



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

1 January 2010

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

SUBJECT: WPAOG 2008 IRS Form 990 Tax Return for Nonprofit Organizations

1. The staff of the West Point Association of Graduates (WPAOG) and I are pleased to provide our 2008 tax return, and attachments, that was recently filed with the Internal Revenue Service (IRS). As is customary for certain nonprofit organizations, and under advice from our auditors to allow for proper review by the Board of Directors, WPAOG asked for, and received, an extension to file these documents by 15 November 2009. We are proud to present this information in the spirit of transparency and to insure confidence in our efforts "to serve West Point and its Graduates."
2. Given all that our nation has endured economically in the most recent 12 months, I hasten to note that this report is for 2008. Due to the dramatic events on Wall Street at the end of that year, donations to the West Point Association of Graduates were down approximately 30% for the full year when compared to 2007, while the actual number of donors fell less than 5%. This type of steadfast support is deeply appreciated by the United States Military Academy, the Corps of Cadets, and WPAOG.
3. In 2008 the WPAOG continued its full slate of activities to further the ideas of West Point by presenting the Thayer, Nininger, and Pershing Awards, as well as the Class of 1970 Conference on Ethics in America, Diversity Leadership, and Class of 1967 Alumni Leaders Conferences. A West Point Society was formed in Beijing, China in March of 2008 bringing the total number of active alumni societies across the globe to more than 125. The Chairman's Report for 2008 is found elsewhere on this website with this and additional information.  
<http://www.westpointaog.org/NetCommunity/Document.Doc?id=1113>.
4. Operationally, seeing where economic conditions were heading in late 2008, the WPAOG trimmed expenses and implemented a hiring and wage freeze for the 2009 budget, which has proven to be fortuitous. Thus far, no layoffs have been required and we did not have to invade the corpus of the Long Gray Line Endowment for operating expenses. Our diversified investment strategy meant that we, too,

suffered market losses, but to a less extent than the major indices and much less than our Ivy League counterparts.

5. In terms of this specific report for 2008, the IRS significantly revised its Form 990 from previous years to incorporate additional detail about the organization, as well as increased transparency concerning governance issues. Two specific areas bear clarification because of their change from previous years:
  - a. Revenue as calculated by the IRS for this report decreased in 2008 vs. 2007 due to a drop in new pledges and a decrease in investment income; both as a result of the overall economic slowdown. We are proud to announce that as of this date our pledges receivable are up over 30% compared to a year ago.
  - b. Expenses were up during 2008 primarily due to increased proffers and gifts to the United States Military Academy. Over 60% of the increase in staff salaries and compensation noted on this report was primarily due to a change in the report format vs. 2007 in that certain payroll taxes and benefits were previously reported on different lines in 2007. Almost all of the remaining increase was due to positions that were added in Development, IT, and Communications within the WPAOG.
6. We are proud to represent you, and the ideals of Duty, Honor, Country at West Point and around the world. Should you have specific questions about this return, please contact our Vice President/CFO, Carl Moccia at [carl.moccia@wpaog.org](mailto:carl.moccia@wpaog.org)

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