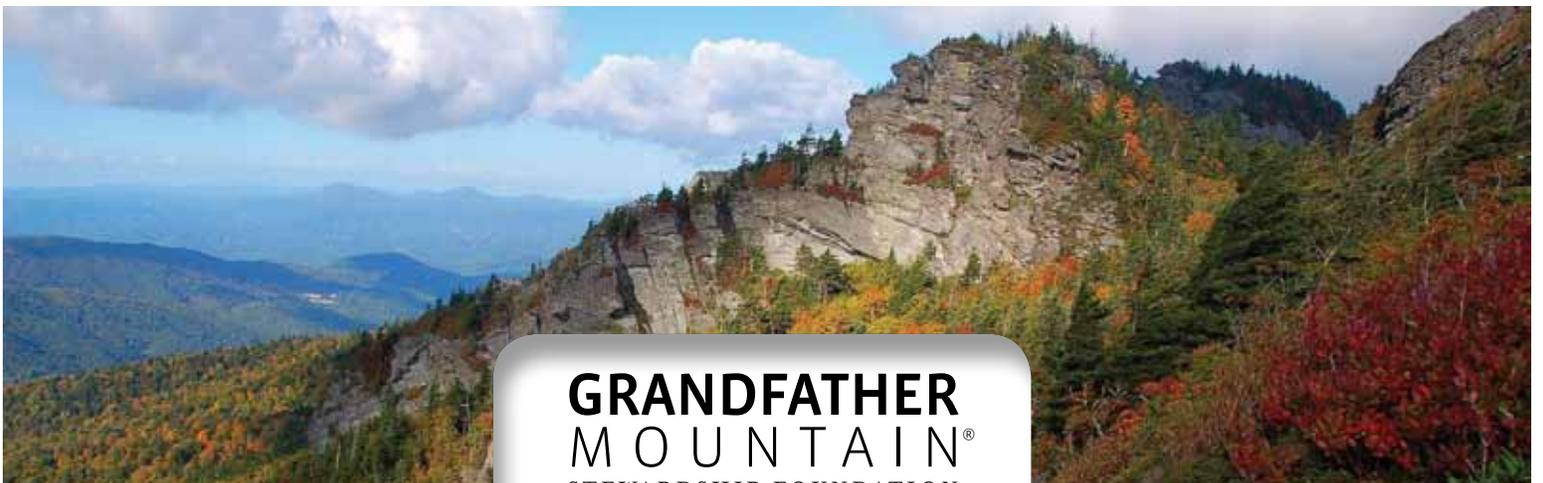




REACHING NEW HEIGHTS FOR GRANDFATHER MOUNTAIN

ANNUAL REPORT 2011



GRANDFATHER
MOUNTAIN®
STEWARDSHIP FOUNDATION



MISSION STATEMENT

The mission of the Grandfather Mountain Stewardship Foundation is to preserve Grandfather Mountain, operate the nature park sustainably in the public interest, and participate in educational and research activities.

The mission of our staff is to provide an exceptional guest experience that deepens our visitors' appreciation of nature and inspires them to be good stewards of the earth's resources.



Letter from the President

The Grandfather Mountain Stewardship Foundation celebrated an exceptional year in 2011.



We worked very hard to preserve the beauty and wonder of the Mountain and to share them with others, and that hard work was rewarded – the year's paid attendance was the second largest in Grandfather's history. We're proud that we could share this magnificent place with so many people and help create so many lasting memories.

Of course, 2011 was notable for more than just near-record attendance. Luna, our new otter, was introduced to the public. We developed plans to improve our eagle habitat and the Top Shop exhibits. We saw impressive growth in the number of participants in our Naturalist programs and Behind the Scenes Habitat Tours. We also launched our Annual Fund, which we hope will become a valuable source of support for years to come.

We thank everyone who made a donation, adopted an animal, bought a season pass, came by to visit the Mountain, or even just said something nice about us to a friend. We hope you enjoy looking back on 2011 in these pages, and we look forward to seeing you in 2012.

Best wishes,

Penn Dameron
President
Grandfather Mountain Stewardship Foundation

Breaking Records and Celebrating Firsts

The Grandfather Mountain Stewardship Foundation enjoyed yet another memorable winter in 2011. January brought above-average snowfall, subzero temperatures, and a new record three-second wind gust of 114.7 mph on January 26.

Temperatures warmed, and so did visitation: we welcomed lots of visitors rediscovering their own or neighboring states due to the still slow economy. A warm December brought a record attendance of 16% above the previous record for the month.

Many events were added to the calendar this year including "A Celtic Morning on the Mountain." Held the Sunday morning of the Grandfather Mountain Highland Games, it featured a Scottish breakfast and musical performance. In the fall, award-winning bluegrass band Balsam Range delighted guests with hits and regional favorites, and two new Halloween events benefitted the Eagle Habitat Renovation Project.

Our Stewardship Foundation helped celebrate the Avery County Centennial throughout the year and took part in the parade with a groovy float remembering Grandfather's hang gliding days.

The Stewardship Foundation improved the visitor experience by adding an interactive weather and climate exhibit to the Nature Museum. Luna the Otter, Grandfather's newest animal addition, joined Nottaway in the habitat in February. Improvements were made to Jane the Bear's habitat and the upper otter overlook. And Mildred's Grill added healthier choices to its kids meal.

Hikers trekking across Grandfather Mountain's ridgeline can now enjoy five new ladders on the Grandfather Trail. New ladders replace the old ones that had been up for decades on MacRae Cliff, one of the most exciting spots along the ridgeline hike.

A few more accomplishments we're particularly proud of:

ANNUAL FUND

The Stewardship Foundation kicked off its first ever annual fund campaign in late November, sending more than 7,000 letters to season pass holders, newsletter subscribers, and friends. By December 31, donors and friends had contributed more than \$4,000 to the Stewardship Fund, which represents unrestricted donations that will be used for the Mountain's greatest needs.

NEW WEBSITE

Grandfather Mountain's website got a fresh look in 2011, designed around the tagline Wonders Never Cease. The site celebrates the scenic superlatives of the Mountain with an abundance of large photographs. The content includes a video entitled "Grandfather Mountain: The First Billion Years" produced to explain Grandfather Mountain to people who have never been before. Smart phone users can view a mobile version of the site.

NATURALIST/TRAILS DEPARTMENT MERGER

This year, our Naturalist and Backcountry Ranger departments combined to create the Department of Education and Natural Resources. The two departments have been restructured to focus on providing high quality educational experiences for guests as well as learning more about Grandfather Mountain and the surrounding region through ongoing research and monitoring. This year's work included developing a whole suite of new educational programs and experiences as well as making improvements to the existing trail system.

RETAIL FOCUS

The Grandfather Mountain gift shops are expanding their selection by adding mission-centered items to their shelves. "We want to offer an array of nature-themed products that might educate, enlighten or inspire our guests," said Retail Manger Rodney Lattimore. "We select the items we sell by how they support the mission and how they support the experience of Grandfather Mountain." In addition to nature-themed gifts, Grandfather's shops offer a great variety of earth-friendly products. The hunt is on for gifts that showcase recycled, reused, and repurposed materials, with priority placed on buying locally and regionally. Not only does this add to the guest experience by showcasing indigenous handiwork, it supports the regional economy and reduces the volume of natural resources expended in trucking inventory to our shelves.



Naturalists Expand Educational, Interpretive Efforts

The newly formed Department of Education and Natural Resources set its mission to gain a better understanding of the natural ecosystems of Grandfather and to communicate that understanding to visitors to the park. The department, made up of naturalists and interpretive rangers, is charged with the responsibility of providing a deeper appreciation of nature for Grandfather's guests through interpretation, education, and scientific study.

Our citizen science programs are designed to allow our visitors to experience real life scientific study in a fun and interactive way. We offer many interpretive hikes throughout the year, focusing on flora and fauna, history, geology, and other nature related topics. We also provide educational programs, both formal and non-formal, to the visitors of our park.

Non-formal daily programs are usually offered for anyone who visits our park during the summer months, as well as through our group reservations program. Anyone can book a naturalist program during their visit to Grandfather Mountain, in advance of their trip. Once they arrive at Grandfather they can take part in any planned daily programs offered that day. We also coordinate several events each year as well, including Naturalist Weekend, Kidfest, and Girl Scout Weekend.

Formal programs are aligned with the North Carolina Standard Course of Study for K-12 grades. These programs are designed to teach educational components of the state's science and social studies curriculum. Though they are focused on Grandfather Mountain related topics, the programs are also aligned with the state curriculum so a teacher can rest assured that a day at Grandfather isn't a day missed in the classroom.

This year was an excellent year for attendance for our educational programs. Through pre-registered groups, our formal programs broke our all-time record, set last year, for the most attendees since the beginning of the naturalist program in 2003. We also had good attendance for our annual events and non-formal programs this year. We noticed an increase in the number of private organizations and groups that expressed interest in personal programs, many of which are very focused on a specific topic related to Grandfather.

Educational Programs Set Attendance Record - 2011

PROGRAM TYPES	NUMBER OF PROGRAMS	NUMBER OF PARTICIPANTS
Daily Naturalist Programs	100	2,147
Private Programs	32	719
Reservation Programs	276	9,737
Outreach	16	921
Interpretive Ranger Programs	8 Guided Hikes	131
Naturalist Weekend	12	205
Kidfest	7	180
Girl Scout Weekend	7	334
NASA Grant Program	356	832
Professional Development	13 events	181
Program total	827	15,387
DIFFERENCE	40% INCREASE FROM 2010	21% INCREASE FROM 2010

The Habitat staff gave 54 Behind the Scenes tours in 2011, providing 230 participants with a one-of-a-kind opportunity to see Grandfather's animals up close and to hear what efforts are needed to care for them. The Animal Birthday Party in June once again was a success with 900 guests in attendance. With their sights set on making renovations to the current eagle habitats, the Habitat staff created two new Halloween events to raise awareness for the project.

Research and Participation Support Mission

The Mountain's education and natural resource staff is always dedicated to improving their knowledge of the plants and animals that call Grandfather home and the factors affecting them, such as pollution, invasive species, and weather.

Together with Appalachian State University, the Stewardship Foundation is a partner of the Climate Action Network through Direct Observations and Outreach (CAN-DOO) funded by a grant awarded by NASA to make daily climate and weather observations. By recording the weather at the Entrance Gate, near the Fudge Shop, and at the Top Shop, the Stewardship Foundation is helping further the efforts to better understand our climate.

This year, the education staff undertook a large scale effort to understand the life history of the Grandfather Crayfish, *Cambarus eesseeohensis*, by helping conduct surveys initiated by Ohio crayfish expert Roger Thoma. Grandfather staff lent their aid in several streams near Linville to determine the distribution of this vulnerable species, which has a very isolated home range. This project has raised many questions regarding the range of the species as well as some genetic comparisons with other local species of crayfish. Our staff will continue to conduct surveys in 2012 to work towards a better understanding of this species.

By monitoring the bird nest boxes on Grandfather Mountain over the past four years, we were able to determine that Eastern Bluebirds have begun nesting in the park. The boxes were initially installed to provide habitat for cavity nesting birds, such as bluebirds, but they also allow us to determine which species are using them, and how successful they are at fledging young. This year we discovered Tree Swallows, Eastern Bluebirds, and Carolina Chickadees residing in the boxes.

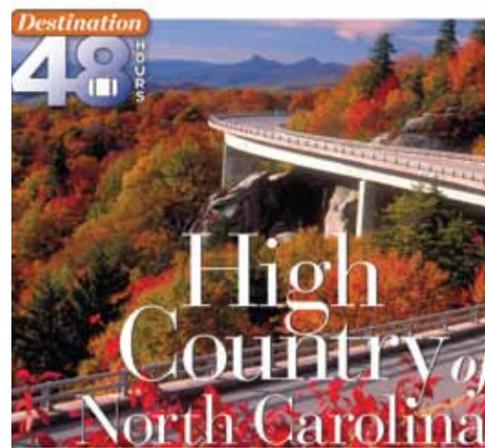
the amount of nectar consumed at the hummingbird feeders at the Nature Museum, as well as the number of hummingbirds we observe at the feeders.

Grandfather Mountain participated in a second year of rearing and tagging Monarch caterpillars.

This data is tracked daily—but we recently compiled six years' worth of data and have discovered some interesting trends that we are just beginning to understand. We also have determined that this past year, we offered over 90 pounds of sugar to hummingbirds.

Grandfather Mountain participated in a second year of rearing and tagging monarch caterpillars, as monarch butterflies have seen a steep decline in number for several years due to a reduction in habitat and their host food plant, milkweed. As part of a national citizen science project hosted by Monarch Watch, the caterpillars are raised in enclosures to increase their chances of survival; the tagged butterflies are then released in late August through September, when they migrate to the Transvolcanic Mountains in Central Mexico. The project is very popular among our visitors, who enjoy having the opportunity to participate in the release of these insects back into the wild.

Since 2006 we have been documenting



Grandfather's Media Coverage Goes Social and International

Grandfather Mountain remained a solid point of interest in 2011, with admirable media

coverage despite decreased budgets and travel opportunities for media outlets across the country.

Highlights from 2011 include coverage from WBIR TV-10 out of Knoxville when the station did a large piece on the North Carolina High Country in May. Shortly thereafter, Grandfather experienced an increase of calls and queries from Knoxville and surrounding areas- a region that is traditionally not a big market for Western North Carolina. In June, News Director Landis Wofford embarked on a UK Media Tour.

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The press tent at the 56th Annual Grandfather Mountain Highland Games hosted representatives from 21 media outlets, a photographer for the Associated Press, and 18 freelancers. Notably, a crew from BBC Scotland was on location to film the sights, sounds, and the great characters

that create the allure of the Games.

In September, Grandfather was included in the "Destination 48 Hours" piece in *US Airways* magazine. The coverage was made

possible through the High Country Host Marketing Partnership and included a large autumn photo of the Linn Cove Viaduct, text on Grandfather and a photo of the Mile High Swinging Bridge.

Fall was a busy season for Grandfather's media relations team, as always. Daily fall color reports were submitted to four media outlets, four tourism

organizations, including the State of North Carolina Tourism Office, and on social media sites.

Facebook, Twitter, and YouTube continued to be valuable avenues for the Stewardship Foundation to engage and connect with past, present, and future guests of Grandfather. The Mountain's Facebook page generated 9,625 new "likes" in 2011 and more than 8 million post views.

On November 1, Landis Wofford moved from her role as News Director to Director of Communications, taking on the responsibility of the Mountain's public relations and marketing efforts. Catherine Morton, who had served as Marketing Director for 12 years, stepped into the role of Director for Mission.

JOIN US

as we carry our ancient mountain into the future. For more information about how you can contribute to our efforts, visit grandfathermountain.org.

Corporate donors, please contact Penn Dameron at (828) 733-2013.

Grandfather Mountain Stewardship Foundation, Inc.

Statement of Financial Position - Income Tax Basis

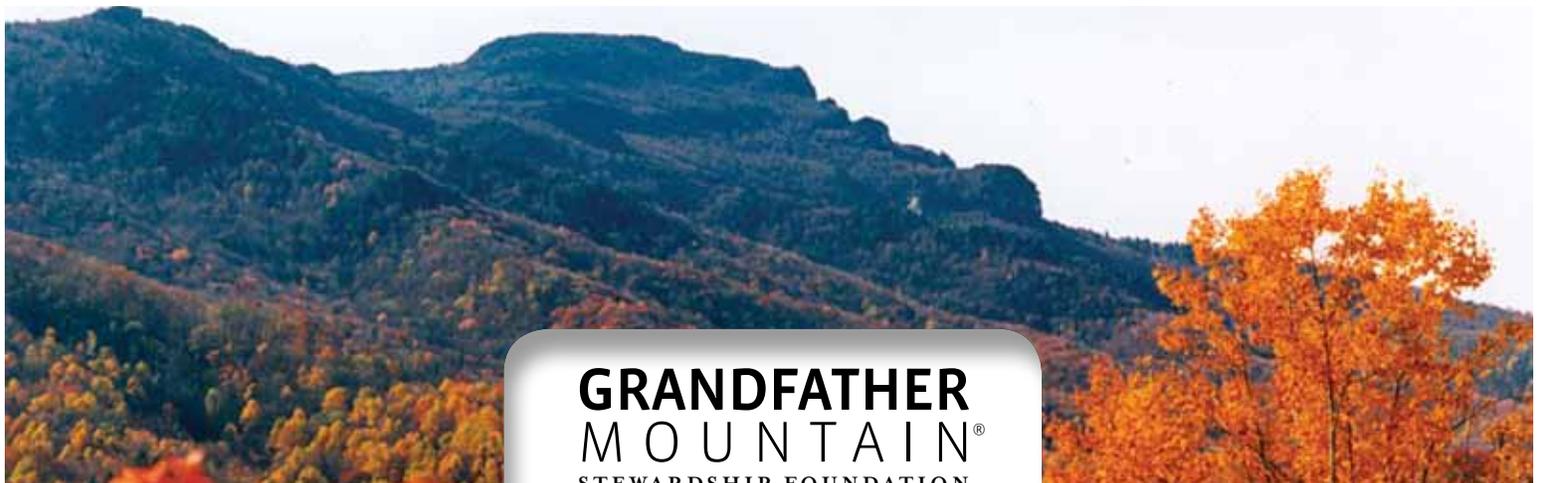
DECEMBER 31, 2011

ASSETS	AMOUNT
CURRENT ASSETS	
Cash and cash equivalents	\$ 732,939
Inventories	242,252
Accounts receivable	10,000
Total current assets	985,191
EQUIPMENT, NET	663,307
INVESTMENTS	3,945,135
Total assets	\$ 5,593,633
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 56,307
Total current liabilities	56,307
Commitments and Contingencies	
Net Assets	
Unrestricted	5,537,326
Total net assets	5,537,326
Total liabilities and net assets	\$ 5,593,633
UNRESTRICTED	
Net sales	\$ 2,111,362
Cost of goods sold	1,224,661
Gross profit	886,601
Admission fees and other operating revenue	3,030,099
Miscellaneous	10,294
Contributions	32,911
Total revenue	3,959,905
Operating expenses	4,152,414
Rent	360,000
Interest income	(53,235)
Total expenses	4,459,179
Excess expenses over revenue	(449,274)



Join us as we carry our ancient mountain into the future.

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