

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047
2003
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2003 calendar year, or tax year beginning 07/01, 2003, and ending 06/30/2004

- B Check if applicable
Address change
Name change
Initial return
Final return
Amended return
Application pending

C Name of organization
NATURAL RESOURCES DEFENSE COUNCIL, INC.
Number and street (or P.O. box if mail is not delivered to street address) Room/suite
40 W. 20TH STREET
City or town, state or country, and ZIP + 4
NEW YORK, NY 10011

D Employer identification number
13-2654926
E Telephone number
(212) 727-2700
F Accounting method
Cash
[X] Accrual
Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No [X]
H(b) If "Yes," enter number of affiliates

H(c) Are all affiliates included? Yes No
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No [X]

G Website: WWW.NRDC.ORG

J Organization type (check only one) [X] 501(c) (03) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

I Group Exemption Number

M Check [X] if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 58,395,461.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions)

Table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less direct expenses other than fundraising expenses; 9c Net income or (loss) from special events; 10a Gross sales of inventory, less returns and allowances; 10b Less cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

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Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 22 of the instructions)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25 1,297,323.	25 624,621.	25 334,372.	25 338,330.
26 Other salaries and wages	26 15,724,954.	26 12,609,864.	26 1,757,369.	26 1,357,721.
27 Pension plan contributions	27 1,523,084.	27 1,159,076.	27 187,029.	27 176,979.
28 Other employee benefits	28 1,474,631.	28 1,123,888.	28 180,082.	28 170,661.
29 Payroll taxes	29 1,152,125.	29 943,901.	29 141,515.	29 66,709.
30 Professional fundraising fees	30 851,464.	30 705,427.		30 146,037.
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33 301,451.	33 211,058.	33 82,948.	33 7,445.
34 Telephone	34 600,115.	34 470,480.	34 74,921.	34 54,714.
35 Postage and shipping	35 4,295,995.	35 3,237,341.	35 10,859.	35 1,047,795.
36 Occupancy	36 2,601,434.	36 1,982,390.	36 318,057.	36 300,987.
37 Equipment rental and maintenance	37			
38 Printing and publications	38 6,995,732.	38 5,528,197.	38 21,425.	38 1,446,110.
39 Travel	39 1,173,202.	39 1,017,010.	39 106,742.	39 49,450.
40 Conferences, conventions, and meetings	40 468,140.	40 386,729.	40 40,070.	40 41,341.
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule) STMT 2A	42 1,012,046.	42 764,870.	42 126,982.	42 120,194.
43 Other expenses not covered above (itemize) STMT 3	43a 11,183,245.	43a 9,728,733.	43a 864,525.	43a 589,987.
b	43b			
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 50,654,941.	44 40,493,585.	44 4,246,896.	44 5,914,460.

Joint Costs. Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ 7,641,011. ; (ii) the amount allocated to Program services \$ 5,925,392. ; (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ 1,715,619.

Part III Statement of Program Service Accomplishments (See page 25 of the instructions.)

What is the organization's primary exempt purpose? - SEE ATTACHED STATEMENT 3A	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others)
a ENVIRONMENTAL PROGRAMS STMT 3B (Grants and allocations \$ _____)	31,075,584.
b PUBLIC EDUCATION (Grants and allocations \$ _____)	6,659,088.
c MEMBER SERVICES (Grants and allocations \$ _____)	2,758,913.
d (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	40,493,585.

Part IV Balance Sheets (See page 25 of the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	6,038,725.	45	5,604,291.
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a 597,605.		
	b Less allowance for doubtful accounts	47b 2,672.	54,130.	47c 594,933.
	48a Pledges receivable	48a 11,638,840.		
	b Less allowance for doubtful accounts	48b 243,162.	12,677,435.	48c 11,395,678.
	49 Grants receivable			49
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use			52
	53 Prepaid expenses and deferred charges		1,014,202.	53 499,576.
	54 Investments - securities (attach schedule) STMT 4. <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		63,258,868.	54 74,643,362.
	55a Investments - land, buildings, and equipment basis	55a		
	b Less accumulated depreciation (attach schedule)	55b		55c
56 Investments - other (attach schedule)			56	
57a Land, buildings, and equipment, basis	57a 26,049,334.			
b Less accumulated depreciation (attach schedule) STMT 4A	57b 7,069,458.	15,552,337.	57c 18,979,876.	
58 Other assets (describe <input type="checkbox"/> STMT 5)		2,693,789.	58 2,929,372.	
59 Total assets (add lines 45 through 58) (must equal line 74)		101,289,486.	59 114,647,088.	
Liabilities	60 Accounts payable and accrued expenses	7,644,965.	60	6,981,538.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule) STMT 5A		5,359,938.	64b 5,084,544.
	65 Other liabilities (describe <input type="checkbox"/> STMT 6)		8,175,412.	65 9,055,194.
66 Total liabilities (add lines 60 through 65)		21,180,315.	66 21,121,276.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	49,111,119.	67	64,681,752.
	68 Temporarily restricted	28,827,718.	68	22,702,349.
	69 Permanently restricted	2,170,334.	69	6,141,711.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		80,109,171.	73 93,525,812.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)		101,289,486.	74 114,647,088.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part VI Other Information (See page 28 of the instructions.)

Yes No

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity . . . 76 X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? . . . 77 X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . 78a X
b If "Yes," has it filed a tax return on Form 990-T for this year? . . . 78b X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . . 79 X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? . . . 80a X
b If "Yes," enter the name of the organization SEE STATEMENT # 9B and check whether it is X exempt or nonexempt
81a Enter direct and indirect political expenditures See line 81 instructions. 81a NONE
b Did the organization file Form 1120-POL for this year? . . . 81b N/A
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? . . . 82a X
b If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III) . . . 82b 2,084,352.
83a Did the organization comply with the public inspection requirements for returns and exemption applications? . . . 83a X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? . . . 83b X
84a Did the organization solicit any contributions or gifts that were not tax deductible? . . . 84a X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . 84b X
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? . . . 85a N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? . . . 85b N/A
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year
c Dues, assessments, and similar amounts from members . . . 85c N/A
d Section 162(e) lobbying and political expenditures . . . 85d N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices . . . 85e N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e) . . . 85f N/A
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? . . . 85g N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? . . . 85h N/A
86 501(c)(7) orgs Enter: a Initiation fees and capital contributions included on line 12 . . . 86a N/A
b Gross receipts, included on line 12, for public use of club facilities . . . 86b N/A
87 501(c)(12) orgs Enter: a Gross income from members or shareholders . . . 87a N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them) . . . 87b N/A
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX . . . 88 N/A
89a 501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under: section 4911 N/A; section 4912 N/A, section 4955 N/A
b 501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction . . . 89b N/A
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 . . . N/A
d Enter: Amount of tax on line 89c, above, reimbursed by the organization . . . N/A
90a List the states with which a copy of this return is filed SEE STATEMENT 9C
b Number of employees employed in the pay period that includes March 12, 2003 (See instructions) . . . 90b 251
91 The books are in care of NRDC, INC. Telephone no 212-727-2700
Located at 40 W. 20TH ST., NEW YORK, NY ZIP + 4 10011
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year . . . 92 N/A

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a COURT AWARDED FEES					569,015.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	25,811.	
96 Dividends and interest from securities			14	1,238,262.	
97 Net rental income or (loss) from real estate:					
a debt-financed property			16	15,416.	
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	-42,452.	
101 Net income or (loss) from special events			01	-585,880.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a:					
b STMT 10			13	516,499.	537,624.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				1,167,656.	1,106,639.
105 Total (add line 104, columns (B), (D), and (E))					2,274,295.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
11	STMT 11

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer: Patricia F. Sullivan Date: 11/30/05

Type or print name and title: Patricia F. Sullivan Deputy Director

Paid Preparer's Use Only

Preparer's signature: [Signature] Date: 5/11/05 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: PRICEWATERHOUSECOOPERS LLP
300 MADISON AVENUE
NEW YORK, NY 10017 10017

EIN: 13-4008324 Phone no: 646-471-4000

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information - (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2003

Name of the organization

NATURAL RESOURCES DEFENSE COUNCIL, INC.

Employer identification number

13-2654926

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<u>DAVID HAWKINS</u> C/O NRDC 40 W. 20TH STREET, NY, NY 10011	SENIOR ATTORNEY 35 HOURS	169,668.	32,534.	NONE
<u>TOM COCHRAN</u> C/O NRDC 40 W. 20TH STREET, NY, NY 10011	SENIOR SCIENTIST 35 HOURS	149,442.	30,189.	NONE
<u>SARAH CHASIS</u> C/O NRDC 40 W. 20TH STREET, NY, NY 10011	DIR OF PROGRAMS 35 HOURS	149,442.	20,174.	NONE
<u>GREGORY WETSTONE</u> C/O NRDC 40 W. 20TH STREET, NY, NY 10011	DIR OF PROGRAMS 35 HOURS	135,187.	20,431.	NONE
<u>ALAN METRICK</u> C/O NRDC 40 W. 20TH STREET, NY, NY 10011	DIR OF COMMUNICATION 35 HOURS	149,151.	24,163.	NONE
Total number of other employees paid over \$50,000 ▶	121			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>TG CONSTRUCTION</u> 444 S. FLOWER STR., LOS ANGELES, CA 90071	CONSTRUCTION	667,817.
<u>STEPHEN MILLS</u> 1291 CERRO GORDO RD., SANTA FE, NM 87501	CREATIVE	340,112.
<u>PRICEWATERHOUSECOOPERS</u> P.O. BOX 3026, BOSTON, MA 02245-13026	AUDIT/TAX/ACTUARIAL	250,940.
<u>LEDDY MAYTUM STACY</u> 677 HARRISON ST., SAN FRANCISCO, CA 94107	R/E CONSULTANT	185,459.
<u>MEDIA STRATEGIES & RESEARCH</u> 445 UNION BLVD., LAKEWOOD, CO 80228	MEDIA SERVICES	141,920.
Total number of others receiving over \$50,000 for professional services ▶	41	

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2003

JSA

Part III Statements About Activities (See page 2 of the instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>929,934</u> . (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	X	
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities? STMT 12	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? STMT 13	X	
e	Transfer of any part of its income or assets?		X
3a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		X
b	Do you have a section 403(b) annuity plan for your employees?	X	
4	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5** A church, convention of churches, or association of churches Section 170(b)(1)(A)(i).
- 6** A school Section 170(b)(1)(A)(ii) (Also complete Part V.)
- 7** A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8** A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v)
- 9** A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶ _____
- 10** An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a** An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)
- 11b** A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)
- 12** An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A.)
- 13** An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Table with columns: Calendar year (or fiscal year beginning in), (a) 2002, (b) 2001, (c) 2000, (d) 1999, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities not included in line 18; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit without charge; 22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24; b Prepare a list for your records to show the name of and amount contributed by each person; c Total support for section 509(a)(1) test; d Add Amounts from column (e) for lines 18, 19, 22; e Public support (line 26c minus line 26d total); f Public support percentage (line 26e (numerator) divided by line 26c (denominator)); 27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person"; b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000; c Add Amounts from column (e) for lines 15, 16, 17, 20, 21; d Add Line 27a total and line 27b total; e Public support (line 27c total minus line 27d total); f Total support for section 509(a)(2) test; g Public support percentage (line 27e (numerator) divided by line 27f (denominator)); h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)); 28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant.

Part V Private School Questionnaire (See page 7 of the instructions.) (To be completed ONLY by schools that checked the box on line 6 in Part IV) NOT APPLICABLE

Table with 3 columns: Question ID, Question Text, and Yes/No response columns. Rows include questions 29 through 35 regarding racial nondiscrimination policies, record keeping, and financial aid.

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)
 (To be completed ONLY by an eligible organization that filed Form 5768)

Check <input type="checkbox"/> a	if the organization belongs to an affiliated group	Check <input type="checkbox"/> b	if you checked "a" and "limited control" provisions apply	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
Limits on Lobbying Expenditures					
(The term "expenditures" means amounts paid or incurred.)					
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36			222,721.
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37			707,213.
38	Total lobbying expenditures (add lines 36 and 37)	38			929,934.
39	Other exempt purpose expenditures	39			49,725,007.
40	Total exempt purpose expenditures (add lines 38 and 39)	40			50,654,941.
41	Lobbying nontaxable amount Enter the amount from the following table -				
	If the amount on line 40 is -				
	The lobbying nontaxable amount is -				
	Not over \$500,000 20% of the amount on line 40				
	Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000				
	Over \$1,000,000 but not over \$1,500,000 . . . \$175,000 plus 10% of the excess over \$1,000,000	41			1,000,000.
	Over \$1,500,000 but not over \$17,000,000 . . . \$225,000 plus 5% of the excess over \$1,500,000				
	Over \$17,000,000 \$1,000,000				
42	Grassroots nontaxable amount (enter 25% of line 41)	42			250,000.
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43			
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44			

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
 See the instructions for lines 45 through 50 on page 11 of the instructions)

Lobbying Expenditures During 4-Year Averaging Period						
Calendar year (or fiscal year beginning in) ▶	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total	
45	Lobbying nontaxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
46	Lobbying ceiling amount (150% of line 45(e)) . .					6,000,000.
47	Total lobbying expenditures	929,934.	861,524.	963,579.	664,527.	3,419,564.
48	Grassroots nontaxable amount	250,000.	250,000.	250,000.	250,000.	1,000,000.
49	Grassroots ceiling amount (150% of line 48(e)) . .					1,500,000.
50	Grassroots lobbying expenditures	222,721.	215,692.	220,440.	86,982.	745,835.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h)			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

Table with columns for categories (i)-(vi) and Yes/No checkboxes. Includes rows for Cash, Other assets, and Other transactions (Sales, Purchases, Rental, Reimbursement, Loans, Performance).

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Includes entries for NRDC ACTION FUND and ENVIRONMENTAL ACCOUNTABILITY FUND.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? [X] Yes [] No

b If "Yes," complete the following schedule:

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Includes entries for NRDC ACTION FUND and ENVIRONMENTAL ACCOUNTABILITY FUND.

NATURAL RESOURCES DEFENSE COUNCIL, INC.
For the year ending 6/30/2004

13-2654926

FORM 990, PART I, LINE 8d, Gross Amount from sales of assets other than inventory

<u>DESCRIPTION</u>	<u>AMOUNT</u>
REALIZED GAIN FROM VENTURE CAPITAL FUNDS	8,906
REALIZED LOSS FROM ANNUITY	(51,358)

TOTAL	(42,452)
	=====

NATURAL RESOURCES DEFENSE COUNCIL, INC.
 YEAR ENDED 6/30/2004

13-2654926

FORM 990, PART I, LINE 9a-9c - Top Three Special Events

	EXCLUDED CONTRIBUTIONS	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
LOS ANGELES BI-ANNUAL EVENT	2,396,206	99,160	650,410	(551,250)
NEW YORK ANNUAL DINNER	429,750	88,610	235,494	(146,884)
NEW YORK MOVIE PREMIER EVENT	245,362	42,558	12,446	30,112
OTHER SPECIAL EVENTS	233,999	276,166	194,024	82,142
TOTAL	3,305,317	506,494	1,092,374	(585,880)

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

=====

DESCRIPTION	AMOUNT
-----	-----
UNREALIZED APPRECIATION	6,358,714.
CHANGE IN VALUE OF SPLIT INTEREST AGREEMENT	45,735.
ADDITIONAL MINIMUM LIABILITIES	364,031.
PRIOR YEAR FUND BALANCE ADJUSTMENT	15.

TOTAL	6,768,495.
	=====

NATURAL RESOURCES DEFENSE COUNCIL, INC.
For the year ending 6/30/2004

13-2654926

FORM 990, PART II, LINE 42 - DEPRECIATION EXPENSE

<u>DESCRIPTION</u>	<u>AMOUNT</u>
FURNITURE & EQUIPMENT	148,932
COMPUTERS	320,697
BUILDING	542,417
	<hr/>
TOTAL	1,012,046
	<hr/> <hr/>

NATURAL RESOURCES DEFENSE COUNCIL, INC
For the year ending 6/30/2004

13-2654926

FORM 990, PART III – STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

The Natural Resources Defense Council, Inc. ("NRDC") is a national environmental organization dedicated to protecting the world's natural resources and ensuring a safe and healthy environment for all people. NRDC's staff includes attorneys, scientists and other environmental specialists who use the tools of legal advocacy, scientific research, and citizen education to help protect the environment. Formed in 1970 NRDC has offices in New York City, Washington DC, San Francisco, and Santa Monica. NRDC is exempt from income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code.

Form 990, PART III

Statement of Program Service Accomplishments

The purpose of the Natural Resources Defense Council (NRDC) is to safeguard the Earth: its people, its plants and animals, and the natural systems on which all life depends. Our work is divided among seven broad program areas: Water and Coasts, Health and the Environment, Land and Forests, Air and Energy, Urban, International, and Nuclear. Working at the local, regional, national, and international levels, NRDC places special emphasis on public education, with the goal of keeping our more than 600,000 members—as well as the general public—up-to-date on environmental issues and developments. In addition, our legislative team targets all of these areas to keep environmental protection at the forefront of policy making.

Land and Forests

Parks and wild places face an array of threats. NRDC is working to preserve these special places safe by pressing for permanent protection for millions of acres of wildlands, promoting better management of publicly-owned lands, developing plans for protecting national parks, and reducing both damaging forestry practices and the consumption of wood.

In fiscal year 2004, NRDC's Land and Forests Program:

- Named the Cumberland Plateau in the southeastern United States to NRDC's BioGems list of endangered wild places, persuaded several major paper buyers to stop buying paper made from virgin timber in the plateau, and began negotiating with Bowater, the largest landowner on the plateau, to press them to improve their forestry practices.
- Sued to preserve the landmark "roadless rule," which protects 58 million acres of U.S. forestland.
- Worked to keep the Arctic National Wildlife Refuge free from oil drilling.
- Mobilized NRDC's BioGems Defenders and other citizen activists to send more than 250,000 messages calling on the administration to protect special wild places in NRDC's Yellowstone/Greater Rockies BioGem, including Montana's Rocky Mountain Front and New Mexico's Otero Mesa, from oil and gas drilling.
- Filed several lawsuits designed to improve energy development practices.
- Added Alaska's Western Arctic Reserve to NRDC's BioGems list of endangered wild places, and won a court-ordered temporary halt of oil exploration in the reserve.
- Forced the Bureau of Land Management to protect more of the nationally-renowned archeological and wilderness resources in Utah's Nine Mile Canyon from oil and gas exploration.

Air and Energy

No environmental task is more critical than keeping the air clean, a project NRDC tackles in myriad ways. We focus special attention on the two biggest emission sources: electric power plants and motor vehicles. We also recently launched our Climate Center, drawing on NRDC's decades of leadership in atmospheric issues to tackle the challenges presented by global warming.

In fiscal year 2004, NRDC's Air and Energy Program:

- Blocked the administration from undermining a key provision of the Clean Air Act—the "new source review" regulations—by persuading a three-judge panel to stop the weakened rules from taking effect.
- Went to court and successfully argued that the administration's rollback of an energy efficiency standard for air conditioners was illegal. Compared to the weaker administration proposal, the more stringent standard will avoid the need for 48 more power plants.
- Helped the state of California to change the way utilities are regulated so they can earn profits not just from selling energy but from increasing efficiency as well.
- Encouraged the bipartisan Western Governors Association to unanimously pass an energy plan that calls on member states to generate a large portion of their electricity—the equivalent of 40

large power plants—through clean energy by 2015 and to increase energy efficiency by 20 percent by 2020.

- Helped persuade New York State to adopt a portfolio standard requiring 24 percent of the state's electricity to come from renewable resources such as wind, solar, and geothermal, by 2013.
- Played a key role in getting California to adopt the first-ever regulations to reduce global warming pollution from new cars and trucks sold in the state.
- Advised a coalition of East Coast governors on how to establish limits on heat-trapping carbon dioxide emissions from power plants.
- Brought a lawsuit—one of the first of its kind—against America's five largest global warming polluters, calling for court-ordered reductions in carbon dioxide emissions.

Water and Coasts

Our oceans, coasts, lakes, streams, and wetlands all face multiple threats to their integrity. NRDC works on many fronts to protect, preserve, and restore our waters, and to safeguard the habitats and species they harbor.

In fiscal year 2004, NRDC's Water and Coasts Program:

- Worked to protect marine mammals from severe and needless harm, including frequent deaths, caused by uncontrolled use of mid-frequency sonar in naval training exercises.
- Joined forces with fishermen and generated enough support to pass two critical California laws: one that restricts destructive bottom trawling in sensitive nursery grounds, and one that makes California the first state to adopt the sound ocean management principles laid out by two prestigious national ocean commissions.
- Helped block legislation in New York, New Jersey, and Connecticut designed to override marine protections.
- Brought a lawsuit in New England to stop the overfishing of Georges Bank cod, already reduced to just 15 percent of healthy levels.
- Won a court victory forcing the National Marine Fisheries Service to create plans for rebuilding overfished species of Pacific rockfish.
- Built support for a United Nations resolution that would place a moratorium on bottom trawl fishing on the high seas until sound governance is put in place to protect marine ecosystems.
- Helped generate enough public protest to force the administration to withdraw its plans to rewrite long-standing Clean Water Act rules that protect thousands of streams and wetlands.
- Scored a victory for Appalachian waters when a judge ruled that the government should no longer cut corners to allow coal companies to bury West Virginia streams under mining waste.
- Won a groundbreaking court case by persuading a federal judge that the Bureau of Reclamation acted illegally when it starved the San Joaquin River of water downstream of Friant Dam—devastating a vibrant salmon run and depriving farmers of irrigation water.

Health and the Environment

Thousands of chemicals continue to pour into our environment—many of them known to cause serious harm to people and ecosystems. NRDC helps the public understand these threats; works for safeguards for children, who are particularly vulnerable; and presses for stronger, more protective laws.

In fiscal year 2004, NRDC's Health and the Environment Program:

- Conducted one of the first broad studies of environmental health risks in Latino communities, documenting, for instance, that nearly two-thirds of Latino families live in communities with air so polluted it does not meet federal clean air standards.
- Sued the Environmental Protection Agency when it issued dangerously weak mercury pollution rules for chlorine manufacturers—a significant source of mercury pollution—and forced the agency to revise the rules.
- Published a report documenting how port pollution leaves nearby residents—often low-income people of color—vulnerable to asthma and lung cancer; also generated national media attention on the issue and prompted port officials to discuss adopting our recommendations.

- Built on a 2003 NRDC legal victory requiring air pollution clean-up at the Port of Los Angeles by helping the port become the first terminal in the world to allow ships to plug in to shoreside power instead of running highly-polluting diesel engines.
- Expanded our long-standing efforts to improve air quality around schools by helping pass the California Smog Free Schools Bill that prohibits construction of schools within 500 feet of a freeway unless school district officials can prove that the location would not threaten children's health.
- Made sure Californians breathe fewer diesel fumes—a pollutant known to cause asthma and other respiratory illnesses as well as cancer—by targeting old engines such as older garbage trucks, refrigerated trucks, and portable diesel engines that were grandfathered out of modern air standards.

International

Environmental problems do not recognize national borders. NRDC's efforts, too, cross these borders, embracing threatened ecosystems in many areas around the globe.

In fiscal year 2004, NRDC's International Program:

- Worked to protect endangered wild places in the Americas through NRDC's BioGems Initiative.
- Advised China's National Development and Reform Commission—the country's most powerful government agency—on creating a national energy efficiency policy that could save more than five times the capacity of the Three Gorges Dams.
- Worked closely with the governments of Shanghai and Jiangsu in China to implement a demand-side energy savings policy.
- Asked NRDC's Environmental Entrepreneurs—influential business leaders committed to protecting the environment—to offer expertise and financial backing to help China realize its sustainable energy plan.
- Joined with leading foreign policy and environmental experts to press Congress to establish a commission to review scientific research on the global environment and assess the impact of the deteriorating environment on national security.
- Helped persuade the government of Manitoba to extend protections for 2 million acres in heart of Canada's the Boreal Forest for another five years.

Nuclear

Since NRDC was founded, we have worked to rid the Earth of the threats posed by nuclear weapons, in the process establishing crucial precedents in applying environmental laws to U.S. civilian nuclear and national security programs.

In fiscal year 2004, NRDC's Nuclear Program:

- Proved that the government cut corners on public safety at the Yucca Mountain facility in Nevada, the nation's proposed high-level nuclear waste dump, and persuaded a three-judge panel to force the Environmental Protection Agency to write a scientifically-sound standard for storing radioactive waste in stable rock formations.
- Published a report revealing that several Department of Energy nuclear weapons projects are billions of dollars over budget and years behind their goals. The report drew attention from key members of Congress, which later denied the administration's funding requests for a controversial nuclear bunker buster bomb and other research on new nuclear weapons.
- Released a report detailing the administration's plans to modernize U.S. nuclear forces, deploy untested missile defenses, and expand the list of nations that the U.S. military could target with nuclear weapons.

Urban

The urban environment is a major focus of NRDC. Our goal is to make cities better, healthier places to live. For three decades, we have tackled issues ranging from garbage disposal to air and water pollution to the loss of open space. Our efforts in New York, Washington, D.C., Los Angeles, and San Francisco have helped make these and other cities cleaner, greener, and more livable.

In fiscal year 2004, NRDC's Urban Program:

- Forced the California Department of Transportation, the largest transportation agency in the country, to negotiate a plan that could cut as much as 80 percent of stormwater pollution running off California highways.
- Helped protect the stunning oak woodlands of the Ahmanson Ranch at the top of Malibu Creek from being carved into thousands of homes and two golf courses; now the ranch will be set aside as public space for park-hungry Los Angeles residents to enjoy.
- Worked with a broad coalition to stop the Ballona Wetlands in Los Angeles from being developed by pressuring Sacramento decision-makers to purchase the land with state bond money, and helping persuade the developers to negotiate with the state.
- Served notice of our intent to sue polluters who dumped highly toxic waste into Newark Bay, New Jersey, prompting the Environmental Protection Agency to end 20 years of inaction by finally entering into a consent order with the polluters requiring a full study and cleanup of Newark Bay.
- Helped make New York City's recycling program—which resumed fully in April 2004 thanks in large part to NRDC research—more cost effective by persuading the city to enter into a 20-year contract with a private company, bringing capital investment, low costs, and a secure future to the city's recycling program.

Legislative

NRDC's legislative team works to protect and expand our country's bedrock environmental laws. It ensures that existing laws are followed and presses for new protections to meet the many threats that continue to plague our air, water, land, and health.

In fiscal year 2004, NRDC's Legislative Program:

- Gained unprecedented support for a bi-partisan, market-based bill in congress to cut the heat-trapping emissions responsible for global warming.
- Helped block the disastrous energy bill that would have established oil and gas development as the dominant use of federal public lands and exempted polluters from core provisions of clean air and water laws.
- Worked with a coalition to successfully persuade the House of Representatives to pass a measure to prohibit the Forest Service from spending taxpayers' money for logging roads in Alaska's Tongass National Forest.

Communications and Public Education

NRDC works hard to harness the power of our growing membership—and all concerned citizens—in the fight to protect the environment and public health. Educating and empowering the public are vital parts of our mission, and toward those ends, we have made increasing use of a powerful tool: the Internet.

In the fiscal year 2004, we:

- Produced brochures and radio ads in English and Spanish explaining that even though 58 million gallons of sewage spilled into Florida waters last year, administration proposals would allow even more sewage to contaminate waterways.

- Took to the airwaves and newspapers to tell Michigan residents that the federal government plans to exempt nearly 500 power plants and other industrial facilities in Michigan from federal air pollution control requirements—causing more asthma and respiratory illnesses.
- Launched a public education campaign when the Food and Drug Administration proposed a mercury-in-fish advisory that did not say which fish were most contaminated or how much to give children; soon after, the FDA issued an improved health advisory.
- Collaborated with national and grassroots Latino advocacy groups, generating widespread press attention, and distributing brochures and running radio ads in Spanish and English to alert residents of Latino communities to environmental health risks and ways to combat them.
- Selected a handful of states most threatened by the administration's environmental rollbacks, analyzed the local effects of diminished safeguards, and informed residents how these changes would affect their health, their drinking water, and conditions at their local beaches.
- Mobilized citizen activists to send more than 58,000 messages to the Timber Products Company, calling on it to cancel plans to open a mill in Alaska's Tongass National Forest; the public outcry prompted company representatives to meet with NRDC, and soon after, the company announced that it would pull out of the venture.
- Prompted citizen activists to send more than 138,000 comments opposing the administration's plan to open the Western Arctic Reserves' sensitive Teshekpuk Lake region, home to a 30,000-strong caribou herd.
- Used the controversy sparked by the sci-fi thriller *The Day After Tomorrow* to brief reporters, movie reviewers, and editors about common-sense solutions for global warming to a blockbuster-size audience, getting our message covered in national newspapers and television shows, as well as some unlikely outlets such as *Entertainment Weekly* and *the New Yorker*.

FORM 990, PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

	Description	Program Services Expenses
a	Environment Program	
	Land	7,600,703
	Water	3,838,330
	Air/Energy	4,016,742
	Legislative Advocacy	3,766,388
	Cities	3,570,777
	Climate	3,354,207
	Global/Nuclear	3,269,990
	Health	1,658,447
	subtotal Environment Program	31,075,584
b	Public Education	6,659,088
d	Membership Services	2,758,913
f	Total of Program Services Expenses	<u>40,493,585</u>

FORM 990, PART IV - INVESTMENTS - SECURITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
INVESTMENTS QUASI/PRMT ENDOWMENT		
-CHASE VISTA MONEY MARKET	10,618,559.	9,970,700.
BOND MUTUAL FUNDS	5,532,465.	6,252,277.
EQUITY MUTUAL FUNDS	24,250,825.	31,610,825.
LIMITED PARTNERSHIPS	115,002.	115,002.
REIT MUTUAL FUNDS	1,493,787.	2,204,544.
TIFF INVESTMENTS	9,467,040.	10,477,067.
MONEY MARKET FUNDS	590,614.	108,330.
US GOVERNMENT & AGENCY DEBT	5,023,777.	5,520,316.
CORPORATE & OTHER DEBT OBLGTS	2,858,962.	3,827,885.
COMMON STOCK	3,307,837.	4,556,416.
	-----	-----
TOTALS	63,258,868.	74,643,362.
	=====	=====

NATURAL RESOURCES DEFENSE COUNCIL, INC.
For the year ending 6/30/2004

13-2654926

FORM 990, PART IV, LINE 57a, 57b AND 57c

<u>DESCRIPTION</u>	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>NET</u>
OFFICE BUILDINGS & IMPROVEMENTS	21,284,915	4,776,270	16,508,645
FURNITURE & EQUIPMENT	1,866,770	1,091,430	775,340
COMPUTER SOFTWARE	1,477,232	872,075	605,157
LEASEHOLD IMPROVEMENTS	1,420,417	329,683	1,090,734
	<hr/>	<hr/>	<hr/>
TOTAL	26,049,334	7,069,458	18,979,876
	=====	=====	=====

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
-----	-----	-----
INTEREST IN SPLIT-INTEREST AGREEMENTS	2,693,789.	2,929,372.
TOTALS	----- 2,693,789. =====	----- 2,929,372. =====

Natural Resources Defense Council, Inc.

13-2654926

For the period ending 06/30/2004

From 990 , Part IV, line 64b Mortgages and Other Notes Payable

Description

Mortgage Loan- New York City, NY	2,988,578
Mortgage Loan- Santa Monica, CA	2,095,966
Total	<u><u>5,084,544</u></u>

Mortgage Loans Payable

NRDC has a mortgage loan which bears interest at 8.91%, has an outstanding balance of \$2,988,578 at June 30, 2004 and was collateralized by the office condominium in New York City. The loan is due in monthly payments, including interest, of \$35,758 through May 12, 2005 with a final balloon payment of \$2,833,668 on May 12, 2005. NRDC must maintain a debt service coverage ratio, as defined, of 1.25 to 1.00. NRDC was in compliance with this covenant as of June 30, 2004. In July 2004, NRDC refinanced the mortgage loan on its New York City office condominium. The new loan, in the amount of \$3,160,000, bears interest at 6.45%, is due in monthly installments, including interest, of \$35,801 through August 2014 and has no collateral requirement.

NRDC has another mortgage loan which bears interest at 8.29%, has an outstanding balance of \$2,095,966 at June 30, 2004 and is collateralized by the building in Santa Monica, California. The loan is due in monthly payments, including interest, of \$25,200 through January 1, 2015.

The fair value of the mortgage loans payable at June 30, 2004 was approximately \$5,500,000 based on discounting future debt service payments at 6.45%.

FORM 990, PART IV - OTHER LIABILITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
SPLIT INTEREST AGREEMENTS		
-CHARITABLE GIFT ANNUITIES	7,192,739.	7,967,228.
-POOLED INCOME FUNDS	982,673.	1,087,966.
	-----	-----
TOTALS	8,175,412.	9,055,194.
	=====	=====

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

DESCRIPTION -----	AMOUNT -----
NRDC SPECIAL EVENTS EXPENSES	1,317,942.
TOTAL	----- 1,317,942. =====

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

DESCRIPTION -----	AMOUNT -----
NRDC SPECIAL EVENTS EXPENSES	1,317,942.
TOTAL	----- 1,317,942. =====

Natural Resources Defense Council, Inc.
 List of Officers, Directors Salary
 IRS 990 06/30/2004
 revised 05/04/05

13-2654926

Name And Address	Title and Time Devoted To Position	Compensation	Contributions To Employee Benefits Plans	Expenses Account
JOHN ADAMS C/O Natural Resources Defense Council 40 W. 20th Street New York NY 10011	President 35hrs./wk	288,612 351,576 Foot Note 1	64,608	None
FRANCES BEINECKE C/O Natural Resources Defense Council 40 W. 20th Street New York NY 10011	Executive Director 35hrs./wk	188,481	33,678	None
PATRICIA SULLIVAN C/O Natural Resources Defense Council 40 W. 20th Street New York NY 10011	Deputy Director 35hrs./wk	148,122	23,542	None
JUDY KEEFER C/O Natural Resources Defense Council 40 W. 20th Street New York NY 10011	Director of Finance 35hrs./wk	151,074	30,461	None
JACK MURRAY C/O Natural Resources Defense Council 40 W. 20th Street New York NY 10011	Director of Development 35hrs./wk	169,458	25,770	None
SEE ATTACHED LIST OF NON COMPENSATED BOARD OF TUSTEES		None	None	None
Total Compensation		1,297,323	178,059	None

Foot Note 1 : Cash compensation provided to the President for the year ended June 30th, 2004 was \$288,612. The balance of \$351,576 was for a life insurance policy provided under a deferred compensation agreement covering 10 years of service. The estimated value of the deferred compensation agreement has been reported each year, (1995 - 2004), on the IRS Form 990 filing in Column D but is re-stated this year in Column C because NRDC released its interest in the life insurance policy this year.

**NRDC
BOARD OF TRUSTEES
2004**

**Adam Albright, Vice Chair
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Richard E. Ayres
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Patricia Bauman, Vice Chair
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Henry R. Breck, Treasurer
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Laurie David
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Sharon Saul Davis
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Adrian W. DeWind
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Leonardo Di Caprio
C/O NRDC
40 West 20th Street
New York, NY 10011**

**John E. Echohawk
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Robert Epstein
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Michael C. Finnegan
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Robert J. Fisher
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Michel Gelobter
C/O NRDC
40 West 20th Street
New York, NY 10011**

**David Hahn-Baker
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Jill Tate Higgins
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Alan F. Horn, Vice Chair
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Charles E. Koob
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Philip B. Korsant
C/O NRDC
40 West 20th Street
New York, NY 10011**

**NRDC
BOARD OF TRUSTEES
2004**

**Ruben Kraiem
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Jonathan Z. Larsen
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40 West 20th Street
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**Nicole Lederer
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40 West 20th Street
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**Maya Lin
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**Shelly Malkin
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**Josephine A. Merck
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**Peter Morton
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**Daniel Pauly
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**Frederica Perera
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**Robert Redford
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**Nathaniel Pryor Reed
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**Jonathan F. P. Rose
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**Thomas Roush
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**Christine H. Russell
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Frederick A.O. Schwarz, Jr., Chair
C/O NRDC
40 West 20th Street
New York, NY 10011**

**James Gustave Speth
C/O NRDC
40 West 20th Street
New York, NY 10011**

**James Taylor
C/O NRDC
40 West 20th Street
New York, NY 10011**

**NRDC
BOARD OF TRUSTEES
2004**

**Frederick A. Terry, Jr.
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Daniel R. Tishman
C/O NRDC
40 West 20th Street
New York, NY 10011**

**Elizabeth Rieger Wiatt
C/O NRDC
40 West 20th Street
New York, NY 10011**

**George M. Woodwell, Vice Chair
C/O NRDC
40 West 20th Street
New York, NY 10011**

NATURAL RESOURCES DEFENSE COUNCIL, INC
For the year ending: June 30, 2004
13-2654926

FORM 990, PART VI – Other Information, related organizations

The NRDC Action Fund is an indirect affiliation of the Natural Resources Defense Council, Inc.

The Environmental Accountability Fund is a project of the NRDC Action Fund

NATURAL RESOURCES DEFENSE COUNCIL, INC.
40 WEST 20TH STREET
NEW YORK, NY 10011

States NRDC is currently authorized to solicit in:
(Governmental Authorities)

Alabama, Alaska, Arkansas, Arizona, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington D.C., West Virginia, Wisconsin

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE NO.	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES
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93A	ENVIRONMENTAL LITIGATION CONTRIBUTES TO THE PROTECTION OF OUR NATURAL RESOURCES.
103B	BOOK INCOME & HONORARIA: INCOME FROM PUBLICATION SALES AND OTHER EFFORTS CONDUCTED TO EDUCATE THE PUBLIC.
103B	RELATED COALITION INCOME: INCOME FROM ENVIRONMENTALLY RELATED COALITION WITH OTHER NONPROFIT ORGANIZATIONS.
103B	SETTLEMENT COSTS: PAYMENT OF COSTS RELATED TO SETTLEMENTS FOR ENVIRONMENTAL PURPOSES.

NATURAL RESOURCES DEFENSE COUNCIL, INC.
SCHEDULE A, PART III, LINE 2C
6/30/2004

13-2654926

The NRDC Finance Committee on behalf of the NRDC Board reviewed and approved the selection of Tishman Construction Corporation of California, a related entity of Tishman Construction, to act as project manager for the renovation of the Los Angeles offices of the NRDC.

Dan Tishman, a member of NRDC Board of Trustees, is a principal in Tishman Construction. The project with Tishman Construction of California is an arms length transaction.

NRDC paid Tishman Construction Corporation of California \$80,341 during fiscal year ending 30th June 2004.

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D

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SEE FORM 990, PART V

SCHEDULE A, PART IV-A - OTHER INCOME

DESCRIPTION	2002	2001	2000	1999	TOTAL
MAILING LIST RENTAL	323,092.	246,699.	219,343.	74,900.	864,034.
SPECIAL EVENTS				360,958.	360,958.
PAMPHLETS, HONORORIA	14,284.	13,748.	43,369.	45,860.	117,261.
OTHER	155,285.	188,159.	17,266.	280,818.	641,528.
BOOK INCOME	21,366.	39,012.			60,378.
ROYALTY INCOME	2,035.				2,035.
TOTALS	516,062.	487,618.	279,978.	762,536.	2,046,194.

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box **Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.**
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time — Must File Original and One Copy.			
Type or print File by the extended due date for filing the return See instructions.	Name of Exempt Organization NATURAL RESOURCES DEFENSE COUNCIL, INC.		Employer identification number 13-2654926
	Number, street, and room or suite no. If a P.O. box, see instructions. 40 WEST 20TH STREET		For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW YORK, N.Y. 10011		

Check type of return to be filed (File a separate application for each return):

Form 990 Form 990-EZ Form 990-T (sec. 401(a) or 408(a) trust) Form 1041-A Form 5227 Form 8870

Form 990-BL Form 990-PF Form 990-T (trust other than above) Form 4720 Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the **whole** group, check this box . If it is for **part** of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until MAY 15, 2005.

5 For calendar year _____, or other tax year beginning JULY 1, 2003 and ending JUNE 30, 2004.

6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

7 State in detail why you need the extension ADDITIONAL INFORMATION IS NEEDED IN ORDER TO FILE A COMPLETE AND ACCURATE TAX RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ _____

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature  Title  Date 01/27/2005

Notice to Applicant — To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period
- We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
- Other _____

EXTENSION APPROVED

Director _____ By _____ Date FEB 28 2005

Alternate Mailing Address — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

FIELD DIRECTOR, SUBMISSION PROCESSING, OGDEN

Type or print	Name PRICEWATERHOUSECOOPERS, LLP- ATTN: LAURA PARELLO
	Number and street (include suite, room, or apt. no.) Or a P.O. box number 300 MADISON AVENUE, 20TH FLOOR
	City or town, province or state, and country (including postal or ZIP code) NEW YORK, N.Y. 10017