

Greenpeace Fund, Inc.

Financial Statements
and Independent Auditors' Report

December 31, 2010 and 2009

Greenpeace Fund, Inc.

Financial Statements
December 31, 2010 and 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Greenpeace Fund, Inc.

We have audited the accompanying statements of financial position of Greenpeace Fund, Inc. as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Greenpeace Fund, Inc.'s management. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greenpeace Fund, Inc. at December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included at pages 13-16 is presented for purposes of additional analysis of the financial statements and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Vienna, Virginia
May 6, 2011

Greenpeace Fund, Inc.

Statements of Financial Position
December 31, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents	\$ 2,103,146	\$ 1,142,846
Contributions and grants receivable	2,344,911	2,372,974
Investments	6,462,090	15,628,421
Prepaid expenses and deferred charges	289	-
Note receivable from Greenpeace, Inc.	-	808,513
Total assets	<u>\$ 10,910,436</u>	<u>\$ 19,952,754</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 20,393	\$ 14,853
Gift annuities payable	987,050	1,012,430
Grants payable to Greenpeace, Inc.	361,545	6,000
Grants payable to Stichting Greenpeace Council	209,738	4,716,582
Grants payable to other Greenpeace affiliates	205,000	121,000
Total liabilities	<u>1,783,726</u>	<u>5,870,865</u>
Net Assets		
Unrestricted	8,736,710	13,451,889
Temporarily restricted	390,000	630,000
Total net assets	<u>9,126,710</u>	<u>14,081,889</u>
Total liabilities and net assets	<u>\$ 10,910,436</u>	<u>\$ 19,952,754</u>

Greenpeace Fund, Inc.

Statements of Activities For the Years Ended December 31, 2010 and 2009

	2010	2009
Unrestricted Revenue and Support		
Contributions	\$ 4,938,920	\$ 5,654,702
Grants	2,551,275	1,142,808
Investment income (loss)	280,761	(1,821,177)
Other income	-	2,500
Net assets released from restrictions	580,000	205,000
Total revenue and support	8,350,956	5,183,833
Expenses		
Program services:		
Grants to Greenpeace, Inc.	5,110,000	5,600,000
Grants to Stichting Greenpeace Council	6,046,952	10,217,653
Public information and education	-	339
Total program services	11,156,952	15,817,992
Supporting services:		
Fund-raising	1,474,170	1,304,057
Management and general	435,013	503,165
Total supporting services	1,909,183	1,807,222
Total expenses	13,066,135	17,625,214
Change in unrestricted net assets	(4,715,179)	(12,441,381)
Temporarily Restricted Net Assets		
Contributions	340,000	480,000
Net assets released from restrictions	(580,000)	(205,000)
Change in temporarily restricted net assets	(240,000)	275,000
Change in Net Assets	(4,955,179)	(12,166,381)
Net Assets, beginning of year	14,081,889	26,248,270
Net Assets, end of year	\$ 9,126,710	\$ 14,081,889

See accompanying notes.

Greenpeace Fund, Inc.

Statements of Cash Flows For the Years Ended December 31, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities		
Change in net assets	\$ (4,955,179)	\$ (12,166,381)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized (gain) loss on investments	(67,962)	1,821,177
Donated securities	(168,645)	(365,569)
Change in operating assets and liabilities:		
(Increase) decrease in:		
Contributions and grants receivable	28,063	(64,814)
Prepaid expenses and deferred charges	(289)	10,081
Increase (decrease) in:		
Accounts payable and accrued expenses	5,540	8,618
Gift annuities payable	(25,380)	(34,129)
Grants payable to Greenpeace, Inc.	355,545	(622,235)
Grants payable to Stichting Greenpeace Council	(4,506,844)	4,318,247
Grants payable to other Greenpeace affiliates	84,000	(98,241)
Net cash used in operating activities	<u>(9,251,151)</u>	<u>(7,193,246)</u>
Cash Flows from Investing Activities		
Net sales of investments	9,402,938	8,019,910
Drawdown on note to Greenpeace, Inc.	(3,469,299)	(5,995,890)
Payments on note to Greenpeace, Inc.	<u>4,277,812</u>	<u>5,632,835</u>
Net cash provided by investing activities	<u>10,211,451</u>	<u>7,656,855</u>
Net Increase in Cash and Cash Equivalents	960,300	463,609
Cash and Cash Equivalents, beginning of year	<u>1,142,846</u>	<u>679,237</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 2,103,146</u></u>	<u><u>\$ 1,142,846</u></u>

See accompanying notes.

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2010 and 2009

1. Nature of Operations

Greenpeace Fund, Inc. (the “Organization”) is a non-profit corporation whose activities are directed primarily at protecting and preserving the environment. Activities are executed mainly through the consideration and funding of grants to other organizations. The Organization’s primary sources of revenues are contributions from individuals and grants from organizational donors.

2. Summary of Significant Accounting Policies

Classification of Net Assets

- *Unrestricted net assets* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization’s operations.
- *Temporarily restricted net assets* represent funds that are subject to donor-imposed restrictions that are met through specific actions of the Organization or through the passage of time.

Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments with original maturities of 90 days or less that are easily convertible to known amounts of cash.

Investments

Investments consist of money market funds, equity funds and securities, mutual funds, and government obligations, which are recorded at fair value as determined by quoted market prices. Donated investments are recorded at their fair value on the date of receipt. Unrealized gains and losses are reported as a component of investment income in the accompanying statements of activities.

Revenue Recognition

All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization reports grants and contributions as temporarily restricted support if they are received with donor or grantor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. However, restrictions met in the same accounting period in which the related contribution was received are treated as unrestricted.

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2010 and 2009

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contributions pledged through wills and estates are recorded as contributions at the time of notification from the estate at the anticipated amount to be received. Such amounts are generally collected within one year.

Fair Value Measurements

The Organization follows Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, for financial assets and liabilities. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and level 3 is based on unobservable inputs.

In addition, the Organization follows ASC 825-10, *Financial Instruments*, which allows entities the irrevocable option to carry most financial assets and liabilities at fair value that are not currently required to be measured at fair value. At adoption, the effect of the first remeasurement to fair value is recorded as a cumulative effect adjustment to the opening balance of unrestricted net assets. The Organization did not elect to measure any additional eligible financial assets or financial liabilities at fair value. Accordingly, adoption of this standard had no impact on the Organization's results of operations or financial position.

Effective January 1, 2010, the Organization adopted Accounting Standards Update 2009-12, *Investments in Certain Entities That Calculate Net Assets Value per Share (or its Equivalent)*, which is amended the existing guidance in ASC 820. This guidance permits, as a practical expedient, the fair value of investments that do not have a quoted market price to be estimated using net asset value (NAV) per share or its equivalent. At December 31, 2010, the Organization did not have any investments requiring to be valued using NAV.

Donated Services

A number of volunteers have donated significant time to develop and assist with the Organization's programs and activities. However, these donated services are not reflected in the accompanying financial statements since they do not meet the criteria for recognition under accounting principles generally accepted in the United States.

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2010 and 2009

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of the Organization's programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and functions benefited.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition of disclosure through May 6, 2011, the date the financial statements were issued.

3. Investments

Investments and investment income (loss) consist of the following as of and for the years ended December 31:

	2010	2009
Money market funds	\$ 192,923	\$ 11,244,311
Equity funds and securities	2,022,295	6,379
Mutual funds	3,155,810	1,063,024
Government obligations	1,091,062	3,314,707
Total investments	<u>\$ 6,462,090</u>	<u>\$ 15,628,421</u>
Interest and dividends	\$ 168,500	\$ 228,928
Interest on note receivable	44,299	43,056
Net realized and unrealized gain (loss)	67,962	(2,093,161)
Total investment income (loss)	<u>\$ 280,761</u>	<u>\$ (1,821,177)</u>

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2010 and 2009

4. Fair Value Measurements

Fair value of assets measured on a recurring basis is as follows at December 31:

	Total fair value	Level 1	Level 2	Level 3
<u>2010</u>				
Investments:				
Money market funds	\$ 192,923	\$ 192,923	\$ -	\$ -
Equity funds and securities	2,022,295	2,022,295	-	-
Mutual funds	3,155,810	3,155,810	-	-
Government obligations	1,091,062	1,091,062	-	-
Total investments	<u>\$ 6,462,090</u>	<u>\$ 6,462,090</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2009</u>				
Investments:				
Money market funds	\$ 11,244,311	\$ 11,244,311	\$ -	\$ -
Equity funds and securities	6,379	6,379	-	-
Mutual funds	1,063,024	1,063,024	-	-
Government obligations	3,314,707	3,314,707	-	-
Total investments	<u>\$ 15,628,421</u>	<u>\$ 15,628,421</u>	<u>\$ -</u>	<u>\$ -</u>

Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. There were no level 2 or level 3 financial assets at December 31, 2010 and 2009

5. Contributions and Grants Receivable

Contributions and grants receivable consist of the following at December 31:

	<u>2010</u>	<u>2009</u>
Estates and wills, net	\$ 1,595,715	\$ 1,416,067
Grants	469,966	526,305
Other contributions	279,230	430,602
Contributions and grants receivable	<u>\$ 2,344,911</u>	<u>\$ 2,372,974</u>

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2010 and 2009

5. Contributions and Grants Receivable (continued)

It is the Organization's policy to reduce the amount of contributions pledged from estates and wills by approximately 10% before recording the receivable, for estimated administration costs associated with the estates. Estates and wills are recorded net of an allowance of \$157,340 and \$178,740 at December 31, 2010 and 2009, respectively.

In addition, during the years ended December 31, 2010 and 2009, \$7,960 and \$206,111 was written off from the estates and wills balance, respectively, as management determined that these amounts would not be collected. Contributions and grants receivable as stated at December 31, 2010 and 2009 are deemed to be fully collectible and are reflected at net realizable value. No discount has been calculated for 2010 and 2009 due to immateriality.

The above amounts are receivable as follows at December 31:

	2010	2009
	<hr/>	<hr/>
Due in less than one year	\$ 2,284,911	\$ 2,322,974
Due in one to five years	<hr/> 60,000	<hr/> 50,000
	<hr/>	<hr/>
Total contributions and grants receivable	<u>\$ 2,344,911</u>	<u>\$ 2,372,974</u>

6. Related-Party Transactions

Stichting Greenpeace Council

The Stichting Greenpeace Council, comprised of 16 voting members, develops general policies regarding environmental programs known as campaigns. Although the Organization is a non-voting member of Stichting Greenpeace Council, all Greenpeace entities are influenced by decisions of Stichting Greenpeace Council. However, the Organization has ultimate responsibility for and control over its own activities and decisions.

Grants to Greenpeace Organizations

The Organization made grants to Stichting Greenpeace Council and other Greenpeace affiliates for use in their worldwide activities. The Organization also provided grants to Greenpeace, Inc., to fund research and educational activities.

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2010 and 2009

6. Related-Party Transactions (continued)

Grants to Greenpeace Organizations (continued)

Grants awarded to all related organizations were as follows for the years ended December 31:

	2010	2009
Grants to Stichting Greenpeace Council	\$ 6,046,952	\$ 10,217,653
Grants to Greenpeace, Inc.	5,110,000	5,600,000
Total grants expense	<u>\$ 11,156,952</u>	<u>\$ 15,817,653</u>

Grants payable to all related organizations were as follows at December 31:

	2010	2009
Grants payable to Stichting Greenpeace Council	\$ 209,738	\$ 4,716,582
Grants payable to Greenpeace, Inc.	361,545	6,000
Grants payable to other Greenpeace affiliates	205,000	121,000
Total grants payable	<u>\$ 776,283</u>	<u>\$ 4,843,582</u>

Note Receivable from Greenpeace, Inc.

The Organization loaned funds to Greenpeace, Inc. to support its operations. The loan is provided for one year and is approved by the Board annually. The note had the following activity for the years ended December 31:

	2010	2009
Greenpeace, Inc. note receivable - beginning	\$ 808,513	\$ 445,458
Add: drawdown	3,469,299	5,995,890
Less: principal payments	(4,277,812)	(5,632,835)
Greenpeace, Inc. note receivable - ending	<u>\$ -</u>	<u>\$ 808,513</u>

Interest has been accrued at a rate of 7.25% during 2010 and 2009. Interest revenue was \$44,299 and \$43,056 for the years ended December 31, 2010 and 2009, respectively.

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2010 and 2009

6. Related-Party Transactions (continued)

Expenses Shared with Greenpeace, Inc. and Stichting Greenpeace Council

The Organization shares certain management and general costs with Greenpeace, Inc. All shared costs are charged to the appropriate entity based upon specific identification or are allocated based on time incurred. The Organization's share of such costs is then allocated to the various programs and support services included in the accompanying statements of activities.

In addition, the Organization supports Stichting Greenpeace Council to contribute to the international campaigns and the result of these transactions is a net grants payable to Stichting Greenpeace Council of \$209,738 and \$4,716,582 at December 31, 2010 and 2009, respectively.

7. Split-Interest Agreements

The Organization has entered into irrevocable agreements with donors whereby in exchange for the gift from the donor, the Organization is obligated to provide an annuity to the donor or other designated beneficiaries over the life of the annuitant. A liability is recognized for the estimated present value of the annuity obligation, and the assets are recorded at their gross market value. The discount rate and actuarial assumptions used in calculating the annuity are those provided in the Internal Revenue Service guidelines and actuarial tables.

Assets of the Organization that are derived from split-interest agreements were \$1,452,195 and \$1,375,459 for the years ended December 31, 2010 and 2009, respectively, and are included in investments. Liabilities under split-interest agreements included in the accompanying statements of financial position were \$987,050 and \$1,012,430 at December 31, 2010 and 2009, respectively. Net contributions under split interest agreements were approximately \$93,305 and \$104,008 for the years ended December 31, 2010 and 2009, respectively.

8. Concentration of Credit Risk

In the normal course of operations, the Organization maintains cash deposits and investments with major financial institutions and corporations which from time to time may exceed federally insured limits. Management periodically assesses the financial condition of the institutions and believes that the concentration of risk is minimal.

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2010 and 2009

9. Income Taxes

The Organization is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes except for taxes on unrelated business activities. No tax expense is recorded in the accompanying financial statements for the years ended December 31, 2010 and 2009, as there were no unrelated business activities. Management evaluated the Organization's tax positions and concluded that the Organization's financial statements do not include any uncertain tax positions.

10. Supplemental Cash Flow Disclosures

	<u>2010</u>	<u>2009</u>
Non-cash investing activities:		
Donated securities	<u>\$ 168,645</u>	<u>\$ 365,569</u>
Total non-cash investing activities	<u><u>\$ 168,645</u></u>	<u><u>\$ 365,569</u></u>

SUPPLEMENTAL INFORMATION

Greenpeace Fund, Inc.

Schedules of Program Grants
For the Years Ended December 31, 2010 and 2009

	2010	2009
Grants to Stichting Greenpeace Council		
Oceans Campaign	\$ 1,843,270	\$ 5,045,927
Climate Campaign	1,693,999	4,652,212
Forest Campaign	1,446,258	519,514
Agriculture and Water Campaign	1,063,425	-
Total grants to Stichting Greenpeace Council	6,046,952	10,217,653
Grants to Greenpeace, Inc.		
Oceans Campaign	2,377,000	700,000
Climate Campaign	1,500,000	4,800,000
Forest Campaign	700,000	100,000
Toxic Campaign	350,000	-
Nuclear Campaign	23,000	-
Other	160,000	-
Total grants to Greenpeace, Inc.	5,110,000	5,600,000
Total Program Grants	\$ 11,156,952	\$ 15,817,653

Greenpeace Fund, Inc.

Schedules of Pass-Through Grants For the Years Ended December 31, 2010 and 2009

	2010	2009
Grants to Stichting Greenpeace Council		
Forest	\$ 100,000	\$ -
Climate	-	75,000
Total grants for Stichting Greenpeace Council	100,000	75,000
Grants for Other Affiliates		
Climate - China	25,000	50,000
Climate - Congo	-	100,000
Climate - Other	-	91,000
Forests - Greenpeace Canada	180,000	60,000
Forests - Greenpeace Brazil	-	406,000
Other - Greenpeace Australia	75,000	25,000
Other - Greenpeace New Zealand	-	30,000
Total grants for other Greenpeace affiliates	280,000	762,000
Grants to Greenpeace, Inc.		
Climate	240,408	-
Oceans	190,050	-
Forest	50,000	-
Nuclear	-	26,000
Total grants for Greenpeace, Inc.	480,458	26,000
Total pass-through grants	\$ 860,458	\$ 863,000

Note to Schedules of Pass-Through Grants Received

Basis of Presentation

The accompanying schedules present pass-through grants received by the Organization that were designated to various third party beneficiaries. The Organization does not have variance power over the funds, and does not have a controlling financial interest in any of the beneficiaries. Accordingly, the funds are recorded as liabilities until disbursed.

Greenpeace Fund, Inc.

Schedule of Functional Expenses
For the Year Ended December 31, 2010

	<u>Program Services</u>					
	Grants to Stichting Greenpeace Council	Grants to Greenpeace, Inc.	Total Programs	Fund Raising	Management and General	Total
Grants	\$ 6,046,952	\$ 5,110,000	\$ 11,156,952	\$ -	\$ -	\$ 11,156,952
Salaries, wages and benefits	-	-	-	901,211	305,165	1,206,376
Consultants and contract services	-	-	-	102,325	33,641	135,966
Travel and meetings	-	-	-	71,864	12,401	84,265
Telecommunications	-	-	-	3,680	245	3,925
Information	-	-	-	6,823	32	6,855
Equipment rental	-	-	-	1,250	-	1,250
Photo and video	-	-	-	39	-	39
Postage and courier	-	-	-	71,265	641	71,906
Printing and publication expense	-	-	-	147,755	208	147,963
Communication expenses	-	-	-	10,480	-	10,480
Taxes, permits and fees	-	-	-	456	11,800	12,256
Bank and interest fees	-	-	-	20,088	22,086	42,174
Office costs and supplies	-	-	-	3,869	5,828	9,697
Property costs	-	-	-	1,338	-	1,338
Miscellaneous	-	-	-	785	46	831
Allocated overhead	-	-	-	130,942	42,920	173,862
Total Expenses	\$ 6,046,952	\$ 5,110,000	\$ 11,156,952	\$ 1,474,170	\$ 435,013	\$ 13,066,135

Greenpeace Fund, Inc.

Schedule of Functional Expenses
For the Year Ended December 31, 2009

	Program Services						
	Grants to Stichting Greenpeace Council	Grants to Greenpeace, Inc.	Public Information and Education	Total Programs	Fund Raising	Management and General	Total
Grants	\$ 10,217,653	\$ 5,600,000	\$ -	\$ 15,817,653	\$ -	\$ -	\$ 15,817,653
Salaries, wages and benefits	-	-	339	339	752,666	374,355	1,127,360
Consultants and contract services	-	-	-	-	109,189	13,107	122,296
Travel and meetings	-	-	-	-	27,550	18,359	45,909
Telecommunications	-	-	-	-	1,597	447	2,044
Information	-	-	-	-	5,738	-	5,738
Photo and video	-	-	-	-	210	-	210
Postage and courier	-	-	-	-	81,465	179	81,644
Printing and publication expense	-	-	-	-	160,859	-	160,859
Communication expenses	-	-	-	-	16,880	-	16,880
Taxes, permits and fees	-	-	-	-	595	13,825	14,420
Bank and interest fees	-	-	-	-	14,646	20,406	35,052
Office costs and supplies	-	-	-	-	4,583	7,126	11,709
Property costs	-	-	-	-	1,202	-	1,202
Miscellaneous	-	-	-	-	348	-	348
Allocated overhead	-	-	-	-	126,529	55,361	181,890
Total Expenses	\$ 10,217,653	\$ 5,600,000	\$ 339	\$ 15,817,992	\$ 1,304,057	\$ 503,165	\$ 17,625,214