

Greenpeace, Inc.

Financial Statements

December 31, 2015 and 2014

Greenpeace, Inc.

Financial Statements
December 31, 2015 and 2014

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Independent Auditors' Report

Board of Directors
Greenpeace, Inc.
Washington, DC

Report on the Financial Statements

We have audited the accompanying financial statements of Greenpeace, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year 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 audit. We conducted our audit 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.

Board of Directors
Greenpeace, Inc.

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, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

2014 Financial Statements

The 2014 financial statements of the Organization were audited by other auditors whose report dated June 1, 2015, expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules of functional expenses 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 16, 2016

Greenpeace, Inc.

Statements of Financial Position December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	\$ 1,064,172	\$ 1,151,836
Advances and other receivables	4,739	21,221
Investments	62,292	69,162
Due from Greenpeace Fund, Inc.	763,475	1,345,244
Due from Stichting Greenpeace Council	396,405	528,517
Due from other Greenpeace affiliates	42,260	17,536
Prepaid expenses and deposits	586,298	629,055
Property and equipment, net	835,219	821,004
Total assets	<u>\$ 3,754,860</u>	<u>\$ 4,583,575</u>
Liabilities and Net Assets (Deficit)		
Liabilities		
Accounts payable and accrued expenses	\$ 2,207,289	\$ 2,046,720
Due to Stichting Greenpeace Council	27,898	-
Due to other Greenpeace affiliates	47,920	106,817
Deferred rent	690,169	745,129
Loan Payable - Stichting Greenpeace Council	400,400	-
Line of credit - Greenpeace Fund, Inc.	-	1,798,444
Line of credit - Other	300,574	500,507
Total liabilities	<u>3,674,250</u>	<u>5,197,617</u>
Net Assets (Deficit)		
Unrestricted	31,472	(614,042)
Temporarily restricted	49,138	-
Total net assets (deficit)	<u>80,610</u>	<u>(614,042)</u>
Total liabilities and net assets	<u>\$ 3,754,860</u>	<u>\$ 4,583,575</u>

See accompanying Notes.

Greenpeace, Inc.

Statement of Activities For the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Contributions	\$ 26,629,504	\$ -	\$ 26,629,504
Grants - Greenpeace Fund, Inc.	-	6,542,500	6,542,500
Grants - Stichting Greenpeace Council	2,160,000	1,306,926	3,466,926
Net investment income (loss)	(6,868)	-	(6,868)
Other income	252,989	-	252,989
Net assets released from restrictions	7,800,288	(7,800,288)	-
Total revenue and support	36,835,913	49,138	36,885,051
Expenses			
Program services:			
Climate campaign	8,540,973	-	8,540,973
Forests campaign	3,198,233	-	3,198,233
Public information and education	4,803,438	-	4,803,438
Oceans campaign	6,106,240	-	6,106,240
Toxics campaign	208,798	-	208,798
Action resources	2,744,024	-	2,744,024
Outreach campaign	3,314,985	-	3,314,985
Total program services	28,916,691	-	28,916,691
Supporting services:			
Fundraising	4,466,430	-	4,466,430
Management and general	2,807,278	-	2,807,278
Total supporting services	7,273,708	-	7,273,708
Total expenses	36,190,399	-	36,190,399
Change in Net Assets	645,514	49,138	694,652
Net Deficit , beginning of year	(614,042)	-	(614,042)
Net Assets , end of year	\$ 31,472	\$ 49,138	\$ 80,610

See accompanying Notes.

Greenpeace, Inc.

Statement of Activities For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Contributions	\$ 25,791,246	\$ 125	\$ 25,791,371
Grants - Greenpeace Fund, Inc.	-	4,970,950	4,970,950
Grants - Stichting Greenpeace Council	2,160,000	540,000	2,700,000
Investment income	1,940	-	1,940
Other income	63,711	-	63,711
Net assets released from restrictions	5,618,564	(5,618,564)	-
Total revenue and support	33,635,461	(107,489)	33,527,972
Expenses			
Program services:			
Climate campaign	7,029,388	-	7,029,388
Forests campaign	4,563,997	-	4,563,997
Public information and education	3,972,004	-	3,972,004
Oceans campaign	5,839,006	-	5,839,006
Toxics campaign	812,181	-	812,181
Action resources	2,767,125	-	2,767,125
Outreach campaign	3,326,307	-	3,326,307
Total program services	28,310,008	-	28,310,008
Supporting services:			
Fundraising	4,326,296	-	4,326,296
Management and general	3,107,459	-	3,107,459
Total supporting services	7,433,755	-	7,433,755
Total expenses	35,743,763	-	35,743,763
Change in Net Assets	(2,108,302)	(107,489)	(2,215,791)
Net Assets, beginning of year	1,494,260	107,489	1,601,749
Net Deficit, end of year	\$ (614,042)	\$ -	\$ (614,042)

See accompanying Notes.

Greenpeace, Inc.

Statements of Cash Flows For the Years Ended December 31, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Change in net assets	\$ 694,652	\$ (2,215,791)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized investment losses and (gains)	8,086	(840)
Depreciation and amortization	212,763	222,557
Change in operating assets and liabilities:		
(Increase) decrease in:		
Advances and other receivables	16,482	150,783
Due from Greenpeace Fund, Inc.	581,769	107,468
Due from Stichting Greenpeace Council	132,112	988,344
Due from other Greenpeace affiliates	(24,724)	97,550
Prepaid expenses and deposits	42,757	189,390
Increase (decrease) in:		
Accounts payable and accrued expenses	160,569	(122,413)
Due to Stichting Greenpeace Council	27,898	-
Due to other Greenpeace affiliates	(58,897)	65,662
Deferred rent	(54,960)	(6,690)
Net cash provided by (used in) operating activities	1,738,507	(523,980)
Cash Flows from Investing Activities		
Proceeds from maturities and sales of investments	204	1,167
Purchases of investments	(1,420)	(2,266)
Purchases of property and equipment	(226,978)	(347,568)
Net cash used in investing activities	(228,194)	(348,667)
Cash Flows from Financing Activity		
Proceeds from Loan Payable - Stichting Greenpeace Council	400,400	-
Proceeds from borrowing under line of credit - Greenpeace Fund, Inc.	400,000	126,582
Principal payments on line of credit - Greenpeace Fund, Inc.	(2,198,444)	(100,000)
Proceeds from borrowing under line of credit - Other	1,100,574	500,507
Principal payments on line of credit - Other	(1,300,507)	-
Net cash (used in) provided by financing activity	(1,597,977)	527,089
Net Decrease in Cash and Cash Equivalents	(87,664)	(345,558)
Cash and Cash Equivalents, beginning of year	1,151,836	1,497,394
Cash and Cash Equivalents, end of year	\$ 1,064,172	\$ 1,151,836
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 126,130	\$ -

See accompanying Notes.

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

1. Nature of Operations

Greenpeace, Inc. (“the Organization”) was established in 1987 as a non-profit corporation to promote the protection and preservation of the environment through lobbying, education, advocacy, and peaceful direct action. Its activities are carried out through various programs and campaigns in support of this mission. The Organization’s primary sources of revenues are contributions from individuals, grants from the Greenpeace Fund, Inc. (“the Fund”), and grants from Stichting Greenpeace Council (“the Council”).

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Organization’s financial statements are prepared on the accrual basis of accounting and are in accordance with generally accepted accounting principles for not-for-profit organizations. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *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.
- *Permanently restricted net assets* represent funds subject to donor imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the institution to use all or part of the income earned on related investments for general or specific purposes. The Organization did not have permanently restricted net assets at December 31, 2015 and 2014.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) 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.

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 equivalents held in the Organization’s investment portfolio are included as a component of investments.

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

Investments

Investments are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. All unrealized gains and losses, realized gains and losses, and interest and dividend income, net of investment management fees are included in investment income in the accompanying statement of activities.

Property and Equipment

Property and equipment with a cost in excess of \$3,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Leasehold improvements are amortized using the straight-line method over the shorter of their estimated useful lives or the lease term. Software development costs are recorded at cost. Once software projects are substantially complete and ready for intended use, the cost will be amortized using the straight-line method over the estimated useful life of five years.

Depreciation and amortization on all other property and equipment is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to five years. Repairs and maintenance costs are expensed as incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the respective accounts and any resulting gain or loss is included in revenues or expenses.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Greenpeace, Inc.

Notes to Financial Statements
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2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Contributions, including unconditional promises to give, are recognized at fair value in when received or pledged, whichever is earlier. 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 statement of activities as net assets released from restrictions. Other income consists of licensing, royalties, merchandise sales, and revenues from training sessions, and is recognized when earned.

Donated Services

The Organization utilizes volunteer services in several areas of operations. Volunteer services that require special skills and would otherwise need to be purchased are recorded as support and expense in the period provided. Non-professional volunteer hours are not recorded as revenue or expense in the accompanying financial statements.

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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 16, 2016, the date the financial statements were available to be issued.

Greenpeace, Inc.

Notes to Financial Statements
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3. Concentrations

Revenue Risk

Approximately 18% and 15% of the Organization's support was provided by the Fund for the years ended December 31, 2015 and 2014, respectively. Any reduction in the level of support from the Fund could affect the Organization's program activities.

Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash 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 activities.

4. Investments and Fair Value Measurements

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

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.

Greenpeace, Inc.

Notes to Financial Statements
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4. Investments and Fair Value Measurements (continued)

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. There have been no changes in methodologies used at December 31, 2015 and 2014.

Equities: 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.

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

4. Investments and Fair Value Measurements (continued)

The following table presents the Organization's fair value hierarchy for those investments measured on a recurring basis at December 31:

	2015			
	Level 1	Level 2	Level 3	Total
Equities:				
Domestic	\$ 43,454	\$ -	\$ -	\$ 43,454
International	4,399	-	-	4,399
Money market funds	14,439	-	-	14,439
Total investments	\$ 62,292	\$ -	\$ -	\$ 62,292
	2014			
	Level 1	Level 2	Level 3	Total
Equities:				
Domestic	\$ 50,332	\$ -	\$ -	\$ 50,332
International	5,337	-	-	5,337
Money market funds	13,493	-	-	13,493
Total investments	\$ 69,162	\$ -	\$ -	\$ 69,162

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

	2015	2014
Net realized and unrealized gain (loss)	\$ (8,086)	\$ 840
Interest and dividends, net of investment fees of \$496 and \$534	1,218	1,100
Total investment (loss) income	\$ (6,868)	\$ 1,940

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

5. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Leasehold improvements	\$ 1,452,819	\$ 1,393,896
Action equipment	669,761	662,677
Office equipment	319,887	256,996
Vehicles	109,300	95,300
Software	84,080	-
	<hr/>	<hr/>
Total property and equipment	2,635,847	2,408,869
Less: accumulated depreciation and amortization	<u>(1,800,628)</u>	<u>(1,587,865)</u>
	<hr/>	<hr/>
Property and equipment, net	<u>\$ 835,219</u>	<u>\$ 821,004</u>

Depreciation and amortization expense for the years ended December 31, 2015 and 2014, was \$212,763 and \$222,557, respectively. Of the depreciation and amortization expense, \$23,195 and \$18,997 was allocated to the Fund for the years ended December 31, 2015 and 2014, respectively.

6. Related Party Transactions

The Organization has entered into various agreements and transactions with the Fund; the Council; and other Greenpeace affiliates as follows:

Greenpeace Fund, Inc.

The Fund provides funding for various program activities performed by the Organization. Grants from the Fund totaled \$6,542,500 and \$4,970,950 for the years ended December 31, 2015 and 2014, respectively, and are included in the accompanying statement of activities.

In addition, the Organization has a \$2 million line of credit arrangement with the Fund to help support its operations. Interest has been accrued at a rate of 7.25%. Interest expense was \$117,585 and \$126,582 for 2015 and 2014, respectively, and is included in the accompanying schedules of functional expenses. The line of credit's balance was \$-0- and \$1,798,444 at December 31, 2015 and 2014, respectively, and is included in the accompanying statements of financial position.

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

6. Related Party Transactions (continued)

Stichting Greenpeace Council

Greenpeace is a global environmental organization, consisting of Greenpeace International (Stichting Greenpeace Council – “the Council”) in Amsterdam, and 26 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 non-profit entity- based in Amsterdam, the Netherlands. The Organization is a 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.

During 2015 and 2014, the Organization received contributions and grants from the Council of \$3,466,926 and \$2,700,000, respectively.

In August 2015, the Organization entered into a \$400,000 loan agreement with the Council to support fundraising initiatives. The loan is unsecured and bears fixed interest rate of 0.30% per year, accrued monthly. The loan is due in four equal installments during 2016, with the final payment including all accrued outstanding interest set on December 31, 2016. At December 31, 2015, the loan's outstanding balance was \$400,400.

Greenpeace Fund, Inc.

The Fund 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 and receives management services from the Organization.

Expenses Shared with Greenpeace Fund, Inc.; Stichting Greenpeace Council; and Other Greenpeace Affiliates

The Organization shares certain management and general costs with the Fund and the Council. 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 supporting services included in the accompanying statement of activities. Total costs allocated to Fund were \$249,805 and \$247,464 for 2015 and 2014, respectively. Total costs allocated to the Council were \$345,257 and \$237,900 for 2015 and 2014, respectively.

Greenpeace, Inc.

Notes to Financial Statements
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6. Related Party Transactions (continued)

The Organization pays certain expenses on behalf of the Fund, the Council, and other Greenpeace affiliates. The Organization also has certain expenses paid on its behalf by the Fund, the Council, and other Greenpeace affiliates. A summary of the net result of these transactions as well as contribution balances due from or to the Fund, the Council, and other Greenpeace affiliates, are as follows at December 31:

	<u>2015</u>	<u>2014</u>
Due from Greenpeace Fund, Inc.:		
Expense sharing	\$ 763,475	\$ 1,345,244
Due from Stichting Greenpeace Council:		
Expense sharing - billed	\$ 365,568	\$ 486,805
Expense sharing - unbilled	30,837	41,712
Due from Stichting Greenpeace Council	\$ 396,405	\$ 528,517
Due to Stichting Greenpeace Council:		
Cluster Funding contributions payable	\$ (27,898)	\$ -
Due from other Greenpeace affiliates	\$ 42,260	\$ 17,536
Due to other Greenpeace affiliates	(47,920)	(106,817)
Net receivable due from other Greenpeace affiliates	\$ (5,660)	\$ (89,281)

7. Temporarily Restricted Net Assets

At December 31, 2015, temporarily restricted net assets consisted of \$49,138 restricted to supporting certain Frontline efforts. At December 31, 2014, the Organization carried \$-0- in temporarily restricted net assets.

8. Allocation of Joint Costs

The Organization achieves some of its programmatic goals by direct mail, telemarketing, canvassing, and similar campaigns that include requests for donations. The cost of conducting those campaigns was allocated as follows for the years ended December 31:

	<u>2015</u>	<u>2014</u>
Program expenses	\$ 11,897,415	\$ 13,088,108
Fundraising	2,409,465	2,289,362
Total joint costs	\$ 14,306,880	\$ 15,377,470

Greenpeace, Inc.

Notes to Financial Statements
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9. Commitments and Contingencies

Operating Leases

The Organization leases office facilities, warehouse space, and equipment under various operating leases with restrictive cancellation clauses. Certain leases require the Organization to pay its proportionate share of real estate taxes and other operating expenses.

On June 30, 2009, the Organization renegotiated the terms of the existing office lease in Washington, DC and entered into two new lease agreements for existing and additional office space for 11 years, commencing July 1, 2009. The leases call for certain rent abatements and a fixed base rent with annual rental increases of 2.5% of the base rent.

During 2012, the Organization entered into an agreement to lease office space in San Francisco, California, which commenced on October 1, 2012 and expires on September 30, 2019. The lease calls for certain rent abatements and a fixed base rent with annual rental increases of approximately 3% of the base rent.

During 2013, the Organization entered into an extension to continue to lease warehouse space in Landover, Maryland. The original lease began in February 2000. This addendum commenced on September 1, 2013 and expires on May 31, 2020. The extension calls for certain rent abatements and a fixed base rent with annual rental increases defined in the agreement. In addition, the lease provides for allowances of improvements in the years 2014 and 2015.

During 2013 the Organization entered into an agreement to lease warehouse space in Oakland, California, which commenced on November 1, 2013 and expires on September 30, 2019. The lease calls for certain rent abatements and a fixed base rent with annual rental increases of approximately 3% of the base rent.

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

9. Commitments and Contingencies (continued)

During 2014 the Organization entered into a two-year agreement to lease office space in Oakland, California, which commenced on July 1, 2014. The lease calls for an annual rental increases of approximately 3% of the base rent.

During 2015 the Organization entered into a two-year agreement to lease office space in San Diego, California, which commenced on April 1, 2015. The lease calls for an annual rental increases of approximately 3% of the base rent.

The effects of the scheduled rent increases and rent abatements are being recognized by the Organization on a straight-line basis over the lease terms, in accordance with U.S. GAAP. The difference between rent paid and straight-line rent expense is reflected as deferred rent in the accompanying statement of financial position. Rent expense and other occupancy costs totaled \$1,723,758 and \$1,894,968 for the years ended December 31, 2015 and 2014, respectively.

As of December 31, 2015, future minimum lease payments on all operating leases are as follows for the years ending December 31:

2016	\$	1,617,835
2017		1,526,854
2018		1,554,918
2019		1,498,330
2020		<u>610,145</u>
Future minimum lease payments	\$	<u><u>6,808,082</u></u>

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.

Greenpeace, Inc.

Notes to Financial Statements
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10. Retirement Plan

The Organization maintains a 401(k) plan open to all employees after three months of full-time employment. Employees contribute by payroll deductions on a pre-tax basis up to the amount allowable by Federal law. Employee deferrals are immediately 100% vested. The Organization contributes to the 401(k) plan under a Safe Harbor matching provision, which requires the Organization to match 100% of employee contributions up to the first 6% of the eligible employee's salary. Employer contributions totaled \$649,356 and \$548,052 for the years ended December 31, 2015 and 2014, respectively.

11. Line of Credit

During 2014, the Organization entered into an \$800,000 revolving line-of-credit in the event there is a need to manage temporary shortfalls in working capital. The line is unsecured and the terms include an interest rate of LIBOR plus 1.67% for all outstanding balances. Accrued interest is payable on the 1st day of each month beginning on December 1, 2014, with all unpaid accrued interest and principal due on September 30, 2015. This line-of-credit was renewed in November 2015 and expires September 29, 2016. At December 31, 2015 and 2014, the amount due on the line-of-credit totaled \$300,574 and \$500,507, respectively.

12. Income Taxes

The Organization is 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. No tax expense is reflected in the accompanying financial statements for the years ended December 31, 2015 and 2014, as there were no unrelated business activities. Management evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax positions that qualify for either recognition or disclosure in the accompanying financial statements.

13. Subsequent Events

Subsequently to year-end, and as of the date the financial statements were available to be issued, the Organization drew on its line of credit with the Fund in the amount of \$1,600,000, to support first quarter operations.

SUPPLEMENTARY INFORMATION

Greenpeace, Inc.

Schedule of Functional Expenses
For the Year Ended December 31, 2015
(See Independent Auditors' Report)

	Program Services							Supporting Services			
	Climate Campaign	Forests Campaign	Public Information and Education	Oceans Campaign	Toxics Campaign	Action Resources	Outreach Campaign	Total Programs	Fundraising	Management and General	Total
Salaries, taxes, and employee benefits	\$ 4,725,583	\$ 2,059,052	\$ 3,165,481	\$ 3,678,800	\$ 157,310	\$ 1,528,057	\$ 2,333,550	\$ 17,647,833	\$ 2,436,100	\$ 1,480,592	\$ 21,564,525
Professional fees	1,380,603	283,076	638,861	771,380	18,118	248,763	191,325	3,532,126	600,636	473,975	4,606,737
Office expenses	644,402	292,208	131,467	552,955	2,857	189,398	103,115	1,916,402	422,940	41,627	2,380,969
Occupancy	237,389	87,680	231,921	136,896	11,833	320,302	180,005	1,206,026	274,170	243,562	1,723,758
Travel	476,666	112,541	128,317	197,277	5,910	182,644	137,997	1,241,352	85,403	38,572	1,365,327
Direct mail-printing	325,908	198,202	55,768	366,688	-	-	40,646	987,212	199,930	-	1,187,142
Information technology	144,945	49,246	175,887	87,566	4,406	77,759	86,642	626,451	239,024	291,000	1,156,475
Conferences and meetings	255,706	45,798	123,929	117,273	2,844	73,417	77,944	696,911	59,163	78,900	834,974
Advertising and promotion	60,562	17,158	29,396	104,447	69	1,552	6,242	219,426	18,160	557	238,143
Grants	115,771	1,001	31,032	2,133	254	10,553	74,916	235,660	-	-	235,660
Depreciation and amortization	22,180	5,533	28,626	8,638	1,649	33,556	21,053	121,235	32,601	35,731	189,567
Insurance	16,530	4,000	20,700	6,217	1,194	44,504	15,238	108,383	23,583	24,827	156,793
List rental expenses	38,192	23,226	6,535	42,970	-	-	4,763	115,686	33,314	-	149,000
Interest	13,795	2,357	11,936	5,028	599	8,117	8,148	49,980	13,197	63,926	127,103
Miscellaneous	42,560	4,934	3,096	4,933	937	15,229	21,012	92,701	150	14,451	107,302
Taxes/permits/fees	17,157	7,351	4,104	13,750	225	2,986	4,572	50,145	23,428	8,301	81,874
Books and publications	16,359	2,970	15,745	5,779	593	7,187	7,817	56,450	2,613	10,676	69,739
Penalties and fines	6,665	1,900	637	3,510	-	-	-	12,712	2,018	581	15,311
Total Expenses	\$ 8,540,973	\$ 3,198,233	\$ 4,803,438	\$ 6,106,240	\$ 208,798	\$ 2,744,024	\$ 3,314,985	\$ 28,916,691	\$ 4,466,430	\$ 2,807,278	\$ 36,190,399

Greenpeace, Inc.

Schedule of Functional Expenses
For the Year Ended December 31, 2014
(See Independent Auditors' Report)

	Program Services							Supporting Services			
	Climate Campaign	Forests Campaign	Public Information and Education	Oceans Campaign	Toxics Campaign	Action Resources	Outreach Campaign	Total Programs	Fundraising	Management and General	Total
Salaries, taxes, and employee benefits	\$ 4,108,538	\$ 2,839,039	\$ 2,575,197	\$ 3,716,057	\$ 528,006	\$ 1,537,022	\$ 2,373,111	\$ 17,676,970	\$ 2,325,085	\$ 1,432,585	\$ 21,434,640
Professional fees	798,631	398,787	573,968	485,194	110,078	190,730	199,013	2,756,401	601,138	709,348	4,066,887
Office expenses	614,864	412,772	90,255	555,557	50,857	103,364	100,756	1,928,425	436,165	68,636	2,433,226
Occupancy	200,740	119,138	234,740	143,558	28,983	359,728	208,784	1,295,671	284,465	314,792	1,894,928
Travel	477,655	275,557	93,433	293,202	24,488	225,973	128,805	1,519,113	120,968	56,769	1,696,850
Information technology	102,643	51,821	164,230	59,866	12,901	86,176	91,205	568,842	200,337	335,987	1,105,166
Direct mail-printing	273,627	226,547	7,022	302,370	27,089	-	18,948	855,603	149,661	-	1,005,264
Conferences and meetings	207,098	128,492	88,026	166,811	13,130	80,144	87,309	771,010	63,731	46,927	881,668
Grants	84,810	6,067	47,912	16,882	2,181	15,234	45,420	218,506	-	-	218,506
Depreciation and amortization	11,882	5,374	22,047	6,645	2,300	77,288	19,271	144,807	25,978	32,775	203,560
List rental expenses	45,455	35,565	5,196	47,468	4,253	-	2,975	140,912	31,421	-	172,333
Books and publications	20,270	5,995	33,479	6,870	1,838	11,851	12,190	92,493	3,270	13,462	109,225
Insurance	9,063	4,093	16,770	5,057	1,750	51,236	14,649	102,618	19,745	25,308	147,671
Interest	9,719	3,720	12,691	4,074	1,323	9,359	9,974	50,860	13,094	62,628	126,582
Advertising and promotion	20,162	17,412	3,826	1,572	-	-	327	43,299	40,466	-	83,765
Miscellaneous	23,950	21,132	43	13,144	504	7,259	299	66,331	322	1,555	68,208
Taxes/permits/fees	9,584	7,922	2,574	9,444	1,030	1,925	2,683	35,162	9,293	5,280	49,735
Penalties and fines	10,697	4,564	595	5,235	1,470	9,836	10,588	42,985	1,157	1,407	45,549
Total Expenses	\$ 7,029,388	\$ 4,563,997	\$ 3,972,004	\$ 5,839,006	\$ 812,181	\$ 2,767,125	\$ 3,326,307	\$ 28,310,008	\$ 4,326,296	\$ 3,107,459	\$ 35,743,763