

TOWN OF DENNIS, MASSACHUSETTS
FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022



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**TOWN OF DENNIS, MASSACHUSETTS
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YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITORS' REPORT

Honorable Select Board
Town of Dennis, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dennis, Massachusetts (the Town), as of and for the year ended June 30, 2022, 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 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, 2022, 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. 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 1 to the financial statements, effective July 1, 2021, the Town adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions were 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 auditors' 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, budgetary comparisons, and certain pension and other postemployment benefits information 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2023, 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 Town's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Boston, Massachusetts
March 10, 2023

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

As management of the Town of Dennis, Massachusetts (Town), we offer readers of these financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2022.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$94,178,601 (net position). The Town had an unrestricted deficit at the end of the current fiscal year totaling \$38,427,851.
- The Town's total net position increased \$13,500,097.
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances totaling \$44,069,387, an increase of \$4,891,489 in comparison with the prior year. The Town had an unassigned fund balance at the end of the current fiscal year totaling \$11,633,360.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$14,851,721, or 26.2 percent of total general fund expenditures and transfers out.
- The Town's total bonded debt decreased \$1,960,000 during the fiscal year.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the *basic financial statements*, which consists of the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements.

This report also contains required 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 a private-sector business.

The statement of net position presents information on all of the Town's non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the differences 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 government's net position changed during the most recent fiscal 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused vacation leave, etc.).

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Both of the government-wide financial statements distinguish functions of the Town 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*). Governmental activities include general government, public safety, education, public works, health and human services, culture and recreation, community development. Business-type activities include golf course, transfer station, beach and waterways operations.

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 can be divided into the following categories and are described below:

1. Governmental funds
2. Proprietary funds
3. 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 funds financial 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 fiscal 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 the 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 effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains many individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general, community preservation (special revenue) and fire station (capital projects) funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation titled *nonmajor governmental funds*.

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Proprietary Funds

The Town maintains one type of proprietary fund.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its golf course, transfer station, beach and waterways operations, which are considered to be major funds. The Town's enterprise funds are not legally adopted enterprise funds per Massachusetts General Laws, but they meet the criteria of enterprise funds per the Governmental Accounting Standards Board (GASB).

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 statements because the resources of those funds are not available to support the Town's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The OPEB trust fund, private-purpose trust funds and custodial funds are reported and combined into a single, aggregate presentation in the fiduciary fund financial statements under the captions "OPEB trust fund," "private purpose trust funds" and "custodial funds," respectively.

Notes to the Basic 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.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Presented in this information is the budget comparison for the general fund and community preservation fund and certain pension and other postemployment benefits information.

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Government-Wide Financial Analysis

The following tables present current and prior year data on the government-wide financial statements.

Net Position

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 exceeded liabilities and deferred inflows by \$94,178,601 at the close of the fiscal year and are summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current Assets	\$ 67,633,387	\$ 47,032,375	\$ 5,437,614	\$ 4,549,378	\$ 73,071,001	\$ 51,581,753
Noncurrent Assets (Excluding Capital Assets)	510,593	615,881	-	-	510,593	615,881
Capital Assets (Net)	114,493,835	111,611,473	26,102,586	26,134,463	140,596,421	137,745,936
Total Assets	182,637,815	159,259,729	31,540,200	30,683,841	214,178,015	189,943,570
Deferred Outflows of Resources	9,395,012	10,843,641	1,431,562	1,644,093	10,826,574	12,487,734
Liabilities						
Current Liabilities (Excluding Debt)	4,373,500	4,305,838	481,776	1,038,888	4,855,276	5,344,726
Noncurrent Liabilities (Excluding Debt)	57,711,393	70,560,921	8,475,065	10,380,308	66,186,458	80,941,229
Current Debt	16,677,774	1,538,995	871,062	792,100	17,548,836	2,331,095
Noncurrent Debt	10,763,572	12,249,954	7,684,003	8,788,158	18,447,575	21,038,112
Total Liabilities	89,526,239	88,655,708	17,511,906	20,999,454	107,038,145	109,655,162
Deferred Inflows of Resources	20,619,764	10,500,112	3,168,079	1,597,526	23,787,843	12,097,638
Net Position						
Net Investment in Capital Assets	99,281,719	97,957,970	21,282,254	20,703,301	120,563,973	118,661,271
Restricted	12,042,479	13,378,992	-	-	12,042,479	13,378,992
Unrestricted	(29,437,374)	(40,389,412)	(8,990,477)	(10,972,347)	(38,427,851)	(51,361,759)
Total Net Position	\$ 81,886,824	\$ 70,947,550	\$ 12,291,777	\$ 9,730,954	\$ 94,178,601	\$ 80,678,504

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, construction in progress, intangible assets, land improvements, buildings, buildings improvements, machinery and equipment, vehicles and infrastructure), less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its 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 represents resources that are subject to external restrictions on how they may be used.

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

At the end of the current fiscal year, the Town reports positive balances in the net investment in capital assets and restricted categories of net position for its governmental and business-type activities. The Town reports negative balances in unrestricted net position for its governmental and business-type activities as such resources have been consumed with the recognition of net other postemployment benefits obligations and the net pension liability.

Changes in Net Position

For the fiscal year ended June 30, 2022, the Town's total net position increased by \$13,500,097, compared to an increase of \$8,251,196 in the prior fiscal year. These amounts are summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 6,298,436	\$ 5,931,445	\$ 9,699,313	\$ 9,876,487	\$ 15,997,749	\$ 15,807,932
Operating Grants and Contributions	3,696,374	2,280,401	26,970	43,512	3,723,344	2,323,913
Capital Grants and Contributions	133,733	828,501	-	5,321	133,733	833,822
<i>General Revenues:</i>						
Real Estate and Personal						
Property Taxes	47,931,259	46,681,836	-	-	47,931,259	46,681,836
Motor Vehicle and Other Excise Taxes	3,417,240	3,290,589	-	-	3,417,240	3,290,589
Penalties and Interest on Taxes	466,086	705,646	-	-	466,086	705,646
Payments in Lieu of Taxes	6,779	64,692	-	-	6,779	64,692
Community Preservation Surcharges	1,412,597	1,370,519	-	-	1,412,597	1,370,519
Wastewater Infrastructure Investment Fund						
Surcharge	470,197	457,392	-	-	470,197	457,392
Grants and Contributions not						
Restricted to Specific Programs	919,433	699,835	-	-	919,433	699,835
Unrestricted Investment Income	22,077	39,135	-	-	22,077	39,135
Other	28,407	31,584	-	-	28,407	31,584
Total Revenues	68,155,065	64,927,157	9,726,283	9,925,320	77,881,348	74,852,477
Expenses						
General Government	8,295,588	8,391,338	-	-	8,295,588	8,391,338
Public Safety	18,218,406	20,541,170	-	-	18,218,406	20,541,170
Education	20,343,625	20,152,500	-	-	20,343,625	20,152,500
Public Works	6,489,733	5,974,478	-	-	6,489,733	5,974,478
Health and Human Services	1,733,619	1,604,898	-	-	1,733,619	1,604,898
Culture and Recreation	1,446,659	1,576,626	-	-	1,446,659	1,576,626
Community Development	1,356,840	935,749	-	-	1,356,840	935,749
Debt Service - Interest	226,236	371,516	-	-	226,236	371,516
Golf Course	-	-	2,807,437	3,311,362	2,807,437	3,311,362
Transfer Station	-	-	1,733,779	1,853,936	1,733,779	1,853,936
Beach	-	-	1,053,000	1,184,405	1,053,000	1,184,405
Waterways	-	-	676,329	703,303	676,329	703,303
Total Expenses	58,110,706	59,548,275	6,270,545	7,053,006	64,381,251	66,601,281
Change in Net Position before Transfers	10,044,359	5,378,882	3,455,738	2,872,314	13,500,097	8,251,196
Transfers, Net	894,915	2,855,559	(894,915)	(2,855,559)	-	-
Change in Net Position	10,939,274	8,234,441	2,560,823	16,755	13,500,097	8,251,196
Net Position - Beginning of Year	70,947,550	62,713,109	9,730,954	9,714,199	80,678,504	72,427,308
Net Position - End of Year	\$ 81,886,824	\$ 70,947,550	\$ 12,291,777	\$ 9,730,954	\$ 94,178,601	\$ 80,678,504

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Governmental activities increased the Town's net position by \$10,939,274, compared with the prior year increase of \$8,234,441. The changes from the prior year were primary the result of decreases to OPEB and pension expenses.

Business-type activities increased the Town's net position by \$2,560,823, compared with the prior year increase of \$16,755. The changes from the prior year were primary the result of decreases to OPEB expense, pension expense and transfers out to other funds.

Fund Financial Statement Analysis

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

Governmental Funds

The focus of the 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.

At the end of the current fiscal year, the governmental funds reported combined ending fund balances totaling \$44,069,387, an increase of \$4,891,489 in comparison with the prior year. Of this total amount, \$11,633,360 represents unassigned fund balance. The remainder of fund balance includes the following constraints:

- Nonspendable – \$544,959
- Restricted – \$11,400,884
- Committed – \$20,278,337
- Assigned – \$211,847

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$14,851,721, while total fund balance was \$35,341,905. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures and transfers out. Unassigned fund balance represents 26.2% of total general fund expenditures and transfers out, while total fund balance represents 62.3% of that same amount.

The balance of the Town's general fund increased \$7,933,301 during fiscal year 2022.

On a budgetary basis of accounting, the Town utilized budgetary fund balance of approximately \$5,370,000 during fiscal year 2022. Approximately \$11,525,000 of budgetary fund balance was expected to be utilized.

Financial highlights of the Town's other major governmental funds are as follows:

The fund balance of the community preservation fund (special revenue) increased by \$1,275,403 during the current fiscal year. Significant activity for the year consisted of surcharge revenues (\$1,397,525), state revenues (\$696,084), expenditures (\$429,402), and transfers to the general fund to cover debt service costs (\$442,281).

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The fund balance of the fire station fund (capital projects) decreased by \$2,109,400 during the current fiscal year as a result of expenditures.

Proprietary Funds

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to a deficit of (\$8,990,477). The enterprise funds had an increase in net position for the year of \$2,560,823. Other factors concerning the finances of these four funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

The original general fund budgeted expenditures and transfers out of \$78,274,684 was increased by \$1,259,622 (1.6%) during the fiscal year.

During the year, revenues exceeded budgetary estimates and expenditures and encumbrances and continuing appropriations were less than budgetary estimates, resulting in a positive overall budget to actual variance of approximately \$6,150,000.

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities at the end of the fiscal year totaled \$140,596,421 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, buildings improvements, machinery and equipment, vehicles and infrastructure. The total increase in the investment in capital assets for the current fiscal year totaled \$2,850,485.

Major capital asset events that occurred during the current fiscal year can be found in Note 5 of this report.

The following table summarizes the Town's capital assets (net of accumulated depreciation):

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 58,486,522	\$ 58,486,522	\$ 9,738,135	\$ 9,738,135	\$ 68,224,657	\$ 68,224,657
Construction in Progress	6,815,991	9,119,970	384,109	4,718,166	7,200,100	13,838,136
Land Improvements	2,984,059	3,200,631	2,202,071	2,398,405	5,186,130	5,599,036
Buildings	16,772,941	11,411,014	7,831,579	3,219,769	24,604,520	14,630,783
Building Improvements	7,306,034	7,530,049	2,890,516	2,982,221	10,196,550	10,512,270
Machinery and Equipment	2,551,133	2,456,348	890,413	849,265	3,441,546	3,305,613
Vehicles	1,319,134	1,385,454	44,434	-	1,363,568	1,385,454
Infrastructure	18,258,021	18,021,485	2,121,329	2,228,502	20,379,350	20,249,987
Total Capital Assets	\$ 114,493,835	\$ 111,611,473	\$ 26,102,586	\$ 26,134,463	\$ 140,596,421	\$ 137,745,936

Additional information on the Town's capital assets can be found in Note 5 of this report.

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$19,000,000, which is backed by the full faith and credit of the Town, and is summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ 11,400,000	\$ 12,680,000	\$ 7,540,000	\$ 8,200,000	\$ 18,940,000	\$ 20,880,000
MCWT Notes	60,000	80,000	-	-	60,000	80,000
Total Bonds and Notes	\$ 11,460,000	\$ 12,760,000	\$ 7,540,000	\$ 8,200,000	\$ 19,000,000	\$ 20,960,000

The Town has an AAA rating from Standard and Poor's for its most recent issuance of long-term debt dated October 1, 2019.

Additional information on the Town's long-term debt can be found in Note 9 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 685 Route 134, South Dennis, MA 02660.

**TOWN OF DENNIS, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 61,803,601	\$ 5,367,645	\$ 67,171,246
Investments	547,093	-	547,093
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate and Personal Property Taxes	2,334,175	-	2,334,175
Tax, Trash and Utility Liens	1,071,836	-	1,071,836
Motor Vehicle and Other Excise Taxes	383,383	-	383,383
Community Preservation Surcharges	73,222	-	73,222
Wastewater Infrastructure Investment Fund Surcharges	24,790	-	24,790
User Charges	812,388	10,430	822,818
Special Assessments	96,128	-	96,128
Department and Other	198,863	-	198,863
Intergovernmental	287,908	-	287,908
Inventory	-	59,539	59,539
Total Current Assets	<u>67,633,387</u>	<u>5,437,614</u>	<u>73,071,001</u>
Noncurrent Assets:			
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate Tax Deferrals	22,625	-	22,625
Special Assessments	329,843	-	329,843
Tax Foreclosures	158,125	-	158,125
Capital Assets not being Depreciated	65,302,513	10,122,244	75,424,757
Capital Assets, Net of Accumulated Depreciation	<u>49,191,322</u>	<u>15,980,342</u>	<u>65,171,664</u>
Total Noncurrent Assets	<u>115,004,428</u>	<u>26,102,586</u>	<u>141,107,014</u>
Total Assets	<u>182,637,815</u>	<u>31,540,200</u>	<u>214,178,015</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to OPEB	5,947,168	917,710	6,864,878
Related to Pension	<u>3,447,844</u>	<u>513,852</u>	<u>3,961,696</u>
Total Deferred Outflows of Resources	<u>9,395,012</u>	<u>1,431,562</u>	<u>10,826,574</u>
LIABILITIES			
Current Liabilities:			
Warrants Payable	1,842,532	163,318	2,005,850
Accrued Payroll	394,500	129,269	523,769
Other Liabilities	1,101,125	87,797	1,188,922
Unearned Revenue	314,836	-	314,836
Accrued Interest	77,933	86,339	164,272
Leases	293,934	-	293,934
Workers' Compensation Claims	176,779	-	176,779
Compensated Absences	171,861	15,053	186,914
Short-Term Notes Payable	15,278,779	-	15,278,779
Long-Term Bonds and Notes Payable	<u>1,398,995</u>	<u>871,062</u>	<u>2,270,057</u>
Total Current Liabilities	<u>21,051,274</u>	<u>1,352,838</u>	<u>22,404,112</u>
Noncurrent Liabilities:			
Leases	200,517	-	200,517
Compensated Absences	1,546,745	135,476	1,682,221
Net OPEB Liability	31,012,154	4,785,497	35,797,651
Net Pension Liability	24,951,977	3,554,092	28,506,069
Long-Term Bonds and Notes Payable	<u>10,763,572</u>	<u>7,684,003</u>	<u>18,447,575</u>
Total Noncurrent Liabilities	<u>68,474,965</u>	<u>16,159,068</u>	<u>84,634,033</u>
Total Liabilities	<u>89,526,239</u>	<u>17,511,906</u>	<u>107,038,145</u>
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	11,701,017	1,805,588	13,506,605
Related to Pension	<u>8,918,747</u>	<u>1,362,491</u>	<u>10,281,238</u>
Total Deferred Inflows of Resources	<u>20,619,764</u>	<u>3,168,079</u>	<u>23,787,843</u>
NET POSITION			
Net Investment in Capital Assets	99,281,719	21,282,254	120,563,973
Restricted for:			
Community Preservation	4,619,344	-	4,619,344
Permanent Funds:			
Expendable	71,763	-	71,763
Nonexpendable	544,959	-	544,959
Receipts Reserved - Ambulance	2,553,579	-	2,553,579
Receipts Reserved - Cable	609,887	-	609,887
Other Specific Purposes	3,642,947	-	3,642,947
Unrestricted	<u>(29,437,374)</u>	<u>(8,990,477)</u>	<u>(38,427,851)</u>
Total Net Position	<u>\$ 81,886,824</u>	<u>\$ 12,291,777</u>	<u>\$ 94,178,601</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$ 8,295,588	\$ 2,114,010	\$ 819,067	\$ -	\$ (5,362,511)
Public Safety	18,218,406	3,360,644	631,566	-	(14,226,196)
Education	20,343,625	-	-	-	(20,343,625)
Public Works	6,489,733	116,624	465,292	133,733	(5,774,084)
Health and Human Services	1,733,619	326,543	87,645	-	(1,319,431)
Culture and Recreation	1,446,659	380,615	42,039	-	(1,024,005)
Community Development	1,356,840	-	1,650,765	-	293,925
Debt Service-Interest	226,236	-	-	-	(226,236)
Total Governmental Activities	58,110,706	6,298,436	3,696,374	133,733	(47,982,163)
Business-Type Activities:					
Golf Course	2,807,437	4,317,731	270	-	1,510,564
Transfer Station	1,733,779	1,945,768	104	-	212,093
Beach	1,053,000	2,440,147	373	-	1,387,520
Waterways	676,329	995,667	26,223	-	345,561
Total Business-Type Activities	6,270,545	9,699,313	26,970	-	3,455,738
Total Primary Government	\$ 64,381,251	\$ 15,997,749	\$ 3,723,344	\$ 133,733	\$ (44,526,425)

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
CHANGES IN NET POSITION			
Net (Expense) Revenue (from previous page)	\$ (47,982,163)	\$ 3,455,738	\$ (44,526,425)
General Revenues:			
Real Estate and Personal Property Taxes	47,931,259	-	47,931,259
Motor Vehicle and Other Excise Taxes	3,417,240	-	3,417,240
Hotel/Motel Taxes	3,352,447	-	3,352,447
Penalties and Interest on Taxes	466,086	-	466,086
Payments in Lieu of Taxes	6,779	-	6,779
Community Preservation Surcharges	1,412,597	-	1,412,597
Wastewater Infrastructure Investment Fund Surcharges	470,197	-	470,197
Grants and Contributions not Restricted to Specific Programs	919,433	-	919,433
Unrestricted Investment Income	22,077	-	22,077
Other	28,407	-	28,407
Transfers, Net	894,915	(894,915)	-
Total General Revenues and Transfers	<u>58,921,437</u>	<u>(894,915)</u>	<u>58,026,522</u>
CHANGE IN NET POSITION	10,939,274	2,560,823	13,500,097
Net Position - Beginning of Year	<u>70,947,550</u>	<u>9,730,954</u>	<u>80,678,504</u>
NET POSITION - END OF YEAR	<u>\$ 81,886,824</u>	<u>\$ 12,291,777</u>	<u>\$ 94,178,601</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

ASSETS	General	Community Preservation	Fire Station	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 36,510,847	\$ 5,233,720	\$ 13,103,655	\$ 6,955,379	\$ 61,803,601
Investments	-	-	-	547,093	547,093
Receivables, Net of Allowance for Uncollectible Amounts:					
Real Estate and Personal Property Taxes	2,334,175	-	-	-	2,334,175
Real Estate Tax Deferrals	22,625	-	-	-	22,625
Tax and Trash Liens	1,027,541	23,414	-	20,881	1,071,836
Motor Vehicle and Other Excise Taxes	383,383	-	-	-	383,383
Community Preservation Surcharges	-	73,222	-	-	73,222
Wastewater Infrastructure Investment Fund Surcharges	-	-	-	24,790	24,790
User Charges	-	-	-	812,388	812,388
Special Assessments	-	-	-	425,971	425,971
Departmental and Other	155,601	-	-	43,262	198,863
Intergovernmental	-	-	-	287,908	287,908
Tax Foreclosures	158,125	-	-	-	158,125
Total Assets	\$ 40,592,297	\$ 5,330,356	\$ 13,103,655	\$ 9,117,672	\$ 68,143,980
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Warrants Payable	\$ 506,683	\$ 110,012	\$ 535,276	\$ 690,560	\$ 1,842,531
Accrued Payroll	394,500	-	-	-	394,500
Other Liabilities	630,315	-	-	470,810	1,101,125
Unearned Revenue	-	-	-	314,836	314,836
Workers' Compensation Claims	176,779	-	-	-	176,779
Short-Term Notes Payable	-	601,000	14,677,779	-	15,278,779
Total Liabilities	1,708,277	711,012	15,213,055	1,476,206	19,108,550
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	3,542,115	96,636	-	1,327,292	4,966,043
FUND BALANCES					
Nonspendable	-	-	-	544,959	544,959
Restricted	-	4,522,708	-	6,878,176	11,400,884
Committed	20,278,337	-	-	-	20,278,337
Assigned	211,847	-	-	-	211,847
Unassigned	14,851,721	-	(2,109,400)	(1,108,961)	11,633,360
Total Fund Balances	35,341,905	4,522,708	(2,109,400)	6,314,174	44,069,387
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 40,592,297	\$ 5,330,356	\$ 13,103,655	\$ 9,117,672	\$ 68,143,980

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

	General	Community Preservation	Fire Station	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real Estate and Personal Property Taxes	\$ 47,385,581	\$ -	\$ -	\$ -	\$ 47,385,581
Motor Vehicle and Other Excise Taxes	3,684,260	-	-	-	3,684,260
Hotel/Motel Tax	3,352,447	-	-	-	3,352,447
Tax and Trash Liens	105,438	1,957	-	-	107,395
Payments in Lieu of Taxes	-	-	-	6,779	6,779
Community Preservation Surcharges	-	1,397,525	-	-	1,397,525
Wastewater Infrastructure Investment Fund Surcharge	-	-	-	465,366	465,366
Charges for Services	-	-	-	1,574,625	1,574,625
Intergovernmental	929,392	696,084	-	2,730,045	4,355,521
Special Assessments	-	-	-	135,537	135,537
Penalties and Interest on Taxes	456,345	7,051	-	2,690	466,086
Licenses and Permits	1,294,693	-	-	-	1,294,693
Fines and Forfeitures	54,521	-	-	-	54,521
Departmental and Other	663,851	-	-	2,729,574	3,393,425
Contributions	-	-	-	35,345	35,345
Investment Income	29,351	4,469	-	2,137	35,957
Total Revenues	57,955,879	2,107,086	-	7,682,098	67,745,063
EXPENDITURES					
Current:					
General Government	4,874,095	-	-	1,463,445	6,337,540
Public Safety	13,903,500	-	2,109,400	843,627	16,856,527
Education	20,343,625	-	-	-	20,343,625
Public Works	5,283,005	-	-	1,152,114	6,435,119
Health and Human Services	1,724,233	-	-	16,453	1,740,686
Culture and Recreation	804,290	-	-	290,817	1,095,107
Community Development	-	429,402	-	927,438	1,356,840
Pension Benefits	3,399,889	-	-	-	3,399,889
Employee Benefits	2,831,471	-	-	-	2,831,471
Property and Liability Insurance	662,986	-	-	-	662,986
State and County Charges	987,649	-	-	-	987,649
Debt Service:					
Principal	1,300,000	-	-	-	1,300,000
Interest	401,050	-	-	-	401,050
Total Expenditures	56,515,793	429,402	2,109,400	4,693,894	63,748,489
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,440,086	1,677,684	(2,109,400)	2,988,204	3,996,574
OTHER FINANCING SOURCES (USES)					
Transfer from Enterprise Funds - Current Year Cash Activity	161,047	-	-	-	161,047
Transfers In	6,530,483	40,000	-	30,119	6,600,602
Transfer Out	(198,315)	(442,281)	-	(5,226,138)	(5,866,734)
Total Other Financing Sources (Uses)	6,493,215	(402,281)	-	(5,196,019)	894,915
NET CHANGE IN FUND BALANCES	7,933,301	1,275,403	(2,109,400)	(2,207,815)	4,891,489
Fund Balances - Beginning of Year	27,408,604	3,247,305	-	8,521,989	39,177,898
FUND BALANCES - END OF YEAR	\$ 35,341,905	\$ 4,522,708	\$ (2,109,400)	\$ 6,314,174	\$ 44,069,387

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Governmental Fund Balances	\$	44,069,387
Capital assets (net of accumulated depreciation and amortization) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		114,493,835
Certain accounts receivable are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds		4,966,043
In the statement of net position, deferred outflows and inflows of resources are reported for amounts related to OPEB.		(5,753,850)
In the statement of net position, deferred outflows and inflows of resources are reported for amounts related to pensions.		(5,470,903)
In the statement of net position, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due		(77,933)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds and Notes Payable, net of Unamortized Premiums		(12,162,567)
Lease Obligations		(494,451)
Compensated Absences		(1,718,606)
Net OPEB Liability		(31,012,154)
Net Pension Liability		(24,951,977)
		(81,360,653)
Net Position of Governmental Activities	\$	81,886,824

See accompanying Notes to Basic Financial Statements.

TOWN OF DENNIS, MASSACHUSETTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$	4,891,489
<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. These amounts represent the related activity of the current period.</p>		
Capital Outlays		5,900,323
Depreciation and Amortization		(3,006,404)
<p>In the statement of activities, the loss on the disposals of capital assets is reported, whereas in the governmental funds the disposals are not reported as financial resources. As a result, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed.</p>		
		(11,557)
<p>In the statement of activities, deferred outflows and inflows related to OPEB are amortized and recognized as OPEB expense. This amount represents the net change in deferred outflows and inflows related to OPEB.</p>		
		(7,207,999)
<p>In the statement of activities, deferred outflows and inflows related to pensions are amortized and recognized as pension expense. This amount represents the net change in deferred outflows and inflows related to pensions.</p>		
		(4,360,283)
<p>Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.</p>		
		410,005
<p>The issuance of long-term debt (e.g., bonds and leases) 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, however, has any impact on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts represent the related activity of the current period.</p>		
Bond Maturities		1,300,000
Amortization of Bond Premiums		166,382
Lease Maturities		287,131
<p>In the statement of activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. This amount represents the net change in accrued interest payable</p>		
		8,432
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These amounts represent the net changes:</p>		
Compensated Absences		61,606
Net OPEB Liability		6,420,055
Net Pension Liability		6,080,094
		6,080,094
Changes in Net Position of Governmental Activities	\$	10,939,274

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds				
	Golf Course	Transfer Station	Beach	Waterways	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 1,953,639	\$ 798,862	\$ 1,101,604	\$ 1,513,540	\$ 5,367,645
Receivables, Net of Allowance for Uncollectible Amounts:					
User Charges	-	10,430	-	-	10,430
Inventory	59,539	-	-	-	59,539
Total Current Assets	<u>2,013,178</u>	<u>809,292</u>	<u>1,101,604</u>	<u>1,513,540</u>	<u>5,437,614</u>
Noncurrent Assets:					
Capital Assets not being Depreciated	6,722,807	241,828	2,820,652	336,957	10,122,244
Capital Assets, Net of Accumulated Depreciation	4,939,151	5,115,357	3,540,782	2,385,052	15,980,342
Total Noncurrent Assets	<u>11,661,958</u>	<u>5,357,185</u>	<u>6,361,434</u>	<u>2,722,009</u>	<u>26,102,586</u>
Total Assets	<u>13,675,136</u>	<u>6,166,477</u>	<u>7,463,038</u>	<u>4,235,549</u>	<u>31,540,200</u>
DEFERRED OUTFLOWS OF RESOURCES					
Related to OPEB	412,049	194,339	231,162	80,160	917,710
Related to Pension	242,174	104,509	110,163	57,006	513,852
Total Deferred Outflows of Resources	<u>654,223</u>	<u>298,848</u>	<u>341,325</u>	<u>137,166</u>	<u>1,431,562</u>
LIABILITIES					
Current Liabilities:					
Warrants Payable	54,468	91,160	12,034	5,656	163,318
Accrued Payroll	45,500	11,136	66,000	6,633	129,269
Other Liabilities	87,797	-	-	-	87,797
Accrued Interest	9,493	35,729	11,035	30,082	86,339
Compensated Absences	9,161	2,906	-	2,986	15,053
Long-Term Bonds and Notes Payable	103,687	246,803	309,256	211,316	871,062
Total Current Liabilities	<u>310,106</u>	<u>387,734</u>	<u>398,325</u>	<u>256,673</u>	<u>1,352,838</u>
Noncurrent Liabilities:					
Compensated Absences	82,450	26,155	-	26,871	135,476
Net OPEB Liability	2,148,672	1,013,403	1,205,419	418,003	4,785,497
Net Pension Liability	1,701,348	729,269	760,669	362,806	3,554,092
Long-Term Bonds and Notes Payable	772,742	3,412,485	629,985	2,868,791	7,684,003
Total Noncurrent Liabilities	<u>4,705,212</u>	<u>5,181,312</u>	<u>2,596,073</u>	<u>3,676,471</u>	<u>16,159,068</u>
Total Liabilities	<u>5,015,318</u>	<u>5,569,046</u>	<u>2,994,398</u>	<u>3,933,144</u>	<u>17,511,906</u>
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB	810,703	382,361	454,810	157,714	1,805,588
Related to Pension	619,204	283,529	340,224	119,534	1,362,491
Total Deferred Inflows of Resources	<u>1,429,907</u>	<u>665,890</u>	<u>795,034</u>	<u>277,248</u>	<u>3,168,079</u>
FUND NET POSITION					
Net Investment in Capital Assets	10,792,380	1,697,897	6,442,780	2,349,197	21,282,254
Unrestricted	(2,908,246)	(1,467,508)	(2,427,849)	(2,186,874)	(8,990,477)
Total Net Position	<u>\$ 7,884,134</u>	<u>\$ 230,389</u>	<u>\$ 4,014,931</u>	<u>\$ 162,323</u>	<u>\$ 12,291,777</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds				
	Golf Course	Transfer Station	Beach	Waterways	Total
OPERATING REVENUES					
Charges for Services	\$ 4,084,733	\$ 1,945,768	\$ 2,120,528	\$ 995,667	\$ 9,146,696
Excise Taxes	-	-	-	25,472	25,472
Penalties and Interest	-	-	-	579	579
Other	232,998	-	319,619	77	552,694
Total Operating Revenues	<u>4,317,731</u>	<u>1,945,768</u>	<u>2,440,147</u>	<u>1,021,795</u>	<u>9,725,441</u>
OPERATING EXPENSES					
Cost of Service and Administration	2,287,107	1,138,779	935,606	495,728	4,857,220
Tipping Fees	-	505,021	-	-	505,021
Repairs and Maintenance	34,122	23,728	-	8,658	66,508
Depreciation and Amortization	496,679	55,081	133,870	162,841	848,471
Total Operating Expenses	<u>2,817,908</u>	<u>1,722,609</u>	<u>1,069,476</u>	<u>667,227</u>	<u>6,277,220</u>
OPERATING INCOME (LOSS)	<u>1,499,823</u>	<u>223,159</u>	<u>1,370,671</u>	<u>354,568</u>	<u>3,448,221</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	270	104	373	95	842
Interest Expense	10,471	(11,170)	16,476	(9,102)	6,675
Total Nonoperating Revenues (Expenses), Net	<u>10,741</u>	<u>(11,066)</u>	<u>16,849</u>	<u>(9,007)</u>	<u>7,517</u>
INCOME (LOSS) BEFORE TRANSFERS	1,510,564	212,093	1,387,520	345,561	3,455,738
Transfers In	-	940,482	-	-	940,482
Transfers Out	(402,875)	(319,150)	(681,700)	(270,625)	(1,674,350)
Transfer (to) from General Fund - Current Year Cash Activity	(726,096)	526,686	(644,348)	682,711	(161,047)
Total Capital Contributions and Transfers	<u>(1,128,971)</u>	<u>1,148,018</u>	<u>(1,326,048)</u>	<u>412,086</u>	<u>(894,915)</u>
CHANGE IN FUND NET POSITION	381,593	1,360,111	61,472	757,647	2,560,823
Fund Net Position - Beginning of Year	<u>7,502,541</u>	<u>(1,129,722)</u>	<u>3,953,459</u>	<u>(595,324)</u>	<u>9,730,954</u>
FUND NET POSITION - END OF YEAR	<u>\$ 7,884,134</u>	<u>\$ 230,389</u>	<u>\$ 4,014,931</u>	<u>\$ 162,323</u>	<u>\$ 12,291,777</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds				
	Golf Course	Transfer Station	Beach	Waterways	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 4,315,936	\$ 1,944,789	\$ 2,440,147	\$ 1,021,795	\$ 9,722,667
Payments to Vendors	(992,609)	(1,486,122)	(203,834)	(246,777)	(2,929,342)
Payments to Employees	(1,373,596)	(633,079)	(815,714)	(255,179)	(3,077,568)
Net Cash Provided by Operating Activities	<u>1,949,731</u>	<u>(174,412)</u>	<u>1,420,599</u>	<u>519,839</u>	<u>3,715,757</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	-	940,482	-	-	940,482
Transfers Out	(402,875)	(319,150)	(681,700)	(270,625)	(1,674,350)
Transfer (to) from General Fund - Current Year Cash Activity	(726,096)	526,686	(644,348)	682,711	(161,047)
Net Cash Used by Noncapital Financing Activities	<u>(1,128,971)</u>	<u>1,148,018</u>	<u>(1,326,048)</u>	<u>412,086</u>	<u>(894,915)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(338,616)	(104,142)	(46,297)	(327,539)	(816,594)
Principal Payments on Bonds and Notes	(75,000)	(170,000)	(270,000)	(145,000)	(660,000)
Principal Payments on Lease Obligations	(92,983)	-	-	-	(92,983)
Interest Paid	(40,370)	(149,151)	(51,499)	(125,625)	(366,645)
Net Cash Used by Capital and Related Financing Activities	<u>(546,969)</u>	<u>(423,293)</u>	<u>(367,796)</u>	<u>(598,164)</u>	<u>(1,936,222)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	270	104	373	95	842
NET CHANGE IN CASH AND CASH EQUIVALENTS	274,061	550,417	(272,872)	333,856	885,462
Cash and Cash Equivalents - Beginning of Year	<u>1,679,578</u>	<u>248,445</u>	<u>1,374,476</u>	<u>1,179,684</u>	<u>4,482,183</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,953,639</u>	<u>\$ 798,862</u>	<u>\$ 1,101,604</u>	<u>\$ 1,513,540</u>	<u>\$ 5,367,645</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 1,499,823	\$ 223,159	\$ 1,370,671	\$ 354,568	\$ 3,448,221
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Changes in Assets and Liabilities not Requiring Current Cash Flows:					
Depreciation and Amortization	496,679	55,081	133,870	162,841	848,471
Net OPEB Liability	(429,689)	(185,997)	(251,342)	(71,667)	(938,695)
Deferred Outflows related to OPEB	133,788	59,573	77,234	23,503	294,098
Deferred Inflows related to OPEB	365,028	175,042	203,006	73,074	816,150
Net Pension Liability	(421,258)	(198,683)	(236,328)	(81,952)	(938,221)
Deferred Outflows Related to Pension	(36,623)	(17,273)	(20,546)	(7,125)	(81,567)
Deferred Inflows Related to Pension	338,725	159,756	190,026	65,896	754,403
Effect of Changes in Operating Assets and Liabilities:					
User Charges	-	(979)	-	-	(979)
Inventory	(1,795)	-	-	-	(1,795)
Warrants Payable	18,036	(430,077)	1,492	4,370	(406,179)
Accrued Payroll	(14,908)	(11,929)	(47,484)	(5,999)	(80,320)
Other Liabilities	8,852	-	-	-	8,852
Compensated Absences	(6,927)	(2,085)	-	2,330	(6,682)
Total Adjustments	<u>449,908</u>	<u>(397,571)</u>	<u>49,928</u>	<u>165,271</u>	<u>267,536</u>
Net Cash Provided by Operating Activities	<u>\$ 1,949,731</u>	<u>\$ (174,412)</u>	<u>\$ 1,420,599</u>	<u>\$ 519,839</u>	<u>\$ 3,715,757</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	OPEB Trust Fund	Private Purpose Trust Funds	Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ 35,447	\$ -	\$ 15,675
Investments	2,056,015	344,437	-
Receivables, Net of Allowance for Uncollectible Amounts:			
Departmental and Other	-	-	14,725
Total Assets	2,091,462	344,437	30,400
LIABILITIES			
Other Liabilities	-	-	30,400
NET POSITION			
Restricted - Held in Trust for OPEB and Other Purposes	\$ 2,091,462	\$ 344,437	\$ -

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022**

	OPEB Trust Fund	Private Purpose Trust Funds	Custodial Funds
ADDITIONS			
Contributions:			
Employer	\$ 1,447,696	\$ -	\$ -
Private Donations	-	30,687	-
Total Contributions	<u>1,447,696</u>	<u>30,687</u>	<u>-</u>
Net Investment Income:			
Dividends and Interest	(154,409)	(19,131)	-
Less: Investment Expense	<u>(10,219)</u>	<u>-</u>	<u>-</u>
Net Investment Income	<u>(164,628)</u>	<u>(19,131)</u>	<u>-</u>
Amounts Collected for Other Governments	<u>-</u>	<u>-</u>	<u>81,722</u>
Total Additions	<u>1,283,068</u>	<u>11,556</u>	<u>81,722</u>
DEDUCTIONS			
Benefits and Refunds	1,047,696	-	-
Amounts Provided to Other Governments	-	-	81,722
Other	<u>-</u>	<u>8,994</u>	<u>-</u>
Total Deductions	<u>1,047,696</u>	<u>8,994</u>	<u>81,722</u>
CHANGE IN NET POSITION	235,372	2,562	-
Net Position - Beginning of Year	<u>1,856,090</u>	<u>341,875</u>	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,091,462</u></u>	<u><u>\$ 344,437</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The basic financial statements 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 standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

B. Reporting Entity

The Town of Dennis, Massachusetts (the Town) is a municipal corporation that is governed by an elected Select Board.

For financial reporting purposes, the basic financial statements include all funds, organizations, agencies, boards, commissions, and institutions that are not legally separate from the Town.

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/or significance of their relationship with the Town are such that exclusion would cause the Town's basic financial statements to be misleading or incomplete. It has been determined that there are no component units that require inclusion in the basic financial statements.

Joint Venture

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The Town participates in two joint ventures with other municipalities to pool resources and share the costs, risks and rewards of providing goods and services to venture participants directly, or for the benefit of the general public or specified recipients. The following table identifies the Town's joint ventures and related information:

Name	Purpose	Address	Fiscal Year 2022 Assessment
Dennis-Yarmouth Regional School District	To provide educational services	296 Station Avenue Yarmouth, MA 02661	\$ 18,170,623
Cape Cod Regional Technical High School	To provide educational services	351 Pleasant Lake Avenue Harwich, MA 02645	\$ 2,173,002

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

The Dennis-Yarmouth Regional School District (District) is governed by a seven-member school committee consisting of three elected representatives from the Town. The Town is indirectly liable for the District's debt and other expenditures and is assessed annually for its share of operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the address identified above.

The Cape Cod Regional Technical High School (School) is governed by a twenty-one member school committee consisting of two appointed representatives from the Town. The Town is indirectly liable for the School's debt and other expenditures and is assessed annually for its share of operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the School at the address identified above.

Jointly Governed Organizations

The Select Board is responsible for appointing two of the five members of the Board of Managers (responsible for making recommendations relative to budgeting and financing) for the Yarmouth-Dennis Septage Treatment Plant. The Town's accountability for this organization does not extend beyond making these appointments.

C. Implementation of New Accounting Principles

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Town adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and the statement of activities) report information on all nonfiduciary 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 primarily supported by user fees.

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. Fiduciary funds are reported by fund type.

E. Measurement Focus, Basis of Accounting, and Basis of 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 fiscal 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 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 is restricted to meeting the operational requirements of a specific function or segment.
- Grants and contributions that is restricted to meeting the capital requirements of a specific function or segment.

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

Except for charges between the general fund and enterprise funds, the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Fund Financial Statements

Governmental funds 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., 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-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60-days after the end of the fiscal year. 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 used to account for and report all financial resources not accounted for and reported in another fund.

The *community preservation fund* is a special revenue fund used to account for the 3% local real estate tax surcharge on nonexempt property (and matching state trust fund distribution) that can be used for open space, historic resource and affordable housing purposes.

The *Fire Station fund* is a capital project fund used to account for construction of a new fire station.

The nonmajor governmental funds consist of other special revenue, capital projects 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:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs and benefit the government or its citizenry.

Proprietary funds financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, whereby 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.

The following major proprietary funds are reported:

- The *golf course enterprise fund* is used to account for the activities of the municipal golf courses.
- The *transfer station enterprise fund* is used to account for trash removal activities.
- The *beach enterprise fund* is used to account for beach activities.
- The *waterways enterprise fund* is used to account for waterways activities.

Fiduciary funds 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 government's programs.

The following fiduciary fund types are reported:

- The *OPEB trust fund* is an irrevocable trust fund established for other postemployment benefits; which accumulates resources to reduce the unfunded actuarial liability of health care and other postemployment benefits.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefits individuals, private organizations, or other governments.
- The *custodial fund* is used to account for assets held in a custodial capacity. Such assets consist of fees collected for other governments.

F. Cash, Cash Equivalents, and Investments

Government-Wide and Fund Financial Statements

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.

For the purpose of the propriety funds' statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

G. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide and proprietary 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.

Motor Vehicle and Other Excise Taxes

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

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Accounts Receivable (Continued)

Government-Wide and Fund Financial Statements (Continued)

Real Estate Taxes, Personal Property Taxes, and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1 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 1, November 1, February 1 and May 1 and are subject to penalties and interest if they are not paid by the respective due date.

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

Community Preservation Surcharges

Community preservation surcharges are levied annually and at a rate of 3% of residents' real estate tax bills with exemptions for the first \$100,000 of residential property and property owned by qualified persons with low income and seniors (60+) with low or moderate income as defined by the Department of Revenue (DOR) guidelines. The surcharge is due with the real estate tax on August 1, November 1, February 1 and May 1 and is subject to penalties and interest if they are not paid by the respective due date. Overdue surcharges would be included on the tax liens processed on delinquent real estate taxes. Surcharges are recorded as receivables in the fiscal year of the levy.

Wastewater Infrastructure Investment Surcharge

The Town of Dennis adopted Section 39M of Chapter 40 of the General Laws of Massachusetts and established a special "Municipal Water Infrastructure Investment Fund" with a dedicated funding source that may be spent on maintenance, improvements and investments to municipal drinking, wastewater and stormwater infrastructure assets. The wastewater infrastructure investment surcharges are levied annually and at a rate of 1% of resident's real estate tax bill. Surcharges are recorded as receivables in the fiscal year of the levy.

User Charges

User charges represent ambulance and transfer station services provided to the Town's citizenry and are levied when the service is provided.

Special Assessments

The Town assesses residents for improvements to streets and septic systems through betterments which are due, (with interest) over a period of 20 years. Special assessments are recorded as receivables in the year the improvements are made.

Departmental and Other

Departmental and other receivables consist of various departmental activities and are recorded as receivables in the fiscal year accrued.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Accounts Receivable (Continued)

Government-Wide and Fund Financial Statements (Continued)

Intergovernmental

Various state and federal operating and capital grants are applied for and received annually. For nonexpenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

H. Allowance for Uncollectible Amounts

The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis for the following accounts receivable:

- Personal property taxes
- Motor vehicle and other excise taxes
- User charges
- Departmental and other

The following types of accounts receivable are secured via the lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible amounts is not reported.

- Real estate taxes and tax liens
- Community preservation surcharges
- Wastewater Infrastructure Investment Surcharge
- Special assessments

Intergovernmental receivables are considered 100% collectible.

I. Inventories

Government-Wide and Fund Financial Statements

Except for inventory related to the golf course enterprise fund, inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements and therefore are not reported.

Inventory for the golf course enterprise fund and business-type activities are reported at average cost.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which consist of land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, vehicles and infrastructure (e.g., roads and similar items), are reported in the applicable governmental or business-type activities 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 are recorded at estimated acquisition value at the date of donation.

All purchases and construction costs in excess of \$25,000 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 on a straight-line basis. The estimated useful lives of capital assets are as follows:

Land Improvements	20 to 40 Years
Buildings	40 Years
Building Improvements	20 Years
Machinery and Equipment	5 to 10 Years
Vehicles	5 Years
Infrastructure	20 to 40 Years

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 fiscal year of the purchase.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Interfund Receivables and Payables

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

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental 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.”

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 “Due from other funds” or “Due to other funds” on the balance sheet.

L. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds.

Government-Wide Financial Statements

Transfers between and within governmental 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.

M. Unearned Revenue

Government-Wide and Fund Financial Statements

Unearned revenue is presented in the governmental-wide statement of net position and governmental funds balance sheet and represents federal grants received by the Town in advance of meeting eligibility requirements for revenue recognition.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Outflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred outflows of resources related to pensions and deferred outflows of resources related to OPEB are reported in the government-wide financial statements statement of net position.

O. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue is reported in the governmental funds balance sheet. Unavailable revenue 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. In addition, deferred inflows of resources related to pensions and deferred inflows of resources related to OPEB are reported in the government-wide financial statements statement of net position.

P. Net Position and Fund Balances

Government-Wide Financial Statements and Proprietary Fund Financial Statements (Net Position)

Net position is the residual of all other elements (assets, liabilities, deferred outflows, and deferred inflows) presented in a statement of financial position and is displayed in three components – net investment in capital assets; restricted (distinguishing between major categories of restrictions); and unrestricted.

Net position is reported as restricted when amounts are restricted by outside parties for a specific future use.

Net position has been “restricted” for the following:

- “Community preservation” represents amounts restricted for open space, historic resource, and affordable housing purposes.
- “Debt service” represents amounts restricted for future debt service costs.
- “Permanent funds – expendable” represents amounts held in trust for which the expenditures are restricted by various trust agreements.
- “Permanent funds – nonexpendable” represents amounts held in trust for which only investment earnings may be expended.
- “Receipts reserved – ambulance” represents amounts restricted for ambulance purposes.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Position and Fund Balances (Continued)

Government-Wide Financial Statements and Proprietary Fund Financial Statements (Net Position) (Continued)

- “Receipts reserved – cable” represents amounts restricted for cable television purposes.
- “Other specific purposes” represents restrictions placed on assets from outside parties.

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.

Governmental Funds Financial Statements (Fund Balances)

The following fund balance classifications describe the relative strength of the spending constraints:

Nonspendable — represents amounts that cannot be spent either because they are not in spendable form (i.e., prepaid amounts) or because they are legally or contractually required to be maintained intact (i.e., principal of permanent fund).

Restricted — represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — represents amounts that can be used only for specific purposes imposed by a formal action of Town Meeting, which is the highest level of decision-making authority for the Town. Committed amounts may be established, modified, or rescinded only through actions approved by Town Meeting.

Assigned — represents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Under the Town’s structure, only authorized assignments for noncontractual encumbrances can be made by individual department heads.

Unassigned – represents the residual fund balance for the General Fund and the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Position and Fund Balances (Continued)

Governmental Funds Financial Statements (Fund Balances) (Continued)

Encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

The Town adopted a general fund balance policy in fiscal year 2009. It is the Town's policy to maintain an unassigned general fund balance of between 5% and 15% of general fund revenues, less nonexempt debt. In the event that the Town's unassigned general fund balance falls below 5% of general fund revenues, a plan for specific expenditure reductions and/or revenue increases shall be proposed during the next fiscal year's budget cycle.

Q. Long-Term Debt

Government-Wide and Proprietary Funds Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary funds statements of net position. Material bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Funds Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources when the debt is issued. 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.

R. Lease Liabilities/Obligations

The Town determines if an arrangement is a lease at inception. Leases are included in lease liabilities in the statements of net position. Lease liabilities represent the Town's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Town will exercise that option.

The Town has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Town has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the Town treats the components as a single lease unit.

S. Investment Income

Excluding the permanent funds, 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 proprietary funds is voluntarily assigned and transferred to the general fund.

T. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon employee retirements and resignations.

U. Pensions

Government-Wide and Fund Financial Statements

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Barnstable County Retirement Association (BCRA) and additions to/deductions from BCRA's fiduciary net position have been determined on the same basis as they are reported by BCRA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

V. Postretirement Benefits

Government-Wide and Fund Financial Statements

In addition to providing pension benefits, and as more fully described in Note 10, the Town provides health, dental and life insurance coverage for retirees and their spouses.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. 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 fiscal year. Actual results could vary from estimates that were used.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved by Town Meeting vote. The Finance Committee presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Town Meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases to the original budget subsequent to Annual Town Meeting require Special Town Meeting approval.

The majority of appropriations are noncontinuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year.

Generally, expenditures may not exceed the level of spending (salaries, expenses, and capital) authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original fiscal year 2022 approved budget for the general fund authorized \$78,274,684 in appropriations and other amounts to be raised. During fiscal year 2022, increases to appropriations totaling \$1,259,622 were authorized.

The Accountant's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

The budgetary comparison schedules presented in the accompanying supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Fund Deficits

At June 30, 2022, the following temporary fund deficits exist:

Fund	Amount	Funding Source
Fire Station Fund	\$ 2,109,400	Issuance of Long-Term Debt
Highway Improvements Fund	536,149	State Grant
Betterment Fund - Private Roads	417,319	Issuance of Long-Term Debt/Other
Police SETB Grant	79,263	State Grant
911 Grant	41,147	State Grant
Other Town Funds	35,083	Federal and State Grants
Total	<u>\$ 3,218,361</u>	

C. Expenditures in Excess of Appropriations

For the year ended June 30, 2022, the Town incurred expenditures in excess of appropriations for State and County charges.

NOTE 3 DEPOSITS AND INVESTMENTS

The municipal finance laws of the Commonwealth authorize the Town to invest temporarily idle cash in bank term deposits and certificates of deposits, and treasury and agency obligations of the United States government, with maturities of one year or less; U.S. treasury or agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer's investment pool – the Massachusetts Municipal Depository Trust (MMDT).

The MMDT meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee. The reported value of the pool is the same as the fair value of pool shares.

A cash and investment pool is maintained that is available for use by all funds with unrestricted cash and investments. The deposits and investments of the permanent funds and private purpose trust funds are held separately from other Town funds.

Deposits – Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town's deposits may not be recovered. The Town's policy is to collateralize a portion of their uninsured deposits. As of June 30, 2022, \$2,274,761 of the Town's deposits of \$67,006,512 was exposed to custodial credit risk because it was either not insured or not collateralized.

Investments Summary

The Town's investments at June 30, 2022 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	6 - 10
Debt Securities:				
U.S. Treasuries	\$ 355,704	\$ 95,512	\$ 260,192	\$ -
U.S. Agencies	118,436	15,042	85,851	17,543
Corporate Bonds	354,028	24,998	329,030	-
Money Market Mutual Funds	66,275	66,275	-	-
Certificates of Deposit	75,583	50,004	25,579	-
Mutual Bond Funds	785,762	785,762	-	-
External Investment Pools	1,009,661	1,009,661	-	-
Total Debt Securities	2,765,449	\$ 2,047,254	\$ 700,652	\$ 17,543
Other Investments:				
Equity Securities	1,074,985			
International Equity Securities	183,047			
Total Other Investments	1,258,032			
Total Investments	\$ 4,023,481			

Investments – Interest Rate Risk of Debt Securities

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a policy for interest rate risk of debt securities.

Investments – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's policy is to insure each of their investments. As of June 30, 2022, the Town's investments were not exposed to custodial credit risk.

Investments – Credit Risk of Debt Securities

Credit risk for investments is the risk that an issuer to a debt security will not fulfill its obligations. The Town does not have a policy for credit risk of debt securities. As of June 30, 2022, the credit quality ratings of the Town's investments in debt securities are as follows:

Investment Type	Fair Value	Quality Ratings *								
		AAA	AA+	AA-	A+	A-	A	BBB+	BBB	Unrated
U.S. Treasuries	\$ 355,704	\$ 355,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Agencies	118,436	-	118,436	-	-	-	-	-	-	-
Corporate Bonds	354,028	-	-	41,599	104,283	19,880	20,397	49,300	78,769	39,800
Money Market Mutual Funds	66,275	-	-	-	-	-	-	-	-	66,275
Certificates of Deposit	75,583	-	-	-	-	-	-	-	-	75,583
Mutual Bond Funds	785,762	-	-	-	-	-	-	-	-	785,762
External Investment Pools	1,009,661	-	-	-	-	-	-	-	-	1,009,661
Total	\$ 2,765,449	\$ 355,704	\$ 118,436	\$ 41,599	\$ 104,283	\$ 19,880	\$ 20,397	\$ 49,300	\$ 78,769	\$ 1,977,081

* Per the rating scale of Standard and Poor's (a national credit rating organization)

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments – Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in exchange rates will adversely affect the fair value of an investment or a deposit. The Town does not have a policy for foreign currency risk. As of June 30, 2022, the Town's investments were not exposed to foreign currency risk.

Investments – Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town does not have a policy for concentration of credit risk. As of June 30, 2022, there were no individual investments greater than 5% of the Town's total investments.

Investments – Fair Market Value

The Town categories its fair value measurements within the fair value hierarchy established by GAAP. 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.

Investments – Fair Market Value (Continued)

The Town has the following recurring fair value measurements as of June 30, 2022:

Investment Type	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Equity Securities	\$ 1,074,985	\$ 1,074,985	\$ -	\$ -
International Equity Securities	183,047	183,047	-	-
Money Market Mutual Funds	66,275	66,275	-	-
U.S. Treasury Securities	355,704	355,704	-	-
U.S. Agency Securities	118,436	-	118,436	-
Corporate Bonds	354,028	-	354,028	-
Fixed Income Securities	785,762	785,762	-	-
Certificates of Deposit	75,583	-	75,583	-
Total Investments by Fair Value Level	<u>\$ 3,013,820</u>	<u>\$ 2,465,773</u>	<u>\$ 548,047</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
External Investment Pool (MMDT)	1,009,661			
Total Investments	<u>\$ 4,023,481</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities 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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 ACCOUNTS RECEIVABLE

At June 30, 2022, receivables for governmental and fiduciary funds, in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real Estate and Personal Property Taxes	\$ 2,334,175	\$ -	\$ 2,334,175
Real Estate Tax Deferrals	22,625	-	22,625
Tax and Other Liens	1,071,836	-	1,071,836
Motor Vehicle and Other Excise Taxes	630,178	(246,795)	383,383
Community Preservation Surcharges	73,222	-	73,222
Wastewater Infrastructure Investment Fund Surcharges	24,790	-	24,790
User Charges	990,256	(177,868)	812,388
Special Assessments	425,971	-	425,971
Departmental and Other	213,588	-	213,588
Intergovernmental	287,908	-	287,908
Total	<u>\$ 6,074,549</u>	<u>\$ (424,663)</u>	<u>\$ 5,649,886</u>

At June 30, 2022, receivables for the transfer station enterprise fund were in the amount of \$10,430 for user charges, with no allowance for uncollectibles.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 is as follows:

	Balance at 6/30/2021	Increases	Decreases	Balance at 6/30/2022
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Easements	\$ 58,486,522	\$ -	\$ -	\$ 58,486,522
Construction in Progress	9,119,970	3,513,284	(5,817,263)	6,815,991
Total Capital Assets Not Being Depreciated	67,606,492	3,513,284	(5,817,263)	65,302,513
Capital Assets Being Depreciated:				
Land Improvements	4,813,766	-	-	4,813,766
Buildings	22,337,848	5,913,418	(134,338)	28,116,928
Building Improvements	9,563,059	41,166	-	9,604,225
Machinery and Equipment	9,301,145	511,067	(54,000)	9,758,212
Vehicles	4,173,023	345,257	(546,448)	3,971,832
Infrastructure	66,273,376	1,393,394	-	67,666,770
Total Capital Assets Being Depreciated	116,462,217	8,204,302	(734,786)	123,931,733
Less Accumulated Depreciation and Amortization for:				
Land Improvements	(1,613,135)	(216,572)	-	(1,829,707)
Buildings	(10,926,834)	(551,491)	134,338	(11,343,987)
Building Improvements	(2,033,010)	(265,181)	-	(2,298,191)
Machinery and Equipment	(6,844,797)	(416,282)	54,000	(7,207,079)
Vehicles	(2,787,569)	(400,020)	534,891	(2,652,698)
Infrastructure	(48,251,891)	(1,156,858)	-	(49,408,749)
Total Accumulated Depreciation and Amortization	(72,457,236)	(3,006,404)	723,229	(74,740,411)
Total Capital Assets Being Depreciated and Amortized, Net	44,004,981	5,197,898	(11,557)	49,191,322
Total Governmental Activities Capital Assets, Net	<u>\$ 111,611,473</u>	<u>\$ 8,711,182</u>	<u>\$ (5,828,820)</u>	<u>\$ 114,493,835</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Balance at 6/30/2021	Increases	Decreases	Balance at 6/30/2022
Business-Type Activities:				
<i>Golf Course:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 6,722,807	\$ -	\$ -	\$ 6,722,807
Total Capital Assets Not Being Depreciated	6,722,807	-	-	6,722,807
Capital Assets Being Depreciated:				
Land Improvements	4,580,524	-	-	4,580,524
Buildings	1,995,912	-	-	1,995,912
Building Improvement	2,487,093	-	-	2,487,093
Machinery and Equipment	2,859,601	338,616	-	3,198,217
Vehicles	64,230	-	-	64,230
Infrastructure	605,755	-	-	605,755
Total Capital Assets Being Depreciated	12,593,115	338,616	-	12,931,731
Less Accumulated Depreciation for:				
Land Improvements	(3,610,110)	(108,819)	-	(3,718,929)
Buildings	(1,335,331)	(43,417)	-	(1,378,748)
Building Improvement	(238,213)	(68,729)	-	(306,942)
Machinery and Equipment	(2,155,093)	(260,040)	-	(2,415,133)
Vehicles	(64,230)	-	-	(64,230)
Infrastructure	(92,924)	(15,674)	-	(108,598)
Total Accumulated Depreciation	(7,495,901)	(496,679)	-	(7,992,580)
Total Capital Assets Being Depreciated, Net	5,097,214	(158,063)	-	4,939,151
Total Golf Course Enterprise Capital Assets, Net	\$ 11,820,021	\$ (158,063)	\$ -	\$ 11,661,958

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Balance at 6/30/2021	Increases	Decreases	Balance at 6/30/2022
Business-Type Activities (Continued):				
<i>Transfer Station:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 241,828	\$ -	\$ -	\$ 241,828
Construction in Progress	4,653,484	-	(4,653,484)	-
Total Capital Assets Not Being Depreciated	4,895,312	-	(4,653,484)	241,828
Capital Assets Being Depreciated:				
Land Improvements	325,000	-	-	325,000
Buildings	733,318	4,757,626	-	5,490,944
Machinery and Equipment	575,756	-	-	575,756
Vehicles	219,500	-	-	219,500
Total Capital Assets Being Depreciated	1,853,574	4,757,626	-	6,611,200
Less Accumulated Depreciation for:				
Land Improvements	(325,000)	-	-	(325,000)
Buildings	(387,308)	(35,402)	-	(422,710)
Machinery and Equipment	(508,954)	(19,679)	-	(528,633)
Vehicles	(219,500)	-	-	(219,500)
Total Accumulated Depreciation	(1,440,762)	(55,081)	-	(1,495,843)
Total Capital Assets Being Depreciated, Net	412,812	4,702,545	-	5,115,357
Total Transfer Station Enterprise Capital Assets, Net	\$ 5,308,124	\$ 4,702,545	\$ (4,653,484)	\$ 5,357,185
	Balance at 6/30/2021	Increases	Decreases	Balance at 6/30/2022
Business-Type Activities (Continued):				
<i>Beach:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 2,747,673	\$ -	\$ -	\$ 2,747,673
Construction in Progress	26,682	46,297	-	72,979
Total Capital Assets Not Being Depreciated	2,774,355	46,297	-	2,820,652
Capital Assets Being Depreciated:				
Land Improvements	600,454	-	-	600,454
Buildings	2,173,472	-	-	2,173,472
Building Improvements	919,070	-	-	919,070
Infrastructure	692,895	-	-	692,895
Total Capital Assets Being Depreciated	4,385,891	-	-	4,385,891
Less Accumulated Depreciation for:				
Land Improvements	(184,753)	(28,880)	-	(213,633)
Buildings	(181,798)	(60,164)	-	(241,962)
Building Improvements	(185,729)	(22,976)	-	(208,705)
Infrastructure	(158,959)	(21,850)	-	(180,809)
Total Accumulated Depreciation	(711,239)	(133,870)	-	(845,109)
Total Capital Assets Being Depreciated, Net	3,674,652	(133,870)	-	3,540,782
Total Beach Enterprise Capital Assets, Net	\$ 6,449,007	\$ (87,573)	\$ -	\$ 6,361,434

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Balance at 6/30/2021	Increases	Decreases	Balance at 6/30/2022
Business-Type Activities (Continued):				
<i>Waterways:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 25,827	\$ -	\$ -	\$ 25,827
Construction in Progress	38,000	273,130	-	311,130
Total Capital Assets Not Being Depreciated	63,827	273,130	-	336,957
Capital Assets Being Depreciated:				
Land Improvements	1,386,033	-	-	1,386,033
Buildings	261,359	-	-	261,359
Machinery and Equipment	191,738	-	-	191,738
Vehicles	46,627	54,409	-	101,036
Infrastructure	1,821,553	-	-	1,821,553
Total Capital Assets Being Depreciated	3,707,310	54,409	-	3,761,719
Less Accumulated Depreciation for:				
Land Improvements	(373,743)	(58,635)	-	(432,378)
Buildings	(39,855)	(6,833)	-	(46,688)
Machinery and Equipment	(113,783)	(17,749)	-	(131,532)
Vehicles	(46,627)	(9,975)	-	(56,602)
Infrastructure	(639,818)	(69,649)	-	(709,467)
Total Accumulated Depreciation	(1,213,826)	(162,841)	-	(1,376,667)
Total Capital Assets Being Depreciated, Net	2,493,484	(108,432)	-	2,385,052
Total Waterways Enterprise Capital Assets, Net	2,557,311	164,698	-	2,722,009
Total Business-Type Capital Assets, Net	\$ 26,134,463	\$ 4,621,607	\$ (4,653,484)	\$ 26,102,586

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 344,773
Public Safety	789,927
Public Works	1,665,355
Health and Human Services	44,880
Culture and Recreation	161,469
Total Depreciation Expense - Governmental Activities	<u>\$ 3,006,404</u>

Business-Type Activities:

Golf	\$ 496,679
Transfer Station	55,081
Beach	133,870
Waterways	162,841
Total Depreciation Expense - Business-Type Activities	<u>\$ 848,471</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2022 are summarized as follows:

Transfers Out	Transfers In:				Total
	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Transfer Station Enterprise Fund	
General Fund	\$ -	\$ 40,000	\$ 30,119	\$ 128,196	\$ 198,315 (1)
Community Preservation Fund	442,281	-	-	-	442,281 (2)
Nonmajor Governmental Funds	4,733,002	-	-	493,136	5,226,138 (3)
Golf Enterprise Fund	1,128,971	-	-	-	1,128,971 (4)
Transfer Station Enterprise Fund	(526,686)	-	-	319,150	(207,536) (4)
Beach Enterprise Fund	1,326,048	-	-	-	1,326,048 (4)
Waterways Enterprise Fund	(412,086)	-	-	-	(412,086) (4)
Total	<u>\$ 6,691,530</u>	<u>\$ 40,000</u>	<u>\$ 30,119</u>	<u>\$ 940,482</u>	<u>\$ 7,702,131</u>

- (1) Represents budgeted transfers to various funds for miscellaneous purposes.
- (2) Represents budgeted transfers to fund debt service expenditures.
- (3) Represents budgeted transfers to fund the fiscal year 2022 operating and capital budget from various special revenue and capital projects funds.
- (4) Represents transfer of net cash activity from/(to) enterprise funds into/(from) the general fund.

NOTE 7 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 anticipation notes (RAN) or tax anticipation notes (TAN).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BAN) or grant anticipation notes (GAN).

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, community preservation fund, nonmajor governmental funds and enterprise funds, respectively.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 SHORT-TERM FINANCING (CONTINUED)

Details related to the short-term debt activity for the fiscal year ended June 30, 2022, is as follows:

Governmental Funds

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2021	Increases	Decreases	Balance at June 30, 2022
BAN	Land Acquisition - Tobey Property	01/14/21	01/14/22	0.54%	\$ 160,000	\$ -	\$ (160,000)	\$ -
BAN	CPC West Schoolhouse	06/09/22	06/08/23	3.00%	-	343,000	-	343,000
BAN	CPC Captain Baker House	06/09/22	06/08/23	3.00%	-	258,000	-	258,000
BAN	Fire Station 2	06/09/22	06/08/23	3.00%	-	14,677,779	-	14,677,779
Total Governmental					<u>\$ 160,000</u>	<u>\$ 15,278,779</u>	<u>\$ (160,000)</u>	<u>\$ 15,278,779</u>

NOTE 8 LONG-TERM OBLIGATIONS

The following represents a summary of the changes that occurred in long-term obligations during the fiscal year ended June 30, 2022:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion
Governmental Activities:					
Bonds and Notes Payable	\$ 12,680,000	\$ -	\$ (1,280,000)	\$ 11,400,000	\$ 1,300,000
Notes from Direct Borrowings	80,000	-	(20,000)	60,000	20,000
Unamortized Bond Premiums	868,949	-	(166,382)	702,567	78,995
Total Bonds and Notes Payable	13,628,949	-	(1,466,382)	12,162,567	1,398,995
Lease Liabilities	781,582	-	(287,131)	494,451	293,934
Compensated Absences	1,780,212	-	(61,606)	1,718,606	171,861
Total	<u>\$ 16,190,743</u>	<u>\$ -</u>	<u>\$ (1,815,119)</u>	<u>\$ 14,375,624</u>	<u>\$ 1,864,790</u>
Business-Type Activities:					
Bonds and Notes Payable	\$ 8,200,000	\$ -	\$ (660,000)	\$ 7,540,000	\$ 700,000
Unamortized Bond Premiums	1,380,258	-	(365,193)	1,015,065	171,062
Total Bonds and Notes Payable	9,580,258	-	(1,025,193)	8,555,065	871,062
Lease Liabilities	92,983	-	(92,983)	-	-
Compensated Absences	157,209	-	(6,680)	150,529	15,053
Total	<u>\$ 9,830,450</u>	<u>\$ -</u>	<u>\$ (1,124,856)</u>	<u>\$ 8,705,594</u>	<u>\$ 886,115</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

With the exception of the portion of debt related to the community preservation fund and the Title V septic program, the governmental activities long-term liabilities are liquidated by the general fund. Long-term liabilities of the business-type activities are liquidated by enterprise funds.

NOTE 9 LONG-TERM DEBT

Details related to outstanding indebtedness and debt service requirements are as follows:

Bonds and Notes Payable – Governmental Funds

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2021	Issued	Redeemed	Outstanding at June 30, 2022
MCWT Septic Note*	08/01/24	0.00%	\$ 30,000	\$ -	\$ (10,000)	\$ 20,000
MCWT Septic Note*	07/15/25	0.00%	50,000	-	(10,000)	40,000
Town Office Annex/Museum	10/15/29	2.00-4.00%	1,040,000	-	(240,000)	800,000
General Obligation Bonds	12/15/30	3.00%	2,050,000	-	(205,000)	1,845,000
General Obligation Bonds	11/01/30	2.00%	1,085,000	-	(65,000)	1,020,000
Refunding Bonds	11/01/31	2.00%	2,340,000	-	(440,000)	1,900,000
Senior Center	10/01/39	3.00-5.00%	4,815,000	-	(160,000)	4,655,000
Land Acquisition (Holl)	10/01/24	5.00%	245,000	-	(55,000)	190,000
Land Acquisition (Bush)	10/01/28	5.00%	1,105,000	-	(115,000)	990,000
Total Governmental Funds			<u>\$ 12,760,000</u>	<u>\$ -</u>	<u>\$ (1,300,000)</u>	<u>\$ 11,460,000</u>

* Notes from direct borrowings

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

Fiscal Year	Bonded Debt		Notes from Direct Borrowings		Total
	Principal	Interest	Principal	Interest	
2023	\$ 1,300,000	\$ 363,017	\$ 20,000	\$ -	\$ 1,320,000
2024	1,310,000	322,078	15,000	-	1,325,000
2025	1,190,000	281,758	15,000	-	1,205,000
2026	1,125,000	243,798	10,000	-	1,135,000
2027	960,000	208,925	-	-	960,000
2028	755,000	177,450	-	-	755,000
2029	775,000	147,200	-	-	775,000
2030	625,000	120,100	-	-	625,000
2031	535,000	99,475	-	-	535,000
2032	335,000	84,550	-	-	335,000
2033	275,000	73,050	-	-	275,000
2034	285,000	61,850	-	-	285,000
2035	300,000	50,150	-	-	300,000
2036	310,000	40,275	-	-	310,000
2037	315,000	32,463	-	-	315,000
2038	325,000	24,463	-	-	325,000
2039	335,000	15,375	-	-	335,000
2040	345,000	5,175	-	-	345,000
Total	<u>\$ 11,400,000</u>	<u>\$ 2,351,151</u>	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 11,460,000</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 LONG-TERM DEBT (CONTINUED)

The Town receives subsidy assistance from the Massachusetts Clean Water Trust (MCWT). Interest on the outstanding bonds for MCWT is subsidized over the life of the bonds to assist the Town in the repayment of this future debt. During fiscal year 2022, the Town's subsidy totaled approximately \$2,300. Future subsidies total approximately \$1,600. The amount of MCWT bonds outstanding at June 30, 2022, totaled \$60,000.

Bonds and Notes Payable – Enterprise Funds

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2021	Issued	Redeemed	Outstanding at June 30, 2022
Sesuit Harbor Dredging	10/01/34	4.00-5.00%	\$ 2,830,000	\$ -	\$ (145,000)	\$ 2,685,000
Highlands Golf Course	10/01/29	5.00%	845,000	-	(75,000)	770,000
Mayflower Beach Bathhouse	10/01/24	5.00%	795,000	-	(185,000)	610,000
Mayflower Beach Bathhouse (Additional)	10/01/24	5.00%	370,000	-	(85,000)	285,000
Transfer Station	10/01/24	4.00-5.00%	3,360,000	-	(170,000)	3,190,000
Total Enterprise Funds			<u>\$ 8,200,000</u>	<u>\$ -</u>	<u>\$ (660,000)</u>	<u>\$ 7,540,000</u>

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

Fiscal Year	Principal	Interest	Total
2023	\$ 700,000	\$ 332,650	\$ 1,032,650
2024	730,000	296,900	1,026,900
2025	775,000	259,275	1,034,275
2026	480,000	227,900	707,900
2027	500,000	203,400	703,400
2028	525,000	177,775	702,775
2029	560,000	150,650	710,650
2030	585,000	122,025	707,025
2031	495,000	97,500	592,500
2032	515,000	77,300	592,300
2033	535,000	56,300	591,300
2034	560,000	34,400	594,400
2035	580,000	11,600	591,600
Total	<u>\$ 7,540,000</u>	<u>\$ 2,047,675</u>	<u>\$ 9,587,675</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 LONG-TERM DEBT (CONTINUED)

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, 2022, the Town had the following authorized and unissued debt:

Purpose	Amount Unissued
Fire Station	\$ 14,677,779
Land Acquisition	1,000,000
West Dennis Road Betterment	583,200
West Schoolhouse Repair (CPA)	343,000
Capt Baker House & Barn Restoration (CPA)	258,000
Rocky Ridge Repairs - Betterment	238,700
Land Acquisition	215,000
Road Betterment (Black Ball Hill)	194,640
Sesuit Harbor Dredging	118,278
Old Mayfair Private Road Repairs	106,400
Hazelwood Betterments	91,525
Private Roads - Uncle Stanley, Hinckley, Tuckoosa	72,854
Repairs to Village Green	28,665
Repairs to Janet Road	20,240
Total	\$ 17,948,281

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The Town provides health, dental and life insurance coverage for its retirees and their survivors (hereinafter referred to as the Plan) as a single-employer defined benefit Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions. Changes to Plan design and contribution rates must be accomplished through the collective bargaining process. The Plan does not issue a standalone financial report.

Plan assets are managed by the Treasurer, who serves as the custodian of the fund. Investment policies and objectives are established by the Treasurer.

The number of participants as of June 30, 2020, the latest actuarial valuation, is as follows:

Retired Employees, Beneficiaries and Dependents	170
Active Employees	164
Total	334

Benefits Provided – The Town provides health, dental and life insurance coverage for its retirees and survivors. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Contributions – The contribution requirements of Plan members and the Town are established and may be amended by the Town. The required health and dental insurance (including Medicare Part B) contribution rates of Plan members and the Town are 40% and 60%, respectively. The Plan members and the Town contribute 40% and 60%, respectively, towards a \$2,000 term life insurance premium. The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the Town.

For the fiscal year ended June 30, 2022, employer contributions totaled \$1,447,696. The OPEB Trust Fund did not receive contributions from any other sources.

Net Other Postemployment Benefits Liability (Plan)

The components of the net OPEB liability of the Plan as of June 30, 2022, were as follows:

Total OPEB Liability	\$ 37,889,113
Plan Fiduciary Net Position	<u>(2,091,462)</u>
Net OPEB Liability	<u><u>\$ 35,797,651</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.52%

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020 for which update procedures were used to roll forward the total OPEB liability to the measurement date.

The OPEB trust fund reported in the fiduciary funds financial statements is reported using the flow of economic resources measurement focus and uses the accrual basis of accounting. Contributions are recognized as additions in the period when they become due pursuant to formal commitments, statutory or contractual requirements. Benefits and refunds are recognized as deductions when incurred.

Methods and Assumptions – Projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations, are based on the substantive Plan (the Plan as understood by the employer and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net Other Postemployment Benefits Liability (Plan) (Continued)

Methods and Assumptions (Continued)

The significant methods and assumptions used to measure the total OPEB liability as of the latest actuarial valuation are as follows:

Valuation date:	June 30, 2020
Actuarial cost method:	Individual Entry Age Normal
Investment Rate of Return:	6.5%, net of OPEB plan investment expense, including inflation
Discount Rate:	3.75% (2.36% as of June 30, 2021)
Inflation:	3.25% annually
Healthcare/Medical Cost Trend Rate:	<p><i>CCMHG:</i></p> <ul style="list-style-type: none"> - Non-Medicare: 2.5% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.5% per year - Medicare: 2.50% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.5% per year <p><i>GIC:</i></p> <ul style="list-style-type: none"> -Non-Medicare: 6.60%, 6.50%, 6.40%, 6.20%, then 6.00% decreasing by 0.25% each year until ultimate level of 4.50% per year. -Medicare: 4.80%, 4.70%, 4.60%, 4.70%, then 6.00% decreasing by 0.25% each year to an ultimate level of 4.50% per year. <p>Dental: 3.00%</p> <p>Part B: 8.70% for 1 year, then 4.50%</p>
Salary Increases:	4.00% - 7.50%, depending on employee type
Pre-Retirement Mortality:	
Healthy Non-teachers	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017
Healthy Teachers	Pub-2010 Teachers Employee Headcount-Weighted Mortality Table projected generationally with Scale MP-2020
Post-Retirement Mortality:	
Healthy Non-teachers	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017
Healthy Teachers	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2020
Disabled Mortality:	
Healthy Non-teachers	RP-2014 Blue Collar Employee Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2017
Healthy Teachers	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2020

Investment Policies and Rates of Return –The OPEB trust fund investments are in accordance with applicable state laws and regulations. For the fiscal year ended June 30, 2022, the money-weighted rate of return on the Trust Fund’s investments, net of investment expense, was -7.32%. The money-weighted rate of return expresses investment performance adjusted for amounts actually invested.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net Other Postemployment Benefits Liability (Plan) (Continued)

Investment Policies and Rates of Return (Continued)

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 OPEB 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36.00%	6.11%
International Equity - Developed Market	27.00%	6.49%
International Equity - Emerging Market	7.00%	8.12%
Core Fixed Income	15.00%	0.38%
High Yield Fixed Income	5.00%	2.48%
Real Estate	7.50%	3.72%
Commodities	0.00%	3.44%
Hedge Fund, GTAA, Risk Parity	2.50%	2.63%
Private Equity	0.00%	9.93%
Total	100.00%	

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability calculated using the current discount rate of 3.75%, as well as what the net OPEB liability would be if it were calculated using a discount rate one percentage point lower (2.75%) or one percentage point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB Liability	\$ 42,295,741	\$ 35,797,651	\$ 30,637,752

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability calculated using the current healthcare cost trend rates as well as what the net OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	\$ 29,372,030	\$ 35,797,651	\$ 44,217,994

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net Other Postemployment Benefits Liability (Town)

The Town's net OPEB liability was measured as of June 30, 2022 for the year ended June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances - June 30, 2021	\$ 45,012,491	\$ 1,856,090	\$ 43,156,401
Changes for the Year:			
Service Cost	2,309,338	-	2,309,338
Interest	1,104,504	-	1,104,504
Changes of Assumptions	(9,489,524)	-	(9,489,524)
Benefits Payments	-	(1,047,696)	1,047,696
Contributions - Employer	-	1,447,696	(1,447,696)
Net Investment Income	(1,047,696)	(164,628)	(883,068)
Net Changes	(7,123,378)	235,372	(7,358,750)
Balances - June 30, 2022	<u>\$ 37,889,113</u>	<u>\$ 2,091,462</u>	<u>\$ 35,797,651</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Town recognized OPEB expense of \$2,407,192. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,283,668	\$ 602,288
Changes of Assumptions	5,429,466	12,904,317
Net Difference Between Projected and Actual Earnings on OPEB Trust Investments	151,744	-
Total	<u>\$ 6,864,878</u>	<u>\$ 13,506,605</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net Other Postemployment Benefits Liability (Town) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (870,421)
2024	(359,585)
2025	(756,412)
2026	(1,944,017)
2027	(1,355,646)
Thereafter	<u>(1,355,646)</u>
Total	<u>\$ (6,641,727)</u>

NOTE 11 LEASES (LESSEE)

The Town leases certain vehicles and machinery and equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2024.

Total future minimum lease payments under lease agreements are as follows:

<u>Fiscal Years Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 293,934	\$ 11,397
2024	<u>200,517</u>	<u>4,431</u>
Total Minimum Lease Payments	<u>\$ 494,451</u>	<u>\$ 15,828</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 FUND BALANCES

The constraints on fund balances as listed in aggregate in the governmental funds balance sheet are:

	General	Community Preservation Fund	Fire Station	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Permanent Fund Principal	\$ -	\$ -	\$ -	\$ 544,959	\$ 544,959
Restricted for:					
Community Preservation	-	4,522,708	-	-	4,522,708
Receipts Reserved - Ambulance	-	-	-	2,553,579	2,553,579
Receipts Reserved - Cable	-	-	-	609,887	609,887
Septic Betterments	-	-	-	330,427	330,427
Capital - Solid Waste Recycling	-	-	-	-	-
Affordable Housing	-	-	-	323,371	323,371
General Government	-	-	-	1,311,697	1,311,697
Public Safety	-	-	-	624,502	624,502
Education	-	-	-	9,157	9,157
Public Works	-	-	-	294,754	294,754
Health and Human Services	-	-	-	178,107	178,107
Culture and Recreation	-	-	-	366,043	366,043
Community Development	-	-	-	276,652	276,652
Subtotal - Restricted	-	4,522,708	-	6,878,176	11,400,884
Committed to:					
Subsequent Year's Expenditures	-	-	-	-	-
Capital Stabilization	1,446,993	-	-	-	1,446,993
Beach Protection Stabilization	348,780	-	-	-	348,780
Fire Staffing Stabilization	608,248	-	-	-	608,248
Continuing Appropriations	17,874,316	-	-	-	17,874,316
Subtotal - Committed	20,278,337	-	-	-	20,278,337
Assigned to:					
Encumbrances	211,847	-	-	-	211,847
Unassigned	14,851,721	-	(2,109,400)	(1,108,961)	11,633,360
Totals	<u>\$ 35,341,905</u>	<u>\$ 4,522,708</u>	<u>\$ (2,109,400)</u>	<u>\$ 6,314,174</u>	<u>\$ 44,069,387</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 STABILIZATION FUNDS

The Town maintains the following stabilization funds that were established under MGL Chapter 40, Section 5B:

- General Stabilization
- Capital Improvements Stabilization
- Wastewater Stabilization
- Fire Department Staffing Stabilization

The Town also maintains a barrier beach protection stabilization fund established under Chapter 108 of the Acts of 2011.

Appropriations in and out of the stabilization funds require two-thirds vote of Town Meeting. Investment income is retained by the funds.

The balance of the general, capital improvements, wastewater, barrier beach protection, and fire department staffing stabilization funds at June 30, 2022 total \$5,897,027, \$1,331,669, \$115,324, \$348,780, and \$608,248, respectively. The general stabilization fund is reported in the general fund as unassigned fund balance. The other stabilization funds are reported in the general fund as committed fund balance.

NOTE 14 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; and natural disasters for which the Town carries commercial insurance.

Health Insurance

The Town participates in a health insurance risk pool trust administered by the Cape Cod Municipal Health Group (Group). The Group offers a variety of premium based plans to its members with each participating governmental unit being charged a premium for coverage based on rates established by the Group. The Town is obligated to pay the Group its required premiums and, in event the Group is terminated, its pro-rata share of a deficit, should one exist. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

Workers' Compensation

The Town is self-insured for workers' compensation claims for certain public safety employees. The liability for such claims as of June 30, 2022 amounted to \$176,779.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 PENSION PLAN

General Information about the Pension Plan

Plan Description. Employees of the Town deemed eligible by the Barnstable County Retirement Board are provided with pensions through the BCRA – a cost-sharing multiple-employer defined benefit pension plan administered by the Barnstable County Retirement Board. Membership in the BCRA is mandatory immediately upon the commencement of employment for all permanent employees (except for school department employees who serve in a teaching capacity) working a minimum of 25 hours per week. The BCRA issues a publicly available financial report that can be obtained by contacting the BCRA located at 750 Attucks Lane, Hyannis, Massachusetts, 02601.

Benefits provided. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The plan provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012. 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.

There are three classes of membership in the plan; Group 1, Group 2, and Group 4. Group 1 consists of general employees which includes clerical and administrative positions. Group 2 consists of positions that have been specified as hazardous. Lastly, Group 4 consists of police officers, firefighters, and other hazardous positions.

Any individual in Group 1 or Group 2 whose membership began before January 1, 1978, and who maintains an annuity savings fund account, is eligible to receive a superannuation retirement allowance at age 55 or later, regardless of how many years of credible service he or she has completed.

There are no minimum vesting requirements for individuals in Group 4.

Members in Groups 1 and 2, hired after January 1, 1978 and prior to April 2, 2012, are eligible to receive a superannuation retirement allowance upon the completion of 20 years of service or upon the completion of 10 years of service and upon reaching the age of 55.

Members in Groups 1 and 2, hired on or after April 2, 2012, are eligible to receive a superannuation retirement allowance upon the completion of 10 years of service and upon reaching the age of 60 (Group 1) or age 55 (Group 2).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent on several factors, including whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veterans' status and group classification. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Contributions. Chapter 32 of the MGL assigns authority to establish and amend contribution requirements of the plan. Employers are required to pay an actuarially determined annual appropriation. 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 plan's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The pension fund appropriations are allocated amongst employers based on covered payroll. Active member employees contribute between 5% and 9% of their gross regular compensation. The percentage rate is keyed to the date upon which an employee's membership commences. Members hired on or after January 1, 1979, contribute an additional 2% of annual regular compensation in excess of \$30,000. Contributions to the pension plan from the Town were \$3,818,212 for the year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Town reported a liability of \$28,506,069 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 for which update procedures were used to roll back the total pension liability to the measurement date. The Town proportion of the net pension liability is a blended rate of the proportionate share of active employer's covered payroll, direct charges for early retirement incentives and the direct amortization of the actuarial determined net pension liability for employer members that no longer have active covered payroll. At December 31, 2021, the Town proportion was 5.184%, compared to 5.142%, the proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Town recognized pension expense of \$1,833,016. At June 30, 2022, the Town reported deferred outflows of resources related to pensions of \$3,961,696, of which \$3,574,861 related to changes of assumptions and 386,835 related to changes in proportion and differences between employer contributions and proportionate share of contributions. At June 30, 2022, the Town reported deferred inflows of resources related to pensions of \$10,281,238, of which \$200,040 related to differences between expected and actual experience, \$9,981,309 related to the net difference between projected and actual investment earnings, and \$99,889 related to changes in proportion and differences between employer contributions and proportionate share of contributions.

The amount reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2023	\$ (956,342)
2024	(2,675,168)
2025	(1,661,039)
2026	(1,413,153)
2027	386,160
Total	<u>\$ (6,319,542)</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions. The total pension liability was determined using the following actuarial assumptions:

Inflation Rate:	3.25%
Salary Increases:	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4.
Mortality Rates:	
Pre-Retirement	The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021
Healthy Retiree	The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021
Disabled Retiree	The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021
Investment Rate of Return:	6.90%, net of pension plan investment expense, including inflation

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.00%	6.11%
International Equity - Developed Markets	11.50%	6.49%
International Equity - Emerging Markets	4.50%	8.12%
Core Fixed Income	15.00%	0.38%
High-Yield Fixed Income	8.00%	2.48%
Real Estate	10.00%	3.72%
Timber	4.00%	3.44%
Hedge Fund, GTAA, Risk Parity	10.00%	2.63%
Private Equity	15.00%	9.93%
Totals	<u>100.0%</u>	

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers 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 Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Town's proportionate share of the net pension liability using the discount rate of 6.90%, as well as what the Town share of the net pension liability would be using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Town of Dennis's Proportionate Share of the Net Pension Liability	\$ 41,920,441	\$ 28,506,069	\$ 17,222,412

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued BCRA financial report.

NOTE 16 CONTINGENCIES

Various legal actions and claims are pending against the Town. 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, 2022, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2022.

The Town participates in a number of federal award programs. Although the programs have been audited in accordance with the provisions of the Uniform Grant Guidance through June 30, 2022, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 17 COMMITMENTS

The Town has entered into, or is planning to enter into, contracts totaling approximately \$14,700,000 for construction of a new fire station. Other significant commitments include encumbrances and continuing appropriations totaling \$18,086,163 for the General Fund as of June 30, 2022.

**TOWN OF DENNIS, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
NON-GAAP BUDGETARY BASIS – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Real Estate and Personal Property Taxes	\$ -	\$ 47,647,879	\$ -	\$ 47,647,879
Motor Vehicles and Other Excise Taxes	-	2,520,000	-	2,520,000
Hotel/Motel tax	-	350,000	-	350,000
Tax Liens	-	-	-	-
Intergovernmental	-	780,835	-	780,835
Penalties and Interest on Taxes	-	300,000	-	300,000
Licenses and Permits	-	1,000,000	-	1,000,000
Fines and Forfeitures	-	65,000	-	65,000
Departmental and Other	-	7,720,000	-	7,720,000
Investment Income	-	20,000	-	20,000
Total Revenue	<u>-</u>	<u>60,403,714</u>	<u>-</u>	<u>60,403,714</u>
EXPENDITURES				
Current:				
General Government	671,608	5,725,861	(118,448)	6,279,021
Public Safety	2,253,455	13,808,971	334,636	16,397,062
Education	48,852	20,027,528	293,275	20,369,655
Public Works	959,133	7,022,629	364,216	8,345,978
Health and Human Services	807,407	14,772,016	39,234	15,618,657
Culture and Recreation	472,412	4,297,636	44,228	4,814,276
Pension Benefits	-	3,818,212	-	3,818,212
Employee Benefits	159,078	3,707,661	159,078	4,025,817
Property and Liability Insurance	-	553,200	132,953	686,153
State and County Charges	-	967,899	10,450	978,349
Debt Service:				
Principal	-	2,005,000	-	2,005,000
Interest	-	783,731	-	783,731
Total Expenditures	<u>5,371,945</u>	<u>77,490,344</u>	<u>1,259,622</u>	<u>84,121,911</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,371,945)	(17,086,630)	(1,259,622)	(23,718,197)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	12,728,326	248,709	12,977,035
Transfers Out	-	(784,340)	-	(784,340)
Total Other Financing Sources (Uses)	<u>-</u>	<u>11,943,986</u>	<u>248,709</u>	<u>12,192,695</u>
NET CHANGE IN FUND BALANCE	(5,371,945)	(5,142,644)	(1,010,913)	(11,525,502)
Fund Balance - Beginning of Year	<u>13,974,074</u>	<u>13,974,074</u>	<u>13,974,074</u>	<u>13,974,074</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,602,129</u>	<u>\$ 8,831,430</u>	<u>\$ 12,963,161</u>	<u>\$ 2,448,572</u>

See accompanying Notes to Required Supplementary Information.

**TOWN OF DENNIS, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
NON-GAAP BUDGETARY BASIS – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$ 47,415,750	\$ -	\$ 47,415,750	\$ (232,129)
3,684,260	-	3,684,260	1,164,260
2,258,315	-	2,258,315	1,908,315
105,438	-	105,438	105,438
929,392	-	929,392	148,557
456,345	-	456,345	156,345
1,261,776	-	1,261,776	261,776
54,521	-	54,521	(10,479)
7,893,379	-	7,893,379	173,379
14,162	-	14,162	(5,838)
<u>64,073,338</u>	<u>-</u>	<u>64,073,338</u>	<u>3,669,624</u>
4,874,092	859,292	5,733,384	545,637
14,644,728	1,342,430	15,987,158	409,904
20,343,625	-	20,343,625	26,030
6,760,122	1,140,337	7,900,459	445,519
1,714,190	13,841,253	15,555,443	63,214
3,746,377	840,712	4,587,089	227,187
3,818,212	-	3,818,212	-
3,271,731	62,139	3,333,870	691,947
662,986	-	662,986	23,167
987,649	-	987,649	(9,300)
1,960,000	-	1,960,000	45,000
767,700	-	767,700	16,031
<u>63,551,412</u>	<u>18,086,163</u>	<u>81,637,575</u>	<u>2,484,336</u>
521,926	(18,086,163)	(17,564,237)	6,153,960
12,977,035	-	12,977,035	-
<u>(784,340)</u>	<u>-</u>	<u>(784,340)</u>	<u>-</u>
<u>12,192,695</u>	<u>-</u>	<u>12,192,695</u>	<u>-</u>
12,714,621	(18,086,163)	(5,371,542)	6,153,960
<u>13,974,074</u>	<u>-</u>	<u>13,974,074</u>	<u>-</u>
<u>\$ 26,688,695</u>	<u>\$ (18,086,163)</u>	<u>\$ 8,602,532</u>	<u>\$ 6,153,960</u>

See accompanying Notes to Required Supplementary Information.

**TOWN OF DENNIS, MASSACHUSETTS
COMMUNITY PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE –
NON-GAAP BUDGETARY BASIS – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Tax Liens	\$ -	\$ -	\$ -	\$ -
Community Preservation Surcharges	-	1,404,668	-	1,404,668
Intergovernmental	-	438,000	-	438,000
Penalties and Interest on Taxes	-	-	-	-
Investment Income	-	50,000	-	50,000
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>1,892,668</u>	<u>-</u>	<u>1,892,668</u>
EXPENDITURES				
Current:				
Administrative	-	30,000	-	30,000
Acquisition and Projects	<u>2,470,359</u>	<u>780,752</u>	<u>-</u>	<u>3,251,111</u>
Total Expenditures	<u>2,470,359</u>	<u>810,752</u>	<u>-</u>	<u>3,281,111</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(2,470,359)	1,081,916	-	(1,388,443)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	40,000	-	40,000
Premium from Issuance of Bonds and Notes	-	-	-	-
Transfers Out	<u>-</u>	<u>(442,281)</u>	<u>-</u>	<u>(442,281)</u>
Total Other Financing Sources (Expenses)	<u>-</u>	<u>(402,281)</u>	<u>-</u>	<u>(402,281)</u>
NET CHANGE IN FUND BALANCE				
	(2,470,359)	679,635	-	(1,790,724)
Fund Balance - Beginning of Year	<u>1,725,821</u>	<u>1,725,821</u>	<u>1,725,821</u>	<u>1,725,821</u>
FUND BALANCE - END OF YEAR	<u>\$ (744,538)</u>	<u>\$ 2,405,456</u>	<u>\$ 1,725,821</u>	<u>\$ (64,903)</u>

See accompanying Notes to Required Supplementary Information.

**TOWN OF DENNIS, MASSACHUSETTS
COMMUNITY PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE –
NON-GAAP BUDGETARY BASIS – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$ 1,957	\$ -	\$ 1,957	\$ 1,957
1,397,525	-	1,397,525	(7,143)
696,084	-	696,084	258,084
7,051	-	7,051	7,051
4,469	-	4,469	(45,531)
-	-	-	-
<u>2,107,086</u>	<u>-</u>	<u>2,107,086</u>	<u>214,418</u>
10,921	-	10,921	19,079
<u>472,162</u>	<u>2,778,949</u>	<u>3,251,111</u>	<u>-</u>
<u>483,083</u>	<u>2,778,949</u>	<u>3,262,032</u>	<u>19,079</u>
1,624,003	(2,778,949)	(1,154,946)	233,497
40,000	-	40,000	-
3,693	-	3,693	3,693
(442,281)	-	(442,281)	-
<u>(398,588)</u>	<u>-</u>	<u>(398,588)</u>	<u>3,693</u>
1,225,415	(2,778,949)	(1,553,534)	237,190
<u>1,725,821</u>	<u>-</u>	<u>1,725,821</u>	<u>-</u>
<u>\$ 2,951,236</u>	<u>\$ (2,778,949)</u>	<u>\$ 172,287</u>	<u>\$ 237,190</u>

See accompanying Notes to Required Supplementary Information.

**TOWN OF DENNIS, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
PENSION BENEFIT SCHEDULES
YEAR ENDED JUNE 30, 2022**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY –
BARNSTABLE COUNTY RETIREMENT ASSOCIATION (1) (2)**

	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	5.184%	5.142%	5.139%	5.141%	5.189%	5.099%	5.257%	5.116%
Town's Proportionate Share of the Net Pension Liability	\$ 28,506,069	\$ 35,524,384	\$ 38,605,357	\$ 40,631,805	\$ 35,309,162	\$ 35,826,922	\$ 33,098,793	\$ 28,881,100
Town's Covered Payroll	\$ 16,743,224	\$ 16,484,480	\$ 15,803,559	\$ 15,261,562	\$ 14,770,163	\$ 14,427,495	\$ 14,577,045	\$ 13,418,235
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.25%	215.50%	244.28%	266.24%	239.06%	248.32%	227.06%	215.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.07%	66.82%	62.34%	57.63%	61.86%	57.28%	58.10%	60.43%

**SCHEDULE OF CONTRIBUTIONS –
BARNSTABLE COUNTY RETIREMENT ASSOCIATION (1) (2)**

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Required Contribution	\$ 3,818,212	\$ 3,577,068	\$ 3,383,232	\$ 3,231,470	\$ 3,096,752	\$ 2,890,449	\$ 2,838,784	\$ 2,666,977
Contributions in Relation to the Actuarially Required Contribution	(3,818,212)	(3,577,068)	(3,397,333)	(3,231,470)	(3,096,752)	(2,890,449)	(2,838,784)	(2,666,977)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (14,101)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's Covered Payroll	\$ 16,743,224	\$ 16,484,480	\$ 15,803,559	\$ 15,261,562	\$ 14,770,163	\$ 14,427,495	\$ 14,577,045	\$ 13,418,235
Contributions as a Percentage of Covered Payroll	22.80%	21.70%	21.50%	21.17%	20.97%	20.03%	19.47%	19.88%

- (1) Amounts presented were determined as of December 31 within the applicable fiscal year.
(2) Data is being accumulated annually to present 10 years of the reported information.

**TOWN OF DENNIS, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS SCHEDULES
YEAR ENDED JUNE 30, 2022**

OTHER POSTEMPLOYMENT BENEFITS SCHEDULES

The following schedules provide information related to the Town's other postemployment benefits plan:

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND
RELATED RATIOS (PLAN) (1)**

	06/30/2022	06/30/2021	06/30/2020	06/30/2019	06/30/2018	06/30/2017
<u>Total OPEB Liability</u>						
Service Cost	\$ 2,309,338	\$ 2,543,765	\$ 1,826,269	\$ 1,451,055	\$ 1,451,140	\$ 1,692,388
Interest on Unfunded Liability	1,104,504	1,068,448	1,334,546	1,261,972	1,154,349	974,101
Differences Between Expected and Actual Experience	-	1,925,502	-	(1,806,860)	-	-
Changes of Assumptions	(9,489,524)	(5,813,658)	7,351,157	5,261,657	(1,336,154)	(3,590,375)
Benefits Payments	(1,047,696)	(1,022,158)	(1,010,015)	(1,024,701)	(787,226)	(753,326)
Net Change in Total OPEB Liability	(7,123,378)	(1,298,101)	9,501,957	5,143,123	482,109	(1,677,212)
Total OPEB Liability - Beginning	45,012,491	46,310,592	36,808,635	31,665,512	31,183,403	32,860,615
Total OPEB Liability - Ending (a)	\$ 37,889,113	\$ 45,012,491	\$ 46,310,592	\$ 36,808,635	\$ 31,665,512	\$ 31,183,403
<u>Plan Fiduciary Net Position</u>						
Contributions - Employer	\$ 1,447,696	\$ 1,122,158	\$ 1,196,312	\$ 1,424,701	\$ 862,226	\$ 1,053,326
Net Investment Income	(164,628)	293,799	33,920	58,496	60,868	1,040
Benefit Payments	(1,047,696)	(1,022,158)	(1,010,015)	(1,024,701)	(787,226)	(753,326)
Net Change in Plan Fiduciary Net Position	235,372	393,799	220,217	458,496	135,868	301,040
Plan Fiduciary Net Position - Beginning	1,856,090	1,462,291	1,242,074	783,578	647,710	346,670
Plan Fiduciary Net Position - Ending (b)	\$ 2,091,462	\$ 1,856,090	\$ 1,462,291	\$ 1,242,074	\$ 783,578	\$ 647,710
Net OPEB Liability - Ending (a)-(b)	\$ 35,797,651	\$ 43,156,401	\$ 44,848,301	\$ 35,566,561	\$ 30,881,934	\$ 30,535,693
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.52%	4.12%	3.16%	3.37%	2.47%	2.08%

(1) Data is presented for the years in which applicable data is available. This schedule will ultimately contain 10 years of data in the future.

**TOWN OF DENNIS, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS SCHEDULES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

SCHEDULE OF EMPLOYER CONTRIBUTIONS (PLAN) (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Determined Contribution	\$ 2,121,256	\$ 2,053,270	\$ 2,050,459	\$ 1,985,917	\$ 1,719,239	\$ 1,661,100
Contributions in Relation to the Actuarially Determined Contributions	<u>(1,447,696)</u>	<u>(1,122,158)</u>	<u>(1,196,312)</u>	<u>(1,424,701)</u>	<u>(862,226)</u>	<u>(1,053,326)</u>
Contribution Deficiency (Excess)	<u>\$ 673,560</u>	<u>\$ 931,112</u>	<u>\$ 854,147</u>	<u>\$ 561,216</u>	<u>\$ 857,013</u>	<u>\$ 607,774</u>

SCHEDULE OF INVESTMENT RETURNS (PLAN) (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	-7.32%	19.94%	2.48%	5.61%	10.12%	0.21%

(1) Data is presented for the years in which applicable data is available. This schedule will ultimately contain 10 years of data in the future.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

NOTE A BUDGETARY – GAAP RECONCILIATION

For budgetary financial reporting purposes, the Uniform Massachusetts Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. Reconciliations of budgetary-basis to GAAP-basis results for the fiscal year ended June 30, 2022, are presented below:

General Fund

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Fund Balance</u>
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual	\$ 64,073,338	\$ 81,637,575	\$ 12,192,695	\$ 8,602,532
<u>Adjustments</u>				
Net change in recording 60-day receipts	(30,168)	-	-	539,333
To record encumbrances and continuing appropriations	-	(18,086,163)	-	18,086,163
To reclassify stabilization funds to the general fund	1,142,237	-	(6,271,771)	8,301,048
To record expense accruals	-	(289,953)	-	(10,392)
To reclassify OPEB transfer	-	300,000	300,000	-
To record worker's compensation	-	(88,429)	-	(176,779)
To reclassify current year activity to the golf course enterprise fund	(3,359,516)	(2,525,160)	108,260	(726,096)
To reclassify current year activity to the transfer station enterprise fund	(1,469,659)	(1,996,345)	-	526,686
To reclassify current year activity to the beach enterprise fund	(1,988,684)	(1,341,352)	2,984	(644,348)
To reclassify current year activity to the waterways enterprise fund	(411,669)	(1,094,380)	-	682,711
To reclassify net activity transferred to the golf course enterprise fund back to the general fund	-	-	726,096	726,096
To reclassify net activity transferred to the transfer station enterprise fund back to the general fund	-	-	(526,686)	(526,686)
To reclassify net activity transferred to the beach enterprise fund back to the general fund	-	-	644,348	644,348
To reclassify net activity transferred to the waterways enterprise fund back to the general fund	-	-	(682,711)	(682,711)
Total Adjustments	<u>(6,117,459)</u>	<u>(25,121,782)</u>	<u>(5,699,480)</u>	<u>26,739,373</u>
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 57,955,879</u>	<u>\$ 56,515,793</u>	<u>\$ 6,493,215</u>	<u>\$ 35,341,905</u>

Community Preservation Fund

	<u>Expenditures</u>
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual	\$ 3,262,032
<u>Adjustments</u>	
To record expense accruals	(53,681)
To record encumbrances and continuing appropriations	(2,778,949)
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 429,402</u>