

Form **990**
 Department of the Treasury
 Internal Revenue Service

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)

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

OMB No 1545-0047
2005
Open to Public Inspection

A For the 2005 calendar year, or tax year beginning 07-01-2005 and ending 06-30-2006

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

Please use IRS label or print or type. See Specific Instructions.	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
 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).**

G Web site: ▶ WWW NRDC ORG

J Organization type (check only one) ▶ 501(c)(3) (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.**

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 71,328,063

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes" enter number of affiliates ▶ _____

H(c) Are all affiliates included? Yes No
(If "No," attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number ▶ _____

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

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

Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Direct public support	1a	66,683,861		
	b	Indirect public support	1b	281,954		
	c	Government contributions (grants)	1c	326,740		
	d	Total (add lines 1a through 1c) (cash \$ <u>67,292,555</u> noncash \$ _____)	1d		67,292,555	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		749,197	
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4		32,163	
	5	Dividends and interest from securities	5		1,842,027	
	6a	Gross rents	6a			
	b	Less rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		10,400	
7	Other investment income (describe ▶)	7				
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	8d	
			4,685	8a		
		b Less cost or other basis and sales expenses		8b		
		c Gain or (loss) (attach schedule)	4,685	8c		
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		4,685		
Revenue	9	Special events and activities (attach schedule) If any amount is from gaming , check here <input type="checkbox"/>			9c	
		a Gross revenue (not including \$ <u>2,295,997</u> of contributions reported on line 1a) <input checked="" type="checkbox"/>	9a	653,468		-535,386
		b Less direct expenses other than fundraising expenses	9b	1,188,854		
		c Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
		10a Gross sales of inventory, less returns and allowances	10a			
b Less cost of goods sold	10b					
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c				
11	Other revenue (from Part VII, line 103)	11		743,568		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		70,139,209		
Expenses	13	Program services (from line 44, column (B))	13		51,097,183	
	14	Management and general (from line 44, column (C))	14		5,616,934	
	15	Fundraising (from line 44, column (D))	15		7,060,728	
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses (add lines 16 and 44, column (A))	17		63,774,845	
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		6,364,364	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		113,385,270	
	20	Other changes in net assets or fund balances (attach explanation) <input checked="" type="checkbox"/>	20		5,327,864	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		125,077,498	

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 the instructions)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ ⁰ _____ noncash \$ ⁰ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	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	1,642,995	740,601	467,117
26	Other salaries and wages	26	19,393,483	15,487,153	2,418,744
27	Pension plan contributions	27	1,780,824	1,593,784	
28	Other employee benefits	28	2,384,106	1,434,363	767,629
29	Payroll taxes	29	1,425,006	1,274,383	
30	Professional fundraising fees	30	447,406		447,406
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33	324,570	204,373	81,988
34	Telephone	34	600,428	458,034	96,943
35	Postage and shipping	35	5,682,291	4,407,717	7,121
36	Occupancy	36	2,688,316	2,089,530	344,012
37	Equipment rental and maintenance	37	114,837	78,159	26,686
38	Printing and publications	38	7,899,830	6,458,485	29,378
39	Travel	39	1,509,898	1,352,849	114,769
40	Conferences, conventions, and meetings	40	807,989	681,523	85,301
41	Interest	41	7,500	5,789	1,001
42	Depreciation, depletion, etc (attach schedule)	42	1,319,993	1,014,087	174,730
43	Other expenses not covered above (itemize)				
a	See Additional Data Table	43a			
b		43b			
c		43c			
d		43d			
e		43e			
f		43f			
g		43g			
44	Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	63,774,845	51,097,183	5,616,934
					7,060,728

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 \$10,202,154, (ii) the amount allocated to Program services \$8,024,846, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$2,177,308

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

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.

<p>What is the organization's 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 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 LOS ANGELES. NRDC IS EXEMPT FROM INCOME TAXES UNDER PROVISIONS OF SECTION 501(C)(3) OF INTERNAL REVENUE CODE.</p> <p>All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)</p>	<p>Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others.)</p>
<p>a ENVIRONMENTAL PROGRAMS (SEE GENERAL EXPLANATION 1)</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	<p>43,940,638</p>
<p>b COMMUNICATIONS AND PUBLIC EDUCATION</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	<p>7,156,545</p>
<p>c</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>d</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>e Other program services (attach schedule)</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►</p>	<p>51,097,183</p>

Part IV Balance Sheets (See the instructions.)

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

		(A)		(B)		
		Beginning of year		End of year		
Assets	45 Cash—non-interest-bearing		4,617,732	45	4,654,497	
	46 Savings and temporary cash investments			46		
	47a Accounts receivable	47a	253,414			
	b Less allowance for doubtful accounts	47b	2,672	234,552	47c	250,742
	48a Pledges receivable	48a	22,639,124			
	b Less allowance for doubtful accounts	48b	1,644,954	22,492,333	48c	20,994,170
	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			2,171,840	53	827,497
	54 Investments—securities (attach schedule)	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		87,344,212	54	96,105,901
	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	31,858,160				
b Less accumulated depreciation (attach schedule)	57b	9,297,520	18,776,001	57c	22,560,640	
58 Other assets (describe <input type="checkbox"/> _____)			3,598,000	58	3,946,822	
59 Total assets (must equal line 74) Add lines 45 through 58			139,234,670	59	149,340,269	
Liabilities	60 Accounts payable and accrued expenses		9,495,268	60	7,397,088	
	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)			4,932,029	64b	4,544,023
	65 Other liabilities (describe <input type="checkbox"/> _____)			11,422,103	65	12,321,660
66 Total liabilities Add lines 60 through 65			25,849,400	66	24,262,771	
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		63,273,310	67	72,484,791	
	68 Temporarily restricted		35,738,137	68	37,662,076	
	69 Permanently restricted		14,373,823	69	14,930,631	
	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)			113,385,270	73	125,077,498
	74 Total liabilities and net assets / fund balances Add lines 66 and 73			139,234,670	74	149,340,269

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	82,097,476
b	Amounts included on line a but not on line 12		
1	Net unrealized gains on investments	b1	5,977,638
2	Donated services and use of facilities	b2	4,791,775
3	Recoveries of prior year grants	b3	
4	Other (specify) <input type="checkbox"/> _____	b4	1,188,854
	Add lines b1 through b4	b	11,958,267
c	Subtract line b from line a	c	70,139,209
d	Amounts included on line 12, but not on line a		
1	Investment expenses not included on line 6b	d1	
2	Other (specify) _____	d2	
	Add lines d1 and d2	d	11,958,267
e	Total revenue (line 12) Add lines c and d	e	70,139,209

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	69,755,474
b	Amounts included on line a but not on line 17		
1	Donated services and use of facilities	b1	4,791,775
2	Prior year adjustments reported on line 20	b2	
3	Losses reported on line 20	b3	
4	Other (specify) <input type="checkbox"/> _____	b4	1,188,854
	Add lines b1 through b4	b	5,980,629
c	Subtract line b from line a	c	63,774,845
d	Amounts included on line 17, but not on line a :		
1	Investment expenses not included on line 6b	d1	
2	Other (specify) _____	d2	
	Add lines d1 and d2	d	
e	Total expenses (line 17) Add lines c and d	e	63,774,845

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
JOHN H ADAMS C/O NRDC 40 W 20TH STREET NEW YORK, NY 10011	PRESIDENT 35	266,810	29,940	0
FRANCES BEINECKE C/O NRDC 40 W 20TH STREET NEW YORK, NY 10011	PRESIDENT 35	252,327	27,510	0
JOHN H ADAMS C/O NRDC 40 WEST 20TH STREET NEW YORK, NY 10011	FOUNDING PRESIDENT 0	461,164	0	0
PATRICIA SULLIVAN C/O NRDC 40 WEST 20TH STREET NEW YORK, NY 10011	DEPUTY DIRECTOR 35	163,610	18,561	0
JUDY KEEFER C/O NRDC 40 WEST 20TH STREET NEW YORK, NY 10011	FINANCE DIRECTOR 35	179,350	25,682	0
JACK MURRAY C/O NRDC 40 WEST 20TH STREET NEW YORK, NY 10011	DEVELOPMENT DIRECTOR 35	196,850	21,191	0

Part V-A Current Officers, Directors, Trustees, and Key Employees <i>(continued)</i>	Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings <u>40</u>		
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b	Yes
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? Note. Related organizations include section 509(a)(3) supporting organizations If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization	75c	No
d Does the organization have a written conflict of interest policy?	75d	Yes

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
JOHN H ADAMS C/O NRDC 40 WEST 20TH STREET NEW YORK, NY 10011	0	461,164	0	0

Part VI Other Information <i>(See the instructions.)</i>	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	No
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	No
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	No
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	No
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	Yes
b If "Yes," enter the name of the organization <input checked="" type="checkbox"/> See Additional Data Table _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a Enter direct or indirect political expenditures (See line 81 instructions) 81a _____		
b Did the organization file Form 1120-POL for this year?	81b	

Part VI Other Information (continued)

	Yes	No
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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	Yes	
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	4,791,775	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	Yes	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	Yes	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	Yes	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	Yes	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b		
	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 the prior year			
c	Dues assessments, and similar amounts from members	85c		
d	Section 162(e) lobbying and political expenditures	85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		
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		
86	501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12	86a	0	
b	Gross receipts, included on line 12, for public use of club facilities	86b	0	
87	501(c)(12) orgs. Enter a Gross income from members or shareholders	87a	0	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	0	
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		No
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> _____ 0, section 4912 <input type="checkbox"/> _____ 0, section 4955 <input type="checkbox"/> _____			
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		No
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/> _____			
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/> _____			
90a	List the states with which a copy of this return is filed <input type="checkbox"/> See Additional Data Table			
b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions)	90b	280	
91a	The books are in care of <input type="checkbox"/> NRDC INC Telephone no <input type="checkbox"/> (212) 727-2700 40 WEST 20TH STREET Located at <input type="checkbox"/> NEW YORK, NY ZIP + 4 <input type="checkbox"/> 10011			
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country <input type="checkbox"/> _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts	91b		No
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country <input type="checkbox"/> _____	91c		No
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> _____	92		

Part VII Analysis of Income-Producing Activities (See 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					749,197
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	32,163	
96 Dividends and interest from securities			14	1,842,027	
97 Net rental income or (loss) from real estate					
a debt-financed property			16	10,400	
b non 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	4,685	
101 Net income or (loss) from special events			01	-535,386	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a See Additional Data Table					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				1,923,707	922,947
105 Total (add line 104, columns (B), (D), and (E))					2,846,654

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 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)
	See Additional Data Table

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See 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: _____ Date: 2007-05-09

PETER LEHNER EXECUTIVE DIRECTOR
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ 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

Preparer's SSN or PTIN (See Gen Inst W): _____
EIN: _____
Phone no: _____

**SCHEDULE A
(Form 990 or 990EZ)**

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or 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

2005

Department of the Treasury
Internal Revenue Service

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
DAVID HAWKINS C/O NRDC 40 WEST 20TH STREET NEW YORK, NY 10011	DIR OF CLIMATE CNTR 35	182,685	33,460	0
PHILIP GUTIS C/O NRDC 40 WEST 20TH STREET NEW YORK, NY 10011	DIR COMMUNICATIONS 35	172,441	16,752	0
TOM COCHRAN C/O NRDC 40 WEST 20TH STREET NEW YORK, NY 10011	DIR OF NUCLEAR PRGRM 35	160,867	32,455	0
SARAH CHASIS C/O NRDC 40 WEST 20TH STREET NEW YORK, NY 10011	SENIOR ATTORNEY 35	160,867	15,492	0
WESLEY WARREN C/O NRDC 40 WEST 20TH STREET NEW YORK, NY 10011	DIR OF PROGRAMS 35	160,771	15,015	0
Total number of other employees paid over \$50,000	157			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individual 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
MARCO DEVELOPMENT PO BOX 294 PRINCETON, NJ 08542	CONSULTANT	456,469
PRICEWATERHOUSECOOPERS LLP PO BOX 7247-8001 PHILADELPHIA, PA 19170	AUDITORS	383,911
STEPHEN E MILLS 1291 CERRO GORDO ROAD SANTA FE, NM 87501	CONSULTANT	180,019
SIMPATICO PARTNERS LLC 393 WEST END AVENUE NEW YORK, NY 10024	CONSULTANTS	99,787
MICHAEL JASNY C/O NRDC 40 WEST 20TH STREET NEW YORK, NY 10011	CONSULTANT	90,133
Total number of others receiving over \$50,000 for professional services	74	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individual or firms. If there are none, enter "None". See page X for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
EVENSONBEST LLC 641 AVENUE OF THE AMERICAS 6TH FLO NEW YORK, NY 10011	FURNITURE MANUFACTUR	350,174
THE STAUBACH COMPANY - NORTHEAST 8484 WEST PARK DRIVE SUITE 150 MCCLEAN, VA 22102	REAL ESTATE AGENT	176,776
TECHSPACE INC 41 EAST 11TH STREET NEW YORK, NY 10003	RENTAL SERVICES	115,274
CORASWORKS CORPORATION 12007 SUNRISE VALLEY DRIVE SUITE 2 RESTON, VA 20191	COMPUTER SOFTWARE	77,832
DELL MARKETING LLP PO BOX 643561 PITTSBURGH, PA 152643561	COMPUTER SALES	51,538
Total number of other contractors receiving over \$50,000 for other services	25	

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, include 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>821,513</u> (Must equal amounts on line 38, Part VI-A, or line 1 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.	1 Yes	
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.) <input checked="" type="checkbox"/>		
a	Sale, exchange, or leasing property?	2a Yes	
b	Lending of money or other extension of credit?	2b	No
c	Furnishing of goods, services, or facilities?	2c Yes	
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d Yes	
e	Transfer of any part of its income or assets?	2e	No
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.)	3a	No
b	Do you have a section 403(b) annuity plan for your employees?	3b Yes	
c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3c	No
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?	4a	No
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b	No

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	<input type="checkbox"/> A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i)								
6	<input type="checkbox"/> A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)								
7	<input type="checkbox"/> A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).								
8	<input type="checkbox"/> A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).								
9	<input type="checkbox"/> 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	<input type="checkbox"/> 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	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)								
12	<input type="checkbox"/> 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	<input type="checkbox"/> 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) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: <input type="checkbox"/> Type 1 <input type="checkbox"/> Type 2 <input type="checkbox"/> Type 3								
Provide the following information about the supported organizations (see page 5 of the instructions.)									
<table border="1"> <thead> <tr> <th>(a) Name(s) of supported organization(s)</th> <th>(b) Line number from above</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>		(a) Name(s) of supported organization(s)	(b) Line number from above						
(a) Name(s) of supported organization(s)	(b) Line number from above								
14	<input type="checkbox"/> An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)								

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)**

	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?	29	
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?	30	
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)	31	
32 Does the organization maintain the following	32a	
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
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?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
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	34b	
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	35	

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		(a) Affiliated group totals	(b) To be completed for ALL electing organizations												
(The term "expenditures" means amounts paid or incurred)															
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	63,022												
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	758,491												
38	Total lobbying expenditures (add lines 36 and 37)	38	821,513												
39	Other exempt purpose expenditures	39	62,953,332												
40	Total exempt purpose expenditures (add lines 38 and 39)	40	63,774,845												
41	Lobbying nontaxable amount Enter the amount from the following table— <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">If the amount on line 40 is—</td> <td style="width: 50%;">The lobbying nontaxable amount is—</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </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	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	41	1,000,000
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														
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	0												
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	0												

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)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(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	821,513	1,091,181	929,934	861,524	3,704,152
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	63,022	180,116		215,692	681,551

Part VI-B Lobbying Activity by Nonelecting Public Charities

(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	Yes	No	Amount
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 .)			

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

TY 2005 General Explanation Attachment

Name: NATURAL RESOURCES DEFENSE COUNCIL INC

EIN: 13-2654926

Identifier	Return Reference	Explanation
GENERAL EXPLANATION 1	FORM 990, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>The purpose of Natural Resources Defense Council (NRDC) is to safeguard the Earth's people, its plants and animals, and the natural systems on which all life depends. Our work is divided principally among six broad program areas: Curbing Global Warming, Moving America Beyond Oil, Reviving the World's Oceans, Saving Endangered Wild Places, Stemming the Tide of Toxic Chemicals, and Accelerating the Greening of China. 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.</p> <p>1) Curbing Global Warming Total Expense \$9,736,715 With the nation's leading team of legal, scientific, and policy experts, NRDC has guided many of the emerging solutions to the threat of global warming. But given the escalating danger, we are acting now to speed up the wholesale adoption of cleaner sources of energy both at home and abroad. Scientists agree that our nation must cut carbon emissions by more than half by 2050, and NRDC has a comprehensive plan for reaching that ambitious target. In fiscal year 2006, NRDC's highlights of accomplishments from the global warming team include: "NRDC helped put California on the path to clean energy by pushing forward a flagship law in the state as the centerpiece of a package of global warming legislation. We worked on many fronts to achieve this—in the business community, in the media, in the public health arena, in the state legislature, and in the court of public opinion. Bringing all of our expertise to bear, we helped move California into the international forefront of global warming solutions." The success in California is just a part of NRDC's state-by-state global warming strategy. For example, we also worked hard to encourage New York and other northeast states to adopt the regional greenhouse gas initiative with the nation's best system for allocating pollution allowances. We will now press other states and Congress to follow these examples. We will continue this effort until rigorous global warming solutions are in place at the national level by recommending a long-term declining cap on global warming pollution, a policy which found its way into the Waxman, Jeffords-Boxer, and Kerry-Snowe bills in the 109th Congress. "NRDC was a party in the first global warming case to reach the Supreme Court, leading a coalition of states, cities, and other environmental groups. The case, Massachusetts v. EPA, challenges the Bush administration's claim that the Clean Air Act does not cover the heat-trapping pollutants that cause global warming. The case is helping build public support for the new Congress to act. NRDC was also part or counsel in several other path-breaking global warming cases. 2) Moving America Beyond Oil Total Expense \$7,322,869 NRDC has already pioneered a wide array of measures to bring cleaner vehicles to market, including the first-ever standard to limit global warming pollution from cars, now being adopted in 11 states. Now we are scaling up our work to succeed in a broader strategy that will propel the world into a future of low-polluting vehicles first focusing on the United States, which has the cutting-edge technology and market clout to set new worldwide standards. In fiscal year 2006, NRDC's highlights of accomplishments from the Beyond Oil team include: "In November 2005, NRDC stepped forward with draft federal legislation that offers America long-term, positive solutions for slashing our oil use and enhancing our national and economic security. More important, we garnered unprecedented bipartisan support for the bill in the midst of a bitterly divided Congress. The key to the bill's appeal has been its common-sense, solutions-based approach to energy security. The Fuel Choices for American Security Act calls for saving at least 2.5 million barrels of oil a day within a decade—that's more oil than we currently import from the Persian Gulf. The legislation then lays out a practical plan for achieving those savings, including incentives for automakers to improve vehicle efficiency, programs for farmers to develop a new generation of biofuels, and new efficiency performance standards for tires and heavy-duty trucks. "We are also building momentum outside the Beltway. In the summer of 2006, four NRDC staff members hit the road in the Drive Beyond Oil Tour, cruising across nine states in a Ford Escape Hybrid SUV and a 2006 Chevrolet Impala that ran on ethanol and gas. They met citizens, community leaders, and the press to show that readily available, mainstream technology can slash oil use. Thanks to our press outreach, we reached 1 million people on that trip and 2 million more on a second trip, through Florida. And we have also hosted town hall meetings and mobilized thousands of students through a 70-plus college campus tour. "At the end of 2004, NRDC came out with a report called Growing Energy. Back then, biofuels were viewed largely as an agricultural subsidy. But our report demonstrated that biofuels can be environmentally responsible and big economic winners for farmers. We started briefing Congress, and legislators expressed great interest. They were hungry for solutions, and they used our report right away. Most of our biofuels recommendations were included almost verbatim in the Energy Policy Act passed in August 2005. In FY06 we were active in refining and implementing many of these recommendations. 3) Reviving the World's Oceans Total Expense \$3,460,299 NRDC has led targeted campaigns to restrict bottom trawling, rebuild important fish populations, and block the worldwide deployment of deadly low-frequency sonar. But pervasive global threats now demand a more comprehensive strategy to revive the world's oceans. So we are ramping up to champion an enforceable system of Marine Safe Zones in key places that can help replenish the long-term health of the world's oceans. In fiscal year 2006, NRDC's highlights of accomplishments from the Oceans and Waters team include: "This year brought a major victory for whales when we temporarily blocked, and then forced safeguards in, the U.S. Navy's use of lethal, high-intensity sonar in its biennial war games—known as Rim of the Pacific, or RIMPAC, exercises—off the coast of Hawaii. The blasts are so intense that they can disturb, injure, and even kill marine animals. Another law suit is already pending to extend these safeguards beyond Hawaii to naval sonar training exercises throughout U.S. waters. "NRDC's fight to protect the oceans stretches south to Chile, where our online activists have sent more than 60,000 messages urging President Bachelet to protect one of the world's most important nurseries for endangered blue whales. "In the cold waters of the Arctic, we're pressuring the U.S. Fisheries Service to save the imperiled beluga whale, whose populations have dropped to below 200 individuals as a result of hunting, pollution, and oil and gas industry activity. "And we're readying ourselves for the next fight, as we gather opposition to Iceland's recent decision to resume commercial whaling. We're building partnerships with international, national, and state governing bodies to raise awareness about the other issues that most threaten the health of our oceans—bottom trawling, bycatch, and marine pollution. 4) Saving Endangered Wild Places Total expense \$14,332,176 Since 2001, NRDC's BioGems Initiative has emerged as a leading protector of wilderness by combining expert advocacy, online citizen activism, and front-line work by local partners in defense of our hemisphere's most imperiled ecosystems. Our high-profile campaigns have helped block destructive development in dozens of world-renowned wildlands—some even reverberating far beyond their immediate target into viable sustainable business models within particular industries. In fiscal year 2006, NRDC's highlights of accomplishments from the Wild Places team include: "When the Bush administration decided this year to sell oil and gas leases on 35,000 acres of wilderness quality lands in southern Utah's Redrock Wilderness, we went to court on behalf of the region's bighorn sheep, pronghorn antelope, peregrine falcons, and other wildlife. We argued that the administration broke the law by rushing to sell off this land, and the courts agreed. Siding with NRDC and our partners at the Southern Utah Wilderness Alliance, a court ruled in August 2006 that the Bureau of Land Management had acted illegally when it put these lands up for auction—lands BLM itself had identified as having wilderness character—without first studying the potential effects of drilling-related activity on the fragile desert soils and rich array of wildlife. "We also formed partnerships with local community and preservation groups, and the strength of these alliances helped us successfully challenge the Bureau of Land Management's decision to put Utah's fragile desert lands up for auction. "The Bush administration designated the remote Northwestern Hawaiian Islands archipelago—home to 70 percent of America's coral reefs—as a national monument with the support of NRDC. "After an arduous, four-year legal battle, a federal judge sided with NRDC and blocked a set of permits for a massive limestone mining project in the heart of the fragile Florida Everglades. "On February 7, 2006, the government of British Columbia granted formal protection to more than 5 million acres of the Great Bear Rainforest—one of NRDC's first BioGems and the home of the Spirit Bear, a rare, white-colored black bear. "Following a year of unprecedented pressure from BioGems Defenders and other NRDC activists, including an 11th-hour flood of phone calls to Capitol Hill, 44 senators filibustered a defense spending bill that would have opened the Arctic Refuge to massive oil development. "More than 35,000 messages from BioGems Defenders helped lead to a major breakthrough in efforts to save the vaquita marina, a small porpoise found only in the Upper Gulf of California, Mexico. 5) Stemming the Tide of Toxic Chemicals Total expense \$7,673,681 Over 20 years, NRDC has developed an unmatched expertise in the link between chemicals and disease. Now we are pursuing a far-reaching strategy, one that recognizes the very pervasiveness of toxic chemicals in consumer products and presents the best opportunity for phasing out these toxic ingredients. NRDC is helping eliminate 10 major families of toxic chemicals by guiding major retail chains to substitute less-toxic alternatives in their key products. The result will be a healthier environment for millions of adults and children. In fiscal year 2006, NRDC's highlights of accomplishments from the Toxics team include: "In the aftermath of Katrina NRDC assisted both in the immediate hurricane cleanup and in the righting of these environmental injustices. Across the devastated city, our scientists found mold growing as thick as grass, giving off so many spores that it would be dangerous to people with respiratory problems. A heavy layer of tarlike sediment covered houses, sidewalks, and streets. Our tests of the sediment revealed elevated levels of arsenic, lead, diesel, and, in one neighborhood, cancer-causing toxins that had been flushed out of an old hazardous waste site. NRDC's field studies were the first conducted in the city, and we made sure the residents of New Orleans heard the results. "We organized press conferences so our local partners, including the Deep South Center for Environmental Justice and Advocates for Environmental Human Rights could spread the word about the hazards. We distributed information on proper cleanup techniques. And when the EPA released data on environmental hazards in an inscrutable form, we analyzed the numbers and overlaid them on a map of New Orleans, so residents could go to our website and find out what toxins were present in their neighborhoods. "NRDC attorneys stepped in when the oil and paper industries, among others, shamelessly called on Washington to roll back clean air and water protections in the wake of the hurricane. Thanks to a potent combination of our New Orleans partners' testimony and our ability to navigate Capitol Hill, Congress opposed most of the rollbacks. "In 2006, we launched our new science center to greatly expand the scope of our scientific analysis—and to advance science that is conducted in the interest of fact and clarity. Led by our new director who brings to NRDC extensive experience in conservation biology and ecology, the science center will expand NRDC's technical capabilities as well as increase the visibility of environmental policy debates within the scientific community. Already, our four new science fellows are making headway on several fronts. For instance, one of our fellows assessed 10 years' worth of Endangered Species Act decisions involving genetic data that ensure the protection of numerous animals, including the northern spotted owl and Puget Sound's whales. Her efforts aim to prevent tainted science from being used to remove protections from these endangered species. 6) Accelerating the Greening of China Total expense \$1,414,898 After a decade of successful work on the ground in China, NRDC has become one of the nation's leading nongovernmental advisors on the critical environmental issues arising from skyrocketing energy demand. NRDC is now poised to help shift this economic superpower toward sustainable policies that will slash its use of coal, oil, natural resources, and toxic chemicals, even as it becomes a leading global innovator of green technologies. In fiscal year 2006, NRDC's highlights of accomplishments from the China team include: "We proposed a series of energy efficient policies to help the nation meet its ambitious goal of reducing energy consumption by 50 percent in 10 years, from utility-based measures to vehicle-efficiency initiatives, from municipal building models to consumer electronics standards. Our package of clean energy solutions could help China avoid building 600 new coal plants in the next decade, saving a staggering 2 billion tons of carbon emissions each year by 2050. "NRDC is also taking action at the grassroots level to foster a connection with the environment in China's 1.25 billion people. Our reputation as a reliable ally and a leading provider of impartial science gives us the unique ability to partner with community groups, local organizations, and the federal government. "We're bringing together public health experts and local officials to improve children's health in the smog-heavy city of Chongqing. "Along with our partners at the Jiangsu Economic and Trade Commission, we're developing demand side management financial incentive programs to promote cleaner power plants. "And after playing an instrumental role in creating the Shanghai Green Building Promotion Council, we're now working to retrofit old buildings with new, energy efficient, green building technology. 7) Communications and Public Education Total expense \$7,156,545 NRDC promotes environmental solutions by driving advocacy on multiple fronts. We've achieved unparalleled success in the courtroom and in Congress by winning the support of critical new constituencies, spreading our message to new audiences, and mobilizing our committed core of members and online activists. By weaving together these diverse strategies for tackling environmental problems, NRDC is generating real and measurable progress—in the form of better policies, tougher laws, greener technologies, and more sustainable markets in FY2006. "Enlisting millions of citizens in our online network to propel environmental change only NRDC combines unmatched policy expertise with a powerful grassroots community that unites more than 1.2 million concerned Americans. Our online citizens' network has been a driving force behind some of NRDC's greatest victories—in this year alone, saving the rare white spirit bear in our Canadian Great Bear Rainforest BioGem and securing a sanctuary for sea turtles and other marine animals off Hawaii's coast. "Pioneering state policies to pave the way for national work NRDC is marching our message across America, one state at a time, to create a chain reaction of visionary environmental action. We're helping states pioneer top-priority legislation, such as our historic global warming victory in California. Our leadership helped eight eastern states to develop the Regional Greenhouse Gas Initiative, which uses market-based strategies to cut global warming pollution and foster new investment in cleaner technologies. Now we're working to add six more states to this critical initiative—in Illinois, where NRDC will open our Midwest office in early 2007. "Expanding outreach to galvanize public awareness and action. The world of communications is changing every minute. Messages are being tailored to increasingly narrow slivers of the population through a mushrooming menu of channels, and NRDC is at the forefront of these new media. From audio to video to electronic communication, NRDC is reaching people in more ways than ever before. Total Expenses for Program Services Accomplishments \$51,097,183</p>

Identifier	Return Reference	Explanation
GENERAL EXPLANATION 2	FORM 990, PART IV, LINE 64B, MORTGAGES AND OTHER NOTES PAYABLE	NRDC HAS A MORTGAGE LOAN WHICH BEARS INTEREST AT 6.45%, HAD AN OUTSTANDING BALANCE OF \$2,721,853 AND \$2,967,246 AT JUNE 30, 2006 AND 2005, RESPECTIVELY, WHICH WAS COLLATERALIZED BY THE OFFICE CONDOMINIUM IN NEW YORK CITY. THE LOAN IS DUE IN MONTHLY PAYMENTS, INCLUDING INTEREST, OF \$38,801 THROUGH AUGUST 14, 2014. NRDC MUST MAINTAIN A DEBT SERVICE COVERAGE RATIO, AS DEFINED, OF 1.25 TO 1.00. NRDC WAS IN COMPLIANCE WITH THIS COVENANT AT JUNE 30, 2006 AND 2005. NRDC HAS ANOTHER MORTGAGE LOAN WHICH BEARS INTEREST AT 8.29%, HAS AN OUTSTANDING BALANCE OF \$1,822,170 AND \$1,964,783 AT JUNE 30, 2006 AND 2005, RESPECTIVELY, WHICH 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.

Identifier	Return Reference	Explanation
GENERAL EXPLANATION 3	FORM 990, PART VI, OTHER INFORMATION, NAMES OF RELATED ORGANIZATIONS	THE NRDC ACTION FUND IS AN AFFILIATE OF THE NATURAL RESOURCES DEFENSE COUNCIL, INC THE ENVIRONMENTAL ACCOUNTABILITY FUND IS A PROJECT OF THE NRDC ACTION FUND

Identifier	Return Reference	Explanation
GENERAL EXPLANATION 4	FORM 990, PART V, BOARD OF TRUSTEES AND LINE 75B	<p>THE ADDRESS FOR ALL BELOW LISTED MEMBERS OF BOARD OF TRUSTEES IS C/O NRDC 40 WEST 20TH STREET NEW YORK, NY 10011</p> <p>FREDERICK A O SCHWARZ, JR ADAM ALBRIGHT PATRICIA BAUMAN ROBERT J FISHER ALAN HORN DANIEL R TISHMAN HENRY R BRECK JOHN ADAMS RICHARD E AYRES JOY COVEY LAURIE P DAVID LEONARDO DICAPRIO JOHN E ECHOHAWK BOB EPSTEIN MICHEL GELOBTER, PH D JILL TATE HIGGINS BOB KERREY CHARLES E KOOB PHILIP B KORSANT RUBEN KRAIEM NICOLE LEDERER MAYA LIN SHELLEY B MALKIN JOSEPHINE A MERCK PETER A MORTON WENDY K NEU FREDERICA PERERA, PH D ROBERT REDFORD CRUZ REYNOSO LAURANCE ROCKEFELLER JONATHAN F P ROSE THOMAS W ROUSH, M D PHILIP T (PETE) RUEGGER, III CHRISTINE H RUSSELL, PH D WENDY KIRBY SCHMIDT JAMES GUSTAVE SPETH JAMES TAYLOR JERALD TORRES ELIZABETH WIATT GEORGE M WOODWELL, PH D 1)ALL ABOVE MEMBERS OF BOARD OF TRUSTEES ARE NOT COMPENSATED 2) LINE 75B Frederick A O Schwarz, Jr and Frederica Perera, Trustees of NRDC, are married to each other</p>

Identifier	Return Reference	Explanation
GENERAL EXPANATION 5	FORM 990, PART II, LINE 25 AND STATEMENT 18	JOHN ADAMS WORKED AS PRESIDENT FROM 7/1/2005 TO 3/31/2006 AND FROM 4/1/2006 TO 6/30/2006 AS FORMER OFFICER PENSION PLAN CONTRIBUTIONS REFERRED AT STATEMENT 18 SHOULD READ EMPLOYEE BENEFIT PLANS

TY 2005 Investments - Securities Schedule

Name: NATURAL RESOURCES DEFENSE COUNCIL INC

EIN: 13-2654926

Description	Book Value	Cost/FMV
CHASE VISTA MONEY MARKET	5,393,737	
BOND MUTUAL FUNDS	8,654,377	
EQUITY MUTUAL FUNDS	41,580,137	
LIMITED PARTNERSHIPS	401,024	
REIT MUTUAL FUNDS	3,822,541	
TIFF INVESTMENTS	20,903,788	
MONEY MARKET FUNDS	575,754	
US GOVERNMENT & AGENCY DEBT	5,085,378	
CORPORATE & OTHER DEBT OBLGTS	4,328,698	
COMMON STOCKS	5,360,467	

TY 2005 Mortgages and Notes Payable Schedule

Name: NATURAL RESOURCES DEFENSE COUNCIL INC

EIN: 13-2654926

Total Mortgage Amount: 4544023

Item No.	1
Lender's Name	MORTGAGE LOANSEE GENERAL EXPLANATI
Lender's Title	
Relationship to Insider	
Original Amount of Loan	
Balance Due	4544023
Date of Note	
Maturity Date	
Repayment Terms	
Interest Rate	
Security Provided by Borrower	
Purpose of Loan	
Description of Lender Consideration	
Consideration FMV	

TY 2005 Officer Compensation Schedule

Name: NATURAL RESOURCES DEFENSE COUNCIL INC

EIN: 13-2654926

JOHN H ADAMS

	Compensation	EE Benefit Plans	Expense Acct
Program Services	186,767	26,946	0
Mgmt & General	26,681	0	0
Fundraising	53,362	2,994	0

FRANCES BEINECKE

	Compensation	EE Benefit Plans	Expense Acct
Program Services	164,013	24,759	0
Mgmt & General	37,849	0	0
Fundraising	50,465	2,751	0

JOHN H ADAMS

	Compensation	EE Benefit Plans	Expense Acct
Program Services	218,638	0	0
Mgmt & General	121,747	0	0
Fundraising	120,779	0	0

PATRICIA SULLIVAN

	Compensation	EE Benefit Plans	Expense Acct
Program Services	40,902	16,705	0
Mgmt & General	81,805	0	0
Fundraising	40,903	1,856	0

JUDY KEEFER

	Compensation	EE Benefit Plans	Expense Acct
Program Services	0	23,114	0
Mgmt & General	179,350	0	0
Fundraising	0	2,568	0

JACK MURRAY

	Compensation	EE Benefit Plans	Expense Acct
Program Services	19,685	19,072	0
Mgmt & General	19,685	0	0
Fundraising	157,480	2,119	0

TY 2005 Other Assets Schedule

Name: NATURAL RESOURCES DEFENSE COUNCIL INC

EIN: 13-2654926

Description	Beginning of Year Amount	End of Year Amount
INTEREST IN SPLIT-INTEREST	3,598,000	3,946,822
AGREEMENTS		

TY 2005 Other Changes in Net Assets Schedule**Name:** NATURAL RESOURCES DEFENSE COUNCIL INC**EIN:** 13-2654926

Description	Amount
UNREALIZED APPRECIATION	5,977,638
CHANGE IN MINIMUM PENSION LIABILITY	825,812
CHANGE IN VALUE OF SPLIT-INTEREST AGRM	966,506
TRANSFER TO CHARITABLE ORGANIZATION	509,080

TY 2005 Other Expenses Included Schedule

Name: NATURAL RESOURCES DEFENSE COUNCIL INC

EIN: 13-2654926

Description	Amount
NRDC SPECIAL EVENTS EXPENSES	1,188,854

TY 2005 Other Liabilities Schedule

Name: NATURAL RESOURCES DEFENSE COUNCIL INC

EIN: 13-2654926

Description	Beginning of Year Amount	End of Year Amount
SPLIT INTEREST AGREEMENTS		
- CHARITABLE GIFT ANNUITIES	10,128,729	10,605,836
- POOLED INCOME FUNDS	1,293,374	1,715,824

TY 2005 Other Revenues Included Schedule

Name: NATURAL RESOURCES DEFENSE COUNCIL INC

EIN: 13-2654926

Description	Amount
NRDC SPECIAL EVENTS EXPENSES	1,188,854

TY 2005 Special Events Schedule

Name: NATURAL RESOURCES DEFENSE COUNCIL INC

EIN: 13-2654926

Event Name	Gross Receipts	Contributions	Gross Revenue	Direct Expense	Net Income (Loss)
EVENT LA 06	60,975	836,800	60,975	560,119	-499,144
NY/FFN 06	91,160	732,616	91,160	229,337	-138,177
NY MOVIE PREMIER	34,054	273,622	34,054	12,388	21,666
OTHER SPECIAL EVENTS	467,279	452,959	467,279	387,010	80,269

TY 2005 Other Income Schedule**Name:** NATURAL RESOURCES DEFENSE COUNCIL INC**EIN:** 13-2654926

Description	2003	2002	2001	2000	Total
MAILING LIST RENTAL	518,164	516,499	323,092	246,699	1,604,454
PAMPHLETS, HONORORIA	9,300	8,000	14,284	13,748	45,332
OTHER	83,333	513,036	155,285	188,159	939,813
BOOK INCOME	11,210	16,588	21,366	39,012	88,176
ROYALTY INCOME		0	2,035	0	2,035
RELATED COALITION	287,416				287,416
RELATED SALES	10,385				10,385

TY 2005 Self Dealing Statement

Name: NATURAL RESOURCES DEFENSE COUNCIL INC

EIN: 13-2654926

Line Number	Explanation
2a	THE SON OF JOHN ROBINSON, AN HONORARY TRUSTEE OF NRDC, IS A BROKER WITH SMITH BARNEY WHO SOLD STOCK FOR NRDC ACCOUNT FROM TIME TO TIME.

Line Number	Explanation
2c	NRDC PAID TISHMAN CONSTRUCTION CORPORATION OF CALIFORNIA \$2,500 DURING FISCAL YEAR ENDING 30TH JUNE 2006 FOR REIMBURSEMENT OF TICKET COSTS TO ATTEND A BENEFIT. THOMAS A. TROYER, AN HONORARY TRUSTEE OF NRDC, ALSO IS A MEMBER OF CAPLIN & DRYSDALE, WHICH IS A LAW FIRM THAT DOES MODEST AMOUNTS OF LEGAL WORK FOR NRDC. CHARLES E. KOOB, A TRUSTEE OF NRDC, ALSO IS A MEMBER OF SIMPSON THACHER AND BARTLETT LLP, A FIRM WHICH PROVIDES LEGAL SERVICES TO NRDC. SARAH E. COGAN, AN OFFICER OF NRDC, ALSO IS A MEMBER OF SIMPSON THACHER AND BARTLETT LLP, A FIRM WHICH PROVIDES LEGAL SERVICES TO NRDC. PETER RUGER, A TRUSTEE OF NRDC, ASLO IS A MEMBER OF SIMPSOM THACHER AND BARTLETT LLP, A FIRM WHICH PROVIDES LEGAL SERVICES TO NRDC.

Line Number

Explanation

2d

FORM 990, PART V

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2005 Supplemental Support Schedule

Name: NATURAL RESOURCES DEFENSE COUNCIL INC

EIN: 13-2654926

Year	Gifts, Grants and Contributions Received	Membership Fees Received	Gross Receipts From Admissions, Etc.	Gross Investment Income And Post 1975UBI	Net UBI Pre 1975	Tax Revenues Levied For Organization's Benefit	Value Of Services, Facilities Furnished By Government	Other Income	Total
2005	73,329,665		621,074	1,646,208				919,808	76,516,755
2004	55,028,792		569,015	1,279,489				1,054,123	57,931,419
2003	55,823,431		2,070,764	1,494,310				516,062	59,904,567
2002	46,824,796		641,945	1,761,151				487,618	49,715,510

Exempt Organization Declaration and Signature for Electronic Filing

For calendar year 2006, or tax year beginning 07/01, 2006, and ending 06/30, 2006

2005

Department of the Treasury Internal Revenue Service

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

See instructions on back.

Name of exempt organization

Employer identification number

NATURAL RESOURCES DEFENSE COUNCIL, INC.

13-2654926

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8453-EO and enter the applicable amount from the return if any. If you check the box on line 1a, 2a, 3a, 4a, or 5a below and the amount on that line for the return for which you are filing this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b whichever is applicable, blank (i.e. do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

Table with 5 rows (1a-5a) and 2 columns (Form check, Total revenue/tax/balance due). Row 1a is checked with amount 70139209.

Part II Declaration of Officer

6 I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account.

If a copy of this return is being filed with a state agency(s) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(s).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2005 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here Signature of officer Date Title EXECUTIVE DIRECTOR

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge if I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return.

ERO's Use Only section with signature, date 5/9/2007, firm name PRICEWATERHOUSECOOPERS LLP, EIN 13-4008324, address 300 MADISON AVENUE NEW YORK NY 10017, phone 646-471-3000.

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer's Use Only section with signature, date 5/9/2007, firm name PRICEWATERHOUSECOOPERS LLP, EIN 13-4008324, address 300 MADISON AVENUE NEW YORK NY 10017, phone 646-471-3000.

For Privacy Act and Paperwork Reduction Act Notice, see back of form.

Form 990, Part VIII - Relationship of Activities to the Accomplishment of Exempt Purposes:

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).
93A	ENVIRONMENTAL LITIGATION CONTRIBUTES TO THE PROTECTION OF
0	OUR NATURAL RESOURCES
103B	BOOK INCOME & HONORARIA INCOME FROM PUBLICATION SALES AND
0	OTHER EFFORTS CONDUCTED TO EDUCATE THE PUBLIC
103B	RELATED SALES INTERNAL TRANSFER RELATED TO ENVIRONMENTAL
0	PURPOSES
103B	RELATED COALITION ENVIRONMENTAL LITIGATION CONTRIBUTES TO
0	THE PROTECTION OF OUR NATURAL RESOURCES

Form 990, Part VII, Line 103 - Other revenue:

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	
a BOOK INCOME					8,598
b HONORARIA					7,450
c LIST RENTAL INCOME			13	550,321	
d RELATED SALES					4,206
e RELATED COALITION					153,496
f OTHER INCOME			13	19,497	

Form 990, Part VI, Line 90a - List the states with which a copy of this return is filed:

List the states with which a copy of this return is filed	AL, AK, AZ, AR, CA, CO, CT, FL, GA, HI, IL, IN, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, TN, TX, UT, VT, VA, WA, WV
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Form 990, Part VI, Line 80b - If "Yes", enter the name of the organization and whether it is exempt or nonexempt:

Name of the Organization	Exempt	Nonexempt
NRDC ACTION FUND	X	
ENVIRONMENTAL ACCOUNTABILITY FUND	X	

Additional Data**Software ID:****Software Version:****EIN:** 13-2654926**Name:** NATURAL RESOURCES DEFENSE COUNCIL INC**Form 990, Part II, Line 43 - Other expenses not covered above (itemize):**

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
a PROFESSIONAL CONSULTING FEES	43a	6,471,020	5,971,189	208,681	291,150
b PUBLIC AFFAIRS & ADVERTISING	43b	1,504,336	1,501,571		2,765
c MEMBERSHIP MAINTENANCE	43c	689,823	647,698		42,125
d LISTS	43d	1,238,254	1,028,897		209,357
e FINANCIAL SERVICES	43e	557,174	427,770	76,853	52,551
f INSURANCE	43f	502,501	387,781	67,084	47,636
g TEMPORARY CLERICAL	43g	342,819	107,977	162,782	72,060
h DELIVERY EXPENSES	43h	162,881	75,345	61,856	25,680
i RECRUITING EXPENSES	43i	130,786	46,887	83,899	
j SUBSCRIPTION & LIBRARY	43j	198,155	189,228	5,135	3,792
k ENVIRONMENTAL COALITION EXPENS	43k	773,811	773,811		
l COMPUTER EXPENSES	43l	373,016	354,208	18,061	747
m SOFTWARE EXPENSES	43m	136,778	102,010	22,237	12,531
n PROPERTY TAXES	43n	84,922	65,534	11,337	8,051
o FILING FEES	43o	16,844	12,998	2,249	1,597
p MISC STORAGE FEES	43p	63,905	44,259	13,350	6,296
q MISC OVERHEAD EXPENSES	43q	93,806	72,391	12,522	8,893
r COURT COSTS	43r	87,819	87,819		
s CREDIT CARD COSTS	43s	116,270	905		115,365
t VENUE COSTS	43t	182,313	8,788	149,644	23,881
u MEMBERSHIP FEES/BAR DUES	43u	57,169	37,218	18,449	1,502
v CONTRIBUTIONS TO OTHER ORGS	43v	1,782,837	1,779,684	3,153	
w OTHER EXPENSES	43w	178,134	92,385	84,223	1,526