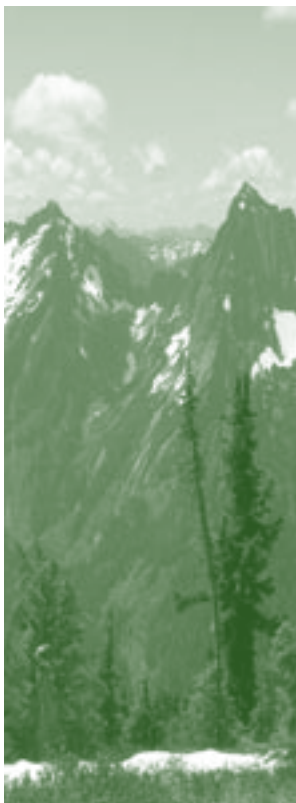


NORTHWEST ENVIRONMENT WATCH



2004
annual report



Northwest Environment Watch (NEW) is an independent, not-for-profit research and communication center that promotes an environmentally sound economy and way of life in the Pacific Northwest, or Cascadia. We envision in this place a sustainable society—one where both people and nature are flourishing and where each new generation passes to its children a home where they too can thrive.

With information about the region's progress and far-reaching reforms that reconcile people and place, NEW inspires thousands of civically active northwesterners to advance Cascadia's sustainability. NEW aims to shift the public agenda using our index of seven key trends, the Cascadia Scorecard, as well as books, reports, and sophisticated online communications.

Visit www.northwestwatch.org to download electronic versions of our past books and reports, link to our daily blog, and sign up for our email newsletter.

Accomplishments 2004

Research

The research team launched the Cascadia Scorecard. Two pollution-in-breastmilk reports helped inspire 2005 toxics legislation in Oregon, Washington, and Montana, and received a great deal of national attention in Canada. We released a Portland-focused report on rural sprawl to inform the debate on a ballot measure. Smaller reports included two analyses of forest trends related to key state decisions on forestry management; a backgrounder on the climate impacts of air travel; and an air quality mini-report and map on pollution at Mount Rainier.

Media coverage

NEW's media coverage reached more than double the number of people served in 2003. We did exceptionally well with our two releases on pollution in breastmilk, generating more television coverage than for any prior NEW release. NEW inspired almost 250 individual articles, distributed throughout the year, on a wide range of subjects.

Outreach to leaders and influentials

More than 2,200 engaged Cascadians attended NEW speaking events, and NEW staff served on panels and committees with more than 30 leaders. Of the leaders who responded to a survey in 2004, 90 percent had emailed NEW's work to someone or used NEW materials in their work or community activities on at least one occasion, and 64 percent said they had done so on at least three occasions. In 2004 we also saw a sharp increase in traffic to our website, the successful launch of our weblog, and enormous growth in subscribers to our monthly email newsletter, Cascadia Scorecard News.

Publications

Cascadia Scorecard: Seven Key Trends Shaping the Northwest, March

"Toxic Flame Retardants in Puget Sound Residents," February

"Flame Retardants in the Bodies of Pacific Northwest Residents," September

"The Portland Exception: Sprawl, Smart Growth, and Rural Land Lost in 15 Cities," October

Media by the numbers

Total audience: 25 million

High-quality coverage: 11 million

Article placements: 240

Opinion-editorial placements: 14

Radio spots: 45

Television pieces: 45

Other outreach by the numbers

Visits to our website in January 2005: 15,000

Subscribers to our e-newsletter: 3,000

Leaders with whom we maintain regular contact: 712

Leaders with whom we had in-depth contact: 73

Leaders who endorsed the Cascadia Scorecard: 53

Statement of Financial Position

December 31, 2004

Assets

Cash and cash equivalents	\$252,526
Investments	349,574
Accounts receivable	1,597
Donations receivable	16,117
Promises to give, current	111,628
Inventory	19,592
Prepaid expenses	3,651
Total current assets	\$754,685
Office equipment and furniture, net	1,197

Total Assets **\$755,882**

Liabilities and Net Assets

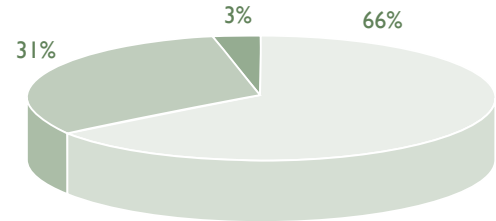
Liabilities

Accounts payable	\$ 5,898
Accrued expenses	17,630
Total Liabilities	\$ 23,528

Net Assets

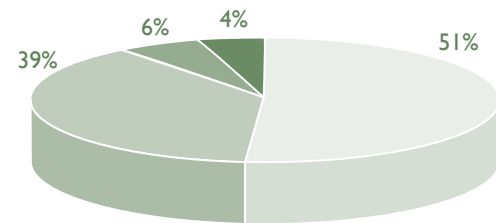
Unrestricted	\$616,354
Temporarily restricted	116,000
Total Net Assets	\$732,354

Total Liabilities & Net Assets **\$755,882**



Expenses: \$776,530

- Program services: \$508,072
- Fundraising: \$242,689
- Management and general: \$25,769



Income: \$672,431*

- Grants: \$344,628
- Individual donors: \$260,054
- In-kind contributions: \$37,313
- Earned revenue, interest, and other revenue: \$30,436

* Unrestricted revenue for 2004

Independent Auditor's Report

March 10, 2005

To the Board of Directors
Northwest Environment Watch
Seattle, Washington

We have audited the accompanying statements of financial position of Northwest Environment Watch as of December 31, 2004 and 2003, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PETERSON
SULLIVAN
PLLC

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwest Environment Watch as of December 31, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.



Peterson Sullivan PLLC

Our Supporters for the twelve months ending December 31, 2004

\$100,000 or more

The Russell Family Foundation

\$25,000 to \$99,999

The Brainerd Foundation
The Bullitt Foundation
Contorer Foundation
The Glaser Progress Foundation
Horizons Foundation
Social Venture Partners

\$10,000 to \$24,999

Campaign for America's Wilderness
for Thomas & Sonya Campion
Carolyn Foundation
Microsoft Matching Gifts Program
Linda S. Park & Denis G. Janky
Seattle Biotech Legacy Foundation
Up the River Endeavors
The Winslow Advised Fund

\$1,000 to \$9,999

Anonymous (4)
Gail Achterman
John Atcheson
JF & Leslie Baken
Paul & Donna Balle
Connie Battaile
Julian Battaile
Magali & Jeffrey Belt
Jabe Blumenthal
Parke G. Burgess Jr
Victoria Burwell
Thomas Buxton & Terri Anderson
Jon Carder & Monique Baillargeon
Charitable Gift Fund
Ann & Doug Christensen
Mary A. Crocker Trust for
Elizabeth Atcheson
Gun & Tom Denhart
Amy & Alan Thein Durning
Jonathan Durning & Melanie
Ronai

John & Jane Emrick
William Feinberg
Robert & Judy Fisher
Maradel Krummel Gale
Hellmut & Marcy Golde
Nigel Green & Lisa Chin
Mark Groudine & Cynthia Putnam
Jeffery & Nicole Hallberg
Christine Hanna & Eugene Pitcher
Harris Bank Foundation
Jeanette L. Henderson
George H. Hess
Maggie Hooks & Justin Ferrari
David Huffaker & Barbara Staley
Gretchen & Lyman Hull
Barbara O. Jackson
Gretchen & Erik Jansen
Harvey Jones & Nancy Iannucci
Jubitz Family Foundation
Keith Kegley
Mark A. Kotzer
Bill Kramer & Melissa Cadwallader
Loeb/Meginnes Foundation
Tom & Jennifer Luce
Langdon Marsh & Ellie Putnam
Catherine Mater
Karen & Jeremy Mazner
Robert & Betty McInnes
Edward Mills & Irene Pasternack
Sara Moorehead & Jeffrey Ratté
Linda Moulder & Jerry White
Oregon Community Foundation for
Kristayani & Jerry Jones
Judy Pigott
Jean Marie Piserchia &
Robert C. Ball
James L. Plummer
James & Rebecca Potter
Ingrid Rasch
Thomas & Sally Reeve
Laura Retzler & Henry
Wigglesworth
Faye & Mike Richardson

Glenn S. Rodriguez & Molly E.R.
Keating
John Russell & Mary Fellows
Anirudh Sahni
John & Lorrie Schleg
Manya & Howard Shapiro
Starbucks Coffee Company
Jim & Jan Thomas
Aron Thompson, A.G. Edwards
Seattle Financial Group
Christopher & Mary Troth
Janet Vogelzang & Mark Cliggett
Washington Mutual Matching Gift
Program
Winky Foundation
Doug & Maggie Walker/WRQ
Lawrence R. Weisberg
Birgitte B. Williams
Janice & David Yaden

In-kind donations

John Atcheson
Brian & Sharon Beinlich
Steven Cristol, Cristol & Associates
Gordon Dow
Erik & Gretchen Jansen
Jubitz Family Foundation
Ashley Mitchell
Nancy Olewiler
Laura Puckett, DLA Piper Rudnick
Gray Cary
Laura Retzler & Henry
Wigglesworth
Social Venture Partners
Lura Smith & Bill Schubach
Glenn Thomas, Producing Future
Aron Thompson, A.G. Edwards
Seattle Financial Group
Steve Trautman

*NEW also thanks the individuals
and families who made gifts of less
than \$1,000 during the past year.*

Cascadia Stewards Council Founding Members (2004)

*The following individuals joined
the Cascadia Stewards Council in
2004, its inaugural year (listed in
descending order of the amount of
their total commitment). We are
deeply grateful for their generous
and long-term support of NEW.*

Contorer Foundation
Anonymous
Thomas & Sonya Campion
Linda S. Park & Denis G. Janky
Magali & Jeffrey Belt
Maggie Hooks & Justin Ferrari
Amy & Alan Thein Durning
Judy Pigott
Laura Retzler & Henry
Wigglesworth
Jonathan Durning & Melanie
Ronai
Loeb/Meginnes Foundation
Karen & Jeremy Mazner
Janet Vogelzang & Mark Cliggett
Christopher & Mary Troth
Jabe Blumenthal
Gun & Tom Denhart
John Russell & Mary Fellows
Tom & Jennifer Luce
Keith Kegley
Jeffery & Nicole Hallberg
Langdon Marsh & Ellie Putnam
Sara Moorehead & Jeffrey Ratté
Janice & David Yaden
Gail Achterman
James L. Plummer
John Atcheson
Mark Groudine & Cynthia Putnam
Anirudh Sahni
Glenn S. Rodriguez & Molly E.R.
Keating
Kristayani & Jerry Jones

Edward Mills & Irene Pasternack
Parke G. Burgess Jr
Anonymous
JF & Leslie Baken
Paul & Donna Balle
Connie Battaile
Julian Battaile
Tony & Sue Beeman
Thomas Buxton & Terri Anderson
Jon Carder & Monique Baillargeon
Ann & Doug Christensen
Peter Donaldson
John & Jane Emrick
William Feinberg
Maradel Krummel Gale
Christine Hanna & Eugene Pitcher
Jeanette L. Henderson
Gretchen & Lyman Hull
Gretchen & Erik Jansen
Mark A. Kotzer
Bill Kramer & Melissa
Cadwallader
Linda Moulder & Jerry White
Jean Marie Piserchia &
Robert C. Ball
James & Rebecca Potter
Ingrid Rasch
Manya & Howard Shapiro
Jim & Jan Thomas
Birgitte B. Williams
Jeff Youngstrom & Becky Brooks
Gordon Price

Volunteers 2004

John Atcheson
Page Atcheson
Yoram Bauman
Brian & Sharon Beinlich
Tom DeCory-Keen
Amy Durning
Gary Durning
Kathryn Durning
Peter Durning
Benjamin Facer
Theresa Fenton
Carrie Fox
KC Golden
Michael Greenberg
Jeff Hallberg
Ryan Hawkes
Ellen Joan Hutchinson
Bill Kint
Mark Kotzer
Robert Lowry
Lyn McCollum
Ethan Meginnes
Ashley Mitchell
Tanya Niemeyer
Carol Olson
Neal Parry
Mary Peterson
Laura Retzler & Henry
Wigglesworth
Dov Sherman
Melissa Shaw
Aron Thompson

Board of Directors

Gail Achterman
John Atcheson
Alan Thein Durning
Jeff Hallberg
Catherine Mater
Gordon Price
Laura Retzler
David Yaden

Staff

Dana Brown
Parke Burgess
Eric de Place
Alan Thein Durning
Christine Hanna
Elisa Murray
Stacey Panek
Robin Simons
Leigh Sims
Clark Williams-Derry

Interns 2004

Todd Burley
Elizabeth Burton
Jocelyn Hittle
Michèle Savelle
Matt Schoellhamer

*NEW also wishes to thank the members of its
Advocates Society, who helped with our fundraising
efforts in 2004:*

Gail Achterman, John Atcheson, Jeffrey Belt, Bill
Feinberg, Jeff Hallberg, Langdon Marsh, Ethan
Meginnes, Rick Meyer, Laura Retzler, Lura Smith,
Aron Thompson, David Yaden



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