



TOWN OF WELLESLEY, MASSACHUSETTS

**ANNUAL COMPREHENSIVE FINANCIAL
REPORT**

FOR THE YEAR ENDED JUNE 30, 2025

On the cover: Newly renovated Great Hall in Town Hall
(photo courtesy of Beth Shedd Photography)



Town Hall's Great Hall During Construction
Photo courtesy of Town of Wellesley.

TOWN OF WELLESLEY, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2025



Prepared by:

The Finance Department of the Town of Wellesley, Massachusetts

TOWN OF WELLESLEY, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

JUNE 30, 2025

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Introductory Section



The New Hardy Elementary School Library
Photo courtesy of Raj Das.

Town of Wellesley, Massachusetts
Annual Comprehensive Financial Report
For the year ended June 30, 2025

Introductory Section

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Town of Wellesley

525 Washington Street
Wellesley, MA 02482

Letter of Transmittal

December 30, 2025

To the Honorable Select Board and Citizens of the Town of Wellesley:

State law requires the Town of Wellesley (the “Town”) to publish at the close of each year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue this Annual Comprehensive Financial Report (“ACFR”) of the Town of Wellesley, Massachusetts, for the year ending June 30, 2025, for your review.

This report consists of management’s representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that this financial report is complete and reliable in all material respects.

The Town’s financial statements have been audited by CBIZ CPAs P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town’s financial statements for the year ended June 30, 2025, and that they are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, federally mandated “Single Audit” designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the Town’s separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Included within this comprehensive report is the Statistical section which provides detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information say about the Town's overall financial health.

Profile of the Town

The Town of Wellesley was incorporated in 1881 and is located in Norfolk County. It is approximately 15 miles west of Boston and is bordered by Natick on the west, Weston and Newton on the north, Needham on the east and southeast, and Dover on the south. It is approximately 10.51 square miles in area and, for the 2010 and 2020 U.S. Census records, had a population of 27,982 and 29,550 persons, respectively.

The main highways serving the Town are State Routes 9, 16, 135, 128 and the Massachusetts Turnpike. The Massachusetts Bay Transportation Authority (MBTA) provides railroad services to Boston and Framingham.

The Town operates under the Representative Town Meeting form of government with public officers serving as ex-officio members of the Town Meeting. The legislative body consists of 240 members elected by precincts. Administrative affairs are managed by a five-member Select Board, with the assistance of an Executive Director of General Government Services.

The Town's form of government is significantly decentralized. In addition to public safety, legal, financial and budgetary management, facilities management, and building administration by the five-member Select Board; local school affairs are administered by a five-member School Committee; public works are administered by a three-member Board of Public Works; the Municipal Light Plant is administered by a five-member Municipal Light Board that is comprised of the three-member Board of Public Works and two members appointed by the Select Board; and library affairs are administered by a six-member Board of Library Trustees. Many smaller departments are also managed by elected boards.

General governmental services are provided within the town's boundaries, including public education in grades kindergarten through twelve, police and fire protection, collection and treatment of sewage, water distribution, electric services, public works, streets, parks and recreation, veteran's services, health and sanitation, and libraries. The water, sewer, and stormwater enterprise funds are self-supporting. The Town maintains a solid waste recycling and disposal facility.

The Town owns and operates a self-supporting municipal light plant. The Municipal Light Board carries out the responsibilities of the Municipal Electric Commissioners as provided for in Massachusetts General Laws, Chapter 164.

Local Economy

The Town's economy and employment levels remain strong, supported by a stable tax base and continued residential investment. Wellesley remains attractive to educated urban professionals whose wealth levels are among the highest in the Commonwealth. While the per capita household income in Massachusetts is higher than national levels, Wellesley's (\$250,000) is among the highest in the

Commonwealth and more than double the State average. The relative wealth is also seen in the owner-occupied median housing value, which, at \$1,652,000 is more than three times that of the State. The Town is densely populated, and land is increasingly valuable. Tear downs, residential improvements, and the recent construction of several hundred new housing units will continue to contribute to steady permit fee revenue and taxable new growth. The Town benefits from being 89% residential and able to rely upon collecting real estate and motor vehicle tax revenues and to generate more investment income, compared with other municipalities.

Wellesley continues to manage its financial affairs in a prudent manner. It has maintained its “excellent” bond rating of Aaa by incorporating long range planning tools, such as a Town-wide Financial Plan, and by maintaining reserve levels; investing in technology; maintaining facilities to avoid costly emergency repairs; continuing an aggressive pay-as-you-go financing strategy for capital improvements, and utilizing the dedicated revenue streams from debt that is exempt from the constraints of Proposition 2 ½ to finance some of its larger projects. The significant pay-as-you-go strategy proved especially helpful in providing financial flexibility in developing a strategic financial response to the recent global pandemic, as non-emergency capital spending could be temporarily slowed. Financial reserves have remained strong post- pandemic, and the Town has been able to fund some capital projects previously requested using some of these reserves.

The Town has also enhanced its revenue flexibility by establishing enterprise funds. This has allowed the Town to shift one hundred percent of the operating cost and capital improvements to the users of electric, water, and sewer services so that no tax support goes towards providing these services. All related debt is funded through user fees. By doing so the Town is able to provide the maximum tax dollars available to all other services.

Policies, Financial Planning, and Internal controls

The Town has established several documented policies to guide the annual budgeting and long-range financial planning processes.

The Town has established and recently updated key finance policies including the Reserve Policy, Capital Financing Policy and Investment Policy. The Reserve Policy defines and manages reserve targets. Town management avoids using equity to balance its annual budgets; instead applying current revenues to fund current operating expenses. Capital investments are vetted using a Five-Year Capital Plan that identifies the capital needs of all boards. The annual process of discussing this plan helps re-prioritize these needs. The Town is considering establishing a Town-Wide Capital Planning committee to evaluate capital needs. Debt is utilized, but is minimized, and each year significant assets are also purchased using current operating cash. Funds used to finance capital assets are ‘banded’ within the operating budget (Capital Financing Policy); both to avoid curtailing service levels, and to ensure necessary capital investment. If sufficient reserves are available, additional capital assets from the plan may be expedited using reserves.

Large capital projects may sometimes be financed using debt excluded from the limits of Proposition 2 ½. Debt issued in this way assigns a dedicated revenue stream for the life of the loan. The timing of the largest proposed is evaluated through the use of the Major Project Funding Schedule. The intent of this document is to inform citizens of the largest pending projects, encourage discussion of town-wide priorities, and to facilitate the solution of how and when projects will be financed.

The Select Board (“Board”) utilizes these policies in preparing its annually updated Town-Wide Financial Plan (“TWFP”). The Plan includes a forecast of the Town’s sources and uses of funds for the

current year (annual budget) and for the two following years. The Board establishes current year budget guidelines for the departments, cognizant of available revenues and of reserve implications, and works with the other boards to achieve a balanced budget. Projections are developed for the subsequent year so that the Board may determine whether or not there will be sufficient funds to meet needs or any requests for new initiatives. The TWFP also includes updated projected capital needs for the next five years (“Five Year Capital Plan”) for the various departments, and information regarding the financing of these items.

The annual pension contribution to the Wellesley Contributory Retirement System, a defined benefit pension plan administered by the Wellesley Contributory Retirement Board, represents 4.37% of the Town’s annual budget. Current employees contribute up to 11% of their salaries to the system, depending upon date of hire. An independent actuary engaged by the Retirement Board biannually calculates the amount of the annual contribution the Town must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees. The funded ratio (actuarial assets to actuarial liabilities) was 93.32% as reflected in the actuarial valuation performed as of January 1, 2025, with full funding still expected by 2029. The Retirement Board approved the assumed actuarial rate of return on investments of 6.0%. Management continues to factor updated valuations into its TWFP projections.

Similarly, health insurance costs and the liability for postemployment health care benefits for certain retirees and their dependents (“OPEB”) are key considerations in the TWFP. The Town has undertaken a number of proactive steps over the last ten years to reduce current costs and amortize the unfunded OPEB liability. The funded ratio for OPEB assets improved to 83.2% as of December 31, 2024. The Town continues to project a 6.00% investment return and is projected to fully fund this obligation by 2034.

We refer you to the notes to the basic financial statements for more information on the above two matters.

Once balanced, the Select Board, with input from the Advisory Committee, presents the general fund budget to the Annual Town Meeting for authorization. The level of budgetary control of expenditures is established by Town Meeting and this approval defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department salary and expense level. The state-of-the-art financial system has a number of built-in controls and department managers have ready access to monitor their budgets. Once payment requests are reviewed and approved by department heads, the Town Accountant is responsible for further review - ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved at subsequent Town Meetings. The Advisory Committee may approve a transfer (during the budget year) from a reserve fund established at Town Meeting. These controls ensure compliance with the budget approved by Town Meeting.

The Town has implemented formal policies on cash and investment controls and continues to evaluate the risk of fraud and adequacy of internal controls. An active audit committee oversees the annual audit and raises any related concerns to management and the governing boards.

New Initiatives

The Hardy and Hunnewell Elementary School building projects were approved in 2022. Hunnewell opened in February 2024 and Hardy opened in September 2024. The Town has issued approximately \$94.8 million in debt for the projects, with an additional \$3.0 million authorized. The Massachusetts

School Building Authority (MSBA) approved funding support at a reimbursement rate of 34.90% and has continued to reimburse the Town. As revenues are received, the Town has rescinded a like amount of debt authorizations at its Town Meetings.

Early in fiscal 2023, Town Meeting authorized \$23.0 million in funding to renovate the interior of the historic Town Hall. Affected departments relocated to temporary offices along Route 9 at the end of the fiscal year 2023, so that construction could begin. Town Hall reopened to the public in December 2024.

Awards and Acknowledgements

The Government Finance Officers Association (“GFOA”) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Wellesley for its Annual Comprehensive Financial Reports (ACFR) for the last twenty-one years. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

We would like to express our appreciation to the Finance Department and the members of the other departments who assisted and contributed to the preparation of this report. Credit must also be given to the Select Board for their unfailing support over many years for maintaining the highest standards of professionalism in the management of the Town’s finances.

Respectfully submitted,



Meghan C. Jop
Executive Director of General Government Services



Rachel DeRoche
Finance Director/CFO



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Wellesley
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

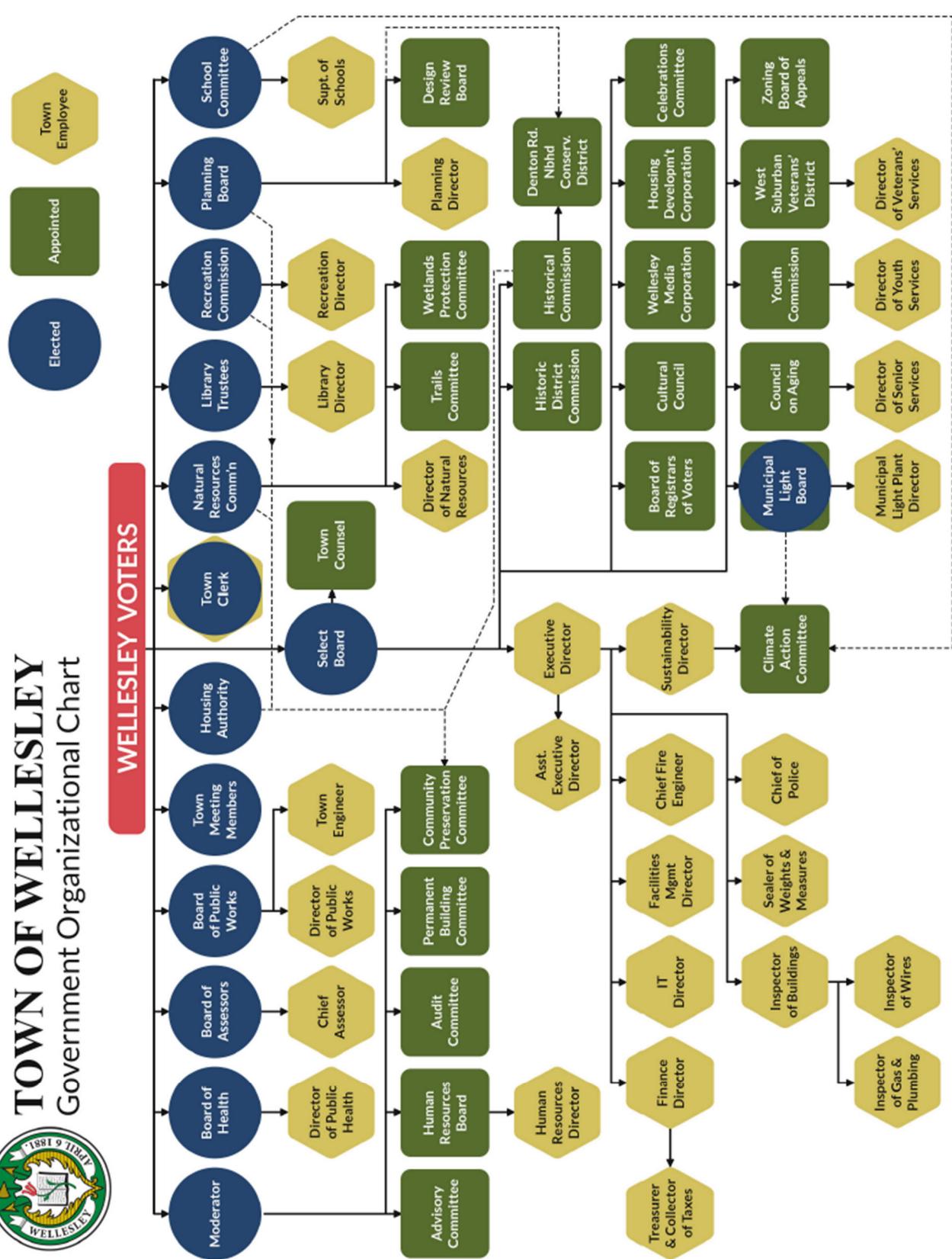
Executive Director/CEO



TOWN OF WELLESLEY

Government Organizational Chart

WELLESLEY VOTERS



Town of Wellesley, Massachusetts

Principal Town Officials

As of June 30, 2025

<u>Elected Officials</u>		<u>Term Expires</u>
Select Board	Kenneth C. Largess, III Colette E. Aufranc, Secretary Marjorie R. Freiman, Chair Elizabeth Sullivan Woods Thomas H. Ulfelder, Vice Chair	2028 2027 2027 2026 2026
Moderator Town Clerk	Mark Kaplan K.C. Kato	2026 2027
School Committee	Illana Nissenbaum Linda Chow, Niki Ofenloch, Chair Sharon Clarke, Vice Chair Christina Horner	2028 2027 2027 2026 2026
<u>Appointed Officials</u>		
Executive Director of General Government Services	Meghan C. Jop	
Superintendent of Public Schools	Dr. David F. Lussier	
Finance Director/CFO	Rachel DeRoche	
Chief Assessor	Ellen M. Muller	
Treasurer/Collector	Maura O'Connor	
Fire Chief	Stephen Mortarelli	
Police Chief	Scott Whittemore	
Human Resources Director	Dolores Hamilton	
Library Director	Jamie Jurgensen	
Public Works Director	David Cohen	
Director of Municipal Light Plant	David G. Wood	
Information Technology Director	Brian C. DuPont	
Building Inspector and Zoning Enforcement Officer	Michael Grant	
Planning Director	Eric Arbeene	
Facilities Management Director	Joseph McDonough	
<u>Other Officials</u>		
Town Counsel	Harrington and Heep Miyares and Harrington LLP	

Financial Section



New Hardy Elementary School Front Entrance
Photo courtesy of Raj Das

Town of Wellesley, Massachusetts
Annual Comprehensive Financial Report
For the year ended June 30, 2025

Financial Section

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CBIZ CPAs P.C.

9 Executive Park Drive
Suite 100
Merrimack, NH 03054

P: 603.882.1111

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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 (the "Town"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("Government Auditing Standards"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Emphasis of Matter

As discussed in Note 18 to the financial statements, in 2025, the Town adopted new accounting guidance, GASB Statement 101 *Compensated Absences*. As a result, beginning net position of the governmental activities has been restated. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt

about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are 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 basic 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 combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Merrimack, NH
December 30, 2025

Management's Discussion and Analysis

Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

As management of the Town of Wellesley, Massachusetts (the “Town”), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Wellesley for the year ended June 30, 2025. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditors’ opinion. If the Town’s financial statements have significant departures from GAAP, the independent auditors may issue a modified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the Town’s bond rating and its ability to borrow money at favorable interest rates. The Town has enjoyed an unmodified opinion on its financial statements for many years.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town’s basic financial statements. The Town’s basic financial statements comprise three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town’s finances, in a manner similar to private-sector businesses.

The statement of net position presents information on all of the Town’s assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town’s net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental activities include general government, facilities maintenance, natural resources, public safety, public education, public works, health, recreation, library, community preservation, traffic and parking management, and interest. The business-type activities include the activities of the sewer, water, stormwater, and municipal light enterprise funds.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town currently has two major governmental funds that are presented separately in the governmental fund financial statements. The remaining nonmajor funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Town maintains two types of proprietary funds.

Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer, water, stormwater and municipal light operations.

Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The Town maintains an internal service fund to account for health insurance, self-insured worker's compensation, unemployment, and fleet maintenance.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Highlights

- The Town's government-wide assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the current year by \$255.7 million and \$129.9 million for governmental activities and business-type activities, respectively. The business-type activities include the activities of the sewer, water, stormwater and municipal light enterprise funds.
- At the close of the current year, the Town's general fund reported an ending fund balance of \$58.7 million, a decrease of \$1.4 million over the prior year. Total fund balance represents 27.1% of total general fund expenditures, which management considers adequate and within expectations as compared to the Town's Financial Reserve Policy. Of this amount, \$48.8 million or 22.6% of general fund expenditures is unassigned and available for appropriation at the Town's discretion. The remaining portions of the general fund balance, \$9.9 million, are committed and assigned to fund special articles, carryover encumbrances, and the 2026 budget.
- In 2025, GASB #101 Compensated Absences was required to be implemented by the Town. This standard establishes new recognition and measurement requirements for compensated absences, such as unused vacation, sick leave, and other paid time off benefits. GASB 101 requires that liabilities for compensated absences be recognized when earned by employees, rather than when paid or taken. The Town restated the governmental activities' beginning net position by \$13.9 million to implement retrospectively. The impact to the enterprise funds was insignificant.

Government-wide Financial Analysis.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$385.6 million at the close of 2025.

Government-wide net position of \$326.3 million reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still

Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$34.5 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position had a year-end balance of \$24.8 million.

Details related to the Town's governmental and business-type activities follow.

Governmental activities.

The governmental activities net position increased by \$31.0 million during the current year compared to an increase of \$32.6 million in the prior year. Total revenues decreased by \$3.1 million, while total expenses decreased by \$1.2 million.

Governmental Activities		
Summary Statement of Net Position		
	2024	
	2025	(As restated)
Assets:		
Current assets.....	\$ 125,279,481	\$ 128,696,265
Capital assets, non-depreciable.....	56,803,499	182,898,099
Capital assets, net of accumulated depreciation.....	338,826,664	202,739,258
Total assets.....	520,909,644	514,333,622
 Deferred outflows of resources.....	 12,194,093	 21,484,805
 Liabilities:		
Current liabilities (excluding debt).....	18,494,361	20,315,826
Noncurrent liabilities (excluding debt).....	56,969,648	80,264,379
Current debt.....	22,376,731	15,630,470
Noncurrent debt.....	159,569,696	174,446,427
Total liabilities.....	257,410,436	290,657,102
 Deferred inflows of resources.....	 19,976,602	 20,444,167
 Net position:		
Net investment in capital assets.....	227,378,261	215,208,177
Restricted.....	29,893,611	28,180,292
Unrestricted.....	(1,555,173)	(18,671,311)
Total net position.....	\$ 255,716,699	\$ 224,717,158

Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

	Governmental Activities	
	Summary Statement of Activities	
	2024	2025
Program Revenues:		(As restated)
Charges for services.....	\$ 15,000,091	\$ 14,790,552
Operating grants and contributions.....	36,826,788	39,348,006
Capital grants and contributions.....	3,764,933	11,916,151
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	179,142,939	171,263,722
Tax liens.....	700,422	281,376
Motor vehicle and other excise taxes.....	7,331,383	7,200,187
Meals tax.....	937,862	914,342
Community preservation surcharge.....	1,673,269	1,612,458
Penalties and interest on taxes.....	449,426	616,947
Payments in lieu of taxes.....	111,103	76,298
Grants and contributions not restricted to specific programs.....	1,796,728	1,763,425
Unrestricted investment income.....	7,377,259	8,398,107
Total revenues.....	255,112,203	258,181,571
Expenses:		
General government.....	13,348,216	12,073,624
Facilities maintenance.....	15,921,349	14,156,474
Natural resources.....	849,578	814,513
Public safety.....	22,867,643	22,811,429
Public education.....	136,720,541	144,433,762
Public works.....	18,214,312	15,408,045
Health.....	1,800,834	1,804,992
Recreation.....	2,225,660	2,305,860
Library.....	5,464,140	5,762,209
Community preservation.....	1,270,635	402,637
Traffic and parking management.....	840,394	713,380
Interest.....	4,922,951	4,905,304
Total expenses.....	224,446,253	225,592,229
Excess (Deficiency) before transfers.....	30,665,950	32,589,342
Transfers.....	333,591	10,768
Change in net position.....	30,999,541	32,600,110
Net position, beginning of year, as presented.....	224,717,158	206,066,318
Restatement - Implementation of GASB 101.....	-	(13,949,270)
Net position, beginning of year, as restated.....	224,717,158	192,117,048
Net position, end of year.....	\$ 255,716,699	\$ 224,717,158

Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

Governmental capital assets increased by \$10.0 million due to \$26.6 million of current-year capital additions, offset by the recognition of \$16.6 million in depreciation. The Town placed \$129.7 million of assets into service from construction in progress during 2025, mainly related to the Town Hall renovation project and the Town's elementary school project.

Noncurrent liabilities, excluding debt, consist mainly of the \$18.4 million net pension liability and the \$26.8 million net other postemployment benefit liability (OPEB), and \$11.3 million related to the noncurrent portion of the compensated absence liability.

The net pension liability in the governmental activities decreased by approximately \$9.8 million. This decrease was the result of an increase in the System's fiduciary net position, which is largely impacted by net investment income. This was offset by an increase in the total pension liability as actuarially determined. Similar to the prior year, the System's investment returns remained favorable. The annual money-weighted rate of return as of the December 31, 2024, measurement date was 9.06%, compared to a 11.16% money-weighted rate of return as of the previous measurement date.

The other postemployment benefit liability in the governmental activities decreased by approximately \$10.7 million. This decrease was the result of an increase in the Trust's fiduciary net position, which was in largely impacted by net investment income as well as an additional \$3.3 million contribution to the Trust. This was offset by an increase in the total OPEB liability as actuarily determined.

In 2025, the Town implemented GASB Statement 101 *Compensated Absences*, which redefined the recognition of an accrued liability related to sick and vacation time earned by employees. The 2025 compensated absences liability for the governmental activities totaled \$13.9 million.

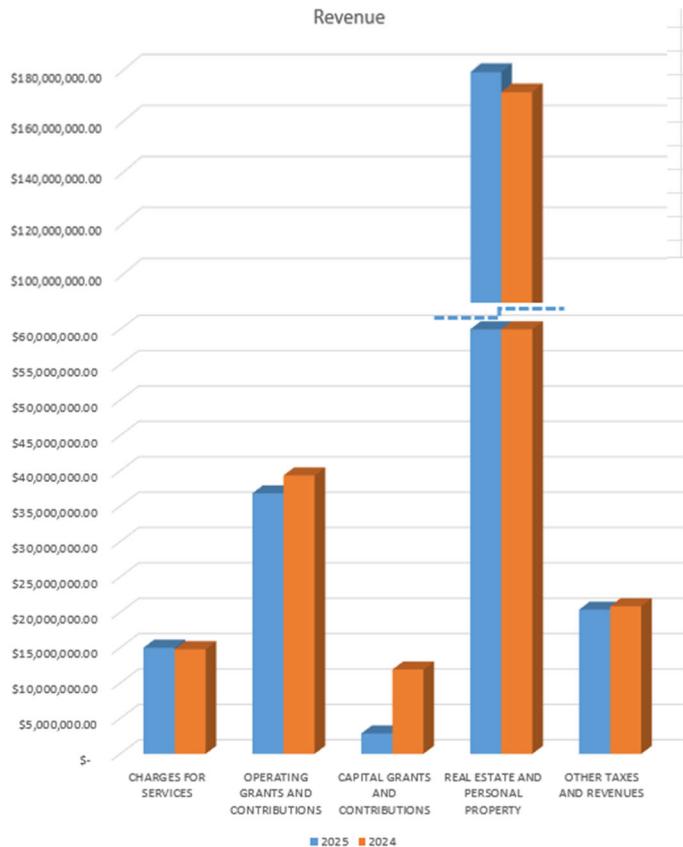
Revenues

The Town's revenues are primarily dependent upon the income of Town residents and their willingness and ability to pay, rather than relying on external sources such as state grants. These revenues include property taxes, including those taxes derived from new growth, voter-authorized debt exclusions, Community Preservation tax surcharges, and local receipts from vehicle excise taxes and building permits. The amount of debt exclusions is notable in that it is a dedicated revenue stream for capital projects voluntarily added to the assessments by voter referendum. Because of the affluence of Wellesley's residents, the Town is able to afford to maintain its services, assets, reserves and provide many extra services that improve the life of its citizens. **Associated Risks:** Income and wealth levels directly impact the Town's revenues and these factors have remained strong because of the Town's educational reputation and its proximity to Boston.

Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025



Other financial notes related to governmental activities

In addition to the 70% of total revenues that property taxes provide, the following is a brief description of the Town's other revenue sources.

- Operating grants and contributions accounted for 14.4% of total governmental revenues. Most of these resources apply to educational operations. These resources offset costs within the school department and supplement their general fund operating budget. This category decreased by \$2.5 million over the prior year. As more fully described in Note 10, Massachusetts pension laws requires the State to assume 100% of the liability and payment of pensions earned by all public-school teachers in the Commonwealth. Therefore, the Town is in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor to the Massachusetts Teachers Retirement System (MTRS). The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$15.0 million is reported in the general fund as intergovernmental revenue and pension benefits in the current fiscal year, attributing to the decrease.
- Charges for services represented 5.9% of total governmental revenues. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Town are included in this category. This category increased by roughly \$210,000 over the prior year across various functions.

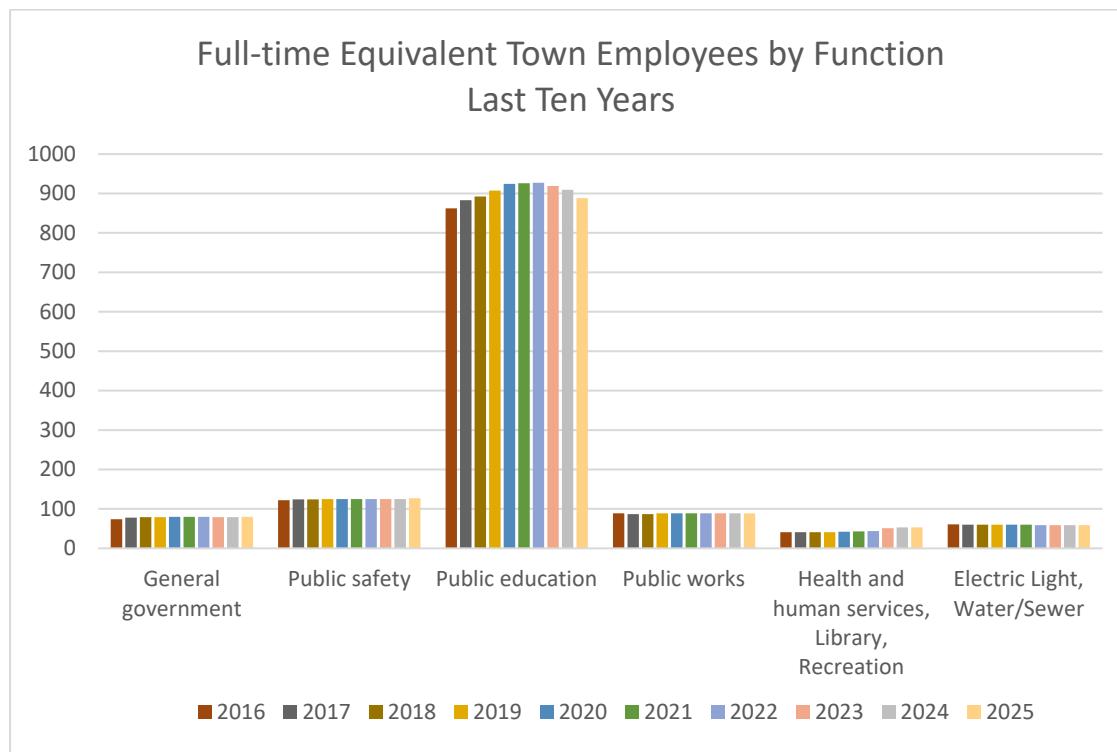
Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

- Capital grants and contributions represent 1.48% of total governmental revenues. These are comprised of the state match for the community preservation program, the state's chapter 90 roadway funds, and the revenue received from the Massachusetts School Building Authority (MSBA) related to the new elementary school project. In 2025, there was a \$8.2 decrease in capital grant revenue. This decrease is related to the MSBA project nearing completion, as well as the grant funding received from the American Rescue Plan Act also declining.
- Other taxes and other revenues also comprised a total of 8.0% percent of the governmental revenues. These primarily include motor vehicle and other excise taxes, non-restricted grants and contributions, and investment earnings.

As previously mentioned, most of the excluded debt relates to the construction and improvement of Schools, and the Town's capital plans for the foreseeable future continue this focus. The Town has also made significant progress in funding its pension and OPEB liabilities and funding schedules are in line with revenue growth so as not to put strain on other operating budgets. **Associated Risks:** An economic downturn might affect the community less significantly than other communities within the Commonwealth because of significant investment in capital assets and reserves are being well maintained. Expenditures could be deferred in the short term. Increased energy costs might have a negative impact, but the Town continues to explore sustainable alternatives. Employee costs continue to increase as School programs expand and health care costs increase. The Town needs to continue to evaluate the efficient delivery of services. The Town's form of government is highly decentralized, and this makes compromise necessary to achieve agreement on how resources can most effectively be deployed. This structure would make it challenging if significant reductions were necessary.



Town of Wellesley, Massachusetts

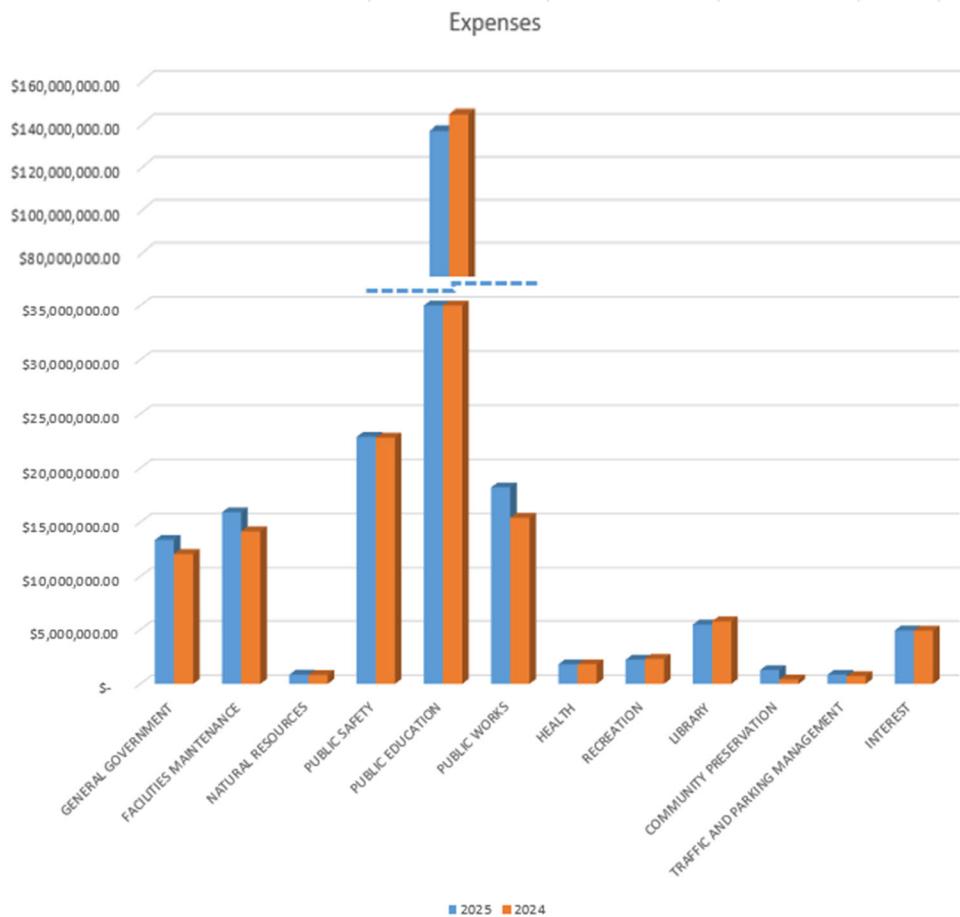
Management's Discussion and Analysis

Year Ended June 30, 2025

Expenses

The Town's highest priority is the quality of education provided to its students.

- Education is by far the largest governmental activity of the Town, comprising 60.91% of the Town's total expenses. Approximately \$95.2 million in general revenues were needed to cover its 2025 operating expenses, net of related program revenues.
- Educational expense includes a pension contribution of approximately \$15.0 million made by the state on behalf of the Town's teachers, which is more fully described previously as well as in Note 10. Operating grants and educational expenses are grossed-up by recording this contribution.
- Public safety is the second largest activity of the Town. As shown on the Statement of Activities, approximately \$17.0 million of general revenues were needed to cover their 2025 operating expenses, net of related program revenues. Facilities costs also include significant custodial costs relating to the schools.



Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

Business-type activities. Business-type activities increased the Town's net position by \$8.1 million compared to an increase of \$8.8 million during the previous year. The results of all four enterprise funds were consistent with management's expectations.

Business-type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$129.9 million at the close of 2025. Net investment in capital assets totaled \$98.9 million (76.15%), net position is restricted for depreciation and net other postemployment benefits in the amount of \$4.6 million (3.55%), and unrestricted net position totaled \$26.4 million (20.30%). The municipal light fund (Plant) experienced a \$3.8 million increase in net position. This increase was driven by income from operations totaling \$2.2 million, and other increases to net position consisted of capital contributions totaling \$643,000 and non-operating revenue totaling \$2.0 million. These increases were offset by a transfer out to the general fund, which represents the voluntary payment made to the Town.

The Plant operates the WECARE program, which is an opt-out voluntary program where participants, both residential and commercial, are charged an additional 4% on their monthly electric bills to fund projects intended to reduce dependence on fossil fuels, increase energy stability, and preserve the planet. These additional fees collected from the program will fund local renewable energy projects chosen by the Plant for their impact on greenhouse gas emissions reduction including; community solar generation facilities; power storage for peak electric use times; and infrastructure such as public charging stations for electric vehicles, and other similar programs. In 2025, collections from the program totaled approximately \$1.1 million and the Plant spent \$435,000 of program funds on energy initiatives. As of June 30, 2025, the total collected and not yet spent totaled \$2.8 million. Of the Town's active electric customers, approximately 10% have opted out of this program.

The WECARE program also offers a 100% option, which is an opt-in voluntary program where participants that opt-in, both residential and commercial, are charged an increased rate on their electric bills to purchase 100% of their energy from renewable resources. In 2025, the Plant had approximately 305 users who selected this 100% option, of which 301 are residential and 4 are commercial. This program collections totaled \$148,000 in 2025 and expenses totaled \$148,000. As of June 30, 2025, the total collected and not yet spent totaled \$136,000.

The water enterprise fund net position increased by \$2.5 million. The water enterprise fund receives 97% of its revenue from charges for services. Operating revenue totaled \$10.6 million, which was a \$1.3 million increase over the previous year. The increase in operating revenue was a result of the increase in rates for the year as well as increase in outdoor water consumption.

Operating expenses included \$3.3 million in assessments for usage of water from the Massachusetts Water Resource Authority (MWRA); \$1.1 million in depreciation expense; and a total of \$4.4 million in administration, general, transmission, pumping, treatment and customer accounts.

The sewer enterprise fund net position increased by \$183,000. The sewer enterprise fund receives 99% of operating revenue from charges for services. Operating revenue totaled \$9.1 million. Sewer charges are based on indoor water consumption, which decreased slightly over the prior year. This was offset by an increase in rates, which attributed to the slight increase in sewer charges for services.

Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

Operating expenses included \$7.0 million in assessments from the MWRA; \$550,000 in depreciation expense; and a total of \$1.4 million in administration, general, pumping, treatment, collection and customer accounts.

In 2025, the stormwater nonmajor enterprise fund became fully operational. The fund's net position increased by \$1.6 million, due to stormwater charges being implemented for the first time in 2025. Operating expenses included \$1.5 million for administration and general expenses.

Business-Type Activities		
Summary Statement of Net Position		
	2025	2024
Assets:		
Current assets.....	\$ 39,123,107	\$ 34,669,076
Noncurrent assets (excluding capital).....	4,837,824	2,498,540
Capital assets, nondepreciable.....	670,664	3,273,182
Capital assets, net of accumulated depreciation.....	101,775,825	97,798,871
Total assets.....	146,407,420	138,239,669
 Deferred outflows of resources.....	 2,561,854	 2,961,922
 Liabilities:		
Current liabilities (excluding debt).....	6,973,822	6,459,511
Noncurrent liabilities (excluding debt).....	5,651,026	6,851,816
Current debt.....	765,883	729,042
Noncurrent debt.....	2,849,670	3,079,121
Total liabilities.....	16,240,401	17,119,490
 Deferred inflows of resources.....	 2,845,913	 2,297,663
 Net position:		
Net investment in capital assets.....	98,909,102	97,368,112
Restricted.....	4,609,604	3,348,540
Unrestricted.....	26,364,254	21,067,786
 Total net position.....	 \$ 129,882,960	 \$ 121,784,438

Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

	Business-Type Activities	
	Summary Statement of Activities	
	2025	2024
Program Revenues:		
Charges for services.....	\$ 64,215,575	\$ 60,645,726
Capital grants and contributions.....	<u>642,975</u>	<u>2,697,846</u>
Total revenues.....	<u>64,858,550</u>	<u>63,343,572</u>
Expenses:		
Water.....	8,739,756	9,766,876
Sewer.....	8,946,219	8,486,469
Stormwater.....	1,459,917	978,162
Municipal Light.....	37,280,545	35,272,264
Total expenses.....	<u>56,426,437</u>	<u>54,503,771</u>
Excess (Deficiency) before transfers.....	<u>8,432,113</u>	<u>8,839,801</u>
Transfers.....	<u>(333,591)</u>	<u>(10,768)</u>
Change in net position.....	<u>8,098,522</u>	<u>8,829,033</u>
Net position, beginning of year.....	<u>121,784,438</u>	<u>112,955,405</u>
Net position, end of year.....	<u>\$ 129,882,960</u>	<u>\$ 121,784,438</u>

Financial Analysis of the Town's Major Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$95.7 million. Total fund balances decreased \$6.1 million from the prior year mainly due to the capital projects fund decrease in net position of \$5.7 million.

Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

General Fund

The general fund is the chief operating fund of the Town. At the end of the current year, the unassigned fund balance of the general fund totaled \$48.8 million, while the total fund balance was \$58.7 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 22.6% of total general fund expenditures, while the total fund balance represents 27.1% of that same amount.

Fund balance of the general fund decreased \$1.4 million over the prior year. General fund revenue exceeded the budget by \$8.1 million while expenditures were under budget by \$5.9 million. These surpluses were offset by the use of reserves to fund appropriations.

Capital Projects Fund

This fund is used to account for resources that are restricted to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds. During the year the fund incurred expenditures for various general government, public education, and public works projects. The expenditures incurred in the fund decreased significantly over the prior year as the Town's two large capital projects related to the Town Hall renovation, and the elementary school projects are ending. At June 30, 2025, the ending fund balance was \$7.1 million, a decrease of \$5.7 million over the prior year, which is due to the timing between the capital project expenditures and the various sources of funding for those projects.

Nonmajor Governmental Funds

The nonmajor governmental funds experienced an increase of \$1.0 million in the current year, which was primarily due the Town's community preservation fund activities and revolving fund activities.

Proprietary funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

The original 2025 budget consisted of approximately \$230.5 million in appropriations and other amounts to be raised. Included in the original budget are approximately \$13.0 million in amounts carried over from previous years. During 2025, the Town approved \$4.0 million of supplemental appropriations, which was mainly related to winter maintenance, employee benefits, and capital acquisitions, which were all funded from free cash.

Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

Revenues of the general fund were \$8.1 million higher than budget expectations and this is mainly due to higher than expected motor vehicle and excise tax collections, departmental receipts and investment income. Total expenditures and carryovers were less than budget by approximately \$5.9 million. This was mainly due to turn backs in employee benefits and the school department.

Capital Assets and Debt Management

In conjunction with the operating budget, the Town annually prepares a capital budget which includes detailed information concerning those capital requests for the upcoming year as well as summary information for the following four years to identify current projections of what level of capital outlay will be required in future years.

As part of the capital plan, the Town has historically financed the acquisition of a portion of its capital assets from current revenue. As noted earlier, this policy will continue to improve the financial position as net position will increase by the amount of acquisitions less the current depreciation.

Major capital assets are funded by the issuance of long-term debt and use of surplus funds. During the fiscal year, the Town incurred \$26.6 million of capitalized governmental expenditures and recognized depreciation expense of \$16.6 million. Current year additions consist mainly of school building improvements and construction costs related to the Town Hall renovation project.

Outstanding long-term debt of the general government, as of June 30, 2025, totaled \$174.4 million.

The business-type activities have \$2.6 million in water enterprise debt and \$1.1 million in sewer enterprise debt that is fully supported by the rates. During 2025, the Town issued \$536,431 of new long-term MWRA water bonds. The funds do not rely on a general fund subsidy. Capital assets, net of accumulated depreciation increased by \$1.4 million over the prior year. Current year business-type activities additions totaled \$7.1 million and were primarily for distribution plant improvements and other plant in service. Depreciation expense totaled \$5.7 million.

In 2025, the Town issued a \$7.5 million Bond Anticipation Note related to the Hardy elementary school project, which is due to mature in May 2026.

The Town has continued to invest its own funds and to borrow inside the levy to finance capital projects in addition to projects financed through debt exclusions.

Please refer to notes 4, 6, and 7 to the financial statements for further discussion of the major capital and debt activity.

Pension Trust Fund

The Pension Trust Fund (System) recognized net investment income of \$25.4 million for the calendar year ended December 31, 2024. The System paid out \$18.3 million of retirement benefits, administration costs and transfers to other systems. Total net position of the System amounted to \$308.6 million at

Town of Wellesley, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

December 31, 2024, and the System's Funded Ratio was 93.32%, an increase from 89.41% at December 31, 2023. Investment returns are recovering from significant market losses from the previous measurement date attributing to the increase in the System's funding ratio.

Other Postemployment Benefits

As of June 30, 2025, the Town has recognized a net other postemployment benefits (OPEB) liability/(asset) in the amount of \$24.0 million in accordance with the provisions of GASB Statement No.75. During 2025, the Town transferred \$3.3 million of pre-funding contributions to the OPEB Trust fund. The assets set aside in trust for future benefits amounted to \$140.2 million at year end. As of June 30, 2025, the ratio of the Plan's Fiduciary Net Position to the Total OPEB Liability (funded ratio) is 85.37%, an increase from 77.73% compared with the previous year.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, 525 Washington Street, Wellesley, MA 02482.

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Basic Financial Statements

Town of Wellesley, Massachusetts

Statement of Net Position

June 30, 2025

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
	<hr/>		
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 85,321,264	\$ 27,369,613	\$ 112,690,877
Restricted cash and cash equivalents.....	-	1,000,000	1,000,000
Investments.....	33,065,484	-	33,065,484
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	3,751,485	-	3,751,485
Tax liens.....	1,649,404	700	1,650,104
Community preservation fund surcharge.....	20,648	-	20,648
Motor vehicle excise taxes.....	341,255	-	341,255
User charges.....	-	6,075,665	6,075,665
Departmental and other.....	164,741	-	164,741
Intergovernmental.....	955,200	-	955,200
Inventory.....	-	2,138,808	2,138,808
Other assets.....	10,000	-	10,000
Purchased power advanced deposits.....	-	2,538,321	2,538,321
Total current assets.....	<u>125,279,481</u>	<u>39,123,107</u>	<u>164,402,588</u>
NONCURRENT:			
Net other postemployment benefits asset.....	-	3,609,604	3,609,604
Working capital deposit.....	-	1,078,220	1,078,220
Investment in Energy New England.....	-	150,000	150,000
Capital assets, nondepreciable.....	56,803,499	670,664	57,474,163
Capital assets, net of accumulated depreciation.....	338,826,664	101,775,825	440,602,489
Total noncurrent assets.....	<u>395,630,163</u>	<u>107,284,313</u>	<u>502,914,476</u>
TOTAL ASSETS.....	<u>520,909,644</u>	<u>146,407,420</u>	<u>667,317,064</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for refunding debt.....	212,107	78,166	290,273
Deferred outflows related to pensions.....	4,840,943	1,312,091	6,153,034
Deferred outflows related to other postemployment benefits.....	7,141,043	1,171,597	8,312,640
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>12,194,093</u>	<u>2,561,854</u>	<u>14,755,947</u>

See notes to basic financial statements.

Town of Wellesley, Massachusetts

Statement of Net Position (Continued)

June 30, 2025

	<i>Primary Government</i>					
	Governmental Activities	Business-type Activities	Total			
LIABILITIES						
CURRENT:						
Warrants payable.....	4,714,838	3,214,219	7,929,057			
Accrued payroll.....	8,309,289	102,966	8,412,255			
Tax refunds payable.....	748,980	-	748,980			
Accrued interest.....	684,098	3,729	687,827			
Other liabilities.....	197	527,716	527,913			
Unearned revenue.....	222,113	2,933,188	3,155,301			
Compensated absences.....	3,343,846	192,004	3,535,850			
Workers' compensation.....	471,000	-	471,000			
Notes payable.....	7,500,000	-	7,500,000			
Bonds payable.....	14,876,731	765,883	15,642,614			
Total current liabilities.....	<u>40,871,092</u>	<u>7,739,705</u>	<u>48,610,797</u>			
NONCURRENT:						
Customer deposits.....	-	840,927	840,927			
Other liabilities.....	-	307,527	307,527			
Compensated absences.....	11,327,541	150,547	11,478,088			
Workers' compensation.....	418,000	-	418,000			
Net pension liability.....	18,434,736	3,491,055	21,925,791			
Net other postemployment benefits liability.....	26,789,371	860,970	27,650,341			
Bonds payable.....	159,569,696	2,849,670	162,419,366			
Total noncurrent liabilities.....	<u>216,539,344</u>	<u>8,500,696</u>	<u>225,040,040</u>			
TOTAL LIABILITIES.....	<u>257,410,436</u>	<u>16,240,401</u>	<u>273,650,837</u>			
DEFERRED INFLOWS OF RESOURCES						
Taxes paid in advance.....	635,827	-	635,827			
Deferred inflows related to pensions.....	4,461,397	1,110,778	5,572,175			
Deferred inflows related to other postemployment benefits.....	14,879,378	1,735,135	16,614,513			
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>19,976,602</u>	<u>2,845,913</u>	<u>22,822,515</u>			
NET POSITION						
Net investment in capital assets.....	227,378,261	98,909,102	326,287,363			
Restricted for:						
Net other postemployment benefits.....	-	3,609,604	3,609,604			
Depreciation.....	-	1,000,000	1,000,000			
Permanent funds:						
Expendable.....	1,470,301	-	1,470,301			
Nonexpendable.....	423,530	-	423,530			
Gifts and grants.....	6,829,647	-	6,829,647			
Other purposes.....	8,361,305	-	8,361,305			
Community preservation.....	12,808,828	-	12,808,828			
Unrestricted.....	(1,555,173)	26,364,254	24,809,081			
TOTAL NET POSITION.....	<u>\$ 255,716,699</u>	<u>\$ 129,882,960</u>	<u>\$ 385,599,659</u>			

See notes to basic financial statements.

Town of Wellesley, Massachusetts

Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Program Revenues					Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary Government:						
<i>Governmental Activities:</i>						
General government.....	\$ 13,348,216	\$ 2,051,270	\$ 555,811	\$ -	\$ (10,741,135)	
Facilities maintenance.....	15,921,349	-	11,862	-	(15,909,487)	
Natural resources.....	849,578	15,059	11,185	-	(823,334)	
Public safety.....	22,867,643	5,402,861	425,914	-	(17,038,868)	
Public education.....	136,720,541	4,915,553	33,169,610	3,474,627	(95,160,751)	
Public works.....	18,214,312	1,183,449	1,944,035	-	(15,086,828)	
Health.....	1,800,834	101,165	248,962	-	(1,450,707)	
Recreation.....	2,225,660	1,185,150	87,482	-	(953,028)	
Library.....	5,464,140	40,585	371,927	-	(5,051,628)	
Community preservation.....	1,270,635	-	-	290,306	(980,329)	
Traffic and parking management.....	840,394	104,999	-	-	(735,395)	
Interest.....	4,922,951	-	-	-	(4,922,951)	
Total Governmental Activities.....	<u>224,446,253</u>	<u>15,000,091</u>	<u>36,826,788</u>	<u>3,764,933</u>	<u>(168,854,441)</u>	
<i>Business-Type Activities:</i>						
Water.....	8,739,756	10,577,693	-	-	1,837,937	
Sewer.....	8,946,219	9,129,378	-	-	183,159	
Stormwater.....	1,459,917	3,097,164	-	-	1,637,247	
Municipal Light.....	37,280,545	41,411,340	-	642,975	4,773,770	
Total Business-Type Activities.....	<u>56,426,437</u>	<u>64,215,575</u>	<u>-</u>	<u>642,975</u>	<u>8,432,113</u>	
Total Primary Government.....	<u>\$ 280,872,690</u>	<u>\$ 79,215,666</u>	<u>\$ 36,826,788</u>	<u>\$ 4,407,908</u>	<u>\$ (160,422,328)</u>	

See notes to basic financial statements.

Town of Wellesley, Massachusetts

Statement of Activities (Continued)

Year Ended June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (168,854,441)	\$ 8,432,113	\$ (160,422,328)
<i>General revenues:</i>			
Real estate and personal property taxes,			
net of tax refunds payable.....	179,142,939	-	179,142,939
Tax liens.....	700,422	-	700,422
Motor vehicle and other excise taxes.....	7,331,383	-	7,331,383
Meals tax.....	937,862	-	937,862
Community preservation surcharge.....	1,673,269	-	1,673,269
Penalties and interest on taxes.....	449,426	-	449,426
Payments in lieu of taxes.....	111,103	-	111,103
Grants and contributions not restricted to			
specific programs.....	1,796,728	-	1,796,728
Unrestricted investment income.....	7,377,259	-	7,377,259
Transfers, net	<u>333,591</u>	<u>(333,591)</u>	-
Total general revenues and transfers.....	<u>199,853,982</u>	<u>(333,591)</u>	<u>199,520,391</u>
Change in net position.....	30,999,541	8,098,522	39,098,063
<i>Net position:</i>			
Beginning of year, as previously reported.....	238,666,428	121,784,438	360,450,866
Implementation of GASB 101.....	<u>(13,949,270)</u>	-	<u>(13,949,270)</u>
Beginning of year, as restated.....	<u>224,717,158</u>	<u>121,784,438</u>	<u>346,501,596</u>
End of year.....	<u>\$ 255,716,699</u>	<u>\$ 129,882,960</u>	<u>\$ 385,599,659</u>

See notes to basic financial statements.

Town of Wellesley, Massachusetts

Governmental Funds Balance Sheet

June 30, 2025

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 38,746,840	\$ 16,670,249	\$ 29,329,437	\$ 84,746,526
Investments.....	28,969,377	-	1,708,893	30,678,270
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	3,751,485	-	-	3,751,485
Tax liens.....	1,649,404	-	-	1,649,404
Community preservation fund surcharge.....	-	-	20,648	20,648
Motor vehicle excise taxes.....	341,255	-	-	341,255
Departmental and other.....	30,931	-	123,586	154,517
Intergovernmental.....	-	883,024	72,176	955,200
Other assets.....	10,000	-	-	10,000
TOTAL ASSETS	73,499,292	17,553,273	31,254,740	122,307,305
LIABILITIES				
Warrants payable.....	1,810,950	2,056,387	806,646	4,673,983
Accrued payroll.....	7,744,162	-	114,791	7,858,953
Tax refunds payable.....	748,980	-	-	748,980
Other liabilities.....	-	-	197	197
Unearned revenue.....	-	-	222,113	222,113
Notes payable.....	-	7,500,000	-	7,500,000
TOTAL LIABILITIES	10,304,092	9,556,387	1,143,747	21,004,226
DEFERRED INFLOWS OF RESOURCES				
Taxes paid in advance.....	622,855	-	12,972	635,827
Unavailable revenue.....	3,872,074	883,024	204,410	4,959,508
TOTAL DEFERRED INFLOWS OF RESOURCES	4,494,929	883,024	217,382	5,595,335
FUND BALANCES				
Nonspendable.....	-	-	423,530	423,530
Restricted.....	-	7,113,862	29,470,081	36,583,943
Committed.....	6,270,973	-	-	6,270,973
Assigned.....	3,621,357	-	-	3,621,357
Unassigned.....	48,807,941	-	-	48,807,941
TOTAL FUND BALANCES	58,700,271	7,113,862	29,893,611	95,707,744
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 73,499,292	\$ 17,553,273	\$ 31,254,740	\$ 122,307,305

See notes to basic financial statements.

Town of Wellesley, Massachusetts

Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position

June 30, 2025

Total governmental fund balances.....	\$ 95,707,744
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	395,630,163
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	4,959,508
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....	(7,146,682)
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....	1,591,985
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(684,098)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(174,446,427)
Net pension liability.....	(18,434,736)
Net other postemployment benefits liability.....	(26,789,371)
Compensated absences.....	<u>(14,671,387)</u>
Net effect of reporting long-term liabilities.....	<u>(234,341,921)</u>
Net position of governmental activities.....	<u>\$ 255,716,699</u>

See notes to basic financial statements.

Town of Wellesley, Massachusetts

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2025

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 178,817,614	\$ -	\$ -	\$ 178,817,614
Tax liens.....	700,422	- -	- -	700,422
Motor vehicle and other excise taxes.....	7,520,075	- -	- -	7,520,075
Meals tax.....	937,862	- -	- -	937,862
Charges for services.....	- -	- -	888,633	888,633
Parking meter receipts.....	- -	- -	831,941	831,941
Penalties and interest on taxes.....	449,426	- -	- -	449,426
Payments in lieu of taxes.....	111,103	- -	- -	111,103
Intergovernmental - Teachers Retirement.....	14,969,924	- -	- -	14,969,924
Intergovernmental.....	12,058,402	2,591,603	11,078,071	25,728,076
Departmental and other.....	5,783,253	- -	7,775,116	13,558,369
Community preservation surcharge.....	- -	- -	1,673,269	1,673,269
Contributions and donations.....	- -	- -	1,198,926	1,198,926
Investment income.....	6,461,850	- -	778,980	7,240,830
TOTAL REVENUES.....	227,809,931	2,591,603	24,224,936	254,626,470
EXPENDITURES:				
Current:				
General government.....	7,871,018	6,578,933	1,083,413	15,533,364
Facilities maintenance.....	11,446,291	425,535	288	11,872,114
Natural resources.....	623,792	- -	5,666	629,458
Public safety.....	16,340,556	11,457	2,471,684	18,823,697
Public education.....	90,059,926	12,408,849	11,969,784	114,438,559
Public works.....	11,974,515	2,346,671	2,564,041	16,885,227
Health.....	1,308,345	- -	157,048	1,465,393
Recreation.....	444,590	122,538	1,362,936	1,930,064
Library.....	3,258,680	612,324	347,171	4,218,175
Community preservation.....	- -	- -	1,270,635	1,270,635
Pension benefits.....	9,039,104	- -	- -	9,039,104
Pension benefits - Teachers Retirement.....	14,969,924	- -	- -	14,969,924
Employee benefits.....	27,146,837	- -	- -	27,146,837
Traffic and parking management.....	- -	- -	840,394	840,394
State and county charges.....	1,432,482	- -	- -	1,432,482
Debt service:				
Principal.....	14,050,000	- -	- -	14,050,000
Interest.....	6,471,552	- -	- -	6,471,552
TOTAL EXPENDITURES.....	216,437,612	22,506,307	22,073,060	261,016,979
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....				
	11,372,319	(19,914,704)	2,151,876	(6,390,509)
OTHER FINANCING SOURCES (USES):				
Transfers in.....	1,896,003	14,252,216	411,735	16,559,954
Transfers out.....	(14,663,951)	- -	(1,562,412)	(16,226,363)
TOTAL OTHER FINANCING SOURCES (USES)....	(12,767,948)	14,252,216	(1,150,677)	333,591
NET CHANGE IN FUND BALANCES.....	(1,395,629)	(5,662,488)	1,001,199	(6,056,918)
FUND BALANCES AT BEGINNING OF YEAR.....	60,095,900	12,776,350	28,892,412	101,764,662
FUND BALANCES AT END OF YEAR.....	\$ 58,700,271	\$ 7,113,862	\$ 29,893,611	\$ 95,707,744

See notes to basic financial statements.

Town of Wellesley, Massachusetts

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2025

Net change in fund balances - total governmental funds.....	\$ (6,056,918)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay.....	26,551,665
Depreciation expense.....	<u>(16,558,859)</u>
<p>Net effect of reporting capital assets.....</p>	
	9,992,806
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>	
	349,304
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>	
Net amortization of premium from issuance of bonds.....	1,580,470
Net change in deferred charge on refunding.....	(70,704)
Debt service principal payments.....	<u>14,050,000</u>
<p>Net effect of reporting long-term debt.....</p>	
	15,559,766
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Net change in compensated absences accrual.....	(95,741)
Net change in accrued interest on long-term debt.....	38,835
Net change in deferred outflow/(inflow) of resources related to pensions.....	(4,506,639)
Net change in net pension liability.....	9,808,415
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	(4,912,107)
Net change in net other postemployment benefits liability.....	<u>10,706,011</u>
<p>Net effect of recording long-term liabilities.....</p>	
	11,038,774
<p>The net activity of internal service funds is reported with Governmental Activities.....</p>	
	<u>115,809</u>
Change in net position of governmental activities.....	<u>\$ 30,999,541</u>

See notes to basic financial statements.

Town of Wellesley, Massachusetts

Proprietary Funds Statement of Net Position

June 30, 2025

Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Water	Sewer	Municipal Light	Stormwater (Nonmajor)	Total		
ASSETS							
CURRENT:							
Cash and cash equivalents.....	\$ 8,544,229	\$ 4,928,913	\$ 12,273,444	\$ 1,623,027	\$ 27,369,613	\$ 574,738	
Restricted cash and cash equivalents.....	-	-	1,000,000	-	1,000,000	-	
Investments.....	-	-	-	-	-	2,387,214	
Receivables, net of allowance for uncollectibles:							
Liens - user charges.....	-	-	-	700	700	-	
User charges.....	969,319	683,792	4,171,958	250,596	6,075,665	-	
Departmental and other.....	-	-	-	-	-	10,224	
Inventory.....	337,771	-	1,801,037	-	2,138,808	-	
Purchased power advanced deposits.....	-	-	2,538,321	-	2,538,321	-	
Total current assets.....	9,851,319	5,612,705	21,784,760	1,874,323	39,123,107	2,972,176	
NONCURRENT:							
Net other postemployment benefits asset.....	-	44,751	3,564,853	-	3,609,604	-	
Working capital deposit.....	-	-	1,078,220	-	1,078,220	-	
Investment in Energy New England.....	-	-	150,000	-	150,000	-	
Capital assets, nondepreciable.....	158,556	-	512,108	-	670,664	-	
Capital assets, net of accumulated depreciation.....	17,566,958	17,575,469	66,633,398	-	101,775,825	-	
Total noncurrent assets.....	17,725,514	17,620,220	71,938,579	-	107,284,313	-	
TOTAL ASSETS.....	27,576,833	23,232,925	93,723,339	1,874,323	146,407,420	2,972,176	
DEFERRED OUTFLOWS OF RESOURCES							
Deferred loss on refunding.....	39,083	39,083	-	-	78,166	-	
Deferred outflows related to pensions.....	302,789	116,023	775,657	117,622	1,312,091	-	
Deferred outflows related to other postemployment benefits.....	102,061	87,733	378,007	603,796	1,171,597	-	
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	443,933	242,839	1,153,664	721,418	2,561,854	-	
LIABILITIES							
CURRENT:							
Warrants payable.....	224,221	8,177	2,975,367	6,454	3,214,219	40,855	
Accrued payroll.....	32,484	6,940	63,266	276	102,966	450,336	
Accrued interest.....	2,130	1,599	-	-	3,729	-	
Other liabilities.....	34,445	2,075	491,196	-	527,716	-	
Unearned revenue - WECARE 4% program.....	-	-	2,796,821	-	2,796,821	-	
Unearned revenue - WECARE 100% program.....	-	-	136,367	-	136,367	-	
Compensated absences.....	21,827	8,839	161,338	-	192,004	-	
Workers' compensation.....	-	-	-	-	471,000	-	
Bonds payable.....	473,108	292,775	-	-	765,883	-	
Total current liabilities.....	788,215	320,405	6,624,355	6,730	7,739,705	962,191	
NONCURRENT:							
Customer deposits.....	-	-	840,927	-	840,927	-	
Other liabilities.....	-	-	307,527	-	307,527	-	
Compensated absences.....	30,597	12,391	107,559	-	150,547	-	
Workers' compensation.....	-	-	-	-	418,000	-	
Net other postemployment benefits liability.....	356,977	-	-	503,993	860,970	-	
Net pension liability.....	780,446	316,047	2,257,714	136,848	3,491,055	-	
Bonds payable.....	2,090,095	759,575	-	-	2,849,670	-	
Total noncurrent liabilities.....	3,258,115	1,088,013	3,513,727	640,841	8,500,696	418,000	
TOTAL LIABILITIES.....	4,046,330	1,408,418	10,138,082	647,571	16,240,401	1,380,191	
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pensions.....	495,465	82,805	503,019	29,489	1,110,778	-	
Deferred inflows related to other postemployment benefits.....	369,428	125,658	969,685	270,364	1,735,135	-	
TOTAL DEFERRED INFLOWS OF RESOURCES.....	864,893	208,463	1,472,704	299,853	2,845,913	-	
NET POSITION							
Net investment in capital assets.....	15,201,394	16,562,202	67,145,506	-	98,909,102	-	
Restricted for:							
Net other postemployment benefits.....	-	44,751	3,564,853	-	3,609,604	-	
Depreciation.....	-	-	1,000,000	-	1,000,000	-	
Unrestricted.....	7,908,149	5,251,930	11,555,858	1,648,317	26,364,254	1,591,985	
TOTAL NET POSITION.....	\$ 23,109,543	\$ 21,858,883	\$ 83,266,217	\$ 1,648,317	\$ 129,882,960	\$ 1,591,985	

See notes to basic financial statements.

Town of Wellesley, Massachusetts

Proprietary Funds Statement of Revenue, Expenses and Changes in Net Position

Year Ended June 30, 2025

Business-type Activities - Enterprise Funds						
	Water	Sewer	Municipal Light	Stormwater (Nonmajor)	Total	Governmental Activities - Internal Service Funds
OPERATING REVENUES:						
Employee contributions.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,757,107
Employer contributions.....	- - -	- - -	- - -	- - -	- - -	20,386,128
Charges for services.....	10,293,289	9,067,878	36,604,535	3,097,164	59,062,866	2,347,411
Other operating revenues.....	284,404	61,500	- - -	- - -	345,904	- - -
TOTAL OPERATING REVENUES	10,577,693	9,129,378	36,604,535	3,097,164	59,408,770	35,490,646
OPERATING EXPENSES:						
Administration and general.....	1,036,794	645,647	892,731	1,459,917	4,035,089	- - -
MWRA assessment.....	3,262,215	7,020,669	- - -	- - -	10,282,884	- - -
Purchased power.....	- - -	- - -	16,515,577	- - -	16,515,577	- - -
Transmission and forward capacity.....	1,574,182	- - -	10,626,171	- - -	12,200,353	- - -
Cost of contracted services.....	- - -	- - -	57,835	- - -	57,835	- - -
Pumping and treatment.....	1,494,060	239,035	- - -	- - -	1,733,095	- - -
Distribution.....	- - -	- - -	1,958,986	- - -	1,958,986	- - -
Collection.....	- - -	331,600	- - -	- - -	331,600	- - -
Customer accounts and other.....	254,017	134,811	279,686	- - -	668,514	- - -
Depreciation.....	1,089,099	549,623	4,113,453	- - -	5,752,175	- - -
Employee benefits.....	- - -	- - -	- - -	- - -	- - -	34,038,418
Fleet maintenance.....	- - -	- - -	- - -	- - -	- - -	1,472,848
TOTAL OPERATING EXPENSES	8,710,367	8,921,385	34,444,439	1,459,917	53,536,108	35,511,266
OPERATING INCOME (LOSS)	1,867,326	207,993	2,160,096	1,637,247	5,872,662	(20,620)
NONOPERATING REVENUES (EXPENSES):						
Investment income.....	- - -	- - -	- - -	- - -	- - -	136,429
Interest expense.....	(29,389)	(24,834)	(58,162)	- - -	(112,385)	- - -
WECARE revenues - 4% program.....	- - -	- - -	435,122	- - -	435,122	- - -
WECARE expense - 4% program.....	- - -	- - -	(435,122)	- - -	(435,122)	- - -
WECARE revenues - 100% program.....	- - -	- - -	147,606	- - -	147,606	- - -
WECARE expense - 100% program.....	- - -	- - -	(147,606)	- - -	(147,606)	- - -
Other nonoperating revenues.....	- - -	- - -	3,118,245	- - -	3,118,245	- - -
Lease/pole attachment revenue.....	- - -	- - -	1,105,832	- - -	1,105,832	- - -
Other nonoperating expenses.....	- - -	- - -	(2,195,216)	- - -	(2,195,216)	- - -
TOTAL NONOPERATING REVENUES (EXPENSES), NET	(29,389)	(24,834)	1,970,699	- - -	1,916,476	136,429
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,837,937	183,159	4,130,795	1,637,247	7,789,138	115,809
CAPITAL CONTRIBUTIONS	- - -	- - -	642,975	- - -	642,975	- - -
TRANSFERS:						
Transfers in.....	666,409	- - -	- - -	- - -	666,409	- - -
Transfers out.....	- - -	- - -	(1,000,000)	- - -	(1,000,000)	- - -
TOTAL TRANSFERS	666,409	- - -	(1,000,000)	- - -	(333,591)	- - -
CHANGE IN NET POSITION	2,504,346	183,159	3,773,770	1,637,247	8,098,522	115,809
NET POSITION AT BEGINNING OF YEAR	20,605,197	21,675,724	79,492,447	11,070	121,784,438	1,476,176
NET POSITION AT END OF YEAR	\$ 23,109,543	\$ 21,858,883	\$ 83,266,217	\$ 1,648,317	\$ 129,882,960	\$ 1,591,985

See notes to basic financial statements.

Town of Wellesley, Massachusetts

Proprietary Funds Statement of Cash Flows

Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Municipal Light	Stormwater (Nonmajor)	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers and users.....	\$ 10,909,908	\$ 9,364,522	\$ 38,286,157	\$ 2,845,868	\$ 61,406,455	\$ 12,758,346
Receipts from interfund services provided.....	-	-	-	-	-	22,733,539
Payments to vendors.....	(5,701,766)	(7,662,626)	(31,870,166)	(386,995)	(45,621,553)	-
Payments to employees.....	(2,293,757)	(906,586)	(1,665,465)	(846,916)	(5,712,724)	-
Payments for interfund services used.....	-	-	-	-	-	(35,305,413)
NET CASH FROM OPERATING ACTIVITIES.....	<u>2,914,385</u>	<u>795,310</u>	<u>4,750,526</u>	<u>1,611,957</u>	<u>10,072,178</u>	<u>186,472</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers in.....	666,409	-	-	-	666,409	-
Other nonoperating receipts.....	-	-	4,806,805	-	4,806,805	-
Other nonoperating payments.....	-	-	(2,777,944)	-	(2,777,944)	-
Payment to Town of Wellesley.....	-	-	(1,000,000)	-	(1,000,000)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	<u>666,409</u>	<u>-</u>	<u>1,028,861</u>	<u>-</u>	<u>1,695,270</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from the issuance of bonds.....	536,431	-	-	-	536,431	-
Capital contributions.....	-	-	642,975	-	642,975	-
Acquisition and construction of capital assets.....	(1,477,162)	(182,961)	(5,466,488)	-	(7,126,611)	-
Principal payments on bonds.....	(407,200)	(282,841)	-	-	(690,041)	-
Interest expense.....	(42,836)	(25,585)	(58,162)	-	(126,583)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(1,390,767)</u>	<u>(491,387)</u>	<u>(4,881,675)</u>	<u>-</u>	<u>(6,763,829)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of investments.....	-	-	-	-	-	(320,167)
Investment income.....	-	-	-	-	-	136,429
NET CASH FROM INVESTING ACTIVITIES.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(183,738)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	<u>2,190,027</u>	<u>303,923</u>	<u>897,712</u>	<u>1,611,957</u>	<u>5,003,619</u>	<u>2,734</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	<u>6,354,202</u>	<u>4,624,990</u>	<u>12,375,732</u>	<u>11,070</u>	<u>23,365,994</u>	<u>572,004</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR.....	<u>\$ 8,544,229</u>	<u>\$ 4,928,913</u>	<u>\$ 13,273,444</u>	<u>\$ 1,623,027</u>	<u>\$ 28,369,613</u>	<u>\$ 574,738</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:						
Operating income (loss).....	\$ 1,867,326	\$ 207,993	\$ 2,160,096	\$ 1,637,247	\$ 5,872,662	\$ (20,620)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation.....	1,089,099	549,623	4,113,453	-	5,752,175	-
Deferred (outflows)/inflows related to pensions.....	225,383	55,258	427,341	(88,133)	619,849	-
Deferred (outflows)/inflows related to OPEB.....	78,168	(144,537)	702,214	(333,432)	302,413	-
Changes in assets and liabilities:						
Tax liens.....	-	-	-	(700)	(700)	-
User charges.....	332,215	235,144	1,002,345	(250,596)	1,319,108	-
Departmental and other.....	-	-	-	-	-	1,239
Inventory.....	43,812	-	115,576	-	159,388	-
Purchased power advanced deposits.....	-	-	(2,006,428)	-	(2,006,428)	-
Warrants payable.....	75,367	(63,942)	(305,140)	6,454	(287,261)	34,212
Accrued payroll.....	(27,109)	(4,428)	(117,356)	276	(148,617)	(23,359)
Fees collected in advance.....	-	-	634,222	-	634,222	-
Customer deposits.....	-	-	(27,427)	-	(27,427)	-
Other liabilities.....	-	-	72,482	-	72,482	-
Compensated absences.....	26,100	21,230	243,041	-	290,371	-
Workers' compensation.....	-	-	-	-	195,000	-
Net pension liability.....	(570,823)	(85,515)	(978,345)	136,848	(1,497,835)	-
Net other postemployment benefits liability/asset.....	(225,153)	24,484	(1,285,548)	503,993	(982,224)	-
Total adjustments.....	<u>1,047,059</u>	<u>587,317</u>	<u>2,590,430</u>	<u>(25,290)</u>	<u>4,199,516</u>	<u>207,092</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 2,914,385</u>	<u>\$ 795,310</u>	<u>\$ 4,750,526</u>	<u>\$ 1,611,957</u>	<u>\$ 10,072,178</u>	<u>\$ 186,472</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Change in the deferred loss on debt refunding.....	\$ (13,028)	\$ (13,028)	\$ -	\$ -	\$ (26,056)	\$ -

See notes to basic financial statements.

Town of Wellesley, Massachusetts

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2025

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Fund
ASSETS		
Cash and cash equivalents.....	\$ 1,620,343	\$ -
Investments:		
Investments in Pension Reserve Investment Trust.....	447,108,095	-
Equity securities.....	-	734,803
Receivables, net of allowance for uncollectibles:		
Departmental and other.....	787,474	-
Other assets.....	2,039	-
TOTAL ASSETS.....	449,517,951	734,803
LIABILITIES		
Warrants payable.....	685,387	-
NET POSITION		
Restricted for pensions.....	308,585,947	-
Restricted for other postemployment benefits.....	140,246,617	-
Held in trust for other purposes.....	-	734,803
TOTAL NET POSITION.....	\$ 448,832,564	\$ 734,803

(1) The Pension Trust Fund is as of December 31, 2024.

Town of Wellesley, Massachusetts

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2025

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Fund
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 14,014,349	\$ -
Employer contributions for other postemployment benefit payments.....	6,143,784	-
Member contributions.....	5,138,003	-
Transfers from other systems.....	1,736,002	-
3(8)c contributions from other systems.....	740,847	-
Workers compensation settlements.....	24	-
Member makeup payments and redeposits.....	45,178	-
Reimbursement of 91A overearnings.....	22,826	-
Intergovernmental.....	<u>46,107</u>	-
Total contributions.....	<u>27,887,120</u>	-
Net investment income:		
Investment income.....	39,641,028	106,417
Less: investment expense.....	<u>(2,045,093)</u>	-
Net investment income.....	<u>37,595,935</u>	<u>106,417</u>
TOTAL ADDITIONS.....	<u>65,483,055</u>	<u>106,417</u>
DEDUCTIONS:		
Administration.....	273,852	-
Transfers to other systems.....	1,035,135	-
3(8)c transfer to other systems.....	613,019	-
Retirement benefits and refunds.....	16,376,198	-
Other postemployment benefit payments.....	6,143,784	-
Educational scholarships.....	<u>-</u>	<u>21,500</u>
TOTAL DEDUCTIONS.....	<u>24,441,988</u>	<u>21,500</u>
NET INCREASE (DECREASE) IN NET POSITION.....	<u>41,041,067</u>	<u>84,917</u>
NET POSITION AT BEGINNING OF YEAR.....	<u>407,791,497</u>	<u>649,886</u>
NET POSITION AT END OF YEAR.....	<u>\$ 448,832,564</u>	<u>\$ 734,803</u>

(1) The Pension Trust Fund for the year ended December 31, 2024.

See notes to basic financial statements.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Wellesley, Massachusetts (the “Town”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

A. Reporting Entity

The Town was incorporated in 1881 under the statutes of the Commonwealth of Massachusetts (the “Commonwealth”). The Town is a municipal corporation governed by an elected Select Board.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. One entity has been included as a component unit in the reporting entity, because of the significance of its operational and financial relationships.

Component Unit Presented as a Fiduciary Fund – The following component unit is presented as a Fiduciary Fund of the primary government due to the nature and significance of the relationship between the Town and the component unit.

In the Fiduciary Funds:

The Wellesley Contributory Retirement System (the “System” or “WCRS”) is a multiple-employer, cost-sharing, contributory defined benefit pension plan covering all employees of the governmental member units deemed eligible by the System’s Board of Trustees (the Board), with the exception of school department employees who serve in a teaching capacity. The pensions of such school employees are administered by the Commonwealth of Massachusetts’ Teachers’ Retirement System (“MTRS”). Membership in the System is mandatory immediately upon the commencement of employment for all permanent employees working a minimum of 20 hours per week. The System has 2 participating employers; the Town of Wellesley and the Wellesley Housing Authority.

The System is governed by a five-member board comprised of the Finance Director/CFO (ex officio), two members elected by System’s participants, one member appointed by the Select Board of the Town and a member appointed by the Board members.

The System is presented using the accrual basis of accounting and is reported as a pension and other postemployment benefit trust fund in the fiduciary fund financial statements.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Availability of Financial Information for Component Units

The System issues a publicly available audited financial report in accordance with guidelines established by the Commonwealth of Massachusetts' (Commonwealth) Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System located at 525 Washington Street, Wellesley, MA 02482.

B. Government-Wide and Fund-Level Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets and deferred outflows of resources, liabilities and deferred inflows of resources, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Internal service funds and fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

term debt which is recognized when due, postemployment benefits and certain compensated absences, claims and judgments which are recognized when the amounts have matured or are due and payable.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the “susceptible to accrual criteria” is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *capital projects fund* is used to account for resources that are restricted to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The nonmajor governmental funds consist of other special revenue and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types.

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than permanent funds or major capital projects. The special revenue funds are reported in the nonmajor funds column of the governmental fund financial statements.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs. The permanent funds are also reported in the nonmajor funds column of the governmental funds financial statements.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

The following major proprietary funds are reported:

The *sewer fund* is used to account for sewage treatment operations of the department of public works that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The *water fund* is used to account for water distribution operations of the department of public works that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The *municipal light fund* is used to account for operations of the municipal light department that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The stormwater fund is presented as the only *nonmajor enterprise fund* in the accompanying financial statements. The stormwater fund is used to account for stormwater management operations of the department of public works that are financed and operated in a manner similar to private business enterprises where intent of the governing body is that costs of stormwater management, on a continuing basis, be financed or recovered primarily through user charges.

Additionally, the following proprietary fund type is reported:

The *internal service funds* are used to account for the financing of goods or services provided by one department to other departments of the town on a cost-reimbursement basis. The Town's internal service funds are used to account for the financing of medical claims of all covered town employees and their covered dependents, the financing of the self-insured workers' compensation plan, unemployment benefits, fleet maintenance and fuel charges.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *pension and other employee benefit trust fund* is used to account for the activities of the System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries and of the other postemployment benefit trust fund which accumulates resources to provide funding for future other postemployment benefits (OPEB) liabilities.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trust funds have donor

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

restrictions and trustee policies that do not allow the endowment portion to be spent. The restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings. The Town's educational scholarships are accounted for in this fund.

D. Cash and Investments

Government-Wide and Fund Financial Statements

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are carried at fair value. The fair values were determined by the closing price for those securities traded on national stock exchanges and at the average bid-and-asked quotation for those securities traded in the over-the-counter market.

E. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, certain U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, and certain U.S. government obligations are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments please see Note 2 - Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

User Charges

User fees are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Liens are processed in December of every year and included as a lien on the property owner's tax bill.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Departmental and Other

Departmental and other receivables are recorded net of an allowance for uncollectible accounts. The allowance of uncollectibles is estimated based on historical trends and specific account analysis, as applicable.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Community Preservation Surcharge

The Town has adopted the State Community Preservation Act and the provisions of this Act, as adopted, will allow the Town to assess property owners an additional 1% of the total real estate commitment. The Town has voted for an additional surcharge of 1% with the first \$100,000 of valuation for each parcel being exempt. Revenues from this surcharge are credited to the Community Preservation Fund, a component of the nonmajor governmental funds, to fund open space acquisitions, affordable housing initiatives, historic preservation, and recreational uses.

Wellesley Electric Customers Accelerated Reduction of Emissions (WECARE) billings

Revenues from the additional surcharge or increased rates from the Wellesley Municipal Light Plant's (Plant) WECARE program, both for the 4% initiatives program as well as the 100% initiatives program, are recorded on the basis of revenue recognition when the program initiative expenses are incurred. Remaining receipts received from these additional billings prior to incurring the expenses are deferred. The deferred payments received have been recorded as unearned revenue on the Plant's balance sheet until spent.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

G. Inventories

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase. Governmental activities and governmental funds inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

Materials and supplies held by the Enterprise Funds are generally recorded at original cost, using the weighted average method.

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets include land, construction in progress, improvements other than buildings, buildings, machinery and equipment, and public domain infrastructure (e.g., roads, streetlights, sewer mains, and similar items), which are reported in the applicable governmental or business-type activity column of the government-wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets (including works of art) and assets acquired under a service concession agreement are recorded at acquisition value.

For the Town, capital assets are defined as buildings and infrastructure with a cost greater than \$100,000, improvements other than buildings with a cost greater than \$50,000, and equipment with a cost greater than \$25,000 and an estimated useful life of greater than three years. The Town has elected not to consider books and other materials purchased for the library as capital assets.

For the Light Plant, major outlays for capital assets and improvements are capitalized as projects are constructed. Generally, all purchases and construction costs in excess of \$500 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction-in-progress) are depreciated over the estimated useful lives using the straight-line method. The estimated useful lives of capital assets being depreciated are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Public domain infrastructure.....	50
Buildings.....	10-40
Improvements other than buildings.....	20-30
Machinery and Equipment.....	3-21

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has reported deferred outflows of resources related to pensions, other postemployment benefits and debt refundings in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has recorded deferred inflows of resources relating to taxes paid in advance, pensions and other postemployment benefits in this category.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have been recorded in the governmental fund financial statements, but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue and advanced tax collections as deferred inflows of resources in the governmental funds balance sheet.

J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the Statement of Net Position as “internal balances”.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as “Advances from/to other funds” on the balance sheet.

K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Government-Wide Financial Statements

Transfers between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as “Transfers, net”.

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

L. Unavailable Revenue

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

M. Net Position and Fund Equity

Government-Wide Financial Statements (Net position)

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state’s school building program is not considered to be capital related debt.

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific future use.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Net position has been “restricted for” the following:

“Net other postemployment benefits” - represents the Town’s net OPEB assets in the sewer and municipal light enterprise funds accumulated and held in a separate irrevocable Trust to pre-fund future OPEB liabilities.

“Depreciation” - represents amounts restricted in the municipal light department for the statutory reserve for funded depreciation. Pursuant to the provisions of the MGL, cash in an amount equivalent to the annual depreciation expense is required to be transferred from unrestricted funds to the depreciation fund. Interest earned on the balance of the fund must also remain in the fund. Such cash may be used for the cost of the plant. Nuclear decommissioning costs, the costs of contractual commitments, and deferred costs related to such commitments which the Commissioners determine are above market value.

“Permanent funds - expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings.

“Permanent funds - nonexpendable” represents the endowment portion of donor restricted trusts.

“Grants and gifts” represents amounts held for school, library, and other grants and gift funds.

“Community preservation” represents amounts held for uses restricted by law for community preservation purposes.

“Other Purposes” represents amounts held for other Town-wide purposes.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision-making authority that can, by adoption of a Town Meeting warrant article, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. The Town’s by-laws authorize the Finance Director/CFO to assign fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports unassigned fund balance.

The Town will, from time to time, fund outlays for a particular purpose from different components of fund balance. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When different components of fund balance can be used for the same purpose, it is the Town’s policy to consider restricted fund balance to have been depleted first, followed by committed fund balance, and assigned fund balance. Unassigned fund balance is applied last.

N. Postemployment

The Town provides postemployment benefits in accordance with WCRS and the Town’s Other Postemployment Benefit Plan (OPEB) as more fully described in notes 10 and 11. For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to these liabilities/(assets) and related expenses, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the WCRS and OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by the plans are measured at fair value.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

O. Long-term Debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

P. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and personnel policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed when the benefits are earned by employees, in accordance with GASB Statement No. 101.

Governmental Fund Financial Statements

Compensated absences are reported in the governmental funds only if they have matured, i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement. Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

Q. Investment Income

Excluding the permanent fund and the community preservation fund, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Investment income from enterprise funds is voluntarily assigned and transferred to the general fund.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

R. Use of Estimates

Government-Wide and Fund Financial Statements

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

S. Total Column

Government-Wide Financial Statements

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents". The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the Treasurer of the Commonwealth's Investment Pool (Pool). The Town Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

The Town invests in the MMDT cash portfolio. The cash portfolio had a weighted average maturity of 47 days.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

The Retirement System participates, as a participating member, in the Pension Reserves Investment Trust (“PRIT”), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth of Massachusetts who serves as trustee.

The fair value of the position in the PRIT is the same as the value of the PRIT shares.

The PRIT fund, as a pool, invests in various products including, but not limited to, money market mutual funds, equities, pooled foreign and domestic fixed income and equity funds, United States government sponsored enterprises and Treasury notes, real estate, and commodities.

The underlying components of PRIT’s fixed income portfolio had an effective weighted duration rate ranging from 1.99 to 14.42 years.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town policy for mitigating custodial credit risk is that the Town will only select investments that are covered by FDIC protection. Efforts will be made to maximize FDIC insurance protection until adoption of collateralization legislation. The Treasurer will provide as much security as possible for the Town’s bank investments through a prudent selection process.

At year-end, the carrying amount (“book value”) of the Town’s deposits totaled \$2,669,354 and the bank balances totaled \$4,911,894. Of the bank balance, \$1,427,327 was covered by FDIC insurance, \$499,248 was collateralized, and \$2,985,319 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At December 31, 2024, the carrying amount (“book value”) of the Retirement System’s deposits totaled \$646,589 and the bank balance totaled \$1,954,811. Of the bank balance, \$627,160 was covered by FDIC insurance, and \$1,327,651 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

As of June 30, 2025, the Town had the following investments:

<u>Investment Type</u>	<u>Fair value</u>	<u>Maturities</u>			<u>Rating</u>
		<u>Under 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	
<u>Debt securities:</u>					
U.S. treasury notes.....	\$ 18,659,506	\$ 15,030,398	\$ 2,912,975	\$ 716,133	-
Government sponsored enterprises (1).....	744,936	123,044	604,885	17,007	AA+
Corporate bonds (2).....	2,153,273	140,193	1,730,833	282,247	A- - BBB
Total debt securities.....	<u>\$ 21,557,715</u>	<u>\$ 15,293,635</u>	<u>\$ 5,248,693</u>	<u>\$ 1,015,387</u>	
<u>Other investments:</u>					
Equity securities.....	2,961,917				
Equity mutual funds.....	323,251				
Fixed income.....	8,957,404				
Money market mutual funds.....	522,642				
Pension Reserve Investment Trust (PRIT).....	140,246,617				
MMDT - Cash portfolio.....	<u>110,498,881</u>				
Total investments.....	<u>\$ 285,068,427</u>				

- (1) Government Sponsored Enterprises include various short-term investments in financial services corporations created by the United States Congress. These investments primarily consist of investments in Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Association, and Federal Home Loan Mortgage Corporation Notes.
- (2) Corporate bonds are broken out into separate ratings, which consist of \$276,087 of AA- rated bonds, \$255,786 of A+, \$515,562 of A- rated bonds, \$897,007 of BBB+ rated bonds, and \$208,831 of BBB rated bonds.

As of December 31, 2024, the Retirement System had investments in PRIT totaling \$306,861,478. The Retirement System also maintains a short-term investment portfolio with MMDT. At December 31, 2024, the Retirement System's investment with MMDT was \$973,754 which is classified as a cash equivalent.

The table as noted on the following page reconciles total cash and investments as of June 30, 2025, except for the Pension Trust Fund, which is as of December 31, 2024.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Investments	Total
Primary Government:				
Governmental Activities.....	\$ 85,321,264	\$ -	\$ 33,065,484	\$ 118,386,748
Business-Type Activities.....	27,369,613	1,000,000	-	28,369,613
Fiduciary Funds:				
Pension Trust Fund (as of December 31, 2024)....	1,620,343	-	306,861,478	308,481,821
Other Postemployment Benefit Trust Fund.....	-	-	140,246,617	140,246,617
Private Purpose Trust Fund.....	-	-	734,803	734,803
Totals.....	\$ 114,311,220	\$ 1,000,000	\$ 480,908,382	\$ 596,219,602
Carrying Value of Cash:				
Primary Government.....	\$ 2,669,354			
Pension Trust Fund.....	646,589			
Investments considered cash and cash equivalents:				
Money market mutual funds.....	522,642			
MMDT held by Pension Trust Fund.....	973,754			
MMDT held by Town.....	<u>110,498,881</u>			
Cash and cash equivalents.....	<u>115,311,220</u>			
Debt securities.....	21,557,715			
Equity securities.....	2,961,917			
Equity mutual funds.....	323,251			
Fixed income.....	8,957,404			
PRIT funds (OPEB).....	140,246,617			
PRIT funds (Pension).....	<u>306,861,478</u>			
Investments.....	<u>480,908,382</u>			
Total cash and cash equivalents, and investments.....	\$ 596,219,602			

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the Town's total investments there was custodial credit risk exposure of \$6,183,377 which is equal to the investments in government sponsored enterprises, corporate bonds, equity securities and equity mutual funds because the related securities are uninsured, unregistered and held by the counterparty.

The Town will minimize Custodial Credit Risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments through the prudent selection process of investments.

At December 31, 2024, the System's \$306,861,478 investment in PRIT is not subject to custodial credit risk exposure because it is not evidenced by securities that exist in physical or book-entry form.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

The Town and the System's investment policy is to follow state statutes, which limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to meet its obligations.

The Town restricts investments to those permitted by Massachusetts General Law. Money-market funds must be registered with the Securities and Exchange Commission and have the highest possible rating from at least one nationally recognized rating organization.

Concentration of Credit Risk

The Town has adopted a formal policy to mitigate concentration of credit risk by limiting the percentage of funds that may be invested with any one bank.

Fair Value Measurement

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

The following table presents financial assets at June 30, 2025, that the Town measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	June 30, 2025	Fair Value Measurements Using				
		Quoted Prices in Active Markets for Identical Assets	Significant Other Inputs	Significant Observable Inputs	Unobservable Inputs (Level 3)	
Investments measured at fair value:						
<u>Debt securities:</u>						
U.S. treasury notes.....	\$ 18,659,506	\$ -	\$ 18,659,506	\$ -	-	
Government sponsored enterprises.....	744,936	-	744,936	-	-	
Corporate bonds.....	2,153,273	-	2,153,273	-	-	
Total debt securities.....	21,557,715	-	21,557,715	-	-	
<u>Other investments:</u>						
Equity securities.....	2,961,917	2,961,917	-	-	-	
Equity mutual funds.....	323,251	323,251	-	-	-	
Fixed income.....	8,957,404	8,957,404	-	-	-	
Money market mutual funds.....	522,642	522,642	-	-	-	
Total other investments.....	12,765,214	12,765,214	-	-	-	
Total investments measured at fair value.....	\$ 34,322,929	\$ 12,765,214	\$ 21,557,715	\$ -	-	
Investments measured at amortized cost:						
MMDT - Cash portfolio.....	110,498,881					
Investments measured at net asset value:						
Pension Reserve Investment Trust (PRIT).....	140,246,617					
Total investments.....	\$ 285,068,427					

Equity securities, Equity Mutual Funds, Fixed Income, and Money Mutual Funds are classified in Level 1 of the fair value hierarchy using prices quoted in active markets for those securities. Corporate Bonds, U.S. Treasury Notes, and Government Sponsored Enterprises classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

PRIT Investments are valued using the net asset value method. The Town does not have the ability to control any of the investment decisions relative to its funds in PRIT.

The investment in MMDT is comprised of a cash portfolio. The cash portfolio is valued at amortized cost. MMDT, which is an external investment pool that is overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by GASB 79, "Certain External

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Investment Pools and Pool Participants”, to report its investments at amortized cost; therefore, the Town reports its investments in MMDT at amortized cost which approximates the net asset value of \$1.00 per share. MMDT has a maturity of less than 1 year and is not rated.

Retirement System

The retiree pension defined benefit plan holds significant amounts of investments on a recurring basis. Because investing is a key part of the plan’s activities, the plan shows greater disaggregation in its disclosures. The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System has the following recurring fair value measurements as of December 31, 2024:

Investments measured at amortized cost:

MMDT - Cash portfolio.....	\$ 973,754
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Investments measured at net asset value:

Pension Reserve Investment Trust (PRIT).....	<u>306,861,478</u>
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Total investments.....	\$ <u>307,835,232</u>
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The System’s investments in PRIT and MMDT are the same as the Town’s investments as previously described.

NOTE 3 – RECEIVABLES

At June 30, 2025, receivables for the individual major, non-major governmental funds, and the proprietary internal service fund, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
Receivables:			
Real estate and personal property taxes....	\$ 3,751,485	\$ -	\$ 3,751,485
Tax liens.....	1,649,404	-	1,649,404
Community preservation fund surcharge....	20,648	-	20,648
Motor vehicle excise taxes.....	379,172	(37,917)	341,255
Departmental and other.....	164,741	-	164,741
Intergovernmental.....	<u>955,200</u>	<u>-</u>	<u>955,200</u>
Total.....	\$ <u>6,920,650</u>	\$ <u>(37,917)</u>	\$ <u>6,882,733</u>

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

The allowance for uncollectible motor vehicle excise taxes relates primarily to balances outstanding five years and older.

At June 30, 2025, receivables for the sewer, water, stormwater, and municipal light enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Water user charges.....	\$ 969,319	\$ -	\$ 969,319
Sewer user charges.....	683,792	-	683,792
Municipal light user charges.....	4,171,958	-	4,171,958
Stormwater user charges and liens.....	<u>251,296</u>	<u>-</u>	<u>251,296</u>
 Total.....	 <u>\$ 6,076,365</u>	 <u>\$ -</u>	 <u>\$ 6,076,365</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were noted as follows:

	General Fund	Other Governmental Funds	Total
Receivables:			
Real estate and personal property taxes.....	\$ 1,849,785	\$ -	\$ 1,849,785
Tax liens.....	1,650,104	-	1,650,104
Motor vehicle excise taxes.....	341,255	-	341,255
Departmental and other.....	30,930	111,586	142,516
Intergovernmental - state highway.....	-	72,176	72,176
Intergovernmental - other.....	-	20,648	20,648
Intergovernmental - MSBA.....	<u>-</u>	<u>883,024</u>	<u>883,024</u>
 Total.....	 <u>\$ 3,872,074</u>	<u>\$ 1,087,434</u>	<u>\$ 4,959,508</u>

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

NOTE 4 – CAPITAL ASSETS

A summary of changes in capital asset activity for the year ended June 30, 2025, is as follows:

Governmental Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 51,959,370	\$ -	\$ -	\$ 51,959,370
Construction in progress.....	130,938,729	3,642,101	(129,736,701)	4,844,129
Total capital assets not being depreciated.....	<u>182,898,099</u>	<u>3,642,101</u>	<u>(129,736,701)</u>	<u>56,803,499</u>
<u>Capital assets being depreciated:</u>				
Improvements other than buildings.....	34,046,210	-	-	34,046,210
Buildings.....	300,659,209	149,078,356	-	449,737,565
Machinery and equipment.....	26,790,359	1,288,894	(690,081)	27,389,172
Public domain infrastructure.....	87,864,951	2,279,015	-	90,143,966
Total capital assets being depreciated.....	<u>449,360,729</u>	<u>152,646,265</u>	<u>(690,081)</u>	<u>601,316,913</u>
<u>Less accumulated depreciation for:</u>				
Improvements other than buildings.....	(26,133,988)	(1,367,278)	-	(27,501,266)
Buildings.....	(153,507,189)	(11,388,765)	-	(164,895,954)
Machinery and equipment.....	(17,385,552)	(1,292,447)	690,081	(17,987,918)
Public domain infrastructure.....	(49,594,742)	(2,510,369)	-	(52,105,111)
Total accumulated depreciation.....	<u>(246,621,471)</u>	<u>(16,558,859)</u>	<u>690,081</u>	<u>(262,490,249)</u>
Total capital assets being depreciated, net.....	<u>202,739,258</u>	<u>136,087,406</u>	<u>-</u>	<u>338,826,664</u>
Total governmental activities capital assets, net.....	<u>\$ 385,637,357</u>	<u>\$ 139,729,507</u>	<u>\$ (129,736,701)</u>	<u>\$ 395,630,163</u>

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land and land rights.....	\$ 267,946	\$ -	\$ -	\$ 267,946
Construction in progress.....	3,005,236	2,083,390	(4,685,908)	402,718
Total capital assets not being depreciated.....	3,273,182	2,083,390	(4,685,908)	670,664
<u>Capital assets being depreciated:</u>				
Transmission Plant.....	13,484,564	336	-	13,484,900
Distribution plant.....	104,568,119	7,263,402	(276,057)	111,555,464
Other plant in service.....	69,832,847	1,548,935	-	71,381,782
Vehicles and other equipment.....	12,175,705	916,456	(193,766)	12,898,395
Total capital assets being depreciated.....	200,061,235	9,729,129	(469,823)	209,320,541
<u>Less accumulated depreciation for:</u>				
Transmission Plant.....	(11,744,578)	(227,273)	-	(11,971,851)
Distribution plant.....	(46,945,465)	(3,490,755)	276,057	(50,160,163)
Other plant in service.....	(36,152,531)	(1,320,812)	-	(37,473,343)
Vehicles and other equipment.....	(7,419,790)	(713,335)	193,766	(7,939,359)
Total accumulated depreciation.....	(102,262,364)	(5,752,175)	469,823	(107,544,716)
Total capital assets being depreciated, net.....	97,798,871	3,976,954	-	101,775,825
Total business-type activities capital assets, net.....	\$ 101,072,053	\$ 6,060,344	\$ (4,685,908)	\$ 102,446,489

Depreciation expense was charged to Town functions as follows:

Governmental Activities:

General government.....	\$ 1,453,086
Public safety.....	916,332
Public education.....	8,715,718
Public works.....	4,159,104
Recreation.....	275,300
Library and Recreation.....	1,039,319
 Total depreciation expense - governmental activities.....	 \$ 16,558,859

Business-Type Activities:

Water.....	\$ 1,089,099
Sewer.....	549,623
Municipal Light.....	4,113,453
 Total depreciation expense - business-type activities.....	 \$ 5,752,175

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

NOTE 5 – INTERFUND TRANSFERS, RECEIVABLES AND PAYABLES

Interfund transfers for the year ended June 30, 2025, are summarized as follows:

Transfers Out:	Transfers In				
	General Fund	Capital Projects	Nonmajor Governmental Funds	Water Enterprise fund	Total
General fund.....	\$ -	\$ 14,252,216	\$ 411,735	\$ -	\$ 14,663,951 (1)
Nonmajor governmental funds.....	896,003	-	-	666,409	1,562,412 (2)
Municipal light fund.....	1,000,000	-	-	-	1,000,000 (3)
Total.....	\$ <u>1,896,003</u>	\$ <u>14,252,216</u>	\$ <u>411,735</u>	\$ <u>666,409</u>	\$ <u>17,226,363</u>

- (1) Budgeted transfers from general fund to the capital project funds mainly for the Town Hall Interior Renovation project, as well as other capital projects.
- (2) Transfers from the nonmajor governmental funds to the general fund to close out recreation revolving fund, to transfer funds to the general fund from community preservation, and transfers to the water enterprise fund.
- (3) Transfer from the municipal light fund to the general fund as a payment in lieu of taxes.

NOTE 6 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Details related to the short-term debt activity for the year ended June 30, 2025, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at		Retired/ Redeemed	Balance at June 30, 2025
				June 30, 2024	Renewed/ Issued		
Governmental Funds:							
BAN	Bond Anticipation Note...	4.00%	05/28/26	\$ _____ -	\$ 7,500,000	\$ _____ -	\$ 7,500,000

NOTE 7 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit" as 2 ½ % exempt debt.

Details related to the Town's outstanding general obligation indebtedness at June 30, 2025, and the debt service requirements for the governmental activities are as follows.

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2024	Issued	Redeemed	Outstanding at June 30, 2025
Inside Debt Limit							
St. James Land.....	2045	\$ 5,000,000	3.38	\$ 3,790,000	\$ 155,000	\$ 3,635,000	
Various Building Repairs.....	2035	2,290,000	3.48	1,265,000	-	115,000	1,150,000
Police & Fire HVAC.....	2025	1,265,000	3.48	125,000	-	125,000	-
School Auditorium Seats.....	2025	315,000	3.48	30,000	-	30,000	-
494 Washington Street.....	2035	1,305,000	3.48	715,000	-	65,000	650,000
Fuller Brook Park.....	2025	460,000	3.48	45,000	-	45,000	-
DPW Park/ Highway Garage Construction.....	2026	575,000	3.48	110,000	-	55,000	55,000
Police Station.....	2027	1,471,000	4.00	330,000	-	110,000	220,000
Turf Field High School Stadium.....	2027	947,000	4.00	280,000	-	95,000	185,000
Rt.9/Kingsbury Intersection.....	2028	501,000	5.00	200,000	-	50,000	150,000
Town Hall Design.....	2033	820,000	5.00	495,000	-	55,000	440,000
Town Hall Construction.....	2033	4,742,500	5.00	2,835,000	-	315,000	2,520,000
Reconstruct Cliff Road.....	2028	1,772,000	5.00	700,000	-	175,000	525,000
Worcester Street - 3 Land Parcels.....	2038	3,241,000	5.00	2,255,000	-	165,000	2,090,000
Middle School Pipes.....	2029	2,505,000	4.00	1,225,000	-	245,000	980,000
Sprague Chiller.....	2031	800,000	5.00	560,000	-	80,000	480,000
Library Roof.....	2031	521,000	5.00	355,000	-	55,000	300,000
Library Refresh.....	2028	2,000,000	5.00	1,140,000	-	285,000	855,000
Great Plain Ave.....	2031	1,200,000	5.00	840,000	-	120,000	720,000
Great Plain Ave Road Repair.....	2031	160,600	5.00	120,000	-	20,600	99,400
Town Hall Interior Improvements.....	2027	1,850,333	5.00	1,110,000	-	370,333	739,667
Grove Street Drainage and Paving/Sidewalks.....	2032	3,000,000	5.00	2,400,000	-	300,000	2,100,000
Subtotal Non Exempt.....		36,741,433		20,925,000	-	3,030,933	17,894,067

(continued)

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2024		Issued	Redeemed	Outstanding at June 30, 2025
				2024				
2 1/2 % Exempt Debt								
Middle School (Refunding).....	2025	\$ 4,345,000	1.46	\$ 420,000	\$ -	\$ 420,000	\$ -	\$ -
Middle School Construction (Refunding).....	2026	3,770,000	3.48	885,000	-	435,000	-	450,000
Middle School Construction	2026	13,825,000	3.49-4.00	1,395,000	-	-	-	1,395,000
High School Expansion-Seaver Street.....	2028	5,173,000	3.40-4.00	684,000	-	175,000	-	509,000
High School Planning.....	2029	1,159,500	3.40-4.00	167,500	-	35,000	-	132,500
High School Feasibility.....	2029	3,771,200	3.40-4.00	586,200	-	120,000	-	466,200
High School Project.....	2029	11,663,000	3.40-4.00	418,000	-	365,000	-	53,000
High School Construction (refunding)	2035	18,350,000	2.25-5.00	13,715,000	-	1,235,000	-	12,480,000
High School Construction (refunding)	2031	8,907,500	3.60	6,265,000	-	890,000	-	5,375,000
Schofield/Fiske Design	2035	2,045,000	3.48	1,100,000	-	100,000	-	1,000,000
Schofield/Fiske Construction.....	2035	13,345,000	3.48	7,315,000	-	665,000	-	6,650,000
Middle School Windows	2025	1,430,000	3.48	140,000	-	140,000	-	-
North 40 (CPC Offset).....	2045	9,850,000	3.38	7,905,000	-	260,000	-	7,645,000
North 40 Tax Exempt.....	2045	13,635,000	3.38	13,005,000	-	70,000	-	12,935,000
North 40 Taxable.....	2045	11,505,000	3.38	6,530,000	-	640,000	-	5,890,000
Tolles Parsons Senior Center Construction.....	2031	1,950,000	3.48	875,000	-	125,000	-	750,000
Middle School Systems.....	2031	9,826,500	5.00	5,880,000	-	840,000	-	5,040,000
John Hardy Elementary School.....	2047	28,000,000	2.00-5.00	25,760,000	-	1,120,000	-	24,640,000
Hunnewell Elementary School Construction.....	2047	48,774,067	2.00-5.00	44,865,000	-	1,954,067	-	42,910,933
John Hardy Elementary School.....	2047	18,040,000	4.00 - 5.00	18,040,000	-	1,430,000	-	16,610,000
Subtotal 2 1/2 % Exempt Debt.....		229,364,767		155,950,700		11,019,067		144,931,633
Total General Obligation Bonds Payable.....		\$ 266,106,200		176,875,700	-	14,050,000	-	162,825,700
Add: Unamortized premium on bonds.....				13,201,197	-	1,580,470	-	11,620,727
Total Bonds Payable, net.....		\$ 190,076,897		\$ -		\$ 15,630,470		\$ 174,446,427

(concluded)

The Town authorized funding for the Hunnewell and Hardy elementary school projects. The Hardy School is eligible for funding from the Massachusetts School Building Authority (MSBA). The MSBA project budget totaled \$72.8 million for the Hardy School, and the MSBA approved a reimbursement rate of 34.90% of eligible costs. Under the program, the assistance is paid to support construction costs to reduce the total debt service of the Town. Through the end of 2025, the Town recorded grant proceeds totaling \$13.8 million, of which includes \$2.6 million recognized in 2025.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Debt service requirements for principal and interest for Governmental bonds payable in future years are as follows:

Year	Principal	Interest	Total
2026.....	\$ 13,320,000	\$ 5,920,573	\$ 19,240,573
2027.....	12,175,000	5,317,569	17,492,569
2028.....	11,625,700	4,762,296	16,387,996
2029.....	10,980,000	4,235,444	15,215,444
2030.....	10,290,000	3,748,788	14,038,788
2031.....	10,325,000	3,300,624	13,625,624
2032.....	8,240,000	2,866,769	11,106,769
2033.....	7,895,000	2,580,475	10,475,475
2034.....	7,450,000	2,302,038	9,752,038
2035.....	7,465,000	2,069,619	9,534,619
2036.....	5,390,000	1,862,219	7,252,219
2037.....	5,445,000	1,710,638	7,155,638
2038.....	5,495,000	1,555,213	7,050,213
2039.....	5,390,000	1,396,119	6,786,119
2040.....	5,455,000	1,230,406	6,685,406
2041.....	5,520,000	1,060,175	6,580,175
2042.....	5,590,000	885,425	6,475,425
2043.....	5,660,000	707,875	6,367,875
2044.....	5,735,000	527,525	6,262,525
2045.....	5,800,000	344,275	6,144,275
2046.....	3,790,000	158,325	3,948,325
2047.....	3,790,000	52,775	3,842,775
Total.....	\$ 162,825,700	\$ 48,595,165	\$ 211,420,865

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Details related to the Town's outstanding water enterprise fund general obligation indebtedness at June 30, 2025, and the debt service requirements are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2024	Issued	Redeemed	Outstanding at June 30, 2025
General Obligation Bonds:							
Water Garage	2028	\$ 3,842,150	1.50 - 5.00	\$ 639,650	\$ -	\$ 160,000	\$ 479,650
Water Meters.....	2028	<u>887,000</u>	5.00	<u>345,000</u>	<u>-</u>	<u>90,000</u>	<u>255,000</u>
Subtotal General Obligation Bonds Payable.....		<u>4,729,150</u>		<u>984,650</u>	<u>-</u>	<u>250,000</u>	<u>734,650</u>
Direct Borrowings and Placements:							
MWRA - Water Bond.....	2033	1,572,000	0.00	1,414,800	\$ -	157,200	1,257,600
MWRA - Water Bond.....	2035	<u>536,431</u>	0.00	<u>-</u>	<u>536,431</u>	<u>-</u>	<u>536,431</u>
Subtotal Direct Borrowings Payable.....		<u>1,572,000</u>		<u>1,414,800</u>	<u>536,431</u>	<u>157,200</u>	<u>1,794,031</u>
Total Bonds Payable.....		<u>\$ 6,301,150</u>		<u>2,399,450</u>	<u>536,431</u>	<u>407,200</u>	<u>2,528,681</u>
Add: Unamortized premium on bonds.....				60,276	-	25,754	34,522
Total Bonds Payable, net.....				<u>\$ 2,459,726</u>	<u>\$ 536,431</u>	<u>\$ 432,954</u>	<u>\$ 2,563,203</u>

Debt service requirements for principal and interest for water enterprise fund bonds and notes payable in future years are as follows:

Year	General Obligation Bonds:			Direct Borrowings:		Grand
	Principal	Interest	Total	Principal	Total	
2026.....	\$ 245,000	\$ 31,936	\$ 276,936	\$ 210,843	\$ 487,779	
2027.....	245,000	21,286	266,286	210,843	477,129	
2028.....	244,650	10,636	255,286	210,843	466,129	
2029.....	-	-	-	210,843	210,843	
2030.....	-	-	-	210,843	210,843	
2031.....	-	-	-	210,843	210,843	
2032.....	-	-	-	210,843	210,843	
2033.....	-	-	-	210,843	210,843	
2034.....	-	-	-	53,643	53,643	
2035.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,644</u>	<u>53,644</u>	
Total.....	<u>\$ 734,650</u>	<u>\$ 63,858</u>	<u>\$ 798,508</u>	<u>\$ 1,794,031</u>	<u>\$ 2,592,539</u>	

The Massachusetts Water Resource Authority ("MWRA") operates an Infiltration/Inflow Financial Assistance Program for community owned collection systems. For each community approved for the program, financial assistance consists of a grant and non-interest-bearing loan. At June 30, 2025, the outstanding principal amount of these loans for the water enterprise fund totaled approximately \$1.8 million.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Details related to the Town's outstanding sewer enterprise fund general obligation indebtedness at June 30, 2025, and the debt service requirements are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2024	Issued	Redeemed	Outstanding at June 30, 2025
General Obligation Bonds:							
Sewer Garage.....	2028	\$ 3,842,150	1.50 - 5.00	\$ 639,650	\$ -	\$ 160,000	\$ 479,650
Direct Borrowing and Placements:							
MWRA - Sewer Bond....	2026	345,457	0.00	138,184	-	69,092	69,092
MWRA - Sewer Bond....	2034	537,500	0.00	537,500	-	53,750	483,750
Subtotal Direct Borrowings and Placements.....		<u>882,957</u>		<u>675,684</u>	<u>-</u>	<u>122,842</u>	<u>552,842</u>
Total Bonds Payable.....		<u>\$ 4,725,107</u>		<u>1,315,334</u>	<u>-</u>	<u>282,842</u>	<u>1,032,492</u>
Add: Unamortized premium on bonds.....				33,104	-	13,246	19,858
Total Bonds Payable, net.....				<u>\$ 1,348,438</u>	<u>\$ -</u>	<u>\$ 296,088</u>	<u>\$ 1,052,350</u>

Debt service requirements for principal and interest for sewer enterprise fund bonds and notes payable in future years are as follows:

Year	General Obligation Bonds:			Direct Borrowings:		Grand Total
	Principal	Interest	Total	Principal	Interest	
2026.....	\$ 160,000	\$ 19,186	\$ 179,186	\$ 122,842	\$ -	\$ 302,028
2027.....	160,000	12,786	172,786	53,750	-	226,536
2028.....	159,650	6,386	166,036	53,749	-	219,785
2029.....	-	-	-	53,750	-	53,750
2030.....	-	-	-	53,750	-	53,750
2031.....	-	-	-	53,750	-	53,750
2032.....	-	-	-	53,750	-	53,750
2033.....	-	-	-	53,750	-	53,750
2034.....	-	-	-	53,751	-	53,751
Total.....	<u>\$ 479,650</u>	<u>\$ 38,358</u>	<u>\$ 518,008</u>	<u>\$ 552,842</u>	<u>\$ -</u>	<u>\$ 1,070,850</u>

The Massachusetts Water Resource Authority ("MWRA") operates an Infiltration/Inflow Financial Assistance Program for community owned collection systems. For each community approved for the program, financial assistance consists of a grant and non-interest-bearing loan. At June 30, 2025, the outstanding principal amount of these loans for the sewer enterprise fund totaled approximately \$553,000.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2025, the Town had the following authorized and un-issued debt:

Purpose	Amount
John D. Hardy Elementary School Replacement Facility.....	\$ 2,998,786
Water System Reconstruction.....	2,500,000
Sewer Inflow/Infiltration Reconstruction.....	295,000
Water System Improvements.....	500,000
Stormwater.....	985,000
Warren School HVAC.....	<u>5,230,150</u>
 Total.....	 <u>\$ 12,508,936</u>

Changes in Long-term Liabilities

During the year ended June 30, 2025, the following changes occurred in long-term liabilities:

	(As Restated) Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term general obligation bonds payable.....	\$ 176,875,700	\$ -	\$ (14,050,000)	\$ -	\$ -	\$ 162,825,700	\$ 13,320,000
Add: Unamortized premium on bonds.....	13,201,197	-	(1,580,470)	-	-	11,620,727	1,556,731
Total bonds payable.....	190,076,897	-	(15,630,470)	-	-	174,446,427	14,876,731
Compensated absences.....	14,575,646	-	-	3,417,531	(3,321,790)	14,671,387	3,343,846
Workers' compensation.....	694,000	-	-	922,000	(727,000)	889,000	471,000
Net pension liability.....	28,243,151	-	-	7,425,406	(17,233,821)	18,434,736	-
Net OPEB liability.....	37,495,382	-	-	7,141,043	(17,847,054)	26,789,371	-
 Total governmental activity							
long-term liabilities, as restated.....	\$ 271,085,076	\$ -	\$ (15,630,470)	\$ 18,905,980	\$ (39,129,665)	\$ 235,230,921	\$ 18,691,577
Business-Type Activities:							
Long-term general obligation bonds payable.....	\$ 1,624,299	\$ -	\$ (409,999)	\$ -	\$ -	\$ 1,214,300	\$ 405,000
Long-term direct borrowing payable.....	2,090,484	536,431	(280,042)	-	-	2,346,873	333,685
Add: Unamortized premium on bonds.....	93,380	-	(39,000)	-	-	54,380	27,198
Total bonds payable.....	3,808,163	536,431	(729,041)	-	-	3,615,553	765,883
Compensated absences.....	52,180	-	-	321,679	(31,308)	342,551	192,004
Net pension liability.....	4,988,890	-	-	1,229,717	(2,727,552)	3,491,055	-
Net OPEB liability/(asset), net.....	(1,766,410)	-	-	480,068	(1,462,292)	(2,748,634)	-
 Total business-type activity							
long-term liabilities.....	\$ 7,082,823	\$ 536,431	\$ (729,041)	\$ 2,031,464	\$ (4,221,152)	\$ 4,700,525	\$ 957,887

Internal service funds predominantly serve the governmental funds. Accordingly, the internal service fund's long-term liabilities are included as part of the governmental activities totals above. At year end, \$889,000 of internal service funds accrued workers' compensation liability is included above. Except for the amounts related to the internal service funds, the governmental activities and business type activities

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

long-term liabilities are generally liquidated by the general fund, and enterprise funds, respectively. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures, namely the general fund and the water, sewer and municipal light enterprise funds.

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town classifies fund balance according to the constraints imposed on the use of resources.

At June 30, 2025, \$3,988,185, \$872,469, \$1,971,662, and \$793,166 have been set aside in a general stabilization fund, an injured on duty stabilization fund, a special education Medicare stabilization fund, and a stabilization fund for purposes of meeting capital needs at the recycling facility, respectively, that are classified as part of the unassigned general fund balance in the governmental funds financial statements.

Municipal finance laws of the Commonwealth of Massachusetts authorize municipalities to establish stabilization funds on an as needed basis. The number of and exact purpose of the stabilization funds of the Town are dependent upon authorization and approval of Town Meeting. The general stabilization fund balance can be used for general and/or capital purposes upon approval of Town Meeting. The special purpose stabilization fund can only be used to offset police and fire workers compensation claim payments. Additions and withdrawals from the funds can only be made in accordance with Town Meeting approval.

There are two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable. In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority. The Town's highest level of decision-making authority is the Annual Town Meeting.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

The Town has classified its fund balances with the hierarchy as follows:

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 423,530	\$ 423,530
Restricted for:				
Capital projects.....	- 7,113,862		- 7,113,862	
School lunch.....	- 632,870		- 632,870	
Community Preservation Fund.....	- 12,808,828		- 12,808,828	
State and Federal Grant Programs.....	- 399,223		- 399,223	
Receipts Reserved.....	- 2,308,355		- 2,308,355	
Revolving.....	- 5,647,988		- 5,647,988	
Recreation Revolving.....	- 2		- 2	
Other Special Revenue for Governmental Purposes.....	- 5,797,554		- 5,797,554	
Highway.....	- 404,960		- 404,960	
Permanent fund.....	- 1,470,301		- 1,470,301	
Committed to:				
Executive Director's Office.....	139,818	- -	- -	139,818
Information Technology.....	436,730	- -	- -	436,730
Town Clerk/Election and Registration.....	18,500	- -	- -	18,500
Council on Aging.....	18,879	- -	- -	18,879
Youth Commission.....	90,000	- -	- -	90,000
Board of Assessors.....	39,400	- -	- -	39,400
Planning Board.....	75,000	- -	- -	75,000
Human Resources Board.....	115,632	- -	- -	115,632
Facilities Maintenance.....	1,445,278	- -	- -	1,445,278
Police Department.....	3,517	- -	- -	3,517
Fire Department.....	342,460	- -	- -	342,460
Engineering.....	80,161	- -	- -	80,161
Highway.....	457,218	- -	- -	457,218
Park.....	451,267	- -	- -	451,267
Recycling and Disposal.....	196,385	- -	- -	196,385
Public Works Management.....	879,517	- -	- -	879,517
Library Trustees.....	186,345	- -	- -	186,345
Natural Resources Commission.....	722,654	- -	- -	722,654
Moses Pond.....	9,324	- -	- -	9,324
Wellesley Public Schools.....	562,888	- -	- -	562,888
Assigned to:				
Executive Director's Office.....	10,192	- -	- -	10,192
Climate Action Committee.....	3,314	- -	- -	3,314
Central Administrative Services.....	3,054	- -	- -	3,054
Information Technology.....	44,418	- -	- -	44,418
Treasurer/Collector.....	1,890	- -	- -	1,890
Council on Aging.....	15,198	- -	- -	15,198
Zoning Board of Appeals.....	94	- -	- -	94
Audit Committee.....	2,800	- -	- -	2,800
Law.....	40,800	- -	- -	40,800
Planning Board.....	770	- -	- -	770
Human Resources Board.....	24,880	- -	- -	24,880
Facilities Maintenance.....	63,167	- -	- -	63,167
Police Department.....	313,022	- -	- -	313,022
Fire Department.....	81,236	- -	- -	81,236
Building Department.....	1,201	- -	- -	1,201
Engineering.....	967	- -	- -	967
Highway.....	6,291	- -	- -	6,291
Park.....	3,528	- -	- -	3,528
Recycling and Disposal.....	155,471	- -	- -	155,471
Public Works Management.....	713	- -	- -	713
Library Trustees.....	824	- -	- -	824
Board of Health.....	1,790	- -	- -	1,790
Natural Resources Commission.....	231	- -	- -	231
Wellesley Public Schools.....	599,105	- -	- -	599,105
2026 Tax Rate Reductions.....	2,246,401	- -	- -	2,246,401
Unassigned.....	<u>48,807,941</u>	<u>- -</u>	<u>- -</u>	<u>48,807,941</u>
Total Fund Balances.....	<u>\$ 58,700,271</u>	<u>\$ 7,113,862</u>	<u>\$ 29,893,611</u>	<u>\$ 95,707,744</u>

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

NOTE 9 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has purchased commercial insurance for these risks, except for those risks identified in the following paragraphs, which the Town accounts for in its Internal Service Fund. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town entered into an agreement with certain suburban communities and other governmental units forming the West Suburban Health Group (the “Group”). The purpose of the Group is for the joint negotiation and purchase of health insurance coverage with various carriers. Under these agreements, the insurance claims of the covered employees are paid for by the insurance carrier and are subsequently reimbursed by the Group. The Group charges monthly premiums to each governmental unit based upon requirements established through underwriting or actuarial estimates. The Group also maintains a deposit with the insurance carrier which is sufficient to cover two months of claims paid by the carrier for the Group. In addition, the Group provides full reinsurance coverage for all claim costs in excess of \$225,000 per covered employee.

In the event of a dissolution of the Group or if the assets of the Group are insufficient to pay claims which occur, the Town remains liable. The Group had net position of approximately \$14.9 million at June 30, 2024, which appears sufficient to cover future claims. The Town’s total potential liability is not based on its participants’ claims but on the pro rata share of any deficit based on the ratio of the Town’s members to total participants at the time of dissolution. At June 30, 2024, the Group’s mandatory deposit, discussed above, is sufficient to cover the Town’s projected liability for incurred but not reported claims as of that date.

The Town is self-insured for workers’ compensation claims. The Town has recorded an actuarially determined loss liability in its Internal Service Fund to reserve against future losses. This liability includes a provision for estimated claims incurred but not reported. In addition to these reserves, the Town retains insurance against claims in excess of \$250,000 per employee.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Changes in the Workers' Compensation Fund claims liability amount for the years ended June 30 were as follows:

	Current Year				
Balance at Beginning of Year	Claims and Changes in Estimate	Claims Payments	Balance at Year-End	Current Portion	
1900..... \$ 531,000	\$ 905,000	\$ (742,000)	\$ 694,000	\$ 368,000	
2025..... 694,000	922,000	(727,000)	889,000	471,000	

NOTE 10 – PENSION PLAN

Plan Descriptions

The Town is a member of the Wellesley Contributory Retirement System (WCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of its 2 member units (the Town and the Wellesley Housing Authority). The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is a component unit and is reported as a pension and other employee benefit trust fund in the fiduciary fund financial statements. The System issues a separate report on the basis of the financial reporting provisions of the Commonwealth of Massachusetts' Public Employee Retirement Administration Commission and that financial report may be obtained by contacting the WCRS.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <https://mtrs.state.ma.us/service/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2024. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$14,969,924 is reported in the general fund as intergovernmental revenue and pension benefits in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$181,362,137 as of the measurement date.

Benefits Provided

Both systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The Systems provide retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

At December 31, 2024, the WCRS membership consists of the following:

Active members.....	672
Inactive members.....	409
Disabled members.....	32
Retirees and beneficiaries currently receiving benefits.....	418
	<hr/>
Total.....	<u>1,531</u>

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

pay into the WCRS a legislatively mandated actuarially determined contribution that is apportioned among the employers based on active current payroll. The total member unit's contribution for the year ended December 31, 2024, was an actuarially determined amount of \$10,648,732. This amount when combined with plan member contributions is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The total member unit's actual contribution was \$10,666,516, which is equal to 22.68% of covered payroll. The Town's proportionate share of the required contribution was \$10,569,205. The Town contributed \$10,599,720, and \$17,784 in excess of the required amount.

Pension Liabilities

The components of the net pension liability of the participating member units at December 31, 2024, were as follows:

	Total System	Town Share	Housing Authority Share
Total pension liability.....	\$ 330,676,715	\$ 328,207,158	\$ 2,469,557
Total pension plan's fiduciary net position.....	<u>(308,585,947)</u>	<u>(306,281,367)</u>	<u>(2,304,580)</u>
Total net pension liability.....	<u>\$ 22,090,768</u>	<u>\$ 21,925,791</u>	<u>\$ 164,977</u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....	93.32%	93.32%	93.32%

At June 30, 2025, the Town reported a liability of \$21,925,791 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2024, the Town's proportion was 99.25%, which increased from its proportion measured at December 31, 2023, of 99.13%.

Pension Expense

For the year ended June 30, 2025, the Town recognized pension expense of \$4,419,957. At June 30, 2025, the Town reported deferred outflows and (inflows) of resources related to pensions of \$6,153,034 and (\$5,572,175), respectively, from difference between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and the proportionate share of contributions.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

The balances of deferred outflows and inflows at June 30, 2025, consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience.....	\$ 1,818,612	\$ (1,321,193)	\$ 497,419
Difference between projected and actual earnings, net.....	- -	(1,142,605)	(1,142,605)
Changes in assumptions.....	3,438,199	(2,260,975)	1,177,224
Changes in proportion and proportionate share of contributions.....	<u>896,223</u>	<u>(847,402)</u>	<u>48,821</u>
 Total deferred outflows/(inflows) of resources.....	 <u>\$ 6,153,034</u>	 <u>\$ (5,572,175)</u>	 <u>\$ 580,859</u>

The Town's net deferred outflows (inflows) of resources related to pensions will be recognized as an increase/(decrease) in pension expense as follows:

Year ended June 30:

1900.....	\$ 1,295,707
1900.....	5,191,185
1900.....	(4,696,673)
1900.....	<u>(1,209,360)</u>
 Total.....	 <u>\$ 580,859</u>

The Town paid their annual pension appropriation on July 1, 2024, for the measurement date of December 31, 2024, and therefore, no contribution after the measurement date was reported by the Town.

Actuarial Assumptions – The total pension liability as of December 31, 2024, was determined by an actuarial valuation as of January 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date.....	January 1, 2025
Actuarial cost method.....	Entry Age Normal Cost Method.
Asset valuation method.....	Market value
Inflation rate.....	2.75%
Projected salary increases.....	Based on years of service, ranging from 7.00% decreasing to 3.50% after 11 years of service from Group 1 and 2 employees, and ranging from 8.00% decreasing to 4.00% after 11 years for Group 4 employees.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Cost of living adjustments.....	2.75% increase on the first \$21,000 of retirement allowance.
Rates of retirement.....	Varies based upon age for general employees, police and fire employees.
Rates of disability.....	For general employees, it was assumed that 45% of all disabilities are ordinary (55% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).
Mortality Rates:	
Pre-Retirement.....	RP-2014 Blue Collar Employee Mortality Table set forward one year for females projected generationally with Scale MP-2021.
Healthy Retiree.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year for females project generationally with Scale MP-2021.
Disabled Retiree.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.
Investment rate of return/Discount rate.....	6.00%, net of pension plan investment expense, including inflation.

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established by PRIT. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2024, and the target allocations as of December 31, 2024, are summarized in the table on the following page.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	23.50%	5.82%
International developed markets equity.....	9.00%	5.91%
International emerging markets equity.....	3.50%	7.06%
Core fixed income.....	15.00%	1.81%
High-yield bonds.....	9.00%	3.34%
Real estate.....	10.00%	3.34%
Timber.....	4.00%	3.82%
Hedge fund, GTAA, Risk parity.....	10.00%	2.77%
Private equity.....	16.00%	9.20%
 Total.....	 <hr style="border: 1px solid black; height: 10px; margin-bottom: 5px;"/> <hr style="border: 1px solid black; height: 10px;"/>	 <hr style="border: 1px solid black; height: 10px; margin-bottom: 5px;"/> <hr style="border: 1px solid black; height: 10px;"/>
	100.00%	

Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.06%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 6.00% (net of pension plan investment expense, including inflation), as of December 31, 2024 and December 31, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 6.00% as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

	1% Decrease	Current Discount	1% Increase
	<u>(5.00%)</u>	<u>(6.00%)</u>	<u>(7.00%)</u>
The Town's proportionate share of the net pension liability/(asset).....	\$ <u>61,883,796</u>	\$ <u>21,925,791</u>	\$ <u>(11,523,495)</u>
Total System's net pension liability/(asset).....	\$ <u>62,349,433</u>	\$ <u>22,090,768</u>	\$ <u>(11,610,202)</u>

Changes in Assumptions

None.

Changes in Plan Provisions

None.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Town maintains a single employer defined benefit healthcare plan (“The Other Postemployment Benefit Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Plan. The plan provides the benefits by participating in the West Suburban Health Group. Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim Health Care, Tufts Health Plan, and Fallon Community Health Plan, as well as an out-of-area indemnity plan administered by North American Administrators. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The plan also pays 50% of the retiree life insurance premiums. The Other Postemployment Benefit Plan does not issue a publicly available financial report.

The Town adopted MGL, Chapter 32B, Section 18 in April 2006, requiring all Medicare-eligible retirees to enroll in a Medicare supplement plan. The effects of this adoption have been included in the determination of OPEB liabilities by the Town’s actuary.

Funding Policy

Contribution requirements are also negotiated between the Town and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute between 17.7% and

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

50% of the cost of benefits provided depending on the plan they choose. The Town is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The Town contributed \$9.5 million during 2025, towards these benefits including the pre-funding amount discussed below. Administrative costs of the Plan are assumed to be included in the fully insured premium rates. For the year ended June 30, 2025, the Town's average contribution rate was 8.39% of covered payroll.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish the postemployment benefit trust fund and enabling the Town to raise taxes necessary to pre-fund its OPEB liabilities. During 2025, the Town pre-funded future OPEB liabilities in the amount of \$3.3 million by contributing funds to the Other Postemployment Benefit Trust Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Fund financial statements. As of June 30, 2025, the net position of this fund totaled \$140.2 million.

The Town's governmental operations and water business-type operations have established a funding schedule, calculated through the actuarial valuation, to fund the outstanding liability over the next 10 years. The Municipal Light and sewer business-type activities have adopted more aggressive funding schedules. As a result, the municipal light department and sewer department have reported net OPEB assets totaling \$3.6 million and \$44,751, respectively. The governmental operations, stormwater department and water department have reported net OPEB liabilities totaling \$26.8 million, \$503,993 and \$356,977, respectively.

The net assets have been blended with the net OPEB liabilities in the following disclosures and have been reported at the net amount as a net OPEB liability/(asset).

Measurement Date

The net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2024.

Employees Covered by Benefit Terms

The following table represents the Plan's membership at December 31, 2024:

Active members.....	866
Inactive members currently receiving benefits.....	<u>941</u>
Total.....	<u>1,807</u>

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Components of OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2025:

Total OPEB liability.....	\$ 164,287,354
Less: OPEB plan's fiduciary net position.....	<u>(140,246,617)</u>
Net OPEB liability/(asset).....	<u><u>\$ 24,040,737</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	85.37%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2024, actuarial valuation was determined by using the following actuarial assumptions, applied to all periods included in the measurement that was updated to June 30, 2025, to be in accordance with GASB #74 and GASB #75 as follows:

Valuation date.....	December 31, 2024
Actuarial cost method.....	Entry age normal - level percentage of payroll.
Asset valuation method.....	Fair Value
Discount rate/Investment rate of return.....	6.00%
Inflation rate.....	3.00%
Health care trends rate.....	Medical and Prescription Drug (Non-Medicare): 8.0% graded by 0.25% for 14 years to an ultimate level of 4.50%. Medicare Part B Premium: 4.50%. Contributions: Retiree contributions are expected to increase with medical trend.
Mortality rates.....	Pre-Retirement (Non-Teachers): RP-2014 Blue Collar Employee Mortality Table set forward one year for females projected generationally with Scale MP-2021. Healthy (Non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year for females projected generationally with Scale MP-2021. Disabled (Non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021. Pre-Retirement (Teachers): Pub-2010 Teacher Employee Mortality Table (headcount weighted) projected generationally with Scale MP-2021. Healthy (Teachers): Pub-2010 Teacher Mortality Table (headcount weighted) projected generationally with Scale MP-2021. Disabled (Teachers): Pub-2010 Teacher Mortality Table (headcount weighted) projected generationally with Scale-2021.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 9.58%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expense and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized as follows:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	23.50%	5.82%
International developed markets equity.....	9.00%	5.91%
International emerging markets equity.....	3.50%	7.06%
Core fixed income.....	15.00%	1.81%
High yield fixed income.....	9.00%	3.34%
Real estate.....	10.00%	3.34%
Commodities.....	4.00%	3.82%
Hedge Fund, GTAA, Risk parity.....	10.00%	2.77%
Private equity.....	16.00%	9.20%
Total.....	100.00%	

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognized benefit payments when due and payable in accordance with the benefit terms. Investments are reported at the fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00% as of June 30, 2025 and as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB plan assets was applied to periods of projected future benefits payments.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 6.00%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate.

	Current		
	1% Decrease	Discount Rate	1% Increase
	(5.00%)	(6.00%)	(7.00%)
Net OPEB liability/(asset), net.....	\$ 46,590,402	\$ 24,040,737	\$ 5,474,184

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the net other postemployment benefit liability, calculated using the current healthcare trend rate of 8.00%, as well as what the net other postemployment benefit liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability/(asset), net.....	\$ 2,780,854	\$ 24,040,737	\$ 50,552,358

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Plan		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability/(asset) (a) - (b)
Balances at June 30, 2024.....	\$ 160,436,286	\$ 124,707,314	\$ 35,728,972
Changes for the year:			
Service cost.....	5,087,417	-	5,087,417
Interest.....	9,749,793	-	9,749,793
Differences between expected and actual experience.....	(487,968)	-	(487,968)
Contributions - employer.....	-	9,491,617	(9,491,617)
Net investment income.....	-	12,191,470	(12,191,470)
Changes in assumptions.....	(4,354,390)	-	(4,354,390)
Benefit payments.....	<u>(6,143,784)</u>	<u>(6,143,784)</u>	<u>-</u>
Net change.....	<u>3,851,068</u>	<u>15,539,303</u>	<u>(11,688,235)</u>
Balances at June 30, 2025.....	<u>\$ 164,287,354</u>	<u>\$ 140,246,617</u>	<u>\$ 24,040,737</u>

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the financial reporting year ended June 30, 2025, the Town recognized OPEB expense of \$3,017,902 and reported deferred outflows/(inflows) of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience.....	\$ 60,624	\$ (8,268,579)	\$ (8,207,955)
Difference between projected and actual earnings, net.....	-	(4,036,052)	(4,036,052)
Changes in assumptions.....	7,416,044	(3,473,910)	3,942,134
Changes in proportion and proportionate share of contributions.....	<u>835,972</u>	<u>(835,972)</u>	<u>-</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ 8,312,640</u>	<u>\$ (16,614,513)</u>	<u>\$ (8,301,873)</u>

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

Amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized as an increase/(decrease) in OPEB expense in the following fiscal years:

Year ended June 30:

1900.....	\$ (392,952)
1900.....	(4,825,622)
1900.....	(1,317,616)
1900.....	<u>(1,765,683)</u>
Total.....	\$ <u>(8,301,873)</u>

Changes of Assumptions

- The per capita health costs and contributions were updated.
- Trend assumptions were revised.
- The mortality projection scales for teachers were updated.

Changes in Plan Provisions

None.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

NOTE 12 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

GAAP requires that all Pension and Other Employee Benefit Trust Funds be combined and presented in one column in the Fiduciary Funds financial statements and that the individual financial statements for each trust fund plan are reported in the notes to the financial statements.

Provided below and on the following page are the individual financial statements for the pension and OPEB plans that are included in the Fiduciary Funds as Pension and Other Employee Benefit Trust Funds.

	Pension Trust Fund (as of December 31, 2024)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ASSETS			
Cash and cash equivalents.....	\$ 1,620,343	\$ -	\$ 1,620,343
Investments:			
Investments in Pension Reserve Investment Trust.....	306,861,478	140,246,617	447,108,095
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	787,474	-	787,474
Other assets.....	2,039	-	2,039
TOTAL ASSETS.....	309,271,334	140,246,617	449,517,951
LIABILITIES			
Warrants payable.....	685,387	-	685,387
NET POSITION			
Restricted for pensions.....	308,585,947	-	308,585,947
Restricted for other postemployment benefits.....	-	140,246,617	140,246,617
TOTAL NET POSITION.....	\$ 308,585,947	\$ 140,246,617	\$ 448,832,564

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

	Pension Trust Fund (as of December 31, 2024)	Other Postemployment Benefit Trust Fund	Total Pension and Other Postemployment Benefit Trust Funds
ADDITIONS			
Contributions:			
Employer contributions.....	\$ 10,666,516	\$ 3,347,833	\$ 14,014,349
Employer contributions for OPEB payments.....	-	6,143,784	6,143,784
Member contributions.....	5,138,003	-	5,138,003
Transfers from other systems.....	1,736,002	-	1,736,002
3(8)c contributions from other systems.....	740,847	-	740,847
Workers compensation settlements.....	24	-	24
Member makeup payments and redeposits.....	45,178	-	45,178
Reimbursement of 91A overearnings.....	22,826	-	22,826
Intergovernmental.....	46,107	-	46,107
 Total contributions.....	 18,395,503	 9,491,617	 27,887,120
Net investment income:			
Investment income.....	26,817,857	12,823,171	39,641,028
Less: investment expense.....	(1,413,392)	(631,701)	(2,045,093)
 Net investment income.....	 25,404,465	 12,191,470	 37,595,935
 TOTAL ADDITIONS.....	 43,799,968	 21,683,087	 65,483,055
DEDUCTIONS			
Administration.....	273,852	-	273,852
Transfers to other systems.....	1,035,135	-	1,035,135
3(8)c transfer to other systems.....	613,019	-	613,019
Retirement benefits and refunds.....	16,376,198	-	16,376,198
Other postemployment benefit payments.....	-	6,143,784	6,143,784
 TOTAL DEDUCTIONS.....	 18,298,204	 6,143,784	 24,441,988
 NET INCREASE IN NET POSITION.....	 25,501,764	 15,539,303	 41,041,067
 NET POSITION AT BEGINNING OF YEAR.....	 283,084,183	 124,707,314	 407,791,497
 NET POSITION AT END OF YEAR.....	 \$ 308,585,947	 \$ 140,246,617	 \$ 448,832,564

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

NOTE 13 – COMMITMENTS

The Town is committed to completing various projects throughout the Town which will be funded with long-term debt totaling approximately \$12.5 million.

The general fund has various commitments for goods and services related to encumbrances and articles totaling \$9.9 million.

The Wellesley Municipal Light Plant (WMLP) purchases approximately 95% of its energy through its affiliation with Energy New England, LLC. The Plant has entered into tradeable hedging contracts with Energy New England, LLC through 2030.

The following are the Plant's future purchase commitments at June 30, 2025:

Energy Purchase Commitments
Megawatt-Hour (MWH)

Fiscal Year	Projected MWH's	(1)	Committed MWH's	Average Cost Per MWH	Total Commitments	Average Cost Per MWH	Total Energy Charges
2026	\$ 242,329		\$ 249,266	\$ 60.87	\$ 15,172,335	\$ 60.73	\$ 14,717,494
2027	243,272		250,797	61.43	15,407,055	61.44	14,947,304
2028	243,810		233,725	63.70	14,887,182	64.07	15,620,005
2029	243,174		221,704	64.59	14,320,186	64.15	15,598,697
2030	243,184		298,811	64.55	19,288,689	67.21	16,343,806
	<u>\$ 1,215,769</u>		<u>\$ 1,254,303</u>		<u>\$ 79,075,447</u>		<u>\$ 77,227,306</u>

Amounts are based on Energy New England's analysis, through June 2029, of the Plant's firm commitment with respect to future energy purchases.

(1) Energy New England forecast assumes annual growth rate of 0%.

The Plant has also established working capital reserves with Energy New England totaling \$1,078,220 as of both June 30, 2025, and June 30, 2024.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

NOTE 14 – WELLESLEY ELECTRIC CUSTOMERS ACCELERATED REDUCTION OF EMISSIONS

In 2022, the Plant established the Wellesley Electric Customers Accelerated Reduction of Emissions (WECARE) program. The WECARE program is an opt-out voluntary program where participants, both residential and commercial, are charged an additional 4% on their monthly electric bills to fund projects intended to reduce dependence on fossil fuels, increase energy stability, and preserve the planet. These additional fees collected from the program will fund local renewable energy projects chosen by the Plant for their impact on greenhouse gas emissions reduction including community solar generation facilities; energy storage for peak electric use times; and infrastructure such as public charging stations for electric vehicles, and other similar programs. In 2025, collections from the program totaled approximately \$1,063,000 and the Plant spent \$435,000 of program funds on energy initiatives. Of the Town's active electric customers, approximately 10% have opted out of this program.

The WECARE program also offers a 100% option, which is an opt-in voluntary program where participants that opt-in, both residential and commercial, are charged an increased rate on their electric bills to purchase 100% of their energy from renewable resources. In 2025, the Plant had approximately 305 users who selected this 100% option, of which 301 are residential and 4 are commercial. This program's collections totaled \$148,000 in 2025 and expenses totaled \$148,000.

As of June 30, 2025, the total collected and not yet spent for the 4% program and 100% program totaled \$2.8 million, and \$136,000, respectively.

NOTE 15 – BATTERY ENERGY STORAGE SYSTEM ENERGY SERVICES AGREEMENT

On September 23, 2022, the Wellesley Municipal Light Plant (WMLP) entered into a Shared Savings Agreement (Agreement) with Wellesley Bess LLC (Company), a limited liability company formed for the purposes of acquiring, developing, constructing, owning and operating a Battery Energy Storage System (System or BESS).

The Agreement stipulates that the Company would provide and WMLP would receive and pay for peak shaving services provided by the Company's operation of the BESS. The WMLP is estimated to realize cost savings through the avoidance of Forward Capacity Market and Transmission peaks charges that the WMLP would have otherwise incurred through power expenses allocated by the Independent System Operator (ISO) New England. Both the WMLP and the Company would share the monetary value of the cost savings that are realized by the WMLP.

In August of 2024 the project was deemed substantially complete. Testing will occur during the month of September and the system became commercial operational in October of 2024.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

While the cost savings estimates may be substantial, the ultimate future cost savings of this 20-year agreement cannot be accurately determined, especially for the outer years, because of the considerable uncertainties that exist. The full extent of the financial impact cannot be determined at the date of the financial statements.

NOTE 16 – CONTINGENCIES

Federal Award Programs

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* through June 30, 2025, these programs are still subject to financial and compliance audits. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected that such amounts, if any, would be immaterial.

Litigation

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2025, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2025.

Per-and Polyfluoroalkyl Substances

The Town is in the process of conducting vigorous research regarding the extent and remediation of Per – and Polyfluoroalkyl Substance (PFAS) contamination in the Town’s water supply. The interim PFAS treatment system continues to operate successfully at the Morses Pond Treatment Plant with monthly sampling results through June 2025 showing ‘No Detect’ levels for PFAS 6. This past spring the Town successfully completed the second filter media changeout of the system and now all four of the Town’s treatment vessels have been renewed with new filter media. In July 2025 the DEP granted a sixth extension through June 30, 2026, to allow more time for additional system evaluation and improvements, including the possible long-term rental or buyout of the system equipment.

The 2025 Annual Town Meeting approved \$600,000 for the next round of filter media changeouts and \$1.34 million for design of permanent treatment as well as additional interim treatment and pilot testing at our water treatment Plants.

It is possible that the Town may be responsible for additional costs associated with PFAS remediation, and these future costs may be significant. While the amounts may be substantial the ultimate liability cannot be determined because of the considerable uncertainties that exist. Therefore, it is possible that there could be material negative outcomes affected by certain contingencies existing as of June 30, 2025. The full extent of the financial impact cannot be determined at the date of the financial statements.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 30, 2025, which is the date the financial statements were available to be issued.

NOTE 18 – RESTATEMENT OF NET POSITION PREVIOUSLY REPORTED

In 2025, GASB #101 Compensated Absences was required to be implemented by the Town. This standard establishes new recognition and measurement requirements for compensated absences, such as unused vacation, sick leave, and other paid time off benefits. GASB 101 requires that liabilities for compensated absences be recognized when earned by employees, rather than when paid or taken. The implementation of GASB 101 resulted in a change to the reported amount of compensated absence liability for the financial statements. As a result, the Town's prior year net position was restated as follows:

	<u>Reporting Units Affected by Adjustment to Beginning Net Position</u>
	<u>Governmental Activities</u>
June 30, 2024, as previously presented.....	\$ 238,666,428
Restatement	
Implementation of GASB 101 <i>Compensated Absences</i>	<u>(13,949,270)</u>
June 30, 2024, as restated.....	<u>\$ 224,717,158</u>

NOTE 19 – CHANGE WITHIN REPORTING ENTITY

During the fiscal year ended June 30, 2025, the Town reviewed its fund classifications and determined that the Stormwater Enterprise Fund, which had been voluntarily reported as a major fund in the prior year, does not meet the criteria for major fund reporting. As a result, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, the Stormwater Enterprise Fund is presented as a nonmajor fund in the current year's financial statements. The Town had no nonmajor enterprise funds in 2024.

Town of Wellesley, Massachusetts

Notes to the Basic Financial Statements

Year Ended June 30, 2025

NOTE 20 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2025, the following GASB pronouncements were implemented:

- GASB Statement #101, Compensated Absences. The Town implemented GASB 101 in 2025. As more fully described in Note 18, the Town retrospectively implemented this pronouncement and restated beginning net position.
- GASB Statement #102, Certain Risk Disclosures. This pronouncement did not impact the annual comprehensive financial report.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #103, Financial Reporting Model Improvements, which is required to be implemented for fiscal years beginning after June 15, 2025.
- The GASB issued Statement #104, Disclosure of Certain Capital Assets, which is required to be implemented for fiscal years beginning after June 15, 2025.
- The GASB issued Statement #105, Subsequent Events, which is required to be implemented for fiscal years beginning after June 15, 2026.

Management is currently assessing the impact the implementation of these pronouncements will have on the annual comprehensive financial report.

Required Supplementary Information

General Fund Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used to account for the entire Town's financial resources, except those required to be accounted for in another fund.

Town of Wellesley, Massachusetts

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual

Year Ended June 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personnel property taxes, net of tax refunds.....	\$ 179,331,813	\$ 179,331,813	\$ 177,310,870	\$ -	\$ (2,020,943)
Tax liens.....	5,400,000	5,400,000	7,520,075	-	700,422
Motor vehicle and other excise taxes.....	750,000	750,000	937,862	-	2,120,075
Meals tax.....	250,000	250,000	449,426	-	187,862
Penalties and interest on taxes.....	75,000	75,000	111,103	-	36,103
Payments in lieu of taxes.....	12,021,225	12,021,225	12,058,402	-	37,177
Intergovernmental.....	3,930,667	3,930,667	5,783,253	-	1,852,586
Departmental and other.....	975,000	975,000	5,998,154	-	5,023,154
TOTAL REVENUES.....	202,733,705	202,733,705	210,869,567	-	8,135,862
EXPENDITURES:					
GENERAL GOVERNMENT:					
Executive Director's Office:					
Personnel Services.....	698,453	705,308	705,308	-	-
Expenses.....	41,700	41,700	30,993	10,192	515
Capital Outlay.....	181,022	181,022	41,204	139,818	-
	<u>921,175</u>	<u>928,030</u>	<u>777,505</u>	<u>150,010</u>	<u>515</u>
Climate Action Committee:					
Personnel Services.....	159,328	161,898	161,898	-	-
Expenses.....	10,111	10,111	4,839	3,314	1,958
Capital Outlay.....	56,000	56,000	-	-	56,000
	<u>225,439</u>	<u>228,009</u>	<u>166,737</u>	<u>3,314</u>	<u>57,958</u>
Central Administrative Services:					
Expenses.....	151,069	151,069	136,145	3,054	11,870
Finance Department:					
Personnel Services.....	530,006	538,107	465,718	-	72,389
Expenses.....	12,210	12,210	5,043	-	7,167
	<u>542,216</u>	<u>550,317</u>	<u>470,761</u>	<u>-</u>	<u>79,556</u>
Information Technology:					
Personnel Services.....	829,445	834,245	763,175	-	71,070
Expenses.....	940,530	940,530	870,608	44,418	25,504
Capital Outlay.....	483,904	483,905	46,153	436,730	1,022
	<u>2,253,879</u>	<u>2,258,680</u>	<u>1,679,936</u>	<u>481,148</u>	<u>97,596</u>
Treasurer/Collector:					
Personnel Services.....	384,811	391,350	363,999	-	27,351
Expenses.....	133,305	133,305	116,694	1,890	14,721
	<u>518,116</u>	<u>524,655</u>	<u>480,693</u>	<u>1,890</u>	<u>42,072</u>
Town Report:					
Expenses.....	2,250	2,250	1,271	-	979
Council on Aging:					
Personnel Services.....	487,866	492,261	478,371	6,452	7,438
Expenses.....	85,888	85,888	73,542	8,746	3,600
Capital Outlay.....	55,143	55,143	36,264	18,879	-
	<u>628,897</u>	<u>633,292</u>	<u>588,177</u>	<u>34,077</u>	<u>11,038</u>
Veterans' Services:					
Expenses.....	69,593	69,593	69,593	-	-

See notes to required supplementary information.

Town of Wellesley, Massachusetts

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Continued)

Year Ended June 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Youth Commission:					
Personnel Services.....	100,849	103,325	102,035	-	1,290
Expenses.....	17,090	17,090	11,253	-	5,837
Capital Outlay.....	95,895	95,895	5,232	90,000	663
	<u>213,834</u>	<u>216,310</u>	<u>118,520</u>	<u>90,000</u>	<u>7,790</u>
Housing Development Corporation:					
Expenses.....	6,500	6,500	4,400	-	2,100
Historical Commission:					
Expenses.....	750	750	226	-	524
Memorial Day:					
Expenses.....	5,950	3,450	3,450	-	-
Celebrations Committee:					
Expenses.....	5,000	7,500	7,500	-	-
Zoning Board of Appeals:					
Personnel Services.....	87,130	89,036	74,446	-	14,590
Expenses.....	9,382	9,382	6,895	94	2,393
	<u>96,512</u>	<u>98,418</u>	<u>81,341</u>	<u>94</u>	<u>16,983</u>
Law:					
Expenses.....	519,000	519,000	470,052	40,800	8,148
Risk Management:					
Expenses.....	826,650	826,650	759,529	-	67,121
Audit Committee:					
Expenses.....	67,750	67,750	64,100	2,800	850
Street Lighting:					
Expenses.....	142,000	142,000	121,794	-	20,206
Town Clerk/Election and Registration:					
Personnel Services.....	401,424	403,199	376,550	-	26,649
Expenses.....	99,325	99,325	78,108	-	21,217
Capital Outlay.....	52,500	52,500	34,000	18,500	-
	<u>553,249</u>	<u>555,024</u>	<u>488,658</u>	<u>18,500</u>	<u>47,866</u>
Board of Assessors:					
Personnel Services.....	325,763	333,971	319,952	-	14,019
Expenses.....	127,100	127,100	114,199	-	12,901
Capital Outlay.....	93,000	93,000	53,600	39,400	-
	<u>545,863</u>	<u>554,071</u>	<u>487,751</u>	<u>39,400</u>	<u>26,920</u>
Planning Board:					
Personnel Services.....	393,472	401,585	388,412	-	13,173
Expenses.....	77,050	77,050	18,552	770	57,728
Capital Outlay.....	75,000	75,000	-	75,000	-
	<u>545,522</u>	<u>553,635</u>	<u>406,964</u>	<u>75,770</u>	<u>70,901</u>
Human Resources Board:					
Personnel Services.....	477,527	485,585	479,556	-	6,029
Expenses.....	79,104	79,104	41,867	24,880	12,357
Capital Outlay.....	324,679	140,312	17,572	115,632	7,108
	<u>881,310</u>	<u>705,001</u>	<u>538,995</u>	<u>140,512</u>	<u>25,494</u>
Advisory Committee:					
Personnel Services.....	16,500	29,595	28,343	-	1,252
Expenses.....	14,640	17,640	15,218	-	2,422
	<u>31,140</u>	<u>47,235</u>	<u>43,561</u>	<u>-</u>	<u>3,674</u>

See notes to required supplementary information.

Town of Wellesley, Massachusetts

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Continued)

Year Ended June 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Advisory Committee - Reserve Fund:					
Expenses.....	175,000	175,000	-	-	175,000
TOTAL GENERAL GOVERNMENT.....	9,928,664	9,824,189	7,967,659	1,081,369	775,161
FACILITIES MAINTENANCE:					
Personnel Services.....	5,543,800	5,565,269	5,495,794	3,046	66,429
Expenses.....	4,373,207	4,373,207	4,200,738	60,121	112,348
Capital Outlay.....	3,418,626	3,418,628	1,962,379	1,445,278	10,971
TOTAL FACILITIES MAINTENANCE.....	13,335,633	13,357,104	11,658,911	1,508,445	189,748
PUBLIC SAFETY:					
Police Department:					
Personnel Services.....	7,248,621	7,250,332	7,094,213	941	155,178
Expenses.....	1,093,458	1,093,452	781,179	312,081	192
Capital Outlay.....	133,731	133,731	130,160	3,517	54
	8,475,810	8,477,515	8,005,552	316,539	155,424
Special School Police:					
Personnel Services.....	139,919	139,919	46,383	-	93,536
Expenses.....	4,264	4,264	4,120	-	144
	144,183	144,183	50,503	-	93,680
Fire Department:					
Personnel Services.....	7,039,754	7,132,721	6,842,517	322	289,882
Expenses.....	600,372	600,376	519,462	80,914	-
Capital Outlay.....	635,772	635,772	293,312	342,460	-
	8,275,898	8,368,869	7,655,291	423,696	289,882
Building Department:					
Personnel Services.....	637,782	649,613	594,901	-	54,712
Expenses.....	39,100	39,100	18,221	1,201	19,678
	676,882	688,713	613,122	1,201	74,390
Sealer of Weights and Measurers:					
Personnel Services.....	16,051	16,051	13,835	-	2,216
Expenses.....	2,600	2,600	2,253	-	347
	18,651	18,651	16,088	-	2,563
TOTAL PUBLIC SAFETY.....	17,591,424	17,697,931	16,340,556	741,436	615,939
PUBLIC WORKS:					
Engineering:					
Personnel Services.....	363,458	412,403	412,080	-	323
Expenses.....	51,070	51,070	38,804	967	11,299
Capital Outlay.....	180,000	180,000	99,839	80,161	-
	594,528	643,473	550,723	81,128	11,622
Highway:					
Personnel Services.....	944,749	998,989	996,070	-	2,919
Expenses.....	417,541	417,540	378,510	6,291	32,739
Capital Outlay.....	2,251,780	2,251,782	1,794,564	457,218	-
	3,614,070	3,668,311	3,169,144	463,509	35,658
Fleet Maintenance:					
Personnel Services.....	214,644	214,644	214,644	-	-
Expenses.....	44,331	44,331	44,331	-	-
	258,975	258,975	258,975	-	-

See notes to required supplementary information.

Town of Wellesley, Massachusetts

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Continued)

Year Ended June 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Park:					
Personnel Services.....	1,582,925	1,568,054	1,567,944	-	110
Expenses.....	526,093	526,092	446,619	3,528	75,945
Capital Outlay.....	753,861	753,862	302,595	451,267	-
	<u>2,862,879</u>	<u>2,848,008</u>	<u>2,317,158</u>	<u>454,795</u>	<u>76,055</u>
Recycling and Disposal:					
Personnel Services.....	1,331,509	1,285,666	1,273,871	-	11,795
Expenses.....	1,970,111	1,970,109	1,695,871	155,471	118,767
Capital Outlay.....	277,847	277,849	81,464	196,385	-
	<u>3,579,467</u>	<u>3,533,624</u>	<u>3,051,206</u>	<u>351,856</u>	<u>130,562</u>
Management:					
Personnel Services.....	411,755	398,634	371,347	-	27,287
Expenses.....	23,940	23,939	19,816	713	3,410
Capital Outlay.....	2,209,218	2,209,219	1,329,702	879,517	-
	<u>2,644,913</u>	<u>2,631,792</u>	<u>1,720,865</u>	<u>880,230</u>	<u>30,697</u>
Winter Maintenance:					
Expenses.....	379,177	1,079,177	950,775	-	128,402
TOTAL PUBLIC WORKS.....	13,934,009	14,663,360	12,018,846	2,231,518	412,996
WELLESLEY FREE LIBRARY:					
Library Trustees:					
Personnel Services.....	2,404,448	2,411,089	2,280,833	-	130,256
Expenses.....	788,908	788,908	788,076	824	8
Capital Outlay.....	376,115	376,116	189,771	186,345	-
TOTAL WELLESLEY FREE LIBRARY.....	3,569,471	3,576,113	3,258,680	187,169	130,264
RECREATION:					
Recreation Commission:					
Personnel Services.....	418,681	430,093	430,093	-	-
Expenses.....	33,237	33,237	14,497	-	18,740
TOTAL RECREATION.....	451,918	463,330	444,590	-	18,740
HEALTH:					
Board of Health:					
Personnel Services.....	1,019,427	1,035,061	888,120	-	146,941
Expenses.....	179,284	179,283	119,319	1,790	58,174
	<u>1,198,711</u>	<u>1,214,344</u>	<u>1,007,439</u>	<u>1,790</u>	<u>205,115</u>
Mental Health Services:					
Expenses.....	272,400	272,400	265,756	-	6,644
TOTAL HEALTH.....	1,471,111	1,486,744	1,273,195	1,790	211,759
NATURAL RESOURCES:					
Natural Resources Commission:					
Personnel Services.....	315,177	321,606	319,236	-	2,370
Expenses.....	35,300	35,300	20,005	231	15,064
Capital Outlay.....	845,607	845,609	116,292	722,654	6,663
	<u>1,196,084</u>	<u>1,202,515</u>	<u>455,533</u>	<u>722,885</u>	<u>24,097</u>
Morses Pond:					
Expenses.....	173,000	173,000	168,259	-	4,741
Capital Outlay.....	100,000	100,000	90,676	9,324	-
	<u>273,000</u>	<u>273,000</u>	<u>258,935</u>	<u>9,324</u>	<u>4,741</u>
TOTAL NATURAL RESOURCES.....	1,469,084	1,475,515	714,468	732,209	28,838

See notes to required supplementary information.

Town of Wellesley, Massachusetts

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Continued)

Year Ended June 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
WELLESLEY PUBLIC SCHOOLS.....	98,659,282	98,659,282	89,711,259	6,534,677	2,413,346
EMPLOYEE BENEFITS:					
Group Insurance:					
Expenses.....	22,739,128	23,739,128	22,798,400	-	940,728
Medical - Police & Fire:					
Expenses.....	100,000	100,000	78,130	-	21,870
Worker's Compensation:					
Expenses.....	740,348	740,348	740,348	-	-
Other Postemployment Benefits Liability Fund:					
Expenses.....	3,200,000	3,200,000	3,200,000	-	-
Retirement Contribution:					
Expenses.....	9,039,104	9,039,104	9,039,104	-	-
Unemployment Compensation:					
Expenses.....	100,000	100,000	100,000	-	-
Compensated Absences:					
Expenses.....	120,000	230,000	185,628	-	44,372
TOTAL EMPLOYEE BENEFITS.....	36,038,580	37,148,580	36,141,610	-	1,006,970
State and County Charges.....	1,476,252	1,476,252	1,432,482	-	43,770
Debt service:					
Principal.....	14,717,043	14,717,043	14,717,043	-	-
Interest.....	6,871,673	5,871,673	5,793,222	-	78,451
Total debt service.....	21,588,716	20,588,716	20,510,265	-	78,451
TOTAL EXPENDITURES.....	219,514,144	220,417,116	201,472,521	13,018,613	5,925,982
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(16,780,439)	(17,683,411)	9,397,046	(13,018,613)	14,061,844
OTHER FINANCING SOURCES (USES):					
Use of prior year fund balance to fund carryovers.....	13,009,493	13,009,493	-	-	(13,009,493)
Free cash.....	10,986,538	15,025,945	-	-	(15,025,945)
Free cash voted to fund fiscal year 2025 budget.....	2,500,000	2,500,000	-	-	(2,500,000)
Transfers in.....	1,270,946	1,270,946	2,256,305	-	985,359
Transfers out.....	(10,986,538)	(14,122,973)	(14,534,708)	-	(411,735)
TOTAL OTHER FINANCING SOURCES (USES).....	16,780,439	17,683,411	(12,278,403)	-	(29,961,814)
NET CHANGE IN FUND BALANCE.....	-	-	(2,881,357)	(13,018,613)	(15,899,970)
BUDGETARY FUND BALANCE, Beginning of year.....	58,176,811	58,176,811	58,176,811	-	-
BUDGETARY FUND BALANCE, End of year..... \$	58,176,811	58,176,811	\$ 55,295,454	\$ (13,018,613)	\$ (15,899,970)

See notes to required supplementary information.

Pension Plan Schedules – Retirement System

The Pension Plan's Schedule of Changes in Net Pension Liability and Related Ratios presents multi-year trend information on the Plan's net pension liability and related ratios.

The Pension Plan's Schedule of Contributions presents multi-year trend information on the required and actual contributions to the pension plan and related ratios.

The Pension Plan's Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on retirement assets, net of investment expense.

Town of Wellesley, Massachusetts

Schedule of the Changes in the Net Pension Liability and Related Ratios

Wellesley Contributory Retirement System

	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
Total pension liability:										
Service cost.....	\$ 5,629,329	\$ 5,835,095	\$ 6,056,541	\$ 6,304,678	\$ 6,466,006	\$ 6,653,787	\$ 7,592,740	\$ 8,065,078	\$ 7,924,314	\$ 8,186,801
Interest.....	14,040,337	14,622,378	14,872,702	15,690,721	16,505,745	17,178,584	17,198,697	17,837,029	18,102,051	19,025,979
Differences between expected and actual experience.....	- (3,526,008)	- 2,112,997	- 2,765,608	- 11,790,962	- 13,619,213	- 12,756,204	- 14,081,067	- 15,153,648	- 16,289,216	- 15,433,368
Changes of benefit terms.....	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Changes in assumptions.....	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Benefit payments.....	(11,105,145)	(11,400,054)	(11,400,176)	(11,790,962)	(13,619,213)	(12,756,204)	(14,081,067)	(15,153,648)	(16,289,216)	(15,433,368)
Net change in total pension liability.....	8,564,521	7,644,408	12,294,675	13,055,121	9,536,738	27,054,993	10,710,370	5,132,080	14,685,788	14,069,784
Total pension liability - beginning.....	207,928,237	216,492,758	224,137,166	236,431,841	249,486,962	259,023,700	286,078,693	296,789,063	301,921,143	316,606,931
Total pension liability - ending (a).....	\$ 216,492,758	\$ 224,137,166	\$ 236,431,841	\$ 249,486,962	\$ 259,023,700	\$ 286,078,693	\$ 296,789,063	\$ 301,921,143	\$ 316,606,931	\$ 330,676,715
Plan fiduciary net position:										
Employer contributions.....	\$ 7,304,832	\$ 7,562,273	\$ 7,835,775	\$ 8,371,229	\$ 8,868,984	\$ 9,454,478	\$ 9,776,446	\$ 10,054,016	\$ 10,355,519	\$ 10,666,516
Member contributions.....	3,478,496	3,608,960	3,783,992	3,918,951	3,869,218	4,016,762	4,186,703	4,350,408	4,490,645	5,138,003
Net investment income (loss).....	1,152,712	11,291,223	27,868,069	(4,523,402)	29,988,757	25,663,288	47,476,307	(32,437,096)	28,250,965	25,404,465
Administrative expenses.....	(250,722)	(245,349)	(243,555)	(224,469)	(255,811)	(205,532)	(284,741)	(262,337)	(328,462)	(273,852)
Retirement benefits and refunds.....	(11,105,145)	(11,400,054)	(11,400,176)	(11,790,962)	(13,619,213)	(12,756,204)	(14,081,067)	(15,153,648)	(16,289,216)	(15,433,368)
Other receipts.....	- -	- -	- -	- -	- -	402	6,011	- -	- -	- -
Net increase (decrease) in fiduciary net position.....	580,173	10,817,053	27,844,105	(4,248,653)	28,851,935	26,173,194	47,079,659	(33,448,657)	26,479,451	25,501,764
Fiduciary net position - beginning of year.....	152,955,923	153,536,096	164,353,149	192,197,254	187,948,601	216,800,536	242,973,730	290,053,389	256,604,732	283,084,183
Fiduciary net position - end of year (b).....	\$ 153,536,096	\$ 164,353,149	\$ 192,197,254	\$ 187,948,601	\$ 216,800,536	\$ 242,973,730	\$ 290,053,389	\$ 256,604,732	\$ 283,084,183	\$ 308,585,947
Net pension liability - ending (a)-(b).....	\$ 62,956,662	\$ 59,784,017	\$ 44,234,587	\$ 61,538,361	\$ 42,223,164	\$ 43,104,963	\$ 6,735,674	\$ 45,316,411	\$ 33,522,748	\$ 22,090,768
Plan fiduciary net position as a percentage of the total pension liability.....	70.92%	73.33%	81.29%	75.33%	83.70%	84.93%	97.73%	84.99%	89.41%	93.32%
Covered payroll.....	\$ 35,959,727	\$ 36,836,364	\$ 38,226,711	\$ 39,169,350	\$ 40,682,134	\$ 40,939,192	\$ 42,492,899	\$ 42,803,291	\$ 44,453,210	\$ 47,034,919
Net pension liability as a percentage of covered payroll.....	175.08%	162.30%	115.72%	157.11%	103.79%	105.29%	15.85%	105.87%	75.41%	46.97%
Discount rate.....	6.750%	6.750%	6.625%	6.625%	6.625%	6.00%	6.00%	6.00%	6.00%	6.00%

See notes to required supplementary information.

Town of Wellesley, Massachusetts

Schedule of Contributions

Wellesley Contributory Retirement System

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2024.....	\$ 10,648,732	\$ (10,666,516)	\$ (17,784)	\$ 47,034,919	22.68%
December 31, 2023.....	10,338,575	(10,355,519)	(16,944)	44,453,210	23.30%
December 31, 2022.....	10,034,958	(10,054,016)	(19,058)	42,803,291	23.49%
December 31, 2021.....	9,756,209	(9,782,457)	(26,248)	42,492,899	23.02%
December 31, 2020.....	9,438,070	(9,454,478)	(16,408)	40,939,192	23.09%
December 31, 2019.....	8,851,507	(8,868,984)	(17,477)	40,682,134	21.80%
December 31, 2018.....	8,349,999	(8,371,229)	(21,230)	39,169,350	21.37%
December 31, 2017.....	7,835,775	(7,874,297)	(38,522)	38,226,711	20.60%
December 31, 2016.....	7,562,273	(7,562,273)	-	36,836,364	20.53%
December 31, 2015.....	7,285,897	(7,304,832)	(18,935)	35,959,727	20.31%

See notes to required supplementary information.

Town of Wellesley, Massachusetts

Schedule of Investment Returns

Wellesley Contributory Retirement System

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
December 31, 2024.....	9.06%
December 31, 2023.....	11.16%
December 31, 2022.....	-11.34%
December 31, 2021.....	19.84%
December 31, 2020.....	12.02%
December 31, 2019.....	16.22%
December 31, 2018.....	-2.39%
December 31, 2017.....	17.19%
December 31, 2016.....	7.49%
December 31, 2015.....	0.76%

See notes to required supplementary information.

Pension Plan Schedules - Town

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and other ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers' Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

Town of Wellesley, Massachusetts

Schedule of the Town's Proportionate Share of the Net Pension Liability

Wellesley Contributory Retirement System

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2024.....	99.25%	\$ 21,925,791	\$ 46,683,653	46.97%	93.32%
December 31, 2023.....	99.13%	33,232,041	44,067,715	75.41%	89.41%
December 31, 2022.....	99.17%	44,940,515	42,448,024	105.87%	84.99%
December 31, 2021.....	99.16%	6,678,767	42,133,894	15.85%	97.73%
December 31, 2020.....	99.14%	42,738,004	40,587,115	105.30%	84.93%
December 31, 2019.....	99.23%	41,868,634	40,368,882	103.72%	83.70%
December 31, 2018.....	99.22%	61,059,446	38,863,829	157.11%	75.33%
December 31, 2017.....	99.15%	43,857,182	37,901,784	115.71%	81.29%
December 31, 2016.....	99.16%	59,284,672	36,526,939	162.30%	73.33%
December 31, 2015.....	99.20%	62,453,930	35,672,049	175.08%	70.92%

See notes to required supplementary information.

Town of Wellesley, Massachusetts

Schedule of the Town's Contributions

Wellesley Contributory Retirement System

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2025.....	\$ 10,569,205	\$ (10,599,720)	\$ (30,515)	\$ 47,505,268	22.31%
June 30, 2024.....	10,248,920	(10,282,500)	(33,580)	44,897,742	22.90%
June 30, 2023.....	9,951,668	(9,983,171)	(31,503)	43,231,324	23.09%
June 30, 2022.....	9,673,783	(9,710,677)	(36,894)	42,917,828	22.63%
June 30, 2021.....	9,431,956	(9,448,364)	(16,408)	41,348,584	22.85%
June 30, 2020.....	8,844,772	(8,862,249)	(17,477)	41,088,955	21.57%
June 30, 2019.....	8,285,437	(8,306,667)	(21,230)	39,252,467	21.16%
June 30, 2018.....	7,784,319	(7,822,841)	(38,522)	38,280,802	20.44%
June 30, 2017.....	7,512,624	(7,512,624)	-	36,892,208	20.36%
June 30, 2016.....	7,224,702	(7,243,637)	(18,935)	36,028,770	20.11%

See notes to required supplementary information.

Town of Wellesley, Massachusetts

Schedule of the Special Funding Amounts of the Net Pension Liability

Massachusetts Teachers' Retirement System

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2025.....	\$ 181,362,137	\$ 14,969,924	61.45%
2024.....	189,089,676	17,655,329	58.48%
2023.....	186,752,539	15,362,218	57.75%
2022.....	173,045,569	13,886,186	62.03%
2021.....	212,253,250	26,216,317	50.67%
2020.....	187,118,342	22,691,347	53.95%
2019.....	175,120,312	17,745,908	54.84%
2018.....	166,750,488	17,404,234	54.25%
2017.....	161,173,004	16,440,703	52.73%
2016.....	145,970,533	11,839,507	55.38%

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

Town of Wellesley, Massachusetts

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

Other Postemployment Benefit Plan

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Total OPEB Liability									
Service Cost.....	\$ 3,695,446	\$ 3,793,326	\$ 4,018,416	\$ 4,217,478	\$ 4,247,728	\$ 4,994,842	\$ 5,348,412	\$ 4,931,842	\$ 5,087,417
Interest.....	7,545,735	7,990,117	8,431,566	8,120,416	8,470,561	8,509,474	9,400,896	8,826,420	9,749,793
Differences between expected and actual experience.....	- (5,332,500)	-	-	(888,614)	-	-	(19,227,500)	-	(487,968)
Changes of assumptions.....	- (4,380,595)	-	(1,847,908)	7,093,397	6,729,387	1,040,455	7,510,229	(4,354,390)	
Benefit payments.....	(4,614,800)	(5,078,148)	(5,619,307)	(5,088,867)	(5,468,869)	(5,936,215)	(5,518,162)	(5,928,384)	(6,143,784)
Net change in total OPEB liability.....	6,626,381	(3,007,800)	6,830,675	5,401,119	13,454,203	14,297,488	(8,955,899)	15,340,107	3,851,068
Total OPEB liability - beginning.....	110,450,012	117,076,393	114,068,593	120,899,268	126,300,387	139,754,590	154,052,078	145,096,179	160,436,286
Total OPEB liability - ending (a).....	\$ 117,076,393	\$ 114,068,593	\$ 120,899,268	\$ 126,300,387	\$ 139,754,590	\$ 154,052,078	\$ 145,096,179	\$ 160,436,286	\$ 164,287,354
Plan fiduciary net position									
Employer contributions.....	\$ 3,464,970	\$ 3,646,371	\$ 3,645,843	\$ 3,648,209	\$ 3,493,370	\$ 3,616,009	\$ 3,631,505	\$ 3,441,000	\$ 3,347,833
Employer contributions for OPEB payments.....	4,614,800	5,078,148	5,619,307	5,088,867	5,468,869	5,936,215	5,518,162	5,928,384	6,143,784
Net investment income (loss).....	5,975,037	5,307,352	3,713,928	1,392,631	22,763,568	(4,077,957)	5,940,942	10,874,575	12,191,470
Benefit payments.....	(4,614,800)	(5,078,148)	(5,619,307)	(5,088,867)	(5,468,869)	(5,936,215)	(5,518,162)	(5,928,384)	(6,143,784)
Net change in plan fiduciary net position.....	9,440,007	8,953,723	7,359,771	5,040,840	26,256,938	(461,948)	9,572,447	14,315,575	15,539,303
Plan fiduciary net position - beginning of year.....	44,229,961	53,669,968	62,623,691	69,983,462	75,024,302	101,281,240	100,819,292	110,391,739	124,707,314
Plan fiduciary net position - end of year (b).....	\$ 53,669,968	\$ 62,623,691	\$ 69,983,462	\$ 75,024,302	\$ 101,281,240	\$ 100,819,292	\$ 110,391,739	\$ 124,707,314	\$ 140,246,617
Net OPEB liability - ending (a)-(b).....	\$ 63,406,425	\$ 51,444,902	\$ 50,915,806	\$ 51,276,085	\$ 38,473,350	\$ 53,232,786	\$ 34,704,440	\$ 35,728,972	\$ 24,040,737
Plan fiduciary net position as a percentage of the total OPEB liability.....	45.84%	54.90%	57.89%	59.40%	72.47%	65.44%	76.08%	77.73%	85.37%
Covered-employee payroll.....	\$ 96,595,069	\$ 98,526,970	\$ 100,497,509	\$ 102,507,459	\$ 104,557,608	\$ 106,648,760	\$ 108,781,735	\$ 110,957,370	\$ 113,176,517
Net OPEB liability as a percentage of covered-employee payroll.....	65.64%	52.21%	50.66%	50.02%	36.80%	49.91%	31.90%	32.20%	21.24%
Discount rate.....	6.750%	6.750%	6.625%	6.625%	6.00%	6.00%	6.00%	6.00%	6.00%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Town of Wellesley, Massachusetts

Schedule of the Town's Contributions

Other Postemployment Benefit Plan

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
June 30, 2025.....	\$ 8,203,630	\$ (9,491,617)	\$ (1,287,987)	113,176,517	8.39%
June 30, 2024.....	8,132,926	(9,369,384)	(1,236,458)	110,957,370	8.44%
June 30, 2023.....	8,056,967	(9,149,667)	(1,092,700)	108,781,735	8.41%
June 30, 2022.....	8,653,738	(9,552,224)	(898,486)	106,648,760	8.96%
June 30, 2021.....	9,173,192	(8,962,239)	210,953	104,557,608	8.57%
June 30, 2020.....	8,041,954	(8,737,076)	(695,122)	102,507,459	8.52%
June 30, 2019.....	7,825,463	(9,265,150)	(1,439,687)	100,497,509	9.22%
June 30, 2018.....	8,750,052	(8,724,519)	25,533	98,526,970	8.85%
June 30, 2017.....	8,484,223	(8,079,770)	404,453	96,595,069	8.36%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Town of Wellesley, Massachusetts

Schedule of Investment Returns

Other Postemployment Benefit Plan

<u>Year</u>	Annual money-weighted rate of return, net of investment expense
June 30, 2025.....	9.58%
June 30, 2024.....	9.64%
June 30, 2023.....	5.83%
June 30, 2022.....	-3.93%
June 30, 2021.....	29.58%
June 30, 2020.....	1.93%
June 30, 2019.....	5.79%
June 30, 2018.....	9.62%
June 30, 2017.....	12.80%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

Town of Wellesley, Massachusetts

Notes to the Required Supplementary Information

For the Year Ended June 30, 2025

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Municipal Law requires the adoption of a balanced budget for the general fund that is approved at the Annual Town Meeting. The Town has an Advisory Committee that submits reports on proposed appropriations at Town Meetings. The appropriated budget is prepared by fund, function and department. Transfers of appropriations among departments require the approval of Town Meeting.

The majority of appropriations are non-continuing, which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

In the budgetary schedule, revenues are reported on a cash basis and expenditures that relate to the current year appropriations are recorded when incurred. Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Select Board and written approval from the Massachusetts Department of Revenue.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2025 budget included \$230.5 million in appropriations and other amounts to be raised and \$13.0 million in amounts carried over from previous years. During 2025, the Town approved \$4.0 million of supplemental appropriations primarily for winter maintenance, employee benefits, and capital projects. These supplemental appropriations were financed through the use of free cash.

The Financial Services Department has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

Budgetary – GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting.

Town of Wellesley, Massachusetts

Notes to the Required Supplementary Information

For the Year Ended June 30, 2025

A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2025, is presented below:

Net change in fund balance - budgetary basis.....	\$ (2,881,357)
---	----------------

Perspective differences:

Activity of the stabilization fund recorded in the general fund for GAAP.....	323,166
---	---------

Basis of accounting differences:

Net change in recording tax refunds payable.....	303,744
Net change in recording 60 day receipts.....	1,203,000
Net change in recording accrued expenditures.....	(344,182)
Recognition of revenue for on-behalf payments.....	14,969,924
Recognition of expenditures for on-behalf payments.....	<u>(14,969,924)</u>

Net change in fund balance - GAAP basis.....	\$ <u>(1,395,629)</u>
--	-----------------------

NOTE B – PENSION PLAN

Pension Plan Schedules – Retirement System

Schedule of Changes in the Net Pension Liability and Related Ratios

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the System's total pension liability, changes in the System's net position, and the ending net pension liability. It also demonstrates the plan's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

Schedule of Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on an actuarial valuation.

Town of Wellesley, Massachusetts

Notes to the Required Supplementary Information

For the Year Ended June 30, 2025

Schedule of Investment Returns

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

Pension Plan Schedules - Town

Schedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

Schedule of the Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town on an actuarial basis.

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

Town of Wellesley, Massachusetts

Notes to the Required Supplementary Information

For the Year Ended June 30, 2025

Changes in Assumptions

None.

Changes in Plan Provisions

None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan (“The Other Postemployment Benefit Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members.

The Other Postemployment Benefit Plan

Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan’s total OPEB liability, changes in the Plan’s net position, and ending net OPEB liability. It also demonstrates the Plan’s net position as a percentage of the total liability and the Plan’s net other postemployment benefit liability as a percentage of covered-employee payroll.

Schedule of the Town’s Contributions

The Schedule of the Town’s Contributions includes the Town’s annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered-employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll. Methods and assumptions used to determine contribution rates are as noted on the following page.

Town of Wellesley, Massachusetts

Notes to the Required Supplementary Information

For the Year Ended June 30, 2025

Valuation date.....	Actuarially determined contribution for the fiscal year ending June 30, 2025 was determined with the December 31, 2024, actuarial valuation.
Actuarial cost method.....	Entry age normal - level percentage of payroll.
Amortization method.....	Payments increase at 3.0% per year.
Remaining amortization period.....	13 years as of July 1, 2024.
Asset valuation method.....	Fair Value
Discount rate/Investment rate of return.....	6.00%
Inflation rate.....	3.00%
Health care trends rate.....	Medical and Prescription Drug (Non-Medicare): 8.0% graded by 0.25% for 14 years to an ultimate level of 4.50% Medicare Part B Premium: 4.50%. Contributions: Retiree contributions are expected to increase with medical trend.
Mortality rates.....	Pre-Retirement (Non-Teachers): RP-2014 Blue Collar Employee Mortality Table set forward one year for females projected generationally with Scale MP-2021. Healthy (Non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year for females projected generationally with Scale MP-2021. Disabled (Non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021.
	Pre-Retirement (Teachers): Pub-2010 Teacher Employee Mortality Table (headcount weighted) projected generationally with Scale MP-2021. Healthy (Teachers): Pub-2010 Teacher Mortality Table (headcount weighted) projected generationally with Scale MP-2021. Disabled (Teachers): Pub-2010 Teacher Mortality Table (headcount weighted) projected generationally with Scale-2021.

Town of Wellesley, Massachusetts

Notes to the Required Supplementary Information

For the Year Ended June 30, 2025

Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

Changes of Assumptions

- The per capita health costs and contributions were updated.
- Trend assumptions were revised.
- The mortality projection scales for teachers were updated.

Changes in Plan Provisions

None.

Combining Statements

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes.

School Lunch Fund – This fund accounts for the school cafeteria activities and is funded by user fees and grants.

Community Preservation Fund – The fund is used to account for funds received in accordance with the Community Preservation Act (the “CPA”). Funds are received under the CPA through the surcharge of 1% of the real property tax levy and matching state grants. The funds are spent for the acquisition, creation and preservation of open space, historic resources, and affordable housing.

State and Federal Grant Programs – This fund accounts for Federal and state grants which are designated for specific programs.

Receipts Reserved Fund – This fund accounts for specific receipts identified by the Commonwealth that are to be held until appropriated.

Revolving Fund – This fund accounts for self-supporting programs sponsored by the Town.

Recreation Revolving Fund – This fund accounts for self-supporting recreational programs sponsored by the Town’s recreation department.

Other Special Revenue for Governmental Purposes – This fund accounts for all other legally established special revenues where the funds are spent on governmental purposes.

Highway Chapter 90 – This fund accounts for activities associated with on-going road and sidewalk projects that are funded with grants from the Commonwealth.

PERMANENT FUND

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town’s programs. The Town maintains one fund to account for nonexpendable contributions and expendable earnings that can be spent on governmental purposes.

Town of Wellesley, Massachusetts

Nonmajor Governmental Funds Combining Balance Sheet

June 30, 2025

Special Revenue Funds											Total Nonmajor Governmental Funds
School Lunch	Community Preservation	State and Federal Grant Programs	Receipts Reserved	Revolving	Recreation Revolving	Other For Governmental Purposes	Highway Chapter 90	Subtotal	Permanent Fund		
ASSETS											
Cash and cash equivalents.....	\$ 634,381	\$ 13,338,459	\$ 823,343	\$ 2,313,776	\$ 5,698,912	\$ 89,328	\$ 5,509,684	\$ 404,960	\$ 28,812,843	\$ 516,594	\$ 29,329,437
Investments.....	-	-	-	-	-	-	331,656	-	331,656	1,377,237	1,708,893
Receivables, net of uncollectibles:											
Community preservation fund surcharge.....	-	20,648	-	-	-	-	-	-	20,648	-	20,648
Departmental and other.....	-	-	-	-	111,586	-	12,000	-	123,586	-	123,586
Intergovernmental.....	-	-	-	-	-	-	-	72,176	72,176	-	72,176
TOTAL ASSETS.....	<u>\$ 634,381</u>	<u>\$ 13,359,107</u>	<u>\$ 823,343</u>	<u>\$ 2,313,776</u>	<u>\$ 5,810,498</u>	<u>\$ 89,328</u>	<u>\$ 5,853,340</u>	<u>\$ 477,136</u>	<u>\$ 29,360,909</u>	<u>\$ 1,893,831</u>	<u>\$ 31,254,740</u>
LIABILITIES											
Warrants payable.....	\$ 1,511	\$ 516,659	\$ 153,406	\$ 3,767	\$ 15,674	\$ 60,753	\$ 54,876	\$ -	\$ 806,646	\$ -	\$ 806,646
Accrued payroll.....	-	-	48,601	1,654	35,250	28,573	713	-	114,791	-	114,791
Other liabilities.....	-	-	-	-	-	-	197	-	197	-	197
Unearned revenue.....	-	-	222,113	-	-	-	-	-	222,113	-	222,113
TOTAL LIABILITIES.....	<u>1,511</u>	<u>516,659</u>	<u>424,120</u>	<u>5,421</u>	<u>50,924</u>	<u>89,326</u>	<u>55,786</u>	<u>-</u>	<u>1,143,747</u>	<u>-</u>	<u>1,143,747</u>
DEFERRED INFLOWS OF RESOURCES											
Taxes paid in advance.....	-	12,972	-	-	-	-	-	-	12,972	-	12,972
Unavailable revenue.....	-	20,648	-	-	111,586	-	-	72,176	204,410	-	204,410
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>-</u>	<u>33,620</u>	<u>-</u>	<u>-</u>	<u>111,586</u>	<u>-</u>	<u>-</u>	<u>72,176</u>	<u>217,382</u>	<u>-</u>	<u>217,382</u>
FUND BALANCES											
Nonspendable.....	-	-	-	-	-	-	-	-	-	423,530	423,530
Restricted.....	<u>632,870</u>	<u>12,808,828</u>	<u>399,223</u>	<u>2,308,355</u>	<u>5,647,988</u>	<u>2</u>	<u>5,797,554</u>	<u>404,960</u>	<u>27,999,780</u>	<u>1,470,301</u>	<u>29,470,081</u>
TOTAL FUND BALANCES.....	<u>632,870</u>	<u>12,808,828</u>	<u>399,223</u>	<u>2,308,355</u>	<u>5,647,988</u>	<u>2</u>	<u>5,797,554</u>	<u>404,960</u>	<u>27,999,780</u>	<u>1,893,831</u>	<u>29,893,611</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	<u>\$ 634,381</u>	<u>\$ 13,359,107</u>	<u>\$ 823,343</u>	<u>\$ 2,313,776</u>	<u>\$ 5,810,498</u>	<u>\$ 89,328</u>	<u>\$ 5,853,340</u>	<u>\$ 477,136</u>	<u>\$ 29,360,909</u>	<u>\$ 1,893,831</u>	<u>\$ 31,254,740</u>

Town of Wellesley, Massachusetts

Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2025

	Special Revenue Funds								Permanent Fund	Total Nonmajor Governmental Funds
	School Lunch	Community Preservation	State and Federal Grant Programs	Receipts Reserved	Revolving	Recreation Revolving	Other For Governmental Purposes	Highway Chapter 90		
REVENUES:										
Charges for services.....	\$ 526,068	\$ -	\$ -	\$ 19,338	\$ -	\$ -	\$ 343,227	\$ -	\$ 888,633	\$ -
Parking meter receipts.....	-	-	-	831,941	-	-	-	-	831,941	-
Intergovernmental.....	1,444,666	290,306	4,867,397	-	135,525	-	3,213,184	1,126,993	11,078,071	11,078,071
Departmental and other.....	-	-	-	-	5,497,601	1,184,750	1,092,765	-	7,775,116	7,775,116
Community preservation surcharge.....	-	1,673,269	-	-	-	-	-	-	1,673,269	1,673,269
Contributions and donations.....	-	-	-	-	253,493	-	906,432	-	1,159,925	1,159,925
Investment income.....	-	590,716	488	-	-	-	55,129	-	646,333	39,001
TOTAL REVENUES.....	1,970,734	2,554,291	4,867,885	851,279	5,886,619	1,184,750	5,610,737	1,126,993	24,053,288	171,648
EXPENDITURES:										
Current:										
General government.....	-	-	379,517	-	142,556	-	553,849	-	1,075,922	7,491
Facilities maintenance.....	-	-	-	-	288	-	-	-	288	-
Natural resources.....	-	-	-	-	4,442	-	-	-	4,442	1,224
Public safety.....	-	-	124,839	566,799	1,710,340	-	69,706	-	2,471,684	-
Public education.....	2,049,984	-	3,063,739	-	2,816,237	-	4,028,324	-	11,958,284	11,500
Public works.....	-	-	1,386,829	-	379,436	-	75,743	722,033	2,564,041	-
Health.....	-	-	88,519	-	41,400	-	27,129	-	157,048	-
Recreation.....	-	-	9,788	-	-	1,284,906	68,242	-	1,362,936	-
Library.....	-	-	10,959	-	14,416	-	321,796	-	347,171	-
Community preservation.....	-	1,270,635	-	-	-	-	-	-	1,270,635	-
Traffic and parking management.....	-	-	-	807,855	32,539	-	-	-	840,394	-
TOTAL EXPENDITURES.....	2,049,984	1,270,635	5,064,190	1,374,654	5,141,654	1,284,906	5,144,789	722,033	22,052,845	20,215
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....										
(79,250)	1,283,656	(196,305)	(523,375)	744,965	(100,156)	465,948	404,960	2,000,443	151,433	2,151,876
OTHER FINANCING SOURCES (USES):										
Transfers in.....	-	-	411,735	-	-	-	-	411,735	-	411,735
Transfers out.....	-	(550,644)	(666,409)	-	-	(337,947)	(7,412)	-	(1,562,412)	-
TOTAL OTHER FINANCING SOURCES (USES)....	-	(550,644)	(666,409)	411,735	-	(337,947)	(7,412)	-	(1,150,677)	-
NET CHANGE IN FUND BALANCES.....	(79,250)	733,012	(862,714)	(111,640)	744,965	(438,103)	458,536	404,960	849,766	151,433
FUND BALANCES AT BEGINNING OF YEAR.....	712,120	12,075,816	1,261,937	2,419,995	4,903,023	438,105	5,339,018	-	27,150,014	1,742,398
FUND BALANCES AT END OF YEAR.....	\$ 632,870	\$ 12,808,828	\$ 399,223	\$ 2,308,355	\$ 5,647,988	\$ 2	\$ 5,797,554	\$ 404,960	\$ 27,999,780	\$ 1,893,831

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

Fleet Maintenance Fund – This fund is used to account for the maintenance and fuel costs of all Town vehicles.

Health Insurance Fund – This fund is used to account for the payment of health and other employee benefit programs.

Unemployment Fund – This fund is used to account for required unemployment benefits of former Town employees.

Workers' Compensation Fund – This fund is used to account for self-insured activities of providing workers compensation benefits to Town employees.

Town of Wellesley, Massachusetts

Internal Service Funds Combining Statement of Net Position

June 30, 2025

	Fleet Maintenance	Health Insurance	Unemployment	Workers' Compensation	Total Internal Service Funds
ASSETS					
CURRENT:					
Cash and cash equivalents.....	\$ 88,813	\$ 446,867	\$ 39,058	\$ -	\$ 574,738
Investments.....	-	-	950,523	1,436,691	2,387,214
Receivables, net of allowance for uncollectibles:					
Departmental and other.....	-	10,224	-	-	10,224
TOTAL ASSETS	88,813	457,091	989,581	1,436,691	2,972,176
LIABILITIES					
CURRENT:					
Warrants payable.....	35,855	5,000	-	-	40,855
Accrued payroll.....	-	450,336	-	-	450,336
Workers' compensation.....	-	-	-	471,000	471,000
Total current liabilities.....	35,855	455,336	-	471,000	962,191
NONCURRENT:					
Workers' compensation.....	-	-	-	418,000	418,000
TOTAL LIABILITIES	35,855	455,336	-	889,000	1,380,191
NET POSITION					
Unrestricted.....	\$ 52,958	\$ 1,755	\$ 989,581	\$ 547,691	\$ 1,591,985

Town of Wellesley, Massachusetts

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2025

	Fleet Maintenance	Health Insurance	Unemployment	Workers' Compensation	Total Internal Service Funds
OPERATING REVENUES:					
Employee contributions.....	\$ -	\$ 12,757,107	\$ -	\$ -	\$ 12,757,107
Employer contributions.....	-	20,386,128	-	-	20,386,128
Charges for services.....	1,475,411	-	100,000	772,000	2,347,411
TOTAL OPERATING REVENUES	1,475,411	33,143,235	100,000	772,000	35,490,646
OPERATING EXPENSES:					
Employee benefits.....	-	33,144,472	167,390	726,556	34,038,418
Fleet maintenance.....	1,472,848	-	-	-	1,472,848
TOTAL OPERATING EXPENSES.....	1,472,848	33,144,472	167,390	726,556	35,511,266
OPERATING INCOME (LOSS).....	2,563	(1,237)	(67,390)	45,444	(20,620)
NONOPERATING REVENUES (EXPENSES):					
Investment income.....	-	-	61,913	74,516	136,429
CHANGE IN NET POSITION.....	2,563	(1,237)	(5,477)	119,960	115,809
NET POSITION AT BEGINNING OF YEAR.....	50,395	2,992	995,058	427,731	1,476,176
NET POSITION AT END OF YEAR.....	\$ 52,958	\$ 1,755	\$ 989,581	\$ 547,691	\$ 1,591,985

Town of Wellesley, Massachusetts

Internal Service Funds Combining Statement of Cash Flows

Year Ended June 30, 2025

	Fleet Maintenance	Health Insurance	Unemployment	Workers' Compensation	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users.....	\$ -	\$ 12,758,346	\$ -	\$ -	\$ 12,758,346
Receipts from interfund services provided.....	1,475,411	20,386,128	100,000	772,000	22,733,539
Payments for interfund services used.....	(1,438,366)	(33,168,101)	(167,390)	(531,556)	(35,305,413)
NET CASH FROM OPERATING ACTIVITIES.....	37,045	(23,627)	(67,390)	240,444	186,472
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of investments.....	- -	- -	(131)	(320,036)	(320,167)
Investment income.....	- -	- -	61,913	74,516	136,429
NET CASH FROM INVESTING ACTIVITIES.....	- -	- -	61,782	(245,520)	(183,738)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	37,045	(23,627)	(5,608)	(5,076)	2,734
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	51,768	470,494	44,666	5,076	572,004
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 88,813	\$ 446,867	\$ 39,058	\$ -	\$ 574,738
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:					
Operating income (loss).....	\$ 2,563	\$ (1,237)	\$ (67,390)	\$ 45,444	\$ (20,620)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Changes in assets and liabilities:					
Departmental and other.....	- -	1,239	- -	- -	1,239
Warrants payable.....	34,482	(270)	- -	- -	34,212
Accrued payroll.....	- -	(23,359)	- -	- -	(23,359)
Workers' compensation.....	- -	- -	- -	195,000	195,000
Total adjustments.....	34,482	(22,390)	- -	195,000	207,092
NET CASH FROM OPERATING ACTIVITIES.....	\$ 37,045	\$ (23,627)	\$ (67,390)	\$ 240,444	\$ 186,472

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Statistical Section

Statistical tables differ from financial statements since they usually cover more than one fiscal year and may present non-accounting data. The following tables reflect social and economic data, financial trends, and fiscal capacity.



Department of Public Works' 2025 Touch a Truck Day
Photo courtesy of Town of Wellesley

Town of Wellesley, Massachusetts
Annual Comprehensive Financial Report
For the year ended June 30, 2025

Statistical Section

This part of the Town of Wellesley's Annual Comprehensive Financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trends

- These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

- These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

- These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the audited financial reports for the relevant year.

Town of Wellesley, Massachusetts

Net Position by Component

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets.....\$	148,818,623	\$ 155,132,937	\$ 157,153,332	\$ 162,153,159	\$ 162,479,778	\$ 166,963,845	\$ 173,603,803	\$ 188,561,362	\$ 215,208,177	\$ 227,378,261
Restricted.....	10,572,176	10,236,030	10,715,597	11,918,885	12,883,650	13,494,223	17,161,426	18,786,037	28,180,292	29,893,611
Unrestricted.....	(126,380)	(60,532,686)	(56,118,900)	(61,737,797)	(45,077,981)	(31,580,628)	(13,628,765)	(1,281,081)	(18,671,311)	(1,555,173)
Total governmental activities net position.....\$	159,264,419	\$ 104,836,281	\$ 111,750,029	\$ 112,334,247	\$ 130,285,447	\$ 148,877,440	\$ 177,136,464	\$ 206,066,318	\$ 224,717,158	\$ 255,716,699
Business-type activities										
Net investment in capital assets.....\$	85,594,311	\$ 87,359,541	\$ 87,482,288	\$ 88,572,516	\$ 88,576,032	\$ 91,095,111	\$ 93,340,179	\$ 96,012,889	\$ 97,368,112	\$ 98,909,102
Restricted.....	2,000,000	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	3,063,993	3,348,540	4,609,604
Unrestricted.....	12,792,675	11,907,658	9,481,231	7,303,769	7,743,526	9,373,516	10,722,603	13,878,523	21,067,786	26,364,254
Total business-type activities net position.....\$	100,386,986	\$ 101,267,199	\$ 98,963,519	\$ 96,876,285	\$ 97,319,558	\$ 101,468,627	\$ 105,062,782	\$ 112,955,405	\$ 121,784,438	\$ 129,882,960
Primary government										
Net investment in capital assets.....\$	234,412,934	\$ 242,492,478	\$ 244,635,620	\$ 250,725,675	\$ 251,055,810	\$ 258,058,956	\$ 266,943,982	\$ 284,574,251	\$ 312,576,289	\$ 326,287,363
Restricted.....	12,572,176	12,236,030	12,715,597	12,918,885	13,883,650	14,494,223	18,161,426	21,850,030	31,528,832	34,503,215
Unrestricted.....	12,666,295	(48,625,028)	(46,637,669)	(54,434,028)	(37,334,455)	(22,207,112)	(2,906,162)	12,597,442	2,396,475	24,809,081
Total primary government net position.....\$	259,651,405	\$ 206,103,480	\$ 210,713,548	\$ 209,210,532	\$ 227,605,005	\$ 250,346,067	\$ 282,199,246	\$ 319,021,723	\$ 346,501,596	\$ 385,599,659

The Town implemented GASB Statements #75 in 2018 which required the net OPEB liability to be recorded for the first time. This also required the revision of the ending net position in 2017.

The 2019 column reflects the change in measurement date for GASB Statement #75.

The Town implemented GASB Statement #84 in 2021 which required the revision of 2020 ending net position.

The Town implemented GASB Statement #101 in 2025 which required the restatement of 2024 ending net position.

Town of Wellesley, Massachusetts

Changes in Net Position

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government.....	\$ 16,065,450	\$ 8,805,331	\$ 8,814,934	\$ 9,652,907	\$ 10,204,381	\$ 10,467,922	\$ 10,958,616	\$ 12,402,900	\$ 12,073,624	\$ 13,348,216
Facilities maintenance.....	-	11,880,224	12,350,521	13,992,663	12,484,919	13,141,670	11,941,920	13,287,414	14,156,474	15,921,349
Natural resources.....	-	636,909	725,662	650,341	578,406	685,339	676,064	802,668	814,513	849,578
Public safety.....	19,814,209	17,132,944	17,548,998	19,494,235	18,065,791	16,528,319	14,950,639	20,277,444	22,811,429	22,867,643
Public education.....	111,214,742	118,927,884	122,811,840	129,130,514	127,392,966	134,824,373	125,111,284	130,815,799	144,433,762	136,720,541
Public works.....	11,467,571	14,112,079	13,920,456	14,862,889	14,829,916	15,186,863	15,541,723	17,619,602	15,408,045	18,214,312
Health.....	1,762,755	1,103,030	1,001,200	1,188,145	1,292,687	1,372,574	1,284,722	1,585,051	1,804,992	1,800,834
Library.....	4,509,513	4,251,592	4,420,548	4,477,590	4,582,627	4,206,811	4,010,995	5,330,772	5,762,209	5,464,140
Recreation.....	2,798,705	3,176,831	2,607,564	2,549,221	1,992,957	981,190	1,654,409	2,105,835	2,305,860	2,225,660
Traffic and parking management.....	761,292	832,610	789,994	725,300	1,039,262	663,265	632,053	742,804	713,380	840,394
Community preservation.....	75,855	187,011	687,669	357,988	331,855	240,468	153,550	137,844	402,637	1,270,635
Interest.....	5,219,877	4,830,418	4,391,453	4,416,324	4,008,703	3,752,244	4,157,954	5,953,469	4,905,304	4,922,951
Total government activities expenses.....	173,689,969	185,876,863	190,070,839	201,498,117	196,804,470	202,051,038	191,073,929	211,061,602	225,592,229	224,446,253
Business-type activities:										
Sewer.....	7,065,470	7,403,979	7,452,341	7,548,483	7,725,163	7,691,315	7,916,278	7,669,340	8,486,469	8,946,219
Water.....	5,741,906	6,100,706	6,707,078	6,736,557	7,879,097	7,633,496	7,174,603	8,694,792	9,766,876	8,739,756
Stormwater.....	-	-	-	-	-	-	-	-	978,162	1,459,917
Municipal light.....	31,752,049	33,237,686	38,605,006	39,338,634	34,014,913	34,296,172	34,756,415	35,449,813	35,272,264	37,280,545
Total business-type activities expenses.....	44,559,425	46,742,371	52,764,425	53,623,674	49,619,173	49,620,983	49,847,296	51,813,945	54,503,771	56,426,437
Total primary government expenses.....	\$ 218,249,394	\$ 232,619,234	\$ 242,835,264	\$ 255,121,791	\$ 246,423,643	\$ 251,672,021	\$ 240,921,225	\$ 262,875,547	\$ 280,096,000	\$ 280,872,690
Program Revenues										
Governmental activities:										
Education charges for services.....	\$ 4,588,795	\$ 4,868,667	\$ 4,968,173	\$ 5,242,307	\$ 4,102,835	\$ 1,894,437	\$ 3,879,929	\$ 3,639,467	\$ 4,466,059	\$ 4,915,553
Public safety charges for services.....	4,272,574	3,852,917	6,577,435	5,600,029	4,395,145	5,618,531	4,844,361	6,066,895	5,829,984	5,402,861
Other charges for services.....	4,044,264	4,804,745	4,061,182	4,249,760	3,337,844	3,160,222	3,740,089	4,161,944	4,494,509	4,681,677
Education operating grants and contributions.....	26,120,256	30,971,700	32,205,325	33,102,976	38,117,534	45,911,233	32,119,179	33,301,387	37,159,724	33,169,610
Other operating grants and contributions.....	1,358,563	872,209	1,063,246	1,493,174	3,346,835	2,302,433	5,844,112	2,902,555	2,188,282	3,657,178
Education capital grant and contributions.....	1,174,029	3,020,319	-	-	-	-	592,026	2,153,068	8,142,280	3,474,627
Other capital grant and contributions.....	2,446,151	1,028,260	580,951	1,169,737	1,968,482	748,470	1,484,735	2,638,059	3,773,871	290,306
Total government activities program revenues.....	44,004,632	49,418,817	49,456,312	50,857,983	55,268,675	59,635,326	52,504,431	54,863,375	66,054,709	55,591,812
Business-type activities:										
Municipal light charges for services.....	34,885,519	34,592,292	35,313,607	37,268,992	35,661,467	37,299,444	37,663,105	39,783,403	42,539,846	41,411,340
Sewer, water and stormwater charges for services.....	14,683,479	15,837,178	15,119,727	15,088,805	14,859,420	16,204,322	15,138,294	19,727,494	18,105,880	22,804,235
Operating grants and contributions.....	-	-	-	-	-	-	-	71,520	-	-
Municipal light capital grant and contributions.....	1,636,744	663,708	880,585	771,777	541,559	454,547	1,640,052	1,124,151	1,085,346	642,975
Sewer and water capital grant and contributions.....	228,337	-	146,826	-	-	811,739	-	-	1,612,500	-
Total business-type activities program revenues.....	51,434,079	51,093,178	51,460,745	53,129,574	51,062,446	54,770,052	54,441,451	60,706,568	63,343,572	64,858,550
Total primary government program revenues.....	\$ 95,438,711	\$ 100,511,995	\$ 100,917,057	\$ 103,987,557	\$ 106,331,121	\$ 114,405,378	\$ 106,945,882	\$ 115,569,943	\$ 129,398,281	\$ 120,450,362
Net (Expense)/Revenue										
Governmental activities.....										
Business-type activities.....	\$ (129,685,337)	\$ (136,458,046)	\$ (140,614,527)	\$ (150,640,134)	\$ (141,535,795)	\$ (142,415,712)	\$ (138,569,498)	\$ (156,198,227)	\$ (159,537,520)	\$ (168,854,441)
Total primary government net expense.....	\$ (122,810,683)	\$ (132,107,239)	\$ (141,918,207)	\$ (151,134,234)	\$ (140,092,522)	\$ (137,266,643)	\$ (133,975,343)	\$ (147,305,604)	\$ (150,697,719)	\$ (160,422,328)

Town of Wellesley, Massachusetts

Changes in Net Position (Continued)

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable and tax liens.....	\$ 127,800,794	\$ 131,146,331	\$ 135,997,161	\$ 140,554,509	\$ 144,857,998	\$ 149,157,707	\$ 155,928,386	\$ 167,102,451	\$ 171,545,098	\$ 179,843,361
Community preservation surcharge.....	1,153,629	1,201,441	1,247,964	1,301,988	1,341,104	1,383,742	1,416,834	1,568,581	1,612,458	1,673,269
Motor vehicle and other excise taxes.....	5,464,687	5,265,624	5,847,263	5,919,710	5,650,461	5,622,515	5,716,542	5,670,815	7,200,187	7,331,383
Meals tax.....	620,369	637,046	658,814	684,631	611,589	470,833	653,495	799,721	914,342	937,862
Nonrestricted grants, contributions, and other.....	1,794,382	2,102,798	1,735,859	2,057,273	1,914,868	2,457,810	2,199,463	2,596,703	2,456,670	2,357,257
Unrestricted investment income (loss).....	627,934	582,309	1,041,214	2,229,856	2,357,181	915,098	(86,198)	6,389,810	8,398,107	7,377,259
Transfers.....	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	10,768	333,591
Total governmental activities.....	138,461,795	141,935,549	147,528,275	153,747,967	157,733,201	161,007,705	166,828,522	185,128,081	192,137,630	199,853,982
Business-type activities:										
Transfers.....	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(10,768)	(333,591)
Total primary government.....	\$ 137,461,795	\$ 140,935,549	\$ 146,528,275	\$ 152,747,967	\$ 156,733,201	\$ 160,007,705	\$ 165,828,522	\$ 184,128,081	\$ 192,126,862	\$ 199,520,391
Changes in Net Position										
Governmental activities.....	\$ 8,776,458	\$ 5,477,503	\$ 6,913,748	\$ 3,107,833	\$ 16,197,406	\$ 18,591,993	\$ 28,259,024	\$ 28,929,854	\$ 32,600,110	\$ 30,999,541
Business-type activities.....	5,874,654	3,350,807	(2,303,680)	(1,494,100)	443,273	4,149,069	3,594,155	7,892,623	8,829,033	8,098,522
Total primary government.....	\$ 14,651,112	\$ 8,828,310	\$ 4,610,068	\$ 1,613,733	\$ 16,640,679	\$ 22,741,062	\$ 31,853,179	\$ 36,822,477	\$ 41,429,143	\$ 39,098,063

Note: In 2017 the Town ACFR renamed/revised the functional expense groupings. Functional groupings prior to 2017 were not revised.

Note: In 2024 the Town established new operations for stormwater management, which was established as an enterprise fund.

Town of Wellesley, Massachusetts

Fund Balances, Governmental Funds

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Committed.....	\$ 2,990,300	\$ 3,950,943	\$ 5,080,885	\$ 1,880,827	\$ 1,743,287	\$ 2,005,167	\$ 4,433,910	\$ 4,779,923	\$ 6,303,046	\$ 6,270,973
Assigned.....	3,834,068	5,949,459	3,478,397	5,021,045	6,332,723	5,573,169	4,011,368	5,644,649	3,927,945	3,621,357
Unassigned.....	<u>18,092,104</u>	<u>18,566,100</u>	<u>20,788,871</u>	<u>24,245,720</u>	<u>26,918,753</u>	<u>34,191,300</u>	<u>39,870,878</u>	<u>37,500,832</u>	<u>49,864,909</u>	<u>48,807,941</u>
Total general fund.....	<u>\$ 24,916,472</u>	<u>\$ 28,466,502</u>	<u>\$ 29,348,153</u>	<u>\$ 31,147,592</u>	<u>\$ 34,994,763</u>	<u>\$ 41,769,636</u>	<u>\$ 48,316,156</u>	<u>\$ 47,925,404</u>	<u>\$ 60,095,900</u>	<u>\$ 58,700,271</u>
All Other Governmental Funds										
Nonspendable.....	\$ 357,953	\$ 357,953	\$ 357,952	\$ 474,055	\$ 437,266	\$ 387,519	\$ 386,023	\$ 386,022	\$ 386,018	\$ 423,530
Restricted.....	<u>29,736,594</u>	<u>20,707,687</u>	<u>26,564,000</u>	<u>28,739,533</u>	<u>24,372,120</u>	<u>33,145,424</u>	<u>111,395,628</u>	<u>84,284,050</u>	<u>41,282,744</u>	<u>36,583,943</u>
Total all other governmental funds.....	<u>\$ 30,094,547</u>	<u>\$ 21,065,640</u>	<u>\$ 26,921,952</u>	<u>\$ 29,213,588</u>	<u>\$ 24,809,386</u>	<u>\$ 33,532,943</u>	<u>\$ 111,781,651</u>	<u>\$ 84,670,072</u>	<u>\$ 41,668,762</u>	<u>\$ 37,007,473</u>

The Town implemented GASB Statement #84 in 2021, which required the revision of 2020 ending fund balance.

Town of Wellesley, Massachusetts

Changes in Fund Balances, Governmental Funds

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Real estate and personal property taxes,										
net of tax refunds.....	\$ 127,955,497	\$ 131,692,216	\$ 135,032,080	\$ 140,561,739	\$ 144,447,614	\$ 149,493,703	\$ 155,843,154	\$ 167,216,652	\$ 171,910,272	\$ 179,518,036
Motor vehicle and other excise taxes.....	5,616,703	5,544,062	5,843,270	5,901,008	5,534,128	5,582,870	5,738,573	5,712,236	7,059,229	7,520,075
Meals tax.....	620,369	637,046	658,814	684,631	611,589	470,833	653,495	799,721	914,342	937,862
Community preservation surcharge.....	1,153,629	1,201,441	1,247,964	1,301,988	1,341,104	1,383,742	1,416,834	1,568,581	1,612,458	1,673,269
Charges for service.....	1,291,915	1,482,112	1,503,011	1,549,919	1,102,284	204,022	778,871	1,541,079	1,469,486	888,633
Intergovernmental.....	29,706,452	36,376,415	34,095,554	35,948,591	41,425,334	49,800,383	38,793,414	41,948,652	50,433,513	40,698,000
Departmental and other.....	16,715,684	14,967,860	17,205,908	18,088,147	15,400,684	13,822,023	15,011,328	21,417,144	24,778,485	23,390,595
Total Revenue.....	183,060,249	191,901,152	195,586,601	204,036,023	209,862,737	220,757,576	218,235,669	240,204,065	258,177,785	254,626,470
 Expenditures:										
General government.....	12,860,407	4,540,347	4,610,308	5,263,101	5,164,269	7,025,102	7,124,001	8,214,812	8,830,455	7,245,958
Facilities maintenance.....	-	8,539,854	8,692,135	9,858,158	9,226,047	9,064,289	8,396,523	9,098,438	10,064,765	11,872,114
Natural resources.....	-	440,230	510,259	465,353	415,933	495,394	476,376	573,390	595,567	629,458
Public safety.....	12,339,995	12,296,502	13,592,778	13,889,443	13,892,751	14,668,588	14,911,699	16,534,308	17,149,095	25,733,464
Public education.....	77,139,421	79,160,007	84,322,361	86,595,124	87,167,344	90,011,076	91,517,951	94,502,716	100,799,272	95,327,119
Public works.....	8,640,708	7,909,141	8,301,071	8,290,037	8,355,908	8,821,106	9,540,649	10,540,210	10,227,309	10,822,641
Health.....	1,127,921	707,180	754,201	828,863	997,006	1,162,678	1,198,288	1,230,472	1,348,137	1,465,393
Recreation.....	1,488,351	2,246,211	1,847,868	1,975,394	1,740,630	929,511	1,548,888	1,727,652	2,168,897	1,930,064
Library.....	2,663,336	2,734,755	2,921,632	2,624,097	2,911,780	3,035,952	3,031,601	3,188,700	3,457,974	4,218,175
Pension benefit - Teachers Retirement.....	11,839,507	16,440,703	17,404,000	17,746,000	22,691,000	26,216,317	13,886,186	15,362,218	17,655,329	14,969,924
Pension benefits.....	6,161,639	6,408,377	6,640,351	7,073,362	7,487,909	7,967,738	8,234,817	8,586,426	8,846,365	9,039,104
Employee benefits.....	20,170,637	20,188,388	21,869,262	21,387,830	21,980,846	22,326,853	22,208,024	24,038,041	25,209,031	27,146,837
Capital outlay.....	20,205,770	22,588,576	12,460,987	10,480,193	12,669,833	14,656,315	22,870,687	50,065,788	79,994,284	26,551,665
Community preservation.....	75,855	187,011	687,669	357,988	331,855	240,468	344,800	449,660	402,637	1,270,635
State and county charges.....	1,222,643	1,230,199	1,239,256	1,262,764	1,263,722	1,316,042	1,286,137	1,330,131	1,407,314	1,432,482
Other.....	761,292	832,610	789,994	725,300	1,039,262	663,265	632,053	742,804	713,380	840,394
Debt service.....										
Principal.....	11,245,000	11,380,000	11,840,000	11,643,000	11,020,000	9,970,000	10,820,000	14,685,000	12,785,000	14,050,000
Interest.....	5,502,309	5,227,790	4,883,736	5,022,317	5,235,696	4,690,924	4,713,529	7,835,630	6,364,556	6,471,552
Total Expenditures.....	193,444,791	203,057,880	203,367,868	205,488,324	213,591,791	223,261,618	222,742,209	268,706,396	308,019,367	261,016,979
Excess (Deficiency) of revenues over (under) expenditures.....	(10,384,542)	(11,156,728)	(7,781,267)	(1,452,301)	(3,729,054)	(2,504,042)	(4,506,540)	(28,502,331)	(49,841,582)	(6,390,509)
 Other Financing Sources (Uses)										
Issuance of bonds.....	15,445,700	5,860,000	12,443,000	4,245,000	18,530,000	14,347,500	81,785,000	-	18,040,000	-
Issuance of refunding bonds.....	-	-	-	-	-	8,907,500	-	-	-	-
Premium from issuance of bonds.....	1,612,743	392,000	1,076,230	298,376	2,905,345	2,977,679	6,516,768	-	960,000	-
Premium from issuance of refunding bonds.....	-	-	-	-	-	2,207,059	-	-	-	-
Payments to refunded bond escrow agent.....	(11,738,443)	-	-	-	(21,000,000)	(11,000,000)	-	-	-	-
Transfers in.....	7,523,635	1,852,893	1,906,337	4,694,134	4,632,213	3,286,535	8,291,699	18,420,443	4,289,145	16,559,954
Transfers out.....	(4,923,635)	(1,869,135)	(906,337)	(3,694,134)	(3,632,213)	(3,286,535)	(7,291,699)	(17,420,443)	(4,278,377)	(16,226,363)
Total other financing sources (uses).....	7,920,000	6,235,758	14,519,230	5,543,376	1,435,345	17,439,738	89,301,768	1,000,000	19,010,768	333,591
 Net change in fund balance.....	\$ (2,464,542) \$	\$ (4,920,970) \$	\$ 6,737,963 \$	\$ 4,091,075 \$	\$ (2,293,709) \$	\$ 14,935,696 \$	\$ 84,795,228 \$	\$ (27,502,331) \$	\$ (30,830,814) \$	\$ (6,056,918) \$
Debt service as a percentage of noncapital expenditures.....	9.67%	9.20%	8.76%	8.55%	8.09%	7.03%	7.77%	10.30%	8.40%	8.75%

Notes: In 2015 Intergovernmental revenues and Teacher's pension benefits were lower due to the way the State calculated these amounts in that year.

In 2017 the Town ACFR renamed/revised the functional expenditure groupings. Functional groupings prior to 2017 were not revised.

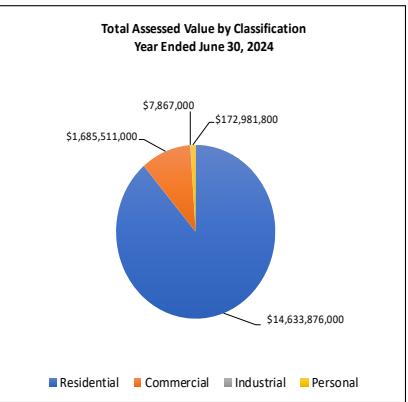
Town of Wellesley, Massachusetts

Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

Last Ten Years

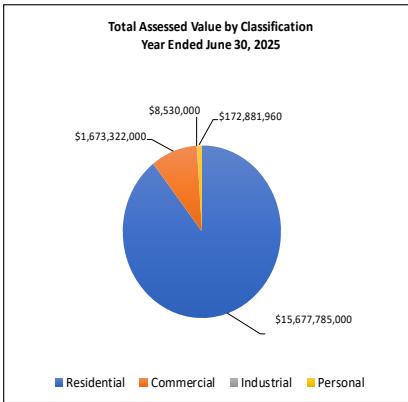
Year	Assessed and Actual Values and Tax Rates										
	Residential Value	Residential Tax Rate	Residential % of Total Value	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Direct Rate	Total Town Value
2016	\$9,382,323,000	11.83	87.76%	\$1,269,582,000	\$8,380,000	\$114,193,700	\$1,392,155,700	11.83	12.92%	11.83	\$10,774,478,700
2017	\$9,721,777,000	11.79	87.16%	\$1,309,028,000	\$7,801,000	\$115,324,400	\$1,432,153,400	11.79	12.84%	11.79	\$11,153,930,400
2018	\$9,935,541,000	11.95	87.33%	\$1,318,844,000	\$7,330,000	\$115,824,600	\$1,441,998,600	11.95	12.67%	11.95	\$11,377,539,600
2019	\$10,654,218,000	11.57	87.39%	\$1,406,187,000	\$8,593,000	\$122,039,081	\$1,536,819,081	11.57	12.61%	11.57	\$12,191,037,081
2020	\$10,908,678,000	11.56	87.03%	\$1,490,134,000	\$6,543,000	\$128,979,400	\$1,625,656,400	11.56	12.97%	11.56	\$12,534,334,400
2021	\$11,072,021,000	11.75	87.07%	\$1,494,659,000	\$6,543,000	\$142,724,500	\$1,643,926,500	11.75	12.93%	11.75	\$12,715,947,500
2022	\$11,626,593,000	11.68	87.38%	\$1,517,327,000	\$6,543,000	\$154,922,000	\$1,678,792,000	11.68	12.62%	11.68	\$13,305,385,000
2023	\$12,824,125,000	11.45	87.33%	\$1,700,429,000	\$7,358,000	\$152,211,900	\$1,859,998,900	11.45	12.67%	11.45	\$14,684,123,900
2024	\$14,633,876,000	10.41	88.69%	\$1,685,511,000	\$7,867,000	\$172,981,800	\$1,866,359,800	10.41	11.31%	10.41	\$16,500,235,800
2025	\$15,677,785,000	10.28	89.42%	\$1,673,322,000	\$8,530,000	\$172,881,960	\$1,854,733,960	10.28	10.58%	10.28	\$17,532,518,960

Total Assessed Value by Classification
Year Ended June 30, 2024



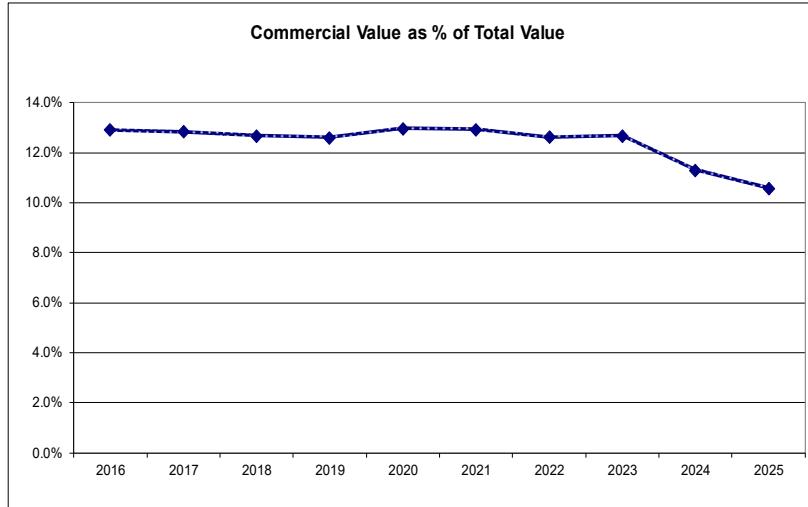
■ Residential ■ Commercial ■ Industrial ■ Personal

Total Assessed Value by Classification
Year Ended June 30, 2025



■ Residential ■ Commercial ■ Industrial ■ Personal

Commercial Value as % of Total Value



Year	Commercial % of Total Value
2016	12.5%
2017	12.5%
2018	12.4%
2019	12.3%
2020	12.6%
2021	12.5%
2022	12.4%
2023	12.5%
2024	11.5%
2025	10.5%

Source: Assessor's Department, Town of Wellesley

All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Town of Wellesley, Massachusetts

Principal Taxpayers

Current Year and Nine Years Ago

Name	Nature of Business	2025			2016		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
John Hancock	Insurance and Financial Services	\$ 364,690,000	1	2.08%	\$ 196,900,000	1	1.83%
Haynes Management	Office Buildings/Real Estate	143,170,000	2	0.82%	178,572,000	2	1.66%
FR Linden Square, Federal Realty	Retail/Real Estate	141,984,000	3	0.81%	118,467,000	3	1.10%
Wellesley College (only taxable properties)	Higher Education	124,873,000	4	0.71%	87,071,000	5	0.81%
BCSP Wellesley Property (fka Harvard Pilgrim Health)	Real Estate	120,907,000	5	0.69%	80,873,000	6	0.75%
Worcester St Ground Owner (fka Sun Life)	Insurance and Financial Services	113,600,000	6	0.65%	109,293,000	4	1.01%
National Grid/Essex Gas	Utilities	82,163,800	7	0.47%	N/A	N/A	N/A
Wellesley Washington Street / Waterstone	Senior Living	71,000,000	8	0.40%	35,250,000	7	0.33%
Linear Realty	Retail	62,265,000	9	0.36%	N/A	N/A	N/A
Babar, LLC	Various Commercial	53,995,000	10	0.31%	N/A	N/A	N/A
Newton Wellesley Executive Office Park	Office Buildings	N/A	N/A	N/A	34,170,000	8	0.32%
Hunnewell Family	Residential	N/A	N/A	N/A	33,412,000	9	0.31%
Wellesley Country Club	Recreation	N/A	N/A	N/A	25,950,000	10	0.24%
Totals		\$ 1,278,647,800		7.29%	\$ 899,958,000		8.35%

Source: Board of Assessors

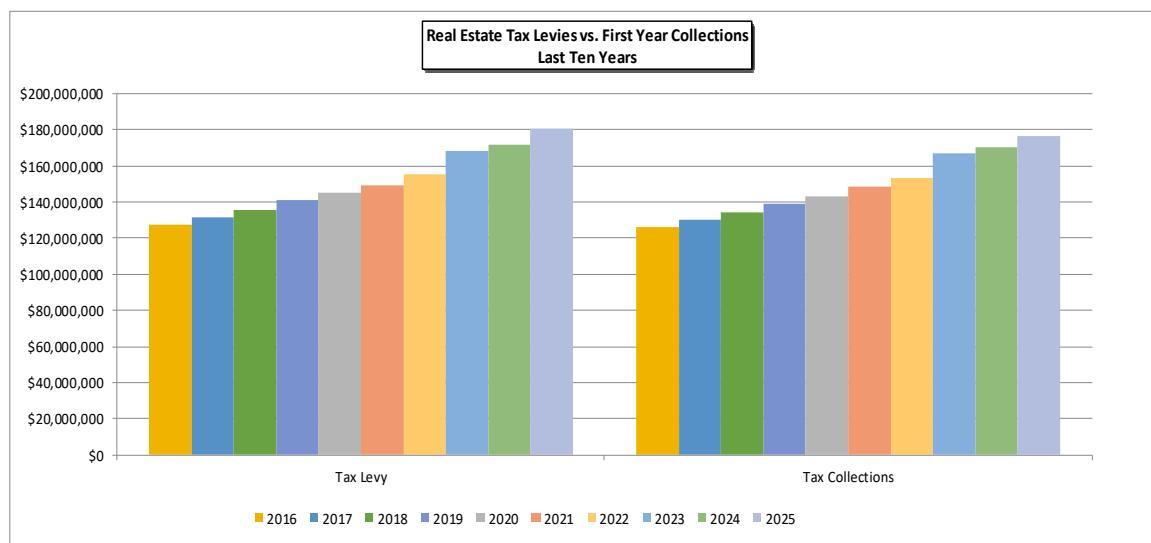
N/A = Value not included because not in the Top 10 taxpayers.

Town of Wellesley, Massachusetts

Property Tax Levies and Collections

As of June 30, 2025

Year	(1) Total Tax Levy	Less Abatements & Exemptions	(1) Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy (2)
2016	\$127,462,083	\$465,399	\$126,996,684	\$126,399,234	99.5%	\$617,760	\$127,016,994	100.02%
2017	\$131,504,839	\$436,914	\$131,067,925	\$130,108,550	99.3%	\$833,634	\$130,942,184	99.90%
2018	\$135,961,598	\$431,814	\$135,529,784	\$134,533,542	99.3%	\$467,956	\$135,001,498	99.61%
2019	\$141,050,299	\$482,325	\$140,567,974	\$138,984,438	98.9%	\$900,210	\$139,884,648	99.51%
2020	\$144,896,906	\$464,738	\$144,432,168	\$143,428,814	99.3%	\$861,004	\$144,289,818	99.90%
2021	\$149,412,383	\$352,376	\$149,060,007	\$148,267,110	99.5%	\$464,519	\$148,731,629	99.78%
2022	\$155,406,896	\$643,768	\$154,763,128	\$153,432,940	99.1%	\$634,992	\$154,067,932	99.55%
2023	\$168,133,219	\$379,373	\$167,753,846	\$166,863,053	99.5%	\$823,705	\$167,686,758	99.96%
2024	\$171,767,455	\$301,520	\$171,465,934	\$170,539,181	99.5%	\$1,106,618	\$171,645,800	100.10%
2025	\$180,234,295	\$334,663	\$179,899,631	\$176,352,105	98.0%	\$789,231	\$177,141,336	98.47%



Source: Assessor's Department, Town of Wellesley

(1) Includes tax liens.

(2) If the actual abatements and exemptions are lower than the estimate, the actual collections can exceed the net levy.

Town of Wellesley, Massachusetts

Ratios of Outstanding Debt and General Bonded Debt

As of June 30, 2025

Year	Governmental Activities Debt						
	U. S. Census Population (1)	Personal Income	Assessed Value	General Obligation Bonds	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2016	27,982	\$2,007,232,806	\$10,774,478,700	\$142,232,552	\$5,083	7.09%	1.32%
2017	27,982	\$2,058,875,872	\$11,153,930,400	\$137,232,552	\$4,904	6.67%	1.23%
2018	27,982	\$2,228,234,642	\$11,377,539,600	\$138,365,189	\$4,961	6.21%	1.22%
2019	27,982	\$2,236,181,530	\$12,191,037,081	\$126,545,700	\$4,522	5.66%	1.04%
2020	27,982	\$2,327,067,066	\$12,534,334,400	\$113,055,700	\$4,040	4.86%	0.90%
2021	27,982	\$2,400,407,888	\$12,715,947,500	\$115,340,700	\$4,122	4.81%	0.91%
2022	29,550	\$2,632,934,550	\$13,305,385,000	\$186,305,700	\$6,305	7.08%	1.40%
2023	29,550	\$2,874,092,100	\$14,684,123,900	\$171,620,700	\$5,808	5.97%	1.17%
2024	29,550	\$3,300,439,500	\$16,500,235,800	\$176,875,700	\$5,986	5.36%	1.07%
2025	29,550	\$3,341,484,450	\$17,532,518,960	\$174,446,427	\$5,903	5.22%	0.99%

Year	Business-Type Activities (2)				Total Primary Government		
	General Obligation Bonds	Direct Borrowings	Total Business-Type	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2016	\$4,995,000	\$410,955	\$5,405,955	\$147,638,507	\$5,276	7.36%	1.37%
2017	\$4,520,000	\$281,827	\$4,801,827	\$142,034,379	\$5,076	6.90%	1.27%
2018	\$4,786,300	\$560,289	\$5,346,589	\$143,711,778	\$5,169	6.47%	1.27%
2019	\$4,424,300	\$416,741	\$4,841,041	\$131,386,741	\$4,695	5.88%	1.08%
2020	\$2,969,300	\$273,194	\$3,242,494	\$116,298,194	\$4,156	5.00%	0.93%
2021	\$3,129,300	\$475,101	\$3,604,401	\$118,945,101	\$4,251	4.96%	0.94%
2022	\$2,584,300	\$341,187	\$2,925,487	\$189,231,187	\$6,404	7.19%	1.42%
2023	\$2,039,300	\$1,779,273	\$3,818,573	\$175,439,273	\$5,937	6.10%	1.19%
2024	\$1,624,300	\$2,090,482	\$3,714,782	\$180,590,482	\$6,111	5.47%	1.09%
2025	\$1,214,300	\$2,346,873	\$3,561,173	\$178,007,600	\$6,024	5.33%	1.02%

(1) 2010/2020 Census, US Census Bureau

(2) Municipal Light Plant, Sewer Fund, and Water Fund.

Source: Audited Financial Statements, U. S. Census.

Town of Wellesley, Massachusetts

Direct and Overlapping Governmental Activities Debt

As of June 30, 2025

<u>Town of Wellesley, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Norfolk County.....	\$ 13,855,000	7.91%	\$ 1,095,931
Town direct debt.....	<u>174,446,427</u>		<u>174,446,427</u>
Total direct and overlapping debt.....	<u>\$ 188,301,427</u>		<u>\$ 175,542,358</u>

The overlapping debt percentage used to arrive at the Town's share of the total Norfolk County outstanding debt is the ratio of the Town's operating assessment for FY25 paid to the County divided by the total of all assessments paid by each municipality within the jurisdictional boundary of the County.

Source: Norfolk County Treasurer's Office

Town of Wellesley, Massachusetts

Computation of Legal Debt Margin

Last Ten Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Equalized Valuation.....	\$ 11,749,686,900	\$ 11,749,686,900	\$ 11,377,539,600	\$ 11,377,539,600	\$ 13,524,019,800	\$ 13,524,019,800	\$ 14,471,634,900	\$ 14,471,634,900	\$ 18,013,343,600	\$ 18,013,343,600
Debt Limit -5% of Equalized Valuation ...	\$ 587,484,345	\$ 587,484,345	\$ 568,876,980	\$ 568,876,980	\$ 676,200,990	\$ 676,200,990	\$ 723,581,745	\$ 723,581,745	\$ 900,667,180	\$ 900,667,180
Less:										
Outstanding debt applicable to limit.....	142,232,552	137,232,552	138,365,189	126,545,700	113,055,700	115,340,700	186,305,700	171,620,700	176,875,700	\$174,446,427
Authorized and unissued debt.....	18,282,590	13,856,229	8,125,350	11,938,021	11,962,297	14,005,451	52,687,464	57,102,838	19,997,779	12,508,936
Legal debt margin.....	\$ 426,969,203	\$ 436,395,564	\$ 422,386,441	\$ 430,393,259	\$ 551,182,993	\$ 546,854,839	\$ 484,588,581	\$ 494,858,207	\$ 703,793,701	\$ 713,711,817
Total debt applicable to the limit as a percentage of debt limit.....	27.32%	25.72%	25.75%	24.34%	18.49%	19.13%	33.03%	31.61%	21.86%	20.76%

Source: Massachusetts Department of Revenue - Equalized valuations are established as of January 1 of even-numbered years for the next two years.

Town of Wellesley, Massachusetts

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2016	27,982	\$2,007,232,806	\$71,733	38.2	4,923	3.9%
2017	27,982	\$2,065,519,312	\$73,816	38.2	4,917	2.9%
2018	27,982	\$2,228,234,642	\$79,631	38.2	4,908	2.7%
2019	27,982	\$2,236,181,530	\$79,915	38.2	4,863	2.7%
2020	27,982	\$2,327,067,066	\$83,163	38.2	4,758	9.4% *
2021	27,982	\$2,400,407,888	\$85,784	38.2	4,362	4.1%
2022	29,550	\$2,632,934,550	\$89,101	38.2	4,280	2.8%
2023	29,550	\$2,874,092,100	\$97,262	38.2	4,186	3.0%
2024	29,550	\$3,300,439,500	\$111,690	37.6	4,069	3.9%
2025	29,550	\$3,341,484,450	\$113,079	38.1	3,988	4.0%

Sources: 2010/2020 US Census, Wellesley Public Schools, Mass. Executive Office of Labor and Workforce Development.

* COVID - 19

Town of Wellesley, Massachusetts

Principal Employers (excluding the Town)

Current Year and Nine Years Ago

Employer	Nature of Business	2025			2016		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Wellesley College	Higher Education	1,196	1	8.02%	1,100	2	8.13%
Sun Life Financial	Insurance Company	1,176	2	7.89%	1,128	1	8.34%
Babson College	Higher Education	1,021	3	6.85%	987	3	7.29%
Harvard Pilgrim Health Care	Insurance Company	438	4	2.94%	418	4	3.09%
Harvard Vanguard Medical Associates	Healthcare	349	5	2.34%	341	5	2.52%
Mass Bay Community College	Higher Education	294	6	1.97%	253	8	1.87%
Dana Hall School	Private School	270	7	1.81%	254	7	1.88%
Whole Foods	Grocery	245	8	1.64%	226	10	1.67%
Wellesley Country Club	Private Recreation Club	233	9	1.56%	205	9	1.51%
Roche Brothers	Grocery	220	10	1.48%	273	6	2.02%
		<u>5,442</u>		<u>36.49%</u>	<u>5,185</u>		<u>38.32%</u>

According to the Massachusetts Workforce Development Data, in June 2025 Wellesley had a total labor force of 14,913, of whom 14,316 were employed and 597 were unemployed.

Sources: Mass. Labor and Workforce Development, Wellesley local employers

N/A = No previous historical data

Town of Wellesley, Massachusetts

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Facilities maintenance work orders.....	1,102	1,006	1,763	1,525	1,329	1,081	1,236	1,339	1,221	1,329
Building										
New home building permits.....	69	79	37	45	49	51	65	44	36	50
Residential Additions.....	108	100	83	97	68	113	94	86	82	87
Residential Alterations.....	419	348	332	348	300	349	332	442	251	486
Residential Demolition.....	104	89	36	45	44	49	57	47	41	41
Commercial Alterations.....	121	104	120	143	57	69	81	81	80	112
Police										
Physical arrests.....	167	169	140	189	146	146	129	94	64	96
Motor vehicle violations.....	7,681	6,723	7,041	5,717	5,046	2,280	3,178	2,652	4,794	5,789
Police personnel and officers.....	58	59	60	60	60	60	60	60	60	60
Fire										
Inspections.....	2,222	1,967	2,130	2,158	1,150	1,350	1,570	1,673	2,157	2,119
Emergency responses.....	4,233	4,221	4,311	4,226	3,878	3,534	4,015	4,207	4,411	4,630
Fire personnel and officers.....	57	58	58	57	57	57	57	57	58	60
Education										
Number of public school students.....	4,923	4,917	4,908	4,863	4,758	4,362	4,280	4,186	4,069	3,988
Health services										
Number of vaccinations.....	669	946	712	1,040	1,045	1,639	984	726	722	517
Reported Disease Investigations.....	174	283	283	194	581	1,347	4,428	1,287	640	626
Library										
Volumes in circulation.....	739,316	760,434	774,617	782,598	628,787	511,552	517,471	629,713	665,333	712,733
eBook Collection (1).....	171,292	85,824	90,966	60,153	62,856	122,673	76,244	97,737	103,061	120,947
Reference Questions Answered.....	86,184	106,089	110,760	133,368	126,684	51,996	27,237	36,026	46,402	48,141
Recreation										
Total program revenue.....	\$1,205,072	\$1,369,561	\$1,417,819	\$1,582,803	\$1,265,017	\$576,836	\$1,051,155	\$1,381,025	\$1,502,058	\$1,612,583
Programs Ran.....	610	702	1,021	774	749	569	787	880	576	511
Program Participants.....	9,551	7,267	7,241	9,624	9,280	4,339	6,312	5,804	5,261	5,773
Morses Pond Attendance.....	24,263	28,387	23,367	18,199	21,619	42,405	14,674	8,077	6,780	9,928
Traffic and parking management										
Total parking revenue.....	\$905,227	\$881,374	\$874,404	\$950,212	\$730,185	\$165,953	\$420,885	\$623,669	\$782,316	\$794,910
Meters Repaired.....	302	unavailable	212	88	33	45	60	130	150	160
Sewer										
Number of accounts.....	8,181	8,129	8,173	8,059	8,188	8,207	8,252	8,269	8,248	8,279
Feet rodded/flushed.....	254,755	303,770	233,573	158,144	111,070	51,760	176,100	88,951	49,685	55,435
Water										
Number of accounts.....	8,388	8,373	8,357	8,250	8,381	13,495	8,396	8,388	8,381	8,398
Consumption in gallons (millions).....	942	973	915	849	897	1,002	891	970	823	883
Daily consumption (millions).....	2.57	3.00	2.50	2.33	2.45	2.74	2.44	2.66	2.25	2.42
Municipal Light										
Total kilowatt hour sales.....	236,712,233	240,208,941	237,285,787	250,561,304	237,580,900	242,118,183	241,048,682	240,762,544	244,479,367	246,783,755
Municipal kilowatt hour usage.....	11,283,168	11,626,264	11,712,227	11,459,336	9,875,581	9,983,606	10,178,223	10,316,110	10,687,549	11,434,539
Streetlight kilowatt hour usage (2).....	1,880,308	1,880,192	1,880,192	970,060	925,581	925,681	925,681	925,681	925,681	925,681

Source: Various Town Departments

(1) The eBook collection is lower in 2017 as a result of a vendor changing contracts to reduce the number of available titles and increase the quality of selection.

(2) The LED lighting project decreased usage beginning in 2019.

Town of Wellesley, Massachusetts

Full-time Equivalent Town Employees by Function

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
General government.....	74	78	79	79	80	80	80	79	79	80
Public safety.....	122	124	124	125	125	125	125	125	125	127
School custodians.....	40	40	39	39	39	39	39	39	39	41
* Public education.....	822	843	853	868	885	887	888	880	870	847
Public works.....	89	87	87	89	89	89	89	89	89	89
Health services.....	5	5	5	5	6	7	8	9	11	11
Library.....	31	31	31	31	31	31	31	37	37	37
Recreation.....	5	5	5	5	5	5	5	5	5	5
Water/Sewer.....	29	28	28	28	28	28	27	27	27	27
Municipal light.....	32	32	32	32	32	32	32	32	32	32
Total	<u>1,249</u>	<u>1,273</u>	<u>1,283</u>	<u>1,301</u>	<u>1,320</u>	<u>1,323</u>	<u>1,324</u>	<u>1,322</u>	<u>1,314</u>	<u>1,296</u>

Source: Various Town Departments, Payroll count

* Public Education employee count was recast and is now based on numbers provided in the Advisory Report.

Town of Wellesley, Massachusetts

Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Number of buildings.....	4	5	5	5	5	5	5	5	5	5
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	2	2	2	2	2	2	2	2	2	2
Education										
Number of elementary schools.....	7	7	7	7	7	7	7	7	7	7
Number of preschools.....	1	1	1	1	1	1	1	1	1	1
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets to maintain (miles).....	110	110	110	110	110	110	110	110	110	110
Sidewalks to maintain (miles).....	118	118	118	118	118	118	118	118	118	118
Library										
Buildings.....	3	3	3	3	3	3	3	3	3	3
Recreation										
Park and playground (acreage).....	365	365	365	365	365	365	365	365	365	365
Feet of public beach front.....	660	660	660	660	660	660	660	600	600	600
Public beaches.....	1	1	1	1	1	1	1	1	1	1
Tennis courts.....	16	16	16	16	16	16	16	16	16	16

Source: Various Town Departments

Town of Wellesley, Massachusetts

Free Cash and Stabilization Fund Balances

Last Ten Years

<u>Year</u>	<u>Free Cash</u>	<u>Stabilization Funds</u>			<u>SPED Fund</u>
		<u>General</u>	<u>Baler Fund</u>	<u>IOD Fund</u>	
2025.....	\$ 29,210,417	\$ 3,988,185	\$ 793,166	\$ 872,469	\$ 1,971,662
2024.....	28,171,582	3,753,091	941,912	791,572	1,815,741
2023.....	27,250,546	3,599,216	892,656	727,805	1,687,559
2022.....	27,138,344	3,568,667	872,799	684,072	1,410,044
2021.....	25,830,840	3,692,805	888,816	663,837	1,427,061
2020.....	18,319,871	3,555,097	846,430	593,257	789,808
2019.....	16,171,779	3,371,774	806,179	564,669	760,775
2018.....	14,615,285	3,289,225	741,191	502,818	106,133
2017.....	12,129,416	3,274,957	732,942	500,332	-
2016.....	11,858,182	3,271,285	732,000	387,888	-

Source: Town Records

Baler Fund = Reserve for the replacement of the Town's baler

IOD Fund = Injured on Duty stabilization fund

SPED Fund = Special Education stabilization fund