

APPALACHIAN MOUNTAIN CLUB

FINANCIAL STATEMENTS

For the years ended December 31, 2005 and 2004

APPALACHIAN MOUNTAIN CLUB

FINANCIAL STATEMENTS

For the years ended December 31, 2005 and 2004

Table of Contents

| | Page Number |
|---|-------------|
| Independent Auditor's Report | 1 |
| Statements of Financial Position | 2 |
| Statements of Activities | 3 |
| Statements of Cash Flows | 4 |
| Notes to Financial Statements | 5-13 |
| Independent Auditor's Report On Consolidating Information | 14 |
| Supplemental Financial Information | |
| Consolidating Statement of Financial Position | 15 |
| Consolidating Statement of Activities | 16 |

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Appalachian Mountain Club
Boston, Massachusetts

We have audited the accompanying consolidated statements of financial position of the Appalachian Mountain Club and affiliate as of December 31, 2005 and 2004, and the related consolidated statements of activities and cash flows for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of Appalachian Mountain Club's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Appalachian Mountain Club as of December 31, 2005 and 2004, and the changes in their net assets and their cash flows for the years then ended in conformity with U. S. generally accepted accounting principles.

Tonneson & Company CPAs PC
Tonneson & Company CPAs PC

May 15, 2006

**Appalachian Mountain Club
Statements of Financial Position
December 31, 2005 and 2004**

| | Total All Funds | |
|---|------------------------|----------------------|
| | 2005 | 2004 |
| Assets: | | |
| Cash and Cash Equivalents | \$ 5,543,603 | \$ 5,846,922 |
| Short Term Investments | 1,875,751 | 4,396,280 |
| Accounts Receivable, less allowance for doubtful accounts of \$35,868 in 2005 and 2004 | 366,515 | 399,436 |
| Pledges Receivable | 3,422,718 | 3,700,644 |
| Prepaid Expenses | 332,161 | 230,286 |
| Inventories | 665,258 | 734,130 |
| Note Receivable | 4,000,000 | - |
| Net Property, Plant, and Equipment | 31,434,857 | 31,133,735 |
| Investments, at Market | 36,081,317 | 32,209,853 |
| Pooled Life Income Trust | 452,602 | 479,019 |
| | \$ 84,174,782 | \$ 79,130,305 |
| Liabilities and Net Assets: | | |
| Accounts Payable | \$ 393,850 | \$ 363,238 |
| Accrued Expenses | 957,446 | 577,861 |
| Annuity Payment Liability | 172,472 | 23,198 |
| Deferred Income | 777,833 | 790,386 |
| Loan Payable | 16,500,000 | 16,500,000 |
| | 18,801,601 | 18,254,683 |
| Net Assets: | | |
| Unrestricted | 29,984,317 | 28,757,885 |
| Temporarily Restricted | 30,105,540 | 26,900,720 |
| Permanently Restricted | 5,283,324 | 5,217,017 |
| | 65,373,181 | 60,875,622 |
| Total Net Assets | 65,373,181 | 60,875,622 |
| Total Liabilities and Net Assets | \$ 84,174,782 | \$ 79,130,305 |

**Appalachian Mountain Club
Statements of Activities
For the Years ended December 31, 2005 and 2004**

| | 2005 | | | 2004 | | |
|---|----------------------|------------------------|------------------------|----------------------|------------------------|------------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Unrestricted | Temporarily Restricted | Permanently Restricted |
| Operating: Revenues | | | | | | |
| Membership | \$ 3,396,358 | | \$ 3,396,358 | \$ 3,528,244 | | \$ 3,528,244 |
| Outdoor Program Centers | 7,502,635 | 166 | 7,502,801 | 7,470,580 | 8,678 | 7,479,258 |
| Programs | 1,140,620 | 234,858 | 1,375,478 | 1,209,898 | 216,217 | 1,426,115 |
| Publications | 564,051 | | 564,051 | 518,272 | | 518,272 |
| Reclassification of Restricted Funds | 235,024 | (235,024) | - | 224,895 | (224,895) | - |
| Total Operating Revenues | 12,838,688 | - | 12,838,688 | 12,951,889 | - | 12,951,889 |
| Expenses | | | | | | |
| Member Services | 2,354,239 | | 2,354,239 | 2,984,428 | | 2,984,428 |
| Outdoor Program Centers | 9,198,315 | | 9,198,315 | 8,263,623 | | 8,263,623 |
| Programs | 4,209,770 | | 4,209,770 | 4,512,199 | | 4,512,199 |
| Publications | 747,396 | | 747,396 | 1,045,640 | | 1,045,640 |
| Administrative | 1,616,854 | | 1,616,854 | 1,555,745 | | 1,555,745 |
| Total Operating Expense | 18,126,574 | - | 18,126,574 | 18,361,635 | - | 18,361,635 |
| Change in Net Assets From Operating Activities | (5,287,886) | - | (5,287,886) | (5,409,746) | - | (5,409,746) |
| Non-Operating: | | | | | | |
| Revenues | | | | | | |
| Fund Raising | 3,225,329 | 4,425,481 | \$ 66,307 | 5,081,160 | 4,316,585 | 9,397,745 |
| Investment Income | 299,357 | 255,978 | | 561,330 | 269,343 | 830,673 |
| Changes to Pooled Life and Gift Annuity Income Trust | (201,320) | (40,722) | | 23,557 | 1,730 | 25,287 |
| Change in Unrealized Appreciation of Investments | 727,461 | 924,859 | | 907,678 | 1,231,078 | 2,138,756 |
| Realized Gain on Investments | 507,524 | 648,567 | | 349,187 | 483,447 | 832,634 |
| Gain (Loss) on Disposal of Fixed Assets | 2,780 | | 2,780 | 336,253 | | 336,253 |
| Total Non-Operating Revenue | 4,561,131 | 6,214,163 | 66,307 | 7,259,165 | 6,302,183 | 13,561,348 |
| Expenses and Transfers | | | | | | |
| Fund Raising Expense | 1,056,156 | | 1,056,156 | 1,091,614 | | 1,091,614 |
| Transfer to Maine Woods Initiative | - | - | - | (1,476,490) | | - |
| Total Non-Operating Expenses and Transfers | 1,056,156 | - | 1,056,156 | (384,876) | 1,476,490 | 1,091,614 |
| Reclassification of Restricted Funds | | | | | | |
| Reclassification of Restricted Grants | 1,295,215 | (1,295,215) | - | 1,332,485 | (1,332,485) | - |
| Reclassification of Endowment Income | 903,920 | (903,920) | - | 852,060 | (852,060) | - |
| Reclassification of Other Income | 810,208 | (810,208) | - | 268,217 | (268,217) | - |
| Total Reclassification of Restricted Funds | 3,009,343 | (3,009,343) | - | 2,452,762 | (2,452,762) | - |
| Change in Net Assets from Non-Operating Activities | 6,514,318 | 3,204,820 | 66,307 | 10,096,803 | 2,372,931 | 12,469,734 |
| Total Change in Net Assets | 1,226,432 | 3,204,820 | 66,307 | 4,687,057 | 2,372,931 | 7,059,988 |
| Net Assets, Beginning of Year | 28,757,885 | 26,900,720 | 5,217,017 | 24,070,828 | 24,527,789 | \$ 53,815,634 |
| Net Assets, End of Year | \$ 29,984,317 | \$ 30,105,540 | \$ 5,283,324 | \$ 28,757,885 | \$ 26,900,720 | \$ 60,875,622 |

**APPALACHIAN MOUNTAIN CLUB
STATEMENTS OF CASH FLOWS
for the years ended December 31, 2005 and 2004**

| | Total All Funds | |
|---|---------------------|---------------------|
| | 2005 | 2004 |
| Cash flows from operating activities: | | |
| Change in net assets | \$ 4,497,559 | \$ 7,059,988 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation | 1,008,240 | 956,156 |
| Gain on sale of investments | (1,156,090) | (832,634) |
| Gain on disposal of fixed assets | - | (336,253) |
| Change in unrealized investment appreciation, net | (1,652,320) | (2,138,756) |
| Contributions restricted for long-term investment | (2,616,284) | (2,170,449) |
| Changes in assets and liabilities | | |
| Short term investments | 2,520,529 | (1,999,893) |
| Accounts receivable | 32,921 | (15,440) |
| Pledge receivable | 277,926 | 389,599 |
| Prepaid expenses | (101,875) | 12,197 |
| Inventories | 68,872 | 55,670 |
| Accounts payable | 30,612 | 68,812 |
| Accrued expenses | 379,585 | (99,921) |
| Annuity payment liability | 149,274 | (30,922) |
| Deferred income | (12,553) | 34,813 |
| Total cash provided by operating activities | 3,426,396 | 952,967 |
| Cash flows from investing activities: | | |
| Additions to property, plant, and equipment | (1,309,363) | (1,896,396) |
| Changes in pooled life income trust | 40,721 | (1,730) |
| Purchases of investments | (5,890,497) | (1,475,687) |
| Proceeds from sale of investments | 4,747,494 | 395,730 |
| Proceeds from sale of property | - | 344,053 |
| Total cash used in investing activities | (2,411,645) | (2,634,030) |
| Cash flows from financing activities: | | |
| Proceeds from contributions restricted for: | | |
| Investment in plant | 2,616,284 | 2,170,449 |
| Investment subject to annuity agreements | 65,646 | (23,557) |
| Loan Participation | (4,000,000) | - |
| Proceeds from loan payable | - | 16,500,000 |
| Repayment of loans payable | - | (13,490,000) |
| Total cash (used in) provided by financing activities | (1,318,070) | 5,156,892 |
| Net (decrease) increase in cash and cash equivalents | (303,319) | 3,475,829 |
| | | |
| Cash and cash equivalents, beginning of the year | 5,846,922 | 2,371,093 |
| | | |
| Cash and cash equivalents, end of year | <u>\$ 5,543,603</u> | <u>\$ 5,846,922</u> |

Supplemental data: Cash paid for interest was \$507,375 for 2005 and \$357,092 for 2004.

See Notes to Financial Statements

APPALACHIAN MOUNTAIN CLUB

NOTES TO FINANCIAL STATEMENTS

A. Organization:

The Appalachian Mountain Club (the "AMC") is a not-for-profit environmental conservation and recreation corporation with the mission of promoting the protection, enjoyment and wise use of the mountains, rivers, and trails of the Appalachian Region. In pursuit of this aim it provides educational and experiential opportunities to its membership and the general public in the belief that successful conservation depends on this experience. Backcountry shelter and lodging facilities and trail maintenance programs together with the publication of guidebooks, maps, and a variety of other publications support this effort. Environmental conservation, scientific research, and local chapter organizations further this mission.

B. Accounting Policies:

The significant accounting policies followed by the AMC are as follows:

Basis of Presentation

The accompanying financial statements include the accounts of the AMC, its camps and chapters, and the accounts of AMC Maine Woods, Inc., a not-for-profit corporation whose sole member is AMC. All significant intercompany accounts and transactions are eliminated in the consolidated financial statements. AMC formed AMC Maine Woods, Inc. on December 16, 2004 in connection with the long term financing of its Maine Woods Initiative (See Note I. AMC Maine Woods, Inc.). Certain amounts and accounts from the prior year's financial statements were reclassified to enhance comparability to the current year's financial statements. In addition, a certain investment has been reclassified from permanently to unrestricted net assets based on stated donor provision.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities. Significant estimates for the AMC include the allowance for doubtful accounts for pledges receivable and the present value of the future cash flows from those pledges. Additional significant estimates include the valuation of a certain investment and certain other accruals. Actual results could differ from those estimates.

Basis of Accounting

The accompanying financial statements of the AMC for the years ended December 31, 2005 and 2004 are prepared on the accrual basis of accounting in accordance with Statement of Financial Accounting Standards (SFAS) No. 117.

Continued

APPALACHIAN MOUNTAIN CLUB

NOTES TO FINANCIAL STATEMENTS, Continued

Contributions received, including unconditional promises to give, are recognized as revenues in the period received at their fair values. Restricted contributions that are received and expended in the current year for the restricted purpose are recorded as unrestricted contributions.

Net assets are reported by classification based on the existence or absence of donor imposed restrictions:

Unrestricted net assets include all resources which are not subject to donor-imposed restrictions.

Temporarily restricted net assets carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds. Temporary restrictions may expire either because of the passage of time or because certain actions are taken by the AMC which fulfill the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as use of restricted funds.

Permanently restricted net assets are those that are subject to donor-imposed restrictions which will never lapse, thus requiring that the funds be retained permanently.

Endowment Funds

Permanently restricted endowment funds are subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity and that the income only be expended. Board designated endowment funds have been established by the Board of Directors; however, any portion of Board designated endowment funds may be expended with the approval of the Board and are classified as unrestricted net assets.

APPALACHIAN MOUNTAIN CLUB

NOTES TO FINANCIAL STATEMENTS, Continued

Investments and Investment Income

In accordance with Statement of Financial Accounting Standards (SFAS) No. 124, investments are carried at fair market value. Investment income consists of interest and dividends. Interest income is recorded as earned and dividend income is recorded when received. Investment income, realized gains or losses and investment transactions on mutual funds are recorded on the accrual basis and allocated to specific funds based on their weighted average balance. Investment income from restricted assets that is earned and used in the current year for the restricted purpose is recorded as unrestricted investment income.

All gains and losses arising from the sale, collection, or other disposition of investments and other noncash assets are accounted for in the Statement of Activities as changes in unrestricted net assets unless the use of the assets received is limited by donor-imposed restriction or by law.

The AMC's goal for the Endowment Fund is to provide a current spendable return consistent with the long-term preservation of assets in real terms. In 2005, the AMC adopted a hybrid spending policy incorporating both an inflation-adjusted percentage of the previous year's spending, and a percentage of the invested endowment balance. In previous years, the AMC calculated its spending policy based on 5% of the average trailing four-year market value of the previous year's endowment. Principal additions or withdrawals were added or subtracted from the preceding periods for the purpose of calculating the four-year moving average.

Pooled Life Income Trust

Pooled life income funds are irrevocable charitable remainder trusts, and are administered by an outside trustee. Contribution revenues for pooled life funds are recognized at the dates the agreements are established, and are recorded as revenue on the statement of activities as changes to pooled life income trust. Such contributions, net of related liabilities, are classified as increases to temporarily restricted or permanently restricted net assets based on donor-imposed stipulations. The pooled life funds are carried at fair market value. Changes in the fair market value are recorded in the statement of activities as changes to pooled life income trust.

Continued

APPALACHIAN MOUNTAIN CLUB

NOTES TO FINANCIAL STATEMENTS, Continued

Cash and Short Term Investments

Short-term investments are comprised of highly liquid investments, with a maturity of less than three months at the time of investment. This may include repurchase agreements or other similar investments. Repurchase agreements consist of investments in mutual funds that are composed of money market securities. The AMC consolidates available cash from various funds with other cash in the current fund for investment purposes.

Accounts Receivable

Accounts receivable are recorded when the revenue is earned and consists of amounts due primarily from the sales of publications and advertising. The allowance for doubtful accounts is determined by applying a percentage against the total receivable, based on management's judgement concerning the future collectibility of the receivables. Amounts considered to be past due are charged against the allowance when the account is referred to a collection agency.

Inventories

Inventories, principally retail merchandise and books, are stated at the lower of cost (on an average cost method) or market.

Note Receivable

The AMC has guaranteed a loan facility to a commercial lender in connection with the long-term financing of property held by AMC Maine Woods Inc. (See Note H. Loans Payable). The AMC has a right to acquire participation interest in this credit agreement. As of December 31, 2005 AMC had acquired \$4,000,000 of participation interest.

Property, Plant and Equipment

Property, plant and equipment are recorded at historical cost or appraised value at date of gift or bequest. Major renewals and improvements are capitalized, while maintenance and repairs are expensed when incurred. Depreciation is determined using the straight-line method over the estimated useful lives. Estimated lives for building and improvements, land improvements, furniture, fixtures, and equipment range from 3 to 40 years. Depreciation for 2005 totaled \$1,008,240 and \$956,156 for 2004.

AMC has a thirty-year permit with the U. S. D. A., Forest Service to operate and maintain huts within the boundaries of the White Mountain National Forest.

The cost and accumulated depreciation of assets disposed of are relieved from the accounts and resulting gains or losses are included in revenues or expenses.

Continued

APPALACHIAN MOUNTAIN CLUB

NOTES TO FINANCIAL STATEMENTS, Continued

Donated Equipment and Services

The financial statements do not include amounts for donated services since an objective basis for measurement of the value of such services is not available, and these services are not specialized as defined in FASB No. 116; however, substantial numbers of volunteers have donated significant amounts of their time and energy to the AMC.

Cost Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Concentration of Risk

The AMC places its cash and cash equivalents with high quality credit institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. The AMC and certain of its operations are subject to risks common to the not-for-profit industry including, but not limited to, regulatory oversight and the continued support of donors, members, and volunteers.

Tax Status

The AMC has been granted tax-exempt status under Section 501 (c) (3) of the Internal Revenue Code and AMC Maine Woods, Inc. is in the process of applying for the same status. Accordingly, no provision for federal or state income taxes has been made.

APPALACHIAN MOUNTAIN CLUB
NOTES TO FINANCIAL STATEMENTS, Continued

C. Investments:

Investments consist of the following:

| | December 31, 2005 | December 31, 2004 |
|--|-------------------|-------------------|
| | <u>Value</u> | <u>Value</u> |
| Mutual Funds | 32,725,521 | 29,776,076 |
| Gift Annuity | 183,548 | 249,194 |
| Venture Capital and Investment Partnerships | 3,172,248 | 2,184,583 |
| | \$36,081,317 | \$32,209,853 |

Amounts held in Venture Capital and Investment Partnerships are invested in securities for which there is not necessarily a publicly traded market value or which are restricted as to disposition. With the exception of one investment, the values included are based on information provided by the managers of these funds. One venture capital investment is valued using an estimate (which approximates cost) as of December 31, 2005 since management has determined that reliable information needed to evaluate fair market value is not readily available.

The assets of the pooled life income fund are held in trust for the AMC and are administered by an outside trustee. These assets are recorded at market, and are reported in endowment and similar funds.

APPALACHIAN MOUNTAIN CLUB

NOTES TO FINANCIAL STATEMENTS, Continued

D. Property, Plant and Equipment:

Property, plant and equipment consist of the following:

| | <u>2005</u> | <u>2004</u> |
|-----------------------------------|---------------------|---------------------|
| Land | \$14,859,667 | \$14,859,667 |
| Buildings and improvements | 23,525,851 | 22,741,405 |
| Furniture, fixtures and equipment | 6,308,995 | 5,784,079 |
| | <u>44,694,513</u> | <u>43,385,151</u> |
| Accumulated depreciation | <u>(13,259,656)</u> | <u>(12,251,416)</u> |
| Net property, plant and equipment | <u>\$31,434,857</u> | <u>\$31,133,735</u> |

E. Inventories:

Inventories consist of the following:

| | <u>2005</u> | <u>2004</u> |
|--------------------------------|------------------|------------------|
| Publications - wholesale books | \$307,101 | \$407,885 |
| Retail merchandise | 358,157 | 326,245 |
| | <u>\$665,258</u> | <u>\$734,130</u> |

Continued

APPALACHIAN MOUNTAIN CLUB

NOTES TO FINANCIAL STATEMENTS, Continued

F. Pension Plans:

The AMC has a defined contribution plan which covers substantially all of its full-time employees. Contributions are determined as a percent of each covered employee's gross salary. The percentage rate is based on an employee's years of completed service. Employees are immediately vested. The expense related to the plan was \$241,128 for 2005 and \$266,050 for 2004. The AMC also sponsors a 403(b) deferred compensation plan in which all eligible employees may participate. The AMC makes no contribution to this plan.

Several past AMC employees are receiving benefits paid directly by the AMC. Expense for these employees was \$5,862 for 2005 and \$6,868 for 2004.

G. Pledges Receivable:

Pledges receivable in the amount of \$3,422,718 and \$3,700,644 are recorded in the financial statements as of December 31, 2005 and December 31, 2004. They are primarily from individuals and foundations from the Northeast. Pledges are recorded at the present value of estimated future cash flows. The present value of estimated future cash flows has been measured utilizing a risk free-rate of return (5.4% at December 31, 2005 and 3.611% at December 31, 2004). This rate may change from year to year as a result of the general level of interest rates. The resulting discount amounted to \$532,965 at December 31, 2005 (\$379,337 at December 31, 2004). An allowance of \$380,302 has been made for potentially unfulfilled pledges at December 31, 2005 (\$411,180 at December 31, 2004).

Pledges, net of discounts and allowances, are expected to be collected as follows:

| | <u>2005</u> | <u>2004</u> |
|----------------------------|--------------------|--------------------|
| In one year or less | \$1,260,550 | \$1,402,065 |
| Between one and five years | 2,014,036 | 2,298,579 |
| Greater than five years | 148,132 | - |
| | <u>\$3,422,718</u> | <u>\$3,700,644</u> |

Continued

APPALACHIAN MOUNTAIN CLUB

NOTES TO FINANCIAL STATEMENTS, Continued

H. Loan Payable:

The loan payable at December 31, 2005 and December 31, 2004 consists of the following:

| | <u>2005</u> | <u>2004</u> |
|-----------|---------------------|---------------------|
| Term loan | <u>\$16,500,000</u> | <u>\$16,500,000</u> |

The loan payable at December 31, 2005 and 2004 consists of a single term loan to AMC Maine Woods, Inc. Interest on the loan accrues at a rate of 3% per annum, payable monthly. The loan matures on December 23, 2011 and may not be prepaid. The loan agreement also specifies certain debt forgiveness provisions at maturity. The proceeds of the loan are required to be used for AMC's Maine Woods Initiative project. In connection with the loan to AMC Maine Woods, Inc., the AMC has provided a guarantee of a loan facility to a commercial bank. AMC has the right to purchase participation interest in this facility and as of December 31, 2005 had purchased \$4,000,000 in such interest (see Note B. Accounting Policies: Notes Receivable). At December 31, 2005 and 2004 amounts outstanding under this facility and guaranteed by AMC were \$8,266,042, net of participation interest, and \$12,075,950, respectively; and were collateralized by certain mutual funds of AMC. The guarantee expires on December 23, 2011. Interest expense was \$496,375 for 2005 and \$342,065 for 2004.

I. Transfer to AMC Maine Woods Inc.:

On December 16, 2004, AMC formed AMC Maine Woods, Inc., a not-for-profit corporation of which AMC is the sole member. The purpose of AMC Maine Woods, Inc. is to conduct activities related to AMC's Maine Woods Initiative Project. In connection with the establishment of AMC Maine Woods, Inc. AMC transferred to it certain assets and obligations with an aggregate net value of \$1,476,490.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATING INFORMATION

Board of Directors
Appalachian Mountain Club
Boston, Massachusetts

Our report on our audit of the consolidated financial statements for Appalachian Mountain Club and affiliate for 2005 appears on page one. That audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information in the supplemental financial information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and is presented for purposes of additional analysis of the consolidated financial statements rather than to present the statement of financial position, changes in net assets and cash flows of the individual companies. Accordingly, we do not express an opinion on the statement of financial position, changes in net assets, and cash flows of the individual companies. However, in our opinion, the consolidation information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Tonneson & Company CPAs PC

Tonneson & Company CPAs PC

May 15, 2006

**Appalachian Mountain Club
Supplemental Financial Information
Consolidating Statement of Financial Position
December 31, 2005**

| | Unrestricted General Fund | Unrestricted Operating Surplus | Camps, Chapters and Other | Maine Woods Initiative | Plant Funds | Endowment and Similar Funds | Total All Funds 2005 | Eliminations | Consolidated Total All Funds |
|---|---------------------------------|--------------------------------------|---------------------------------|------------------------------|----------------------|-----------------------------------|----------------------------|-------------------|------------------------------------|
| Assets: | | | | | | | | | |
| Cash and Cash Equivalents | \$ 2,601,814 | | \$ 1,357,716 | \$ 1,584,073 | | | \$ 5,543,603 | | \$ 5,543,603 |
| Short Term Investments | 1,875,751 | | | 270,448 | | | 1,875,751 | | 1,875,751 |
| Accounts Receivable, less Allowance for Doubtful Accounts of \$35,868 in 2005 and 2004 | 219,554 | | | | | | 490,002 | \$ 123,487 | 366,515 |
| Pledges Receivable | | | | 1,672,315 | \$ 1,692,689 | \$ 57,714 | 3,422,718 | | 3,422,718 |
| Prepaid Expenses | 330,161 | | 2,000 | | | | 332,161 | | 332,161 |
| Inventories | 665,258 | | | | | | 665,258 | | 665,258 |
| Interfund Receivables (Payables) | (3,584,584) | \$ 1,667,450 | 1,650,296 | (64,259) | (459,257) | 790,354 | 4,000,000 | | 4,000,000 |
| Note Receivable | | | | 4,000,000 | | | 31,434,857 | | 31,434,857 |
| Net Property, Plant, and Equipment | | | | 15,293,410 | 16,141,447 | 36,081,317 | 36,081,317 | | 36,081,317 |
| Investments, at Market | | | | | | 452,602 | 452,602 | | 452,602 |
| Pooled Life Income Trust | | | | | | | | | |
| Total Assets | \$ 2,107,954 | \$ 1,667,450 | \$ 3,010,012 | \$ 22,755,987 | \$ 17,374,879 | \$ 37,381,987 | \$ 84,298,269 | \$ 123,487 | \$ 84,174,782 |
| Liabilities and Net Assets: | | | | | | | | | |
| Accounts Payable | \$ 372,675 | | | \$ 145,323 | \$ (661) | | \$ 517,337 | \$ 123,487 | \$ 393,850 |
| Accrued Expenses | 957,446 | | | | | | 957,446 | | 957,446 |
| Annuity Payment Liability | | | | | | \$ 172,472 | 172,472 | | 172,472 |
| Deferred Income | 777,833 | | | | | | 777,833 | | 777,833 |
| Loan Payable | | | | 16,500,000 | | | 16,500,000 | | 16,500,000 |
| Total Liabilities | 2,107,954 | - | - | 16,645,323 | (661) | 172,472 | 18,925,088 | 123,487 | 18,801,601 |
| Net Assets: | | | | | | | | | |
| Unrestricted | - | \$ 1,667,450 | \$ 2,222,963 | 1,733,022 | 7,931,409 | 16,429,473 | 29,984,317 | | 29,984,317 |
| Temporarily Restricted | | | 787,049 | 4,377,642 | 9,444,131 | 15,496,718 | 30,105,540 | | 30,105,540 |
| Permanently Restricted | | | | | | 5,283,324 | 5,283,324 | | 5,283,324 |
| Total Net Assets | - | 1,667,450 | 3,010,012 | 6,110,664 | 17,375,540 | 37,209,515 | 65,373,181 | - | 65,373,181 |
| Total Liabilities and Net Assets | \$ 2,107,954 | \$ 1,667,450 | \$ 3,010,012 | \$ 22,755,987 | \$ 17,374,879 | \$ 37,381,987 | \$ 84,298,269 | \$ 123,487 | \$ 84,174,782 |

See Independent Auditor's Report on Consolidating Information

**Appalachian Mountain Club
Supplemental Financial Information
Consolidating Statement of Activities
For the Year ended December 31, 2005**

| | General Fund | Unrestricted Operating Surplus | Camps, Chapters and Other | Maine Woods Initiative | Plant Fund | Endowment & Similar Funds | Total All Funds | | | |
|---|--------------------|--------------------------------|---------------------------|------------------------|---------------------|---------------------------|---------------------|------------------------|------------------------|---------------------|
| | | | | | | | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| Operating: | | | | | | | | | | |
| Revenues | | | | | | | | | | |
| Membership | \$3,071,573 | | \$324,785 | | | | \$3,396,358 | | | \$3,396,358 |
| Outdoor Program Centers | 6,068,490 | | 1,123,111 | \$311,200 | | | 7,502,635 | \$166 | | 7,502,801 |
| Programs | 877,700 | | 497,778 | | | | 1,140,620 | 234,858 | | 1,375,478 |
| Publications | 564,051 | | | | | | 564,051 | | | 564,051 |
| Reclassification of Restricted Funds | 235,024 | | (235,024) | | | | 235,024 | (235,024) | | - |
| Total Operating Revenues | 10,816,838 | | 1,710,650 | 311,200 | | | 12,838,688 | | | 12,838,688 |
| Expenses | | | | | | | | | | |
| Member Services | 2,354,239 | | | | | | 2,354,239 | | | 2,354,239 |
| Outdoor Program Centers | 6,437,825 | | 1,088,368 | 1,307,744 | \$364,378 | | 9,198,315 | | | 9,198,315 |
| Programs | 3,905,435 | | 300,327 | | 4,008 | | 4,209,770 | | | 4,209,770 |
| Publications | 549,170 | | 198,226 | | | | 747,396 | | | 747,396 |
| Administrative | 1,501,262 | | 84,504 | | 31,088 | | 1,616,854 | | | 1,616,854 |
| Total Operating Expense | 14,747,931 | | 1,671,425 | 1,307,744 | 399,474 | | 18,126,574 | | | 18,126,574 |
| Change in Net Assets From Operating Activities | (3,931,093) | | 39,225 | (996,544) | (399,474) | | (5,287,886) | | | (5,287,886) |
| Non-Operating: | | | | | | | | | | |
| Revenues | | | | | | | | | | |
| Fund Raising | 1,999,161 | \$76,352 | 1,623,422 | 3,046,588 | 140,684 | \$830,910 | 3,225,329 | 4,425,481 | \$66,307 | 7,717,117 |
| Investment Income | | | 19,390 | 79,925 | 260 | 455,760 | 299,357 | 255,978 | | 555,335 |
| Change to Pooled Life and Gift Annuity Income Trust | | | | | | (242,042) | (201,320) | (40,722) | | (242,042) |
| Change in Unrealized Appreciation of Investments | | | | | | 1,652,320 | 727,461 | 924,859 | | 1,652,320 |
| Realized Gain on Investments | | | | | | 1,156,091 | 507,524 | 648,567 | | 1,156,091 |
| Gain on Disposal of Fixed Assets | | | | | 2,780 | | 2,780 | | | 2,780 |
| Total Non-Operating Revenue | 1,999,161 | 76,352 | 1,642,812 | 3,126,513 | 143,724 | 3,853,039 | 4,561,131 | 6,214,163 | 66,307 | 10,841,601 |
| Expenses and Transfers: | | | | | | | | | | |
| Fund Raising Expense | 914,859 | | | 131,984 | | 9,313 | 1,056,156 | | | 1,056,156 |
| Transfer to Maine Woods Initiative | | | | | | | | | | |
| Transfer to/from the General/Operating Surplus Fund | 124,057 | (124,057) | | | | | | | | |
| Overhead and Public Service Fees | (106,733) | | 106,733 | | | | | | | |
| Total Non-Operating Expenses and Transfers | 932,183 | (124,057) | 106,733 | 131,984 | | 9,313 | 1,056,156 | | | 1,056,156 |
| Reclassification of Restricted Funds | | | | | | | | | | |
| Reclassification of Restricted Grants | 1,295,215 | | (1,295,215) | | | | 1,295,215 | (1,295,215) | | - |
| Reclassification of Endowment Income | 1,393,547 | | 45,796 | | | (1,439,343) | 903,920 | (903,920) | | - |
| Reclassification of Other Income | 175,353 | 121,140 | (451,145) | | (197,525) | 352,177 | 810,208 | (810,208) | | - |
| Total Reclassification of Restricted Funds | 2,864,115 | 121,140 | (1,700,564) | | (197,525) | (1,087,166) | 3,009,343 | (3,009,343) | | |
| Change in Net Assets from Non-Operating Activities | 3,931,093 | 321,549 | (164,485) | 2,994,529 | (53,801) | 2,756,560 | 6,514,318 | 3,204,820 | 66,307 | 9,785,445 |
| Total Change in Net Assets | - | 321,549 | (125,260) | 1,997,985 | (453,275) | 2,756,560 | 1,226,432 | 3,204,820 | 66,307 | 4,497,559 |
| Net Assets, Beginning of Year | - | 1,345,901 | 3,135,272 | 4,112,679 | 17,828,815 | 34,452,955 | 28,757,885 | 26,900,720 | 5,217,017 | 60,875,622 |
| Net Assets, End of Year | \$ - | \$1,667,450 | \$3,010,012 | \$6,110,664 | \$17,375,540 | \$37,209,515 | \$29,984,317 | \$30,105,540 | \$5,283,324 | \$65,373,181 |

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