

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)

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 2004 calendar year, or tax year beginning 07/01, 2004, and ending 06/30/2005

- 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 WEST 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 [], Accrual [X], 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) (insert no) 4947(a)(1) or 527

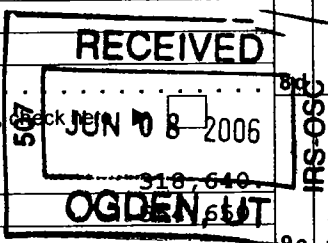
K Check here [] if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

I Group Exemption Number
M Check [] 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 76,832,026.

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

Table with 21 rows and 4 columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues; 4 Interest on savings; 5 Dividends; 6a-6c Rental income; 7 Other investment income; 8a-8c Sales of assets; 9 Special events; 10a-10c Inventory sales; 11 Other revenue; 12 Total revenue; 13-17 Expenses; 18-21 Net Assets.



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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 \$ _____)				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25 Compensation of officers, directors, etc	1,021,490.	419,052.	312,536.	289,901.
26 Other salaries and wages	17,959,261.	14,204,636.	2,224,267.	1,530,359.
27 Pension plan contributions	1,276,710.	1,141,819.	198.	134,693.
28 Other employee benefits	1,658,804.	924,222.	555,226.	179,356.
29 Payroll taxes	1,285,990.	1,152,322.		133,668.
30 Professional fundraising fees	866,398.	623,768.		242,630.
31 Accounting fees				
32 Legal fees				
33 Supplies	365,972.	225,405.	106,426.	34,141.
34 Telephone	579,288.	454,796.	73,115.	51,377.
35 Postage and shipping	5,486,606.	4,313,687.	25,805.	1,147,114.
36 Occupancy	2,536,123.	1,938,713.	331,967.	265,443.
37 Equipment rental and maintenance	95,594.	67,815.	18,178.	9,601.
38 Printing and publications	8,174,763.	6,646,348.	26,918.	1,501,497.
39 Travel	1,207,405.	1,096,262.	77,419.	33,724.
40 Conferences, conventions, and meetings	650,259.	542,716.	59,022.	48,521.
41 Interest	2,500.	1,909.	326.	265.
42 Depreciation, depletion, etc (at STMT 4A)	908,071.	690,695.	118,713.	98,663.
43 Other expenses not covered above (itemize) STMT 5	13,298,158.	11,650,303.	746,436.	901,419.
b				
c				
d				
e				
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	57,373,392.	46,094,468.	4,676,552.	6,602,372.

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 \$ 10,430,844. (ii) the amount allocated to Program services \$ 8,193,742.
 (iii) the amount allocated to Management and general \$ NONE; and (iv) the amount allocated to Fundraising \$ 2,237,102.

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

What is the organization's primary exempt purpose? - SEE ATTACHED STATEMENT 5A	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others)
a ENVIRONMENTAL PROGRAMS SEE ATTACHED STATEMENT 5B (Grants and allocations \$)	35,557,087.
b PUBLIC EDUCATION (Grants and allocations \$)	7,605,759.
c MEMBER SERVICES (Grants and allocations \$)	2,931,622.
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)	46,094,468.

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	5,604,291	45	4,617,732
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	237,224		
	b Less: allowance for doubtful accounts	2,672	47c	234,552
	48a Pledges receivable	24,191,702		
	b Less: allowance for doubtful accounts	1,699,369	48c	22,492,333
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	499,576	53	2,171,840
	54 Investments - securities (attach schedule) STMT 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	74,643,362	54	87,344,212
	55a Investments - land, buildings, and equipment basis			
b Less: accumulated depreciation (attach schedule)		55c		
56 Investments - other (attach schedule)		56		
57a Land, buildings, and equipment basis	26,753,530			
b Less: accumulated depreciation STMT 4A (attach schedule)	7,977,529	57c	18,776,001	
58 Other assets (describe STMT 7)	2,929,372	58	3,598,000	
59 Total assets (add lines 45 through 58) (must equal line 74)	114,647,088	59	139,234,670	
Liabilities	60 Accounts payable and accrued expenses	6,981,538	60	9,495,268
	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 STMT 7A)	5,084,544	64b	4,932,029
	65 Other liabilities (describe STMT 8)	9,055,194	65	11,422,103
66 Total liabilities (add lines 60 through 65)	21,121,276	66	25,849,400	
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	64,681,752	67	63,273,310
	68 Temporarily restricted	22,702,349	68	35,738,137
	69 Permanently restricted	6,141,711	69	14,373,823
	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)	93,525,812	73	113,385,270	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	114,647,088	74	139,234,670	

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? If "Yes," attach a conformed copy of the changes	77	X
78 a 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	N/A
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a 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 <u>STMT 13</u> and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a Enter direct and indirect political expenditures See line 81 instructions.	81a	N/A
b Did the organization file Form 1120-POL for this year?	81b	N/A
82 a 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	2,569,449.
83 a 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
84 a 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? 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	85b	N/A
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	X
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>NONE</u> , section 4912 <u>NONE</u> , section 4955 <u>NONE</u>		
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		NONE
d Enter Amount of tax on line 89c, above, reimbursed by the organization		NONE
90 a List the states with which a copy of this return is filed <u>SEE STATEMENT 12A</u>		
b Number of employees employed in the pay period that includes March 12, 2004 (See instructions)	90b	302
91 The books are in care of <u>NRDC, INC.</u> Telephone no <u>212-727-2700</u> Located at <u>40 WEST 20TH STREET, NEW YORK, NY</u> ZIP + 4 <u>10011</u>		
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					621,074.
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	14,835.	
96 Dividends and interest from securities			14	1,620,970.	
97 Net rental income or (loss) from real estate					
a debt-financed property			16	10,400.	
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	-3,366.	
101 Net income or (loss) from special events			01	-236,010.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue. a					
b STMT 13			13	888,913.	30,895.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				2,295,742.	651,969.
105 Total (add line 104, columns (B), (D), and (E))					2,947,711.

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)
▼	STMT 14

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: Marcus Beaudin Date: 1/5/15/06

Type or print name and title: Francis Beinecke President

Paid Preparer's Use Only

Preparer's signature: [Signature] Date: 5/11/2006 Check if self-employed:

Preparer's SSN or PTIN (See Gen. Inst. V): 13-4008324

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

EIN: 13-4008324
 Phone no: 646-471-3000

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

2004

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 ST., NY, NY 10011	SENIOR ATTORNEY 35	176,925.	32,848.	NONE
<u>TOM COCHRAN</u> C/O NRDC 40 W. 20TH ST., NY, NY 10011	SENIOR SCIENTIST 35	155,235.	30,419.	NONE
<u>SARAH CHASIS</u> C/O NRDC 40 W. 20TH ST., NY, NY 10011	PROGRAMS DIRECTOR 35	155,235.	20,944.	NONE
<u>JACOB SCHERR</u> C/O NRDC 40 W. 20TH ST., NY, NY 10011	PROGRAMS DIRECTOR 35	147,170.	30,262.	NONE
<u>GREGORY WETSTONE</u> C/O NRDC 40 W. 20TH ST., NY, NY 10011	PROGRAMS DIRECTOR 35	141,682.	27,556.	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> C/O DREW WESLING TISHMAN CONSTRUCTION 444 SOUTH FLOWER STREET, SUITE 2500, LOS ANGELES, CA 90071	CONSTRUCTION	496,246.
<u>STEPHEN MILLS</u> 1291 CERRO GORDO ROAD SANTA FE, NM 87501, LOS ANGELES, CA 90071	CONSULTANT	373,153.
<u>PRICEWATERHOUSECOOPERS, LLP.</u> P.O BOX 7247-8001 PHILADELPHIA, PA 19170-8001	AUDIT	293,406.
<u>BAJA DISCOVERY</u> 316 D STREET, CHULA VISTA, CA 91910	TRIP ORGANIZERS	112,395.
<u>MICHAEL JASNY</u> 4479 WEST 5TH AVENUE VANCOUVER, BC V6R 1S4, CANADA	CONSULTANT	98,268.
Total number of others receiving over \$50,000 for professional services	64	

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

Schedule A (Form 990 or 990-EZ) 2004

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>1,091,181.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)	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? STMTS 15 & 15A	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . FORM 990, PART V	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	
4a	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
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		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 5 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) 2003, (b) 2002, (c) 2001, (d) 2000, (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; 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; 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; 27 Organizations described on line 12.

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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. Do not file this list with your return. Do not include these grants in line 15

Part V Private School Questionnaire (See page 7 of the instructions.)

NOT APPLICABLE

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement)		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev. Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

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 a if the organization belongs to an affiliated group Check b if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	180,116.
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	911,065.
38	Total lobbying expenditures (add lines 36 and 37)	38	1,091,181.
39	Other exempt purpose expenditures	39	56,282,211.
40	Total exempt purpose expenditures (add lines 38 and 39)	40	57,373,392.
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	91,181.

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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
Lobbying nontaxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
Lobbying ceiling amount (150% of line 45(e))					6,000,000.
47 Total lobbying expenditures	1,091,181.	929,934.	861,524.	963,579.	3,846,218.
Grassroots nontaxable amount	250,000.	250,000.	250,000.	250,000.	1,000,000.
Grassroots ceiling amount (150% of line 48(e))					1,500,000.
50 Grassroots lobbying expenditures	180,116.	222,721.	215,692.	220,440.	838,969.

Part VI-B Lobbying Activity by Nonelecting Public Charities

NOT APPLICABLE

(For reporting only by organizations that did not complete Part VI-A) (See page 11 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:

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h.)

Yes	No	Amount

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

FORM 990, PART I - LIST OF CONTRIBUTORS

NAME AND ADDRESS	DATE	DIRECT PUBLIC SUPPORT	INDIRECT PUBLIC SUPPORT	GOVERNMENT GRANTS
		72,579,093.	269,400.	481,172.
TOTAL CONTRIBUTION AMOUNTS				

NATURAL RESOURCES DEFENSE COUNCIL, INC.
FOR THE YEAR ENDING JUNE 30, 2005
EIN: 13-2654926

FROM 990, PART I, LINE 8 - SALES OF ASSETS OTHER THAN INVENTORY

Realized Loss from Venture Capital Funds (\$3,366)

FORM 990, PART I - SPECIAL FUNDRAISING EVENTS AND ACTIVITIES

DESCRIPTION	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
FORCES FOR NATURE	124,200.	284,752.	-160,552.
YELLOWSTONE TRIP	51,966.	16,329.	35,637.
EARTH TO LA	24,332.	40,633.	-16,301.
OTHER SPECIAL EVENTS	118,142.	212,936.	-94,794.
TOTALS	318,640.	554,650.	-236,010.

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

DESCRIPTION -----	AMOUNT -----
UNREALIZED APPRECIATION	4,111,720.
CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENTS	-2,330,437.
INCREASE IN MINIMUM LIABILITY FOR PENSION BENEFITS	-825,812.
PRIOR YEAR FUND BALANCE ADJUSTMENT	3.
TOTAL	----- 955,474. =====

NATURAL RESOURCES DEFENSE COUNCIL, INC.
 FOR THE YEAR ENDING JUNE 30, 2005
 EIN: 13-2654926

FORM 990, PART II, LINE 42, DEPRECIATION EXPENSES AND PART IV, LINE 57, FIXED ASSETS

	<u>Cost</u>	FY 05 <u>Depreciation Expenses</u>	Accumulated Depreciation and Amortization	Net <u>Book Value</u>
Furniture & Equipment	\$1,972,655	\$115,333	\$1,576,872	\$395,783
Computer	\$1,880,488	\$368,034	\$872,075	\$1,008,413
Office Cost and Improvement	\$21,177,291	\$209,315	\$4,985,584	\$16,191,707
Leashold Improvement	\$1,723,096	\$215,389	\$542,998	\$1,180,098
Total Fixed Assets	\$26,753,530	\$908,071	\$7,977,529	\$18,776,001

Form 990, Part IV
Line 57a

Form 990, Part II
Line 42 (A)

Form 990, Part IV
Line 57b

Form 990, Part IV
Line 57c

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
PROFESSIONAL CONSULTING FEES	5,243,242.	5,024,814.	88,855.	129,573.
PUBLIC AFFAIRS & ADVERTISING	1,194,148.	1,134,847.	1,102.	58,199.
MEMBERSHIP MAINTENANCE	732,360.	685,777.		46,583.
LISTS	1,324,417.	1,061,833.		262,584.
FINANCIAL SERVICES	314,302.	240,036.	41,045.	33,221.
INSURANCE	358,773.	273,999.	46,852.	37,922.
TEMPORARY CLERICAL	410,654.	113,758.	244,985.	51,911.
DELIVERY EXPENSES	140,648.	66,626.	49,269.	24,753.
RECRUITING EXPENSES	163,059.	90,656.	68,818.	3,585.
SUBSCRIPTION & LIBRARY	181,929.	164,495.	14,001.	3,433.
ENVIRONMENTAL COALITION EXPENSES	999,022.	999,022.		
COMPUTER EXPENSES	452,483.	422,762.	29,497.	224.
SOFTWARE EXPENSES	132,043.	100,843.	17,243.	13,957.
PROPERTY TAXES	42,596.	32,531.	5,563.	4,502.
MOVING EXPENSES	2,506.	1,914.	327.	265.
FILLING FEES	21,542.	16,452.	2,813.	2,277.
MISC. STORAGE FEES	63,632.	46,339.	10,776.	6,517.
MISC. OVERHEAD EXPENSES	136,058.	104,013.	18,726.	13,319.
COURT COSTS	22,366.	22,366.		
CREDIT CARD COSTS	146,638.	1,614.		145,024.
VENUE COSTS	46,995.	40,423.	4,000.	2,572.
MEMBERSHIP FEES/BAR DUES	61,269.	47,407.	12,283.	1,579.
CONTRIBUTIONS TO OTHER ORGS	887,409.	849,009.	38,350.	50.
OTHER EXPENSES	220,067.	108,767.	51,931.	59,369.
TOTALS	13,298,158.	11,650,303.	746,436.	901,419.

Natural Resources Defense Council, Inc.
For the Year Ending June 30, 2005
EIN: 13-2654926

Form 990, Part III - Statement of Primary Exempt Purpose:

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.

**NATURAL RESOURCES DEFENSE COUNCIL, INC.
FOR THE YEAR ENDING JUNE 30, 2005
EIN: 13-2654926**

Form 990, Part III - Statement of Program Service Accomplishment

Environmental Program

Land & Forests	\$9,551,563
Water & Coasts	\$4,175,570
Air & Energy	\$4,879,857
Legislative Advocacy	\$2,801,649
Cities	\$4,978,043
Climate Change Ce	\$3,135,907
Global & Nuclear	\$4,232,857
Health	\$1,801,641
Subtotal	<u>\$35,557,087</u>

Public Education **\$7,605,759**

Member Services **\$2,931,622**

Total Program Services **\$46,094,468**

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 1.2 million members and online activists—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 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 2005, NRDC's Land and Forests Program:

- Secured a groundbreaking agreement with Bowater, the largest timber company in the Cumberland Plateau, which could transform the way Southeastern forests are managed. The company agreed to stop clearcutting and converting hardwood forests and to stop buying pine fiber from forests converted after 2007.
- Held off attempts to open the majestic Arctic National Wildlife Refuge, one of 12 BioGems designated by NRDC as endangered wild places, to oil and gas drilling. Even more recently, NRDC's BioGems Defenders convinced the House to drop its plans to drill in the Arctic Refuge, and our citizen activists continue to press government agencies to protect this wild space.
- Won an ongoing battle to protect Alaska's Tongass National Forest—heart of the world's largest intact temperate rainforest—when a federal appeals court struck down the Forest Service's plan to allow logging in 2.4 million acres of the forest's pristine roadless areas.
- Persuaded a federal court to slow energy development in the Powder River region of Wyoming and Montana.
- Blocked development of an enormous copper and silver mine in the heart of grizzly habitat in northwestern Montana.
- Worked with local allies and in the courts to guarantee that oil drilling is balanced with other values, to ensure that any drilling is done responsibly, and to recognize that some places are too precious to drill.
- Rallied members and activists to donate more than \$1 million to secure 100,000 acres around Laguna San Ignacio, the last undisturbed gray whale nursery on Earth. This sanctuary will offer permanent protection for gray whales.

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 2005, NRDC's Air and Energy Program:

- Worked with multiple state groups to address the issue of global warming: helped nine northeastern states reach an agreement on how to regulate power plant emissions, identified specific timetables for California and New Mexico to reduce emissions, and persuaded 10 states to adopt regulations to reduce global warming pollution from cars.
- Promoted a resolution calling for a mandatory limit on U.S. global warming pollution, which was passed by the Senate in June.
- Forged a partnership with the Set America Free coalition, a group of conservative security analysts pushing for an end to U.S. dependence on foreign oil, which will bring NRDC's message of oil dependence to new ears.
- Helped draft a program in which California's utilities agreed to provide \$2 billion in efficiency incentives over the next three years. Every year, the program will avoid the need to build another giant power plant.
- Worked with manufacturers of AC-to-DC power adapters (found in cell phones and laptop computers) to draft the first joint efficiency specifications between China and the United States. The standard could save 20 million tons of carbon dioxide every year—equal to taking 1.2 million cars off the road.
- Actively pushed to reduce America's oil dependence by encouraging the use of biofuels—fuels grown by America's farmers. We followed up our research by successfully securing biofuels incentives in the energy bill adopted in 2005.
- Mobilized people to stop global warming through a virtual march on Washington, launched by StopGlobalWarming.org, that calls for urgent action on climate change. Founded by NRDC Trustee Laurie David, the march will move across the country via the Internet, stopping to reveal evidence of global warming's alarming progress.

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 2005, NRDC's Water and Coasts Program:

- Persuaded the biggest distributor of Mexican shrimp in the United States to get its local suppliers to end dangerous and illegal fishing practices in the Upper Gulf of California. Destructive fishing techniques in the gulf have

depleted a variety of fish, and pushed the vaquita marina porpoise—found nowhere else on earth—to fewer than 500. In 2005, NRDC named the Upper Gulf of California to our BioGems list of 12 endangered places, and prompted our members and activists to send more than 37,000 messages to Ocean Garden calling on them to clean up their supply chain. After just three months, the company agreed to negotiate with us, and in June 2005, Ocean Garden and several fishing groups committed to preventing vaquita marina from being killed in fishing nets, ending illegal fishing, and reducing the amount of fish caught along with shrimp.

- Won a victory for fish and fishermen when a federal appeals court ruling forced the federal government to increase protections for severely depleted Pacific rockfish. In its decision, the court noted that strong protections for struggling fisheries benefit fishing communities as well as fish.
- Partnered with fishing groups to successfully promote a California state law limiting industrial bottom trawlers in sensitive habitats and fish nursery grounds. Industrial fishing fleets have drained our seas of fish, but this law will allow fish populations to recover, bringing renewed life to the area's marine ecosystems and restoring many of the jobs that these fisheries once supported.
- Reached another milestone in the international campaign to prevent military sonar from harming and killing marine mammals when the European Parliament passed a resolution calling for a moratorium on the use of high intensity military sonar.
- Secured a United Nations General Assembly resolution calling on nations to protect deep-sea corals and other marine riches from high-seas bottom trawling—a destructive fishing practice that bulldozes the sea floor with massive weighted nets.
- Fought to protect the struggling Georges Bank cod and other species of New England fish from bycatch. Studies show that commercial trawlers in New England discard as much as 50 percent of the fish and ocean life they catch at sea as bycatch. NRDC helped secure a court order that forces the National Marine Fisheries Service to accurately assess bycatch in the New England groundfish industry.

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 2005, NRDC's Health and the Environment Program:

- Worked to prevent dangerously high levels of mercury from contaminating the world's rivers, lakes, and fish: promoted non-mercury alternatives to mercury products; helped the European Commission to issue a new energy mercury strategy aimed at reducing pollution; reached an agreement with Europe that calls for the elimination of mercury exports; successfully lobbied

the UN to track mercury trade more precisely; and launched a mercury inventory with China to reduce the amount of mercury found in fish exported to the United States.

- Fought to slash New York City's vehicle pollution by convincing the City Council to pass five landmark measures that will require all city school buses, tour buses, sanitation vehicles, and other publicly owned vehicles to use ultra-low sulfur diesel and to install the most effective pollution control devices available, helping cut particulate emissions from these vehicle by as much as 95 percent.
- Helped pass a law that approves hybrids to be used as taxis—a move that could save the average cabdriver more than \$20,000 in gas prices over five years—and helped persuade Governor Pataki to issue draft regulations to reduce global warming pollution from cars in New York State.
- Won a court decision overturning the EPA's attempts to weaken regulations that protect children from dangerous pesticides such as rat poison. NRDC teamed up with West Harlem Environmental Action, a group that represents the children most at risk: urban kids of color. Our allies put a human face on the rule, and together we fought the Bush administration's efforts to relax regulations on pesticides by downplaying health hazards.

International

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

In fiscal year 2005, NRDC's International Program:

- Worked to protect endangered wild places in the Americas through NRDC's BioGems Initiative.
- Advised Chinese officials on specific standards for reducing energy growth through energy efficient standards, such as new energy and lighting standards for all new commercial buildings—regulations that once fully implemented could avoid the construction of nearly 30 large coal-fired power plants each year.
- Signed groundbreaking agreements with local governments in Shanghai and Jiangsu Province, two of China's most energy-hungry regions, to develop efficiency programs that will serve as models for the rest of China. These accords could prevent Shanghai and Jiangsu from constructing 34 new coal-fired power plants over 10 years, dramatically reducing global warming emissions and other air pollution in the region.
- Advised China's Vice Minister of Construction on a new national green building policy and will soon begin training mayors in green building, land use planning, and other smart growth policies.
- Forged partnerships with First Nations to protect natural resources and traditional territory. After NRDC members and activists sent more than 72,000 messages to the Manitoba government, the province rejected a

proposed hydropower transmission corridor that would have slashed through indigenous lands in Canada.

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 2005, NRDC's Nuclear Program:

- Released a groundbreaking report revealing that despite the end of the cold war, the United States still deploys approximately 480 nuclear weapons in Europe. Those U.S. weapons in Europe undermine American efforts to convince Iran or others not to develop nuclear weapons of their own. The report prompted action extensive press coverage at home and in Europe and sent thousands of visitors to our website to view the report.
- Continued legislative and litigation efforts to force the government to properly clean up the millions of gallons of high-level radioactive waste at nuclear weapons manufacturing facilities in Washington, Idaho, and South Carolina.

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 2005, NRDC's Urban Program:

- Worked to solve global problems at the urban level. In June 2005, San Francisco hosted the United Nation's World Environment Day. The focus was the Urban Environmental Accords—21 concrete measures for cities to implement in the next seven years. The accords were inspired in part by NRDC's efforts to translate lofty international treaties into on-the-ground action steps. Fifty mayors signed the accords, and NRDC will work with them and locally based citizens' groups to implement these environmental solutions.
- Negotiated with New York's main utility, Consolidated Edison, to form an agreement that the utility meet all demand growth in the next three years through energy efficiency and clean on-site generation—instead of investing in new power plants. The agreement creates a groundbreaking model for efficiency investment in New York.
- Went to court to uphold pollution controls in Los Angeles and San Diego after California industry groups, builders, and municipalities challenged plans for cleaning up polluted stormwater. The San Diego case is the first in the state to

require that municipalities actually improve water quality, not just make efforts to do so.

- Sued to protect Southern California's coastal open space after the Rancho Mission Viejo Company proposed developing its 22,000-acre ranch in Orange County. After months of negotiation, NRDC reached a settlement that preserves 75 percent of the ranch as open space, including over 10,000 acres in the San Mateo watershed, the last intact coastal watershed in Southern California.

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 2005, NRDC's Legislative Program:

- Continued to work with Republicans and Democrats, citizen activists, and the media to hold elected officials accountable for enforcing our nation's laws.
- Mobilized influential members in the business world, prompted our activists to send hundreds of thousands of messages, and tapped our partnerships with farming and ranching communities to prompt legislators to eliminate from the energy bill a provision allowing for drilling in the Arctic Refuge and a liability waiver for manufacturers of the toxic pollutant MTBE.
- Authored and secured a major package of tax incentives for energy efficient buildings and appliances.

Communications and Public Education

NRDC works hard to harness the power of our growing membership—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 fiscal year 2005, the Communications and Public Education initiatives:

- Targeted blogs, talk radio, television, and print to send the right story to the right audience and called on supporters in business, Hollywood, science, religious, and rural communities to carry our message.
- Launched the Re-energize America campaign to illustrate that security hawks, ranchers, and evangelical preachers support a more sustainable energy policy. Thanks to our media strategy, this diverse support for other oil savings has generated national attention, from the *New York Times* to the *Bozeman Gazette* to local talk radio.
- Partnered with grassroots and national Latino groups in a number of campaigns, including encouraging New Mexico's governor to set limits on the state's global warming emissions, blocking a federal rule for sewage dumping, and restoring California's San Joaquin watershed. Many NRDC reports and papers are now

published simultaneously in Spanish, making our research even more accessible to the Latino community.

- Reached out to the business sector; for example, worked with Intel to make desktop computers more energy efficient. Intel agreed to tighten its specification for power supplies inside computers, and when all new machines follow these guidelines, Americans will save \$1 billion in energy bills.
- Opened our Science Center to deepen our scientific capacity. We have already hired two fellows, a wildlife geneticist and a marine biologist, and plan to add more experts in the coming year. The center will greatly expand our ability to bring scientific findings to policy deliberations.

FORM 990, PART IV - INVESTMENTS - SECURITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
INVESTMENTS OF QUASI AND PERMANENT ENDOWMENT FUNDS		
CHASE VISTA MONEY MARKET	9,970,700.	8,140,850.
BOND MUTUAL FUNDS	6,252,277.	7,821,139.
EQUITY MUTUAL FUNDS	31,610,825.	34,037,568.
LIMITED PARTNERSHIPS	115,002.	142,065.
REIT MUTUAL FUNDS	2,204,544.	3,465,517.
TIFF INVESTMENTS	10,477,067.	18,672,199.
CHARITABLE GIFT ANNUITIES		
MONEY MARKET FUNDS	108,330.	154,489.
US GOVERNMENT & AGENCY DEBT OBLIGATIONS	5,520,316.	5,329,761.
CORPORATE & OTHER DEBT OBLIGATIONS	3,827,885.	4,701,749.
COMMON STOCKS	4,556,416.	4,878,875.
	-----	-----
TOTALS	74,643,362.	87,344,212.
	=====	=====

FORM 990, PART IV - OTHER ASSETS

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
INTEREST IN SPLIT-INTEREST AGREEMENTS	2,929,372.	3,598,000.
TOTALS	----- 2,929,372. =====	----- 3,598,000. =====

FORM 990, PART IV, LINE 64 - MORTGAGES AND OTHER NOTES PAYABLE

Description	Beginning Book Value	Ending Book Value
Mortgage Loan - New York City, NY	\$2,988,578	\$2,967,246
Mortgage Loan - Santa Monica, CA	\$2,095,966	\$1,964,783
Total	\$5,084,544	\$4,932,029

NRDC has a mortgage loan which bears interest at 6.45%, has an outstanding balance of \$2,967,246 at June 30, 2005 and was collateralized by the office condominium in New York City. The loan is due in monthly payments, including interests, of \$35,801 through August 14, 2014. NRDC must maintain a debt services coverage ratio, as defined of 1.25 to 1.00. NRDC was in compliance with this covenant as of June 30, 2005.

NRDC has another mortgage loan which bears interest at 8.29%, has an outstanding balance of \$1,964,783 at June 30, 2005 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.

FORM 990, PART IV - OTHER LIABILITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
SPLIT INTEREST AGREEMENTS		
- CHARITABLE GIFT ANNUITIES	7,967,228.	10,128,729.
- POOLED INCOME FUNDS	1,087,966.	1,293,374.
	-----	-----
TOTALS	9,055,194.	11,422,103.
	=====	=====

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

DESCRIPTION	AMOUNT
-----	-----
NRDC SPECIAL EVENTS EXPENSES	554,650.

TOTAL	554,650.

	=====

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

=====

DESCRIPTION	AMOUNT
-----	-----
NRDC SPECIAL EVENTS EXPENSES	554,650.

TOTAL	554,650.
	=====

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
JOHN H. ADAMS C/O NRDC 40 W. 20TH STREET NEW YORK, NY 10011	PRESIDENT 35	297,140.	58,062.	NONE
FRANCES BEINECKE C/O NRDC 40 W. 20TH STREET NEW YORK, NY 10011	EXECUTIVE DIRECTOR 35	207,436.	34,112.	NONE
PATRICIA SULLIVAN C/O NRDC 40 W. 20TH STREET NEW YORK, NY 10011	DEPUTY DIRECTOR 35	154,530.	24,183.	NONE
JUDY KEEFER C/O NRDC 40 W. 20TH STREET NEW YORK, NY 10011	FINANCE DIRECTOR 35	174,442.	31,636.	NONE
JACK MURRAY C/O NRDC 40 W. 20TH STREET NEW YORK, N.Y. 10011	DEVELOPMENT DIRECTOR 35	187,942.	27,246.	NONE
GRAND TOTALS		1,021,490.	175,239.	NONE



2005 Board of Trustees

Adam Albright
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
C/o NRDC
40 West 20th Street
New York, NY 10011

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

Joy Covey
C/o NRDC
40 West 20th Street
New York, NY 10011

Laurie David
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 DiCaprio
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

Bob 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

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

Alan F. Horn
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

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

Jonathan Z. Larsen
C/o NRDC
40 West 20th Street
New York, NY 10011

Nicole Lederer
C/o NRDC
40 West 20th Street
New York, NY 10011

Maya Lin
C/o NRDC
40 West 20th Street
New York, NY 10011

Shelly Malkin
C/o NRDC
40 West 20th Street
New York, NY 10011

Josephine A. Merck
C/o NRDC
40 West 20th Street
New York, NY 10011

Peter Morton
C/o NRDC
40 West 20th Street
New York, NY 10011

Daniel Pauly
C/o NRDC
40 West 20th Street
New York, NY 10011

Frederica Perera, Dr Ph
C/o NRDC
40 West 20th Street
New York, NY 10011

Robert Redford
C/o NRDC
40 West 20th Street
New York, NY 10011

Cruz Reynoso
C/o NRDC
40 West 20th Street
New York, NY 10011

Larry Rockefeller
C/o NRDC
40 West 20th Street
New York, NY 10011

Jonathan F. P. Rose
C/o NRDC
40 West 20th Street
New York, NY 10011

Thomas Roush
C/o NRDC
40 West 20th Street
New York, NY 10011

Christine H. Russell
C/o NRDC
40 West 20th Street
New York, NY 10011

Frederick A.O. Schwarz, Jr.
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

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
C/o NRDC
40 West 20th Street
New York, NY 10011

THE TRUSTEES DID NOT RECEIVE ANY
COMPENSATION AND WORKED ON AN
AS-NEEDED BASIS THROUGHOUT THE
YEAR.

FORM 990, PART VI - NAMES OF RELATED ORGANIZATIONS

THE NRDC ACTION FUND

- THE NRDC ACTION FUND IS AN INDIRECT AFFILIATION OF THE NATURAL DEFENSE COUNCIL, INC.

THE ENVIRONMENT ACCOUNTABILITY FUND

- THE ENVIRONMENT ACCOUNTABILITY FUND IS A PROJECT OF THE NRDC ACTION FUND.

NATURAL RESOURCES DEFENSE COUNCIL, INC.
40 WEST 20TH STREET
NEW YORK, NY 10011
For the year ending June 30, 2005
13-2654926

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

STATEMENT 12A

FORM 990, PART VII - OTHER REVENUE

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
BOOK INCOME					
HONORARIA					11,210.
LIST RENTAL INCOME	13	518,164.			9,300.
RELATED SALES					
RELATED COALITION INCOME	13	287,416.			10,385.
OTHER REVENUE	13	83,333.			
TOTALS				888,913.	30,895.

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
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 SALES: INTERNAL TRANSFER RELATED TO ENVIRONMENTAL PURPOSES.

SCHEDULE A, PART III - EXPLANATION FOR LINE 2C

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 \$2,500 DURING FISCAL YEAR ENDING 30TH JUNE 2005.

THE RELATED PARTY TRANSACTIONS WERE ENTERED INTO AT ARMS'-LENGTH AND FAIR MARKET VALUE.

Third Related Parties Payment- FY 2005

Tishman Corp	Reimb-Riverkeeper	2,500.00
Josie Merck	NY Office Artwork	1,194.88
Shelly Malkin	Painting for NY office	<u>3,000.00</u>
Total		6,694.88

THE RELATED PARTY TRANSACTIONS WERE ENTERED INTO AT ARMS'-LENGTH AND FAIR MARKET VALUE.

SCHEDULE A, PART IV-A - OTHER INCOME

DESCRIPTION	2003	2002	2001	2000	TOTAL
MAILING LIST RENTAL	516,499.	323,092.	246,699.	219,343.	1,305,633.
PAMPHLETS, HONORARIA	8,000.	14,284.	13,748.	43,369.	79,401.
OTHER	513,036.	155,285.	188,159.	17,266.	873,746.
BOOK INCOME	16,588.	21,366.	39,012.	NONE	76,966.
ROYALTY INCOME	NONE	2,035.	NONE	NONE	2,035.
TOTALS	1,054,123.	516,062.	487,618.	279,978.	2,337,781.

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time—Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension—check this box and complete Part I only
All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

Type or print	Name of Exempt Organization NATURAL RESOURCES DEFENSE COUNCIL, INC.	Employer identification number 13-2654926
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see Instructions 40 WEST 20TH STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW YORK, NY 10011	

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

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶ THE ORGANIZATION, 40 WEST 20TH STREET, NEW YORK, NY 10011

Telephone No. ▶ (212) 727-2700 FAX No. ▶ (212) 727-1773

- 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 will cover.

1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until FEBRUARY 15, 2006 to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year 20__ or
 ▶ tax year beginning JULY 1, 2004 and ending JUNE 30, 2005

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

3a 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 or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$

c Balance Due. Subtract line 3b from line 3a. 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. \$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 12-2004)

- 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, NY 10011	

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

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 4720 | |

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

- The books are in the care of ▶ THE ORGANIZATION, 40 WEST 20TH STREET, NEW YORK, NY 10011
Telephone No. ▶ (212) 727-2700 FAX No ▶ (212) 727-1773
- 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, 2006
- 5 For calendar year _____, or other tax year beginning JULY 1, 2004, and ending JUNE 30, 2005.
- 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. \$ 0.00

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 *Laura Parello* Title ▶ attly Date ▶ 1/5/06

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 extended due date of the return for which an extension was requested.
- Other _____

Director _____ By: _____ Date _____

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.

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, NY 10017