

Financial Statements and Independent Auditors' Report

**ROGERS
& COMPANY**

Prepared for

Greenpeace Fund, Inc.

Years Ended December 31, 2006 and 2005

Greenpeace Fund, Inc.

Financial Statements
and Independent Auditors' Report

December 31, 2006 and 2005

Greenpeace Fund, Inc.

Financial Statements
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Greenpeace Fund, Inc.

We have audited the accompanying statements of financial position of Greenpeace Fund, Inc. as of December 31, 2006 and 2005, 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, 2006 and 2005, 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 taken as a whole. The supplemental information included at page 11 is presented for purposes of additional analysis of the financial statements and is not required as part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Vienna, Virginia
April 10, 2007

Greenpeace Fund, Inc.

Statements of Activities
For the Years Ended December 31, 2006 and 2005

	2006	2005
Unrestricted Revenue and Support		
Contributions	\$ 8,335,464	\$ 6,267,013
Grants	2,078,468	771,488
Investment income	458,635	272,433
Net assets released from restrictions	688,579	149,500
Total revenue and support	11,561,146	7,460,434
Expenses		
Program services:		
Grants to Stichting Greenpeace Council	4,358,900	4,062,000
Grants to Greenpeace, Inc.	3,494,065	3,595,390
Grants to other Greenpeace affiliates	185,000	76,400
Grants to NGOs	-	8,800
Communications	-	18,419
Total program services	8,037,965	7,761,009
Supporting services:		
Fund-raising	1,433,504	1,404,989
Management and general	548,213	379,486
Total supporting services	1,981,717	1,784,475
Total expenses	10,019,682	9,545,484
Change in unrestricted net assets	1,541,464	(2,085,050)
Temporarily Restricted Net Assets		
Grants	-	628,582
Release from restrictions	(688,579)	(149,500)
Change in temporarily restricted net assets	(688,579)	479,082
Change in Net Assets	852,885	(1,605,968)
Net Assets, beginning of year	5,926,050	7,532,018
Net Assets, end of year	\$ 6,778,935	\$ 5,926,050

See accompanying notes

Greenpeace Fund, Inc.

Statements of Cash Flows
For the Years Ended December 31, 2006 and 2005

	2006	2005
Cash Flows from Operating Activities		
Change in net assets	\$ 852,885	\$ (1,605,968)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gains on investments	(125,484)	(66,209)
Donated securities	(116,816)	(13,739)
Donation of property and equipment made (received)	250,000	(250,000)
Change in operating assets and liabilities:		
(Increase) decrease in assets		
Contributions and grants receivable	450,253	(1,236,991)
Prepaid expenses and deferred charges	25,592	(12,620)
Due from Stichting Greenpeace Council	-	99,543
Note receivable from Greenpeace, Inc.	494,157	442,571
Interest receivable from Greenpeace, Inc.	32,321	(32,321)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	38,057	(190,783)
Grants payable to Greenpeace, Inc.	(846,408)	487,093
Grants payable to Stichting Greenpeace Council	(838,022)	1,873,472
Grants payable to other Greenpeace affiliates	100,000	(109,000)
Due to Greenpeace, Inc.	(219,577)	41,110
Interest payable to Stichting Greenpeace Council	47,589	-
	144,547	(573,842)
Cash Flows from Investing Activities		
Purchase of investments	(5,500,211)	(3,215,745)
Proceeds from sale of investments	5,057,443	2,815,377
	(442,768)	(400,368)
Cash Flows from Financing Activities		
Loan proceeds	1,833,471	-
Payments on loan	(674,623)	-
	1,158,848	-
Net Increase (Decrease) in Cash and Cash Equivalents	860,627	(974,210)
Cash and Cash Equivalents, beginning of year	519,132	1,493,342
Cash and Cash Equivalents, end of year	\$ 1,379,759	\$ 519,132

See accompanying notes

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2006 and 2005

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 debt and equity securities, 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, 2006 and 2005

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.

Property and Equipment

In 2005, the Organization received a donation of a marine vessel, which was recorded at fair market value as determined by a certified appraisal. The vessel was never placed in service, and was donated in 2006 to Greenpeace, Inc., to be used in programs consistent with the Organization's mission.

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 administration have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and functions benefited.

Use of Estimates

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

3. Related-Party Transactions

Stichting Greenpeace Council

The Stichting Greenpeace Council (Stichting Greenpeace Council), comprised of 16 voting members, develops general policies regarding environmental programs known as campaigns. Although the Organization is 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, 2006 and 2005

3. Related-Party Transactions (continued)

Grants to Greenpeace Organizations

The Organization made grants to Stichting Greenpeace Council for use in its worldwide activities. In 2006 and 2005, grants to Stichting Greenpeace Council and other Greenpeace affiliates (except Greenpeace, Inc.) were \$4,543,900 and \$4,138,400, respectively. At December 31, 2006 and 2005, grants payable to Stichting Greenpeace Council and other Greenpeace affiliates were \$1,195,450 and \$1,933,472, respectively.

The Organization also provided grants to Greenpeace, Inc., to fund research and educational activities. Grants awarded to Greenpeace, Inc. totaled \$3,494,065 and \$3,595,390 in 2006 and 2005, respectively. As of December 31, 2006 and 2005, grants payable to Greenpeace, Inc. were \$112,817 and \$959,225, respectively.

Note Receivable from Greenpeace, Inc.

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

	<u>2006</u>	<u>2005</u>
Note receivable from Greenpeace, Inc. – beginning	\$ 1,041,101	\$ 1,456,672
Less: principal payments	<u>(521,157)</u>	<u>(442,571)</u>
Note receivable from Greenpeace, Inc. – ending	<u>\$ 519,944</u>	<u>\$ 1,014,101</u>

Interest is currently being accrued and paid at a rate of 7.25%. Prior to 2005, the Organization utilized blended Federal rates to calculate interest on the note. Under agreement with Greenpeace, Inc., the Organization recalculated interest retroactively to 2002 using commercial rates in effect over the period. This resulted in additional interest due to the Organization of \$32,321 at December 31, 2005. Interest revenue was \$73,522 and \$89,751 for the years ended December 31, 2006 and 2005, respectively.

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. The amount due to Greenpeace, Inc. was \$0 and \$219,577 at December 31, 2006 and 2005, respectively.

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2006 and 2005

3. Related-Party Transactions (continued)

Expenses Shared with Greenpeace, Inc. and Stichting Greenpeace Council (continued)

The Organization pays certain expenses on behalf of Stichting Greenpeace Council and has certain expenses paid on its behalf by Stichting Greenpeace Council. The result of these transactions is a net grants payable to Stichting Greenpeace Council of \$1,035,450 and \$1,873,472 at December 31, 2006 and 2005, respectively.

Note Payable to Stichting Greenpeace Council

In May 2006, the Organization entered into a loan agreement (the Note) with Stichting Greenpeace Council in the amount of \$1,833,471. The Note bears interest at 3.25% compounded quarterly. Principal payments are due in annual installments equaling 10% of certain Organization net assets, unless modified by mutual consent. All outstanding principal and interest is due December 31, 2009. At December 31, 2006, principal and interest due were \$1,158,748 and \$47,589, respectively.

4. Investments

Investments and related investment income consisted of the following as of and for the years ended December 31:

	<u>2006</u>	<u>2005</u>
<u>Investments</u>		
Equity funds and securities	\$ 2,068,805	\$ 1,680,444
Government obligations	1,271,209	882,778
Money market funds	1,170,569	849,323
Certificates of deposit	178,374	444,027
Corporate bonds	14,693	162,010
Total investments	<u>\$ 4,703,650</u>	<u>\$ 4,018,582</u>
<u>Investment Income</u>		
Interest and dividends	\$ 259,629	\$ 116,473
Interest on note receivable	73,522	89,751
Net realized and unrealized gains	125,484	66,209
Total investment income	<u>\$ 458,635</u>	<u>\$ 272,433</u>

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2006 and 2005

5. Contributions and Grants Receivable

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

	<u>2006</u>	<u>2005</u>
Estates and wills, net	\$ 2,605,842	\$ 2,928,307
Grants	200,000	20,000
Other contributions	<u>634,584</u>	<u>942,372</u>
Contributions and grants receivable, net	<u>\$ 3,440,426</u>	<u>\$ 3,890,679</u>

All contributions and grants receivable are expected to be collected within one year and are recorded at net realizable value. It is the Organization's policy to reduce the amount of contributions pledged from estates and wills by approximately 10% before recording the receivable. Estates and wills are recorded net of an allowance of \$289,358 and \$325,367 at December 31, 2006 and 2005, 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 Internal Revenue Service guidelines and actuarial tables.

Assets of the Organization that are derived from split-interest agreements are as follows at December 31:

	<u>2006</u>	<u>2005</u>
Investments	\$ 1,333,251	\$ 1,238,424
Annuity receivable	<u>-</u>	<u>10,000</u>
Total split-interest agreement assets	<u>\$ 1,333,251</u>	<u>\$ 1,248,424</u>

Liabilities under split-interest agreements included in the accompanying statements of financial position were \$690,386 and \$674,086 at December 31, 2006 and 2005, respectively. Net contributions under split interest agreements were approximately \$56,572 and 129,305 for the years ended December 31, 2006 and 2005, respectively.

Greenpeace Fund, Inc.

Notes to Financial Statements
December 31, 2006 and 2005

7. 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 cash deposits and investments with various financial institutions that exceed insurable limits under the Federal Depository Insurance Corporation Act (FDICA) and Securities Investor Protection Corporation (SIPC). The Organization has not experienced any losses on its cash and investments to date as it relates to FDICA and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any loss is minimal.

8. Temporarily Restricted Net Assets

Net assets were restricted for the following purposes at December 31:

	<u>2006</u>	<u>2005</u>
Ship-based campaigning	\$ -	\$ 588,579
Great Bear Rainforest	-	35,000
Amazon	-	30,000
Ecosystem – British Columbia	-	25,000
Climate programs	-	10,000
	<u> </u>	<u> </u>
Total temporarily restricted net assets	<u>\$ -</u>	<u>\$ 688,579</u>

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, 2006 and 2005, as there were no unrelated business activities.

10. Supplemental Cash Flow Disclosures

	<u>2006</u>	<u>2005</u>
Non-cash investing activities:		
Donated stock	\$ 116,816	\$ 13,739
Transferred property and equipment	250,000	-
Donated property and equipment	-	250,000
	<u> </u>	<u> </u>
Total non-cash investing activities	<u>\$ 366,816</u>	<u>\$ 263,739</u>

SUPPLEMENTAL INFORMATION

Greenpeace Fund, Inc.

Schedules of Program Grants
Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Grants to Stichting Greenpeace Council		
Oceans Campaign	\$ 2,452,200	\$ 1,320,900
Forest Campaign	1,046,300	601,600
People Project	494,100	-
Greenpeace China	178,500	-
Toxics Campaign	120,800	143,500
Lebanon Work	40,000	-
Amazon Work	27,000	-
Research Unit	-	791,000
Greenpeace Planet - Web site	-	763,700
Tsunami	-	429,300
Albena Simeonova in Hungary	-	12,000
	<u>4,358,900</u>	<u>4,062,000</u>
Grants to other Greenpeace affiliates		
Forests -- Greenpeace Canada	175,000	-
General support - Greenpeace Mediterranean	10,000	-
Amazon Rainforest - Greenpeace Brazil	-	40,000
Ecosystem-Based Management - Greenpeace Canada	-	25,000
Office Capacity - Greenpeace Canada	-	6,400
Nuclear Work - Greenpeace France	-	5,000
	<u>185,000</u>	<u>76,400</u>
Grants to Greenpeace, Inc.		
<i>Campaigns:</i>		
Oceans Campaign	1,350,000	60,000
Climate Campaign	1,252,000	170,000
Forest Campaign	702,000	331,100
Toxics Campaign	175,000	-
Action Resources	15,065	300,000
Campaign Contingency	-	894,290
Campaign Management	-	300,000
Policy and Issues Monitoring	-	250,000
Research	-	170,000
Outreach	-	160,000
Ship Feasibility Study	-	50,000
<i>Campaign support:</i>		
Photo/video documentation	-	420,000
Web site	-	300,000
Media	-	180,000
Publications	-	10,000
	<u>3,494,065</u>	<u>3,595,390</u>
Total grants to Greenpeace, Inc.		
	<u>3,494,065</u>	<u>3,595,390</u>
Grants to NGOs		
Arctica, Inc.	-	8,800
	<u>-</u>	<u>8,800</u>
Total Program Grants	<u>\$ 8,037,965</u>	<u>\$ 7,742,590</u>