

Greenpeace Fund, Inc.

Financial Statements
and Independent Auditors' Report

December 31, 2011 and 2010

Greenpeace Fund, Inc.

Financial Statements
December 31, 2011 and 2010

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To the Board of Directors
Greenpeace Fund, Inc.

We have audited the accompanying statements of financial position of Greenpeace Fund, Inc. ("the Organization") as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization'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 the Organization at December 31, 2011 and 2010, 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 financial statements as a whole. The supplemental information included at pages 13-16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Vienna, Virginia
May 23, 2012

Greenpeace Fund, Inc.

Statements of Financial Position December 31, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	\$ 5,888,006	\$ 2,103,146
Contributions and grants receivable	1,654,086	2,344,911
Investments	4,353,522	6,462,090
Prepaid expenses and deferred charges	6,042	289
Note receivable from Stichting Greenpeace Council	3,057,500	-
Note receivable from Greenpeace, Inc.	771,535	-
Total assets	<u>\$ 15,730,691</u>	<u>\$ 10,910,436</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 10,178	\$ 20,393
Gift annuities payable	1,219,869	987,050
Due to Greenpeace, Inc.	398,485	361,545
Grants payable to Stichting Greenpeace Council	4,499,738	209,738
Grants payable to other Greenpeace affiliates	195,000	205,000
Total liabilities	<u>6,323,270</u>	<u>1,783,726</u>
Net Assets		
Unrestricted	8,192,013	8,736,710
Temporarily restricted	1,215,408	390,000
Total net assets	<u>9,407,421</u>	<u>9,126,710</u>
Total liabilities and net assets	<u>\$ 15,730,691</u>	<u>\$ 10,910,436</u>

See accompanying notes.

Greenpeace Fund, Inc.

Statements of Activities For the Years Ended December 31, 2011 and 2010

	2011	2010
Unrestricted Revenue and Support		
Contributions	\$ 8,749,759	\$ 4,938,920
Grants	1,589,844	2,551,275
Investment income	174,405	280,761
Net assets released from restrictions	340,000	580,000
Total revenue and support	10,854,008	8,350,956
Expenses		
Program services:		
Grants to Greenpeace, Inc.	4,000,000	5,110,000
Grants to Stichting Greenpeace Council	5,600,738	6,046,952
Total program services	9,600,738	11,156,952
Supporting services:		
Fundraising	1,507,255	1,474,170
Management and general	340,712	435,013
Total supporting services	1,847,967	1,909,183
Total expenses	11,448,705	13,066,135
Change in unrestricted net assets	(594,697)	(4,715,179)
Temporarily Restricted Net Assets		
Contributions	1,215,408	340,000
Net assets released from restrictions	(340,000)	(580,000)
Change in temporarily restricted net assets	875,408	(240,000)
Change in Net Assets	280,711	(4,955,179)
Net Assets, beginning of year	9,126,710	14,081,889
Net Assets, end of year	\$ 9,407,421	\$ 9,126,710

See accompanying notes.

Greenpeace Fund, Inc.

Statements of Cash Flows For the Years Ended December 31, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Change in net assets	\$ 280,711	\$ (4,955,179)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gain on investments	(40,204)	(67,962)
Donated securities	(118,333)	(168,645)
Change in operating assets and liabilities:		
(Increase) decrease in:		
Contributions and grants receivable	690,825	28,063
Prepaid expenses and deferred charges	(5,753)	(289)
Increase (decrease) in:		
Accounts payable and accrued expenses	(10,215)	5,540
Gift annuities payable	232,819	(25,380)
Due to Greenpeace, Inc.	36,940	355,545
Grants payable to Stichting Greenpeace Council	4,290,000	(4,506,844)
Grants payable to other Greenpeace affiliates	(10,000)	84,000
Net cash provided by (used in) operating activities	5,346,790	(9,251,151)
Cash Flows from Investing Activities		
Net sales of investments	2,267,105	9,402,938
Drawdown on note to Stichting Greenpeace Council	(3,057,500)	-
Drawdown on note to Greenpeace, Inc.	(2,993,907)	(3,469,299)
Payments on note to Greenpeace, Inc.	2,222,372	4,277,812
Net cash (used in) provided by investing activities	(1,561,930)	10,211,451
Net Increase in Cash and Cash Equivalents	3,784,860	960,300
Cash and Cash Equivalents, beginning of year	2,103,146	1,142,846
Cash and Cash Equivalents, end of year	\$ 5,888,006	\$ 2,103,146

See accompanying notes.

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2011 and 2010

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, 2011 and 2010

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.

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.

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, 2011 and 2010

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.

Subsequent Events

The Organization follows the guidance of FASB ASC 855, *Subsequent Events*, which establishes general standards of accounting for and disclosure of events that occur after the statement of financial position date but before the financial statements are issued. FASB ASC 855 also requires disclosure of the date through which an entity has evaluated subsequent events. In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 23, 2012, the date the financial statements were issued.

3. Investments

Investments consist of the following at December 31:

	2011	2010
Money market funds	\$ 1,341,077	\$ 192,923
Equity funds and securities	827,010	2,022,295
Mutual funds	2,084,369	3,155,810
Government obligations	101,066	1,091,062
Total investments	<u>\$ 4,353,522</u>	<u>\$ 6,462,090</u>

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

	2011	2010
Interest and dividends	\$ 62,634	\$ 168,500
Interest on notes receivable	71,567	44,299
Net realized and unrealized gain	40,204	67,962
Total investment income	<u>\$ 174,405</u>	<u>\$ 280,761</u>

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2011 and 2010

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>2011</u>				
Money market funds	\$ 1,341,077	\$ 1,341,077	\$ -	\$ -
Equity funds and securities	827,010	827,010	-	-
Mutual funds	2,084,369	2,084,369	-	-
Government obligations	101,066	101,066	-	-
Total investments	<u>\$ 4,353,522</u>	<u>\$ 4,353,522</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2010</u>				
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>

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, 2011 and 2010.

5. Contributions and Grants Receivable

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

	2011	2010
Estates and wills, net	\$ 805,583	\$ 1,595,715
Grants	460,000	469,966
Other contributions	388,503	279,230
Total contributions and grants receivable	<u>\$ 1,654,086</u>	<u>\$ 2,344,911</u>

Greenpeace Fund, Inc.

Notes to Financial Statements December 31, 2011 and 2010

5. Contributions and Grants Receivable (continued)

In addition, during the years ended December 31, 2011 and 2010, \$160,422 and \$7,960, respectively, was written off from the estates and wills balance, as management determined that these amounts would not be collected. Contributions and grants receivable as stated at December 31, 2011 and 2010 are deemed to be fully collectible and are reflected at net realizable value. No discount has been calculated for 2011 and 2010, due to immateriality.

The above amounts are receivable as follows at December 31:

	2011	2010
Due in less than one year	\$ 1,654,086	\$ 2,284,911
Due in one to five years	-	60,000
Total contributions and grants receivable	<u>\$ 1,654,086</u>	<u>\$ 2,344,911</u>

6. Related Party Transactions

Stichting Greenpeace Council

The Stichting Greenpeace Council (“the Council”), comprised of 16 voting members, develops general policies regarding environmental programs known as campaigns. Although the Organization is a non-voting member of the Council, all Greenpeace entities are influenced by decisions of the 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 the 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:

	2011	2010
Grants to Stichting Greenpeace Council	\$ 5,600,738	\$ 6,046,952
Grants to Greenpeace, Inc.	4,000,000	5,110,000
Total grants expense	<u>\$ 9,600,738</u>	<u>\$ 11,156,952</u>

Greenpeace Fund, Inc.

Notes to Financial Statements December 31, 2011 and 2010

6. Related Party Transactions (continued)

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

Grants payable to Stichting Greenpeace Council	\$ 4,499,738	\$ 209,738
Grants payable to other Greenpeace affiliates	195,000	205,000
Due to Greenpeace, Inc.	398,485	361,545
	<hr/>	<hr/>
Total grants payable and other liabilities	\$ 5,093,223	\$ 776,283
	<hr/>	<hr/>

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:

Greenpeace, Inc. note receivable - beginning	\$ -	\$ 808,513
Add: drawdown	2,993,907	3,469,299
Less: principal payments	(2,222,372)	(4,277,812)
	<hr/>	<hr/>
Greenpeace, Inc. note receivable - ending	\$ 771,535	\$ -
	<hr/>	<hr/>

Interest has been accrued at a rate of 7.25% during 2011 and 2010. Interest revenue was \$22,742 and \$44,299 for the years ended December 31, 2011 and 2010, respectively.

Note Receivable from Stichting Greenpeace Council

During 2011 the Organization loaned \$3,000,000 to Stichting Greenpeace Council to fund the building of a new vessel. The amount is due in ten equal installments with the first installment due on October 17, 2012.

Interest is calculated monthly and is accrued at the U.S. prime rate. Interest revenue was \$57,500 and \$0 for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011 the outstanding balance was \$3,057,500, which included accrued interest.

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2011 and 2010

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 the Council by contributing to the international campaigns. The result of these transactions is net grants payable to the Council of \$4,499,738 and \$209,738 at December 31, 2011 and 2010, 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 (IRS) guidelines and actuarial tables.

Assets of the Organization that are derived from split-interest agreements were \$1,824,772 and \$1,452,195 for the years ended December 31, 2011 and 2010, respectively, and are included in investments. Liabilities under split-interest agreements included in the accompanying statements of financial position were \$1,219,869 and \$987,050 at December 31, 2011 and 2010, respectively. Net contributions under split interest agreements were approximately \$485,212 and \$93,305 for the years ended December 31, 2011 and 2010, respectively.

8. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and investments. The Organization maintains noninterest bearing cash deposit and transaction accounts with financial institutions, totaling \$5,888,006, which is fully insured, without limit, through December 31, 2012, under the new financial regulatory reform legislation.

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2011 and 2010

8. Concentration of Credit Risk (continued)

The Organization also maintains investments with a financial institution amounting to \$4,353,522 at December 31, 2011. While this exceeds insurable limits under the Securities Investor Protection Corporation (SIPC), the Organization has not experienced any credit losses on its investments to date, as it relates to SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

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, 2011 and 2010, 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>2011</u>	<u>2010</u>
Non-cash investing activities:		
Donated securities	\$ 118,333	\$ 168,645
Total non-cash investing activities	<u>\$ 118,333</u>	<u>\$ 168,645</u>

SUPPLEMENTAL INFORMATION

Greenpeace Fund, Inc.

Schedules of Program Grants
For the Years Ended December 31, 2011 and 2010

	2011	2010
Grants to Stichting Greenpeace Council		
Oceans Campaign	\$ 2,641,229	\$ 1,843,270
Climate Campaign	1,776,000	1,693,999
Forest Campaign	258,509	1,446,258
Agriculture and Water Campaign	-	1,063,425
Other	925,000	-
	<hr/>	<hr/>
Total grants to Stichting Greenpeace Council	5,600,738	6,046,952
	<hr/>	<hr/>
Grants to Greenpeace, Inc.		
Oceans Campaign	1,000,000	2,377,000
Climate Campaign	2,000,000	1,500,000
Forest Campaign	350,000	700,000
Toxic Campaign	-	350,000
Nuclear Campaign	150,000	23,000
Polluter accountability	500,000	
Other	-	160,000
	<hr/>	<hr/>
Total grants to Greenpeace, Inc.	4,000,000	5,110,000
	<hr/>	<hr/>
Total program grants	<u><u>\$ 9,600,738</u></u>	<u><u>\$ 11,156,952</u></u>

Greenpeace Fund, Inc.

Schedules of Pass-Through Grants For the Years Ended December 31, 2011 and 2010

	2011	2010
Grants to Stichting Greenpeace Council		
Forest	\$ 300,000	\$ 100,000
Oceans	175,000	-
Water Pollution	50,000	-
	<hr/>	<hr/>
Total grants to Stichting Greenpeace Council	<hr/> 525,000	<hr/> 100,000
Grants for Other Affiliates		
Other - Greenpeace Australia	100,000	75,000
Forests - Greenpeace Canada	-	180,000
Climate - China	-	25,000
	<hr/>	<hr/>
Total grants for other Greenpeace affiliates	<hr/> 100,000	<hr/> 280,000
Grants to Greenpeace, Inc.		
Oceans	75,000	190,050
Forest	50,000	50,000
Climate	-	240,408
	<hr/>	<hr/>
Total grants to Greenpeace, Inc.	<hr/> 125,000	<hr/> 480,458
Total pass-through grants	<hr/> <hr/> \$ 750,000	<hr/> <hr/> \$ 860,458

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, 2011

	<u>Program Services</u>					
	Grants to Stichting Greenpeace Council	Grants to Greenpeace, Inc.	Total Programs	Fundraising	Management and General	Total
Grants	\$ 5,600,738	\$ 4,000,000	\$ 9,600,738	\$ -	\$ -	\$ 9,600,738
Salaries, wages, and benefits	-	-	-	928,318	223,498	1,151,816
Consultants and contract services	-	-	-	118,814	39,544	158,358
Travel and meetings	-	-	-	82,179	20,458	102,637
Telecommunications	-	-	-	4,765	301	5,066
Information	-	-	-	4,865	124	4,989
Equipment purchase	-	-	-	366	-	366
Equipment rental	-	-	-	656	-	656
Photo and video	-	-	-	879	152	1,031
Postage and courier	-	-	-	90,048	413	90,461
Printing and publication expenses	-	-	-	118,424	19	118,443
Communication expenses	-	-	-	12,655	-	12,655
Taxes, permits and fees	-	-	-	978	11,868	12,846
Bank and interest fees	-	-	-	18,871	15,589	34,460
Office costs and supplies	-	-	-	3,859	32	3,891
Miscellaneous	-	-	-	267	(33)	234
Allocated overhead	-	-	-	121,311	28,747	150,058
Total Expenses	\$ 5,600,738	\$ 4,000,000	\$ 9,600,738	\$ 1,507,255	\$ 340,712	\$ 11,448,705

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	Fundraising	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 expenses	-	-	-	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