

Greenpeace Fund, Inc.

Financial Statements and Supplementary Information

Years Ended December 31, 2018 and 2017

Greenpeace Fund, Inc.
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December 31, 2018 and 2017

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Independent Auditors' Report

Board of Directors
Greenpeace Fund, Inc.
Washington, DC

Report on the Financial Statements

We have audited the accompanying financial statements of Greenpeace Fund, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2018 and 2017, 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

Other Matters

Effect of Adopting New Accounting Standard

As discussed in Note 1 to the financial statements, management has adopted Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. Our opinion is not modified with respect to that matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules of program grants and pass-through grants are presented for purposes of additional analysis and are 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 audit 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.



CliftonLarsonAllen LLP

Arlington, Virginia
June 27, 2019

Greenpeace Fund, Inc.
Statements of Financial Position
December 31, 2018 and 2017

| | 2018 | 2017 |
|--|----------------------|----------------------|
| Assets | | |
| Cash and Cash Equivalents | \$ 7,954,881 | \$ 5,361,188 |
| Contributions and Grants Receivable | 1,590,830 | 2,176,664 |
| Investments | 8,692,877 | 8,381,917 |
| Prepaid Expenses | 2,912 | 2,912 |
| Total Assets | \$ 18,241,500 | \$ 15,922,681 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Gift Annuities Payable | \$ 775,503 | \$ 863,611 |
| Due to Greenpeace, Inc. | 2,871,531 | 529,104 |
| Grants Payable to Stichting Greenpeace Council | 4,237,800 | 967,876 |
| Grants Payable to Other Greenpeace Affiliates | 342,131 | 885,000 |
| Total Liabilities | 8,226,965 | 3,245,591 |
| Net Assets | | |
| Without Donor Restriction | 8,403,705 | 10,380,426 |
| With Donor Restriction | 1,610,830 | 2,296,664 |
| Total Net Assets | 10,014,535 | 12,677,090 |
| Total Liabilities and Net Assets | \$ 18,241,500 | \$ 15,922,681 |

Greenpeace Fund, Inc.
Statement of Activities
For the Year Ended December 31, 2018

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|----------------------|
| Revenue and Support | | | |
| Contributions and Grants | \$ 13,501,555 | \$ 3,012,002 | \$ 16,513,557 |
| Investment Income | (172,056) | - | (172,056) |
| Change in Value of Split-Interest Agreements | 33,378 | - | 33,378 |
| Other Income | 3,787 | - | 3,787 |
| Net Assets Released from Restrictions | 3,697,836 | (3,697,836) | - |
| Total Revenue and Support | 17,064,500 | (685,834) | 16,378,666 |
| Expenses | | | |
| Program Services: | | | |
| Grants to Stichting Greenpeace Council | 8,848,152 | - | 8,848,152 |
| Grants to Greenpeace, Inc. | 6,892,536 | - | 6,892,536 |
| Total Program Services | 15,740,688 | - | 15,740,688 |
| Supporting Services: | | | |
| Fundraising | 2,261,076 | - | 2,261,076 |
| Management and General | 1,039,457 | - | 1,039,457 |
| Total Supporting Services | 3,300,533 | - | 3,300,533 |
| Total Expenses | 19,041,221 | - | 19,041,221 |
| Change in Net Assets | (1,976,721) | (685,834) | (2,662,555) |
| Net Assets, beginning of year | 10,380,426 | 2,296,664 | 12,677,090 |
| Net Assets, end of year | \$ 8,403,705 | \$ 1,610,830 | \$ 10,014,535 |

Greenpeace Fund, Inc.
Statement of Activities
For the Year Ended December 31, 2017

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------|
| Revenue and Support | | | |
| Contributions and Grants | \$ 14,629,920 | \$ 5,280,064 | \$ 19,909,984 |
| Investment Income | 894,040 | - | 894,040 |
| Change in Value of Split-Interest Agreements | 11,972 | - | 11,972 |
| Net Assets Released from Restrictions | 6,411,271 | (6,411,271) | - |
| Total Revenue and Support | 21,947,203 | (1,131,207) | 20,815,996 |
| Expenses | | | |
| Program Services: | | | |
| Grants to Stichting Greenpeace Council | 8,066,656 | - | 8,066,656 |
| Grants to Greenpeace, Inc. | 7,920,000 | - | 7,920,000 |
| Other Programs | 14,473 | - | 14,473 |
| Total Program Services | 16,001,129 | - | 16,001,129 |
| Supporting Services: | | | |
| Fundraising | 2,119,179 | - | 2,119,179 |
| Management and General | 976,263 | - | 976,263 |
| Total Supporting Services | 3,095,442 | - | 3,095,442 |
| Total Expenses | 19,096,571 | - | 19,096,571 |
| Change in Net Assets | 2,850,632 | (1,131,207) | 1,719,425 |
| Net Assets, beginning of year | 7,529,794 | 3,427,871 | 10,957,665 |
| Net Assets, end of year | \$ 10,380,426 | \$ 2,296,664 | \$ 12,677,090 |

Greenpeace Fund, Inc.
 Statements of Cash Flows
 For the Years Ended December 31, 2018 and 2017

| | 2018 | 2017 |
|---|----------------|--------------|
| Cash Flows from Operating Activities | | |
| Change in Net Assets | \$ (2,662,555) | \$ 1,719,425 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: | | |
| Net Investment Realized and Unrealized Loss (Gain) | 318,276 | (744,491) |
| Donated Securities | (726,802) | (475,285) |
| Change in Value of Split-Interest Agreements | (33,378) | (11,972) |
| Change in Operating Assets and Liabilities: | | |
| Decrease in: | | |
| Contributions and Grants Receivable | 585,834 | 1,091,208 |
| Increase (Decrease) in: | | |
| Gift Annuities Payable | (54,730) | (109,951) |
| Due to Greenpeace, Inc. | 2,342,427 | (1,393,503) |
| Grants Payable to Stichting Greenpeace Council | 3,269,924 | (1,359,570) |
| Grants Payable to Other Greenpeace affiliates | (542,869) | (41,000) |
| Net Cash Provided (Used) by Operating Activities | 2,496,127 | (1,325,139) |
| Cash Flows from Investing Activities | | |
| Proceeds from Maturities and Sales of Investments | 4,051,540 | 3,554,336 |
| Purchases of Investments | (3,953,974) | (3,541,539) |
| Repayments of Note from Stichting Greenpeace Council | - | 372,189 |
| Accumulated Interest Added to Note from Stichting Greenpeace Council | - | (9,771) |
| Proceeds from Repayments on Revolving Credit Note Receivable - Greenpeace, Inc. | - | 2,535,228 |
| Advances Issued Under Revolving Credit Note Receivable - Greenpeace, Inc. | - | (500,000) |
| Net Cash Provided by Investing Activities | 97,566 | 2,410,443 |
| Net Increase in Cash and Cash Equivalents | 2,593,693 | 1,085,304 |
| Cash and Cash Equivalents, beginning of year | 5,361,188 | 4,275,884 |
| Cash and Cash Equivalents, end of year | \$ 7,954,881 | \$ 5,361,188 |

See Notes.

Greenpeace Fund, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2018

| | Program Services | | | | Supporting Services | | | Total |
|-------------------------------|---|----------------------------------|------------------|----------------------|---------------------|---------------------------|---------------------------------|----------------------|
| | Grants to Stichting Greenpeace Council | Grants to Greenpeace, Inc. | Other Program | Total Programs | Fundraising | Management and General | Total Supporting Services | |
| Grants | \$ 8,848,152 | \$ 6,892,536 | \$ - | \$ 15,740,688 | \$ - | \$ - | \$ - | \$ 15,740,688 |
| Salaries and Benefits | - | - | - | - | 1,153,988 | 787,326 | 1,941,314 | 1,941,314 |
| Professional Fees | - | - | - | - | 327,080 | 97,752 | 424,832 | 424,832 |
| Office Expenses | - | - | - | - | 215,390 | 45,683 | 261,073 | 261,073 |
| Conferences and Meetings | - | - | - | - | 200,435 | 14,859 | 215,294 | 215,294 |
| Travel | - | - | - | - | 160,735 | 5,267 | 166,002 | 166,002 |
| Occupancy | - | - | - | - | 95,066 | 62,211 | 157,277 | 157,277 |
| Advertising and Promotion | - | - | - | - | 39,248 | - | 39,248 | 39,248 |
| Insurance | - | - | - | - | 16,839 | 11,489 | 28,328 | 28,328 |
| Information Technology | - | - | - | - | 20,241 | 4,932 | 25,173 | 25,173 |
| Miscellaneous | - | - | - | - | 19,968 | 1,692 | 21,660 | 21,660 |
| Depreciation and Amortization | - | - | - | - | 12,086 | 8,246 | 20,332 | 20,332 |
| Total Expenses | <u>\$ 8,848,152</u> | <u>\$ 6,892,536</u> | <u>\$ -</u> | <u>\$ 15,740,688</u> | <u>\$ 2,261,076</u> | <u>\$ 1,039,457</u> | <u>\$ 3,300,533</u> | <u>\$ 19,041,221</u> |

Greenpeace Fund, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2017

| | Program Services | | | | Supporting Services | | | |
|-------------------------------|---|----------------------------------|------------------|----------------------|---------------------|---------------------------|---------------------------------|----------------------|
| | Grants to Stichting Greenpeace Council | Grants to Greenpeace, Inc. | Other Program | Total Programs | Fundraising | Management and General | Total Supporting Services | Total |
| Grants | \$8,066,656 | \$7,920,000 | \$ 14,473 | \$ 16,001,129 | \$ - | \$ - | \$ - | \$ 16,001,129 |
| Salaries and Benefits | - | - | - | - | 1,044,025 | 739,071 | 1,783,096 | 1,783,096 |
| Professional Fees | - | - | - | - | 378,829 | 64,226 | 443,055 | 443,055 |
| Office Expenses | - | - | - | - | 265,302 | 57,219 | 322,521 | 322,521 |
| Occupancy | - | - | - | - | 112,845 | 77,801 | 190,646 | 190,646 |
| Conferences and Meetings | - | - | - | - | 110,065 | 7,932 | 117,997 | 117,997 |
| Travel | - | - | - | - | 110,318 | 6,713 | 117,031 | 117,031 |
| Advertising and Promotion | - | - | - | - | 28,466 | - | 28,466 | 28,466 |
| Information Technology | - | - | - | - | 24,395 | 2,499 | 26,894 | 26,894 |
| Depreciation and Amortization | - | - | - | - | 13,643 | 9,658 | 23,301 | 23,301 |
| Insurance | - | - | - | - | 13,517 | 9,569 | 23,086 | 23,086 |
| Miscellaneous | - | - | - | - | 17,774 | 1,575 | 19,349 | 19,349 |
| Total Expenses | <u>\$8,066,656</u> | <u>\$7,920,000</u> | <u>\$ 14,473</u> | <u>\$ 16,001,129</u> | <u>\$ 2,119,179</u> | <u>\$ 976,263</u> | <u>\$ 3,095,442</u> | <u>\$ 19,096,571</u> |

See Notes.

Greenpeace Fund, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

1. Nature of Operations

Greenpeace Fund, Inc. (the Organization) is a nonprofit 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

Basis of Accounting and Presentation, and Accounting Standards Update (ASU 2016-14)

The Organization's financial statements are prepared on the accrual basis of accounting and are in accordance with accounting principles generally accepted in the United States of America for nonprofit organizations. Net assets are reported based on the presence or absence of donor-imposed restrictions as follows:

- *Net assets without donor restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's operations.
- *Net assets with donor restrictions* represent funds that are subject to donor-imposed restrictions that are met through specific actions of the Organization or through the passage of time. Net assets with donor restrictions include funds subject to donor-imposed stipulations that they be maintained permanently by the Organization. The Organization did not have any net assets under donor-imposed stipulations that they be maintained in perpetuity at December 31, 2018 and 2017.

As of December 31, 2018, the Organization adopted ASU 2016-14, which improves the usefulness of the net asset classification presentation, and the information presented in financial statements and notes about a not-for-profit entity's (NFP's) liquidity, financial performance, and cash flows. The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. The amendments in this update have been applied on a retrospective basis to the December 31, 2017, presentation in accordance with the requirements of the ASU 2016-14. As a result of the adoption, amounts previously reported as "unrestricted net assets" have been presented as "net assets without donor restrictions (\$10,380,426)" and "temporarily restricted net assets (\$2,296,664)" as "net assets with donor restrictions".

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.

Greenpeace Fund, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

2. Summary of Significant Accounting Policies (continued)

Cash Equivalents

The Organization considers as cash equivalents demand deposits and all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase. However, cash and cash equivalents such as Money Market Funds, held in the Organization's investment portfolio are included as a component of investments.

Investments

Investments are recorded at fair value. All unrealized gains and losses, realized gains and losses, and interest income, net of investment management fees are included in investment income in the accompanying statement of activities. Donated investments are recorded at their fair value on the date of receipt.

Grants Payable

Grant commitments are charged to operations at the time the grants are approved by board of directors. Grants that are payable and considered long term are recorded at their net present value. At December 31, 2018 and 2017, all grants payable are current and expected to be paid within one year.

Gift Annuities

Annuity obligations arising from split-interest gifts are recognized as charity gift annuity liabilities. The excess of annuity gifts over the estimated annuities to be paid by the Organization over the beneficiary's lifetime is recognized as contribution revenue when received and is included in net assets without donor restriction in the accompanying financial statements. The initial liabilities resulting from these gifts are measured at fair value using the present value of the future payments to be made to beneficiaries, and subsequent actuarial revaluations of gift annuity obligations are being reported as Changes in Split-Interest Agreements in the statement of activities. Investment earnings on assets held under charitable gift annuities are recorded as investment income.

Greenpeace Fund, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Contributions, including unconditional promises to give, are recognized at fair value in the period received or pledged, whichever is earlier. All grants and contributions are considered to be available for use unless specifically restricted by the donor. The Organization reports grants and contributions as with donor restriction 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, net assets with donor restriction are reclassified to without donor restriction and reported in the statement of activities as net assets released from restrictions.

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 and are reported as additions to with donor restriction net assets; however, they are reclassified to without donor restriction net assets at the time of receipt. Such amounts are generally collected within one year and thus are not discounted to present value.

Functional Allocation of Expenses

The costs of the Organization's programs and other activities have been summarized on a functional basis in the accompanying statement of activities. The financial statements report certain categories of expenses that are attributable to one or more functions of the Organization. Those expenses include occupancy and maintenance costs, which are allocated based on personnel salaries.

Agency Transactions

The Organization acts as an agent for certain grants. The accompanying supplementary 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, these funds are recorded as liabilities until disbursed. At December 31, 2018 and 2017, \$342,131 and \$885,000, respectively, were recorded as pass through liabilities within the statements of financial position.

Greenpeace Fund, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 27, 2019, the date the financial statements were available to be issued.

3. Liquidity

The Organization has \$10,239,918 of financial assets available within one year of the balance sheet date consisting of cash of \$7,954,881, balances due from grants receivable of \$1,490,830, and short-term investments of \$794,207. None of the financial assets are subject to time, donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a goal to maintain financial assets, which consist of cash, investments, and short-term receivables, on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$2,076,000.

4. Concentrations

Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents and investments. The Organization maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Depository Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Organization has not experienced any credit losses on its cash and cash equivalents and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Market Risk

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position and statement of activities.

Greenpeace Fund, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

5. Contributions and Grants Receivable

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

| | <u>2018</u> | <u>2017</u> |
|---|---------------------|---------------------|
| Estates and Wills, Net | \$ 280,832 | \$ 470,666 |
| Grants | <u>1,309,998</u> | <u>1,705,998</u> |
| Total Contributions and Grants Receivable | <u>\$ 1,590,830</u> | <u>\$ 2,176,664</u> |

These amounts are recorded at net realizable value. The Organization provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Accounts are individually analyzed for collectability, and will be reserved based on individual evaluation and specific circumstances. When all collection efforts have been exhausted, the accounts are written-off against the related allowance. At December 31, 2018 and 2017, amounts are deemed to be fully collectible. No discount has been calculated for 2018 or 2017 as most significant receivables are due within one year at December 31, 2018 and 2017.

In addition to the estimate of the allowance for doubtful accounts, management periodically evaluates the values of the estates and wills receivables and adjusts accordingly. During the years ended December 31, 2018 and 2017, no amounts were written down from the estates and wills balance and are included as a decrease to contributions in the accompanying statement of activities.

Greenpeace Fund, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

6. Investments

Investments are recorded at fair market value and are comprised of the following at December 31:

| | <u>2018</u> | <u>2017</u> |
|-----------------------------------|---------------------|---------------------|
| Cash and Cash Equivalents | \$ 577,839 | \$ 613,151 |
| Certificates of Deposit | - | 127,658 |
| Mutual and Exchange Traded Funds: | | |
| Domestic Equities | 638,356 | 674,355 |
| International Equities | 186,276 | 339,917 |
| Government Bonds Fixed Income | 301,215 | 810,814 |
| Intermediate-Term Fixed Income | 203,324 | 196,829 |
| Other Short-Term Fixed Income | - | 88,488 |
| Equities: | | |
| Domestic | 2,330,385 | 2,003,782 |
| International | 717,389 | 625,079 |
| Fixed Income: | | |
| Government Bonds | 2,286,773 | 1,770,950 |
| Corporate Bonds | 1,451,320 | 1,130,894 |
| Total | <u>\$ 8,692,877</u> | <u>\$ 8,381,917</u> |

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

| | <u>2018</u> | <u>2017</u> |
|--|---------------------|-------------------|
| Interest and Dividends, Net of Investment | | |
| Fees of \$49,859 and \$41,298 | \$ 146,220 | \$ 113,364 |
| Interest on Note Receivable and Revolving | | |
| Credit Receivable | - | 36,185 |
| Net Realized and Unrealized Gains (Losses) | <u>(318,276)</u> | <u>744,491</u> |
| Total Investment Income | <u>\$ (172,056)</u> | <u>\$ 894,040</u> |

7. Fair Value Measurements

A fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value is established by accounting principles generally accepted in the United States of America. 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 under accounting principles generally accepted in the United States of America are described below:

Greenpeace Fund, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

7. Fair Value Measurements (continued)

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs

Following is a description of the valuation methodologies used for assets measured at fair value.

Equities, mutual and exchange traded funds: Valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end.

Certificate of Deposits, Corporate Bonds and Government Securities: Valued using quoted market prices for similar assets and liabilities in active markets

Split-interest agreement liability: Valued at the present value of future payments to beneficiaries, and the annual adjustment based on the latest actuarial information available.

Greenpeace Fund, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

7. Fair Value Measurements (continued)

The following table presents the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis (excluding managed money market funds not subject to fair value measurement) at December 31, 2018:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------|---------------------|---------------------|-------------------|---------------------|
| Assets | | | | |
| Mutual and Exchange Traded Funds: | | | | |
| Domestic Equities | \$ 638,356 | \$ - | \$ - | \$ 638,356 |
| International Equities | 186,276 | - | - | 186,276 |
| Government Bonds Fixed Income | 301,215 | - | - | 301,215 |
| Intermediate-Term Fixed Income | 203,324 | - | - | 203,324 |
| Other Short-Term Fixed Income | - | - | - | - |
| Equities: | | | | |
| Domestic | 2,330,384 | - | - | 2,330,384 |
| International | 717,389 | - | - | 717,389 |
| Fixed Income: | | | | |
| Government Bonds | - | 2,286,773 | - | 2,286,773 |
| Corporate Bonds | - | 1,451,320 | - | 1,451,320 |
| Total Assets | <u>\$ 4,376,944</u> | <u>\$ 3,738,093</u> | <u>\$ -</u> | <u>\$ 8,115,037</u> |
| Liabilities | | | | |
| Split-Interest Agreement Liability | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 775,503</u> | <u>\$ 775,503</u> |

The following table presents the Organization's fair value hierarchy for those financial assets and liabilities measured at fair value on a recurring basis (excluding managed money market funds not subject to fair value measurement) at December 31, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------|---------------------|---------------------|-------------------|---------------------|
| Assets | | | | |
| Certificates of Deposit | \$ - | \$ 127,658 | \$ - | \$ 127,658 |
| Mutual and Exchange Traded Funds: | | | | |
| Domestic Equities | 674,355 | - | - | 674,355 |
| International Equities | 339,917 | - | - | 339,917 |
| Government Bonds Fixed Income | 810,814 | - | - | 810,814 |
| Intermediate-Term Fixed Income | 196,829 | - | - | 196,829 |
| Other Short-Term Fixed Income | 88,488 | - | - | 88,488 |
| Equities: | | | | |
| Domestic | 2,003,782 | - | - | 2,003,782 |
| International | 625,079 | - | - | 625,079 |
| Fixed Income: | | | | |
| Government Bonds | - | 1,770,950 | - | 1,770,950 |
| Corporate Bonds | - | 1,130,894 | - | 1,130,894 |
| Land Available for Sale | - | - | - | - |
| Total Assets | <u>\$ 4,739,263</u> | <u>\$ 3,029,502</u> | <u>\$ -</u> | <u>\$ 7,768,765</u> |
| Liabilities | | | | |
| Split-Interest Agreement Liability | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 863,611</u> | <u>\$ 863,611</u> |

Greenpeace Fund, Inc.
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7. Fair Value Measurements (continued)

The following table provides a summary of changes in fair value of the Organization's Level 3 financial asset for the years ended December 31, 2018 and 2017:

| | <u>Land</u> |
|------------------------------|--------------------|
| Balance at December 31, 2016 | \$ 70,000 |
| Donation | - |
| Disposal | <u>(70,000)</u> |
| Balance at December 31, 2017 | - |
| Donation | <u>-</u> |
| Balance at December 31, 2018 | <u><u>\$ -</u></u> |

The unobservable inputs used to determine the fair value of land available for sale were realtor value estimates on comparable properties listed in the area.

The following table provides a summary of changes in fair value of the Organization's Level 3 financial liabilities for the years ended December 31, 2018 and 2017:

| | <u>Split-Interest Agreement</u> |
|------------------------------|-------------------------------------|
| Balance at December 31, 2016 | \$ 985,534 |
| New Gift Annuities | 30,479 |
| Distributions to Annuitants | (140,430) |
| Unrealized Losses | <u>(11,972)</u> |
| Balance at December 31, 2017 | 863,611 |
| New Gift Annuities | 68,935 |
| Distributions to Annuitants | (123,665) |
| Unrealized Losses | <u>(33,378)</u> |
| Balance at December 31, 2018 | <u><u>\$ 775,503</u></u> |

The unobservable inputs used to determine the fair value of the charitable gift annuity split-interest liabilities were discount rates and actuarial assumptions calculated based upon the Internal Revenue Service life expectancy tables and the adjusted federal midterm rate at the time the charitable annuities were established.

Greenpeace Fund, Inc.
Notes to Financial Statements
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8. Related-Party Transactions

Stichting Greenpeace Council

Greenpeace is a global environmental organization, consisting of Greenpeace International (Stichting Greenpeace Council the “Council”) in Amsterdam and 27 independent national and regional offices across the world covering operations in more than 55 countries. These national/regional offices are independent in carrying out global campaign strategies within the local context they operate within, and in seeking the necessary financial support from donors to fund this work. Greenpeace International's main legal entity is "Stichting Greenpeace Council" (SGC). It is a Dutch Stichting -a foundation-type nonprofit entity-based in Amsterdam, the Netherlands. Although the Organization is a nonvoting 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.

Greenpeace, Inc.

Greenpeace, Inc. recognized as a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code, and is exempt from income taxes except for taxes on unrelated business activities and provides management services to the Organization. Additionally, Greenpeace, Inc. and the Organization share certain management and general costs. 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 statement of activities. Total shared costs in 2018 and 2017 were \$238,947 and \$270,863, respectively.

Grants to Greenpeace Organizations and Shared Expenses with Greenpeace, Inc.

The Organization made grants to the Council for use in its worldwide activities. The Organization also provided grants to Greenpeace, Inc. to fund research and educational activities. The Organization also acts as an agent for pass-through grants in which the beneficiaries are other Greenpeace affiliates, as designated by the donors. Pass-through grants are recorded as liabilities until disbursed and are not included as a component of grant expense in the accompanying statement of activities.

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

| | 2018 | 2017 |
|--|---------------|---------------|
| Grants to Stichting Greenpeace Council | \$ 8,848,152 | \$ 8,066,656 |
| Grants to Greenpeace, Inc. | 6,892,536 | 7,920,000 |
| Grants to National Regional Offices | - | 14,473 |
| Total Grants Expense | \$ 15,740,688 | \$ 16,001,129 |

Greenpeace Fund, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

8. Related-Party Transactions (continued)

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

| | 2018 | 2017 |
|--|--------------|--------------|
| Grants Payable to Stichting Greenpeace Council | \$ 4,237,800 | \$ 967,876 |
| Due to Greenpeace, Inc. | 2,871,531 | 529,104 |
| Grants Payable to Other Greenpeace affiliates | 342,131 | 885,000 |
| Total Grants Payable and Other Liabilities | \$ 7,451,462 | \$ 2,381,980 |

As of December 31, 2018 and 2017, amounts due to Greenpeace, Inc. include both grants payable as well as other liabilities due to Greenpeace, Inc. as a result of the management and general costs that are shared with Greenpeace, Inc.

Revolving Credit Note Receivable – Greenpeace, Inc.

The Organization has entered into a \$2 million revolving line of credit arrangement with Greenpeace, Inc. to help support Greenpeace, Inc.’s operations. Interest has been accrued at a rate of 7.25% during 2017. Interest revenue was \$-0- and \$26,414 for the years ended December 31, 2018 and 2017, respectively, and is included in investment income in the accompanying statement of activities. The revolving credit receivable has a balance of \$-0- at December 31, 2018 and 2017.

Note Receivable from Stichting Greenpeace Council

During 2011, the Organization loaned \$3,000,000 to the Council to fund the building of a new vessel. Interest is calculated monthly and is accrued at the U.S. prime rate. The balance is due in ten equal installments with the first installment due on October 27, 2012. In addition to the annual \$300,000 installments, the Council made a pre-payment totaling \$1,471,170 in December 2012, and during 2017, it paid off the balance of the loan. Interest revenue was \$-0- and \$9,771 for the years ended December 31, 2018 and 2017, respectively. As of December 31, 2018 and 2017, the outstanding balance, including accrued interest, was \$-0-.

Greenpeace Fund, Inc.
Notes to Financial Statements
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9. Charitable Gift Annuities

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. The actuarially determined liability resulting from the annuity gifts was recorded at the date of the gift. These liabilities were subsequently re-measured at the present value of future payments to beneficiaries, and the annual adjustment based on the latest actuarial information available is reported in the accompanying statements of activities as a change in the value of split-interest agreements. Annuity obligations were \$775,503 and \$863,611 at December 31, 2018 and 2017, respectively, and are included in the accompanying statements of financial position. Contribution revenue recognized under these arrangements for the years ended December 31, 2018 and 2017, was \$68,935 and \$30,479, respectively.

10. Net Assets with Donor Restriction

Net assets with donor restriction are available for the following purposes at December 31:

| | 2018 | 2017 |
|---|--------------|--------------|
| Oceans | \$ 800,000 | \$ 1,050,000 |
| Forest | 200,000 | 496,000 |
| Other Programs | 20,000 | 20,000 |
| Time Restricted | 590,830 | 730,664 |
| Total Net Assets With Donor Restriction | \$ 1,610,830 | \$ 2,296,664 |

Net assets with donor restriction net assets released from restrictions were as follows for the years ended at December 31:

| | 2018 | 2017 |
|--------------------------------------|--------------|--------------|
| Satisfaction of program restrictions | \$ 2,687,426 | \$ 3,395,646 |
| Expiration of time restrictions | 1,010,410 | 3,015,625 |
| | \$ 3,697,836 | \$ 6,411,271 |

11. 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, 2018 and 2017, as there were no unrelated business activities. Management evaluated the Organization's tax positions and has concluded that the Organization has taken no uncertain tax positions that qualify for either recognition or disclosure in the accompanying financial statements.

Greenpeace Fund, Inc.
Notes to Financial Statements
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12. General Contingencies

From time-to-time, the Organization may be a party to lawsuits or have claims pending against it. In the opinion of management, the ultimate liabilities, if any, resulting from such lawsuits and claims will not materially affect the financial position of the Organization.

SUPPLEMENTARY INFORMATION

Greenpeace Fund, Inc.

Schedules of Program Grants For the Years Ended December 31, 2018 and 2017 (See Independent Auditors' Report)

| | <u>2018</u> | <u>2017</u> |
|---|----------------------|----------------------|
| Grants to Stichting Greenpeace Council: | | |
| Global Forests | \$ 4,160,000 | \$ 3,293,400 |
| Good Life Campaign & Ship Tour | 1,200,000 | 2,467,876 |
| Science Unit | 1,300,783 | 1,097,800 |
| Learning and Development | 1,773,795 | 988,020 |
| Global Oceans | 413,574 | - |
| Response Lab | - | 219,560 |
| Total Grants to Stichting Greenpeace Council | <u>8,848,152</u> | <u>8,066,656</u> |
| Grants to Greenpeace, Inc.: | | |
| Climate & Energy Campaign | 3,582,536 | 4,850,000 |
| Oceans Campaign | 2,810,000 | 1,850,000 |
| Forest Campaign | 500,000 | 1,200,000 |
| Other | - | 20,000 |
| Total Grants to Greenpeace, Inc. | <u>6,892,536</u> | <u>7,920,000</u> |
| Grants to Greenpeace National Regional Offices: | | |
| Campaign Support - Greenpeace, United Kingdom | - | 14,473 |
| Total program grants | <u>\$ 15,740,688</u> | <u>\$ 16,001,129</u> |

Greenpeace Fund, Inc.

Schedule of Pass-Through Grants For the Year Ended December 31, 2018 and 2017 (See Independent Auditors' Report)

| | <u>2018</u> | <u>2017</u> |
|--|-------------------------|-------------------------|
| Grants to Stichting Greenpeace Council: | | |
| Forest Campaign | \$ 77,800 | \$ - |
| Grants for Other Affiliates: | | |
| Climate & Energy - Southeast Asia | 585,000 | - |
| Climate & Energy - Nordic | 70,000 | - |
| Climate & Energy - East Asia | - | 1,300,000 |
| Forests - Southeast Asia | 354,000 | 354,000 |
| Forests - Africa | 200,000 | 150,000 |
| Forests - Canada | 200,000 | 200,000 |
| Forests - Brazil | - | 60,000 |
| Forests - Various affiliates | 23,274 | - |
| Total Grants for Other Greenpeace Affiliates | <u>1,432,274</u> | <u>2,064,000</u> |
| Total Pass-Through Grants | <u>\$ 1,510,074</u> | <u>\$ 2,064,000</u> |