



TOWN OF WELLESLEY, MASSACHUSETTS

**INDEPENDENT AUDITORS' REPORTS REQUIRED BY TITLE 2 U.S. CODE OF
FEDERAL REGULATIONS PART 200, *UNIFORM ADMINISTRATIVE
REQUIREMENTS, COST PRINCIPLES AND AUDIT REQUIREMENTS FOR FEDERAL
AWARDS* (UNIFORM GUIDANCE) AND *GOVERNMENT AUDITING STANDARDS***

YEAR ENDED JUNE 30, 2024

TOWN OF WELLESLEY, MASSACHUSETTS
REPORTS ON FEDERAL AWARD PROGRAMS
YEAR ENDED JUNE 30, 2024

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

To the Honorable Select Board
and the Audit Committee
Town of Wellesley, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wellesley, Massachusetts, as of and for the year ended June 30, 2024, (except for the Wellesley Contributory Retirement System which is as of and for the year ended December 31, 2023) and the related notes to the financial statements, which collectively comprise the Town of Wellesley, Massachusetts' basic financial statements, and have issued our report thereon dated December 24, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Wellesley, Massachusetts' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wellesley, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Wellesley, Massachusetts' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Wellesley, Massachusetts' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Boston, MA
December 24, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Select Board
and the Audit Committee
Town of Wellesley, Massachusetts

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Wellesley, Massachusetts' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Wellesley, Massachusetts' major federal program for the year ended June 30, 2024. The Town of Wellesley, Massachusetts' major federal program are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Wellesley, Massachusetts complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Wellesley, Massachusetts and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Wellesley, Massachusetts' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Wellesley, Massachusetts' federal programs.

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Wellesley, Massachusetts' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Wellesley, Massachusetts' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Wellesley, Massachusetts' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Wellesley, Massachusetts' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wellesley, Massachusetts' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a

reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Wellesley, Massachusetts' as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Wellesley, Massachusetts' basic financial statements. We issued our report thereon dated December 24, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Marcum LLP

Boston, MA
December 24, 2024

Town of Wellesley, Massachusetts

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
CHILD NUTRITION CLUSTER:				
U.S. DEPARTMENT OF AGRICULTURE:				
<u>Passed through the Commonwealth of Massachusetts Department of Elementary and Secondary Education:</u>				
Non-Cash Assistance (Commodities):				
National School Lunch Program.....	10.555	11-317	\$ - \$	97,509
Cash Assistance:				
National School Lunch Program.....	10.555	11-317	-	287,817
COVID-19 - National School Lunch.....	10.555	11-317	-	120,085
Total National School Lunch Program.....			-	505,411
Cash Assistance:				
School Breakfast Program.....	10.553	11-317	-	27,670
TOTAL CHILD NUTRITION CLUSTER.....			-	533,081
HIGHWAY SAFETY CLUSTER:				
<u>Passed through Highway Safety Bureau:</u>				
State and Community Highway Safety.....	20.600	2024MRSPWELLESLEY	-	2,839
State and Community Highway Safety.....	20.600	2023MRSPWELLESLEY	-	880
State and Community Highway Safety.....			-	3,719
SPECIAL EDUCATION CLUSTER:				
<u>Passed through the Commonwealth of Massachusetts Department of Elementary and Secondary Education:</u>				
Special Education - Grants to States (IDEA, Part B).....	84.027	240-000558-2024-0317	-	562,921
Special Education - Grants to States (IDEA, Part B).....	84.027	240-687822-2023-0317	-	919,112
Special Education - Grants to States (IDEA, Part B).....	84.027	240-542902-2022-0317	-	21,760
COVID-19 - Special Education - Grants to States (IDEA, Part B).....	84.027	252-542903-2022-0317	-	20,042
Special Education - Grants to States (IDEA, Part B).....	84.027	274-000662-2024-0317	-	14,963
Total Special Education - Grants to States (IDEA, Part B).....			-	1,538,798
<u>Passed through the Commonwealth of Massachusetts Department of Early Education and Care:</u>				
Special Education Preschool Grants (IDEA, Preschool).....	84.173	262-000559-2024-0317	-	28,595
Special Education Preschool Grants (IDEA, Preschool).....	84.173	262-542904-2022-0317	-	580
COVID-19 - Special Education Preschool Grants (IDEA, Preschool).....	84.173	264-542905-2022-0317	-	474
Total Special Education Preschool Grants (IDEA, Preschool).....			-	29,649
TOTAL SPECIAL EDUCATION CLUSTER.....			-	1,568,447
DIRECT PROGRAMS:				
U.S. DEPARTMENT OF JUSTICE:				
<u>Direct Program:</u>				
Equitable Sharing Program.....	16.922	Not Applicable	-	32,102
Bulletproof Vest Partnership Program.....	16.607	Not Applicable	-	2,685
TOTAL U.S. DEPARTMENT OF JUSTICE.....			-	34,787
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
<u>Direct Program:</u>				
Food and Drug Administration Research.....	93.103	Not Applicable	-	10,535
PASS THROUGH PROGRAMS:				
U.S. DEPARTMENT OF JUSTICE:				
<u>Passed through the Commonwealth of Massachusetts Executive Office of Public Safety and Security:</u>				
Edward Byrne Memorial Justice Assistance Grant Program.....	16.738	SCEPSSFY24JAG18WELLE	-	31,778
U.S. DEPARTMENT OF THE TREASURY:				
<u>Passed through Norfolk County:</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds.....	21.027	Not Available	-	2,562,832

See notes to schedule of expenditures of federal awards.

Town of Wellesley, Massachusetts

Schedule of Expenditures of Federal Awards (Continued)

For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
PASS THROUGH PROGRAMS:				
U.S. DEPARTMENT OF EDUCATION:				
<u>Passed through the Commonwealth of Massachusetts Department</u>				
<u>of Elementary and Secondary Education:</u>				
Title I Grants to Local Educational Agencies.....	84.010	305-000549-2024-0317	-	81,884
Title I Grants to Local Educational Agencies.....	84.010	305-684863-2023-0317	-	51,632
Title I Grants to Local Educational Agencies.....	84.010	305-555836-2022-0317	-	313
Total Title I Grants to Local Educational Agencies.....			-	133,829
 English Language Acquisition State Grants.....	84.365	180-000547-2024-0317	-	12,100
English Language Acquisition State Grants.....	84.365	180-684865-2023-0317	-	232
Total English Language Acquisition State Grants.....			-	12,332
 Supporting Effective Instruction State Grants.....	84.367	140-000546-2024-0317	-	57,642
Supporting Effective Instruction State Grants.....	84.367	140-684864-2023-0317	-	113
Supporting Effective Instruction State Grants.....	84.367	140-555838-2022-0317	-	12,743
Total Supporting Effective Instruction State Grants.....			-	70,498
 Student Support and Academic Enrichment.....	84.424	309-000548-2024-0317	-	1,321
Student Support and Academic Enrichment.....	84.424	309-684866-2023-0317	-	10,000
Student Support and Academic Enrichment.....	84.424	309-555884-2022-0317	-	4,994
Total Student Support and Academic Enrichment.....			-	16,315
 COVID-19 - Education Stabilization Fund.....	84.425D	119-575046-2022-0317	-	719,592
COVID-19 - Education Stabilization Fund.....	84.425U	654-784390-2024-0317	-	5,000
COVID-19 - Education Stabilization Fund.....	84.425U	FY24 CHRONIC ABSENCES	-	10,000
Total COVID-19 - Education Stabilization Fund.....			-	734,592
 TOTAL U.S. DEPARTMENT OF EDUCATION.....			-	967,566
U.S. DEPARTMENT OF HOMELAND SECURITY:				
<u>Passed through the Commonwealth of Massachusetts</u>				
<u>Emergency Management Agency:</u>				
Emergency Management Performance Grants.....	97.042	FY24EMPG2300000WELLE	-	500
Emergency Management Performance Grants.....	97.042	FY23EMPG2200000WELLE	-	6,000
 TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY.....			-	6,500
 TOTAL.....			\$ -	\$ 5,719,245

See notes to schedule of expenditures of federal awards.

Town of Wellesley, Massachusetts

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Town of Wellesley, Massachusetts under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Wellesley, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Wellesley, Massachusetts.

Note 2 – Summary of Significant Accounting Policies

The accounting and reporting policies of the Town of Wellesley, Massachusetts are set forth below:

- (a) Basis of Accounting – The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting. Accordingly, expenditures are recognized when the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (b) Cash Assistance – School Breakfast and Lunch Program – Program expenditures represent federal reimbursement for meals provided during the year.
- (c) Non-Cash Assistance (Commodities) – School Lunch Program – Program expenditures represent the value of donated foods received during the year.
- (d) The Town of Wellesley, Massachusetts has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Town of Wellesley, Massachusetts

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements:

Type of auditor's issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified Opinion

Internal Control over Financial Reporting:

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified?

____ Yes X None reported

Noncompliance material to the financial statements noted?

____ Yes X No

Federal Awards:

Internal Control Over Major Federal Programs:

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified?

____ Yes X None reported

Type of auditor's report issued on compliance for the major federal award programs unmodified opinion:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a)?

____ Yes X No

Identification of Major Program:

Coronavirus State and Local Fiscal Recovery Funds

AL No. 21.027

Dollar threshold used to distinguish between Types A and B programs:

\$750,000

Auditee qualified as low risk auditee for Federal Awards?

____ Yes X No

Section II - Findings – Financial Statements Audit

None

Section III - Findings and Questioned Costs – Major Federal Award Program Audit

None

Town of Wellesley, Massachusetts

Summary Schedule of Prior Audit Findings and Questioned Costs

Year Ended June 30, 2024

Prior Year Financial Statement Findings

None

Prior Year Federal Award Findings and Questioned Costs

None