

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2004

Open to Public Inspection

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)

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

A For the 2004 calendar year, or tax year beginning **OCT 1, 2004** and ending **SEP 30, 2005**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <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 1100 17TH STREET, NW, 10TH FLOOR		E Telephone number (202) 331-9696
		City or town, state or country, and ZIP + 4 WASHINGTON, DC 20036		F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) <input type="checkbox"/>

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

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.RAILTRAILS.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.**

I Group Exemption Number

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **7,729,542.**

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 Direct public support	1a	4,162,619.		
	b Indirect public support	1b	397,909.		
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ 4,522,209. noncash \$ 38,319.)	1d			4,560,528.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			892,350.
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			7,098.
	5 Dividends and interest from securities	5			25,593.
	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		
	1,814,331.	8a			
	1,741,379.	8b			
	72,952.	8c			
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	STMT 1		72,952.	
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 1a)	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	121,885.			
	b Less: cost of goods sold	10b	47,553.		
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	STMT 2		74,332.
11 Other revenue (from Part VII, line 103)	11			307,757.	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			5,940,610.	
Expenses	13 Program services (from line 44, column (B))	13		4,612,889.	
	14 Management and general (from line 44, column (C))	14		688,629.	
	15 Fundraising (from line 44, column (D))	15		678,732.	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17			5,980,250.
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		<39,640.>	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		1,947,321.	
	20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 3	20		<27,866.>	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			1,879,815.

RAILS-TO-TRAILS CONSERVANCY

52-1437006

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
22	Grants and allocations (attach schedule) (cash \$ 99,066. noncash \$)	99,066.	99,066.	STATEMENT 10	
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	629,250.	528,522.	67,603.	33,125.
26	Other salaries and wages	1,423,220.	1,195,395.	152,903.	74,922.
27	Pension plan contributions	106,754.	87,403.	8,745.	10,606.
28	Other employee benefits	177,951.	154,115.	4,275.	19,561.
29	Payroll taxes	161,950.	121,251.	24,298.	16,401.
30	Professional fundraising fees	61,916.	25,305.	8,049.	28,562.
31	Accounting fees	24,848.	0.	24,848.	0.
32	Legal fees	45,990.	44,990.	1,000.	0.
33	Supplies	52,997.	26,251.	26,483.	263.
34	Telephone	88,663.	34,272.	54,338.	53.
35	Postage and shipping	551,461.	303,521.	69,914.	178,026.
36	Occupancy	438,182.	78,050.	360,132.	0.
37	Equipment rental and maintenance	75,705.	56,628.	19,077.	0.
38	Printing and publications	640,031.	417,058.	63,066.	159,907.
39	Travel	386,522.	326,397.	42,469.	17,656.
40	Conferences, conventions, and meetings	21,454.	19,907.	1,547.	0.
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)	28,299.	3,373.	24,926.	
43	Other expenses not covered above (itemize):				
a					
b					
c					
d					
e	SEE STATEMENT 4	965,991.	1,091,385.	<265,044.>	139,650.
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	5,980,250.	4,612,889.	688,629.	678,732.

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 \$ 1,554,380. ; (ii) the amount allocated to Program services \$ 675,863. ;

(iii) the amount allocated to Management and general \$ 209,276. ; and (iv) the amount allocated to Fundraising \$ 669,241.

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? SEE STATEMENT 5

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.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a	SEE STATEMENT 6				
		(Grants and allocations \$	61,699.)		1,803,851.
b	SEE STATEMENT 7				
		(Grants and allocations \$	36,500.)		1,329,876.
c	SEE STATEMENT 8				
		(Grants and allocations \$)		750,365.
d	SEE STATEMENT 9				
		(Grants and allocations \$)		386,185.
e	Other program services (attach schedule)	STATEMENT 11	(Grants and allocations \$	867.)	342,612.
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)				4,612,889.

Part IV Balance Sheets

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	46,363.	81,168.
	46 Savings and temporary cash investments	1,279,807.	563,734.
	47 a Accounts receivable	201,010.	
	b Less: allowance for doubtful accounts		
	48 a Pledges receivable		
	b Less: allowance for doubtful accounts		
	49 Grants receivable	64,378.	99,250.
	50 Receivables from officers, directors, trustees, and key employees		
	51 a Other notes and loans receivable		
	b Less: allowance for doubtful accounts		
	52 Inventories for sale or use	12,692.	18,376.
	53 Prepaid expenses and deferred charges	107,520.	136,500.
	54 Investments - securities STMT 12 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	476,493.	1,226,240.
	55 a Investments - land, buildings, and equipment: basis		
	b Less: accumulated depreciation		
	56 Investments - other	141,307.	
	57 a Land, buildings, and equipment: basis	398,702.	
	b Less: accumulated depreciation	270,161.	
	58 Other assets (describe <input type="checkbox"/>)		
59 Total assets (add lines 45 through 58) (must equal line 74)	2,384,265.	2,454,819.	
Liabilities	60 Accounts payable and accrued expenses	411,656.	507,848.
	61 Grants payable	2,931.	40,990.
	62 Deferred revenue		
	63 Loans from officers, directors, trustees, and key employees		
	64 a Tax-exempt bond liabilities		
	b Mortgages and other notes payable		
	65 Other liabilities (describe <input type="checkbox"/> DEFERRED RENT)	22,357.	26,166.
66 Total liabilities (add lines 60 through 65)	436,944.	575,004.	
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	911,328.	889,453.
	68 Temporarily restricted	406,915.	361,284.
	69 Permanently restricted	629,078.	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		
	71 Paid-in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds		
	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)	1,947,321.	1,879,815.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	2,384,265.	2,454,819.

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

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return	Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
<p>a Total revenue, gains, and other support per audited financial statements a 6,039,372.</p> <p>b Amounts included on line a but not on line 12, Form 990:</p> <p>(1) Net unrealized gains on investments \$ <27,866.></p> <p>(2) Donated services and use of facilities ... \$ 79,075.</p> <p>(3) Recoveries of prior year grants \$</p> <p>(4) Other (specify): STMT 13 \$ 47,553.</p> <p>Add amounts on lines (1) through (4) b 98,762.</p> <p>c Line a minus line b c 5,940,610.</p> <p>d Amounts included on line 12, Form 990 but not on line a:</p> <p>(1) Investment expenses not included on line 6b, Form 990 ... \$</p> <p>(2) Other (specify): \$</p> <p>Add amounts on lines (1) and (2) d 0.</p> <p>e Total revenue per line 12, Form 990 (line c plus line d) e 5,940,610.</p>	<p>a Total expenses and losses per audited financial statements a 6,106,878.</p> <p>b Amounts included on line a but not on line 17, Form 990:</p> <p>(1) Donated services and use of facilities ... \$ 79,075.</p> <p>(2) Prior year adjustments reported on line 20, Form 990 \$</p> <p>(3) Losses reported on line 20, Form 990 ... \$</p> <p>(4) Other (specify): STMT 14 \$ 47,553.</p> <p>Add amounts on lines (1) through (4) b 126,628.</p> <p>c Line a minus line b c 5,980,250.</p> <p>d Amounts included on line 17, Form 990 but not on line a:</p> <p>(1) Investment expenses not included on line 6b, Form 990 ... \$</p> <p>(2) Other (specify): \$</p> <p>Add amounts on lines (1) and (2) d 0.</p> <p>e Total expenses per line 17, Form 990 (line c plus line d) e 5,980,250.</p>

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated.)				
(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	(E) Expense account and other allowances
KEITH LAUGHLIN 1100 17TH STREET WASHINGTON, DC 20036	PRESIDENT 40 HRS/WEEK	170,000.	20,868.	0.
HILARY BARKER 1100 17TH STREET WASHINGTON, DC 20036	VP DEVELOPMENT 35 HRS/WEEK	92,900.	7,849.	0.
KAREN STEWART 1100 17TH STREET WASHINGTON, DC 20036	VP COMMUNICATIONS 40 HRS/WEEK	87,100.	7,314.	0.
CINDY DICKERSON 1100 17TH STREET WASHINGTON, DC 20036	VP FINANCE 37.5 HRS/WEEK	102,000.	13,256.	0.
MARIANNE FOWLER 1100 17TH STREET WASHINGTON, DC 20036	SR VP PROGRAM 40 HRS/WEEK	95,000.	10,330.	0.
JEFFREY CIABOTTI 1100 17TH STREET WASHINGTON, DC 20036	VP TRAIL DEVELOPMENT 40 HRS/WEEK	82,250.	9,405.	0.
LIST OF NONCOMPENSATED OFFICERS AND DIRECTORS IS ATTACHED.				
		0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule. Yes No

Part VI Other Information		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		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.		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		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?		X
b	If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct or indirect political expenditures. See line 81 instructions 81a 0.		
b	Did the organization file Form 1120-POL for this year?		X
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?	X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b 79,075.		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible? N/A		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members 85c N/A		
d	Section 162(e) lobbying and political expenditures 85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A		
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities 86b N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders 87a N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		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.		
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
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0.		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization 0.		
90 a	List the states with which a copy of this return is filed SEE ATTACHED STATEMENT		
b	Number of employees employed in the pay period that includes March 12, 2004 90b 42		
91	The books are in care of RAILS-TO-TRAILS CONSERVANCY Telephone no. 202-331-9696		
Located at 1100 17TH STREET, NW, 10TH FLOOR, WASHINGTON, DC ZIP + 4 20036			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A		

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

Table with 5 columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include 93 Program service revenue, 94 Membership dues, 95 Interest on savings, 96 Dividends, 97 Net rental income, 98 Net rental income from personal property, 99 Other investment income, 100 Gain or loss from sales of assets, 101 Net income from special events, 102 Gross profit from sales of inventory, 103 Other revenue, 104 Subtotal, 105 Total.

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

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

Table with 2 columns: 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.

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

Table with 5 columns: (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 page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

Signature and Preparer's Information section including fields for Signature of officer, Date, Type or print name and title, Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name, address, and ZIP, EIN, and Phone no.

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 Section 4947(a)(1) Nonexempt Charitable Trust

2004

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
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<u>LORILI TOTTH</u> ----- 1100 17TH.STREET, WASHINGTON DC 20036	MEMBER DIR. 40 HOURS/WEEK	78,350.	8,553.	0.
<u>TOM SEXTON</u> ----- 1100 17TH.STREET, WASHINGTON DC 20036	REGIONAL DIR. 40 HOURS/WEEK	63,100.	5,543.	0.
<u>LAURA COHEN</u> ----- 1100 17TH.STREET, WASHINGTON DC 20036	STATE DIR. 40 HOURS/WEEK	60,540.	14,572.	0.
<u>IAN FORTIER</u> ----- 1100 17TH.STREET, WASHINGTON DC 20036	WEB SERVICES 40 HOURS/WEEK	55,300.	7,230.	0.
<u>RHONDA BORDER-BOOSE</u> ----- 1100 17TH.STREET, WASHINGTON DC 20036	REGIONAL DIR. 40 HOURS/WEEK	56,880.	5,955.	0.
Total number of other employees paid over \$50,000 ▶	2			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>THE BRAND CONSULTANCY, LLP</u> ----- 1000 POTOMAC STREET, NW, #122, WASHINGTON, DC 200	RESEARCH	57,140.
----- ----- ----- ----- ----- ----- ----- ----- -----		
Total number of others receiving over \$50,000 for professional services ▶	0	

COPY

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>48,240.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities. <u>VI-A, LINE 38B</u>	1	X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <u>SEE PART V, FORM 990</u>	2d	X
e Transfer of any part of its income or assets?	2e	X
3 a 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	X
b Do you have a section 403(b) annuity plan for your employees?	3b	X
4 a 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	X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b	X

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

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

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

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

14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)



Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**
Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2,309,258.	2,376,577.	2,268,814.	2,370,333.	9,324,982.
16 Membership fees received	2,304,543.	2,242,249.	2,298,129.	2,402,293.	9,247,214.
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	945,887.	1,060,647.	1,117,402.	1,084,764.	4,208,700.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	230,372.	137,481.	75,485.	293,215.	736,553.
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	58,925.		SEE STATEMENT 17		58,925.
23 Total of lines 15 through 22	5,848,985.	5,816,954.	5,759,830.	6,150,605.	23,576,374.
24 Line 23 minus line 17	4,903,098.	4,756,307.	4,642,428.	5,065,841.	19,367,674.
25 Enter 1% of line 23	58,490.	58,170.	57,598.	61,506.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 387,353.
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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 19,367,674.
d Add: Amounts from column (e) for lines: 18 736,553. 19 _____ 22 58,925. 26b _____					26d 795,478.
e Public support (line 26c minus line 26d total)					26e 18,572,196.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 95.8928%
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					
(2003) _____ (2002) _____ (2001) _____ (2000) _____					
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 11, 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					
(2003) _____ (2002) _____ (2001) _____ (2000) _____					
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 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.



Part V Private School Questionnaire (See page 7 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		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?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a 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.)			

34 a	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?	34b	
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	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 (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	0.	0.
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	0.	48,240.
38 Total lobbying expenditures (add lines 36 and 37)	38	0.	48,240.
39 Other exempt purpose expenditures	39	0.	5,803,739.
40 Total exempt purpose expenditures (add lines 38 and 39)	40	0.	5,851,979.
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	0.
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		442,599.
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	0.	110,650.
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	0.	0.
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	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 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45 Lobbying nontaxable amount	442,599.	422,217.	449,253.	433,002.	1,747,071.
46 Lobbying ceiling amount (150% of line 45(e))					2,620,607.
47 Total lobbying expenditures	48,240.	54,108.	69,664.	29,227.	201,239.
48 Grassroots nontaxable amount	110,650.	105,554.	112,313.	108,251.	436,768.
49 Grassroots ceiling amount (150% of line 48(e))					655,152.
50 Grassroots lobbying expenditures	0.	0.	0.	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 11 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.



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

2004

Name of organization

Employer identification number

RAILS-TO-TRAILS CONSERVANCY

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) (2004)

Name of organization RAILS-TO-TRAILS CONSERVANCY	Employer identification number 52-1437006
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Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 357,255.	Person <input type="checkbox"/> Payroll <input checked="" type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 100,000.	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.)



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)
INVESTMENTS	1,814,331.	1,741,379.	0.	72,952.
TO FORM 990, PART I, LINE 8	1,814,331.	1,741,379.	0.	72,952.

FORM 990

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

STATEMENT 2

INCOME

1. GROSS RECEIPTS	121,885	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		121,885
4. COST OF GOODS SOLD (LINE 13)	47,553	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		74,332

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	12,692	
7. MERCHANDISE PURCHASED	53,237	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		65,929
12. INVENTORY AT END OF YEAR	18,376	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		47,553

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 3

DESCRIPTION	AMOUNT
UNREALIZED LOSSES ON INVESTMENTS	<27,866.>
TOTAL TO FORM 990, PART I, LINE 20	<27,866.>

FORM 990 OTHER EXPENSES STATEMENT 4

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
MAILING SERVICES	411,820.	315,982.	41,721.	54,117.
INSURANCE	34,570.	6,098.	28,472.	0.
BANK FEES	22,127.	11,095.	6,438.	4,594.
DUES AND SUBSCRIPTIONS	8,945.	9,068.	32.	<155.>
STAFF DEVELOPMENT	16,948.	12,750.	4,198.	0.
TAXES AND LICENSES	9,027.	6,012.	1,212.	1,803.
MISCELLANEOUS	60,248.	29,679.	30,528.	41.
ADVERTISING	19,115.	2,126.	16,989.	0.
INDIRECT COST ALLOCATION	0.	379,459.	<420,670.>	41,211.
OTHER PROFESSIONAL FEES	235,982.	208,769.	19,812.	7,401.
MERCHANDISE COSTS	147,209.	110,347.	6,224.	30,638.
TOTAL TO FM 990, LN 43	965,991.	1,091,385.	<265,044.>	139,650.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 5
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.

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.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A	61,699.	1,803,851.

COPY

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.

	<u>GRANTS</u>	<u>EXPENSES</u>
TO FORM 990, PART III, LINE B	36,500.	1,329,876.

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.

	<u>GRANTS</u>	<u>EXPENSES</u>
TO FORM 990, PART III, LINE C		750,365.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 9

DESCRIPTION OF PROGRAM SERVICE FOUR

MEMBER PROGRAMS-IN ADDITION TO THE PROGRAMS PROVIDED TO MEMBERS THROUGH PUBLIC INFORMATION AND EDUCATION, THE CONSERVANCY IS ALSO DIGITIZING MEMBER AND CONSTITUENT INFORMATION WITH TRAILS INFORMATION AND CREATING A CENTRALIZED DATABASE THAT WILL ASSIST THE CONSERVANCY IN IDENTIFYING OPPORTUNITIES FOR LINKING TRAIL SYSTEMS, CATALYZING SUPPORT OF TRAIL PROJECTS, AND CREATING TOOLS (SUCH AS GPS MAPPING) TO FURTHER OUR WORK. OTHER ACTIVITIES INCLUDE CREATING TRAIL EXPERIENCES THAT SHOWCASE THE NEED FOR TRAIL DEVELOPMENT AND DELIVERY OF MEMBER BENEFIT PROGRAMS.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE D	_____	386,185.
	=====	=====

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 10

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
	SEE ATTACHED		NONE	99,066.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				99,066.

FORM 990 OTHER PROGRAM SERVICES STATEMENT 11

DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
NATIONAL POLICY TRAIL CONSERVANCY	867.	307,094.
		35,518.
TOTAL TO FORM 990, PART III, LINE E	867.	342,612.

FORM 990	NON-GOVERNMENT SECURITIES	STATEMENT 12
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SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
COMMON STOCKS	FMV	588,557.			588,557.
CORPORATE BONDS	FMV		637,683.		637,683.
TO FORM 990, LINE 54, COL B		588,557.	637,683.		1,226,240.

FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT 13
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DESCRIPTION	AMOUNT
COST OF GOODS SOLD	47,553.
TOTAL TO FORM 990, PART IV-A	47,553.

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT 14
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DESCRIPTION	AMOUNT
COST OF GOODS SOLD	47,553.
TOTAL TO FORM 990, PART IV-B	47,553.

FORM 990	PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES	STATEMENT 15
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LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	MEETING REGISTRATION-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	CONSULTING-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.

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 16
PART III, LINE 3

RTC PROVIDES SCHOLARSHIPS TO ATTEND TRAILLINK, OUR INTERNATIONAL TRAILS CONFERENCE THAT OCCURS EVERY TWO YEARS. SCHOLARSHIPS ARE AWARDED TO INDIVIDUALS BASED ON FINANCIAL NEED OR TO SUPPORT THE TRAILLINK PROGRAM AND CONTRIBUTE TOWARDS THE OVERALL DIVERSITY OF THE ATTENDEES. MOST SCHOLARSHIPS ARE FUNDED THROUGH RESTRICTED GRANTS THAT REQUIRE THE SCHOLARSHIP RECIPIENTS BE LOCATED WITHIN A PARTICULAR GEOGRAPHIC REGION (INCLUDING INTERNATIONAL) OR REPRESENT A PARTICULAR TYPE OF COMMUNITY (UNDERSERVED, ETC.) THOSE RESTRICTIONS ARE THE FIRST SET OF CRITERIA THAT A SCHOLARSHIP RECIPIENT MUST MEET. RTC REQUIRES THAT ALL SCHOLARSHIP RECIPIENTS BE PART OF THE TRAILS PROFESSION OR RELATED INTER-DISCIPLINARY FIELDS AND BE WILLING AND ABLE TO ACTIVELY PARTICIPATE IN THE FULL CONFERENCE. OTHER FACTORS IN SELECTION INCLUDE RESTRICTING SCHOLARSHIPS FOR ONE REPRESENTATIVE FROM AN ORGANIZATION AND PREFERENCE TO THOSE WHO HAVE NEVER ATTENDED TRAILLINK IN THE PAST. EACH POTENTIAL SCHOLARSHIP RECIPIENT MUST COMPLETE A WRITTEN APPLICATION TO BE CONSIDERED. SCHOLARSHIP RECIPIENTS ARE ENCOURAGED TO VOLUNTEER 2-4 HOURS OF TIME DURING THE CONFERENCE.

SCHEDULE A OTHER INCOME STATEMENT 17

DESCRIPTION	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT
MISCELLANEOUS	58,925.	0.	0.	0.
TOTAL TO SCHEDULE A, LINE 22	58,925.	0.	0.	0.

Rails-toTrails Conservancy
Form 990, Part II, Line 22 -- Grants and Allocations
Year Ended September 30, 2005

52-1437006

<u>Name</u>	<u>Company</u>	<u>Street Address</u>	<u>City</u>	<u>ST</u>	<u>Zip</u>	<u>Amount</u>
Atilla Bality	Albuquerque Alliance for Active Living	11313 Snowheights Blvd. NE	Albuquerque	NM	87112	\$ 885.40
Mary Banks	Northwest Detroit Neighborhood Development	P.O. Box 231132	Detroit	MI	48223-1614	1,158.80
Judith Battle	City of Richmond Planning Department	1401 Marina Way South	Richmond	CA	94804	553.80
Barry Bergman	City of Alameda	950 West Mall Square	Alameda	CA	94501	587.25
Amy Bowman-Moore	O.O. McIntyre Park District	18 Locust St.	Gallipolis	OH	45631	493.80
George Burrier	Illinois Trails Conservancy	701 E. Polk Street	Morton	IL	61550	475.35
Sandy Burrier	Illinois Trails Conservancy	701 E. Polk St.	Morton	IL	61550	375.00
Pedro Camarena Berruecos	vias verdes México	Av. Toluca 1017	México City	NN	01780	497.25
Bill Carlson	Isanti County Active Living	300 3rd Ave NE	Cambridge	MN	55008	629.70
Marcy Colclough	Southwestern Michigan Commission	185 E. Main Street, Suite 701	Benton Harbor	MI	49090	856.98
Christine Craycroft	Portage Park District			OH		875.19
Maureen Crowley	Embankment Preservation Coalition	263 Fifth St	Jersey City	NJ	07302	908.80
James Danek	Cuyahoga County Planning Commission	323 Lakeside Avenue West	Cleveland	OH	44113	868.20
Josh Deth	Friends of the Bloomingdale Trail	2637 N. California	Chicago	IL	60647	1,534.15
Wally Elton	Upper Valley Trails Alliance	PO Box 1215	Norwich	VT	05156	1,173.80
Deborah Fagan	DuPage County, Illinois	421 N. County Farm Road	Wheaton	IL	60187	1,119.65
David Farley	Ho-Chunk Community Development	106 Tallman Street, Box 264	Walthill	NE	68067	1,040.80
Linda Franklin	Springfield Dept Health Human Services	95 State Street Suite 222	Springfield	MA	01109	940.81
Lucy Gomez Gomez-Feliciano	Logan Square Neighborhood Association	2840 N. Milwaukee	Chicago	IL	60618	595.35
Benjamin Gramling	Sixteenth Street Community Health Center	1337 S. Cesar Chavez Drive	Milwaukee	WI	53204	876.46
Ryan Gravel	Friends of the Belt Line	PO Box 93351	Atlanta	GA	30377	916.00
Julie Green	Trumbull County Planning Commission	347 North Park Avenue	Warren	OH	44481	1,075.00
Maggie Greenfield	Bronx River Alliance	1 Bronx River Parkway	Bronx	NY	10462	1,138.00
Cindy Heath	City of Lebanon, Recreation & Parks Department	51 North Park Street	Lebanon	NH	03766	884.69
Craig Holland	Naples Pathways Coalition	378 4th Avenue South	Naples	FL	34102	503.80
Keith Holt	Chicagoland Bicycle Federation	650 S. Clark #300	Chicago	IL	60605	673.20
Bill Hudson	Marion County Park System	222 West Center Street	Marion	OH	43302-3646	395.00
Thomas Jeannetta	City of Baltimore	2600 Madison Avenue	Baltimore	MD	21217	949.30
Carolyn Kane	Michigan Trails/Greenways Alliance	6235 E M-46	Vestaburg	MI	48891	892.25
John Lomas	City of Naperville, Illinois	400 S. Eagle St	Naperville	IL	60540	1,075.00
Gail Lonsinger	US Postal Service	139 East Liberty Street	Ashland	OH	44805	528.80
Kraig McLane						1,157.59
Bev Moore	Illinois Trails Conservancy	P.O. Box 10	Capron	IL	61012	2,835.35
Terri Morton	West Atlanta Watershed Alliance	2319 Highview Road, SW	Atlanta	GA	30311	1,172.20
Daniel Mourek	Czech Environmental Partnership foundation	Kratka 26	Prague 10	NN	100 00	485.35
Randy Neufeld	Chicagoland Bicycle Federation	650 S. Clark Street #300	Chicago	IL	60605	436.90
Budd Nobert	Chicagoland Bicycle Federation	650 S. Clark #300	Chicago	IL	60649	420.00
Jeff Norton	City of Palatka	201 north second street	Palatka	FL	32177	1,069.14
Gordon Oney	Firelands Rails To Trails, Inc.	44 E Main St.	Norwalk	OH	44855	395.00
David Pauer	HealthSpace Cleveland	1235 Cook Avenue	Lakewood	OH	44107	1,075.00
Lisa Perlick	Isanti County Active Living	300 3rd Ave NE	Cambridge	MN	55008	514.15
Jerry Rampelt	The Ohio to Erie Trail Fund	PO Box 21246	Columbus	OH	43221	491.90
Victor Randall	League of Michigan Bicyclists	1953 Temple	Detroit	MI	48216	859.14
Michael Rucker	Illinois Trails Conservancy	1003 W. Centennial Dr.	Peoria	IL	61614-2828	441.90
Jim Schneider	Greene County Parks	651 Dayton-Xenia Rd.	Xenia	OH	45385	595.70
Ted Short	Rails to Trails Wayne County (OH)	935 Fenwick Circle	Wooster	OH	44691	390.00
Rich Sidwell	Olney Friends School	54061 Crum Rd	Beallsville	OH	43716	513.80
Roberta Smith	City of Clarksville, TX	16475 FM 1159	Clarksville	TX	75426	1,000.00
Agustin G. V. Villarreal	Bicicleros del Tropicico de Cancer	Av. HIMNO NACIONAL #1205	San Luis Potosi	NE	78270	474.10
Ira Weiss	Fairfield Heritage Trail Association	11735 Eddington Ave	Pickerington	OH	43147-9194	395.00
Marlane Weslian	Slavic Village Development	5620 Broadway	Cleveland	OH	44127	862.20
Stephen Winslow	City of Somerville	93 Highland Avenue	Somerville	MA	02143	1,021.25
William Wooden	Highland County Trails, Inc.	P.O. Box 661	Hillsboro	OH	45133	395.00
Antoaneta Yoveva	Sustainable World Foundation	Hr. Botev 37	Sofia	NN	1606	430.00
Telmar Zeynalov	National Center of Ecological Forecasting	14/138 MirzaAga Aliyev St	Baku	NN	AZ1009	435.00
Other						1,221.75
MI Trails & Greenways Alliance						36,000.00
NTEC Grants to 37 State Agencies \$500 each						18,500.00
Total						\$ 99,065.00

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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, 2005

52-1437006

ASSETS

	Beginning of Year	Additions	Disposals	End of Year
Land	\$ 73,500	\$ -	\$ -	\$ 73,500
Leasehold improvements	48,087	-	-	48,087
Furniture and equipment	291,593	40,413	(54,891)	277,115
Total	<u>\$ 413,180</u>	<u>\$ 40,413</u>	<u>\$ (54,891)</u>	<u>\$ 398,702</u>

ACCUMULATED
DEPRECIATION

	Beginning of Year	Current Year Depreciation	Disposals	End of Year
Accumulated Depreciation	\$ 296,753	\$ 28,299	\$ (54,891)	\$ 270,161
Total	<u>\$ 296,753</u>	<u>\$ 28,299</u>	<u>\$ (54,891)</u>	<u>\$ 270,161</u>

Note: Furniture and equipment are stated at cost and are being depreciated using the straight line method over three to five year periods, with no salvage value. Leasehold improvements are stated at cost and have been amortized using the straight line method over the useful life of the seven year lease.

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Rails-to-Trails Conservancy

Form 990, Part V - List of Officers, Directors, Trustees and Key Employees (Non-compensated)

Year Ended September 30, 2005

52-1437006

<u>Name</u>	<u>Title</u>
Heath J. Meriwether	Chairman
David Ingemie	Treasurer
Joe Barrow, Jr.	Vice Chairman
Rebecca Riley	Vice Chariman
Karl Friedman	Secretary
Chip Angle	Board Member
James Bellas	Board Member
Jennie E. Gerard	Board Member
Peter Goldman	Board Member
Charles N. Marshall	Board Member
Tom Murphy	Board Member
Stephen Thomas	Board Member
Guy Williams	Board Member

All of the individuals listed above are volunteers and are not compensated in their role as officers and directors of Rails-to-Trails Conservancy. The officers and directors provide 1 hour per week on average to attend board/committee meetings, etc. All of the officers and directors can be reached at the following corporate address of Rails-to-Trails Conservancy:

1100 17th. Street, NW
Washington, DC 20036

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LIST OF STATES FILED

ALABAMA
ALASKA
ARIZONA
ARKANSAS
CALIFORNIA
COLORADO
CONNECTICUT
FLORIDA
GEORGIA
ILLINOIS
KANSAS
KENTUCKY
LOUISIANA
MAINE
MARYLAND
MASSACHUSETTS
MICHIGAN
MINNESOTA
MISSISSIPPI
NEW HAMPSHIRE
NEW JERSEY
NEW MEXICO
NEW YORK
NORTH CAROLINA
OHIO
OKLAHAMA
OREGON
PENNSYLVANIA
RHODE ISLAND
SOUTH CAROLINA
TENNESSEE
UTAH
VIRGINIA
WASHINGTON
WEST VIRGINIA
WISCONSIN

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