

APPALACHIAN MOUNTAIN CLUB SUMMARY OF 2011 ANNUAL REPORT

2011 was a year of progress for AMC marked by solid financial performance and a major milestone in our Maine Woods capital campaign efforts. While not without challenges, AMC again successfully balanced its many sources of revenue and program funding with all of the expenses associated with our wide-ranging activities supporting the AMC mission. We are also very pleased to report that thanks to the generous support of members and donors in 2011 we successfully reached the goal of \$52 million for AMC's Campaign for the Maine Woods.

As in past years, AMC had strong financial support from many sources, including membership dues and annual giving, grants, endowment income, and stays at our huts and lodges. We were particularly pleased with the growth in annual fund giving and membership, both of which exceeded expectations. Stays at our huts and lodges were affected by closures related to Tropical Storm Irene, reduced capacity at Joe Dodge Lodge due to construction and renovation, and the uncertain economy, causing a modest drop in occupancy and revenue. Our outdoor engagement and conservation programs all did well in 2011 and operated near budget.

We continually look for ways to improve the guest experience at our lodges and huts. In 2011, we made significant capital investments at these facilities, completing the rebuilding of Madison Hut, which opened to great acclaim in June, and opening the impressive new LEED-registered lodge and new private cabins at Gorman Chairback in Maine. In addition to these two large projects, which were accomplished thanks to generous contributions from donors, we also completed renovations on the lodge at Little

TREASURER'S REPORT

Lyford in Maine in time for the 2012 winter season.

The Maine Woods Initiative made major progress in 2011, with more than 40 percent growth in lodge occupancy and revenues. Operations in Maine are partially funded by the Campaign for the Maine Woods, but the project is on track to meet the goal of becoming financially self-sustaining. In 2011 we completed the establishment of a \$9 million endowment to support ongoing land management, trails, and program expenses in Maine. We are also very pleased to report that the debt financing related to the 2003 purchase of the 37,000-acre Katahdin Iron Works Tract was retired in 2011, resulting in a gain to AMC of over \$4 million through debt forgiveness.

Despite the vagaries of the financial markets during the year, AMC's total endowment finished the year where it started at just over \$50 million. Our funds continue to be well-managed and our returns have consistently exceeded comparative benchmarks. Endowment income now provides almost \$1.9 million annually to support AMC's mission.

Progress on our strategy for the next decade, Vision 2020, was boosted this year with an additional investment of over half a million dollars in new staff, outreach, and marketing. We are laying the foundation to meet the long-term goals of Vision 2020 in building our constituency, getting more kids outdoors, demonstrating regional conservation leadership, and realizing the larger opportunity in Maine's 100-Mile Wilderness. The strong financial condition of AMC will allow us to expand efforts already under way to achieve this vision, as well as continue the many existing programmatic activities that will advance its goals.

We commend Andy Falender, AMC's retiring president of 23 years, who has been instrumental in laying the strong financial foundation we enjoy today. We welcome his successor, John D. Judge, who is tasked with leading us toward Vision 2020. We continue our commitment to advancing AMC's impact in the fundamental areas of our mission, as well as our commitment to sound financial management. With the commitment of our staff, volunteers, advocates, and supporters, and with our financial resources, we look forward to reporting another year of progress in 2012.

Wayne Thornbrough
TREASURER



CLOCKWISE FROM TOP LEFT: AMC Vice President for Conservation Susan Arnold testifies before the New Hampshire legislature on AMC's role in search and rescue in New Hampshire; Youth Opportunities Program (YOP) participants from Lowell High School in Lowell, Mass., at Noble View Outdoor Center; Madison Hut reopens after extensive rebuild; trail crew volunteers take a break on the Alpine Garden Trail; community leaders and local contractors celebrate opening of new Gorman Chairback Lodge.

VISION2020 GOALS 2011 PROGRESS REPORT

BUILD A VIBRANT AND DIVERSE COMMUNITY OF 500,000 CONSTITUENTS

2011 PROGRESS →

AMC is in ongoing communications with over 120,000 constituents, including

members, advocates, and supporters, through traditional and online means of engagement. AMC hosts over 150,000 guest nights through its staff and volunteer-managed destinations.



HELP 500,000 KIDS GET OUTDOORS

2011 PROGRESS → AMC reaches over 53,000 youth through its school, teen, and urban youth programs, and its huts and lodges.

LEAD REGIONAL ACTION ON TRAILS, LAND PROTECTION, AND ENGAGING YOUTH IN CONSERVATION

2011 PROGRESS → AMC demonstrates conservation leadership by managing over 1,700 miles of trails (350 on the Appalachian Trail) with the help of 34,000 hours of volunteer time, and working with partners protects 11,461 acres of land throughout our region.

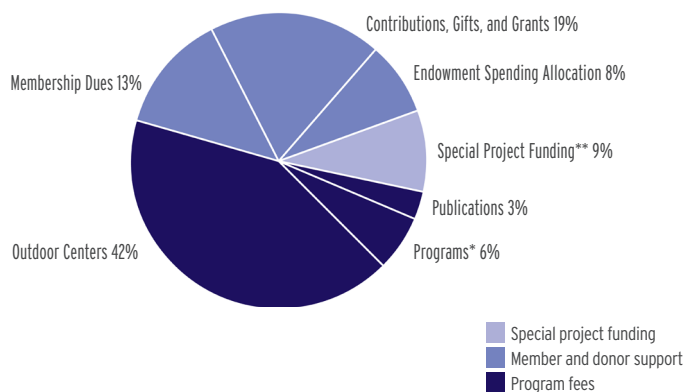
BROADEN THE IMPACT OF AMC'S MAINE WOODS INITIATIVE ON THE 100-MILE WILDERNESS

2011 PROGRESS → AMC opens new Gorman Chairback Lodge and Cabins; expands its trail network to 80 miles; serves a record number of guests; puts an additional 10,000 acres into an ecological reserve.

2011 FINANCIAL SUMMARY

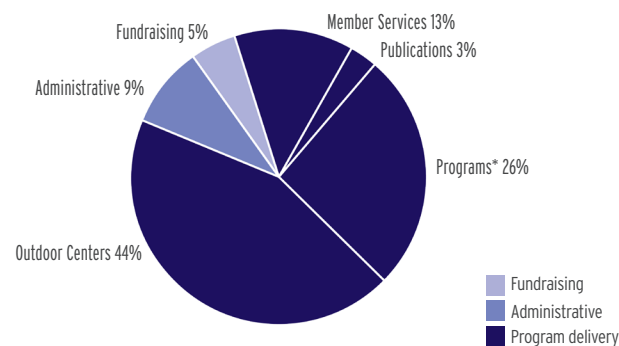
For a detailed financial statement, see:
outdoors.org/about/financial-information.cfm

2011 OPERATING FUNDING SOURCES



* Programs include Conservation, Outdoor Engagement, Leadership Training, Trails, and Research
 ** Special Project Funding includes funding for the Maine Woods Initiative provided from capital campaign receipts, and in 2011, Vision 2020 Initiatives provided from other reserves

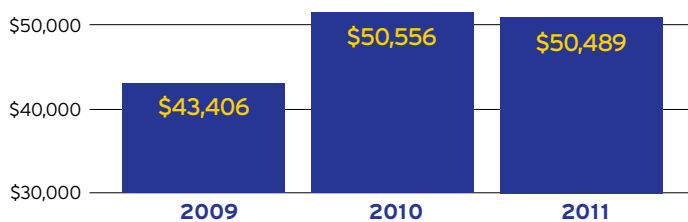
2011 OPERATING EXPENSES



FUNDING SOURCES	(in \$1,000s)		
	2009	2010	2011
Contributions, Gifts, and Grants	\$4,239	\$4,108	\$4,090
Membership Dues	2,903	2,879	2,965
Outdoor Centers	8,629	9,055	9,142
Programs*	1,003	1,090	1,292
Publications	688	722	711
Endowment Spending Allocation	1,781	1,809	1,862
Special Project Funding**	1,314	938	1,889
OPERATING FUNDING SOURCES	20,557	20,601	21,951

EXPENSES	(in \$1,000s)		
	2009	2010	2011
Outdoor Centers	9,341	9,326	9,655
Programs*	5,212	5,218	5,782
Publications	705	613	644
Member Services	2,483	2,470	2,742
Fundraising	1,027	1,066	1,073
Administrative	1,602	1,786	1,950
OPERATING EXPENSES	20,370	20,479	21,846
OPERATING SURPLUS	187	122	105
Non-Operating Contributions, Investment, and Other Activity	8,357	5,636	3,344
TOTAL CHANGE IN NET ASSETS	8,544	5,758	3,449
NET ASSETS, BEGINNING OF YEAR	77,711	86,255	92,013
NET ASSETS, END OF YEAR	\$86,255	\$92,013	\$95,462

ENDOWMENT (in \$1,000s)



2011 HIGHLIGHTS

- **Conservation:** In NH, AMC testifies for continued state engagement in the Regional Greenhouse Gas Initiative (RGGI) and funding for the Land and Community Heritage Program (LCHIP), and AMC intervenes in opposition to the proposed Northern Pass transmission project. In Maine, AMC works to defeat a measure that would abolish the Land Use Regulation Commission, which oversees land use planning in the Unorganized Territory of Maine, including much of the 100-Mile Wilderness. AMC releases a study on potential natural resource conflicts tied to ridgeline wind power development in Maine. Two priority Mid-Atlantic Highlands conservation projects are completed, protecting over 1,000 acres in Pennsylvania's Oley Hills and New York's Great Swamp watershed.
- **Outdoor Engagement:** AMC's A Mountain Classroom school program continues to get more young people active and learning in the outdoors by working with nearly 1,000 students from 25 schools, including three in Maine's Piscataquis County and five in New Hampshire's Coos County. Our Youth Opportunities Program (YOP) serves a record 20,118 youth from the Boston and New York City metro areas, a 23% increase over 2010. YOP also trains a record 300 youth workers and teachers through outdoor leadership trainings and workshops. Dave Queeley joins AMC as the Vice President for Outdoor Engagement, a new leadership team position.
- **Maine Woods Initiative:** AMC opens new LEED-registered Gorman Chairback Lodge in January, as well as new private cabins. A series of portage trails and new campsites are built on the Roach Ponds tract, providing opportunities for multi-day paddling trips. AMC begins work with Trout Unlimited, the U.S. Fish & Wildlife Service, and other

partners to restore natural stream flows for native brook trout by removing culverts and other impediments. Two new "forever wild" forest reserves are set aside in AMC's Roach Ponds Tract, totaling more than 10,000 acres, thanks to grants from The Nature Conservancy and Sweet Water Trust. AMC successfully completes the \$52 million Campaign for the Maine Woods.

- **Program Centers:** Madison Hut reopens in June to rave reviews following reconstruction. A new accessible, solar-powered bathhouse is opened at Noble View. AMC's Highland Center is named one of North America's "Top 10 Adventure Lodges" by *Outside* magazine. AMC expands program offerings and amenities for families as part of its "Kid Spoken Here" campaign. A new *Passport to the Huts* allows guests to earn a patch by staying at all eight AMC huts. AMC continues staffing the huts to provide emergency shelter to AT thru-hikers during Tropical Storm Irene, which closed the White Mountain National Forest.

- **Trails:** Trail volunteers provide over 34,000 hours of service in 2011, including a 14% increase in North Country hours and nearly a doubling of volunteer hours in the Berkshires. AMC's professional trail crew completes a new campsite on the Grafton Loop Trail, and major reconstruction projects on the Falling Waters, Mahoosuc, Lonesome Lake, and Tuckerman Ravine trails in the White Mountains. Finishing touches are made on a new Garfield Ridge Shelter in October. AMC and The Trustees of Reservations sign an agreement for partnering to lead the Bay Circuit Alliance in the completion, enhancement, and long-term care of the 200-mile Bay Circuit Trail and Greenway around Boston.