

Greenpeace, Inc.

Financial Statements

December 31, 2021 and 2020



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Greenpeace, Inc.

Financial Statements
December 31, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Greenpeace, Inc.
Washington, DC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Greenpeace, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greenpeace, Inc. as of December 31, 2021 and 2020, and the results of its change in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greenpeace, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greenpeace, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Greenpeace, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greenpeace, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CliftonLarsonAllen LLP

Arlington, Virginia
June 22, 2022

Greenpeace, Inc.

Statements of Financial Position December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 5,704,535	\$ 3,668,179
Advances and other receivables	3,120	2,098
Investments	163,849	123,018
Due from Greenpeace Fund, Inc.	3,509,780	3,721,894
Due from Stichting Greenpeace Council	1,054,048	917,883
Due from other Greenpeace affiliates	5,572	-
Prepaid expenses and deposits	1,124,199	824,072
Property and equipment, net	<u>3,010,944</u>	<u>3,600,930</u>
Total assets	<u>\$ 14,576,047</u>	<u>\$ 12,858,074</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 4,368,567	\$ 4,008,303
Deferred rent	202,157	319,456
Loan Payable - Stichting Greenpeace Council	<u>-</u>	<u>1,505,927</u>
Total liabilities	<u>4,570,724</u>	<u>5,833,686</u>
Net Assets		
Without donor restrictions	9,938,024	7,024,388
With donor restrictions	<u>67,299</u>	<u>-</u>
Total net assets	<u>10,005,323</u>	<u>7,024,388</u>
Total liabilities and net assets	<u>\$ 14,576,047</u>	<u>\$ 12,858,074</u>

See accompanying notes.

Greenpeace, Inc.

Statement of Activities For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 24,982,469	\$ 3,759	\$ 24,986,228
Grants - Greenpeace Fund, Inc.	-	5,100,000	5,100,000
Grants - Stichting Greenpeace Council	645,000	887,978	1,532,978
Grants from Other NROs	-	67,299	67,299
Net investment income	40,831	-	40,831
Other income	23,842	-	23,842
Net assets released from restrictions	5,991,737	(5,991,737)	-
Total revenue and support	31,683,879	67,299	31,751,178
Expenses			
Program services:			
Climate campaign	5,032,544	-	5,032,544
Forests campaign	1,232,082	-	1,232,082
Public information and education	3,497,899	-	3,497,899
Oceans campaign	3,713,258	-	3,713,258
Action resources	2,568,172	-	2,568,172
Outreach campaign	2,683,017	-	2,683,017
Total program services	18,726,972	-	18,726,972
Supporting services:			
Fundraising	5,676,104	-	5,676,104
Management and general	4,367,167	-	4,367,167
Total supporting services	10,043,271	-	10,043,271
Total expenses	28,770,243	-	28,770,243
Change in Net Assets	2,913,636	67,299	2,980,935
Net Assets, beginning of year	7,024,388	-	7,024,388
Net Assets, end of year	\$ 9,938,024	\$ 67,299	\$ 10,005,323

See accompanying notes.

Greenpeace, Inc.

Statement of Activities For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 27,532,453	\$ -	\$ 27,532,453
Grants - Greenpeace Fund, Inc.	-	5,979,586	5,979,586
Grants - Stichting Greenpeace Council	1,352,000	64,897	1,416,897
Grants from Other NROs	-	21,000	21,000
Net investment income	25,451	-	25,451
Other income	132,710	-	132,710
Net assets released from restrictions	6,116,224	(6,116,224)	-
Total revenue and support	35,158,838	(50,741)	35,108,097
Expenses			
Program services:			
Climate campaign	5,152,439	-	5,152,439
Forests campaign	1,289,616	-	1,289,616
Public information and education	3,930,206	-	3,930,206
Oceans campaign	3,501,059	-	3,501,059
Action resources	2,671,318	-	2,671,318
Outreach campaign	3,014,021	-	3,014,021
Total program services	19,558,659	-	19,558,659
Supporting services:			
Fundraising	7,792,342	-	7,792,342
Management and general	3,614,447	-	3,614,447
Total supporting services	11,406,789	-	11,406,789
Total expenses	30,965,448	-	30,965,448
Change in Net Assets	4,193,390	(50,741)	4,142,649
Net Assets, beginning of year	2,830,998	50,741	2,881,739
Net Assets, end of year	\$ 7,024,388	\$ -	\$ 7,024,388

See accompanying notes.

Greenpeace, Inc.

Statements of Cash Flows For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 2,980,935	\$ 4,142,649
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized investment gains	(37,932)	(23,515)
Depreciation and amortization	569,966	496,362
Loss on disposal and write-off of fixed assets	62,606	5,133
Change in operating assets and liabilities:		
(Increase) decrease in:		
Advances and other receivables	(1,022)	1,219
Due from Greenpeace Fund, Inc.	212,114	(863,914)
Due from Stichting Greenpeace Council	(136,165)	(621,639)
Due from other Greenpeace affiliates	(5,572)	69,622
Prepaid expenses and deposits	(300,127)	(286,894)
Increase (decrease) in:		
Accounts payable and accrued expenses	360,264	(417,518)
Due to Greenpeace affiliates	-	(54,500)
Deferred rent	(117,299)	(70,882)
	<u>3,587,768</u>	<u>2,376,123</u>
Cash Flows from Investing Activities		
Proceeds from maturities and sales of investments	24,265	-
Purchases of investments	(27,164)	(1,936)
Purchases of property and equipment	(42,586)	(1,326,922)
	<u>(45,485)</u>	<u>(1,328,858)</u>
Cash Flows from Financing Activity		
Principal and accrued interest payments on Loan Payable - Stichting Greenpeace Council	(1,505,927)	(366,459)
	<u>(1,505,927)</u>	<u>(366,459)</u>
Net Increase in Cash and Cash Equivalents	2,036,356	680,806
Cash and Cash Equivalents, beginning of year	<u>3,668,179</u>	<u>2,987,373</u>
Cash and Cash Equivalents, end of year	<u>\$ 5,704,535</u>	<u>\$ 3,668,179</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 6,849</u>	<u>\$ 1,473</u>

See accompanying notes.

Greenpeace, Inc.

Statement of Functional Expenses For the Year Ended December 31, 2021

	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	\$ 2,306,801	\$ 307,226	\$ 2,455,508	\$ 1,716,731	\$ 1,533,731	\$ 1,186,534	\$ 9,506,531	\$ 1,501,340	2,290,675	\$ 13,298,546
Professional fees	999,005	276,779	245,351	766,809	203,048	404,906	2,895,898	1,725,721	617,264	5,238,883
Office expenses	498,216	256,632	152,085	390,383	74,332	320,722	1,692,370	722,613	60,449	2,475,432
Direct mail-printing	472,055	269,629	119,326	389,037	-	327,395	1,577,442	498,829	-	2,076,271
Information technology	152,681	19,111	131,843	99,498	119,753	166,393	689,279	367,416	623,527	1,680,222
Occupancy	219,589	30,053	220,757	157,262	369,678	110,620	1,107,959	180,796	386,948	1,675,703
Advertising and promotion	74,940	4,099	2,475	6,273	145	5,041	92,973	466,726	1,065	560,764
Depreciation and amortization	55,130	4,821	50,179	38,511	68,783	24,905	242,329	51,637	260,599	554,565
List rental expenses	90,829	51,880	22,960	74,856	-	62,995	303,520	96,923	-	400,443
Insurance	37,503	3,660	39,311	26,461	61,666	18,068	186,669	44,644	89,235	320,548
Books and publications	31,791	2,253	45,971	18,991	20,611	11,733	131,350	737	3,642	135,729
Travel	8,920	2,976	4,412	7,252	96,595	1,354	121,509	1,267	3,777	126,553
Settlements and fines	61,965	300	15	2,450	2,669	1,567	68,966	17	98	69,081
Conferences and meetings	8,935	757	3,384	10,655	12,567	4,191	40,489	10,963	15,384	66,836
Grants	-	-	-	-	-	33,000	33,000	-	-	33,000
Taxes/ permits/ fees	4,839	1,811	2,129	3,738	2,521	2,866	17,904	5,388	8,828	32,120
Miscellaneous	8,831	89	1,109	4,256	1,711	695	16,691	1,015	5,271	22,977
Ship operating expenses	442	-	1,020	45	307	-	1,814	-	-	1,814
Interest	72	6	64	50	55	32	279	72	405	756
Total Expenses	\$ 5,032,544	\$ 1,232,082	\$ 3,497,899	\$ 3,713,258	\$ 2,568,172	\$ 2,683,017	\$ 18,726,972	\$ 5,676,104	\$ 4,367,167	\$ 28,770,243

See accompanying notes.

Greenpeace, Inc.

Statement of Functional Expenses For the Year Ended December 31, 2020

	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	\$ 3,015,568	\$ 831,101	\$ 2,725,660	\$ 2,176,620	\$ 1,700,211	\$ 1,927,237	\$ 12,376,397	\$ 3,232,591	2,112,967	\$ 17,721,955
Professional fees	751,628	90,359	138,903	199,007	178,300	121,401	1,479,598	1,429,386	396,375	3,305,359
Office expenses	362,109	99,583	247,994	340,804	62,712	199,682	1,312,884	779,495	68,320	2,160,699
Information technology	173,458	36,375	251,560	88,079	129,944	281,046	960,462	227,381	562,632	1,750,475
Direct mail-printing	329,048	91,608	222,285	328,559	-	185,471	1,156,971	554,871	-	1,711,842
Occupancy	221,930	58,599	187,879	151,691	361,733	139,396	1,121,228	338,683	163,605	1,623,516
Advertising and promotion	9,199	20,086	15,116	21,090	10,802	186	76,479	977,310	243	1,054,032
Depreciation and amortization	48,272	11,930	38,758	28,020	68,065	29,039	224,084	49,551	203,405	477,040
Travel	65,541	21,179	27,910	63,727	61,599	35,524	275,480	59,706	15,778	350,964
Insurance	26,398	6,800	22,748	16,226	66,472	21,955	160,599	35,359	45,502	241,460
List rental expenses	40,945	11,399	27,660	40,885	-	23,079	143,968	73,874	-	217,842
Conferences and meetings	37,523	4,324	11,130	27,973	14,475	23,795	119,220	17,095	27,223	163,538
Books and Publications	21,000	3,263	4,152	7,435	11,801	7,969	55,620	332	706	56,658
Grants	37,852	-	-	-	-	11,682	49,534	-	-	49,534
Taxes/ permits/ fees	5,961	1,551	4,213	4,539	3,733	3,489	23,486	8,187	13,065	44,738
Settlements and fines	4,140	1,150	2,814	4,092	70	2,338	14,604	6,930	337	21,871
Miscellaneous	1,472	224	706	800	517	521	4,240	1,298	2,113	7,651
Interest	356	85	284	198	262	211	1,396	293	2,176	3,865
Ship operating expenses	39	-	434	1,314	622	-	2,409	-	-	2,409
Total Expenses	\$ 5,152,439	\$ 1,289,616	\$ 3,930,206	\$ 3,501,059	\$ 2,671,318	\$ 3,014,021	\$ 19,558,659	\$ 7,792,342	\$ 3,614,447	\$ 30,965,448

See accompanying notes.

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

1. Nature of Operations

Greenpeace, Inc. (the Organization) was established in 1987 as a nonprofit 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

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

- *Net assets without donor restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's operations.
- *Net assets with donor restrictions* represent funds that are subject to donor-imposed restrictions that are met through specific actions of the Organization or through the passage of time. Net assets with donor restrictions include funds subject to donor-imposed stipulations that they be maintained in perpetuity by the Organization. The Organization did not have any net assets under donor-imposed stipulations that they be maintained in perpetuity at December 31, 2021 and 2020.

Use of Estimates

The preparation of financial statements in conformity with 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.

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

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 statements 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 three to ten years. Prior to January 1, 2020, the estimated useful life for software was three to 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
December 31, 2021 and 2020

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 without donor restriction use unless specifically restricted by the donor. The Organization reports grants and contributions as with donor restriction 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 statements 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. Nonprofessional 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 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 June 22, 2022, the date the financial statements were available to be issued.

Greenpeace, Inc.

Notes to Financial Statements December 31, 2021 and 2020

3. Liquidity

The Organization has \$10,277,055 and \$8,310,054 of financial assets available within one year of the balance sheet date consisting of cash of \$5,704,535 and \$3,668,179, balances due from affiliates of \$4,569,400 and \$4,639,777 and accounts receivable of \$3,120 and \$2,098 for the years ended December 31, 2021 and 2020, 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 \$8,027,000 and \$6,669,000 for December 31, 2021 and 2020, 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 16% and 17% of the Organization's support was provided by the Fund for the years ended December 31, 2021 and 2020, 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.

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

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 U.S. GAAP. 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 U.S. GAAP 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.

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, 2021 and 2020.

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, 2021 and 2020

5. 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:

	2021			Total
	Level 1	Level 2	Level 3	
Equities:				
Domestic	\$ 94,189	\$ -	\$ -	\$ 94,189
International	20,571	-	-	20,571
Money market funds	49,089	-	-	49,089
Total investments	\$ 163,849	\$ -	\$ -	\$ 163,849
	2020			Total
	Level 1	Level 2	Level 3	
Equities:				
Domestic	\$ 89,424	\$ -	\$ -	\$ 89,424
International	10,086	-	-	10,086
Money market funds	23,508	-	-	23,508
Total investments	\$ 123,018	\$ -	\$ -	\$ 123,018

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

	2021	2020
Net realized and unrealized gains	\$ 37,932	\$ 23,515
Interest and dividends, net of investment fees of \$3 in 2021 and 2022	2,899	1,936
Total investment income	\$ 40,831	\$ 25,451

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

6. Property and Equipment

Property and equipment consist of the following at December 31:

	2021	2020
Leasehold improvements	\$ 828,501	\$ 1,403,090
Action equipment	599,283	599,283
Office equipment	629,727	623,237
Vehicles	281,543	279,148
Software	3,606,503	3,696,100
Total property and equipment	5,945,557	6,600,858
Accumulated depreciation and amortization	(2,934,613)	(2,999,928)
Property and equipment, net	<u>\$ 3,010,944</u>	<u>\$ 3,600,930</u>

Depreciation and amortization expense for the years ended December 31, 2021 and 2020, was \$569,966 and \$496,362, respectively. Of the depreciation and amortization expense, \$15,401 and \$19,322 was allocated to the Fund for the years ended December 31, 2021 and 2020, respectively.

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 nonprofit 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.

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

7. Related Party Transactions (continued)

Stichting Greenpeace Council (continued)

During 2021 and 2020, the Organization received contributions and grants from the Council of \$1,532,978 and \$1,416,897, respectively.

In April 2018, the Organization entered into a loan agreement with the Council, whereby the Council provided \$368,852 to support fundraising initiatives. This loan carried a fixed interest rate of 0.25% per year, calculated monthly. Maturity for this loan was set for March 2020, by which time all outstanding balances and accrued interest became due and were paid off. 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. These loans carried the same fixed interest rate as the aforementioned loans. At December 31, 2021 and 2020, the total outstanding loan balances were \$-0- and \$1,505,927, respectively.

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 \$5,100,000 and \$5,979,586 for the years ended December 31, 2021 and 2020, 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 2021 and 2020. The line of credit's balance was \$-0- at December 31, 2021 and 2020.

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 statements of activities. Total costs allocated to Fund were \$346,454 and \$299,348 for 2021 and 2020, respectively. Total costs allocated to the Council were \$430,862 and \$532,169 for 2021 and 2020, respectively. During 2021, the Organization received \$67,299 Greenpeace UK, in support of the Global Plastics project. During 2020, the Organization received \$21,000 Greenpeace Switzerland, in support of the Plastics Free Future project.

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

7. 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>2021</u>	<u>2020</u>
Due from Greenpeace Fund, Inc.:		
Expense sharing	\$ 690,780	\$ 721,894
Grants Receivable	<u>2,819,000</u>	<u>3,000,000</u>
Due from Greenpeace Fund, Inc.	<u>\$ 3,509,780</u>	<u>\$ 3,721,894</u>
Due from Stichting Greenpeace Council:		
Expense sharing - billed	\$ 983,266	\$ 910,878
Expense sharing - unbilled	<u>70,781</u>	<u>7,006</u>
Due from Stichting Greenpeace Council	<u>\$ 1,054,047</u>	<u>\$ 917,884</u>
Due from other Greenpeace affiliates	<u>\$ 5,572</u>	<u>\$ -</u>

8. Net Assets with Donor Restrictions

At December 31, 2021 the Organization carried \$67,299 in net assets with donor restrictions, restricted to supporting the Oceans campaign and global plastics project. At December 31, 2020, the Organization had no net assets with donor restrictions. Releases of with donor restriction net assets represent satisfaction of purpose restrictions and totaled \$5,991,737 and \$6,116,224 for the years ended December 31, 2021 and 2020, 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:

	<u>2021</u>	<u>2020</u>
Program expenses	\$ 5,514,810	\$ 5,077,672
Fundraising	<u>4,725,512</u>	<u>6,878,269</u>
Total joint costs	<u>\$ 10,240,322</u>	<u>\$ 11,955,941</u>

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

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. On June 23, 2021, the Organization entered into a second amendment agreement with the landlord, whereby a portion of the leased office (4th floor) space was vacated as of July 1, 2021. The lessor further agreed to amend the lease termination date from December 31, 2022, to September 30, 2022. In December 2021, the Organization entered into a new office lease in Washington DC commencing October 1, 2022 with a term of 144 months expiring in September, 2034. The lease calls for a 22-month rent abatement, a tenant improvement Allowance of \$2,685,620, and a fixed base rent with annual increases of approximately 2.5% of the base rent. In lieu of a security deposit, the Organization provided a letter of credit in the amount of \$444,023 in January 2022.

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.

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

10. Commitments and Contingencies (continued)

Operating Leases (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. 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 decided 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.

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 statements of financial position. Rent expense and other occupancy costs totaled \$1,675,703 and \$1,623,516 for the years ended December 31, 2021 and 2020, respectively.

As of December 31, 2021, future minimum lease payments on all operating leases are as follows for the years ending December 31:

2022	\$ 1,153,822
2023	564,342
2024	894,403
2025	1,009,634
2026	1,033,575
Thereafter	<u>8,212,406</u>
Future minimum lease payments	<u>\$ 12,868,183</u>

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 Court approval deemed as highly probable, and with estimated installment payments commencing during 2021. The Organization has accrued the settlement and reports it as part of its accounts payable and accrued expenses in the December 31, 2021 and 2020 statements 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. All outstanding obligations related to the class action settlement, were paid off in February, 2022.

Greenpeace, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

10. Commitments and Contingencies (continued)

During the year ended December 31, 2020, the World Health Organization declared the spread of the Coronavirus disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains businesses, and communities. The Organization responded to the pandemic by suspending all face-to-face canvassing operations in April 2020, as well all traveling and face-to-face meetings. The ongoing health crisis may affect various parts of its operations and financial results, including, but not limited to, reduction of acquisition revenue streams. As of June 22, 2022, the amount and likelihood of loss relating to these events is not determined and cannot be reasonably estimated as these events are still developing.

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 \$769,673 and \$874,455 for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020, 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.