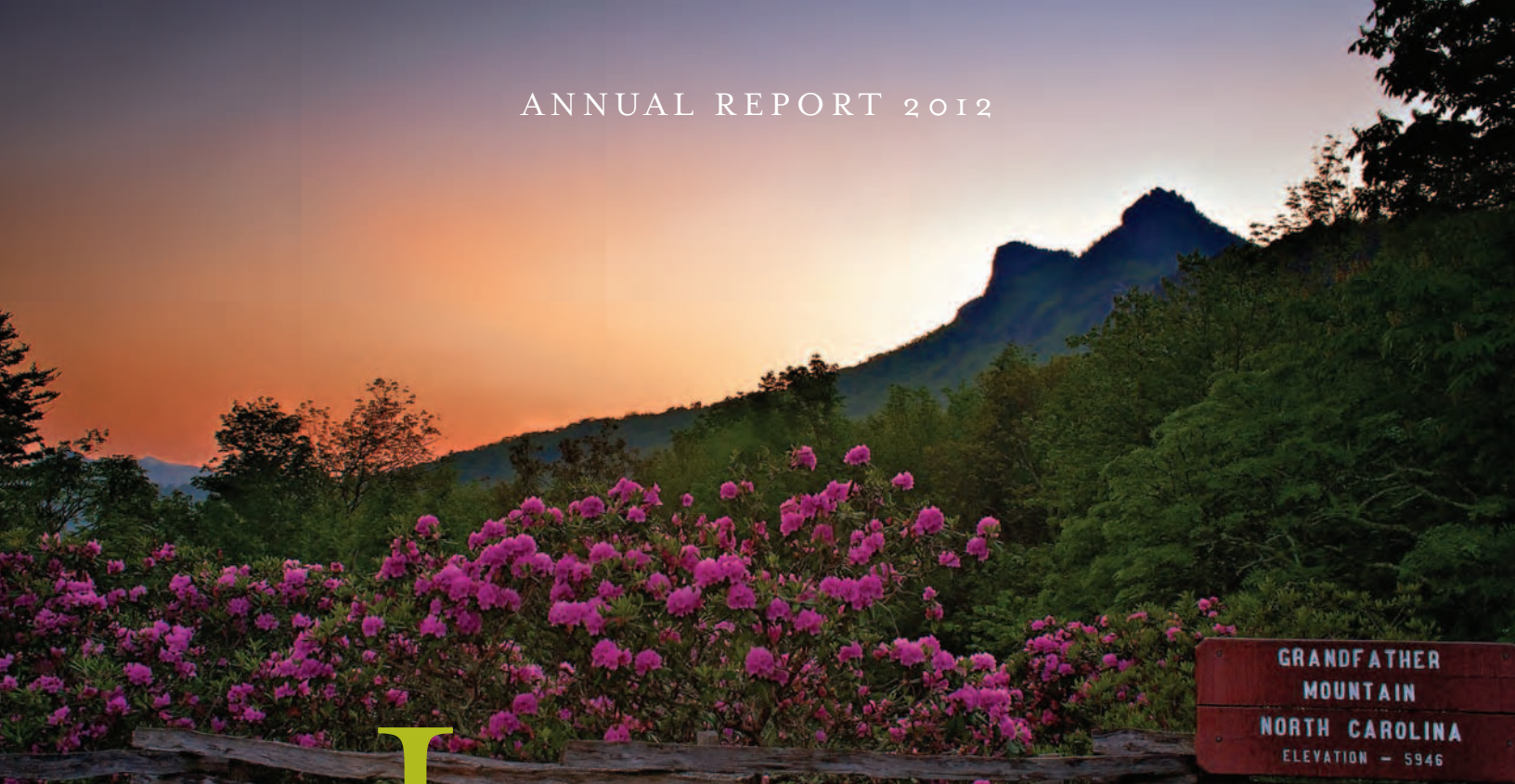




*Our view
keeps getting better
every year.*

GRANDFATHER
MOUNTAIN[®]
STEWARDSHIP FOUNDATION



Letter from the President

It is my pleasure to present to you the Grandfather Mountain Stewardship Foundation's 2012 Annual Report. You will see that 2012 was a landmark year for us in many ways.

Mother Nature provided two superlatives that helped make 2012 a notable year. We recorded both the warmest temperature and the highest wind gust ever with the new weather equipment at the Mile High Swinging Bridge.

Last year, we proudly acknowledged our past by celebrating the 60th anniversary of the Bridge, and we looked confidently toward the future by adding three energetic and visionary new members to our Board of Directors: Michael Leonard of Winston-Salem, Charles Heatherly of Clayton, and Gordon Warburton of Marion.

In 2012 we offered educational programs to almost 16,000 people, the largest number in our history. We also created new opportunities for guided hikes, sunrise/sunset experiences, and supervised camping on the Mountain. And if you haven't hiked the Bridge Trail in a while, you should give it a try this year – our great Trails Department has rebuilt large sections of it, and it's in better shape than ever before. We believe that our guests are looking not just for recreation, but for enrichment as well, and we're proud to have received commendations from four different organizations last year for the quality of our guests' experience, our educational offerings, our sustainability efforts, and our commitment to accessibility for all.

We are especially pleased that, while we were doing these things, we were also able to improve our bottom line considerably. Certainly, a large part of the thanks for that accomplishment goes to the record number of individuals who chose to contribute to the Stewardship Foundation last year. To those of you who supported us by making donations or simply by visiting the park, we are sincerely grateful.

The reason the Stewardship Foundation exists is to preserve Grandfather Mountain, sustainably operate the nature park in the public interest, engage in education and research activities, and inspire good stewardship in others. Our goal every day is to increase our guests' knowledge and appreciation of the Mountain, so they leave here with a commitment to care for all the special places on this earth. What follows in this report is a brief summary of some of what we have done in the past year to accomplish that goal.

I hope you enjoy the report. If you have any questions or suggestions to make us better at what we do, please contact me. We look forward to sharing Grandfather Mountain with you in 2013.

Sincerely,

Penn Dameron, President and CEO
Grandfather Mountain Stewardship Foundation



2012

By the numbers

Park attendance
248,224

July 1, 2012
New record high
temperature
83.2 degrees



Events Created to Support Foundation

Two large events that will become annual occurrences were created by our staff this year.

The Critter Crawl 5K race from MacRae Meadows through the Animal Habitats to the Swinging Bridge drew over 90 participants on May 3. The Habitat staff oversaw all logistics, including raising \$6,000 in sponsorships, so all race registration funds went directly to the Eagle Habitat Renovation Fund.

The Education Department hosted The Grandfather Campout, July 27-29, giving participants the special opportunity to camp at MacRae Meadows and take part in guided day and night activities, such as owl prowls, bug programs and guided hikes. Guests and staff made memories sitting around the campfire, telling stories and enjoying music.

A new \$45 level was added to the Adopt an Animal Program offering purchasers an attractive gift, while making a donation to the Stewardship Foundation. The \$45 donation level includes a unique animal carrier box containing a certificate of adoption, an 8x10 photograph and description of the animal, a plush animal and an e-newsletter subscription.

Green Updates

Eco-friendly initiatives were embraced with many departmental efforts complementing the Stewardship Foundation's overall mission to operate the nature park sustainably.

In 2012, Grandfather's solar panels generated 11,746 kWh of electricity and mitigated 8.3 metric tons of CO₂ from entering the atmosphere. The electricity generated would power an average American home for 10 months and offset CO₂ emissions from 1.7 vehicles a year.

We had a free "green study" conducted by

the Land-of-Sky Regional Council. The survey was offered to tourism industry members through the NC GreenTravel Initiative.

Through Monarch Watch, the Education Department staff was successful in certifying the Butterfly Garden as a registered Monarch Waystation, providing resources necessary for monarchs to produce successive generations and sustain their migration.

The Stewardship Foundation increased its commitment to "green" souvenirs in 2012 — to "buy local" and "buy American," for patriotic reasons, and to decrease the environmental impact of long-distance shipping.

GrandfatherMountain.org Website

In keeping with the Mountain's continued initiatives of environmental stewardship, we launched GrandfatherMountain.org in December. This new Internet resource is a nexus of information, helping the public discover the ways in which the Stewardship Foundation furthers its mission by providing information on how people can donate or volunteer.

"The core message we would like everyone to take away from visiting this website is that anyone can play a part in the mission to preserve Grandfather Mountain for future generations," said Catherine Morton, director for mission. "We hope the people who love Grandfather Mountain will visit this new website to read about the organization that cares for this place. I hope the content will educate our fans about what the Stewardship Foundation is, so they can share that information with others. Ultimately, our goal for the website is to communicate what one thing each person can do to help Grandfather Mountain live on, as well as care for the world around us."

Total Adopt an
Animal Money
made:
\$5,794

Electricity
generated by
Grandfather's
solar panels:
11,746 kWh

*"Anyone can play a
part in the mission to
preserve Grandfather
Mountain for future
generations."*

Preserving the Mountain



Educational Programs

Attended
education
programs:
15,988

Education
department
programs:
570

The Education Staff added more activities to the calendar of events to deepen visitors' appreciation of nature and Grandfather Mountain.

We began a guided hike program this year, offering four different theme hikes from May – August, and the opportunity for guests to book group hikes all year. Interpretive Rangers, a position that was created in 2011, led guided hikes for 121 participants. The focus of the hikes ranged from animal tracks and signs to the diversity of the animal and plant life on the ridgeline to how past historical events shaped Grandfather into what it is today.

During July, kindergarteners through 3rd graders were offered special programming geared toward a better understanding of the environment. Child participants in these Naturalist-led events enjoyed reading books, singing songs, playing games and exploring, all in an effort to connect their young minds with the beauty and majesty of Mother Nature. Each Saturday in July we offered a different discovery.

Also in July, the Stewardship Foundation partnered with Our State magazine for a “Day Trip” during which 25 participants got a comprehensive look at what makes Grandfather Mountain spectacular. Activities included a photography workshop with internationally acclaimed photographer Todd Bush, Behind the Scenes habitat tours, guided hikes and a special bagpipe performance at the Bridge to close the day.

*TripAdvisor awarded
Grandfather Mountain
a 2012 Certificate of
Excellence.*

Recognition

TripAdvisor awarded Grandfather Mountain a 2012 Certificate of Excellence, an honor for hospitality excellence only given to establishments that consistently achieve outstanding traveler reviews. We took great pride in the award and were honored that our teams' genuine efforts to offer a memorable and exceptional experience translated into such positive visitor feedback.

Director of Education and Natural Resources, Jesse Pope, was selected as a member of the Southeast Tourism Society's “Forty for the Future.” The national award recognized 40 young tourism industry professionals under the age of 40. Pope joined Grandfather in 2002, and he develops and oversees educational experiences, conservation efforts and resource management.

In May, Grandfather became the first attraction to join and become certified by the NC GreenTravel Initiative. The N.C. Division of Environmental Assistance and Outreach — in partnership with the Center for Sustainable Tourism at East Carolina University and the Division of Tourism, Film and Sports Development in the N.C. Department of Commerce — launched the NC GreenTravel Initiative to recognize businesses that have integrated greener practices into their daily routine.

Grandfather Mountain was highlighted on the cover of the 2012 ACCESS North Carolina Guide and CD. The vacation and travel guide for people with disabilities is published by the N.C. Department of Health and Human Services and focuses on the accessibility of tourist sites. Grandfather was highlighted for the Top Shop's elevator giving visitors with mobility disabilities access to the Swinging Bridge.

Natural Selection



Communications & Outreach

In 2012, our communications team focused on making sure that people planning a trip to Grandfather, and then arriving at the Entrance Gate, were aware of all the opportunities that awaited them here. The increase in the price of admission that began in April made this objective more necessary than ever. A searchable daily calendar was added to www.grandfather.com chronicling each event opportunity — from daily naturalist programs and guided hikes to sunrise/sunset programs and special concerts.

An attractive bookmark listing program opportunities, and when and where they begin, is now given to every vehicle that enters the park from April through October. These new endeavors inform guests of what is happening on the mountain before their visit, so they can participate in all the events available to them, both fee-based and those included in regular admission.

Two new 30-second TV commercials were created, engaging the viewer on a personal level by showing images of people interacting with each other and nature. The commercials aired in Charlotte, the Triad and the Triangle.

Grandfather Mountain's media coverage remained steady throughout the year with notable mentions in a winter-focused article in Toronto's *Toro Magazine*, a large pictorial spread covering the Highland Games in London's *The Daily Mail* and coverage from The Weather Channel's Jim Cantore on the Dec. 21 record 120.7 mph wind.

These new endeavors inform guests of what is happening on the mountain before their visit, so they can participate in all the events available to them.

Grandfather Mountain Stewardship Foundation, Inc.

Statement of Activities - Income Tax Basis

YEAR ENDED DECEMBER 31, 2012

| ASSETS | AMOUNT |
|--|-------------|
| CURRENT ASSETS | |
| Cash and cash equivalents | \$1,233,595 |
| Inventories | 271,253 |
| Accounts receivable | 59,110 |
| Total current assets | 1,563,958 |
| EQUIPMENT, NET | 760,640 |
| INVESTMENTS | 3,724,632 |
| Total assets | 6,049,230 |
| | |
| LIABILITIES AND NET ASSETS | |
| CURRENT LIABILITIES | |
| Accounts payable and accrued expenses | 116,344 |
| Total current liabilities | 116,344 |
| Net Assets | |
| Unrestricted | 5,932,886 |
| Total net assets | 5,932,886 |
| Total liabilities and net assets | 6,049,230 |
| | |
| REVENUE AND EXPENSES | |
| Net sales | 2,106,740 |
| Cost of goods sold | 1,008,551 |
| Gross profit | 1,098,189 |
| Admission fees and other operating revenue | 3,463,446 |
| Miscellaneous | 7,263 |
| Contributions | 44,115 |
| Total net revenue | 4,613,013 |
| Operating expenses | 4,256,578 |
| Fundraising expense | 15,063 |
| Rent | 360,000 |
| Interest income | (61,809) |
| Total net expenses | 4,584,874 |
| Excess revenue over expenses | 43,181 |



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