Greenpeace, Inc.

Financial Statements

December 31, 2017 and 2016

Greenpeace, Inc.

Financial Statements
December 31, 2017 and 2016

Contents

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 statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows 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, 2017 and 2016, 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.

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 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

CliftonLarsonAllen LLP

Arlington, Virginia
June 25, 2018

Greenpeace, Inc.

Statements of Financial Position
December 31, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 4,721,223	$ 1,480,703
Advances and other receivables	1,612	5,413
Investments	83,798	71,362
Due from Greenpeace Fund, Inc.	529,104	1,922,607
Due from Stichting Greenpeace Council	1,312,498	883,027
Due from other Greenpeace affiliates	26,067	21,082
Prepaid expenses and deposits	388,527	659,357
Property and equipment, net	882,592	1,070,854
Total assets	$ 7,945,421	$ 6,114,405
Liabilities and Net Assets (Deficit)		
Liabilities		
Accounts payable and accrued expenses	$ 2,755,024	$ 2,673,433
Due to Stichting Greenpeace Council	-	33,429
Deferred rent	469,661	608,834
Loan Payable - Stichting Greenpeace Council	961,000	301,378
Line of credit - Greenpeace Fund, Inc.	-	2,035,228
Line of credit - Other	401,044	801,734
Total liabilities	4,586,729	6,454,036
Net Assets (Deficit)		
Unrestricted	3,211,757	(471,515)
Temporarily restricted	146,935	131,884
Total net assets (deficit)	3,358,692	(339,631)
Total liabilities and net assets	$ 7,945,421	$ 6,114,405

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

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Contributions	$ 28,219,930	$ 6,976	$ 28,226,906
Grants - Greenpeace Fund, Inc.	-	7,920,000	7,920,000
Grants - Stichting Greenpeace Council	1,450,000	1,973,289	3,423,289
Grants from Other NROs	-	17,718	17,718
Net investment income	12,435	-	12,435
Other income	96,226	-	96,226
Net assets released from restrictions	9,902,932	(9,902,932)	-
Total revenue and support	39,681,523	15,051	39,696,574
Expenses			
Program services:			
Climate campaign	7,395,643	-	7,395,643
Forests campaign	4,326,507	-	4,326,507
Public information and education	3,159,272	-	3,159,272
Oceans campaign	5,292,945	-	5,292,945
Action resources	3,053,698	-	3,053,698
Outreach campaign	3,319,423	-	3,319,423
Total program services	26,547,488	-	26,547,488
Supporting services:			
Fundraising	6,423,402	-	6,423,402
Management and general	3,027,361	-	3,027,361
Total supporting services	9,450,763	-	9,450,763
Total expenses	35,998,251	-	35,998,251
Change in Net Assets	3,683,272	15,051	3,698,323
Net Assets (Deficit), beginning of year	(471,515)	131,884	(339,631)
Net Assets, end of year	$ 3,211,757	$ 146,935	$ 3,358,692

See accompanying Notes.

Greenpeace, Inc.
Statement of Activities
For the Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Contributions	$ 25,468,018	$ 10,000	$ 25,478,018
Grants - Greenpeace Fund, Inc.	-	9,650,000	9,650,000
Grants - Stichting Greenpeace Council	2,160,000	1,188,032	3,348,032
Net investment income	9,070	-	9,070
Other income	104,718	-	104,718
Net assets released from restrictions	10,765,286	(10,765,286)	-
Total revenue and support	38,507,092	82,746	38,589,838
Expenses			
Program services:			
Climate campaign	7,958,431	-	7,958,431
Forests campaign	3,798,065	-	3,798,065
Public information and education	5,081,670	-	5,081,670
Oceans campaign	6,436,336	-	6,436,336
Toxics campaign	205,014	-	205,014
Action resources	3,352,838	-	3,352,838
Outreach campaign	3,860,162	-	3,860,162
Total program services	30,692,516	-	30,692,516
Supporting services:			
Fundraising	4,870,057	-	4,870,057
Management and general	3,447,506	-	3,447,506
Total supporting services	8,317,563	-	8,317,563
Total expenses	39,010,079	-	39,010,079
Change in Net Assets	(502,987)	82,746	(420,241)
Net Assets, beginning of year	31,472	49,138	80,610
Net Assets (Deficit), beginning of year	$ (471,515)	$ 131,884	$ (339,631)

See accompanying Notes.

Greenpeace, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities		
Change in net assets	$ 3,698,323	$ (420,241)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized investment gains	(11,148)	(7,811)
Depreciation and amortization	306,833	249,407
Loss on disposal of fixed assets	49,656	-
Change in operating assets and liabilities:		
(Increase) decrease in:		
Advances and other receivables	3,801	(674)
Due from Greenpeace Fund, Inc.	1,393,503	(1,159,132)
Due from Stichting Greenpeace Council	(429,471)	(486,622)
Due from other Greenpeace affiliates	(4,985)	21,178
Prepaid expenses and deposits	270,830	(73,059)
Increase (decrease) in:		
Accounts payable and accrued expenses	81,591	466,142
Due to Stichting Greenpeace Council	(31,774)	6,509
Due to other Greenpeace affiliates	-	(47,920)
Deferred rent	(139,173)	(81,335)
Net cash provided by (used in) operating activities	5,187,986	(1,533,558)
Cash Flows from Investing Activities		
Proceeds from maturities and sales of investments	-	135
Purchases of investments	(1,288)	(1,392)
Purchases of property and equipment	(168,227)	(485,042)
Net cash used in investing activities	(169,515)	(486,299)
Cash Flows from Financing Activity		
Proceeds from Loan Payable - Stichting Greenpeace Council	960,000	-
Principal and accrued interest payments on Loan Payable - Stichting Greenpeace Council	(302,033)	(100,000)
Proceeds from borrowing under line of credit - Greenpeace Fund, Inc.	500,000	4,500,000
Principal and accrued interest payments on line of credit - Greenpeace Fund, Inc.	(2,535,228)	(2,464,772)
Proceeds from borrowing under line of credit - Other	-	1,601,734
Principal payments on line of credit - Other	(400,690)	(1,100,574)
Net cash (used in) provided by financing activity	(1,777,951)	2,436,388
Net Increase in Cash and Cash Equivalents	3,240,520	416,531
Cash and Cash Equivalents, beginning of year	1,480,703	1,064,172
Cash and Cash Equivalents, end of year	$ 4,721,223	$ 1,480,703
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ 49,117	$ 100,305

See accompanying Notes.

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

<u>Basis of Accounting and Presentation</u>

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, 2017 and 2016.

<u>Use of Estimates</u>

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.

<u>Cash Equivalents</u>

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.

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 is 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.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Contributions, including unconditional promises to give, are recognized at fair value 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 25, 2018, the date the financial statements were available to be issued.

3. Concentrations

Revenue Risk

Approximately 20% and 25% of the Organization's support was provided by the Fund for the years ended December 31, 2017 and 2016, respectively. Any reduction in the level of support from the Fund could affect the Organization's program activities.

3. Concentrations (Continued)

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.

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.

4. Investments and Fair Value Measurements (continued)

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, 2017 and 2016.

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.

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

2017	Level 1	Level 2	Level 3	Total
Equities:				
Domestic	$ 56,871	$ -	$ -	$ 56,871
International	12,547	-	-	12,547
Money market funds	14,380	-	-	14,380
Total investments	$ 83,798	$ -	$ -	$ 83,798

2016	Level 1	Level 2	Level 3	Total
Equities:				
Domestic	$ 49,811	$ -	$ -	$ 49,811
International	8,459	-	-	8,459
Money market funds	13,092	-	-	13,092
Total investments	$ 71,362	$ -	$ -	$ 71,362

4. Investments and Fair Value Measurements (continued)

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

	2017	2016
Net realized and unrealized gain	$ 11,148	$ 7,811
Interest and dividends, net of investment fees of $522 and $499	1,287	1,259
Total investment income	$ 12,435	$ 9,070

5. Property and Equipment

Property and equipment consist of the following at December 31:

	2017	2016
Leasehold improvements	$ 1,350,714	$ 1,466,688
Action equipment	669,761	669,761
Office equipment	447,420	443,806
Vehicles	217,154	172,454
Software	486,687	368,179
Total property and equipment	3,171,736	3,120,888
Accumulated depreciation and amortization	(2,289,144)	(2,050,034)
Property and equipment, net	$ 882,592	$ 1,070,854

Depreciation and amortization expense for the years ended December 31, 2017 and 2016, was $306,833 and $249,407, respectively. Of the depreciation and amortization expense, $23,302 and $23,462 was allocated to the Fund for the years ended December 31, 2017 and 2016, 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 $7,920,000 and $9,650,000 for the years ended December 31, 2017 and 2016, 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 $26,414 and $88,887 for 2017 and 2016, respectively, and is included in the accompanying schedules of functional expenses. The line of credit's balance was $-0- and $2,035,228 at December 31, 2017 and 2016, respectively, and is included in the accompanying statements of financial position.

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 2017 and 2016, the Organization received contributions and grants from the Council of $3,423,289 and $3,348,032, respectively.

6. Related Party Transactions (continued)

In August 2015, the Organization entered into a loan agreement with the Council in which the Council provided $400,000 to support fundraising initiatives. The loan has a fixed interest rate of 0.30% per year, calculated monthly. The loan was originally negotiated to be due in four equal installments with final payment including all accrued outstanding interest, set on December 31, 2016. During 2016, the Organization renegotiated the loan extending its maturity term through December 31, 2017, and all outstanding balances were repaid in November, 2017. Interest expense in 2017 and 2016 was $654 and $978, respectively. At December 31, 2017 and 2016, the loan's outstanding balance was $-0- and $301,378, respectively. In July 2017, the Organization entered into two new loan agreements with the Council, totaling $960,000, to support fundraising operations. The new loans carry a fixed interest rate of 0.25% per year, calculated monthly. Maturities for both loans were set at August 1, 2019, by which time all outstanding balances and accrued interest become due. At December 31, 2017, the loans' outstanding balance was $961,000.

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. and Stichting Greenpeace Council; Support from 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 $270,863 and $240,490 for 2017 and 2016, respectively. Total costs allocated to the Council were $569,696 and $505,950 for 2017 and 2016, respectively. During 2017, the Organization received $17,718 from Greenpeace Belgium in support of a common project.

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:

	2017	2016
Due from Greenpeace Fund, Inc.:		
Expense sharing	$ 529,104	$ 617,607
Grants Receivable	-	1,305,000
Due from Greenpeace Fund, Inc.	$ 529,104	$ 1,922,607
Due from Stichting Greenpeace Council:		
Expense sharing - billed	$ 1,250,112	$ 791,185
Expense sharing - unbilled	62,386	91,842
Due from Stichting Greenpeace Council	$ 1,312,498	$ 883,027
Due to Stichting Greenpeace Council:		
Cluster Funding contributions payable	$ -	$ (33,429)
Due from other Greenpeace affiliates	$ 26,067	$ 21,082

7. Temporarily Restricted Net Assets

At December 31, 2017, temporarily restricted net assets consisted of $146,935 restricted to supporting a Climate & Energy project. At December 31, 2016, the Organization carried $131,884 in temporarily restricted net assets in support of certain Ocean and Forest projects.

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:

	2017	2016
Program expenses	$ 12,660,592	$ 12,643,856
Fundraising	5,388,430	3,931,901
Total joint costs	$ 18,049,022	$ 16,575,757

9. Commitments and Contingencies

<u>Operating Leases</u>

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 2017, the Organization renegotiated the two leases and entered into a new agreement, whereby the additional office space was abandoned while the term of the existing lease agreement was extended by 2.5 years to December 31, 2022.

During 2012, the Organization entered into an agreement to lease office space in San Francisco, California, which commenced on October 1, 2012 and expiration date, September 30, 2019. The lease called for certain rent abatements and a fixed base rent with annual rental increases of approximately 3% of the base rent. During 2017, the Organization entered into a surrender agreement, whereby the landlord agreed to the early termination of the lease. The office space was vacated in August 2017. The Organization entered into a new one-year agreement to lease office space in San Francisco, California commencing on September 1, 2017.

9. Commitments and Contingencies (continued)

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 provided 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.

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. The lease was extended until December 31, 2017. During 2017, the Organization entered into a new one-year agreement to sublease additional office space in Oakland, California commencing August 28, 2017.

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.

During 2016, the Organization entered into a one-year agreement to sublease office space in Portland, Oregon, which commenced on July 5, 2016.

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 $1,638,978 and $1,639,060 for the years ended December 31, 2017 and 2016, respectively. Losses from early terminations of the Washington DC and San Francisco office lease agreements during 2017 totaled $129,115. These losses are reported in the accompanying statement of functional expenses as a component of Occupancy expenses.

9. Commitments and Contingencies (continued)

As of December 31, 2017 future minimum lease payments on all operating leases are as follows for the years ending December 31:

2018	$ 1,255,295
2019	1,086,000
2020	941,102
2021	928,385
2022	949,274
Future minimum lease payments	$ 5,160,056

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.

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 $867,243 and $748,648 for the years ended December 31, 2017 and 2016, 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 is indefinite, on-demand, auto-renewable credit facility. At December 31, 2017 and 2016, the amount due on the line-of-credit totaled $401,044 and $801,734, 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, 2017 and 2016, 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 repaid all outstanding balances on its line of credit with the external lender.

SUPPLEMENTARY INFORMATION

Greenpeace, Inc.

Schedule of Functional Expenses
For the Year Ended December 31, 2017
(See Independent Auditors' Report)

	Program Services							Supporting Services		
	Climate Campaign	Forests Campaign	Public Information and Education	Oceans Campaign	Action Resources	Outreach Campaign	Total Programs	Fundraising	Management and General	Total
Salaries, taxes, and employee benefits	$ 4,733,842	$ 2,658,832	$ 2,241,500	$ 3,486,753	$ 1,770,765	$ 2,419,228	$ 17,310,920	$ 2,873,013	$ 1,566,458	$ 21,750,391
Professional fees	600,040	534,187	207,663	433,064	249,276	164,737	2,188,967	1,493,637	426,862	4,109,466
Office expenses	671,722	401,471	120,697	492,020	173,778	148,728	2,008,416	420,951	115,761	2,545,128
Occupancy	205,443	101,822	198,095	127,450	344,867	184,478	1,162,155	295,235	181,588	1,638,978
Information Technology	108,636	60,991	161,135	58,416	131,700	80,167	601,045	336,107	456,979	1,394,131
Direct Mail-Printing	384,918	240,250	45,536	344,549	-	77,477	1,092,730	190,411	-	1,283,141
Travel	354,871	159,819	46,754	159,894	215,332	83,384	1,020,054	74,690	35,168	1,129,912
Advertising and Promotion	58,627	22,389	15,339	36,405	453	5,398	138,611	564,978	387	703,976
Conferences and meetings	138,908	77,543	38,484	74,188	65,676	50,818	445,617	49,554	86,531	581,702
Depreciation and amortization	26,136	12,241	32,613	11,986	45,368	26,714	155,058	45,529	82,945	283,532
Insurance	19,278	11,094	25,833	8,516	41,951	20,380	127,052	35,449	39,442	201,943
List rental expenses	45,915	28,658	5,432	41,100	-	9,242	130,347	28,384	-	158,731
Grants	27,000	-	-	-	-	41,079	68,079	-	-	68,079
Interest	4,159	2,217	3,537	1,835	4,325	3,324	19,397	5,312	23,340	48,049
Taxes/ permits/ fees	11,479	6,958	2,192	9,899	1,203	2,750	34,481	6,562	3,634	44,677
Books and Publications	4,518	6,341	14,151	1,748	3,951	1,519	32,228	3,590	7,817	43,635
Miscellaneous	-	1,694	311	5,122	-	-	7,127	-	162	7,289
Penalties and fines	151	-	-	-	5,053	-	5,204	-	287	5,491
Total Expenses	$ 7,395,643	$ 4,326,507	$ 3,159,272	$ 5,292,945	$ 3,053,698	$ 3,319,423	$ 26,547,488	$ 6,423,402	$ 3,027,361	$ 35,998,251

Greenpeace, Inc.

Schedule of Functional Expenses
For the Year Ended December 31, 2016
(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	$ 4,689,479	$ 2,371,232	$ 3,416,076	$ 4,303,159	$ 158,519	$ 1,897,750	$ 2,679,453	$ 19,515,668	$ 2,780,053	$ 1,827,562	$ 24,123,283
Professional fees	1,199,983	478,795	565,777	486,030	16,235	303,738	284,705	3,335,263	617,981	578,985	4,532,229
Office expenses	492,314	308,989	158,020	599,961	2,277	180,161	129,593	1,871,315	424,032	61,268	2,356,615
Occupancy	197,507	94,241	207,598	149,119	10,662	335,138	204,216	1,198,481	272,873	167,706	1,639,060
Travel	400,311	154,905	109,933	194,978	3,166	265,869	173,056	1,302,218	100,877	94,007	1,497,102
Information Technology	182,711	59,808	258,846	84,397	5,934	132,891	102,627	827,214	244,679	349,032	1,420,925
Direct Mail-Printing	279,982	192,273	60,826	391,984	-	-	35,509	960,574	206,911	-	1,167,485
Conferences and meetings	229,748	76,030	137,759	93,695	3,112	88,221	127,141	755,706	92,312	177,105	1,025,123
Grants	107,589	8,133	31,764	41,571	1,302	21,486	56,204	268,049	-	-	268,049
Depreciation and amortization	23,755	7,291	31,144	9,227	1,728	36,234	25,742	135,121	35,664	55,160	225,945
Insurance	11,820	3,642	15,981	4,729	898	66,712	13,259	117,041	18,677	23,721	159,439
List rental expenses	35,050	24,070	7,614	49,071	-	-	4,445	120,250	29,835	-	150,085
Advertising and Promotion	62,614	4,903	24,008	8,452	90	1,466	2,945	104,478	20,889	1,161	126,528
Books and Publications	15,806	3,125	38,557	2,913	353	6,472	6,562	73,788	7,923	23,025	104,736
Interest	10,362	3,075	10,106	3,034	479	8,095	8,001	43,152	8,910	50,381	102,443
Taxes/ permits/ fees	9,847	6,255	3,661	12,109	-	1,492	2,244	35,608	4,914	8,817	49,339
Miscellaneous	7,302	1,067	1,342	1,797	259	4,386	2,315	18,468	1,731	15,607	35,806
Penalties and fines	2,251	231	2,658	110	-	2,727	2,145	10,122	1,796	13,969	25,887
Total Expenses	$ 7,958,431	$ 3,798,065	$ 5,081,670	$ 6,436,336	$ 205,014	$ 3,352,838	$ 3,860,162	$ 30,692,516	$ 4,870,057	$ 3,447,506	$ 39,010,079