

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2007

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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

A For the 2007 calendar year, or tax year beginning **OCT 1, 2007** and ending **SEP 30, 2008**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization RAILS-TO-TRAILS CONSERVANCY	D Employer identification number 52-1437006
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2121 WARD CT., NW 5TH FLOOR	E Telephone number (202) 331-9696
		City or town, state or country, and ZIP + 4 WASHINGTON, DC 20037	F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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).

Hand 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 **N/A**

H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)

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

G Website: **WWW.RAILSTOTRAILS.ORG**

J Organization type (check only one) 501(c) (3) (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

I Group Exemption Number **N/A**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **6,981,928.**

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

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Contributions to donor advised funds	1a			
	b Direct public support (not included on line 1a)	1b	4,939,630.		
	c Indirect public support (not included on line 1a)	1c	424,874.		
	d Government contributions (grants) (not included on line 1a)	1d			
	e Total (add lines 1a through 1d) (cash \$ 5,364,504. noncash \$ _____)	1e			5,364,504.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			529,639.
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			11,110.
	5 Dividends and interest from securities	5			51,213.
	6 a Gross rents	6a			
	b Less: rental expenses	6b			
c Net rental income or (loss). Subtract line 6b from line 6a	6c				
7 Other investment income (describe _____)	7				
8 a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	810,382.	8a			
	761,671.	8b			
	48,711.	8c			
d Net gain or (loss). Combine line 8c, columns (A) and (B) STMT 1	8d			48,711.	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	a Gross revenue (not including \$ _____ of contributions reported on line 1b) ...	9a			
	b Less: direct expenses other than fundraising expenses	9b			
	c Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
10 a Gross sales of inventory, less returns and allowances	10a	54,967.			
	b Less: cost of goods sold	10b	28,211.		
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a STMT 2	10c			26,756.
11 Other revenue (from Part VII, line 103)	11			160,113.	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12			6,192,046.	
Expenses	13 Program services (from line 44, column (B))	13		4,392,454.	
	14 Management and general (from line 44, column (C))	14		728,731.	
	15 Fundraising (from line 44, column (D))	15		929,132.	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses. Add lines 16 and 44, column (A)	17			6,050,317.
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12	18		141,729.	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		1,936,523.	
	20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 3	20		<274,154.>	
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21			1,804,098.

723001 12-27-07

LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

COPY Form 990 (2007)

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.

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
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (attach schedule) (cash \$ 62,337 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	62,337.	62,337.	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	855,767.	642,186.	104,784.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26	1,616,788.	1,366,171.	101,008.
27 Pension plan contributions not included on lines 25a, b, and c	27	79,687.	67,885.	4,626.
28 Employee benefits not included on lines 25a - 27	28	177,865.	143,881.	15,818.
29 Payroll taxes	29	175,402.	142,637.	14,535.
30 Professional fundraising fees	30	245,309.	53,218.	156,800.
31 Accounting fees	31	22,667.	0.	0.
32 Legal fees	32	76,575.	73,865.	0.
33 Supplies	33	128,377.	20,652.	78.
34 Telephone	34	95,542.	21,145.	10.
35 Postage and shipping	35	471,349.	210,011.	206,979.
36 Occupancy	36	478,232.	70,602.	0.
37 Equipment rental and maintenance	37			
38 Printing and publications	38	475,668.	298,433.	127,334.
39 Travel	39	202,623.	157,350.	17,417.
40 Conferences, conventions, and meetings	40	1,850.	1,750.	0.
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule)	42	50,707.	3,458.	0.
43 Other expenses not covered above (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g SEE STATEMENT 4	43g	833,572.	1,056,873.	179,743.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	6,050,317.	4,392,454.	929,132.

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 \$ 1,739,592. ; (ii) the amount allocated to Program services \$ 576,335. ;
 (iii) the amount allocated to Management and general \$ 234,524. ; and (iv) the amount allocated to Fundraising \$ 928,733.

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.

What is the organization's primary exempt purpose? ► SEE STATEMENT 10	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
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.)	
a SEE STATEMENT 6	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,012,841.
b SEE STATEMENT 7	
(Grants and allocations \$ 62,337.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,045,314.
c SEE STATEMENT 8	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,191,580.
d SEE STATEMENT 9	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	758,095.
e Other program services (attach schedule) SEE STATEMENT 11	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	384,624.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	4,392,454.

Form 990 (2007)

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) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	2,804.	45	2,866.
	46 Savings and temporary cash investments	284,838.	46	509,875.
	47 a Accounts receivable	240,648.		
	b Less: allowance for doubtful accounts	0.		
		470,253.	47c	240,648.
	48 a Pledges receivable	532,587.		
	b Less: allowance for doubtful accounts	0.		
		356,097.	48c	532,587.
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable			
	b Less: allowance for doubtful accounts			
			51c	
	52 Inventories for sale or use	30,793.	52	42,942.
53 Prepaid expenses and deferred charges	93,548.	53	73,589.	
54 a Investments - publicly-traded securities STMT 13 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	1,140,122.	54a	797,353.	
b Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b		
55 a Investments - land, buildings, and equipment: basis				
b Less: accumulated depreciation				
		55c		
56 Investments - other		56		
57 a Land, buildings, and equipment: basis	867,976.			
b Less: accumulated depreciation	204,920.			
	25,043.	57c	663,056.	
58 Other assets, including program-related investments (describe ▶ DEPOSITS)	32,365.	58	31,127.	
59 Total assets (must equal line 74). Add lines 45 through 58	2,435,863.	59	2,894,043.	
Liabilities	60 Accounts payable and accrued expenses	475,744.	60	441,644.
	61 Grants payable	4,762.	61	4,762.
	62 Deferred revenue	9,128.	62	45,750.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe ▶ SEE STATEMENT 12)	9,706.	65	597,789.
66 Total liabilities. Add lines 60 through 65	499,340.	66	1,089,945.	
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	598,907.	67	277,209.
	68 Temporarily restricted	708,538.	68	897,811.
	69 Permanently restricted	629,078.	69	629,078.
	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 and column (B) must equal line 21)	1,936,523.	73	1,804,098.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	2,435,863.	74	2,894,043.

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

Yes No

75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 12

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 X

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 the organization? See the instructions for the definition of "related organization."

75c X

If "Yes," attach a statement that includes the information described in the instructions.

d Does the organization have a written conflict of interest policy?

75d X

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.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans, (E) Expense account and other allowances. Row 1 contains 'NONE' in column A.

Part VI Other Information (See the instructions.)

Yes No

76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change

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? N/A

78b

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 N/A and check whether it is exempt or nonexempt

81 a Enter direct and indirect political expenditures. (See line 81 instructions.) 81a 0.

81b

b Did the organization file Form 1120-POL for this year?

81b X

Part VI Other Information (continued)		Yes	No
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? 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.)	X	
82b	103,606.		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible? b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
84a	N/A		
84b	N/A		
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		
85a	N/A		
85 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		
85c	Dues, assessments, and similar amounts from members		
85c	N/A		
85d	Section 162(e) lobbying and political expenditures		
85d	N/A		
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85e	N/A		
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85f	N/A		
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85g	N/A		
85h	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) organizations. Enter: a Initiation fees and capital contributions included on line 12 b Gross receipts, included on line 12, for public use of club facilities		
86a	N/A		
86b	N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
87a	N/A		
87b	N/A		
88 a	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		X
88a			X
88 b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
88b			X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0.; section 4912 0.; section 4955 0.		
89a			
89 b	501(c)(3) and 501(c)(4) organizations. 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		X
89b			X
89 c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
89c	0.		
89 d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
89d	0.		
89 e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89e			X
89 f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89f			X
89 g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? N/A		
89g			
90 a	List the states with which a copy of this return is filed		
90a	SEE STATEMENT 15		
90 b	Number of employees employed in the pay period that includes March 12, 2007	90b	39
91 a	The books are in care of RAILS-TO-TRAILS CONSERVANCY Telephone no. 202-331-9696 Located at 2121 WARD CT., NW 5TH FLOOR, WASHINGTON, DC ZIP + 4 20037		
91a			
91 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		X
91b	N/A		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c
 If "Yes," enter the name of the foreign country ▶ N/A

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 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) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a MEETINGS AND EVENTS					1,050.
b CONTRACTS					528,589.
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	11,110.	
96 Dividends and interest from securities			14	51,213.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
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	48,711.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					26,756.
103 Other revenue:					
a MISCELLANEOUS					10,136.
b LIST RENTAL			15	26,727.	
c SUBLEASE RENTAL			16	82,770.	
d REIMBURSED EXPENSES					11,516.
e ROYALTY INCOME			15	28,964.	
104 Subtotal (add columns (B), (D), and (E))			0.	249,495.	578,047.
105 Total (add line 104, columns (B), (D), and (E))					827,542.

Note: Line 105 plus line 1e, 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 STATEMENT 16

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
N/A	%			
	%			
	%			
	%			

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).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). **N/A**

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

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: *Keith Laughlin* Signature of officer | 2/12/09 Date
 Type or print name and title: *Keith Laughlin, President*

Paid Preparer's Use Only: Preparer's signature: *RH SA* Date: 2/6/2009 Check if self-employed: Preparer's SSN or PTIN (See Gen. Inst. X):
 Firm's name (or yours if self-employed), address, and ZIP + 4: RAIFA, P.C. 1899 L STREET, NW, SUITE 900 WASHINGTON, DC 20036
 EIN: Phone no.: (202) 822-5000

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No. 1545-0047

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

2007

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization RAILS-TO-TRAILS CONSERVANCY	Employer identification number 52 1437006
--	---

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
MARIANNE FOWLER : 2121 WARD CT., NW 5TH FL., WASHINGTON, DC 20037	SR VP FEDERAL	REL 98,155.	11,086.	0.
JANE BROOKSTEIN : 2121 WARD CT., NW 5TH FL., WASHINGTON, DC 20037	MEMBERSHIP DIR.	74,430.	9,409.	0.
TOM SEXTON : 2121 WARD CT., NW 5TH FL., WASHINGTON, DC 20037	REGIONAL DIR.	69,880.	4,758.	0.
LAURA COHEN : 2121 WARD CT., NW 5TH FL., WASHINGTON, DC 20037	REGIONAL DIR.	71,731.	17,543.	0.
RHONDA BORDER-BOOSE: 2121 WARD CT., NW 5TH FL., WASHINGTON, DC 20037	REGIONAL DIR.	64,338.	5,221.	0.
Total number of other employees paid over \$50,000 ▶	7			

Part II-A 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
MAL WARWICK 2550 NINTH STREET, SUITE 103, BERKELEY, CA 94710	FUNDRAISING CONSULTING	120,000.
PUBLIC INTEREST COMMUNICATIONS:7700 LEESBURG PIKE #301 NORTH, FALLS CHURCH, VA 22043	PROF. FUNDRAISING	100,918.
ANDREA FESTER 2121 WARD CT., NW, 5TH FL, WASHINGTON, DC 20037	CONSULTING	76,425.

Total number of others receiving over \$50,000 for professional services ▶	0	

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 individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
MAL WARWICK 2550 NINTH STREET, SUITE 103, BERKELEY, CA 94710	DIRECT MAIL	757,805.
GENERAL SYSTEMS CORPORATION 8306 D OLD COURTHOUSE ROAD, VIENNA, VA 22182	PUBLIC INFO/ EDUCATION	164,128.
THE MAGAZINE GROUP 1707 L ST., NW, 3RD FLOOR, WASHINGTON, DC 20036	MAGAZINE PROD.	161,515.
THE SCOTT GROUP 348 THOMPSON CREEK, #136, STEVENSVILLE, MD 21666	DIRECT MAIL SERVICES	129,376.
PROLIST 8341 BEECHCRAFT AVENUE, GAITHERSBURG, MD 20879	DIRECT MAIL SERVICES	82,833.
Total number of other contractors receiving over \$50,000 for other services ▶	2	

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>41,442.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) VI-A, LINE 38B	X	
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.			
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?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990	X	
e	Transfer of any part of its income or assets?		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.) SEE STATEMENT 17	X	
b	Did the organization have a section 403(b) annuity plan for its employees?	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966? N/A		
c	Did the organization make a distribution to a donor, donor advisor, or related person? N/A		
d	Enter the total number of donor advised funds owned at the end of the tax year	N/A	
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	N/A	
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts	0.	
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year	0.	

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions.)

I certify that 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					▶

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 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.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2,812,957.	2,816,603.	2,053,242.	2,309,258.	9,992,060.
16 Membership fees received	2,317,150.	2,359,950.	2,282,476.	2,304,543.	9,264,119.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	919,844.	550,508.	1,204,173.	945,887.	3,620,412.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	267,410.	251,019.	222,629.	230,372.	971,430.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	17,295.	36,095.	SEE STATEMENT 18 117,819.	58,925.	230,134.
23 Total of lines 15 through 22	6,334,656.	6,014,175.	5,880,339.	5,848,985.	24,078,155.
24 Line 23 minus line 17	5,414,812.	5,463,667.	4,676,166.	4,903,098.	20,457,743.
25 Enter 1% of line 23	63,347.	60,142.	58,803.	58,490.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 409,155.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 150,845.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 20,457,743.
d Add: Amounts from column (e) for lines: 18 971,430. 19 22 230,134. 26b 150,845.					26d 1,352,409.
e Public support (line 26c minus line 26d total)					26e 19,105,334.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 93.3893%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
(2006) (2005) (2004) (2003)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
(2006) (2005) (2004) (2003)					
c Add: Amounts from column (e) for lines: 15 16 17 20 21					27c N/A
d Add: Line 27a total and line 27b total					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, 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 9 of the instructions.)

N/A

(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 11 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)	0.	0.
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	0.	41,442.
38	Total lobbying expenditures (add lines 36 and 37)	0.	41,442.
39	Other exempt purpose expenditures	0.	5,766,362.
40	Total exempt purpose expenditures (add lines 38 and 39)	0.	5,807,804.
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 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	0.	440,390.
42	Grassroots nontaxable amount (enter 25% of line 41)	0.	110,098.
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	0.	0.
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	0.	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 13 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period					
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total	
45	Lobbying nontaxable amount	440,390.	482,905.	426,490.	442,599.	1,792,384.
46	Lobbying ceiling amount (150% of line 45(e))					2,688,576.
47	Total lobbying expenditures	41,442.	39,193.	53,176.	48,240.	182,051.
48	Grassroots nontaxable amount	110,098.	120,726.	106,623.	110,650.	448,097.
49	Grassroots ceiling amount (150% of line 48(e))					672,146.
50	Grassroots lobbying expenditures				0.	0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

N/A

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.)			0.

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

COPY

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2007

Name of organization

RAILS-TO-TRAILS CONSERVANCY

Employer identification number

52-1437006

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2007)

Name of organization

Employer identification number

RAILS-TO-TRAILS CONSERVANCY

52-1437006

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>	_____	\$ <u>113,121.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>2</u>	_____	\$ <u>300,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

COPY

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 1

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
GAIN ON SALE OF INVESTMENTS	810,382.	761,671.	0.	48,711.
TO FORM 990, PART I, LINE 8	810,382.	761,671.	0.	48,711.

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 2

INCOME

1. GROSS RECEIPTS	54,967	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		54,967
4. COST OF GOODS SOLD (LINE 13)	28,211	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		26,756

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	30,792	
7. MERCHANDISE PURCHASED	40,361	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		71,153
12. INVENTORY AT END OF YEAR	42,942	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		28,211

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	3
DESCRIPTION		AMOUNT	
UNREALIZED LOSS ON INVESTMENTS		<274,154.>	
TOTAL TO FORM 990, PART I, LINE 20		<274,154.>	

FORM 990	OTHER EXPENSES			STATEMENT	4
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
BUSINESS INSURANCE	26,378.	0.	26,378.	0.	
BANK FEES	35,618.	15,515.	8,926.	11,177.	
DUES AND SUBSCRIPTIONS	21,843.	14,228.	300.	7,315.	
STAFF DEVELOPMENT	7,816.	6,167.	1,583.	66.	
TAXES AND LICENSES	4,757.	4,000.	417.	340.	
MISCELLANEOUS	68,517.	52,400.	11,421.	4,696.	
ADVERTISING AND MEDIA	8,213.	1,312.	4,901.	2,000.	
INDIRECT COST ALLOCATION	0.	455,973.	<502,989.>	47,016.	
OTHER PROFESSIONAL FEES	268,635.	231,667.	10,756.	26,212.	
MERCHANDISE COSTS	116,902.	91,497.	14,224.	11,181.	
LIST MANAGEMENT SERVICES	274,893.	184,114.	21,039.	69,740.	
TOTAL TO FM 990, LN 43	833,572.	1,056,873.	<403,044.>	179,743.	

FORM 990

CASH GRANTS AND ALLOCATIONS
TO OTHERS

STATEMENT 5

CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	AMOUNT
TRAIL DEVELOPMENT GRANTS ROANOKE RIVER RAILS TO TRAILS PO BOX 150 SOUTH HILL, PA 23970	4,850.
TRAIL DEVELOPMENT GRANTS SUNRISE TRAIL COALITION 42 S. LUBEC RD. LUBEC, ME 04652	4,500.
TRAIL DEVELOPMENT GRANTS WALKWAY OVER THE HUDSON PO BOX 889 POUGHKEEPSIE, NY 12602	3,800.
TRAIL DEVELOPMENT GRANTS NORTH POINT HERITAGE GREENWAY TRAIL PO BOX 44 FORT HOWARD, MD 21052	1,150.
TRAIL DEVELOPMENT GRANTS ESSEX NATIONAL HERITAGE COMMISSION 221 ESSEX ST SUITE 41 SALEM, MA 01970	1,500.
TRAIL DEVELOPMENT GRANTS PARKS AND TRAILS NEW YORK 29 ELK STREET ALBANY, NY 12207	2,200.
TRAIL DEVELOPMENT GRANTS TOWN OF ANSTEAD 101 EAST MAIN STREET ANSTEAD, WV 25812	2,576.
TRAIL DEVELOPMENT GRANTS NORTHWEST PA TRAIL ASSN PO BOX 9401 ERIE, PA 18080-3437	3,750.
TRAIL DEVELOPMENT GRANTS WASHINGTON TOWNSHIP 7951 CENTER STREET SLATINGTON, PA 18080-3437	3,668.

RAILS-TO-TRAILS CONSERVANCY

52-1437006

TRAIL DEVELOPMENT GRANTS
CONEMAUGH VALLEY CONSERVANCY
PO BOX 502
HOLLSUPPLE, PA 15935-0502

5,000.

TRAIL DEVELOPMENT GRANTS
YORK COUNTY DEPT OF PARKS & REC
400 MUNDIS RACE RD
YORK, PA 17406-9721

5,000.

TRAIL DEVELOPMENT GRANTS
LEBANON VALLEY RAILS TO TRAILS
2401 WALNUT STREET
LEBANON, PA 17042

5,000.

TRAIL DEVELOPMENT GRANTS
INDIANA COUNTY PARKS & TRAILS
1128 BLUE SPRUCE RD.
INDIANA, PA 15701

6,843.

TRAIL DEVELOPMENT GRANTS
LOWER TRAIL
1421-1427 12TH AVE, PO BOX 348
ALTOONA, PA 16603

5,000.

TRAIL DEVELOPMENT GRANTS
RAIL-TRAIL COUNCIL OF NE
PO BOX 123
FOREST CITY, PA 18421-0123

7,000.

TRAIL DEVELOPMENT GRANTS
WESTERN RESERVE GREENWAY
2740 ATLANTIC ST., NE
WARREN, OH 44484

500.

TOTAL INCLUDED ON FORM 990, PART II, LINE 22B

62,337.

FORM 990

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

STATEMENT 6

DESCRIPTION OF PROGRAM SERVICE ONE

DIRECT PROJECT ASSISTANCE/RESEARCH-THE CONSERVANCY ASSISTS IN BUILDING TRAILS THROUGH A VARIETY OF PROGRAMS. ITS EARLY WARNING SYSTEM NOTIFIES COMMUNITIES, STATE AND LOCAL AGENCIES OF UPCOMING RAILWAY ABANDONMENT. THE CONSERVANCY PROVIDES TECHNICAL ASSISTANCE THROUGH ITS TRAILS AND GREENWAYS CLEARINGHOUSE AND THROUGH THE TRAILDART PROGRAM THAT PROVIDES A DEVELOPMENT ASSISTANCE RESPONSE TEAM FOR RAIL-TRAIL PROJECTS.

TO FORM 990, PART III, LINE A

GRANTS

EXPENSES

1,012,841.

FORM 990

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

STATEMENT 7

DESCRIPTION OF PROGRAM SERVICE TWO

REGIONAL PROGRAMS-THE CONSERVANCY MAINTAINS FIELD OFFICES IN NORTHEAST, MIDWEST, SOUTH AND WEST TO SUPPORT RAIL-TRAIL DEVELOPMENT AT THE LOCAL LEVEL. FIELD OFFICE ACTIVITIES INCLUDE PROMOTION OF LOCAL POLICY TO SUPPORT TRAIL BUILDING, DEVELOPMENT OF STATEWIDE TRAIL INVENTORIES AND DEVELOPMENT PLANS, TECHNICAL ASSISTANCE FOR LOCAL PROJECTS, AND TRAINING AND EDUCATION FOR COMMUNITIES AND TRAIL BUILDING GROUPS.

TO FORM 990, PART III, LINE B

GRANTS

EXPENSES

62,337.

1,045,314.

FORM 990

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

STATEMENT 8

DESCRIPTION OF PROGRAM SERVICE THREE

PUBLIC INFORMATION/EDUCATION-THE CONSERVANCY PROMOTES THE BENEFITS OF RAIL-TRAILS TO THE PUBLIC. RAIL-TRAILS PROVIDE PLACES FOR CYCLISTS, HIKERS, WALKERS AND RUNNERS TO EXERCISE AND EXPERIENCE THE MANY NATURAL AND CULTURAL WONDERS OF THE NATION'S ENVIRONMENTS. BY PROVIDING A PLACE FOR SO MANY TYPES OF RECREATION USE, RAIL-TRAILS CAN GREATLY HELP TO IMPROVE PUBLIC HEALTH. THE CONSERVANCY PROVIDES RAIL-TRAILS INFORMATION THROUGH ITS WEBSITE, QUARTERLY MAGAZINE, MEDIA OUTLETS AND PUBLICATIONS.

TO FORM 990, PART III, LINE C

GRANTS

EXPENSES

1,191,580.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 9

DESCRIPTION OF PROGRAM SERVICE FOUR

NATIONAL POLICY - THE CONSERVANCY PROMOTES POLICY AT THE NATIONAL AND STATE LEVELS TO CREATE THE CONDITIONS THAT MAKE TRAIL BUILDING POSSIBLE. THE CONSERVANCY IS A LEADER IN THE FIGHT TO PROTECT THE FEDERAL TRANSPORTATION ENHANCEMENTS PROGRAM, WHICH IS THE LARGEST SOURCE OF FUNDING FOR TRAIL DEVELOPMENT. WE STEADFASTLY DEFEND THE FEDERAL RAILBANKING STATUTE IN THE CONGRESS AND THE COURTS AS AN ESSENTIAL TOOL TO PRESERVE UNUSED RAIL CORRIDORS. WE ALSO MONITOR LITIGATION ON CASES INVOLVING ENFORCEMENT OF FEDERAL LAWS RELATED TO RAIL BANKING.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE D		758,095.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 10 PART III

EXPLANATION

RAILS-TO-TRAILS CONSERVANCY (RTC) IS DEDICATED TO WORKING WITH COMMUNITIES TO PRESERVE AND TRANSFORM UNUSED RAIL CORRIDORS INTO LINEAR PARKS THAT ENHANCE THE HEALTH OF AMERICA'S ENVIRONMENT, ECONOMY, NEIGHBORHOODS AND PEOPLE. RTC IS THE LEADING NATIONAL ORGANIZATION OF THE RAIL-TRAILS MOVEMENT AND A RECOGNIZED LEADER IN THE GREENWAYS MOVEMENT. FOUNDED IN 1985, RTC IS A NONPROFIT PUBLIC CHARITY WITH 100,000 MEMBERS AND SUPPORTERS AROUND THE COUNTRY. RTC FACILITATES THE ACQUISITION AND PRESERVATION OF AMERICA'S UNUSED RAIL CORRIDORS, HELPING LOCAL ORGANIZATIONS AND GOVERNMENTS CONVERT THEM TO MULTI-USE RAIL-TRAILS TO ENHANCE THE HEALTH OF PEOPLE AND COMMUNITIES. RTC SERVES AS A PROTECTOR OF THESE NEGLECTED ASSETS, PRESERVING THEM BEFORE THEY ARE LOST FOREVER. RAIL-TRAILS HAVE AN AMAZING RANGE OF BENEFITS BEYOND PRESERVATION OF AN IMPORTANT PART OF OUR HISTORY. THEY PROVIDE SAFE, ACCESSIBLE SPACES FOR RECREATIONAL AND FITNESS ACTIVITIES SUCH AS BIKING, SKIING, SKATING OR JUST STROLLING, ENABLING PEOPLE TO CONNECT WITH EACH OTHER WHILE ENHANCING THE QUALITY OF THEIR LIVES AND HEALTH. RAIL-TRAILS PRESERVE NATIVE WILDERNESS AND ANIMAL HABITAT. THEY PROVIDE LOGICAL ROUTES FOR NON-AUTOMOTIVE TRANSPORTATION AND CONNECT PEOPLE WITH EACH OTHER WITHIN AND BETWEEN COMMUNITIES. WORKING WITH CITIZENS GROUPS, PUBLIC AGENCIES, RAILROAD COMPANIES AND OTHER ORGANIZATIONS AS PARTNERS, RTC IS CONNECTING PEOPLE AND COMMUNITIES WITH A NATIONWIDE NETWORK OF TRAILS.

COPY

FORM 990	OTHER PROGRAM SERVICES	STATEMENT 11	
DESCRIPTION OF OTHER PROGRAM SERVICES		GRANTS AND ALLOCATIONS	EXPENSES
MEMBER PROGRAMS		0.	361,021.
TRAIL CONSERVANCY		0.	23,603.
TOTAL TO FORM 990, PART III, LINE E			384,624.

FORM 990	OTHER LIABILITIES	STATEMENT 12	
DESCRIPTION		BEGINNING OF YEAR	END OF YEAR
DEFERRED RENT		9,706.	45,150.
DEFERRED LEASE INCENTIVE		0.	552,639.
TOTAL TO FORM 990, PART IV, LINE 65		9,706.	597,789.

FORM 990	NON-GOVERNMENT SECURITIES				STATEMENT 13
SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
COMMON STOCKS	FMV	526,356.			526,356.
CORPORATE BONDS	FMV		270,997.		270,997.
TO FORM 990, LINE 54A, COL B		526,356.	270,997.		797,353.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 14

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
KEITH LAUGHLIN 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	PRESIDENT 40.00	184,572.	25,226.	0.
ANDREA BROCK 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	VP DEVELOPMENT 40.00	134,114.	13,535.	0.
JEFFREY CIABOTTI 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	VP TRAIL DEVELOPMENT 40.00	94,869.	19,118.	0.
CINDY DICKERSON 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	VP FINANCE 40.00	120,357.	20,854.	0.
KEVIN MILLS 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	VP POLICY 40.00	117,662.	20,671.	0.
JENNIFER KALEBA 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	VP COMMUNICATIONS 40.00	73,864.	15,577.	0.
ERIC EDEN 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	VP BRAND STRATEGY 40.00	12,742.	2,606.	0.
JOE BARROW, JR. 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	CHAIR 1.00	0.	0.	0.
CHARLES MARSHALL 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	VICE CHAIR 1.00	0.	0.	0.
GUY WILLIAMS 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	SECRETAR 1.00	0.	0.	0.
CHIP ANGLE 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	TREASURER 1.00	0.	0.	0.

RAILS-TO-TRAILS CONSERVANCY

52-1437006

KATHY BLAHA 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	BOARD MEMBER 1.00	0.	0.	0.
ROBERT T. CAMPBELL 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	BOARD MEMBER 1.00	0.	0.	0.
JENNIE E. GERARD 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	BOARD MEMBER 1.00	0.	0.	0.
PETER GOLDMAN 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	BOARD MEMBER 1.00	0.	0.	0.
DAVID INGEMIE 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	BOARD MEMBER 1.00	0.	0.	0.
M. KATHERINE KRAFT 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	BOARD MEMBER 1.00	0.	0.	0.
DEBORAH LATHEN 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	BOARD MEMBER 1.00	0.	0.	0.
REBECCA RILEY 2121 WARD PLACE NW, 5TH FLOOR WASHINGTON, DC 20036	BOARD MEMBER 1.00	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		738,180.	117,587.	0.

FORM 990

LIST OF STATES RECEIVING COPY OF RETURN
PART VI, LINE 90

STATEMENT 15

STATES

AK, AL, AR, AZ, CA, CO, CT, DC, FL, GA, HI, IL, KS, KY, LA, MA, MD, ME, MI, MN, MS, NC, NH, NJ, NM
NY, OH, OK, OR, PA, RI, SC, TN, UT, VA, WA, WI, WV

COPY

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 16
 ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	MEETINGS AND EVENTS-INCOME DERIVED FROM INTERNATIONAL, NATIONAL AND FIELD OFFICE MEETINGS. RTC MEETINGS ARE EDUCATIONAL IN NATURE & BRING TOGETHER TRAIL BUILDING CONSTITUENTS TO SHARE IDEAS AND GENERATE MOMENTUM FOR THE TRAIL BUILDING MOVEMENT. NETWORKING, BEST PRACTICES AND IDEA EXCHANGES RESULT IN THE CONTINUAL IMPROVEMENT AND EXPANSION OF TRAIL BUILDING.
93B	CONTRACTS-INCOME DERIVED FROM THE PROFESSIONAL TECHNICAL ASSISTANCE (PLANNING, DESIGN AND CONSTRUCTION) PROVIDED BY RTC PROGRAM STAFF TO COMMUNITIES THROUGHOUT THE COUNTRY.
102	MERCHANDISE AND PUBLICATION SALES-INCOME DERIVED FROM THE SALE OF TRAIL GUIDEBOOKS AND RTC MERCHANDISE. RTC TRAIL GUIDEBOOKS PROVIDE REGIONAL DETAILED INFORMATION ABOUT OPEN AND ACTIVE RAIL-TRAILS THAT EXPAND THE USE OF EXISTING RAIL-TRAILS BY THE GENERAL PUBLIC AND PROMOTE HEALTHY AND ACTIVE LIFESTYLES. RTC MERCHANDISE SALES PROMOTE THE IDEOLOGY AND POSITIVE BENEFITS OF RAIL-TRAILS.
103A	MISCELLANEOUS INCOME RECEIVED FROM ACTIVITIES DIRECTLY RELATED TO RTC'S EXEMPT PURPOSE.
103D	REIMBURSEMENT OF MANAGEMENT FEES AND EXPENSES FOR SERVICES PROVIDED TO EXEMPT ORGANIZATIONS WITH SIMILAR EXEMPT PURPOSES.

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 17
 PART III, LINE 3A

RTC PROVIDES GRANTS TO TRAIL ORGANIZATIONS OR MUNICIPALITIES WHO NEED TO MAKE PERMANENT IMPROVEMENTS TO THEIR TRAILS. IMPROVEMENTS COMPLETED THROUGH THE PROGRAM REPRESENT VALUE TO THE TRAIL EITHER BY INCREASING LENGTH OR BY NEW CONSTRUCTION THAT MAKES THE TRAIL MORE USABLE. GRANTEE'S ARE IDENTIFIED BY RTC AND ARE INVITED TO SUBMIT A PROPOSAL. EACH PROPOSAL IS EVALUATED BASED ON THE GUIDELINES OF THE GRANT PROGRAM AND RTC DETERMINES AWARD RECIPIENTS. A FINAL REPORT IS REQUIRED FROM EACH RECIPIENT ORGANIZATION.

SCHEDULE A OTHER INCOME STATEMENT 18

DESCRIPTION	2006 AMOUNT	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT
MISCELLANEOUS	17,295.	36,095.	117,819.	58,925.
TOTAL TO SCHEDULE A, LINE 22	17,295.	36,095.	117,819.	58,925.

Rails-to-Trails Conservancy
Form 990, Part II, Line 42 - Depreciation
Form 990, Part IV, Line 57 - Land, Buildings, and Equipment
Year Ended September 30, 2008

EIN: 52-1437006

ASSETS

	Beginning of Year	Additions	Disposals	End of Year
Leasehold Improvements	\$ 48,087	\$ 597,932	\$ (48,087)	\$ 597,932
Furniture and Equipment	273,939	91,388	(95,283)	270,044
Total	\$ 322,026	\$ 689,320	\$ (143,370)	\$ 867,976

**ACCUMULATED
DEPRECIATION**

	Beginning of Year	Current Year Depreciation	Disposals	End of Year
Accumulated Depreciation	\$ 296,983	\$ 50,707	\$ (142,770)	\$ 204,920
Total	\$ 296,983	\$ 50,707	\$ (142,770)	\$ 204,920
Net Fixed Assets	\$ 25,043			\$ 663,056

Note: Property and equipment are stated at cost and are principally depreciated on a straight-line basis over the estimated useful lives of the respective assets, which range from three to seven years. Leasehold improvements are amortized over the shorter of the lease period or useful life of the improvements.

COPY