WELLESLEY COLLEGE PROVIDES AN EXCELLENT LIBERAL ARTS EDUCATION | FOR WOMEN WHO WILL MAKE A DIFFERENCE IN THE WORLD

W

WELLESLEY COLLEGE ANNUAL REPORT 2006–2007

Wellesley College
Fiscal Year 2006-2007

Diana Chapman Walsh
President

Finance and Investments

Andrew B. Evans
Vice President for Finance and Treasurer

Jane L. Mendillo
Chief Investment Officer

Linda Murphy Church
Assistant Vice President for Finance

Donna Ng
Assistant Vice President for Finance and Controller

CONTENTS

Wellesley College
Annual Report for the Year Ended June 30, 2007

REPORT OF THE PRESIDENT

REPORT OF THE PRESIDENT
October 2007

To the Board of Trustees, Alumnae, Faculty and Friends of Wellesley College

I am pleased to submit the annual financial report of Wellesley College for the 2006–2007 academic year. It was a year of transition at Wellesley College. Diana Chapman Walsh, the 12th president of Wellesley College stepped down from office on June 30, 2007, and I became the 13th president on August 1, 2007. Andrew Shennan, dean of the college, served as acting president during the month of July.

In the letters that follow, Andrew Evans, vice president for finance and treasurer, and Jane Mendillo, chief investment officer, report on the financial status of the College and on our endowment performance. I will provide an overview of the accomplishments of the year.

It is a privilege to assume the leadership of an institution which is in a position of such strength. Over the course of the past year, the College continued the work of preparing for the future by taking up the issues raised in the 2015 Commission and the two working groups.

The College continued to improve its operations. A new multiyear budget process was piloted and a new endowment spending policy was implemented. In addition, a comprehensive facilities plan, an inventory that projects capital needs to maintain Wellesley's buildings, was developed by the administration and planning division. This plan will be used to develop a priority list of projects for the next 10–15 years. The information services division also generated a strategic plan that will guide their work over the next three to five years. These administrative planning processes will help us ensure that we have the right buildings, infrastructure, financial models, and budgeting processes in place as we move forward with academic planning.

Since the strength of our academic program at the College hinges on the quality of our faculty, hiring and retaining the best and most diverse faculty possible remains a top priority. This year, for the first time, we made hires directly into interdisciplinary programs. The deans introduced measures to make the merit review of senior faculty more consequential. They worked closely with academic departments on diversifying the faculty. They also developed a proposal to reduce the number of nontenure-track faculty positions and increase the number of tenure-track positions.

To focus directly on the academic program, this past year a review of the multicultural requirement was initiated, enhanced advising programs for students who need additional academic support were developed, and ongoing assessment of academic programs and student learning continued.

Continuing our effort to ensure that our admission and financial aid policies are effective in promoting wider access to college, we completed a yield analysis and began to prepare for a broader study of our market to help us assess our reputation and competitive position.

The student life division continued the ongoing review of many of its programs, focusing on health, counseling, and multicultural programming. This assessment is designed to ensure that the departments are structured appropriately for a community of students from richly diverse backgrounds.

This past year, the College once again was supported generously by its many donors. Our fund-raising results were particularly impressive for a postcampaign year, and the resources staff has continued to lay a very strong foundation for the College's ongoing development work.

These are just a few of the highlights of the past year, ones that exemplify the kind of work that is taking place at the College. I look forward to continuing this important work.

Yours truly,

H. Kim Bottomly
President

REPORT OF THE VICE PRESIDENT

REPORT OF THE VICE PRESIDENT FOR FINANCE AND TREASURER
October 2007

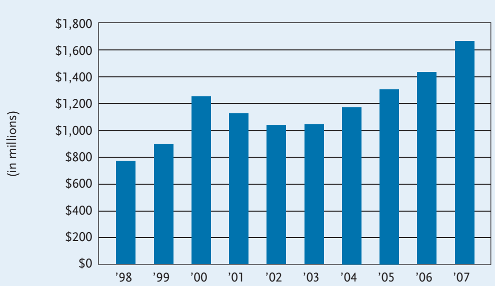
To the Board of Trustees of Wellesley College

This annual report presents the operating and audited results at Wellesley College for the fiscal year ending June 30, 2007. I am pleased to report that for fiscal year 2006–2007 the College's net assets increased by $266 million, and the College's endowment grew to $1.67 billion.

Results of Fiscal Year 2007

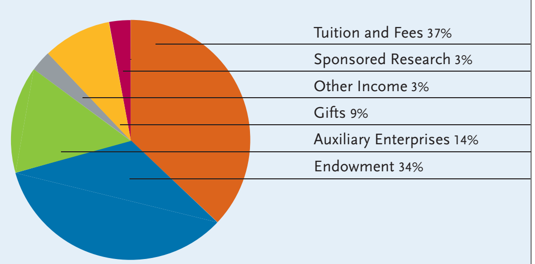
Wellesley College is a remarkable institution both academically and financially. It remains one of the strongest educational institutions in the country. The market value of the endowment increased from $1.41 billion to $1.67 billion due to the gifts received from our generous alumnae, as well as the excellent work of our staff in the Investment Office and the Investment Committee. The College achieved a positive investment return of 22.7%. Further details about our endowment are discussed in the Chief Investment Officer's report. The funds used during the year to support the operating budget and to fund various capital projects equaled 4.7% and 4.9% of the endowment market value for the one-year and the three-year rolling average, respectively. During the course of the year, the endowment per student increased by 18.2% from $644,142 to $761,600 and gifts remained strong at $64.2 million.

General Endowment Pool, 1998–2007

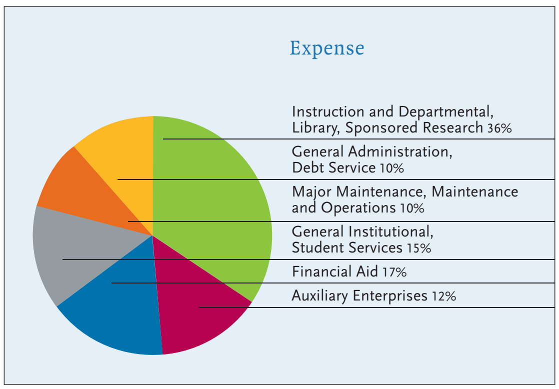


The operating budget (Schedule A) in this fiscal year reflects revenues and expenses totaling $213.5 million. The revenue base for the operating budget was well diversified with five principal revenue sources: tuition income 37%, endowment 34%, auxiliary enterprises, including room and board 14%, gifts used for operations 9% and other sources of revenue, including sponsored research 6%. Total operating revenues in this fiscal year increased by $18.0 million over fiscal year 2006. Increases in tuition and fees and other income were sufficient to offset the College's reduction of the draw on unrestricted bequests for operating purposes. Tuition and fees increased by $7.9 million or 11.0% due to increases in the comprehensive fee and the implementation of a home school tuition policy on study away programs. Under this new policy, a student pays regular Wellesley College tuition and remains eligible for Wellesley financial aid while the College pays the host university or study abroad program. This policy now provides students with financial need the financial resources to study abroad. Other income increased primarily due to higher interest returns on our operating cash.

Revenue



Operating expenses had an incremental increase of 9.2% increase over fiscal year 2006. Just as tuition and fees increased due to a home school tuition policy as described above, expenses increased as well for the payments to the host university or study abroad programs. In 2007, we were able to begin establishing reserves that included amounts for financial aid and other general needs. As might be expected in a labor-intensive institution, about 49% of the operating budget was used for salaries and benefits.



Financial Strength and Flexibility

In fiscal year 2007, the College began to implement the recommendations, a set of principles for financial strength and flexibility, that were developed by the Financial Planning Working Group, a trustee/staff committee that was asked to assess the College's financial health, to identify opportunities for strengthening our finances and to recommend strategies to ensure a more robust financial condition going forward. The group recognized that to support Wellesley College's institutional values and strategic priorities, the College must preserve the purchasing power of the endowment by limiting endowment spending, ensure that the growth rates of income and expenses are in balance, and create reserves to mitigate unanticipated shocks to the balanced budget.

During the year, the College approved effective July 1, 2007 a new endowment spending policy that attempts to address the need for a strong, stable growing income stream from the endowment to support operations and to address the long-term objective of maintaining the purchasing power of the endowment. The methodology for setting annual spending from endowment is based on a combination of prior year's spending and endowment value. As a general rule, the total amount spent needs to be within a 4.5% to 5.5% range of the prior year market value of the endowment.

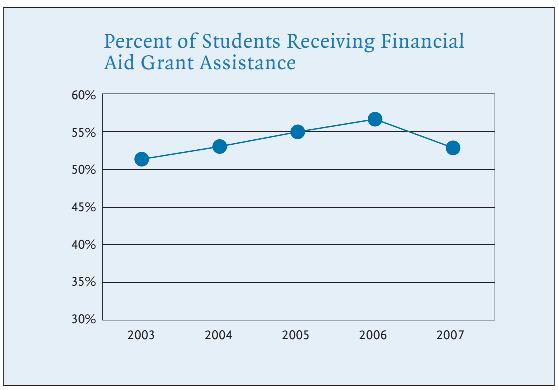
Another principle identified by the Financial Planning Working Group was to create a new budget process that is multiyear and built around institutional priorities, that allows for inclusiveness and institution-wide input, and that uses all sources of funds including restricted income sources. The College implemented a new budget process as it developed the budget for the 2008 fiscal year.

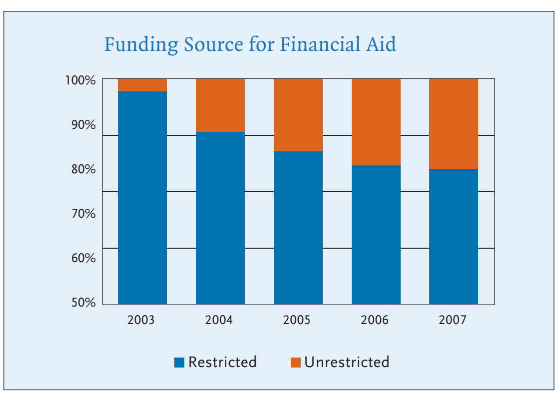
The results of fiscal year 2007 show that the College is in a position of financial strength and is moving in the right direction for establishing reserves. During fiscal year 2007, the purchasing power of the endowment was preserved with a return of 22.7%, spending of 4.7%, and inflation of 2.7%. The College's spending policy for fiscal year 2007 is to use the actual amount taken from the endowment in the prior year, add 5% of new gifts and increase this new total each year by 3% above the rate of inflation. We then monitor the amount actually available to ensure that it does not fall below 4.5% or exceed 6% of the trailing three-year market average. In fiscal year 2007, the one-year spending rate was 4.7%. The 41% support of the educational and general budget derived from the endowment highlights the College's reliance on this funding source.

As noted above, the growth in expenses equaled the growth in revenue in the operating budget. During fiscal year 2007, the College invested $20 million of existing operating cash in a manner consistent with how we invest the endowment. The cumulative excess investment return over typical short-term interest rates as of June 30, 2007 totaled approximately $1.4 million. This excess will be maintained and used to fund extraordinary items in the future.

Institutional Values and Priorities

One of the College's longest-held institutional values is our need-blind admission policy. Wellesley College believes that students should be considered for admission only on the basis of their talents and personal qualities, not on their ability to pay. The College continues to work hard on balancing the effects of this important policy with other expenses. Over the past five years, there has been an increase in all financial aid indicators as shown below. The percent of students receiving financial aid assistance has increased from 51% in 2003 to 53% in 2007. The percentage of student financial aid expenditures supported by restricted revenues has decreased from 99% in 2003 to 83% in 2007 resulting in a need to fund more of this important value with unrestricted resources.



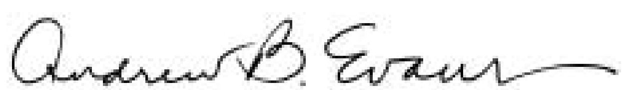


The maintenance and enhancement of the College's significant physical assets is an important institutional priority. With careful planning over the past few years, the budget for major maintenance now includes $5 to $6 million in each year's operating budget. During fiscal year 2007, the College completed a Comprehensive Facilities Plan that established facilities planning principles and factors for use in setting facilities priorities. The plan documented a more complete understanding of the College's use of space and future needs as well as evaluated the condition of facilities and their ability to meet long-term program needs.

Future Outlook

Under the leadership of a new president, the College looks forward to honing our institutional priorities, which will include a new look at long-term academic planning. The financial underpinning to support the implementation of this work will require further implementation of the set of principles for financial strength and flexibility. We know that these steps over the coming years will make the College's financial condition even stronger.

Respectfully submitted,



Andrew B. Evans
Vice President for Finance and Treasurer

REPORT OF THE CHIEF INVESTMENT OFFICER

To the Board of Trustees of Wellesley College

It is my pleasure to report to you that, as of the fiscal year ended June 30, 2007, the Wellesley College endowment had a market value of $1.67 billion, versus $1.41 billion on June 30, 2006, an increase of approximately $260 million. The investment return for the year earned by the endowment portfolio, after investment management fees and expenses, was 22.7%. The fiscal year ended with very healthy gains across a variety of asset classes, and was the fifth consecutive year in which the endowment earned a substantial positive return, in both nominal and real (after inflation) terms. We also added value, for the fifth year in a row, relative to our benchmark Policy Portfolio[1].

Recent Progress

Over the past year, the domestic and international equities markets continued to climb, and our portfolio benefited from exposure to these markets and also from the results associated with our growing portfolio of alternative assets, including areas such as semimarketable hedge funds, private real estate, private equity and energy.

Wellesley's investment returns by asset class, and the relative performance versus benchmarks for each asset class, are summarized below.

Our returns versus the relevant broad market indices were quite strong in nearly all areas of the portfolio. Private equity led the asset classes last year, with a 36.8% return, reflecting both the growing maturity of our private equity exposure, and the favorable market conditions that prevailed during the year for managers of privately held investments. Some of these conditions, for example, access to credit on favorable terms and an active merger and acquisition environment, may be significantly different over the coming year than they were over the past year. We would like to point out that private equity returns are expected to vary widely from year to year, and that our expectations, on average, for this part of our portfolio, while high, are not nearly as lofty as last year's returns.

The real assets segment of our portfolio (which includes real estate, private energy and commodities) delivered a 25.0% return over the last year—and both the real estate and private energy subsectors within this asset class returned in excess of 30%. These results are especially notable because real assets are an area where Wellesley had virtually no exposure in its portfolio as recently as four to five years ago. It is rewarding to see our newer investments contributing so significantly to the total return of the endowment last year.

We are pleased with these results, but wish to remind our readers that, with the exception of fixed income, every one of the markets represented above was experiencing a strong upswing last year, driven by good earnings momentum, favorable debt conditions, and a generally benign economy in the US and abroad. Things have been much rockier since the end of the fiscal year along all of these dimensions, and while we think that our portfolio is positioned well to weather such storms, we are sanguine about the chances of experiencing similar returns during the coming year.

TOTAL RETURN BY ASSET CLASS YEAR ENDED JUNE 30, 2007	WELLESLEY PORTFOLIO RETURN	MARKET BENCHMARK/ COMPARATIVE INDEX	
U.S. Equity	21.9%	20.6%	S&P 500
International Equity	27.9	29.6	MSCI AC World ex-US
Private Equity	36.8	—	Cambridge Associates[2]
Real Assets	25.0	17.3	NCREIF Property Index
Semimarketable[3]	23.2	14.8	Cambridge Associates Fund-of-Funds Index
Fixed Income	3.3	5.9	Lehman Brothers 5+ year Treasury Index
Total Portfolio	22.7%		

[1] The endowment return relative to the Policy Portfolio benchmark is estimated at +400 basis points for the 2007 fiscal year, although the final benchmarks used for the private equity portion of the portfolio are not yet known as of 9/30/07.

[2] Private equity results are measured against Cambridge Associates Private Equity, Venture Capital and Distressed Indices, which, as of 9/30/07, have not yet been reported for the period ended 6/30/07.

[3] Semimarketable investments include absolute return and hedge funds.

Longer-Term Results

Over the last ten-year period the endowment has grown nearly 2.5 times, from $678 million in 1997 to $1.672 billion, an increase in value of nearly $1 billion, and has achieved an average annual investment return, after fees and expenses, of 12.4%. Wellesley has achieved significant value-added over this time, through asset allocation and manager selection. The longer-term investment results for the endowment portfolio are compared below with the broad stock market and with a passive 65% stock / 35% bond portfolio. Wellesley's investment results exceeded the passive portfolio by a large margin, in excess of 500 basis points per year over the last ten years.

TOTAL ANNUALIZED RETURN ON ENDOWMENT

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Wellesley Portfolio	22.7%	16.0%	13.5%	12.4%
S&P 500 Index	20.6	11.7	10.7	7.1
65/35 Stock/ Bond Portfolio[4]	15.4	9.0	8.7	7.1

Strategy Going Forward

We have continued, over the course of this past year, to implement our long-term plan for reshaping the endowment portfolio, to optimize the level of return and risk associated with our investments and to reflect the College's long-term investment strategy and goals. Our aim is to balance long-term returns and risks by increasing our diversification and our allocation to less-efficient markets. This will enable the endowment to maintain the level of inflation-adjusted financial support it provides for the College's operations, and will also control volatility in spending.

The Policy Portfolio, developed by the Investment Committee in 2002 and reviewed annually, provides us with a guide for allocating assets which is consistent with the goals stated above. Because we are increasing our exposure to some of the less-liquid asset classes gradually (including real estate, energy, and other commodity and resource-related investments), and only when top-quality opportunities are found, we are temporarily over-allocated to fixed income and under allocated to alternative assets, versus our long-term goal.

ASSET CLASS	POLICY PORTFOLIO	JUNE 30, 2007 ALLOCATION
U.S. Equity	19%	19%
International Equity	19	19
Total Equities	38	38
Private Equity	16	18
Real Assets	16	10
Semimarketable	18	17
Total Alternative Assets	50	45
Fixed Income & Cash	12	17
Total Portfolio	100%	100%

[4] A commonly used measure of portfolio performance is comparison with a passive portfolio consisting of 65% stocks, as measured by the S&P 500 equity index, and 35% bonds, as measured by the Citigroup Broad Investment Grade bond index.

We recently changed our Policy Portfolio allocation to fixed income & cash from 16% to 12% (the Policy Portfolio shown above is the revised benchmark, put in place as of 7/1/07), after having achieved an actual exposure close to the former policy allocation of 16%. This will encourage us to continue shifting assets toward higher-potential investments and away from fixed income and cash, at the same time that we are gradually growing our exposure to alternatives, which in total now represent 45% of the portfolio.

Within each of the asset categories in the Policy Portfolio, we are continuously evaluating our actual exposure, rebalancing, and analyzing our allocation to imbedded subcategories (e.g., small capitalization equities, emerging markets, oil and gas, international bonds) and specific investments and investment managers. We will only increase our exposure to an asset class when exceptional opportunities for returns are found. Our goal is to always maintain a "best in class" set of investments within each of our targeted categories.

We are pleased with these results on behalf of the College and would like to express our great appreciation for the valuable guidance offered by our long-term Investment Committee Chair, Lulu Chow Wang, and also by Wellesley's Trustee Chair, Victoria Herget, both of whom have been tremendous resources, and both of whom, regrettably, retired as Trustees at the end of the fiscal year. They have been astute and wise advisors to us and to Wellesley, and have never flagged in their attention to the important matter of the health and potential of Wellesley's endowment. Fortunately, we still retain them within our strong and growing network of Trustees, Investment Committee members, colleagues and alumnae who provide us with ideas, perspective, and support in the management of the College's endowment.

Wellesley's endowment is in fine condition, the recent results are excellent, and the potential for long-term growth is strong. While year-to-year returns will undoubtedly vary, sometimes significantly, the structure we have put in place for our portfolio positions Wellesley to benefit from a powerful mix of traditional and nontraditional investments, chosen and monitored for their quality, their contribution to the diversification of risk, and their long-term return potential.

Trustees and alumnae with questions, suggestions, or thoughts about the management of Wellesley's endowment are invited to contact me at any time.

Thank you.

Sincerely,

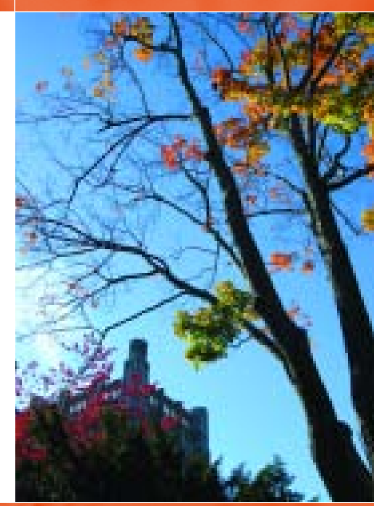
Jane L. Mendillo
Chief Investment Officer

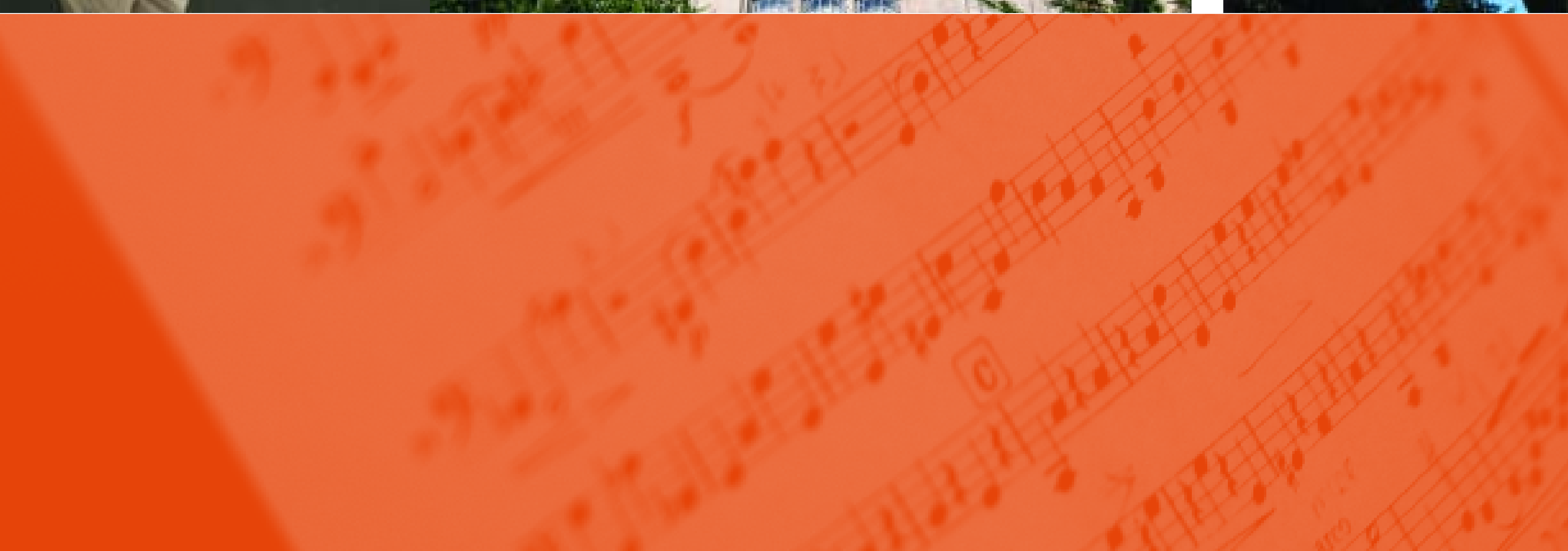
FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS
(in $000s)

	2003	2004	2005	2006	2007
Total College Summary					
Total Revenues	$182,049	$312,805	$338,366	$331,744	$491,051
Total Expenses	175,442	182,700	189,269	219,273	224,722
Net Surplus	$6,607	$130,105	$149,097	$112,471	$266,329
Current Operations Summary					
Revenues including Trustee approved use of unrestricted bequests	$169,771	$179,714	$189,422	$195,463	$213,514
Expenditures	169,757	179,714	189,420	195,460	213,507
Operating Surplus	$14	$0	$2	$3	$7
Resources					
Unrestricted Gifts	$7,668	$7,857	$8,024	$8,761	$8,421
Endowment Gifts and Bequests	28,191	28,367	36,943	23,854	19,908
Planned Gifts	3,468	2,670	1,626	2,411	1,389
Facilities Gifts	5,502	11,327	31,667	10,789	22,390
Current-Use Gifts and Grants	6,892	4,498	10,358	10,097	12,071
Total	$51,721	$54,719	$88,618	$55,912	$64,179
Endowment					
Market Value	$1,043,937	$1,180,405	$1,275,767	$1,412,604	$1,672,473
Total Return	$35,449	$152,797	$131,721	$175,886	$312,636
Total Return Used for Operations	$54,333	$59,639	$65,219	$69,159	$74,496
Unit Value	$479.33	$521.95	$550.55	$595.46	$691.71
Investment Return Total	4.9%	15.2%	11.5%	14.0%	22.7%
Yield	4.1%	5.8%	5.5%	5.9%	8.1%
Appreciation	.8%	9.4%	6.0%	8.1%	14.6%
Average Endowment Operating Support (% of Average Market Value)					
One-Year Average	5.3%	5.1%	5.1%	5.0%	4.7%
Three-Year Average	4.8%	5.1%	5.2%	5.1%	4.9%
Assets					
Total College Net Assets	$1,247,919	$1,378,024	$1,527,121	$1,639,592	$1,905,921

SCHEDULES





SCHEDULE A
SUMMARY OF OPERATING REVENUES AND EXPENDITURES
Years ended June 30, 2007 and 2006 (in $000s)

	2007	2006	INCREASE (DECREASE)	%
Revenues from Operations				
Tuition and Fees	$79,298	$71,431	$7,867	$11.0%
Endowment Income				
Education and General Support	42,488	37,654	4,834	12.8%
Endowment Income—Prior Year	—	851	(851)	(100.0%)
Special Purposes	2,776	4,218	(1,442)	(34.2%)
Debt Service Support	5,409	4,861	548	11.3%
Total Endowment Support	50,673	47,584	3,089	6.5%
Unrestricted Gifts	8,413	8,801	(388)	(4.4%)
Unrestricted Bequests	2,193	1,248	945	75.7%
Restricted Gifts and Use of Reserves	2,699	2,804	(105)	(3.7%)
Other Income	6,467	5,316	1,151	21.7%
Student Financial Aid				
Endowment Income	21,922	20,178	1,744	8.6%
Federal and State Grants	2,058	1,903	155	8.1%
Restricted Gifts	3,678	2,625	1,053	40.1%
Total Student Financial Aid	27,658	24,706	2,952	11.9%
Total Education and General	177,401	161,890	15,511	9.6%
Sponsored Research	6,731	6,145	586	9.5%
Auxiliary Enterprises	29,382	27,428	1,954	7.1%
Total Revenues	213,514	195,463	18,051	9.2%
Operating Expenditures				
Instruction and Departmental	60,763	54,892	5,871	10.7%
Library	6,247	6,094	153	2.5%
Student Services	10,689	10,648	41	.4%
Student Financial Aid	35,548	31,528	4,020	12.8%
General Administration	11,817	8,970	2,847	31.7%
General Institutional	22,647	21,178	1,469	6.9%
Maintenance and Operations	15,038	16,123	(1,085)	(6.7%)
Debt Service	7,907	7,078	829	11.7%
Major Maintenance, Capital Expenditures, and Reserves	6,916	5,003	1,913	38.2%
Total Educational and General Expenditures	177,572	161,514	16,058	9.9%
Sponsored Research	6,731	6,145	586	9.5%
Other Programs	3,981	4,022	(41)	(1.0%)
Auxiliary Enterprises	25,223	23,779	1,444	6.1%
Total Expenditures	213,507	195,460	18,047	9.2%
Operating Surplus	$7	$3	$4	133.3%

SCHEDULE B
TEN-YEAR FINANCIAL SUMMARY
1998–2007

	1998	1999	2000	2001
FINANCIAL STATEMENT (IN $000S)				
Total Revenues				
Tuition and Fees	$49,150	$51,469	$53,669	$55,197
Investment Return	105,908	111,934	361,536	(87,307)
Private Gifts, Grants, Bequests and Contracts	51,744	57,906	94,098	62,234
Federal Grants and Contracts—Restricted	3,865	4,092	4,641	5,251
Sales and Services of Auxiliary Enterprises	21,310	22,317	23,180	24,120
Interest Income	1,153	1,929	3,333	2,910
Other	1,900	2,800	2,101	2,352
Total Revenues and Other Additions	235,030	252,447	542,558	64,757
Total Expenditures				
Instruction and Departmental	34,994	35,983	38,815	40,074
Library	4,934	4,819	4,849	5,195
Student Services	6,236	7,001	7,670	8,516
Maintenance and Operations	11,686	14,632	14,330	18,291
Provision for Depreciation	7,338	7,468	8,527	8,745
Interest on Indebtedness	3,093	3,888	5,194	5,077
General Administration	6,598	7,827	8,336	7,626
General Institutional	14,880	15,859	18,445	21,136
Student Financial Aid	15,174	15,843	18,281	19,189
Sponsored Research and Other Programs	8,371	9,077	9,932	10,138
Auxiliary Enterprise Expenditures	19,575	20,617	21,523	23,364
Other	—	—	1,290	—
Total Expenditures and Other Deductions	132,879	143,014	157,192	167,351
Excess of Revenue over Expenditures	$102,151	$109,433	$385,366	($102,594)
Excess of Revenues over Expenditures as a Percent of Expenditures	76.9%	76.5%	245.2%	-61.3%
Endowment Total Return Used to Support Current Operations	$39,161	$41,516	$47,546	$53,520
Endowment End-of-Year Market Value	$780,872	$887,489	$1,253,385	$1,136,426
Average Endowment Return Used to Support Current Operations as a Percent of:				
One Year — Beginning and Ending Market Value	5.1%	4.8%	4.2%	4.2%
Three Year — Average of Three Years	5.3%	5.1%	4.7%	4.4%
OTHER FINANCIAL INFORMATION				
Tuition and Fees per Student				
Comprehensive Fee	$28,330	$29,520	$30,554	$31,654
Tuition	$21,254	$22,114	$22,894	$23,718
Enrollment (Average FTE)	2,224	2,222	2,248	2,212
Educational and General Costs per Student	$47,182	$50,999	$55,359	$60,510
Tuition as a Percent of Educational and General Expenses	45.0%	43.4%	41.4%	39.2%
Endowment per Student	$351,112	$399,410	$557,556	$513,755

2002	2003	2004	2005	2006	2007	AVERAGE ANNUAL PERCENT CHANGE SINCE 6/30/98 NOMINAL%	REAL%
$57,491	$59,828	$62,928	$66,989	$71,431	$79,298	5.5%	2.8%
(51,431)	35,449	152,797	131,721	175,886	312,636	32.5%	29.8%
49,355	52,261	63,101	105,136	47,336	58,547	12.3%	9.6%
6,225	7,448	5,608	4,567	4,560	5,121	3.6%	.9%
24,059	24,493	24,224	25,779	27,428	29,382	3.2%	.5%
1,253	747	713	713	1,598	2,402	19.5%	16.8%
4,155	1,823	3,434	3,461	3,505	3,665	14.9%	12.2%
91,107	182,049	312,805	338,366	331,744	491,051	31.0%	28.3%
42,104	43,650	47,746	51,035	54,663	60,474	6.8%	4.1%
5,574	5,602	5,556	5,909	5,818	6,239	3.2%	.5%
9,876	10,056	9,917	10,396	10,616	10,872	6.6%	3.9%
15,635	14,312	13,452	14,896	20,954	24,985	10.6%	7.9%
8,718	9,429	9,894	10,497	12,374	12,419	5.7%	3.0%
4,237	4,712	6,069	4,930	5,442	5,588	7.3%	4.6%
8,328	9,737	9,412	9,128	8,247	10,521	6.8%	4.1%
21,137	20,117	19,676	19,472	19,942	22,236	5.3%	2.6%
20,878	23,479	26,511	29,649	31,590	34,736	8.9%	6.2%
12,681	12,115	12,850	11,079	10,138	10,682	3.1%	.4%
22,583	22,233	21,617	22,278	23,632	25,052	2.9%	.2%
—	—	—	—	15,857	918		
171,751	175,442	182,700	189,269	219,273	224,722	6.2%	3.5%
($80,644)	$6,607	$130,105	$149,097	$112,471	$266,329		
-47.0%	3.8%	71.2%	78.8%	51.3%	118.5%		
$54,931	$54,333	$59,639	$65,219	$69,159	$74,496	6.6% *	
$1,032,465	$1,043,937	$1,180,405	$1,275,767	$1,412,604	$1,672,473	7.9% *	
5.0%	5.3%	5.1%	5.1%	5.0%	4.7%		
4.5%	4.8%	5.1%	5.2%	5.1%	4.9%		
$33,394	$34,944	$36,513	$38,998	$41,030	$43,288	4.8%	2.1%
$25,022	$26,138	$27,314	$29,176	$30,696	$32,384	4.8%	2.1%
2,195	2,191	2,176	2,169	2,193	2,196	(.3%)	
$62,181	$64,397	$68,122	$71,882	$77,358	$85,642	6.6%	3.9%
40.2%	40.6%	40.1%	40.6%	39.7%	37.8%	(1.7%)	(4.4%)
$470,371	$476,466	$542,466	$588,182	$644,142	$761,600	9.3%	6.6%

* compound growth

SCHEDULE C
KEY STATISTICS

	2003	2004	2005	2006	2007
Faculty / Student FTE Headcount					
Student Enrollment (Average FTE)	2,191	2,176	2,169	2,193	2,196
Faculty Teaching Strength (FTE)	224	224	224	231	236
Student/Faculty Ratio	9.78	9.71	9.68	9.49	9.31
Enrollment					
Number of First-Year Student Applications	2,877	3,434	3,944	4,347	3,974
First-Year Students Admitted as a % of Applicants	47.1%	40.6%	37.5%	33.7%	36.1%
First-Year Students Enrolled as a % of Applicants	20.7%	17.2%	15.6%	13.9%	14.7%
First-Year Students Enrolled as a % of Students Admitted	43.9%	42.4%	41.7%	41.4%	40.9%
Financial Aid					
Percent of Students Receiving Financial Aid Grant Assistance	51.0%	53.0%	55.0%	56.0%	53.0%
Average Financial Aid Grant as % of Comprehensive Fee	55.7%	57.6%	63.5%	59.6%	61.4%
Student Aid Expense as % of Educational and General Expense	16.6%	17.9%	19.0%	18.6%	18.5%
Educational and General Cost per Student	$64,397	$68,122	$71,882	$77,358	$85,642
Tuition as % of Educational and General Expense	40.6%	40.1%	40.6%	39.7%	37.8%
Development (in $000s)					
Total Development Fund-Raising	$51,721	$54,719	$88,618	$55,912	$64,179
Total Alumnae Giving Including Bequests	$42,445	$45,030	$65,665	$40,752	$46,812
Number of Alumnae Donors	15,600	16,019	15,450	15,113	15,160
Percent of Alumnae Contributing	51.7%	52.5%	51.0%	49.7%	49.6%
Total Unrestricted Gifts	$7,668	$7,857	$8,024	$8,761	$8,421
Total Planned Gifts	$3,468	$2,670	$1,626	$2,411	$1,389
Total Bequests	$12,053	$10,573	$36,295	$14,305	$13,017
Unrestricted Gifts and Bequests as % of Educational and General Expense	6.3%	7.1%	8.1%	5.2%	4.5%
Endowment					
Endowment Market Value (in $000s)	$1,043,937	$1,180,405	$1,275,767	$1,412,604	$1,672,473
Endowment per Student	$476,466	$542,466	$588,182	$644,142	$761,600
Endowment Income as % of Educational and General Expense	38.5%	40.2%	41.8%	40.8%	39.6%
Other					
Gross Square Feet of Buildings	2,425,000	2,583,000	2,643,000	2,643,000	2,600,000
Library Collections in Volumes	1,529,737	1,558,607	1,571,517	1,594,395	1,604,787

SCHEDULE D
TOTAL SOURCES OF STUDENT FINANCIAL AID GRANT AND WORK ASSISTANCE
(in $000s)

	2003	2004	2005	2006	2007
Unrestricted Revenue					
General College Revenues	$290	$2,504	$3,751	$4,822	$5,890
Total Unrestricted Revenue	290	2,504	3,751	4,822	5,890
Restricted Revenue					
Restricted Endowment					
Income	17,134	17,093	18,881	20,178	21,922
Income—Special Supplement	2,000	2,000	2,000	2,000	2,000
Federal Government					
Pell Grants	1,029	1,124	1,046	945	1,110
Supplemental Educational Opportunity Grants	418	405	401	388	358
College Work Study Program—Federal Government Share	427	381	359	331	322
Total Government Grants	1,874	1,910	1,806	1,664	1,790
Commonwealth of Massachusetts	240	245	238	239	268
Restricted Gifts	2,305	2,747	3,008	2,625	3,678
Total Restricted Revenue	23,553	23,995	25,933	26,706	29,658
Total Unrestricted and Restricted Revenues	$23,843	$26,499	$29,684	$31,528	$35,548

SCHEDULE E
INVESTMENT OF ENDOWMENT AND SIMILAR FUNDS AND PLANNED GIVING FUNDS
As of June 30, 2007 (in $000s)

	MARKET VALUE	% OF TOTAL
Investments Pooled		
Liquid Funds (Net of Payables and Receivables)	$63,547	3.84%
Fixed Income		
U.S. Bonds	166,564	10.06%
Non-U.S. Bonds	42,676	2.58%
Total Fixed Income	209,240	12.64%
Common Stocks		
U.S. Stocks	316,268	19.09%
Non-U.S. Stocks	316,149	19.08%
Total Common Stocks	632,417	38.17%
Alternative Assets		
Venture Capital	87,712	5.29%
Buyout Funds	139,876	8.44%
Hedge and Arbitrage Funds	289,016	17.45%
Oil and Gas	47,324	2.86%
Distressed Securities	71,581	4.32%
Real Estate	81,135	4.90%
Timberland	33,157	2.00%
Miscellaneous Other	1,560	0.09%
Total Alternative Assets	751,361	45.35%
Total General Pooled Investments	1,656,565	100.00%
Faculty Mortgages	15,670	
Total General Pooled Investments and Faculty Mortgages	1,672,235	
Investments Not Pooled	238	
Total Endowment and Similar Funds	1,672,473	
Planned Giving		
Separate Pooled Funds	19,773	
Unitrusts and Funds Not Pooled	63,785	
Total Planned Giving Funds	83,558	
Grand Total	$1,756,031	

SCHEDULE F
GENERAL ENDOWMENT POOL
ANNUAL TOTAL RETURN SINCE INCEPTION

YEAR ENDED	MARKET VALUE (IN $000s)	ENDING UNIT VALUE	DISTRIBUTION	TOTAL RETURN		
				YIELD %	APPRECIATION %	TOTAL %
		$100.00				
1970	$92,600	107.13	$5.50	5.13	7.13	12.26
1971	121,050	138.68	5.70	4.11	29.46	33.57
1972	136,273	154.80	5.90	3.81	11.63	15.44
1973	126,928	139.30	6.00	4.31	(10.01)	(5.70)
1974	109,672	116.43	7.30	6.27	(16.42)	(10.15)
1975	111,340	116.82	7.05	6.03	0.33	6.36
1976	115,922	119.77	7.00	5.84	2.52	8.36
1977	119,152	122.86	7.30	5.94	2.58	8.52
1978	111,852	116.54	7.68	6.59	(6.15)	0.44
1979	119,151	119.70	8.05	6.73	2.72	9.45
1980	133,168	119.32	9.30	7.79	(0.03)	7.76
1981	134,871	121.64	9.11	7.49	2.71	10.20
1982	127,842	110.90	10.72	9.67	(8.77)	0.90
1983	167,556	135.78	10.40	7.66	21.94	29.60
1984	156,258	123.60	9.00	7.28	(9.69)	(2.41)
1985	201,793	149.44	9.09	6.36	21.62	27.98
1986	260,481	188.93	8.41	5.50	26.90	32.40
1987	294,574	207.66	8.90	4.34	10.38	14.72
1988	290,270	198.53	10.25	5.20	(4.30)	0.90
1989	319,235	211.06	11.10	5.50	7.28	12.78
1990	352,537	222.70	11.30	5.20	6.00	11.20
1991	371,464	231.81	11.30	5.15	4.08	9.23
1992	409,082	252.95	11.02	4.50	10.00	14.50
1993	475,797	281.83	11.37	4.00	11.50	15.50
1994	475,961	278.97	14.00	3.50	0.50	4.00
1995	520,108	305.01	16.15	3.20	12.00	15.20
1996	595,950	336.88	17.02	3.21	15.03	18.24
1997	677,932	371.67	19.60	2.89	14.28	17.17
1998	780,203	410.41	21.00	3.24	11.98	15.22
1999	887,036	446.73	22.00	3.91	11.05	14.96
2000	1,253,008	610.15	23.50	4.41	38.44	42.85
2001	1,135,925	543.88	24.75	3.72	(10.34)	(6.62)
2002	1,031,991	484.59	26.04	3.81	(9.00)	(5.19)
2003	1,043,476	479.33	26.88	4.12	0.73	4.85
2004	1,179,988	521.95	26.16	5.74	9.44	15.18
2005	1,275,529	550.55	27.88	5.52	5.94	11.46
2006	1,412,410	595.46	28.96	5.84	8.13	13.97
2007*	1,656,565	691.71	30.74	8.12	14.58	22.70

* For reporting purposes, beginning in 2007, market value and all return figures are reported based on the general investment pool excluding faculty mortgages.

AUDITED FINANCIAL STATEMENTS

PricewaterhouseCoopers LLP
125 High Street
Boston MA 02110-2611
Telephone (617) 530 5000
Facsimile (617) 530 5001

To the Board of Trustees of Wellesley College:

In our opinion, the accompanying statements of financial position and the related statements of activities and cash flows present fairly, in all material respects, the financial position of Wellesley College (the "College") at June 30, 2007 and 2006, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the accompanying financial statements, the College changed the manner in which it accounts for conditional asset retirement obligations in 2006 and the manner in which it reports the funded status of its defined benefit plan in 2007.

PricewaterhouseCoopers LLP

October 10, 2007

STATEMENTS OF FINANCIAL POSITION
June 30, 2007 and 2006 (in $000s)

	2007	2006
Assets		
Cash and cash equivalents	$24,583	$17,718
Cash, restricted	17,783	16,885
Accounts receivable, net	1,549	686
Loans receivable, net	8,120	7,530
Contributions receivable, net	47,835	55,502
Grants receivable	1,310	1,171
Prepaid, inventory and other assets	2,509	3,072
Investments	1,672,473	1,412,604
Planned giving investments	83,558	76,863
Land, buildings, and equipment, net	278,582	281,620
Total assets	$2,138,302	$1,873,651
Liabilities		
Accounts payable and accrued expenses	$30,083	$18,871
Student deposits and deferred revenues	3,691	3,958
Advances under grants and contracts	2,313	2,091
Annuities and unitrusts payable	39,041	39,911
Asset retirement obligation	16,395	15,857
Bonds and notes payable	136,289	148,802
Government loan advances	4,569	4,569
Total liabilities	232,381	234,059
Net Assets		
Unrestricted	624,644	552,649
Temporarily restricted	886,231	702,718
Permanently restricted	395,046	384,225
Total net assets	1,905,921	1,639,592
Total liabilities and net assets	$2,138,302	$1,873,651

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2007 (in $000s)

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	2007 TOTAL
Operating Revenues				
Tuition and Fees	$79,298	$—	$—	$79,298
Less financial aid				
Donor sponsored	(26,384)	—	—	(26,384)
Institutionally sponsored	(7,260)	—	—	(7,260)
Net tuition and fees	45,654	—	—	45,654
Auxiliary operations	29,382	—	—	29,382
Government grants	4,278	—	—	4,278
Private gifts and grants	15,854	9,013	—	24,867
Investment return designated for operations	35,751	38,745	—	74,496
Other	6,070	—	—	6,070
Net assets released from restrictions	41,964	(41,964)	—	—
Total operating revenues	178,953	5,794	—	184,747
Operating Expenses				
Instruction and departmental research	77,610	—	—	77,610
Sponsored research and other programs	10,662	—	—	10,662
Library	10,158	—	—	10,158
Student services	14,034	—	—	14,034
General administration	12,196	—	—	12,196
General institutional	24,077	—	—	24,077
Auxiliary operations	36,950	—	—	36,950
Total operating expenses	185,687	—	—	185,687
Nonoperating Activities				
Investment return, net of spending allocation	78,157	159,912	307	238,376
Matured planned giving agreements	1,915	(1,986)	71	—
Gifts and pledges	2,284	20,684	10,443	33,411
Other	(3,600)	—	—	(3,600)
Net assets released from restrictions	891	(891)	—	—
Total nonoperating revenues	79,647	177,719	10,821	268,187
Change in net assets before cumulative effect of change in accounting principle	72,913	183,513	10,821	267,247
Cumulative effect of a change in accounting principle	(918)	—	—	(918)
Net change in net assets	71,995	183,513	10,821	266,329
Net assets at beginning of year	552,649	702,718	384,225	1,639,592
Net assets at end of year	$624,644	$886,231	$395,046	$1,905,921

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2006 (in $000s)

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	2006 TOTAL
Operating Revenues				
Tuition and Fees	$71,431	$—	$—	$71,431
Less financial aid				
Donor sponsored	(23,542)	—	—	(23,542)
Institutionally sponsored	(7,331)	—	—	(7,331)
Net tuition and fees	40,558	—	—	40,558
Auxiliary operations	27,428	—	—	27,428
Government grants	3,881	—	—	3,881
Private gifts and grants	16,397	7,804	—	24,201
Investment return designated for operations	32,946	36,213	—	69,159
Other	5,102	—	—	5,102
Net assets released from restrictions	40,214	(40,214)	—	—
Total operating revenues	166,526	3,803	—	170,329
Operating Expenses				
Instruction and departmental research	71,457	—	—	71,457
Sponsored research and other programs	10,107	—	—	10,107
Library	9,659	—	—	9,659
Student services	13,510	—	—	13,510
General administration	9,830	—	—	9,830
General institutional	21,814	—	—	21,814
Auxiliary operations	35,293	—	—	35,293
Total operating expenses	171,670	—	—	171,670
Nonoperating Activities				
Investment return, net of spending allocation	36,162	70,294	271	106,727
Matured planned giving agreements	2,319	(4,851)	2,532	—
Gifts and pledges	1,464	14,502	6,903	22,869
Net assets released from restrictions	59,863	(59,863)	—	—
Total nonoperating revenues	99,808	20,082	9,706	129,596
Change in net assets before cumulative effect of change in accounting principle	94,664	23,885	9,706	128,255
Cumulative effect of a change in accounting principle	(15,784)	—	—	(15,784)
Net change in net assets	78,880	23,885	9,706	112,471
Net assets at beginning of year	473,769	678,833	374,519	1,527,121
Net assets at end of year	$552,649	$702,718	$384,225	$1,639,592

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the years ended June 30, 2007 and 2006 (in $000s)

	2007	2006
Cash Flows from Operating Activities		
Change in net assets	$266,329	$112,471
Adjustment to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization, net	12,376	12,331
Contributions restricted for investments	(34,134)	(26,048)
Realized and unrealized (gains) losses on investments	(307,301)	(169,036)
Change in discount and allowance for doubtful accounts	(457)	(5,534)
Cumulative effect of change in accounting principle	918	15,784
Changes in operating assets and liabilities:		
Accounts receivable, net	(938)	(91)
Contributions receivable, net	8,204	17,751
Grants receivable	(139)	69
Prepaid, inventory and other assets	563	(1,853)
Accounts payable and accrued expenses	10,555	1,272
Student deposits and deferred revenue	(267)	(154)
Advances under grants and contracts	222	(621)
Annuities and unitrusts payable	(870)	(461)
Net cash used in operating activities	(44,939)	(44,120)
Cash Flows from Investing Activities		
Purchase of plant and equipment	(9,104)	(25,387)
Proceeds from student loans collections	1,051	1,370
Student loans issued	(1,646)	(1,752)
Decrease in restricted cash for debt service	—	3,296
Increase in restricted cash for plant and equipment	(898)	(4,281)
Purchases of investments	(767,041)	(1,136,853)
Proceeds from sales and maturities of investments	807,778	1,168,658
Net cash provided by investing activities	30,140	5,051
Cash Flows from Financing Activities		
Proceeds from contributions for:		
Investment in endowment	16,326	18,282
Investment in planned giving	1,389	1,877
Plant and equipment	16,419	5,889
Bond and notes payable proceeds received, net	—	8,500
Payments on bonds and notes payable	(12,470)	(1,587)
Net cash provided by financing activities	21,664	32,961
Net increase (decrease) in cash and cash equivalents	6,865	(6,108)
Cash and cash equivalents, beginning of year	17,718	23,826
Cash and cash equivalents, end of year	$24,583	$17,718
Cash paid for interest	$5,508	$5,477
Capital additions included in accounts payable and accrued expenses	$1,103	$826
Asset retirement obligations recognized	$—	$15,857
Net fixed asset recognized related to asset retirement obligation	$—	$73

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements of Wellesley College (the "College") have been prepared in accordance with accounting principles generally accepted in the United States of America using the accrual basis of accounting.

Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

Unrestricted—Net assets that are not subject to donor-imposed stipulations. These include all revenues, expenses, gains and losses that are not changes in permanently or temporarily restricted net assets. This category includes realized and unrealized gains on unrestricted endowment. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Unrestricted net assets generally result from revenues derived from providing services, receiving unrestricted contributions, unrealized and realized gains and losses on unrestricted endowment, and receiving dividends and interest from investing in income-producing assets, less expenses incurred in providing services, raising contributions, and performing administrative functions.

Temporarily restricted—Net assets that are subject to donor-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time. This category includes realized and unrealized gains and losses on permanent endowment. Temporarily restricted net assets generally result from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations or by law that either expire by passage of time or can be fulfilled and removed by actions of the College pursuant to those stipulations.

Permanently restricted—Net assets that are subject to donor-imposed stipulations that they be maintained permanently by the College. Generally, the donors of these assets permit the College to use all or part of the investment return on these assets. Such assets primarily include the College's permanent endowment funds. Permanently restricted net assets generally represent the historical cost (market value at date of gift) of contributions and other inflows of assets whose use by the College is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the College.

Expenses are reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

Contributions restricted for the acquisition of land, buildings, and equipment are reported as temporarily restricted revenues. These contributions are reclassified to unrestricted net assets upon acquisition of the assets or placed in service dates if the asset is constructed.

Nonoperating activities reflect transactions of a long-term investment or capital nature including contributions to be invested by the College to generate a return that will support future operations, contributions to be received in the future, contributions to be used for facilities and equipment, and investment return beyond what the College has appropriated for current operational support in accordance with the College's investment return spending guidelines.

(b) Cash Equivalents

Cash equivalents include short-term, highly liquid investments with a maturity of three months or less at the time of purchase. Cash and cash equivalents representing endowment assets and planned giving assets are included in endowment investments and planned giving investments, respectively. Restricted cash represents amounts restricted by a donor for the Science Center and Power Plant.

(c) Investments

Investments in marketable securities are carried at fair market value as established by the major securities markets. Purchases and sales of investments are recorded on the trade date of the transaction. Realized gains and losses arising from the sales of investments are recorded based upon the average cost of investments sold. Investment income is recorded on the accrual basis. The investment in faculty mortgages is stated at unpaid principal balances.

Venture capital and buyout limited partnerships include investments in both publicly and privately owned securities. The fair values of private investments are determined by the College and based on estimates and assumptions of the general partners or partnership valuation committees in the absence of readily determinable public market values. These values are audited annually by other auditors, most typically based on calendar year-end information. The values of public investments not yet distributed generally reflect discounts for illiquidity. The limited partnership valuations consider variables such as the financial performance of the investments, recent sales prices of similar investments and other pertinent information. The estimated values as determined by the general partners and investment managers may differ significantly from the values that would have been used had a ready market for the investments existed and the differences could be materially higher or lower.

Derivative investments in the College's portfolio may include currency forward contracts, currency and interest rate swaps, call and put options, debt futures contracts and other vehicles that may be appropriate in certain circumstances as permitted within the managers' investment guidelines. The College's external managers use investments in derivative securities predominantly to reduce interest rate risk and risk in the foreign fixed-income market.

The College's split-interest agreements with donors consist of irrevocable charitable gift annuities, pooled life income funds and charitable remainder unitrusts and annuities. Unitrusts, in which the College has a remainder interest, but that are held in trust and administered by outside agents, have been recorded as gifts that are temporarily restricted. Unitrusts, in which the College has a remainder interest, and which are managed by the College, periodically pay income earned on the assets to designated beneficiaries. The College adjusts unitrusts for both the estimated return on the invested assets and the contractual payment obligations during the expected term of the agreement. For planned giving contracts, the contributed assets are included at fair value within planned giving investments on the Statement of Financial Position. Contribution revenues are recognized as of the date the donated assets are transferred to the College and liabilities are recorded for the present value of the estimated future payments to the donors or other beneficiaries. The liabilities are adjusted during the term of the planned giving contracts consistent with changes in the value of the assets and actuarial assumptions.

Net gains on permanently restricted gifts are classified as temporarily restricted until appropriated for spending by the College in accordance with the Massachusetts Management of Institutional Funds Act and guidance from the Massachusetts Attorney General. Future utilization of gains is dependent on market performance.

(d) Endowment Investment Return Spending Policy

The College uses a "total return" approach to managing endowment assets. Funds are invested to maximize total return consistent with prudent risk without regard to the mix of current investment income and realized and unrealized gains or losses. The College's endowment distribution policy determines a payout rate that is based on total investment value over a rolling twelve-quarter average within a range of 4.5% to 6%. The sources of the payout are endowment earned income (interest and dividends), both current and previously reinvested income and a portion of realized gains. Any income earned in excess of the spending limit is reinvested. Funds may be withdrawn from investment return earned in prior years if income is less than the spending limit. The spending policy is designed to insulate investment policy from budgetary pressures, and to insulate program spending from fluctuations in capital markets.

(e) Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market and are included in prepaid, inventory and other assets on the Statement of Financial Position.

(f) Accounts Receivable and Student Loans Receivable

Accounts receivable include amounts due from students, student organizations and other miscellaneous receivables. Loans to students are carried at net realizable value. Accounts receivable for 2007 and 2006, are reported net of allowances for doubtful accounts of $374,000 and $449,000, respectively. Loans receivable for 2007 and 2006 are reported net of allowances for doubtful loans of $624,000 and $629,000, respectively. The provisions are intended to provide for student accounts and loans that may not be collected.

(g) Grant Revenue

Government grants normally provide for the recovery of direct and indirect costs, subject to audit. The College recognizes revenue associated with the direct costs as the related costs are incurred or expended. Recovery of related indirect costs is generally recorded at predetermined fixed rates negotiated with the government or at other predetermined rates determined by the grant provider.

(h) Pledges

The College recognizes the present value of unconditional promises to give as revenues in the period in which the pledges are made by donors.

(i) Loans Receivable

Determination of the fair value of student loan receivables is not practicable as such loans are primarily federally sponsored student loans with U.S. government mandated interest rates and repayment terms subject to significant restrictions as to their transfer and disposition.

(j) Land, Buildings, and Equipment

Land, buildings, and equipment are recorded at cost, or if donated, at fair market value at the date of donation. Additions to plant assets are capitalized while scheduled maintenance and minor renovations are charged to operations. Library books are expensed when purchased. Museum collections are not capitalized. Plant assets are presented net of accumulated depreciation. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts and gains and losses from disposal are included in the statement of activities. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets as follows:

	YEARS
Land improvements	20
Buildings and improvements	20–40
Equipment	4–12

(k) Financial Aid

The statement of activities reflects financial aid as an offset to tuition revenues. The College's financial aid is primarily funded through private gifts, grants and endowment income with the remainder, if needed representing unrestricted institutional resources for scholarships.

(l) Auxiliary Operations

Auxiliary operations includes residence and dining halls, the Nehoiden Golf Club, the Wellesley College Club which operates a private dining and conference center and use of the campus during the summer by internal and external groups. Related expenses include direct expenses of running these operations as well as an allocation for depreciation, debt service and physical plant maintenance and operation.

(m) Internal Revenue Code Status

The College has been granted tax-exempt status as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code.

(n) Conditional Asset Retirement Obligations

The College recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred, in accordance with Statement of Financial Accounting Standards (SFAS) No. 143, *Accounting for Asset Retirement Obligations*, and Financial Accounting Standards Interpretation (FIN) No. 47, *Accounting for Conditional Asset Retirement Obligations*. When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the statement of activities.

(o) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(p) Cumulative Effect of Changes in Accounting Principles

Effective June 30, 2006, the College adopted FIN 47, *Accounting for Conditional Asset Retirement Obligations*. Effective June 30, 2007, the College adopted SFAS No. 158, *Employer's Accounting for Defined Benefit Pension and Other Post Retirement Plans*. The cumulative effect of these changes is discussed in Notes 3 and 9, respectively.

(q) Reclassifications

Certain June 30, 2006 balances previously reported have been reclassified to conform to June 30, 2007 presentation.

2. Contributions Receivable

Contributions receivable, net, is summarized as follows at June 30 (in $000s):

UNCONDITIONAL PROMISES EXPECTED TO BE COLLECTED IN:	2007	2006
Less than one year	$7,880	$17,852
One year to five years	13,709	14,770
Over five years	36,586	34,231
Total	58,175	66,853
Less discounts and allowance for uncollectible accounts	10,340	11,351
Net contributions receivable	$47,835	$55,502

Discount rates used to calculate the present value of contributions receivable ranged from 3.75% to 5.10% at June 30, 2007 and 2006.

3. Land, Buildings, and Equipment

Investment in land, buildings, and equipment consists of the following at June 30 (in $000s):

	2007	2006
Land and land improvements	$45,500	$45,281
Buildings and building improvements	353,292	349,098
Equipment	14,806	30,810
Construction in progress	5,444	1,320
	419,042	426,509
Less accumulated depreciation	140,460	144,889
	$278,582	$281,620

Depreciation expense was $12,418,000 and $12,374,000 for the years ended June 30, 2007 and 2006, respectively.

In March 2006, the Financial Accounting Standards Board (FASB) issued FIN No. 47. This interpretation clarifies the recognition of conditional asset retirement obligations as referred to in SFAS No. 143. A conditional asset retirement obligation is defined as a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Uncertainty with respect to the timing and/or method of settlement of the asset retirement obligation does not defer recognition of a liability. The obligation to perform the asset retirement activity is unconditional, and accordingly, a liability should be recognized. SFAS No. 143 requires the fair value of a liability for a legal obligation associated with an asset retirement be recorded in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement obligation is capitalized.

The College adopted FIN No. 47 effective June 30, 2006 and recorded $15,784,000 as a cumulative effect of a change in accounting principle. The cumulative effect reflects the cumulative accretion of the liability and cumulative depreciation of the related asset component from the date the liability would have been recognized had the provisions of the interpretation been in effect when the liability was incurred through June 30, 2006. The College recognized $603,000 of operating expenses relating to the accretion of liabilities recorded under FIN No. 47 for the year ended June 30, 2007. Conditional asset retirement obligations of $16,395,000 and $15,857,000 for the years ended June 30, 2007 and 2006, respectively, are included in the College's asset retirement obligation. Substantially all of the impact of adopting FIN No. 47 relates to estimated costs to remove asbestos that is contained within the College's facilities. The following table illustrates the effect on the College's change in net assets in the Statement of Activities as if this interpretation had been applied for the year ended June 30 (in $000s):

	2006
Change in net assets, as reported	$128,255
Less: Total depreciation and interest accretion costs	(691)
Proforma change in net assets	$127,564

4. Investments

The book and market values of investments at June 30, 2007 and 2006 are shown in Table 4A on page 31.

"Other assets" include long-term and semimarketable alternative investments. Long-term alternative assets include private equity funds such as venture capital and buyout funds, as well as more traditional investments in oil and gas and real estate properties.

The semimarketable alternative asset investments include equity hedge funds, risk arbitrage, distressed securities and commodity hedge funds. The College's investments in these strategies use minimal, if any, leverage as part of their strategies.

Included in bonds and equities are alternative investment vehicles including hedge funds with a market value of $237,381,000 and $230,123,000 and commingled funds with a market value of $358,954,000 and $372,637,000 at June 30, 2007 and 2006, respectively, whose holdings are bonds and equities.

The College's investment returns from endowment and planned giving for the years ended June 30, 2007 and 2006 appear in Table 4B on page 32.

The total return consisting of realized and unrealized gains and losses and dividends and interest net of investment management and custodial fees was 22.7% and 14.0% for the fiscal years ended June 30, 2007 and 2006, respectively.

5. Pooled Funds

Endowment and similar fund assets are pooled on a unit market value basis whenever possible. Funds are added to or withdrawn from the pool at the unit market value at the beginning of the fiscal quarter in which the transaction takes place. (See Table 5A on page 32).

The components of the pooled and nonpooled endowment funds at market value at June 30, 2007 and 2006 are shown in Table 5B on page 32.

Table 4A: Book and Market Values of Investments June 30, 2007 and 2006 (in $000s)

	2007 BOOK VALUE	2007 MARKET VALUE	2006 BOOK VALUE	2006 MARKET VALUE
Endowment Investments				
Investments pooled				
Cash and cash equivalents	$63,547	$63,547	$7,891	$7,891
Bonds	206,562	209,240	220,543	218,446
Equities	395,495	632,417	435,263	634,139
Other assets	572,170	751,361	466,166	538,353
Total pooled investments	1,237,774	1,656,565	1,129,863	1,398,829
Faculty mortgages	15,670	15,670	13,581	13,581
Total pooled investments and faculty mortgages	1,253,444	1,672,235	1,143,444	1,412,410
Investments not pooled				
Cash and cash equivalents	238	238	194	194
Total investments not pooled	$238	$238	$194	$194
Total endowment investments	$1,253,682	$1,672,473	$1,143,638	$1,412,604
Planned Giving Investments				
Separate pooled funds				
Cash and cash equivalents	$236	$236	$251	$251
Bonds	6,549	6,287	7,003	6,686
Equities	6,866	13,250	7,122	11,533
Total pooled funds	13,651	19,773	14,376	18,470
Unitrusts				
Cash and cash equivalents	1,288	1,288	1,574	1,574
Bonds	23,428	23,203	18,175	17,072
Equities	19,443	30,728	24,337	31,194
Other assets	889	889	877	877
Assets held by Trustees	7,248	7,677	7,247	7,676
Total funds not pooled	52,296	63,785	52,210	58,393
Total planned giving investments	$65,947	$83,558	$66,586	$76,863

Table 4B: Investment Returns from Endowment and Planned Giving For years ended June 30, 2007 and 2006 (in $000s)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2007				
Dividends and interest (net of expenses of $8,639)	$1,372	$2,405	$307	$4,084
Net realized and unrealized gains	112,536	196,252	—	308,788
Total return on endowment and planned giving investments	113,908	198,657	307	312,872
Investment return designated for current operations	(35,751)	(38,745)		(74,496)
	$78,157	$159,912	$307	$238,376
2006				
Dividends and interest (net of expenses of $8,418)	$2,642	$3,937	$271	$6,850
Net realized and unrealized gains	66,466	102,570	—	169,036
Total return on endowment and planned giving investments	69,108	106,507	271	175,886
Investment return designated for current operations	(32,946)	(36,213)		(69,159)
	$36,162	$70,294	$271	$106,727

Table 5A: Pooled Funds As of June 30, 2007 and 2006

	2007	2006
Investments in pooled funds and faculty mortgages, market value (in $000s)	$1,672,235	$1,412,410
Total number of units	2,417,538	2,371,964
Market value per unit	$691.71	$595.46
Distribution per unit	$30.74	$28.96

Table 5B: Components of Pooled and Nonpooled Endowment Funds at Market Value As of June 30, 2007 and 2006 (in $000s)

	Units	Pooled Endowment	Nonpooled Endowment	Total Endowment
2007 Endowment and Similar Funds				
Endowment funds	1,535,268	$1,061,960	$—	$1,061,960
Term funds	79,498	54,990	238	55,228
Quasi-endowment	802,772	555,285	—	555,285
Total	2,417,538	$1,672,235	$238	$1,672,473
2006 Endowment and Similar Funds				
Endowment and similar funds				
Endowment funds	1,514,213	$901,653	$—	$901,653
Term funds	76,782	45,721	194	45,915
Quasi-endowment	780,969	465,036	—	465,036
Total	2,371,964	$1,412,410	$194	$1,412,604

6. Related Parties

The College acts as fiscal agent and investment advisor for the Wellesley College Alumnae Association and a retired president of the College. Endowment investments held on their behalf are included in the College's general pool of investments and are reflected either as part of the College's net assets or a pension liability. The market value of the assets totaled $15,018,000 and $12,634,000 at June 30, 2007 and 2006, respectively.

Mortgages due from faculty of $15,670,000 and $13,581,000 at June 30, 2007 and 2006, respectively, are included within investments on the Statement of Financial Position.

7. Notes and Bonds Payable

Indebtedness at June 30, 2007 and 2006 includes various bonds issued through the Massachusetts Health and Education Facilities Authority (MHEFA). Interest payments on debt totaled $5,588,000 and $5,442,000 during fiscal years 2007 and 2006, respectively.

During March of 2006, the College executed a fixed rate promissory note with a bank. The College may borrow up to $40 million with various terms and interest rates at LIBOR plus 1/5 of 1%.

Balances of outstanding bonds and notes payable at June 30 consisted of the following (in $000s):

	2007	2006
MHEFA, Series H, Revenue Bonds issued at an interest rate of 2.0%–5.0% maturing July 2033	$54,705	$55,245
MHEFA, Series F, Revenue Bonds issued at an interest rate of 5.125% maturing July 2039	30,000	30,000
MHEFA, Series G, Variable Rate Revenue Bonds, bearing interest at a daily rate, maturing July 2039. The rate at June 30, 2007 was 3.76%.	20,000	20,000
MHEFA Capital Asset Program, Series B & C, Variable Rate Demand Bonds, monthly amortization of principal with final payment due June 2010. Interest rate reset semi-annually. The rate at June 30, 2007 was 4.75%.	2,144	2,785
MHEFA, Series E, Variable Rate Demand Bonds, scheduled amortization of principal with final maturity July 2022. Interest adjusted weekly. The rate at June 30, 2007 was 3.72%.	13,900	14,500
Notes Payable Promissory Note, principal maturing July 2007. The rate at June 30, 2007 was 5.385%.	14,810	25,500
Total debt	135,559	148,030
Less unamortized bond issue costs	(420)	(444)
Add unamortized original issue premium	1,150	1,216
	$136,289	$148,802

The total of the College's bonds and notes payable described in the previous table matures as follows (in $000s):

2008	$16,682
2009	2,156
2010	2,171
2011	1,480
2012	1,705
Thereafter	111,365
Total bonds and notes payable	$135,559

The College has outstanding at June 30, 2007 fixed rate debt of $84,705,000 and variable rate debt of $50,854,000. The fair market value of the College's fixed rate debt at June 30, 2007 approximates $87,299,000. The College's variable rate debt approximates fair value. Fair value for fixed and variable rate debt is based on estimates using current interest rates available for debt with equivalent maturities.

8. Annuities and Unitrusts Payable

The College has split-interest agreements consisting primarily of annuities, pooled life income plans and charitable remainder unitrusts, and annuities for which the College may or may not serve as trustee. All split-interest agreements are included in planned giving investments. Contributions are recognized at the date the trusts are established net of a liability for the present value of the estimated future cash outflows to beneficiaries. The present value of payments is discounted at a risk-free rate of return that ranges from 4% to 6%. The liability of $39,041,000 and $39,911,000 at June 30, 2007 and 2006, respectively, is adjusted during the term of the agreement for changes in actuarial assumptions. Payments of income to beneficiaries are principally funded by the investment income of the related gift annuity and unitrust investments.

9. Pension Plans

The College has a defined contribution, noncontributory annuity pension plan for faculty and administrative personnel administered by the Teachers Insurance and Annuity Association and College Retirement Equities Fund ("TIAA/CREF"). Under this Plan, the College contributed $6,232,000 and $5,007,000 respectively, for the years ended June 30, 2007 and 2006.

The College also has a defined benefit pension plan for classified office and service employees. The Plan provides retirement and death benefits based on the highest of the last four years of consecutive earnings. Contributions to the plan are made in amounts sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974.

The measurement date of determining the benefit obligations and net periodic benefit (income) cost was June 30, 2007 and 2006.

The significant assumptions underlying the actuarial computations at June 30 were as follows:

	2007	2006
Assumptions used to determine benefit obligations:		
Discount rate	6.25%	6.25%
Rate of compensation increase	4.00%	4.00%
Assumptions used to determine net periodic benefit (income) cost:		
Discount rate	6.25%	5.13%
Expected return on plan assets	7.80%	7.80%
Rate of compensation increase	4.00%	4.00%
Change in projected benefit obligation (in $000s)		
Benefit obligation at end of prior year	$30,856	$34,954
Service cost	1,154	1,330
Interest cost	1,911	1,751
Actuarial loss/(gain)	1,697	(6,192)
Benefits paid	(1,265)	(981)
Administrative expenses paid	(7)	(6)
Benefit obligation at end of year	$34,346	$30,856
Change in plan assets (in $000s)		
Fair value of plan assets at end of prior year	$26,890	$23,809
Actual return on plan assets	4,711	2,688
Employer contributions	1,660	1,380
Benefits paid	(1,265)	(981)
Administrative expenses paid	(7)	(6)
Fair value of plan assets at end of year	$31,989	$26,890

In September 2006, the FASB issued SFAS No. 158 *Employers' Accounting for Defined Benefit Pension and Other Post Retirement Plans*. SFAS 158 focuses primarily on the Statement of Financial Position reporting for the funded status of benefit plans and requires recognition of benefit liabilities for under-funded plans and benefit assets for over-funded plans, with offsetting impacts to unrestricted net assets. The impact of adoption resulted in a net decrease of $918,000 in unrestricted net assets, which as been recorded as a cumulative effect of a change in accounting principle. The net decrease is comprised of the net prior service cost of $621,000 and actuarial loss of $297,000.

	2007	2006
Funded status (in $000s)		
Funded status	($2,357)	($3,965)
Unrecognized prior service cost	—	719
Unrecognized net actuarial loss	—	1,222
Accrued benefit liability	($2,357)	($2,024)
Components of net periodic benefit cost (in $000s)		
Service cost	$1,154	$1,330
Interest cost	1,911	1,751
Expected return on plan assets	(2,089)	(1,817)
Amortization of prior service cost	98	175
Recognized net actuarial loss	0	317
Net periodic benefit cost	$1,074	$1,756

The incremental effect of applying SFAS 158 on individual line items in the statement of financial position as of June 30, 2007 is as follows (in $000s):

	Before application of SFAS 158	Defined benefit plan adjustments	After application of SFAS 158
Accounts payable and accrued expenses	$29,165	$918	$30,083
Total liabilities	$231,463	$918	$232,381
Unrestricted net assets	$625,562	($918)	$624,644
Total net assets	$1,906,839	($918)	$1,905,921

The amount expected to be recognized as amortization of prior net service cost and a component of net periodic cost in the upcoming year is $75,000.

Expected benefit payments, net of participant contributions are as follows (in $000s):

2008	$1,138
2009	$1,123
2010	$1,215
2011	$1,237
2012	$1,374
2013–2017	$10,445

The College expects to make employer contributions into the plan of $1,300,000 in the 2008 fiscal year.

In selecting the long-term rate of return on assets, the College considered the average rate of earnings expected on the funds invested or to be invested to provide for the benefit of the Plan. This included considering asset allocation and the expected returns likely to be earned over the life of the Plan as well as assessing current valuation measures, income, economic growth and inflation forecasts, and historical risk premiums. This basis is consistent with prior years.

The investment objective and strategy of the Plan is to achieve returns above the balanced composite benchmark and maintain a level of volatility which approximates that of the composite benchmark using the following asset allocation:

ASSET CATEGORY	TARGET ALLOCATION
Equity Securities	60%
Real Estate Investment Trust	5%
Commodities	5%
Fixed Income	27%
Cash and Equivalents	3%
Total	100%

The following lists the Plan's asset allocation at June 30, 2007 and 2006:

ASSET CATEGORY	2007	2006
Equity Securities	59%	61%
Real Estate Investment Trust	3%	3%
Commodities	5%	5%
Fixed Income	30%	27%
Cash and Equivalents	3%	4%
Total	100%	100%

10. Net Assets

Net assets consist of the following at June 30, 2007 and 2006:

(in $000s)	2007	2006
Unrestricted		
Designated for specific purposes and plant	$108,468	$120,890
Quasi-endowment	516,176	431,943
Deficiencies in donor-restricted endowments	—	(184)
	624,644	552,649
Temporarily restricted		
Endowment and similar funds including pledges	769,714	616,287
Annuity, life income and unitrusts including pledges	44,463	37,032
Deficiencies in donor-restricted endowments	—	184
Other restricted	72,054	49,215
	886,231	702,718
Permanently restricted		
Endowment including pledges	395,046	384,225
	395,046	384,225
	$1,905,921	$1,639,592

11. Commitments and Contingencies

In 1975 the College identified the presence of soil tainted with various hazardous materials on the site of an abandoned nineteenth-century paint factory acquired by the College in 1932. In 1991, the College arranged for the excavation of contaminated soils from two waste piles and a wastewater settling basin formerly associated with the paint factory.

After the contaminated material was removed, the area was capped and seeded. These actions were undertaken in accordance with plans approved by the Department of Environmental Protection (DEP) on July 5, 1991. The College has continued to work with the DEP and has completed the process of remediating and restoring approximately 30 acres of land referred to as the Upland site. The College began in April 2001 excavating and consolidating contaminated soils from the upland, wetland, and pond

("Upland/Wetland/Pond") portions of the site. The soils have been treated and consolidated on site under a permanent engineered barrier. The capped area has been developed into three playing fields, an eight lane all weather track, and a softball field and was completed in October 2002. The cost of this project was $32.8 million; $10 million has been funded from a HEFA bond issuance and the remainder from unrestricted endowment. Costs associated with the campus improvement project are capitalized as land improvements. Costs incurred to remediate this property are charged to expense when they can be estimated. Ongoing expenses associated with the monitoring and maintenance of the engineered barrier are charged to operations. Total expenses for this project were $463,000 and $464,000, respectively for the years ended June 30, 2007 and 2006. The College has purchased an insurance policy to cover cost overruns associated with the Upland/Wetland/Pond project as well as the assessment, monitoring, and, if necessary, remediation of contaminated groundwater located under the Uplands/Wetlands/Pond area. In September 2004, the College submitted a report to DEP recommending that no remedial action be taken in respect of the groundwater portion of the site beyond periodic monitoring of hexavalent chromium concentrations. DEP has not yet responded to this report.

In 2001, the Commonwealth of Massachusetts and the College entered an agreement pursuant to which the Commonwealth agreed to share in the cost of dredging the Northern Shoreline and Western Cove portion of Lake Waban, with the Commonwealth's share capped at $1.4 million. The dredging project was completed in 2002 at a total cost of approximately $1.2 million. Additional reimbursable costs of approximately $100,000 were incurred after the completion of dredging. In three payments made in 2005 and 2006, the Commonwealth reimbursed the College a total of approximately $1.06 million, fully satisfying the Commonwealth's reimbursement obligations under the 2001 cost-sharing agreement.

In a report filed with DEP in May 2006, the College recommended that no remedial action be taken in portions of Lake Waban beyond the Northern Shoreline and Western Cove, apart from periodic monitoring of water quality and fish-growth patterns. DEP responded favorably to this report in a letter dated October 2006. The College anticipates that the periodic monitoring program will be initiated in 2008. The cost of this program should be insignificant. After completing preliminary discussions with the DEP about the risk-based goals for the remediation of Lower Waban Brook, the College currently is in the early stages of designing and permitting that project. The Lower Waban Brook remedial project is anticipated to commence late in 2008, at the earliest and is estimated to cost $3,600,000. A liability of $3,600,000 has been recorded as of June 30, 2007 and is included in the Statements of Financial Position within accounts payable and accrued expenses.

Outstanding commitments amounted to approximately $366,620,000 and $374,137,000 as of June 30, 2007 and 2006, respectively for the following:

	2007	2006
Alternative investments	$355,400,000	$370,100,000
Construction contracts	11,220,000	4,037,000
	$366,620,000	$374,137,000

Under the terms of certain limited partnership agreements, the College is obliged to periodically advance additional funding for private equity investments. Such commitments generally have fixed expiration dates or other termination clauses. The College maintains sufficient liquidity in its investment portfolio to cover such calls.

The College built a gas-fired cogeneration plant capable of producing 7.5 megawatts of electricity. The plant supplies electricity for the entire campus. The College pays the Town $111,000 annually as a guarantee for back-up power, at cost, to the College. This contract is in force until May 2010.

The College has several legal cases pending that have arisen in the normal course of its operations. The College believes that the outcome of these cases will have no material adverse effect on the financial position of the College.

11/07 2.2M

Senior Administration 2006–2007

Diana Chapman Walsh
President

Andrew Shennan
Dean of the College

Kimberly Goff-Crews
Dean of Students

Jennifer C. Desjarlais
Dean of Admission

David Blinder
Vice President for Resources and Public Affairs

Micheline E. Jedrey
Vice President for Information Services and College Librarian

Patricia M. Byrne
Vice President Administration and Planning

Andrew B. Evans
Vice President for Finance and Treasurer

Jane L. Mendillo
Chief Investment Officer

Joanne Berger-Sweeney
Associate Dean of the College

Adele Wolfson
Associate Dean of the College

Michelle Lepore
Associate Dean of Students

Board of Trustees 2006–2007

WELLESLEY COLLEGE
106 Central Street
Wellesley, Massachusetts 02481