

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2005

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 2005 calendar year, or tax year beginning **OCT 1, 2005** and ending **SEP 30, 2006**

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) ▶

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.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 chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

I Group Exemption Number **▶ N/A**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **▶ 7,389,307.**

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	5,192,819.		
	b Indirect public support	1b	417,227.		
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ 5,548,982. noncash \$ 61,064.)	1d			5,610,046.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			527,981.
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			20,135.
	5 Dividends and interest from securities	5			26,376.
	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		
	829,773.	8a	26,000.		
	741,172.	8b	26,000.		
	88,601.	8c	0.		
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	STMT 1	STMT 2	88,601.	
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	62,213.			
	b Less: cost of goods sold	10b	34,925.		
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	STMT 3		27,288.
11 Other revenue (from Part VII, line 103)	11			286,783.	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			6,587,210.	
Expenses	13 Program services (from line 44, column (B))	13		4,724,022.	
	14 Management and general (from line 44, column (C))	14		778,955.	
	15 Fundraising (from line 44, column (D))	15		636,933.	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17			6,139,910.
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		447,300.	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		1,879,815.	
	20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 4	20		<26,306.>	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			2,300,809.

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.

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ <u>170,000.</u> noncash \$ <u>0.</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	22 170,000.	170,000.	STATEMENT 7	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc. **	25 636,435.	495,133.	85,654.	55,648.
26 Other salaries and wages	26 1,611,452.	1,396,094.	165,247.	50,111.
27 Pension plan contributions	27 76,601.	67,694.	7,090.	1,817.
28 Other employee benefits	28 167,839.	142,842.	16,866.	8,131.
29 Payroll taxes	29 158,488.	133,652.	17,478.	7,358.
30 Professional fundraising fees	30 52,252.	26,500.	8,306.	17,446.
31 Accounting fees	31 19,943.	0.	19,943.	0.
32 Legal fees	32 50,897.	43,304.	7,593.	0.
33 Supplies	33 130,585.	76,643.	53,909.	33.
34 Telephone	34 87,808.	29,884.	57,831.	93.
35 Postage and shipping	35 597,125.	319,164.	92,658.	185,303.
36 Occupancy	36 456,270.	74,359.	381,911.	0.
37 Equipment rental and maintenance	37			
38 Printing and publications	38 575,141.	396,287.	66,949.	111,905.
39 Travel	39 325,787.	265,147.	50,221.	10,419.
40 Conferences, conventions, and meetings	40 2,929.	665.	2,264.	0.
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule)	42 31,978.	3,103.	28,875.	0.
43 Other expenses not covered above (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g SEE STATEMENT 5	43g 988,380.	1,083,551.	<283,840.>	188,669.
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 6,139,910.	4,724,022.	778,955.	636,933.

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 \$ 1,401,268. ; (ii) the amount allocated to Program services \$ 623,297. ;
 (iii) the amount allocated to Management and general \$ 219,986. ; and (iv) the amount allocated to Fundraising \$ 557,985.

** SEE STATEMENT 6

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 12	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 8	1,640,010.
(Grants and allocations \$ 169,500.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
b SEE STATEMENT 9	1,271,371.
(Grants and allocations \$ 500.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c SEE STATEMENT 10	981,056.
(Grants and allocations \$ 0.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d SEE STATEMENT 11	382,948.
(Grants and allocations \$ 0.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule) SEE STATEMENT 13	448,637.
(Grants and allocations \$ 0.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	4,724,022.

Form 990 (2005)

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	81,168.	45	2,683.
	46 Savings and temporary cash investments	563,734.	46	725,112.
	47 a Accounts receivable	286,876.		
	b Less: allowance for doubtful accounts		47c	286,876.
	48 a Pledges receivable			
	b Less: allowance for doubtful accounts		48c	
	49 Grants receivable	99,250.	49	532,743.
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use	18,376.	52	19,729.
	53 Prepaid expenses and deferred charges	136,500.	53	112,165.
	54 Investments - securities STMT 14 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	1,226,240.	54	1,178,822.
	55 a Investments - land, buildings, and equipment: basis	47,500.		
	b Less: accumulated depreciation	73,500.	55c	47,500.
56 Investments - other		56		
57 a Land, buildings, and equipment: basis	312,180.			
b Less: accumulated depreciation	271,181.	57c	40,999.	
58 Other assets (describe <input type="checkbox"/>)		58		
59 Total assets (must equal line 74). Add lines 45 through 58	2,454,819.	59	2,946,629.	
Liabilities	60 Accounts payable and accrued expenses	507,848.	60	509,590.
	61 Grants payable	40,990.	61	114,990.
	62 Deferred revenue		62	
	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 <input type="checkbox"/> DEFERRED RENT)	26,166.	65	21,240.
66 Total liabilities. Add lines 60 through 65)	575,004.	66	645,820.	
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	889,453.	67	641,257.
	68 Temporarily restricted	361,284.	68	1,030,474.
	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; column (B) must equal line 21)	1,879,815.	73	2,300,809.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	2,454,819.	74	2,946,629.	

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

a	Total revenue, gains, and other support per audited financial statements	a	6,765,283.
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	<26,306.>
2	Donated services and use of facilities	b2	224,845.
3	Recoveries of prior year grants	b3	
4	Other (specify): <u>COST OF GOODS SOLD</u>	b4	34,925.
	Add lines b1 through b4	b	233,464.
c	Subtract line b from line a	c	6,531,819.
d	Amounts included on Part I, line 12, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	55,391.
2	Other (specify):	d2	
	Add lines d1 and d2	d	55,391.
e	Total revenue (Part I, line 12). Add lines c and d	e	6,587,210.

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

a	Total expenses and losses per audited financial statements	a	6,399,680.
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities	b1	224,845.
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify): <u>COST OF GOODS SOLD</u>	b4	34,925.
	Add lines b1 through b4	b	259,770.
c	Subtract line b from line a	c	6,139,910.
d	Amounts included on Part I, line 17, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	0.
e	Total expenses (Part I, line 17). Add lines c and d	e	6,139,910.

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
KEITH LAUGHLIN 1100 17TH STREET, NW, 10TH FLOOR WASHINGTON, DC 20036	PRESIDENT 40.00	182,538.	13,585.	0.
HILARY BARKER 1100 17TH STREET, NW, 10TH FLOOR WASHINGTON, DC 20036	VP DEVELOPMENT 35.00	100,462.	8,689.	0.
JEFFREY CIABOTTI 1100 17TH STREET, NW, 10TH FLOOR WASHINGTON, DC 20036	VP TRAIL DEVELOPMENT 40.00	85,632.	13,643.	0.
CINDY DICKERSON 1100 17TH STREET, NW, 10TH FLOOR WASHINGTON, DC 20036	VP FINANCE 37.50	98,685.	16,032.	0.
ERIC EDEN 1100 17TH STREET, NW, 10TH FLOOR WASHINGTON, DC 20036	VP BRAND STRATEGY 40.00	67,308.	3,497.	0.
KEVIN MILLS 1100 17TH STREET, NW, 10TH FLOOR WASHINGTON, DC 20036	VP POLICY 40.00	41,742.	4,622.	0.
LIST OF NONCOMPENSATED OFFICERS AND DIRECTORS IS ATTACHED.		0.00	0.	0.

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?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	224,845.
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	N/A
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) 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	88	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	89b	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 STATEMENT 15		
b	Number of employees employed in the pay period that includes March 12, 2005	90b	41
91 a	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		
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)?	91b	X
	If "Yes," enter the name of the foreign country ▶ N/A See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶ N/A	91c	X
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 MEETING REGISTRATION					108,206.
b CONSULTING					419,775.
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	20,135.	
96 Dividends and interest from securities			14	26,376.	
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	88,601.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					27,288.
103 Other revenue:					
a MISCELLANEOUS					16,579.
b LIST RENTAL			15	46,180.	
c SUBLEASE RENTAL			16	149,316.	
d REIMBURSED EXPENSES					19,516.
e ROYALTY INCOME			15	55,192.	
104 Subtotal (add columns (B), (D), and (E))		0.		385,800.	591,364.
105 Total (add line 104, columns (B), (D), and (E))					977,164.

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

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

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

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

Please Sign Here

Signature of officer: _____ Date: _____ Type or print name and title: _____

Paid Preparer's Use Only

Preparer's signature: **RAFFA, P.C.** Date: _____ Check if self-employed: Preparer's SSN or PTIN: _____
 Firm's name (or yours if self-employed), address, and ZIP + 4: **1899 L STREET, NW, SUITE 600 WASHINGTON, DC 20036** EIN: _____
 523163 02-03-06 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

2005

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>MARIANNE FOWLER</u> 1100 17TH ST, WASHINGTON DC 20036	SR VP FEDERAL 40.00	95,615.	9,904.	0.
<u>LORILI TOTH</u> 1100 17TH ST, WASHINGTON DC 20036	MEM DIR. 40.00	68,540.	8,143.	0.
<u>TOM SEXTON</u> 1100 17TH ST, WASHINGTON DC 20036	REGIONAL DIR. 40.00	65,325.	5,549.	0.
<u>LAURA COHEN</u> 1100 17TH ST, WASHINGTON DC 20036	REGIONAL DIR. 40.00	66,835.	13,960.	0.
<u>RHONDA BORDER-BOOSE</u> 1100 17TH ST, WASHINGTON DC 20036	REGIONAL DIR. 40.00	60,340.	6,078.	0.
Total number of other employees paid over \$50,000	3			

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
NONE		
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
<u>SISK FULFILLMENT</u> 1900 INDUSTRIAL PARK DR., FEDERALSBURG, MD 21632	MERCHANDISE STORAGE/FULLFILLM	271,545.
<u>THE PRODUCTION ADVANTAGE</u> 14120 SULLYFIELD CIR., CHANTILLY, VIRGINIA 20151	DIRECT MAIL PROGRAM	231,942.
<u>DIVERSIFIED IMAGING</u> 631 GRAVES STREET, KERNERSVILLE, NC 27284	DIRECT MAIL PROGRAM	210,339.
<u>DATAMAX SOLUTION</u> 12A MEEM AVE., GAITHERSBURG, MD 20877-1240	DIRECT MAIL PROGRAM	154,962.
<u>MAGAZINE GROUP</u> 1707 L STREET NW, 3RD FLOOR, WASHINGTON DC 20036	MAGAZINE MANAGEMENT	126,543.
Total number of other contractors receiving over \$50,000 for other services	3	

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>53,176.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) VI-A, LINE 38B Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	1	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)? SEE PART V-A, FORM 990	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
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3c	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) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: Type 1 Type 2 Type 3

Provide the following information about the supported organizations. (See page 6 of the instructions.)

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

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



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

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2,053,242.	2,309,258.	2,376,577.	2,268,814.	9,007,891.
16 Membership fees received	2,282,476.	2,304,543.	2,242,249.	2,298,129.	9,127,397.
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	1,204,173.	945,887.	1,060,647.	1,117,402.	4,328,109.
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	222,629.	230,372.	137,481.	75,485.	665,967.
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	117,819.	58,925.	SEE STATEMENT 18		176,744.
23 Total of lines 15 through 22	5,880,339.	5,848,985.	5,816,954.	5,759,830.	23,306,108.
24 Line 23 minus line 17	4,676,166.	4,903,098.	4,756,307.	4,642,428.	18,977,999.
25 Enter 1% of line 23	58,803.	58,490.	58,170.	57,598.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 379,560.
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 2001 through 2004 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 18,977,999.
d Add: Amounts from column (e) for lines: 18 665,967. 19 _____ 22 176,744. 26b _____					26d 842,711.
e Public support (line 26c minus line 26d total)					26e 18,135,288.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 95.5595%
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 (2004) _____ (2003) _____ (2002) _____ (2001) _____					
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 (2004) _____ (2003) _____ (2002) _____ (2001) _____					
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 2001 through 2004, 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.)

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?	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? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) _____ _____	32d	
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.	53,176.
38 Total lobbying expenditures (add lines 36 and 37)	38	0.	53,176.
39 Other exempt purpose expenditures	39	0.	5,476,624.
40 Total exempt purpose expenditures (add lines 38 and 39)	40	0.	5,529,800.
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		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	0.	106,623.
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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount	426,490.	442,599.	422,217.	449,253.	1,740,559.
46 Lobbying ceiling amount (150% of line 45(e))					2,610,839.
47 Total lobbying expenditures	53,176.	48,240.	54,108.	69,664.	225,188.
48 Grassroots nontaxable amount	106,623.	110,650.	105,554.	112,313.	435,140.
49 Grassroots ceiling amount (150% of line 48(e))					652,710.
50 Grassroots lobbying expenditures		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

2005

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 under Regulations sections 1.509(a)-3/1.170A-9(e) 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) (2005)

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

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/> <hr/>	\$ <u>200,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	<hr/> <hr/> <hr/> <hr/>	\$ <u>120,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	<hr/> <hr/> <hr/> <hr/>	\$ <u>400,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	<hr/> <hr/> <hr/> <hr/>	\$ <u>560,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	<hr/> <hr/> <hr/> <hr/>	\$ <u>220,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	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	829,773.	741,172.	0.	88,601.
TO FORM 990, PART I, LINE 8	829,773.	741,172.	0.	88,601.

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
LAND	08/01/94	04/26/06	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
KENT COUNTY MICHIGAN	26,000.	26,000.	0.	0.	0.
TO FM 990, PART I, LN 8	26,000.	26,000.	0.	0.	0.

FORM 990

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

STATEMENT 3

INCOME

1. GROSS RECEIPTS	62,213	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		62,213
4. COST OF GOODS SOLD (LINE 13)	34,925	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		27,288

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	18,376	
7. MERCHANDISE PURCHASED	36,278	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		54,654
12. INVENTORY AT END OF YEAR	19,729	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		34,925

COPY

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 4

DESCRIPTION	AMOUNT
UNREALIZED LOSSES ON INVESTMENTS	<26,306.>
TOTAL TO FORM 990, PART I, LINE 20	<26,306.>

FORM 990 OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A)	(B)	(C)	(D)
	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
MAILING SERVICES	346,387.	225,138.	51,143.	70,106.
INSURANCE	31,976.	5,007.	26,969.	0.
BANK FEES	21,268.	11,199.	4,869.	5,200.
DUES AND SUBSCRIPTIONS	20,124.	18,947.	862.	315.
STAFF DEVELOPMENT	27,482.	18,510.	8,302.	670.
TAXES AND LICENSES	5,902.	3,971.	144.	1,787.
MISCELLANEOUS	67,878.	42,349.	13,967.	11,562.
ADVERTISING	24,765.	3,004.	21,761.	0.
INDIRECT COST ALLOCATION	0.	420,734.	<451,910.>	31,176.
OTHER PROFESSIONAL FEES	309,842.	251,811.	19,936.	38,095.
MERCHANDISE COSTS	132,756.	82,881.	20,117.	29,758.
TOTAL TO FM 990, LN 43	988,380.	1,083,551.	<283,840.>	188,669.

FORM 990

OFFICER COMPENSATION ALLOCATION
PART II, LINE 25

STATEMENT 6

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
KEITH LAUGHLIN	182,538.	13,585.		196,123.
A. PROGRAM SERVICES	140,354.	10,446.		150,800.
B. MANAGEMENT AND GENERAL	20,572.	1,531.		22,103.
C. FUNDRAISING	21,612.	1,608.		23,220.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
HILARY BARKER	100,462.	8,689.		109,151.
A. PROGRAM SERVICES	58,580.	5,067.		63,647.
B. MANAGEMENT AND GENERAL	12,035.	1,041.		13,076.
C. FUNDRAISING	29,847.	2,581.		32,428.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
JEFFREY CIABOTTI	85,632.	13,643.		99,275.
A. PROGRAM SERVICES	85,632.	13,643.		99,275.
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
CINDY DICKERSON	98,685.	16,032.		114,717.
A. PROGRAM SERVICES	55,264.	8,978.		64,242.
B. MANAGEMENT AND GENERAL	43,421.	7,054.		50,475.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
ERIC EDEN	67,308.	4,622.		71,930.
A. PROGRAM SERVICES	67,308.	4,622.		71,930.
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
KEVIN MILLS	41,742.	3,497.		45,239.
A. PROGRAM SERVICES	41,742.	3,497.		45,239.
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING				

TOTAL PROGRAM SERVICES				495,133.
TOTAL MANAGEMENT AND GENERAL				85,654.
TOTAL FUNDRAISING				55,648.
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PARTS V-A AND V-B				<u>636,435.</u>

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 7

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
	SEE ATTACHED		NONE	170,000.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				170,000.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 8

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	169,500.	1,640,010.

COPY

FORM 990

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

STATEMENT 9

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

500.

1,271,371.

FORM 990

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

STATEMENT 10

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

0.

981,056.

FORM 990

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

STATEMENT 11

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	0.	382,948.

FORM 990

STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III

STATEMENT 12

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.

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FORM 990 OTHER PROGRAM SERVICES STATEMENT 13

DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
MEMBERS	0.	401,540.
TRAIL CONSERVANCY	0.	47,097.
TOTAL TO FORM 990, PART III, LINE E	0.	448,637.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 14

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
COMMON STOCKS	FMV	658,026.			658,026.
CORPORATE BONDS	FMV		520,796.		520,796.
TO FORM 990, LINE 54, COL B		658,026.	520,796.		1,178,822.

FORM 990 LIST OF STATES RECEIVING COPY OF RETURN STATEMENT 15
PART VI, LINE 90

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

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

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

COPY

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 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 18
	2004 AMOUNT	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT	
DESCRIPTION					
MISCELLANEOUS	117,819.	58,925.	0.	0.	
TOTAL TO SCHEDULE A, LINE 22	117,819.	58,925.	0.	0.	

Rails-to-Trails Conservancy
Form 990, Part II, Line 22 -- Grants and Allocations
Year Ended September 30, 2006

52-1437006

<u>Company</u>	<u>Street Address</u>	<u>Amount</u>
Metro Bicycle Coalition	P.O. Box 19371 New Orleans, LA 70179	\$ 3,000
Friends of Lafitte Corridor	1450 Moss Street New Orleans, LA 70119	2,000
Indiana Heritage Group	P.O. 402 Indianapolis, IN 46206-0402	5,000
PATH Foundation	P.O. Box 14327 Atlanta, GA 30324	50,000
Cleburne County Commission	120 Vickery Stree, Room 207 Heflin, AL 36264	50,000
City of Cookeville	Cathy Andrews PO Box 998 Cookeville, TN 38503	5,000
Parks and Trails New York	Richard Calabrese, Supervisor 29 Elk Street Albany, NY 12207	5,000
Knowlton Athletic Association	Lisa Patton, Clerk S628 Route 94 Columbia, NJ 07832	5,000
Friends of the Bloomingdale	Josh Deth, Exe Director Logan Square Chamber of Comm 3147 W. Logan Blvd #12 Chicago, IL 60647	5,000
Bicycle Transportation	Jessica Roberts, Metro Area PO Box 9072 Portland, OR 97207-9072	5,000
Friends of Spokane Centennial	Kaye Turner, President PO Box 351 Spokane, WA 99210-0351	5,000
Alachua County Bicycle A	Kiara Winan, Coordinator PO Box 14854 Gainesville, FL 32604	5,000
Catonsville Rails to Trails	Steve Sprecher PO Box 3282 Catonsville, MD 21228	5,000
Trails and Open Space	Dan Cleveland, Exe Director 1426 N. Hancock Suite 4 North Colorado Springs, CO 80903	5,000
Kentucky Rails to Trails	Keith Lovan, Chair PO Box 597 Lexington, KY 40588-0597	5,000
Michigan Trails and Greenways	Nancy Krupiarz, Executive Dir 410 South Cedar Suite A Lansing, MI 48912	5,000
Illinois Trails Conservancy	Bev Moore, Director P.O. Box 10 144 W. Main Street Capron, IL 601012-0010	5,000
Form 990, Part II, Line 22		<u>\$ 170,000</u>

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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, 2006

52-1437006

ASSETS

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Disposals</u>	<u>End of Year</u>
Furniture and Equipment	\$ 277,115	\$ 17,936	\$ (30,958)	\$ 264,093
Leasehold Improvements	48,087	-	-	48,087
Total	<u>\$ 325,202</u>	<u>\$ 17,936</u>	<u>\$ (30,958)</u>	<u>\$ 312,180</u>

ACCUMULATED
DEPRECIATION

	<u>Beginning of Year</u>	<u>Current Year Depreciation</u>	<u>Disposals</u>	<u>End of Year</u>
Accumulated Depreciation	\$ 270,161	\$ 31,978	\$ (30,958)	\$ 271,181
Total	<u>\$ 270,161</u>	<u>\$ 31,978</u>	<u>\$ (30,958)</u>	<u>\$ 271,181</u>

Fixed Assets, Net	<u>\$ 40,999</u>
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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, 2006

52-1437006

<u>Name</u>	<u>Title</u>
Heath J. Meriwether	Chairman
David Ingemie	Treasurer
Joe Barrow, Jr.	Vice Chairman
Rebecca Riley	Vice Chariman
Chip Angle	Board Member
James Bellas	Board Member
Jennie E. Gerard	Board Member
Peter Goldman	Board Member
Katherine Kraft	Board Member
Deborah Lathen	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

COPY

If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.		
Type or print. File by the extended due date for filing the return. See instructions.	Name of Exempt Organization RAILS-TO-TRAILS CONSERVANCY	Employer identification number 52-1437006
	Number, street, and room or suite no. If a P.O. box, see instructions. 1100 17TH STREET, NW, 10TH FLOOR	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WASHINGTON, DC 20036	

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

- Form 990 Form 990-EZ Form 990-T (sec. 401(a) or 408(a) trust) Form 1041-A Form 5227 Form 8870
- Form 990-BL Form 990-PF Form 990-T (trust other than above) Form 4720 Form 6069

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

- The books are in the care of **RAILS-TO-TRAILS CONSERVANCY**
Telephone No. **202-331-9696** FAX No. _____
- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole** group, check this box . If it is for **part** of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **AUGUST 15, 2007**.

5 For calendar year _____, or other tax year beginning **OCT 1, 2005** and ending **SEP 30, 2006**.

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

7 State in detail why you need the extension
ADDITIONAL TIME IS NEEDED TO GATHER INFORMATION NECESSARY TO FILE A COMP

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

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

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

Signature and Verification

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

Signature _____ Title _____ Date _____

Notice to Applicant - To Be Completed by the IRS

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

Director _____ By: _____ Date _____

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

Type or print	Name RAFFA, P.C.
	Number and street (include suite, room, or apt. no.) or a P.O. box number 1899 L STREET, NW, SUITE 600
	City or town, province or state, and country (including postal or ZIP code) WASHINGTON, DC 20036

523832 05-01-05

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