



WEST POINT ASSOCIATION OF GRADUATES
UNITED STATES MILITARY ACADEMY

18 May 2011

MEMORANDUM FOR: The Long Gray Line and all West Point Supporters

SUBJECT: West Point Association of Graduates (WPAOG) 2010 Audit Report

1. The staff of WPAOG and I are pleased to provide our 2010 audit report. Our external auditor (ParenteBeard LLC) have performed a full scope audit and issued their unqualified opinion that the financial statements present fairly the WPAOG's financial position, statement of activities, and cash flow. The report was reviewed in detail by our Audit and Compliance Committee and then approved by the full Board of Directors on 29 April 2011. We are proud to publish this information in the spirit of transparency and to insure your confidence in our efforts "to serve West Point and its Graduates."
2. Let me highlight a few points:
 - You will note a significant increase in most categories of our net assets for 2010. In fact, they have increased by \$32.7 million overall, or 17%, for the year. The primary drivers of the increase were:
 - Investments which grew by \$23.2 million, or 15%, due primarily to the continued stock market recovery; and
 - Split interest trusts which increased by \$5.7 million, or 34%, due to additional irrevocable planned gifts.
 - Contributions increased by \$14.6 million, or 76%, as donors continued their support for the United States Military Academy.
 - Overall expenses increased by \$2.1 million, or 9%, primarily as a result of an increase in our provision for uncollectible pledges. This provision increased proportionately to the pledge receivables and represents an estimate of the pledges that will not be collected.
3. We are honored to represent you and the ideals of Duty, Honor, Country at West Point and around the world. Should you have specific questions about this report, please contact our Vice President/CFO, Carl Moccia at carl.moccia@wpaog.org.

ROBERT L. McCLURE '76
Colonel, USA (Retired)
President and CEO