



# 150 YEARS

## Serving West Point & the Long Gray Line

January 25, 2019

Class of 1978  
Mr. Les Szabolcsi  
245 Townpark Dr NW Ste 100  
Kennesaw, GA 30144-5888

Dear Mr. Szabolcsi, *Les,*

On behalf of the West Point Association of Graduates (WPAOG), I am pleased to present you with the 2017-2018 Annual Report for the **Class of 1978 Superintendent's Endowment and the WPAOG - West Point Visitors Center Construction Fund**. This report includes letters from the Academy detailing Margin of Excellence activities and events supported by this endowment during the 2017-2018 Academic Year, and a financial statement detailing the performance of the endowment as of December 31, 2017.

The endowments of WPAOG are invested under the direction of the Association's Investment Committee, using policy guidelines established by the Board of Directors. The Committee retains a professional investment management consultant and allocates assets to various investment managers and asset classes to minimize risk. For the year ending December 31, 2017, the investment returns of WPAOG met or were slightly below our related benchmarks, while the cumulative three years and five years returns were favorable to those benchmarks. For more information on how WPAOG manages and invests endowments, see the enclosed Investments Overview.

Please feel free to contact Amanda Kennedy, our Stewardship Coordinator, at (845) 446-1570 or via email at [Amanda.Kennedy@wpaog.org](mailto:Amanda.Kennedy@wpaog.org) if you have any questions pertaining to the report. We thank you for sharing in our mission to serve West Point and the Long Gray Line.

Sincerely,

*Justin E. Sorenson*  
Justin E. Sorenson  
Vice President of Development

*Proud and Great!*

# West Point Association of Graduates Investments Overview

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While all gifts to West Point Association of Graduates (WPAOG) and the United States Military Academy (USMA) make a real difference in the lives of the West Point cadets, faculty, and staff, an endowment gift is especially meaningful because it provides a long-term source of support. Endowment donors have the opportunity to have a lasting influence on the programs and to honor or memorialize loved ones, friends, or other individuals.

Of course, Gifts other than Endowments are also critical to the operations of USMA and WPAOG in providing specific program support and / or unrestricted gifts for use by the Superintendent of USMA or the CEO of WPAOG.

## **What are WPAOG's responsibilities with regards to my endowment and other gifts?**

- Managing endowments and other gifts to maximize total return within prudent risk guidelines as established by the Board of Directors
- Ensuring proceeds are provided and utilized for the intended purpose
- Prudent spending of endowment earnings to provide an income stream sufficient to support the activity designated, in perpetuity
- Providing an annual endowment report outlining the financial performance along with the Academy's report of the activity as supported by the endowment

## **Will or can the WPAOG spend the principal of my endowment?**

The WPAOG follows New York State non-profit law, which requires standards of prudence in developing spending policies, and **may** permit spending below the original gift value (principal). Spending policy is considered imprudent if the spending rate is greater than 7% over a trailing 5 years average. The WPAOG current policy is **not** to spend into the principal and to spend 4% of the average balance of the prior 12 quarters. However, there may be times when some or all of the annual distribution is not required by the Academy due to various reasons. Any unused distribution remains in a deferred account in the endowment to support future needs; these funds are available to the Academy when requested.

## **How are endowments managed at the WPAOG?**

The primary investment objective of the WPAOG is to maximize total return within prudent risk guidelines. The secondary objective is to preserve capital—less risk will be assumed for funds intended for near-term use; greater risk may be assumed for longer-term funds including endowments.

The WPAOG Board of Directors (BOD) has overall responsibility for the endowments. The BOD assigns the operating and supervisory responsibility for endowments to the Investment Committee. The Investment Committee provides advice and recommendations to the BOD and is comprised of volunteer graduates who are professionals in the field. The WPAOG also utilizes an Investment Consultant, LCG Associates, to work with the WPAOG Chief Financial Officer and the Investment Committee to implement policy and to manage the day-to-day operations of the portfolio; in line with the Investment Policy, the BOD and Investment Committee. In 2016, the Investment Committee worked with the WPAOG and hired Cliffwater LLC, an Alternative Investment

As of April 26, 2018

## **Class of 1978 Superintendent's Endowment**

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Endowment Performance Report  
As of 12/31/2017

### **Endowment Description**

Supports additional programs that go beyond the core elements to create the margin of excellence.

<b>Endowment Balance</b> .....	\$ 1,400,995.13
<b>Available for AY 17-18</b> .....	\$ 49,740.34



DEPARTMENT OF THE ARMY  
UNITED STATES MILITARY ACADEMY  
West Point, New York 10996

24 July 2018

Subject: The Class of 1978 Superintendent's Endowment 2017-2018 Academic Year

Dear Class of 1978,

The purpose of the Class of 1978 Superintendent's Endowment is to provide funding, at the Superintendent's discretion, for programs that go above and beyond the core elements supported by government funding. These programs are referred to as the Margin of Excellence and they benefit every cadet.

In the 2017-2018 academic year, the available distribution from the Class of 1978 Superintendent's Endowment supported cadet programs, projects, and clubs. The following are examples of how your funds were used:

### Projects Day

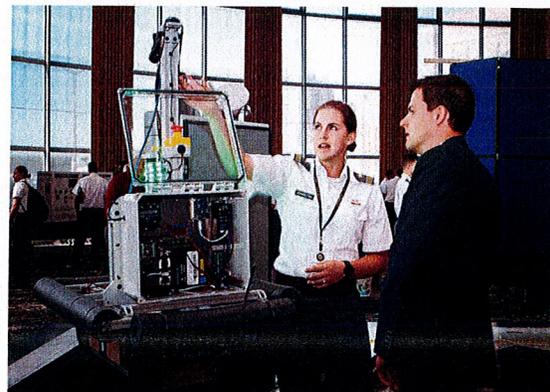


Projects Day is the culmination of academic work in the capstone course for first class cadets. Since its inception in May 2000, the annual event has grown in size and scope, resulting in participation by hundreds of cadets from all academic departments.

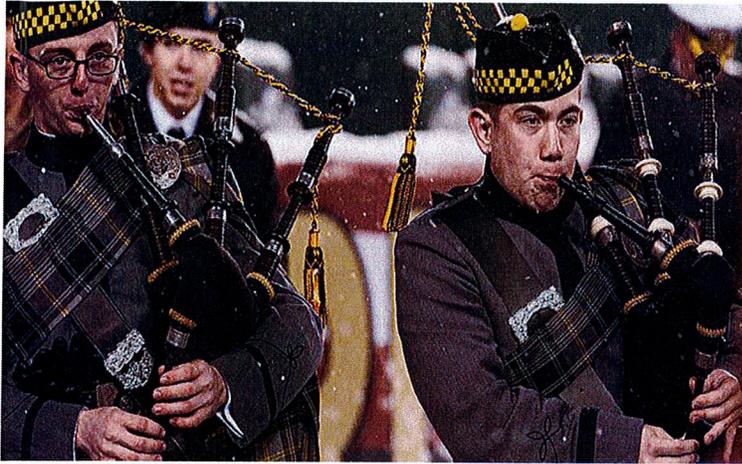
Whether individually or as a team, cadets present a design project or a thesis, which demonstrates their ability to integrate the academic and military knowledge, as well as their presentation and communication skills.

The U.S. Military Academy hosted Projects Day at various locations on West Point on May 3. Projects Day highlights academic excellence across USMA showcasing leaders of character who think critically, internalize their professional identity and will employ their education to help build the Army and the nation's future. Class of 2018 Cadets Amy Johnston (right) and Geoffrey Stoker (above) were two of four cadets who worked on an autonomous vehicle designed to be capable of winning the Intelligent Ground Vehicle competition.

The vehicle is capable of navigating through an outdoor obstacle course that requires the robot to avoid obstacles, stay within the lanes of the course and reach multiple GPS waypoints.



## Pipes and Drums



The USCC Pipes and Drums, along with the West Point Celtic Dancers, traveled to Philadelphia Dec. 8 to participate in the 2017 Army-Navy Battle of the Pipe Bands and Dance Competition. The USCC Pipes and Drums thoroughly defeated the Naval Academy's Pipes and Drums in all three judged categories (Piping, Drumming and Ensemble) and regained the coveted Battle of the Pipe Bands trophy.

Though they were unable to secure a victory over Navy, the Celtic Dancers performed to an exceptionally high level in highland dance and showed a great level of improvement over recent years. The following day, the group led the Army Football team out of the tunnel and onto the fields of friendly strife and to an extraordinary victory over Navy.

## Aviation

The U.S. Military Academy Aviation club sent a contingent of cadets to Fort Campbell, Kentucky in January 2018 to observe and learn about the 160th Special Operations Aviation Regiment (Airborne).

Cadets were greeted and briefed on the mission and activities of 160th SOAR (A) by the Regimental Commander Col. Phil Ryan, USMA Class of 1992, and had an opportunity to ask questions of him and his senior staff.

Cadets then had the chance to visit the regiment's state of the art facilities, to include their ultra-realistic helicopter simulators (not operational due to the weather) and see their dunker water survival lab.



After a lunch that included mentoring from officers serving in several branches of the Army, cadets were treated to a helicopter ride in an MH-60 Blackhawk or MH-6 Little Bird. Cadets on this trip had a tremendous opportunity to learn about possible careers in the Army special operations

community, and the trip was well received by both cadet participants and the hosts at Task Force 160.

The trip helped fulfill one of the missions of the Aviation Club, to help develop future aviation officers, and hopefully can be repeated in the future.

## Glee Club

Sixty-four members of the West Point Glee Club traveled to Madison, Wisconsin, April 12-15, and shared their music and love of West Point with the community. As soon as they landed in Madison, cadets visited the VA Hospital, where they interacted with veterans and provided a short concert.



On April 13, the Glee Club went to Oregon High School, where they gave two concerts for the students and told them about life as cadets at West Point. After the high school visit, the Club visited the Wisconsin State Capitol and gave a short performance inside the beautiful rotunda.

Later that afternoon, cadets of the Glee Club served as ambassadors of the Academy when they went to Sun Prairie High School, met and interacted with members of the school's concert choir, and listened to them perform a few songs.

Cadets and students were able to take part in a brief Q&A, giving cadets the opportunity to talk about their unique experiences at West Point and what daily life is like at the academy.

That evening, the Glee Club gave a full, public concert for an audience of about 150 people at Sun Prairie's Performing Arts Center. The concert featured several works commemorating the 100th anniversary of the end of World War I and then all of the West Point favorites.

The following day, cadets traveled to St. John's Northwest Military Academy in Delafield, Wisconsin, where they presented another public concert for all of the JROTC cadets and for about 100 community members who were also in attendance.

The West Point Glee Club was able to make several connections with old grads and students during this trip, and all members served as ambassadors of the academy in their outstanding musical performances and in their professional conduct and appearance.

Thank you for providing the Academy the greatest flexibility to respond to changing priorities and support emerging needs. With your support, we can ensure that West Point remains one of the Nation's most outstanding institutions.

Sincerely,

Kenneth G. Heckel  
Lieutenant Colonel, U.S. Army  
Director, Academy Advancement



DEPARTMENT OF THE ARMY  
UNITED STATES MILITARY ACADEMY  
OFFICE OF PUBLIC AFFAIRS AND COMMUNICATIONS  
TAYLOR HALL, BUILDING 600, ROOM 100  
WEST POINT NY 10996

### Visitors Center Stewardship Report

The Visitors Center is designed to inspire all of those who visit this Margin of Excellence center and demonstrate through over 60 exhibits a cadet's 47-month experience and a unique perspective into how the academy develops leaders of character for our Army and nation.

Hundreds to thousands of visitors come in daily to visit the displays, take a West Point Tour or visit the Army West Point Athletic Association Gift Shop.

This state-of-art facility, The Frederic V. Malek West Point Visitors Center opened on Dec. 4, 2017, and through Jan. 16, 2019, has had more than 250,000 visitors come through the doors.

Our official media day on Feb. 8, 2018, was a phenomenal success. Afterwards, the facility gained a renewed interest among the community and nationally spurring popularity and a number of official tours. Those dignitaries and groups included: former Central Intelligence Agency Director, Mike Pompeo; Chairman and President of The Wonderful Company, Mr. Stewart A. Resnick; CBS News President, Mr. David Rhodes; the University of Connecticut women's basketball team, and all of the attendees for the 2018 National Conference on Ethics in America.

The first special event after the opening was the opening dinner for the Association of Graduates Societies Conference in Aug. 2018, which set the stage for all future alumni initiatives.

For any additional information on this report please contact Jim Fox at 845-938-8365 or e-mail at [Jim.Fox@westpoint.edu](mailto:Jim.Fox@westpoint.edu) or LTC Chevelle Thomas at 845-938-8832 or e-mail [Chevelle.thomas@westpoint.edu](mailto:Chevelle.thomas@westpoint.edu).

Sincerely,

A handwritten signature in black ink, appearing to read "Chevelle Thomas", is positioned below the word "Sincerely,".

LTC Chevelle Thomas  
Director of Public Affairs and  
Communications  
U.S. Military Academy  
West Point, N.Y.



*University of Connecticut Women's Basketball Team visits the Frederic V. Malek Visitors Center*