

**Greenpeace Fund, Inc.**

Financial Statements  
and Independent Auditors' Report

December 31, 2008 and 2007

# **Greenpeace Fund, Inc.**

Financial Statements  
December 31, 2008 and 2007

## **Contents**

Report of Independent Auditors.....	1
<i>Audited Financial Statements</i>	
Statements of Financial Position.....	2
Statements of Activities.....	3
Statements of Cash Flows.....	4
Notes to Financial Statements.....	5-11
<i>Supplemental Information</i>	
Schedules of Program Grants.....	12
Schedule of Pass-Through Grants Received.....	13
Schedules of Functional Expenses.....	14-15

8300 Boone Boulevard  
Suite 600  
Vienna, Virginia 22182703.893.0300 voice  
703.893.4070 facsimile  
[www.rogerspllc.com](http://www.rogerspllc.com)

## INDEPENDENT AUDITORS' REPORT

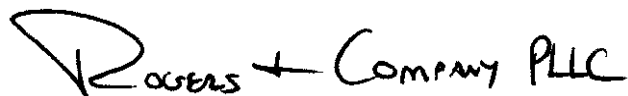
To the Board of Directors  
Greenpeace Fund, Inc.

We have audited the accompanying statements of financial position of Greenpeace Fund, Inc. as of December 31, 2008 and 2007, 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, 2008 and 2007, 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 12-15 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  
June 1, 2009

**Greenpeace Fund, Inc.**

Statements of Financial Position  
December 31, 2008 and 2007

	2008	2007
<b>Assets</b>		
Cash and cash equivalents	\$ 679,237	\$ 1,994,918
Contributions and grants receivable	2,308,160	3,338,228
Investments	25,103,939	33,536,033
Prepaid expenses and deferred charges	10,080	12,348
Note receivable from Greenpeace, Inc.	445,459	-
	<hr/>	<hr/>
Total assets	<u>\$ 28,546,875</u>	<u>\$ 38,881,527</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 6,235	\$ 23,017
Gift annuities payable	1,046,559	848,205
Grants payable to Greenpeace, Inc.	628,235	304,473
Grants payable to Stichting Greenpeace Council	398,335	504,098
Grants payable to other Greenpeace affiliates	219,241	140,000
	<hr/>	<hr/>
Total liabilities	<u>2,298,605</u>	<u>1,819,793</u>
<b>Net Assets</b>		
Unrestricted	25,893,270	37,061,734
Temporarily restricted	355,000	-
	<hr/>	<hr/>
Total net assets	<u>26,248,270</u>	<u>37,061,734</u>
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 28,546,875</u>	<u>\$ 38,881,527</u>

# Greenpeace Fund, Inc.

## Statements of Activities For the Years Ended December 31, 2008 and 2007

	2008	2007
<b>Unrestricted Revenue and Support</b>		
Contributions	\$ 6,665,444	\$ 8,374,948
Grants	1,162,573	29,988,374
Investment (loss) income	(7,314,547)	1,639,393
Loss on sale of assets	(29,583)	-
Total revenue and support	483,887	40,002,715
<b>Expenses</b>		
Program services:		
Grants to Greenpeace, Inc.	5,363,613	3,401,800
Grants to Stichting Greenpeace Council	4,359,001	4,127,000
Grants to other Greenpeace affiliates	3,000	15,000
Public information and education	10,481	30,677
Total program services	9,736,095	7,574,477
Supporting services:		
Fund-raising	1,372,748	1,593,750
Management and general	543,508	551,689
Total supporting services	1,916,256	2,145,439
Total expenses	11,652,351	9,719,916
Change in unrestricted net assets	(11,168,464)	30,282,799
<b>Temporarily Restricted Net Assets</b>		
Contributions	355,000	-
Change in temporarily restricted net assets	355,000	-
<b>Change in Net Assets</b>	(10,813,464)	30,282,799
<b>Net Assets, beginning of year</b>	37,061,734	6,778,935
<b>Net Assets, end of year</b>	\$ 26,248,270	\$ 37,061,734

See accompanying notes.

# Greenpeace Fund, Inc.

## Statements of Cash Flows For the Years Ended December 31, 2008 and 2007

	2008	2007
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$(10,813,464)	\$ 30,282,799
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Net realized and unrealized loss (gain) on investments	8,187,218	(433,404)
Donated securities	(436,164)	(749,778)
Loss on sale of assets	29,583	-
Assets transferred from Greenpeace, Inc.	(214,583)	-
Change in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions and grants receivable	1,030,068	102,198
Prepaid expenses and deferred charges	2,268	(4,848)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(16,782)	(44,237)
Gift annuities payable	198,354	157,819
Grants payable to Greenpeace, Inc.	323,762	191,656
Grants payable to Stichting Greenpeace Council	(105,763)	(531,352)
Grants payable to other Greenpeace affiliates	79,241	(20,000)
Interest payable to Stichting Greenpeace Council	-	(47,589)
Net cash (used in) provided by operating activities	(1,736,262)	28,903,264
<b>Cash Flows from Investing Activities</b>		
Net sales (purchase) of investments	681,040	(27,649,201)
Proceeds from sale of assets	185,000	-
Drawdown on note to Greenpeace, Inc.	(4,556,535)	-
Payments on note to Greenpeace, Inc.	4,111,076	519,944
Net cash provided by (used in) investing activities	420,581	(27,129,257)
<b>Cash Flows from Financing Activities</b>		
Payments on loan	-	(1,158,848)
Net cash used in financing activities	-	(1,158,848)
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(1,315,681)	615,159
<b>Cash and Cash Equivalents, beginning of year</b>	1,994,918	1,379,759
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 679,237</u>	<u>\$ 1,994,918</u>

See accompanying notes.

# **Greenpeace Fund, Inc.**

Notes to Financial Statements  
December 31, 2008 and 2007

## **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, corporate bonds, mutual funds, government obligations and certificates of deposit, 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, 2008 and 2007

### **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

Statement of Financial Accounting Standards No. 157, "*Fair Value Measurements*," was adopted by the Organization effective January 1, 2008. 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.

Three valuation techniques are allowable for measuring fair value and include the market approach, the income approach and the cost approach. The market approach uses prices or relevant information derived from transactions for identical or comparable assets or liabilities. The income approach converts future amounts such as cash flows or earnings to a single present amount based on current market expectations of those future amounts. The cost approach is based on the amount that would currently be required to replace the service capacity of an asset.

This standard had no effect on the Organization's financial statements, but did result in additional disclosures in Note 8.

#### 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.

#### 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.

## Greenpeace Fund, Inc.

Notes to Financial Statements  
December 31, 2008 and 2007

### 2. Summary of Significant Accounting Policies (continued)

#### 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.

#### Reclassifications

Certain amounts in the 2007 financial statements have been reclassified to conform to the 2008 presentation. None of these reclassifications, however, affected the prior year change in net assets, or total ending net assets.

### 3. Investments

Investments consist of the following at December 31:

	2008	2007
Money market funds	\$ 2,650,649	\$ 17,701,350
Equity funds and securities	20,372,460	8,097,175
Corporate bonds	-	4,264,320
Mutual funds	1,043,244	2,110,803
Government obligations	752,333	1,077,415
Certificates of deposit	285,253	284,970
Total investments	<u>\$ 25,103,939</u>	<u>\$ 33,536,033</u>

Investment (loss) income consists of the following for the years ended December 31:

	2008	2007
Interest and dividends	\$ 819,486	\$ 1,167,857
Interest on note receivable	53,185	38,132
Net realized and unrealized (loss) gain	<u>(8,187,218)</u>	<u>433,404</u>
Total investment (loss) income	<u>\$ (7,314,547)</u>	<u>\$ 1,639,393</u>

## Greenpeace Fund, Inc.

### Notes to Financial Statements December 31, 2008 and 2007

#### 4. Contributions and Grants Receivable

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

	2008	2007
Estates and wills, net	\$ 1,608,661	\$ 2,063,248
Grants	355,000	516,265
Other contributions	344,499	758,715
Contributions and grants receivable	<u>\$ 2,308,160</u>	<u>\$ 3,338,228</u>

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 \$178,740 and \$229,250 at December 31, 2008 and 2007, respectively. In addition, \$206,111 was written off from the estates and wills balance at December 31, 2008, as management determined during 2008 that this amount would not be collected. Contributions and grants receivable as stated at December 31, 2008 are deemed to be fully collectible and are reflected at net realizable value. No discount has been calculated for 2008 and 2007 due to immateriality.

The above amounts are receivable as follows at December 31:

	2008	2007
Due in less than one year	\$ 2,058,160	\$ 3,338,228
Due in one to five years	250,000	-
Total contributions and grants receivable	<u>\$ 2,308,160</u>	<u>\$ 3,338,228</u>

#### 5. 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.

## Greenpeace Fund, Inc.

Notes to Financial Statements  
December 31, 2008 and 2007

### 5. Related-Party Transactions (continued)

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

	<u>2008</u>	<u>2007</u>
Grants to Stichting Greenpeace Council	\$ 4,359,001	\$ 4,127,000
Grants to Greenpeace, Inc.	5,363,613	3,401,800
Grants to other Greenpeace affiliates	<u>3,000</u>	<u>15,000</u>
Total grants expense	<u>\$ 9,725,614</u>	<u>\$ 7,543,800</u>

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

	<u>2008</u>	<u>2007</u>
Grants payable to Stichting Greenpeace Council	\$ 398,335	\$ 504,098
Grants payable to Greenpeace, Inc.	628,235	304,473
Grants payable to other Greenpeace affiliates	<u>219,241</u>	<u>140,000</u>
Total grants payable	<u>\$ 1,245,811</u>	<u>\$ 948,571</u>

#### Note Receivable from Greenpeace, Inc.

The Organization loaned funds to Greenpeace, Inc. to support its operations. The note had the following activity for the years ended December 31:

	<u>2008</u>	<u>2007</u>
Greenpeace, Inc. note receivable – beginning	\$ -	\$ 519,944
Add: drawdown	4,556,535	-
Less: principal payments	<u>(4,111,076)</u>	<u>(519,944)</u>
Greenpeace, Inc. note receivable – ending	<u>\$ 445,459</u>	<u>\$ -</u>

Interest has been accrued at a rate of 7.25% during 2008 and 2007. Interest revenue was \$53,185 and \$38,132 for the years ended December 31, 2008 and 2007, respectively.

## **Greenpeace Fund, Inc.**

Notes to Financial Statements  
December 31, 2008 and 2007

### **5. 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 \$398,335 and \$504,098 at December 31, 2008 and 2007, respectively.

### **6. 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 \$1,302,808 and \$1,562,203 for the years ended December 31, 2008 and 2007, respectively, and are included in investments. Liabilities under split-interest agreements included in the accompanying statements of financial position were \$1,046,559 and \$848,205 at December 31, 2008 and 2007, respectively. Net contributions under split interest agreements were approximately \$285,000 and \$114,417 for the years ended December 31, 2008 and 2007, respectively.

### **7. 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 risk is minimal.

# Greenpeace Fund, Inc.

## Notes to Financial Statements December 31, 2008 and 2007

### 8. Fair Value Measurements

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

	Total fair value	Quoted prices in active markets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
<u>2008</u>				
Investments	\$ 25,103,939	\$ 25,103,939	\$ -	\$ -
<u>2007</u>				
Investments	\$ 33,536,033	\$ 33,536,033	\$ -	\$ -

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, 2008 and 2007.

### 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, 2008 and 2007, as there were no unrelated business activities.

### 10. Supplemental Cash Flow Disclosures

	2008	2007
Non-cash investing activities:		
Donated stock	\$ 436,164	\$ 749,778
Total non-cash investing activities	\$ 436,164	\$ 749,778

## **SUPPLEMENTAL INFORMATION**

---

**Greenpeace Fund, Inc.**

Schedules of Program Grants  
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b>Grants to Stichting Greenpeace Council</b>		
Oceans Campaign	\$ 1,399,950	\$ 1,621,286
Climate Campaign	2,959,051	1,971,714
Forest Campaign	-	317,000
Greenpeace China	-	150,000
Amazon Work	-	67,000
	<u>4,359,001</u>	<u>4,127,000</u>
<b>Grants to other Greenpeace affiliates</b>		
Climate - Greenpeace Canada	<u>3,000</u>	<u>15,000</u>
	<u>3,000</u>	<u>15,000</u>
<b>Grants to Greenpeace, Inc.</b>		
Oceans Campaign	100,000	1,233,500
Climate Campaign	3,900,000	1,782,800
Forest Campaign	750,000	308,500
Leadership	-	77,000
Other	<u>613,613</u>	<u>-</u>
	<u>5,363,613</u>	<u>3,401,800</u>
<b>Total Program Grants</b>	<u><u>\$ 9,725,614</u></u>	<u><u>\$ 7,543,800</u></u>

## **Greenpeace Fund, Inc.**

### **Schedule of Pass-Through Grants Received For the Year Ended December 31, 2008**

#### **Grants for Stichting Greenpeace Council**

Climate	\$ 133,395
Forests	48,395
Other	<u>200,000</u>

Total grants for Stichting Greenpeace Council	<u>381,790</u>
---	----------------

#### **Grants for Other Affiliates**

Climate - Greenpeace Canada	3,000
Forests - Greenpeace Canada	10,000
Forests - Greenpeace Brazil	198,295
Other - Greenpeace India	<u>7,946</u>

Total grants for other Greenpeace affiliates	<u>219,241</u>
--	----------------

#### **Grants for Greenpeace, Inc.**

Climate	37,500
Oceans	20,000
Forests	25,000
Nuclear	<u>14,122</u>

Total grants for Greenpeace, Inc.	<u>96,622</u>
-----------------------------------	---------------

<b>Total pass-through grants</b>	<u><b>\$ 697,653</b></u>
----------------------------------	--------------------------

### **Note to Schedule of Pass-Through Grants Received**

#### Basis of Presentation

The accompanying schedule presents 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, 2008

	Program Services							
	Grants to Stichting Greenpeace Council	Grants to Greenpeace, Inc.	Grants to other Greenpeace Affiliates	Public Information and Education	Total Programs	Fund Raising	Management and General	Total
Grants	\$ 4,359,001	\$ 5,363,613	\$ 3,000	\$ -	\$9,725,614	\$ -	\$ -	\$ 9,725,614
Salaries, wages and benefits	-	-	-	10,481	10,481	760,305	356,149	1,126,935
Consultants and contract services	-	-	-	-	-	95,661	73,129	168,790
Travel and meetings	-	-	-	-	-	46,476	14,645	61,121
Telecommunications	-	-	-	-	-	2,020	160	2,180
Information	-	-	-	-	-	2,740	-	2,740
Photo and video	-	-	-	-	-	8	-	8
Postage and courier	-	-	-	-	-	126,644	521	127,165
Printing and publication expense	-	-	-	-	-	185,508	-	185,508
Communication expenses	-	-	-	-	-	14,265	-	14,265
Taxes, permits and fees	-	-	-	-	-	1,761	11,867	13,628
Bank and interest fees	-	-	-	-	-	17,288	18,926	36,214
Office costs and supplies	-	-	-	-	-	2,534	204	2,738
Property costs	-	-	-	-	-	1,449	12,348	13,797
Miscellaneous	-	-	-	-	-	997	-	997
Allocated overhead	-	-	-	-	-	115,092	55,559	170,651
<b>Total Expenses</b>	<b>\$ 4,359,001</b>	<b>\$ 5,363,613</b>	<b>\$ 3,000</b>	<b>\$ 10,481</b>	<b>\$9,736,095</b>	<b>\$ 1,372,748</b>	<b>\$ 543,508</b>	<b>\$11,652,351</b>

**Greenpeace Fund, Inc.**

Schedule of Functional Expenses  
For the Year Ended December 31, 2007

	Program Services					Fund Raising	Management and General	Total
	Grants to Stichting Greenpeace Council	Grants to Greenpeace Inc.	Grants to other Greenpeace Affiliates	Public Information and Education	Total Programs			
Grants	\$ 4,127,000	\$3,401,800	\$ 15,000	\$ -	\$7,543,800	\$ -	\$ -	\$ 7,543,800
Salaries, wages and benefits	-	-	-	27,812	27,812	713,881	380,827	1,122,520
Consultants and contract services	-	-	-	-	-	441,610	30,918	472,528
Travel and meetings	-	-	-	-	-	42,433	18,554	60,987
Telecommunications	-	-	-	-	-	1,626	250	1,876
Information	-	-	-	-	-	2,552	-	2,552
Photo and video	-	-	-	-	-	245	-	245
Postage and courier	-	-	-	-	-	91,724	486	92,210
Printing and publication expense	-	-	-	-	-	137,280	-	137,280
Communication expenses	-	-	-	-	-	13,015	-	13,015
Taxes, permits and fees	-	-	-	-	-	3,284	10,353	13,637
Bank and interest fees	-	-	-	-	-	22,127	44,139	66,266
Office costs and supplies	-	-	-	-	-	13,901	121	14,022
Property costs	-	-	-	-	-	4,295	11,616	15,911
Miscellaneous	-	-	-	-	-	204	-	204
Allocated overhead	-	-	-	2,865	2,865	105,573	54,425	162,863
<b>Total Expenses</b>	<b>\$ 4,127,000</b>	<b>\$3,401,800</b>	<b>\$ 15,000</b>	<b>\$ 30,677</b>	<b>\$7,574,477</b>	<b>\$1,593,750</b>	<b>\$ 551,689</b>	<b>\$ 9,719,916</b>