Greenpeace, Inc.

Financial Statements

December 31, 2019 and 2018

Greenpeace, Inc.

Financial Statements
December 31, 2019 and 2018

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, 2019 and 2018, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Effect of Adopting New Accounting Standard

As discussed in Note 2 to the financial statements, management has adopted Accounting Standard Update (ASU) 2018-08: *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to that matter.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
July 7, 2020

Greenpeace, Inc.

Statements of Financial Position
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 2,987,373	$ 2,801,118
Advances and other receivables	3,317	5,598
Investments	97,567	78,589
Due from Greenpeace Fund, Inc.	2,857,980	2,871,531
Due from Stichting Greenpeace Council	296,244	570,682
Due from other Greenpeace affiliates	69,622	1,356
Prepaid expenses and deposits	537,178	619,005
Property and equipment, net	2,775,503	864,174
Total assets	$ 9,624,784	$ 7,812,053
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 4,425,821	$ 2,648,166
Due to Greenpeace affiliates	54,500	-
Deferred rent	390,338	409,397
Loan Payable - Stichting Greenpeace Council	1,872,386	932,783
Total liabilities	6,743,045	3,990,346
Net Assets		
Without donor restrictions	2,830,998	3,692,504
With donor restrictions	50,741	129,203
Total net assets	2,881,739	3,821,707
Total liabilities and net assets	$ 9,624,784	$ 7,812,053

See accompanying Notes.

Greenpeace, Inc.
Statement of Activities
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	$ 28,540,071	$ 2,875,969	$ 31,416,040
Grants - Greenpeace Fund, Inc.	-	3,920,000	3,920,000
Grants - Stichting Greenpeace Council	-	1,216,210	1,216,210
Grants from Other NROs	-	114,362	114,362
Net investment income	18,978	-	18,978
Other income	63,740	-	63,740
Net assets released from restrictions	8,205,003	(8,205,003)	-
Total revenue and support	36,827,792	(78,462)	36,749,330
Expenses			
Program services:			
Climate campaign	8,868,863	-	8,868,863
Forests campaign	3,820,858	-	3,820,858
Public information and education	4,149,764	-	4,149,764
Oceans campaign	5,104,132	-	5,104,132
Action resources	3,210,299	-	3,210,299
Outreach campaign	2,245,230	-	2,245,230
Total program services	27,399,146	-	27,399,146
Supporting services:			
Fundraising	6,949,731	-	6,949,731
Management and general	3,340,421	-	3,340,421
Total supporting services	10,290,152	-	10,290,152
Total expenses	37,689,298	-	37,689,298
Change in Net Assets	(861,506)	(78,462)	(939,968)
Net Assets, beginning of year	3,692,504	129,203	3,821,707
Net Assets, end of year	$ 2,830,998	$ 50,741	$ 2,881,739

See accompanying Notes.

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

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	$ 27,032,305	$ 13,000	$ 27,045,305
Grants - Greenpeace Fund, Inc.	-	6,892,536	6,892,536
Grants - Stichting Greenpeace Council	739,000	1,126,287	1,865,287
Grants from Other NROs	-	148,961	148,961
Net investment income	(5,208)	-	(5,208)
Other income	87,234	-	87,234
Net assets released from restrictions	8,198,516	(8,198,516)	-
Total revenue and support	36,051,847	(17,732)	36,034,115
Expenses			
Program services:			
Climate campaign	7,409,592	-	7,409,592
Forests campaign	4,862,982	-	4,862,982
Public information and education	3,427,330	-	3,427,330
Oceans campaign	4,748,153	-	4,748,153
Action resources	3,179,607	-	3,179,607
Outreach campaign	2,636,632	-	2,636,632
Total program services	26,264,296	-	26,264,296
Supporting services:			
Fundraising	6,108,186	-	6,108,186
Management and general	3,198,618	-	3,198,618
Total supporting services	9,306,804	-	9,306,804
Total expenses	35,571,100	-	35,571,100
Change in Net Assets	480,747	(17,732)	463,015
Net Assets, beginning of year	3,211,757	146,935	3,358,692
Net Assets, end of year	$ 3,692,504	$ 129,203	$ 3,821,707

See accompanying Notes.

Greenpeace, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Change in net assets	$ (939,968)	$ 463,015
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized investment (gains) losses	(17,818)	7,597
Depreciation and amortization	316,841	297,495
Loss on disposal of fixed assets	10,839	5,250
Change in operating assets and liabilities:		
(Increase) decrease in:		
Advances and other receivables	2,281	(3,986)
Due from Greenpeace Fund, Inc.	13,551	(2,342,427)
Due from Stichting Greenpeace Council	274,438	741,816
Due from other Greenpeace affiliates	(68,266)	24,711
Prepaid expenses and deposits	81,827	(230,478)
Increase (decrease) in:		
Accounts payable and accrued expenses	1,777,655	(106,858)
Due to other Greenpeace affiliates	54,500	-
Deferred rent	(19,059)	(60,264)
Net cash provided by (used in) operating activities	1,486,821	(1,204,129)
Cash Flows from Investing Activities		
Proceeds from maturities and sales of investments	1,616	9,808
Purchases of investments	(2,776)	(9,265)
Purchases of property and equipment	(2,239,009)	(284,327)
Net cash used in investing activities	(2,240,169)	(283,784)
Cash Flows from Financing Activity		
Proceeds from Loan Payable - Stichting Greenpeace Council	1,700,000	368,852
Principal and accrued interest payments on Loan Payable - Stichting Greenpeace Council	(760,397)	(400,000)
Principal payments on line of credit - Other	-	(401,044)
Net cash provided by (used in) in financing activity	939,603	(432,192)
Net Increase (decrease) in Cash and Cash Equivalents	186,255	(1,920,105)
Cash and Cash Equivalents, beginning of year	2,801,118	4,721,223
Cash and Cash Equivalents, end of year	$ 2,987,373	$ 2,801,118
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ 3,878	$ 2,301

Greenpeace, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2019

	Program Services							Supporting Services		
	Climate Campaign	Forests Campaign	Public Information and Education	Oceans Campaign	Action Resources	Outreach Compaign	Total Programs	Fundraising	Management and General	Total
Salaries, taxes, and employee benefits	$ 4,962,978	2,291,947	2,761,180	2,963,233	1,870,013	1,452,085	$ 16,301,436	$ 2,704,644	1,891,440	$ 20,897,520
Professional fees	713,340	188,648	231,157	628,480	178,965	116,294	2,056,884	2,465,971	359,771	4,882,626
Office expenses	779,814	329,328	182,546	308,705	146,338	106,109	1,852,840	494,236	102,661	2,449,737
Occupancy	215,724	97,408	195,106	160,530	373,708	90,421	1,132,897	258,582	164,695	1,556,174
Direct Mail-Printing	606,553	294,637	116,981	223,783	-	76,363	1,318,317	230,976	-	1,549,293
Information Technology	144,412	50,516	230,840	108,127	131,327	94,154	759,376	208,234	497,594	1,465,204
Travel	425,502	146,390	105,871	248,787	274,938	83,920	1,285,408	122,429	47,921	1,455,758
Settlements and fines	554,039	269,123	106,927	204,445	62	69,780	1,204,376	211,061	142	1,415,579
Conferences and meetings	190,547	72,782	98,125	135,643	85,406	62,774	645,277	77,058	91,088	813,423
Insurance	31,033	12,430	45,126	30,648	71,846	18,770	209,853	55,298	75,047	340,198
Depreciation and amortization	24,480	8,905	31,239	24,678	60,908	14,083	164,293	36,654	95,098	296,045
List rental expenses	101,205	49,136	19,509	37,320	-	12,735	219,905	49,028	-	268,933
Advertising and Promotion	60,699	2,200	1,759	6,252	139	624	71,673	25,530	-	97,203
Grants	26,180	-	-	-	-	39,270	65,450	-	-	65,450
Books and Publications	11,272	3,045	18,043	9,411	10,469	5,004	57,244	3,302	4,746	65,292
Taxes/ permits/ fees	7,931	4,111	3,374	4,340	2,931	1,806	24,493	5,625	8,142	38,260
Ship operating expenses	11,652	22	1,608	9,187	2,162	775	25,406	421	29	25,856
Interest	270	82	282	281	318	142	1,375	294	1,813	3,482
Miscellaneous	1,232	148	91	282	769	121	2,643	388	234	3,265
Total Expenses	$ 8,868,863	$ 3,820,858	$ 4,149,764	$ 5,104,132	$ 3,210,299	$ 2,245,230	$ 27,399,146	$ 6,949,731	$ 3,340,421	$ 37,689,298

See accompanying Notes.

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

	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	$ 4,497,863	2,966,428	2,358,005	2,916,634	1,869,712	1,822,570	$ 16,431,212	$ 2,663,784	1,774,299	$ 20,869,295
Professional fees	757,681	513,892	320,642	523,421	261,211	192,317	2,569,164	1,787,160	481,246	4,837,570
Office expenses	566,373	446,037	130,490	394,546	146,411	113,588	1,797,445	375,615	121,062	2,294,122
Information Technology	158,518	81,183	174,400	87,272	133,746	82,160	717,279	248,044	450,107	1,415,430
Travel	401,751	197,624	79,749	211,710	252,242	112,238	1,255,314	100,845	40,388	1,396,547
Direct Mail-Printing	382,526	364,335	69,049	308,982	-	62,886	1,187,778	193,989	-	1,381,767
Occupancy	182,802	96,844	149,157	103,126	328,700	88,493	949,122	210,359	121,082	1,280,563
Conferences and meetings	212,323	103,922	49,950	122,766	72,067	67,583	628,611	73,826	50,604	753,041
Advertising and Promotion	86,434	19,208	3,781	5,364	752	2,595	118,134	329,358	352	447,844
Depreciation and amortization	28,825	9,555	29,410	13,473	55,073	18,503	154,839	35,816	86,509	277,164
Insurance	24,805	8,113	29,682	11,668	50,075	17,327	141,670	37,581	51,228	230,479
List rental expenses	45,603	43,434	8,232	36,835	-	7,497	141,601	33,039	-	174,640
Grants	34,329	-	-	-	-	36,706	71,035	-	-	71,035
Books and Publications	7,366	1,836	20,247	2,821	5,947	3,130	41,347	11,413	5,816	58,576
Taxes/ permits/ fees	7,704	5,710	3,133	5,264	2,272	2,196	26,279	6,691	10,895	43,865
Penalties and fines	4,482	4,270	808	3,621	-	5,221	18,402	-	2,258	20,660
Ship operating expenses	9,167	365	264	339	785	1,146	12,066	303	740	13,109
Interest	450	152	331	208	403	248	1,792	363	2,032	4,187
Miscellaneous	590	74	-	103	211	228	1,206	-	-	1,206
Total Expenses	$ 7,409,592	$ 4,862,982	$ 3,427,330	$ 4,748,153	$ 3,179,607	$ 2,636,632	$ 26,264,296	$ 6,108,186	$ 3,198,618	$ 35,571,100

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, and Accounting Standards Update (ASU 2018-08)

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:

- *Net assets without donor restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's operations.

- *Net assets with donor restrictions* represent funds that are subject to donor-imposed restrictions that are met through specific actions of the Organization or through the passage of time. Net assets with donor restrictions include funds subject to donor imposed stipulations that they be maintained permanently by the Organization. The Organization did not have any net assets under donor-imposed stipulations that they be maintained permanently at December 31, 2019 and 2018.

In June of 2018 the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU is intended to assist entities in evaluating whether transactions should be accounted for and reported as contributions or as exchange transactions (subject to ASU 2014-09, *Revenue from Contracts with Customers*), and in determining whether a contribution is conditional or unconditional.

The ASU clarifies that a contribution represents a nonreciprocal transaction where the grantor or donor does not receive a benefit of commensurate value in return for the assets or resources provided to the recipient. In an exchange transaction, the resource provider receives some thing or benefit of commensurate value in return for the resources provided. Exchange transactions include instances where a transfer of assets represents a payment from a third-party payer on behalf of an existing exchange transaction between the recipient and an identified customer receiving the benefit. However, where the benefit or potential benefit is received by the public or segments thereof, and the resource provider (such as a foundation, government agency, corporation or other entity) only receives indirect or incidental benefit that is not of commensurate value, the transaction is considered a contribution for accounting purposes.

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation, and Accounting Standards Update (ASU 2018-08) (continued)

The Organization adopted the principles of the ASU effective January 1, 2019, on a modified prospective basis. Management made a determination that The Organization's existing accounting policies and methods substantially comply with the ASU. Therefore, there were no changes to the Organization's accounting methods in 2019 and the adoption of ASU 2018-08 had no effect on the Organization's financial statements as of and for the year ended December 31, 2019.

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 occasionally held in the Organization's investment portfolio are included as a component of investments.

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.

2. Summary of Significant Accounting Policies (continued)

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.

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, net assets with donor restrictions are reclassified to net assets without donor restrictions 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.

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of the Organization's programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Those expenses include occupancy, the Executive Director's office, human resources, and information technology. Occupancy costs are allocated based on personnel salaries, the executive director's office is allocated based on estimates of time and effort, human resources are allocated based on FTEs, and information technology department is allocated based on estimates of time and costs of specific technology utilized.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 7, 2020, the date the financial statements were available to be issued.

3. Liquidity

The Organization has $6,214,536 and $6,250,285 of financial assets available within one year of the balance sheet date consisting of cash of $2,987,373 and $2,801,118, balances due from affiliates of $3,223,846 and $3,443,569 and accounts receivable of $3,317 and $5,598 for the years ended December 31, 2019 and 2018, respectively. None of the financial assets are subject to time, donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

The Organization has a goal to maintain financial assets, which consist of cash and balances due from affiliates, on hand to meet 90 days of normal operating expenses, which are, on average, approximately $8,924,000 and $8,385,000 for December 31, 2019 and 2018, respectively. As more fully described in Notes 7 and 12, the Organization also has committed lines of credit totaling $2,800,000, which it could draw upon in the event of unanticipated liquidity needs.

4. Concentrations

Revenue Risk

Approximately 11% and 19% of the Organization's support was provided by the Fund for the years ended December 31, 2019 and 2018, respectively. Any reduction in the level of support from the Fund could affect the Organization's program activities.

4. 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.

5. 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.

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.

5. Investments and Fair Value Measurements (continued)

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, 2019 and 2018.

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:

	2019			
	Level 1	Level 2	Level 3	Total
Equities:				
Domestic	$ 66,356	$ -	$ -	$ 66,356
International	9,076	-	-	9,076
Money market funds	22,135	-	-	22,135
Total investments	$ 97,567	$ -	$ -	$ 97,567

	2018			
	Level 1	Level 2	Level 3	Total
Equities:				
Domestic	$ 45,907	$ -	$ -	$ 45,907
International	10,091	-	-	10,091
Money market funds	22,591	-	-	22,591
Total investments	$ 78,589	$ -	$ -	$ 78,589

5. Investments and Fair Value Measurements (continued)

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

	2019	2018
Net realized and unrealized gain (losses)	$ 17,818	$ (7,597)
Interest and dividends, net of investment fees of $813 and $415	1,160	2,389
Total investment income	$ 18,978	$ (5,208)

6. Property and Equipment

Property and equipment consist of the following at December 31:

	2019	2018
Leasehold improvements	$ 1,373,527	$ 1,364,489
Action equipment	606,080	669,761
Office equipment	595,999	463,180
Vehicles	282,648	250,486
Software	2,606,586	701,147
Total property and equipment	5,464,840	3,449,063
Accumulated depreciation and amortization	(2,689,337)	(2,584,889)
Property and equipment, net	$ 2,775,503	$ 864,174

Depreciation and amortization expense for the years ended December 31, 2019 and 2018, was $316,841 and $297,495, respectively. Of the depreciation and amortization expense, $20,796 and $20,331 was allocated to the Fund for the years ended December 31, 2019 and 2018, respectively. Software development costs included in software of $1,988,279 and $178,396 for the years ended December 31, 2019 and 2018, respectively, are not currently in operations. These assets relate to the Organization's future development software. They are expected to be placed in operations in 2020.

7. Related Party Transactions

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

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 2019 and 2018, the Organization received contributions and grants from the Council of $1,216,210 and $1,865,287, respectively.

In July 2017, the Organization entered into two loan agreements with the Council, totaling $960,000, to support fundraising operations. These loans represent resources funded by a global Fundraising Investment Fund (FIF) aiming to upgrade the fundraising capabilities of the National Regional Offices in the Greenpeace network. These 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 became due. At December 31, 2019 and 2018, these loans' outstanding balance was $-0- and $563,239, respectively. In April 2018, the Organization entered into one new loan agreement with the Council, whereby the Council provided $368,852 to support fundraising initiatives. The new loan carries a fixed interest rate of 0.25% per year, calculated monthly. Maturity for the 2018 loan was set for March 2020, by which time all outstanding balances and accrued interest become due. At December 31, 2019 and 2018, the loan’s outstanding balance was $170,302 and $369,544, respectively. During 2019, the Organization entered into three new loans with the Council from the same Fund, whereby the Council provided $1,700,000 to support primarily the development of Digital Fundraising capabilities. The new loans carry a fixed interest rate of 0.25% per year, calculated monthly, with maturities set for December 2020 through May 2021, by which time all outstanding balances and accrued interest become due. At December 31, 2019, these loans’ outstanding balance was $ 1,702,084.

7. Related Party Transactions (continued)

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.

The Fund provides funding for various program activities performed by the Organization. Grants from the Fund totaled $3,920,000 and $6,892,536 for the years ended December 31, 2019 and 2018, respectively, and are included in the accompanying statements of activities.

In addition, the Organization has a $2 million line of credit arrangement with the Fund to help support its operations at interest rate of 7.25%. Interest expense was $-0- for 2019 and 2018. The line of credit's balance was $-0- at December 31, 2019 and 2018.

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 $284,398 and $238,947 for 2019 and 2018, respectively. Total costs allocated to the Council were $463,921 and $602,623 for 2019 and 2018, respectively. During 2018, the Organization received $128,961 from Greenpeace East Asia, and $20,000 from Greenpeace UK, in support of a common Oceans project. In 2019, the Organization received $78,484 from Greenpeace East Asia, and $35,878 from Greenpeace Switzerland, in support of the Plastics Free Future project.

7. Related Party Transactions (continued)

Expenses Shared with Greenpeace Fund, Inc. and Stichting Greenpeace Council; Support from Other Greenpeace Affiliates (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:

	2019	2018
Due from Greenpeace Fund, Inc.:		
Expense sharing	$ 637,980	$ 463,996
Grants Receivable	2,220,000	2,407,536
Due from Greenpeace Fund, Inc.	$ 2,857,980	$ 2,871,531
Due from Stichting Greenpeace Council:		
Expense sharing - billed	$ 288,965	$ 551,130
Expense sharing - unbilled	7,279	19,553
Due from Stichting Greenpeace Council	$ 296,244	$ 570,682
Due to Stichting Greenpeace Council:		
Cluster Funding contributions payable	$ -	$ -
Due from other Greenpeace affiliates	$ 69,622	$ 1,356
Due to other Greenpeace affiliates	(54,500)	-
Net receivable due from other Greenpeace affiliates	$ 15,122	$ 1,356

8. Net Assets with Donor Restrictions

At December 31, 2019, net assets with donor restrictions consisted of $50,741, $5,734 of which is restricted to supporting a leadership training project, and $45,007 supporting the plastics free future project. At December 31, 2018, the Organization carried $129,203 in net assets with donor restrictions in support of two Oceans projects. Releases of temporarily restricted net assets represent satisfaction of purpose restrictions and totaled $8,205,003 and $8,198,516 for the years ended December 31, 2019 and 2018, respectively.

9. 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:

	2019	2018
Program expenses	$ 13,265,894	$ 11,936,918
Fundraising	6,064,860	5,254,882
Total joint costs	$ 19,330,754	$ 17,191,800

10. 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 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 of 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. The Organization decided not to renew this lease, and during 2019 vacated the space, moving its main Bay Area office to Oakland, California.

10. Commitments and Contingencies (continued)

Operating Leases (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 August 2019, the Organization executed a further extension for an additional 84 months commencing in June 2020 and expiring in May 2027. The lease extension calls for a fixed base rent with annual increases defined in the agreement, and also providing an option for $15,000 in improvement allowances for the years 2021 and 2022, contingent on the completion of tenant improvements.

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 called for certain rent abatements and a fixed base rent with annual rental increases of approximately 3% of the base rent. In September 2019, the Organization exercised its extension option for an additional 60 months commencing in October 2019 and expiring in September 2024. The lease extension calls for a fixed base rent with the same 3% escalation clause as the original lease agreement.

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, and extended until August 2019. In 2019, the Organization decide to not renew this lease, and in May 2019 entered into a new agreement to lease office space in Oakland, California , with a term of 63 months commencing in September 1, 2019, and expiring in November 2024. The new lease calls for a two-month rent abatement and a fixed base rent with annual 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. During 2018, the Organization signed an extension through September 1, 2019. The lease was renewed during the 2019 through October 31, 2021.

During 2018, the Organization entered into a two-year agreement to lease office space in Portland, Oregon, which commenced in January 2018. The lease calls for an annual 3% of the base rent. In addition, during 2018, the Organization entered into a two-year agreement to lease office space in San Jose, California, which commenced in April 2018 and provides for a fixed base rent.

10. Commitments and Contingencies (continued)

Operating Leases (continued)

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 $1,556,167 and $1,280,562 for the years ended December 31, 2019 and 2018, respectively.

As of December 31, 2019, future minimum lease payments on all operating leases are as follows for the years ending December 31:

2020	$ 1,555,148
2021	1,520,880
2022	1,495,907
2023	561,025
2024	516,042
Thereafter	211,218
Future minimum lease payments	$ 5,860,220

General Contingencies

From time to time, the Organization may be a party to lawsuits or have claims pending against it. During 2019, the Organization entered into a legal settlement agreement on a class action lawsuit filed by former Frontline employees. The amount of the settlement was set by both parties at $1,400,000, pending final Count approval deemed as highly probable, and with estimated installment payments commencing during 2020. The Organization has accrued the settlement, and reports it as part of its Accrued Expenses in the December 31, 2019, Statement of Financial Position. In the opinion of management, the ultimate liabilities, if any, resulting from other such lawsuits and claims will not materially affect the financial position of the Organization.

11. 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 $861,125 and $880,178 for the years ended December 31, 2019 and 2018, respectively.

12. 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. This line-of-credit is indefinite, on-demand, auto-renewable credit facility. At December 31, 2019 and 2018, the amount due on the line-of-credit was $-0-.

13. 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, 2019 and 2018, as there were no significant 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 statement.

14. Subsequent Event

Subsequent to year-end, a pandemic of a Corona Virus (COVID-19) was declared by the World Health Organization. Future contribution income and operating levels are uncertain due to the potential impact on economic conditions. This could also impact transactions relating to vendors and cause reduction in staffing levels as well. As of July 7, 2020, the amount and likelihood of any loss relating to these events is not determined.