	29,414	174,269	203,683
Net appreciation	288,532	1,709,474	1,998,006
Total investment return	317,946	1,883,743	2,201,689
Contributions to endowment	(1,855)	100,000	98,145
Board appropriation out of Board-designated endowment	(195,000)	-	(195,000)
Net assets, end of year	<u>\$ 6,252,128</u>	<u>\$ 9,619,022</u>	<u>\$ 15,871,150</u>

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

	Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	\$ 5,795,485	\$ 11,221,419	\$ 17,016,904
Investment return			
Investment income	29,118	133,323	162,441
Net (depreciation)/appreciation	<u>(597,351)</u>	<u>(2,735,152)</u>	<u>(3,332,503)</u>
Total investment return	(568,233)	(2,601,829)	(3,170,062)
Contributions to endowment	4,474	125,000	129,474
Board appropriation out of Board-designated endowment	(210,000)	-	(210,000)
Board appropriation out of with donor restriction endowment	-	(1,109,311)	(1,109,311)
Board appropriation into board designated endowment	<u>1,109,311</u>	<u>-</u>	<u>1,109,311</u>
Net assets, end of year	<u>\$ 6,131,037</u>	<u>\$ 7,635,279</u>	<u>\$ 13,766,316</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:

	2023	2022
Net assets with donor restrictions		
Contributions receivable	\$ 25,000	\$ 25,000
Appreciation on donor endowment	4,064,480	2,180,631
Donor restricted endowment	<u>5,554,647</u>	<u>5,454,647</u>
Total	<u>\$ 9,644,127</u>	<u>\$ 7,660,278</u>

Net assets released from donor restrictions were \$0 and \$1,235,149 for the years ended December 31, 2023 and 2022, respectively. The releases were all based on satisfaction of time restrictions.

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE 13 - NATURAL AND FUNCTIONAL EXPENSES

Natural and functional expenses for the year ended December 31, 2023 were as follows:

	Program Activities	Supporting Activities			Total Expenses
	Programs Subtotal	Management and General	Fundraising	Support Subtotal	
Grant awards	\$ 19,550,642	\$ -	\$ -	\$ -	\$ 19,550,642
Salaries and benefits	766,667	920,001	1,380,001	2,300,002	3,066,669
Grant recipient support	607,359	67,484	-	67,484	674,843
Professional fees	133,723	624,042	189,523	813,565	947,289
Conference	263,074	-	112,746	112,746	375,820
Rent	52,234	91,409	117,526	208,934	261,168
Office expenses	39,343	78,686	78,686	157,371	196,714
Printing and publications	57,839	11,568	46,271	57,839	115,678
Travel and development	32,899	32,899	98,697	131,596	164,495
Insurance	-	41,654	13,885	55,539	55,539
Bad debts recovery	-	(419)	(419)	(838)	(838)
Taxes and filing fees	-	14,771	1,641	16,412	16,412
Depreciation expense	-	12,437	12,437	24,874	24,874
IT development costs	18,660	37,320	37,320	74,639	93,299
Other miscellaneous costs	-	800	-	800	800
Total expenses	\$ 21,522,440	\$ 1,932,651	\$ 2,088,313	\$ 4,020,964	\$ 25,543,404

Natural and functional expenses for the year ended December 31, 2022 were as follows:

	Program Activities	Supporting Activities			Total Expenses
	Programs Subtotal	Management and General	Fundraising	Support Subtotal	
Grant awards	\$ 16,474,438	\$ -	\$ -	\$ -	\$ 16,474,438
Salaries and benefits	627,236	752,683	1,129,025	1,881,708	2,508,944
Grant recipient support	544,550	60,506	-	60,506	605,056
Professional fees	89,803	449,014	91,669	540,683	630,486
Conference	208,513	-	89,363	89,363	297,876
Rent	70,842	99,180	113,348	212,528	283,370
Office expenses	49,338	69,073	78,941	148,014	197,352
Printing and publications	25,411	5,082	20,330	25,412	50,823
Travel and development	23,318	23,318	69,956	93,274	116,592
Insurance	-	41,820	13,940	55,760	55,760
Bad debts	-	116	115	231	231
Taxes and filing fees	-	9,085	1,010	10,095	10,095
Depreciation expense	-	11,117	11,116	22,233	22,233
IT development costs	20,187	40,370	40,368	80,738	100,925
Other miscellaneous costs	-	1,988	-	1,988	1,988
Total expenses	\$ 18,133,636	\$ 1,563,352	\$ 1,659,181	\$ 3,222,533	\$ 21,356,169

The American Ireland Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

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 \$187,058 in 2023 and \$182,635 in 2022.

NOTE 15 - CONTINGENCIES

In June 2023, the Fund received a favorable verdict and was awarded damages of \$830,000 in a Texas court civil case seeking relief from a former employee and her son. The jury concluded that the defendants engaged in a series of actions to commit acts of fraud, theft, breach of fiduciary duty and conspiracy during the period 2015-2017. The jury also awarded exemplary damages to the Fund totaling \$1,500,000, as well as its legal fees. In June 2024, the verdict was entered as a formal judgment by the Court and pre-judgment interest was awarded under Texas law. Once any appeal is completed, the Fund will work with external counsel towards achieving the payment of these damages.

NOTE 16 - SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through July 2, 2024, the date that the financial statements were available for issuance, and is not aware of any subsequent events, which would require recognition in the accompanying financial statements.