



**WEST POINT ASSOCIATION OF GRADUATES  
UNITED STATES MILITARY ACADEMY**

May 15, 2012

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

SUBJECT: West Point Association of Graduates (WPAOG) 2011 Audit Report

1. The staff of WPAOG and I are pleased to provide our 2011 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 May 4, 2012. 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 an increase in most categories of our net assets for 2011. In fact, they have increased by \$14.1 million overall, or 6%, for the year. The primary drivers were:
    - Pledge Receivables grew by \$5.4 million, or 30%, thanks to donors' continued support of United States Military Academy (USMA); and
    - Investments increased by \$7.5 million, or 4%, due to the increase in cash payments made against existing Pledge Receivables.
  - While our total revenue was flat for 2011, our expenses increased by \$2.6 million, or 10%, primarily as a result of the increase in Grants to USMA, an item that is considered an expense for the audit, and our Provision for uncollectable 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](mailto:carl.moccia@wpaog.org).

A handwritten signature in black ink, appearing to read "Robert L. McClure", is written over a faint, larger version of the same signature.

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