

TOWN OF DENNIS, MASSACHUSETTS
FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024



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**TOWN OF DENNIS, MASSACHUSETTS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	12
STATEMENT OF ACTIVITIES	14
GOVERNMENTAL FUNDS – BALANCE SHEET	15
GOVERNMENTAL FUNDS – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	17
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION	16
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	18
FIDUCIARY FUNDS – STATEMENT OF FIDUCIARY NET POSITION	19
FIDUCIARY FUNDS – STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	20
NOTES TO BASIC FINANCIAL STATEMENTS	21
REQUIRED SUPPLEMENTARY INFORMATION	
GENERAL FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (NON-GAAP BUDGETARY BASIS) – BUDGET AND ACTUAL	54
COMMUNITY PRESERVATION FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE (NON-GAAP BUDGETARY BASIS) – BUDGET AND ACTUAL	56
PENSION BENEFIT SCHEDULES	58
OTHER POSTEMPLOYMENT BENEFITS SCHEDULES	59
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	61



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, 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, 2024, 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, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in financial position 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 15 to the financial statements, beginning net position and fund balances have been restated for a change in the reporting entity. Our opinion is 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 25, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Andover, Massachusetts
March 25, 2025

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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, 2024.

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 \$125,574,309 (net position). The Town had an unrestricted deficit at the end of the current fiscal year totaling \$33,774,295.
- The Town's total net position increased \$19,255,803.
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances totaling \$60,233,658, a decrease of \$1,044,354 in comparison with the prior year. The Town had an unassigned fund balance at the end of the current fiscal year totaling \$12,522,162.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$13,575,210, or 17.3% of total general fund expenditures and transfers out.
- The Town's total bonded debt decreased \$2,720,000 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, 2024**

The government-wide financial statements present functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). Governmental activities include general government, public safety, education, public works, health and human services, culture and recreation and community development.

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. 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*.

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 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.

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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.

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 \$125,574,309 at the close of the fiscal year and are summarized as follows:

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets	\$ 69,590,557	\$ 72,885,607
Noncurrent Assets (Excluding Capital Assets)	914,732	672,910
Capital Assets (Net)	<u>166,839,066</u>	<u>152,085,635</u>
Total Assets	<u>237,344,355</u>	<u>225,644,152</u>
Deferred Outflows of Resources	<u>8,562,303</u>	<u>11,424,056</u>
Liabilities		
Current Liabilities (Excluding Debt)	4,274,541	6,926,291
Noncurrent Liabilities (Excluding Debt)	65,404,778	65,604,039
Current Debt	3,518,926	3,966,595
Noncurrent Debt	<u>27,382,496</u>	<u>30,027,494</u>
Total Liabilities	<u>100,580,741</u>	<u>106,524,419</u>
Deferred Inflows of Resources	<u>19,751,608</u>	<u>24,225,283</u>
Net Position		
Net Investment in Capital Assets	136,736,019	127,436,810
Restricted	22,612,585	13,483,596
Unrestricted	<u>(33,774,295)</u>	<u>(34,601,900)</u>
Total Net Position	<u>\$ 125,574,309</u>	<u>\$ 106,318,506</u>

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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.

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. The Town reports a negative balance in unrestricted net position, as such resources have been consumed with the recognition of net other postemployment benefits obligations and the net pension liability.

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Changes in Net Position

For the fiscal year ended June 30, 2024, the Town's total net position increased by \$19,255,803, compared to an increase of \$12,139,905 in the prior fiscal year. These amounts are summarized as follows:

	2024	2023
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$ 19,039,095	\$ 18,215,668
Operating Grants and Contributions	3,600,637	4,580,143
Capital Grants and Contributions	1,088,950	703,799
<i>General Revenues:</i>		
Real Estate and Personal		
Property Taxes	52,666,899	50,652,875
Motor Vehicle and Other Excise Taxes	4,188,786	3,702,224
Hotel/Motel Taxes	3,937,231	3,500,383
Penalties and Interest on Taxes	598,235	724,389
Payments in Lieu of Taxes	45,155	51,695
Community Preservation Surcharges	1,556,316	1,491,770
Wastewater Infrastructure Investment Fund		
Surcharge	519,593	496,639
Grants and Contributions not		
Restricted to Specific Programs	804,773	777,866
Unrestricted Investment Income	1,310,326	748,979
Other	49,478	88,867
Total Revenues	89,405,474	85,735,297
Expenses		
General Government	9,379,610	10,020,740
Public Safety	19,752,974	21,293,307
Education	21,977,256	21,149,698
Public Works	10,019,181	8,625,986
Health and Human Services	1,453,468	2,379,742
Culture and Recreation	6,240,919	6,969,048
Community Development	474,238	2,342,726
Debt Service - Interest	852,025	814,145
Total Expenses	70,149,671	73,595,392
Change in Net Position	19,255,803	12,139,905
Net Position - Beginning of Year (As Restated)	106,318,506	94,178,601
Net Position - End of Year	\$ 125,574,309	\$ 106,318,506

Governmental activities increased the Town's net position by \$19,255,803, compared with the prior year increase of \$12,139,905. The changes from the prior year were primarily the result of capital asset additions exceeding depreciation by approximately \$15 million.

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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 \$60,233,658, a decrease of \$1,044,354 in comparison with the prior year. Of this total amount, \$12,522,162 represents unassigned fund balance. The remainder of fund balance includes the following constraints:

- Nonspendable – \$619,939
- Restricted – \$20,044,693
- Committed – \$26,940,388
- Assigned – \$106,476

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 \$13,575,210, while total fund balance was \$40,623,838. 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 17.3% of total general fund expenditures and transfers out, while total fund balance represents 51.8% of that same amount.

The balance of the Town's general fund increased \$759,298 during fiscal year 2024.

On a budgetary basis of accounting, the Town utilized budgetary fund balance of approximately \$18,252,000 during fiscal year 2024. Approximately \$23,919,000 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 \$1,491,227 during the current fiscal year. Significant activity for the year consisted of surcharge revenues (\$1,564,293), state revenues (\$674,822), penalties and interest on taxes (\$9,188), tax liens (\$2,850), and investment income (\$71,931). Expenditures totaled \$471,853, and transfers to the general fund to cover debt service costs totaled \$360,004.

The fund balance of the fire station fund (capital projects) decreased by \$5,209,785 during the current fiscal year. Significant activity for the year consisted of expenditures totaling \$5,199,424, and transfers to the general fund to cover debt service costs totaled \$10,361.

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

General Fund Budgetary Highlights

The original general fund budgeted expenditures and transfers out of approximately \$78,536,000 was increased by approximately \$2,567,000 during the fiscal year.

During the year, revenues and other financing sources 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 \$5,666,000.

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets at the end of the fiscal year totaled \$166,839,066 (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 \$14,753,431.

Major capital asset events 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):

	2024	2023
Land	\$ 70,161,100	\$ 68,824,657
Construction in Progress	31,574,451	18,772,813
Land Improvements	5,359,527	5,373,962
Buildings	22,735,875	23,662,987
Building Improvements	9,929,436	10,213,580
Machinery and Equipment	2,681,934	2,953,535
Vehicles	1,888,344	1,540,232
Infrastructure	21,523,399	20,743,869
Total Capital Assets	\$ 166,839,066	\$ 152,085,635

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

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$27,550,000, which is backed by the full faith and credit of the Town, and is summarized as follows:

	2024	2023
General Obligation Bonds	\$ 27,525,000	\$ 30,230,000
MCWT Notes	25,000	40,000
Total Bonds and Notes	\$ 27,550,000	\$ 30,270,000

The Town has an AAA rating from Standard and Poor's for its most recent issuance of long-term debt in April 2023. Additional information on the Town's long-term debt can be found in Note 9 of this report.

**TOWN OF DENNIS, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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, 2024**

	<u>Primary Government Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 63,391,252
Investments	693,225
Receivables, Net of Allowance for Uncollectible Amounts:	
Real Estate and Personal Property Taxes	1,456,516
Tax, Trash and Utility Liens	1,331,585
Motor Vehicle and Other Excise Taxes	522,430
Community Preservation Surcharges	44,945
Wastewater Infrastructure Investment Fund Surcharges	15,864
User Charges	1,010,339
Special Assessments	124,244
Department and Other	421,057
Opioid Settlement	9,321
Intergovernmental	494,525
Inventory	<u>75,254</u>
Total Current Assets	69,590,557
Noncurrent Assets:	
Receivables, Net of Allowance for Uncollectible Amounts:	
Real Estate Tax Deferrals	28,133
Special Assessments	551,495
Opioid Settlement	128,796
Tax Foreclosures	206,308
Capital Assets not being Depreciated	102,720,552
Capital Assets, Net of Accumulated Depreciation	<u>64,118,514</u>
Total Noncurrent Assets	<u>167,753,798</u>
Total Assets	237,344,355
DEFERRED OUTFLOWS OF RESOURCES	
Related to OPEB	3,345,539
Related to Pension	<u>5,216,764</u>
Total Deferred Outflows of Resources	8,562,303

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024**

	<u>Primary Governmental Activities</u>
LIABILITIES	
Current Liabilities:	
Warrants Payable	\$ 1,772,882
Accrued Payroll	630,282
Other Liabilities	1,079,388
Unearned Revenue	239,548
Accrued Interest	204,001
Workers' Compensation Claims	140,550
Compensated Absences	207,890
Short-Term Notes Payable	873,926
Long-Term Bonds and Notes Payable	<u>2,645,000</u>
Total Current Liabilities	7,793,467
Noncurrent Liabilities:	
Compensated Absences	1,871,021
Net OPEB Liability	24,015,890
Net Pension Liability	39,517,867
Long-Term Bonds and Notes Payable	<u>27,382,496</u>
Total Noncurrent Liabilities	<u>92,787,274</u>
Total Liabilities	100,580,741
DEFERRED INFLOWS OF RESOURCES	
Related to OPEB	18,222,790
Related to Pension	1,528,818
Total Deferred Inflows of Resources	<u>19,751,608</u>
NET POSITION	
Net Investment in Capital Assets	136,736,019
Restricted for:	
Community Preservation	5,657,913
Permanent Funds:	
Expendable - Trust Funds	201,914
Nonexpendable - Trust Funds	619,939
Ambulance Services	1,705,276
Public Access Cable Services	716,826
Opioid Abatement	138,117
Other Specific Purposes	13,572,600
Unrestricted	<u>(33,774,295)</u>
Total Net Position	<u>\$ 125,574,309</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

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	\$ 9,379,610	\$ 4,053,283	\$ 1,277,939	\$ -	\$ (4,048,388)
Public Safety	19,752,974	4,246,381	863,080	-	(14,643,513)
Education	21,977,256	-	-	-	(21,977,256)
Public Works	10,019,181	2,375,231	184,098	1,088,950	(6,370,902)
Health and Human Services	1,453,468	351,288	482,370	-	(619,810)
Culture and Recreation	6,240,919	8,012,912	46,390	-	1,818,383
Community Development	474,238	-	746,760	-	272,522
Debt Service-Interest	852,025	-	-	-	(852,025)
Total Governmental Activities	<u>\$ 70,149,671</u>	<u>\$ 19,039,095</u>	<u>\$ 3,600,637</u>	<u>\$ 1,088,950</u>	<u>(46,420,989)</u>
General Revenues:					
					52,666,899
					4,188,786
					3,937,231
					598,235
					45,155
					1,556,316
					519,593
					804,773
					1,310,326
					49,478
					<u>65,676,792</u>
					CHANGE IN NET POSITION
					19,255,803
					93,517,529
					12,800,977
					<u>106,318,506</u>
					NET POSITION - END OF YEAR
					<u>\$ 125,574,309</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

ASSETS	General	Community Preservation	Fire Station	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 42,886,389	\$ 5,804,563	\$ 83,246	\$ 14,617,054	\$ 63,391,252
Investments	-	-	-	693,225	693,225
Receivables, Net of Allowance for Uncollectible Amounts:					
Real Estate and Personal Property Taxes	1,456,516	-	-	-	1,456,516
Real Estate Tax Deferrals	28,133	-	-	-	28,133
Tax and Trash Liens	1,268,945	30,941	-	31,699	1,331,585
Motor Vehicle and Other Excise Taxes	522,430	-	-	-	522,430
Community Preservation Surcharges	-	44,945	-	-	44,945
Wastewater Infrastructure Investment Fund Surcharges	-	-	-	15,864	15,864
User Charges	12,993	-	-	997,346	1,010,339
Special Assessments	-	-	-	675,739	675,739
Departmental and Other	314,184	-	-	106,873	421,057
Opioid Settlement	138,117	-	-	-	138,117
Intergovernmental	-	-	-	494,525	494,525
Tax Foreclosures	205,843	465	-	-	206,308
Inventory	-	-	-	75,254	75,254
Total Assets	\$ 46,833,550	\$ 5,880,914	\$ 83,246	\$ 17,707,579	\$ 70,505,289
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Warrants Payable	\$ 1,381,384	\$ -	\$ 70,727	\$ 320,771	\$ 1,772,882
Accrued Payroll	629,483	-	-	799	630,282
Other Liabilities	502,365	-	-	577,021	1,079,386
Unearned Revenue	-	-	-	239,548	239,548
Workers' Compensation Claims	140,550	-	-	-	140,550
Short-Term Notes Payable	-	223,000	-	650,926	873,926
Total Liabilities	2,653,782	223,000	70,727	1,789,065	4,736,574
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	3,555,930	76,351	-	1,902,776	5,535,057
FUND BALANCES					
Nonspendable	-	-	-	619,939	619,939
Restricted	1,764	5,581,563	12,519	14,448,847	20,044,693
Committed	26,940,388	-	-	-	26,940,388
Assigned	106,476	-	-	-	106,476
Unassigned	13,575,210	-	-	(1,053,048)	12,522,162
Total Fund Balances	40,623,838	5,581,563	12,519	14,015,738	60,233,658
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 46,833,550	\$ 5,880,914	\$ 83,246	\$ 17,707,579	\$ 70,505,289

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, 2024**

Total Governmental Fund Balances	\$	60,233,658
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		166,839,066
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		5,535,057
In the statement of net position, deferred outflows and inflows of resources are reported for amounts related to OPEB.		(14,877,253)
In the statement of net position, deferred outflows and inflows of resources are reported for amounts related to pensions.		3,687,946
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		(204,001)
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		(30,027,496)
Compensated Absences		(2,078,911)
Net OPEB Liability		(24,015,890)
Net Pension Liability		(39,517,867)
		(139,847,115)
Net Position of Governmental Activities	\$	125,574,309

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, 2024**

	General	Community Preservation	Fire Station	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real Estate and Personal Property Taxes	\$ 52,705,338	\$ -	\$ -	\$ -	\$ 52,705,338
Motor Vehicle and Other Excise Taxes	4,028,237	-	-	30,006	4,058,243
Hotel/Motel Tax	3,937,231	-	-	-	3,937,231
Tax and Trash Liens	138,291	2,850	-	71	141,212
Payments in Lieu of Taxes	-	-	-	45,155	45,155
Community Preservation Surcharges	-	1,564,293	-	-	1,564,293
Wastewater Infrastructure Investment Fund Surcharge	-	-	-	522,191	522,191
Charges for Services	-	-	-	4,675,483	4,675,483
Intergovernmental	806,382	674,822	-	3,137,726	4,618,930
Special Assessments	-	-	-	320,977	320,977
Penalties and Interest on Taxes	583,192	9,188	-	5,855	598,235
Licenses and Permits	1,128,393	-	-	-	1,128,393
Fines and Forfeitures	74,215	-	-	-	74,215
Departmental and Other	8,503,177	-	-	4,061,380	12,564,557
Contributions	-	-	-	66,649	66,649
Investment Income	1,592,582	71,931	-	298,742	1,963,255
Total Revenues	73,497,038	2,323,084	-	13,164,235	88,984,357
EXPENDITURES					
Current:					
General Government	8,154,268	-	-	1,741,623	9,895,891
Public Safety	14,746,636	-	5,199,424	1,133,887	21,079,947
Education	21,977,256	-	-	-	21,977,256
Public Works	7,707,059	-	-	1,932,876	9,639,935
Health and Human Services	5,840,973	-	-	257,764	6,098,737
Culture and Recreation	4,924,736	-	-	826,604	5,751,340
Community Development	-	471,853	-	2,385	474,238
Pension Benefits	4,030,074	-	-	-	4,030,074
Employee Benefits	4,990,799	-	-	-	4,990,799
Property and Liability Insurance	878,153	-	-	-	878,153
State and County Charges	1,029,271	-	-	-	1,029,271
Debt Service:					
Principal	2,920,517	-	-	-	2,920,517
Interest	1,262,553	-	-	-	1,262,553
Total Expenditures	78,462,295	471,853	5,199,424	5,895,139	90,028,711
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,965,257)	1,851,231	(5,199,424)	7,269,096	(1,044,354)
OTHER FINANCING SOURCES (USES)					
Transfers In	5,742,155	-	-	17,600	5,759,755
Transfer Out	(17,600)	(360,004)	(10,361)	(5,371,790)	(5,759,755)
Total Other Financing Sources (Uses)	5,724,555	(360,004)	(10,361)	(5,354,190)	-
NET CHANGE IN FUND BALANCES	759,298	1,491,227	(5,209,785)	1,914,906	(1,044,354)
Net Position - Beginning of Year, As Originally Reported	39,864,540	4,090,336	5,222,304	6,844,991	56,022,171
Restatement	-	-	-	5,255,841	5,255,841
Net Position - Beginning of Year, As Restated	39,864,540	4,090,336	5,222,304	12,100,832	61,278,012
FUND BALANCES - END OF YEAR	\$ 40,623,838	\$ 5,581,563	\$ 12,519	\$ 14,015,738	\$ 60,233,658

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ (1,044,354)
<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	18,809,235
Depreciation and Amortization	(4,055,804)
<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>	
	3,955,499
<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>	
	(2,343,577)
<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>	
	421,117
<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 and Financed Purchase Maturities	2,920,517
Amortization of Bond Premiums	372,667
<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>	
	37,859
<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	(166,188)
Net OPEB Liability	(1,910,879)
Net Pension Liability	2,259,711
	19,255,803
Changes in Net Position of Governmental Activities	\$ 19,255,803

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024**

	OPEB Trust Fund	Private Purpose Trust Funds	Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ 98,648	\$ -	\$ 18,620
Investments	3,526,438	240,474	-
Receivables, Net of Allowance for Uncollectible Amounts:			
Departmental and Other	-	-	8,032
Total Assets	3,625,086	240,474	26,652
LIABILITIES			
Other Liabilities	-	-	26,652
FIDUCIARY NET POSITION			
Restricted - Held in Trust for OPEB and Other Purposes	\$ 3,625,086	\$ 240,474	\$ -

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024**

	OPEB Trust Fund	Private Purpose Trust Funds	Custodial Funds
ADDITIONS			
Contributions:			
Employer	\$ 1,952,628	\$ -	\$ -
Private Donations	-	4,955	-
Total Contributions	1,952,628	4,955	-
Net Investment Income:			
Dividends and Interest	266,923	10,065	-
Less: Investment Expense	(12,318)	-	-
Net Investment Income	254,605	10,065	-
Amounts Collected for Other Governments	-	-	76,405
Total Additions	2,207,233	15,020	76,405
DEDUCTIONS			
Benefits and Refunds	1,152,628	-	-
Amounts Provided to Other Governments	-	-	76,405
Other	-	1,700	-
Total Deductions	1,152,628	1,700	76,405
FIDUCIARY CHANGE IN NET POSITION	1,054,605	13,320	-
Fiduciary Net Position - Beginning of Year	2,570,481	227,154	-
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 3,625,086</u>	<u>\$ 240,474</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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:

<u>Name</u>	<u>Purpose</u>	<u>Address</u>	<u>Fiscal Year 2024 Assessment</u>
Dennis-Yarmouth Regional School District	To provide educational services	296 Station Avenue Yarmouth, MA 02661	\$ 20,053,454
Cape Cod Regional Technical High School	To provide educational services	351 Pleasant Lake Avenue Harwich, MA 02645	\$ 1,923,802

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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. 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* are primarily supported by taxes and intergovernmental revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental 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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. 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.

The effect of interfund activity has been eliminated from the government-wide financial statements.

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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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.

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 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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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.
- The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in pension and other employee benefit trust funds, under which activities 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.

E. Cash, Cash Equivalents, and Investments

Government-Wide and Fund Financial Statements

Investments are carried at fair value.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide 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, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Accounts Receivable (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, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Accounts Receivable (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.

Opioid Settlements

Opioid settlements receivable represents the Town's allocation of national settlement proceeds from pharmaceutical distributors to be received in future years in accordance with the national settlement agreement as well as the subdivision agreement with the Commonwealth of Massachusetts.

G. 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.

H. Inventories

Government-Wide and Fund Financial Statements

Inventory is reported at average cost.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Government-Wide 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 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.

J. 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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Interfund Receivables and Payables (Continued)

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.

K. 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.

Fund Financial Statements

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

L. 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.

M. 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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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.

O. Net Position and Fund Balances

Government-Wide 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.
- “Permanent funds – expendable – trust funds” represents amounts held in trust for which the expenditures are restricted by various trust agreements.
- “Permanent funds – nonexpendable – trust funds” represents amounts held in trust for which only investment earnings may be expended.
- “Ambulance services” represents amounts restricted for ambulance services in accordance with Massachusetts General Laws Chapter 40, Section 5F.
- “Public access cable services” represents amounts restricted for cable in accordance with Massachusetts General Laws Chapter 44, Section 53F^{1/2}.
- “Opioid abatement” represents opioid settlement funds restricted for opioid abatement in accordance with guidelines from the Commonwealth of Massachusetts
- “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 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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Net Position and Fund Balances (Continued)

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.

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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Long-Term Debt

Government-Wide Financial Statements

Long-term debt is reported as liabilities in the government-wide statement of net position. 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.

Q. 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).

R. Compensated Absences

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

Government-Wide 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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. 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.

T. 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.

U. 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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information (Continued)

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 2024 approved budget for the general fund authorized \$78,535,822 in appropriations and other amounts to be raised. During fiscal year 2024, increases to appropriations totaling \$2,567,096 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.

B. Fund Deficits

At June 30, 2024, the following temporary fund deficits exist:

Fund	Amount
Betterment Fund - Private Roads	\$ 621,775
Highway Improvements	287,416
Police O/D Chapter 773	63,292
Mass DEP NRSNA Grant	24,760
Betterment Fund	23,505
Police De-escalation Grant	13,047
Other Town Funds	19,253
Total	\$ 1,053,048

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024, approximately \$51,800,000 of the Town's deposits of approximately \$60,600,000 are uninsured and uncollateralized and exposed to custodial credit risk.

Investments Summary

The Town's investments at June 30, 2024 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

<u>Investment Type</u>	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	6 - 10
Debt Securities:				
U.S. Treasuries	\$ 693,514	\$ 90,371	\$ 546,214	\$ 56,929
U.S. Agencies	211,250	40,113	88,724	82,413
Corporate Bonds	767,818	41,446	545,624	180,748
Money Market Mutual Funds	143,734	143,734	-	-
Certificates of Deposit	25,689	25,689	-	-
Mutual Bond Funds	693,118	693,118	-	-
External Investment Pools	3,335,100	3,335,100	-	-
Total Debt Securities	<u>5,870,223</u>	<u>\$ 4,369,571</u>	<u>\$ 1,180,562</u>	<u>\$ 320,090</u>
Other Investments:				
Equity Securities	1,861,633			
International Equity Securities	207,115			
Total Other Investments	<u>2,068,748</u>			
 Total Investments	 <u>\$ 7,938,971</u>			

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2024, 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, 2024, the credit quality ratings of the Town’s investments in debt securities are as follows:

Investment Type	Fair Value	Quality Ratings *				
		AAA	AA	A	BBB	Unrated
U.S. Treasuries	\$ 693,514	\$ 693,514	\$ -	\$ -	\$ -	\$ -
U.S. Agencies	211,250	-	211,250	-	-	-
Corporate Bonds	767,818	40,095	128,120	482,716	95,980	20,907
Money Market Mutual Funds	143,734	-	-	-	-	143,734
Certificates of Deposit	25,689	-	-	-	-	25,689
Mutual Bond Funds	693,118	-	-	-	-	693,118
External Investment Pools	3,335,100	-	-	-	-	3,335,100
Total	<u>\$ 5,870,223</u>	<u>\$ 733,609</u>	<u>\$ 339,370</u>	<u>\$ 482,716</u>	<u>\$ 95,980</u>	<u>\$ 4,218,548</u>

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

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, 2024, 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, 2024, 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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fair Market Value (Continued)

The Town has the following recurring fair value measurements as of June 30, 2024:

Investment Type	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Equity Securities	\$ 1,861,633	\$ 1,861,633	\$ -	\$ -
International Equity Securities	207,115	207,115	-	-
Money Market Mutual Funds	143,734	143,734	-	-
U.S. Treasury Securities	693,514	693,514	-	-
U.S. Agency Securities	211,250	-	211,250	-
Corporate Bonds	767,818	-	767,818	-
Mutual Bond Funds	693,118	693,118	-	-
Certificates of Deposit	25,689	-	25,689	-
Total Investments by Fair Value Level	<u>\$ 4,603,871</u>	<u>\$ 3,599,114</u>	<u>\$ 1,004,757</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
External Investment Pool (MMDT)	\$ 3,335,100			
Total Investments	<u>\$ 7,938,971</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.

NOTE 4 ACCOUNTS RECEIVABLE

At June 30, 2024, receivables for governmental and fiduciary funds, in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

Receivables:	Gross Amount	Allowance for Uncollectibles	Net Amount
Real Estate and Personal Property Taxes	\$ 1,456,516	\$ -	\$ 1,456,516
Real Estate Tax Deferrals	28,133	-	28,133
Tax and Other Liens	1,331,585	-	1,331,585
Motor Vehicle and Other Excise Taxes	811,651	(289,221)	522,430
Community Preservation Surcharges	44,945	-	44,945
Wastewater Infrastructure Investment Fund Surcharges	15,864	-	15,864
User Charges	1,314,583	(304,244)	1,010,339
Special Assessments	675,739	-	675,739
Departmental and Other	429,089	-	429,089
Opioid Settlement	138,117	-	138,117
Intergovernmental	494,525	-	494,525
Total	<u>\$ 7,169,836</u>	<u>\$ (593,465)</u>	<u>\$ 6,576,371</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024 is as follows:

	Balance at 6/30/2023	Increases	Decreases	Balance at 6/30/2024
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Easements	\$ 68,824,657	\$ 2,321,443	\$ -	\$ 71,146,100
Construction in Progress	18,772,813	12,801,639	-	31,574,452
Total Capital Assets Not Being Depreciated	87,597,470	15,123,082	-	102,720,552
Capital Assets Being Depreciated:				
Land Improvements	12,320,852	427,420	-	12,748,272
Buildings	38,038,615	-	-	38,038,615
Building Improvements	13,404,485	99,322	-	13,503,807
Machinery and Equipment	13,717,919	289,166	-	14,007,085
Vehicles	4,722,872	805,548	-	5,528,420
Infrastructure	72,423,196	2,064,697	-	74,487,893
Total Capital Assets Being Depreciated	154,627,939	3,686,153	-	158,314,092
Less Accumulated Depreciation and Amortization for:				
Land Improvements	(6,946,890)	(441,854)	-	(7,388,744)
Buildings	(14,375,628)	(927,113)	-	(15,302,741)
Building Improvements	(3,190,905)	(383,466)	-	(3,574,371)
Machinery and Equipment	(10,764,383)	(560,769)	-	(11,325,152)
Vehicles	(3,182,640)	(457,436)	-	(3,640,076)
Infrastructure	(51,679,328)	(1,285,166)	-	(52,964,494)
Total Accumulated Depreciation and Amortization	(90,139,774)	(4,055,804)	-	(94,195,578)
Total Capital Assets Being Depreciated and Amortized, Net	64,488,165	(369,651)	-	64,118,514
Total Governmental Activities Capital Assets, Net	<u>\$ 152,085,635</u>	<u>\$ 14,753,431</u>	<u>\$ -</u>	<u>\$ 166,839,066</u>

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

Governmental Activities:	
General Government	\$ 343,181
Public Safety	1,006,224
Public Works	1,792,030
Health and Human Services	179,229
Culture and Recreation	735,140
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 4,055,804</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2024 are summarized as follows:

<u>Transfers Out</u>	Transfers In:		
	General Fund	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 17,600	\$ 17,600 (1)
Community Preservation Fund	360,004	-	360,004 (2)
Fire Station Fund	10,361	-	10,361 (3)
Nonmajor Governmental Funds	5,371,790	-	5,371,790 (4)
Total	\$ 5,742,155	\$ 17,600	\$ 5,759,755

- (1) Represents transfers to closeout funds to the general fund.
- (2) Represents budgeted transfers to fund debt service expenditures related to the community preservation fund.
- (3) Represents budgeted transfers to fund debt service expenditures related to the Fire Station fund.
- (4) Represents budgeted transfers to fund the fiscal year 2024 operating and capital budget from various special revenue and capital projects funds.

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 and nonmajor governmental funds, respectively.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 SHORT-TERM FINANCING (CONTINUED)

Details related to the short-term debt activity for the fiscal year ended June 30, 2024, is as follows:

Governmental Funds

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30,			Balance at June 30, 2024
					2023	Increases	Decreases	
BAN	West Schoolhouse Preservation	06/08/23	06/07/24	4.45	\$ 223,000	\$ -	\$ (223,000)	\$ -
BAN	Duck Pond Road Betterment	06/08/23	06/07/24	6.29	101,724	-	(101,724)	-
BAN	Green View Drive Road Betterment	06/08/23	06/07/24	6.29	152,932	-	(152,932)	-
BAN	Uncle Bob's Way Road Betterment	06/08/23	06/07/24	6.29	396,270	-	(396,270)	-
BAN	West Schoolhouse Preservation	06/07/24	06/06/25	5.09	-	223,000	-	223,000
BAN	Duck Pond Road Betterment	06/07/24	06/06/25	6.25	-	101,724	-	101,724
BAN	Green View Drive Road Betterment	06/07/24	06/06/25	6.25	-	152,932	-	152,932
BAN	Uncle Bob's Way Road Betterment	06/07/24	06/06/25	6.25	-	396,270	-	396,270
	Total Governmental				<u>\$ 873,926</u>	<u>\$ 873,926</u>	<u>\$ (873,926)</u>	<u>\$ 873,926</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, 2024:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion
Governmental Activities:					
Bonds and Notes Payable	\$ 30,230,000	\$ -	\$ (2,705,000)	\$ 27,525,000	\$ 2,630,000
Notes from Direct Borrowings	40,000	-	(15,000)	25,000	15,000
Unamortized Bond Premiums	2,850,163	-	(372,667)	2,477,496	-
Financed Purchases (Direct Borrowings)	200,517	-	(200,517)	-	-
Total Bonds and Notes Payable	33,320,680	-	(3,293,184)	30,027,496	2,645,000
Compensated Absences	1,912,723	166,188	-	2,078,911	207,890
Total	<u>\$ 35,233,403</u>	<u>\$ 166,188</u>	<u>\$ (3,293,184)</u>	<u>\$ 32,106,407</u>	<u>\$ 2,852,890</u>

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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 LONG-TERM DEBT

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

Bonds and Notes Payable – Governmental Funds

<u>Project</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Outstanding at June 30, 2023</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding at June 30, 2024</u>
MCWT Septic Note*	08/01/24	- %	\$ 10,000	\$ -	\$ (5,000)	\$ 5,000
MCWT Septic Note*	07/15/25	-	30,000	-	(10,000)	20,000
Sesuit Harbor Dredging	10/01/34	4.00-5.00%	2,530,000	-	(160,000)	2,370,000
Highlands Golf Course	10/01/29	5.00	690,000	-	(85,000)	605,000
Mayflower Beach Bathhouse	10/01/24	5.00	415,000	-	(200,000)	215,000
Mayflower Beach Bathhouse (Additional)	10/01/24	5.00	195,000	-	(95,000)	100,000
Transfer Station	10/01/24	4.00-5.00	3,010,000	-	(190,000)	2,820,000
Town Office Annex/Museum	10/15/29	2.00-4.00	700,000	-	(100,000)	600,000
General Obligation Bonds	12/15/30	3.00	1,640,000	-	(205,000)	1,435,000
General Obligation Bonds	11/01/30	2.00	810,000	-	(210,000)	600,000
Refunding Bonds	11/01/31	2.00	1,465,000	-	(425,000)	1,040,000
Senior Center	10/01/39	3.00-5.00	4,485,000	-	(180,000)	4,305,000
Land Acquisition (Holl)	10/01/24	5.00	130,000	-	(65,000)	65,000
Land Acquisition (Bush)	10/01/28	5.00	870,000	-	(125,000)	745,000
Fire Station Bonds	11/01/23	5.00	13,290,000	-	(665,000)	12,625,000
Subtotal			30,270,000	-	(2,720,000)	27,550,000
Unamortized Premiums			2,850,163	-	(372,667)	2,477,496
Financed Purchases (Direct Borrowings)*			200,517	-	(200,517)	-
Total Governmental Activities			<u>\$ 33,320,680</u>	<u>\$ -</u>	<u>\$ (3,293,184)</u>	<u>\$ 30,027,496</u>

* Direct borrowings

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

<u>Fiscal Year</u>	<u>Bonded Debt</u>		<u>Notes from Direct Borrowings</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2025	\$ 2,630,000	\$ 1,105,883	\$ 15,000	\$ -	\$ 2,645,000
2026	2,270,000	1,003,298	10,000	-	2,280,000
2027	2,125,000	910,675	-	-	2,125,000
2028	1,945,000	820,325	-	-	1,945,000
2029	2,000,000	729,700	-	-	2,000,000
2030	1,875,000	640,725	-	-	1,875,000
2031	1,695,000	562,325	-	-	1,695,000
2032	1,515,000	493,950	-	-	1,515,000
2033	1,475,000	428,200	-	-	1,475,000
2034	1,510,000	361,850	-	-	1,510,000
2035	1,545,000	300,750	-	-	1,545,000
2036	975,000	252,675	-	-	975,000
2037	980,000	218,263	-	-	980,000
2038	990,000	183,663	-	-	990,000
2039	1,000,000	147,975	-	-	1,000,000
2040	1,010,000	111,175	-	-	1,010,000
2041	665,000	79,400	-	-	665,000
2042	660,000	52,800	-	-	660,000
2043	660,000	26,400	-	-	660,000
Total	<u>\$ 27,525,000</u>	<u>\$ 8,430,032</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 27,550,000</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024, the Town had the following authorized and unissued debt:

Purpose	Amount Unissued
Fire Ladder Truck & Ambulance	\$ 2,970,000
Uncle Bob's Way Road Betterment (Taxable)	434,775
Duck Pond Road Betterment (Taxable)	331,780
West Schoolhouse Repair (CPA)	223,000
Green View Drive Road Betterment (Taxable)	167,000
Total	\$ 4,126,555

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, 2022, the latest actuarial valuation, is as follows:

Retired Employees, Beneficiaries and Dependents	195
Active Employees	151
Total	346

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.

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, 2024, employer contributions totaled \$1,952,628. The OPEB Trust Fund did not receive contributions from any other sources.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net Other Postemployment Benefits Liability (Plan)

The components of the net OPEB liability of the Plan as of June 30, 2024, were as follows:

Total OPEB Liability	\$ 27,640,976
Plan Fiduciary Net Position	(3,625,086)
Net OPEB Liability	<u>\$ 24,015,890</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.11%
--	--------

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022 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.

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

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net Other Postemployment Benefits Liability (Plan) (Continued)

Valuation date:	June 30, 2022
Actuarial cost method:	Individual Entry Age Normal
Investment Rate of Return:	6.5%, net of OPEB plan investment expense, including inflation
Discount Rate:	6.5% (6.5% in the prior year)
Inflation:	3.25% annually
Healthcare/Medical Cost Trend Rate:	CCMHG: - Non-Medicare: 3.68% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.5% per year - Medicare: 7.00% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year Dental: 0.00% for 1 year, then 3.00% Part B: 5.15% for year 1, then 4.50% Contributions: Retiree contributions for medical and prescription drug coverage are expected to increase with medical trend.
Salary Increases:	4.00% - 7.00%, depending on employee type
Pre-Retirement Mortality:	Healthy Employee: RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021
Post-Retirement Mortality:	Healthy Retiree: RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021
Disabled Mortality:	Disabled Retiree: RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021

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, 2024, the money-weighted rate of return on the Trust Fund’s investments, net of investment expense, was 3.03%. The money-weighted rate of return expresses investment performance adjusted for amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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, 2024 are summarized in the following table:

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net Other Postemployment Benefits Liability (Plan) (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36.00 %	6.29 %
International Equity - Developed Market	27.00	6.39
International Equity - Emerging Market	7.00	7.63
Core Fixed Income	15.00	1.72
High Yield Fixed Income	5.00	3.43
Real Estate	7.50	3.24
Commodities	-	3.72
Hedge Fund, GTAA, Risk Parity	2.50	2.87
Private Equity	-	9.43
Total	<u>100.00 %</u>	

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 6.5%, as well as what the net OPEB liability would be if it were calculated using a discount rate one percentage point lower (5.5%) or one percentage point higher (7.5%) than the current rate:

	<u>1% Decrease (5.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Net OPEB Liability	<u>\$ 27,644,157</u>	<u>\$ 24,015,890</u>	<u>\$ 21,017,645</u>

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:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	<u>\$ 20,232,677</u>	<u>\$ 24,015,890</u>	<u>\$ 28,732,297</u>

Net Other Postemployment Benefits Liability (Town)

The Town's net OPEB liability was measured as of June 30, 2024 for the year ended June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net Other Postemployment Benefits Liability (Town) (Continued)

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, 2023	\$ 24,675,492	\$ 2,570,481	\$ 22,105,011
Changes for the Year:			
Service Cost	743,540	-	743,540
Interest	1,615,366	-	1,615,366
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	1,759,206	-	1,759,206
Benefits Payments	(1,152,628)	(1,152,628)	-
Contributions - Employer	-	1,952,628	(1,952,628)
Net Investment Income	-	254,605	(254,605)
Net Changes	<u>2,965,484</u>	<u>1,054,605</u>	<u>1,910,879</u>
Balances - June 30, 2024	<u>\$ 27,640,976</u>	<u>\$ 3,625,086</u>	<u>\$ 24,015,890</u>

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

For the year ended June 30, 2024, the Town recognized OPEB expense (revenue) of (\$91,992). At June 30, 2024, 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	\$ 641,834	\$ 791,140
Changes of Assumptions	2,691,198	17,431,650
Net Difference Between Projected and Actual Earnings on OPEB Trust Investments	12,507	-
Total	<u>\$ 3,345,539</u>	<u>\$ 18,222,790</u>

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>
2025	\$ (2,654,645)
2026	(3,842,250)
2027	(3,253,879)
2028	(3,247,214)
2029	(1,879,263)
Total	<u>\$ (14,877,251)</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 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	\$ -	\$ -	\$ -	\$ 619,939	\$ 619,939
Restricted for:					
Opioid Settlement	1,764	-	-	-	1,764
Community Preservation	-	5,581,563	-	-	5,581,563
Receipts Reserved - Ambulance	-	-	-	1,705,276	1,705,276
Receipts Reserved - Cable	-	-	-	716,826	716,826
Other Capital	-	-	-	29,412	29,412
Septic Betterments	-	-	-	312,835	312,835
Affordable Housing	-	-	-	276,142	276,142
General Government	-	-	-	4,014,348	4,014,348
Public Safety	-	-	12,519	2,091,199	2,103,718
Education	-	-	-	1,049	1,049
Public Works	-	-	-	1,453,188	1,453,188
Health and Human Services	-	-	-	638,768	638,768
Culture and Recreation	-	-	-	2,971,430	2,971,430
Community Development	-	-	-	238,374	238,374
Subtotal - Restricted	<u>1,764</u>	<u>5,581,563</u>	<u>12,519</u>	<u>14,448,847</u>	<u>20,044,693</u>
Committed to:					
Subsequent Year's Expenditures	950,000	-	-	-	950,000
Capital Stabilization	5,542,125	-	-	-	5,542,125
Wastewater Stabilization	4,659,105	-	-	-	4,659,105
Beach Protection Stabilization	443,741	-	-	-	443,741
Fire Staffing Stabilization	13,942	-	-	-	13,942
Cable Stabilization	109,674	-	-	-	109,674
Continuing Appropriations	15,221,801	-	-	-	15,221,801
Subtotal - Committed	<u>26,940,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,940,388</u>
Assigned to:					
Encumbrances	106,476	-	-	-	106,476
Unassigned	<u>13,575,210</u>	<u>-</u>	<u>-</u>	<u>(1,053,048)</u>	<u>12,522,162</u>
Totals	<u>\$ 40,623,838</u>	<u>\$ 5,581,563</u>	<u>\$ 12,519</u>	<u>\$ 14,015,738</u>	<u>\$ 60,233,658</u>

NOTE 12 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
- Cable Stabilization

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

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 STABILIZATION FUNDS (CONTINUED)

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, fire department staffing and cable stabilization funds at June 30, 2024 total \$7,201,775, \$5,542,125, \$4,659,105, \$443,741, \$13,942 and \$109,674, 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 13 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, 2024 amounted to \$140,550.

NOTE 14 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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

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.

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.

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

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 \$4,030,074 for the year ended June 30, 2024.

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

At June 30, 2024, the Town reported a liability of \$39,517,867 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, 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 forward 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, 2023, the Town proportion was 4.900%, compared to 5.034%, the proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of \$4,113,940. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,158,243	\$ 89,020
Changes of Assumptions	1,412,554	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,474,999	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	170,968	1,439,798
Total	<u>\$ 5,216,764</u>	<u>\$ 1,528,818</u>

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>
2025	\$ 702,974
2026	937,251
2027	2,637,346
2028	(666,688)
2029	77,063
Total	<u>\$ 3,687,946</u>

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 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: 3.25%

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	22.00 %	6.29 %
International Equity - Developed Markets	9.50	6.39
International Equity - Emerging Markets	4.50	7.63
Core Fixed Income	15.00	1.72
High-Yield Fixed Income	9.00	3.43
Real Estate	10.00	3.24
Timber	4.00	3.72
Hedge Fund, GTAA, Risk Parity	10.00	2.87
Private Equity	16.00	9.43
Total	<u>100.00 %</u>	

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 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	\$ 53,309,580	\$ 39,517,867	\$ 27,924,346

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 15 RESTATEMENTS OF BEGINNING NET POSITION AND FUND BALANCES

During fiscal year 2024, the Town determined that funds reported in the prior year as Enterprise Funds (and Business-Type Activities) should be reported as Governmental Funds because they no longer meet the accounting and financial reporting criteria for Enterprise Fund reporting. The effect of this change in reporting entity is shown in the table below.

	June 30, 2023 As Previously Reported	Change in Reporting Entity	June 30, 2023 As Restated
Net Position - Governmental Activities	\$ 93,517,529	\$ 12,800,977	\$ 106,318,506
Net Position - Business-Type Activities	12,800,977	(12,800,977)	-
Fund Balance - Nonmajor Governmental Funds	6,844,991	5,255,841	12,100,832
Net Position - Golf Course Enterprise Fund	7,776,288	(7,776,288)	-
Net Position - Transfer Station Enterprise Fund	573,094	(573,094)	-
Net Position - Beach Enterprise Fund	4,039,313	(4,039,313)	-
Net Position - Waterways Enterprise Fund	412,282	(412,282)	-

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2024.

NOTE 17 COMMITMENTS

The Town has entered into, or is planning to enter into, contracts totaling approximately \$4,127,000 for various projects. Other significant commitments include encumbrances and continuing appropriations totaling approximately \$15,328,000 for the General Fund as of June 30, 2024.

**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, 2024**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUE				
Real Estate and Personal Property Taxes	\$ -	\$ 52,795,270	\$ -	\$ 52,795,270
Motor Vehicles and Other Excise Taxes	-	2,870,214	-	2,870,214
Hotel/Motel tax	-	2,050,000	-	2,050,000
Tax Liens	-	-	-	-
Intergovernmental	-	932,828	-	932,828
Penalties and Interest on Taxes	-	375,000	-	375,000
Licenses and Permits	-	1,060,000	-	1,060,000
Fines and Forfeitures	-	50,000	-	50,000
Departmental and Other	-	7,380,000	-	7,380,000
Investment Income	-	150,000	-	150,000
Total Revenue	-	67,663,312	-	67,663,312
EXPENDITURES				
Current:				
General Government	1,819,594	10,497,696	(62,912)	12,254,378
Public Safety	2,302,421	15,864,576	516,278	18,683,275
Education	-	20,298,828	1,949,729	22,248,557
Public Works	2,323,823	8,342,552	(577,258)	10,089,117
Health and Human Services	8,871,965	1,930,108	43,671	10,845,744
Culture and Recreation	1,860,797	5,136,566	153,515	7,150,878
Pension Benefits	-	4,030,074	-	4,030,074
Employee Benefits	50,000	4,561,741	-	4,611,741
Property and Liability Insurance	-	796,200	102,102	898,302
State and County Charges	-	967,899	61,398	1,029,297
Debt Service:				
Principal	-	2,647,779	72,221	2,720,000
Interest	-	954,202	308,352	1,262,554
Total Expenditures	17,228,600	76,028,221	2,567,096	95,823,917
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(17,228,600)	(8,364,909)	(2,567,096)	(28,160,605)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	2,908,186	3,841,368	6,749,554
Transfers Out	-	(2,507,601)	-	(2,507,601)
Total Other Financing Sources (Uses)	-	400,585	3,841,368	4,241,953
NET CHANGE IN FUND BALANCE	(17,228,600)	(7,964,324)	1,274,272	(23,918,652)
Fund Balance - Beginning of Year	25,979,178	25,979,178	25,979,178	25,979,178
FUND BALANCE - END OF YEAR	\$ 8,750,578	\$ 18,014,854	\$ 27,253,450	\$ 2,060,526

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, 2024**

	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
REVENUE			
Real Estate and Personal Property Taxes	\$ -	\$ 52,848,935	\$ 53,665
Motor Vehicles and Other Excise Taxes	-	4,028,237	1,158,023
Hotel/Motel tax	-	2,624,821	574,821
Tax Liens	-	138,291	138,291
Intergovernmental	-	806,382	(126,446)
Penalties and Interest on Taxes	-	583,192	208,192
Licenses and Permits	-	1,096,801	36,801
Fines and Forfeitures	-	74,215	24,215
Departmental and Other	-	8,192,993	812,993
Investment Income	-	981,993	831,993
Total Revenue	<u>-</u>	<u>71,375,860</u>	<u>3,712,548</u>
EXPENDITURES			
Current:			
General Government	3,569,443	11,723,711	530,667
Public Safety	3,277,416	18,203,275	480,000
Education	271,300	22,248,556	1
Public Works	2,015,593	9,400,778	688,339
Health and Human Services	4,329,228	10,788,180	57,564
Culture and Recreation	1,863,708	7,032,324	118,554
Pension Benefits	-	4,030,074	-
Employee Benefits	1,589	4,571,035	40,706
Property and Liability Insurance	-	878,153	20,149
State and County Charges	-	1,029,271	26
Debt Service:			
Principal	-	2,720,000	-
Interest	-	1,262,553	1
Total Expenditures	<u>15,328,277</u>	<u>93,887,910</u>	<u>1,936,007</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(15,328,277)	(22,512,050)	5,648,555
OTHER FINANCING SOURCES (USES)			
Transfers In	-	6,767,154	17,600
Transfers Out	-	(2,507,601)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,259,553</u>	<u>17,600</u>
NET CHANGE IN FUND BALANCE	(15,328,277)	(18,252,497)	5,666,155
Fund Balance - Beginning of Year	<u>-</u>	<u>25,979,178</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (15,328,277)</u>	<u>\$ 7,726,681</u>	<u>\$ 5,666,155</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, 2024**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Tax Liens	\$ -	\$ -	\$ -	\$ -
Community Preservation Surcharges	-	1,485,906	-	1,485,906
Intergovernmental	-	490,000	-	490,000
Penalties and Interest on Taxes	-	-	-	-
Investment Income	-	-	-	-
Total Revenues	<u>-</u>	<u>1,975,906</u>	<u>-</u>	<u>1,975,906</u>
EXPENDITURES				
Current:				
Administrative	-	30,000	-	30,000
Acquisition and Projects	<u>2,238,296</u>	<u>1,174,354</u>	<u>-</u>	<u>3,412,650</u>
Total Expenditures	<u>2,238,296</u>	<u>1,204,354</u>	<u>-</u>	<u>3,442,650</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,238,296)	771,552	-	(1,466,744)
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>(360,004)</u>	<u>-</u>	<u>(360,004)</u>
NET CHANGE IN FUND BALANCE	(2,238,296)	411,548	-	(1,826,748)
Fund Balance - Beginning of Year	<u>2,457,023</u>	<u>2,457,023</u>	<u>2,457,023</u>	<u>2,457,023</u>
FUND BALANCE - END OF YEAR	<u>\$ 218,727</u>	<u>\$ 2,868,571</u>	<u>\$ 2,457,023</u>	<u>\$ 630,275</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, 2024**

	Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
REVENUES				
Tax Liens	\$ 2,850	\$ -	\$ 2,850	\$ 2,850
Community Preservation Surcharges	1,564,293	-	1,564,293	78,387
Intergovernmental	674,822	-	674,822	184,822
Penalties and Interest on Taxes	9,188	-	9,188	9,188
Investment Income	71,931	-	71,931	71,931
Total Revenues	<u>2,323,084</u>	<u>-</u>	<u>2,323,084</u>	<u>347,178</u>
EXPENDITURES				
Current:				
Administrative	12,812	-	12,812	17,188
Acquisition and Projects	507,211	2,905,439	3,412,650	-
Total Expenditures	<u>520,023</u>	<u>2,905,439</u>	<u>3,425,462</u>	<u>17,188</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,803,061	(2,905,439)	(1,102,378)	364,366
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(360,004)</u>	<u>-</u>	<u>(360,004)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,443,057	(2,905,439)	(1,462,382)	364,366
Fund Balance - Beginning of Year	<u>2,457,023</u>	<u>-</u>	<u>2,457,023</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,900,080</u>	<u>\$ (2,905,439)</u>	<u>\$ 994,641</u>	<u>\$ 364,366</u>

See accompanying Notes to Required Supplementary Information.

**TOWN OF DENNIS, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
PENSION BENEFIT SCHEDULES
LAST TEN FISCAL YEARS**

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	4.900%	5.034%	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	\$ 39,517,867	\$ 41,777,578	\$ 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	\$ 17,722,155	\$ 16,881,999	\$ 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	222.99%	247.47%	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	66.58%	63.77%	75.07%	66.82%	62.34%	57.63%	61.86%	57.28%	58.10%	60.43%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Required Contribution	\$ 4,030,074	\$ 3,922,500	\$ 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	(4,030,074)	(3,922,500)	(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	\$ 17,722,155	\$ 16,881,999	\$ 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	22.74%	23.23%	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.

See accompanying Notes to Required Supplementary Information.

**TOWN OF DENNIS, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS SCHEDULES
LAST TEN MEASUREMENT PERIODS**

**OTHER POSTEMPLOYMENT BENEFITS SCHEDULES
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND
RELATED RATIOS (PLAN) (1)**

	06/30/2024	06/30/2023	06/30/2022	06/30/2021	06/30/2020	06/30/2019	06/30/2018	06/30/2017
Total OPEB Liability:								
Service Cost	\$ 743,540	\$ 1,645,959	\$ 2,309,338	\$ 2,543,765	\$ 1,826,269	\$ 1,451,055	\$ 1,451,140	\$ 1,692,388
Interest on OPEB Liability	1,615,366	1,461,866	1,104,504	1,068,448	1,334,546	1,261,972	1,154,349	974,101
Differences Between Expected and Actual Experience	-	(1,107,594)	-	1,925,502	-	(1,806,860)	-	-
Changes of Assumptions	1,759,206	(14,099,650)	(9,489,524)	(5,813,658)	7,351,157	5,261,657	(1,336,154)	(3,590,375)
Benefits Payments	(1,152,628)	(1,114,202)	(1,047,696)	(1,022,158)	(1,010,015)	(1,024,701)	(787,226)	(753,326)
Net Change in Total OPEB Liability	2,965,484	(13,213,621)	(7,123,378)	(1,298,101)	9,501,957	5,143,123	482,109	(1,677,212)
Total OPEB Liability - Beginning	24,675,492	37,889,113	45,012,491	46,310,592	36,808,635	31,665,512	31,183,403	32,860,615
Total OPEB Liability - Ending (a)	<u>\$ 27,640,976</u>	<u>\$ 24,675,492</u>	<u>\$ 37,889,113</u>	<u>\$ 45,012,491</u>	<u>\$ 46,310,592</u>	<u>\$ 36,808,635</u>	<u>\$ 31,665,512</u>	<u>\$ 31,183,403</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 1,952,628	\$ 1,414,202	\$ 1,447,696	\$ 1,122,158	\$ 1,196,312	\$ 1,424,701	\$ 862,226	\$ 1,053,326
Net Investment Income	254,605	179,019	(164,628)	293,799	33,920	58,496	60,868	1,040
Benefit Payments	(1,152,628)	(1,114,202)	(1,047,696)	(1,022,158)	(1,010,015)	(1,024,701)	(787,226)	(753,326)
Net Change in Plan Fiduciary Net Position	1,054,605	479,019	235,372	393,799	220,217	458,496	135,868	301,040
Plan Fiduciary Net Position - Beginning	2,570,481	2,091,462	1,856,090	1,462,291	1,242,074	783,578	647,710	346,670
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,625,086</u>	<u>\$ 2,570,481</u>	<u>\$ 2,091,462</u>	<u>\$ 1,856,090</u>	<u>\$ 1,462,291</u>	<u>\$ 1,242,074</u>	<u>\$ 783,578</u>	<u>\$ 647,710</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 24,015,890</u>	<u>\$ 22,105,011</u>	<u>\$ 35,797,651</u>	<u>\$ 43,156,401</u>	<u>\$ 44,848,301</u>	<u>\$ 35,566,561</u>	<u>\$ 30,881,934</u>	<u>\$ 30,535,693</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.11%	10.42%	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.

See accompanying Notes to Required Supplementary Information.

**TOWN OF DENNIS, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS SCHEDULES (CONTINUED)
LAST TEN FISCAL YEARS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS (PLAN) (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Determined Contribution	\$ 2,095,904	\$ 2,028,818	\$ 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>(1,952,628)</u>	<u>(1,414,202)</u>	<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>\$ 143,276</u>	<u>\$ 614,616</u>	<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>2024</u>	<u>2023</u>	<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	3.03%	5.01%	-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, 2024**

NOTE 1 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, 2024, 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	\$ 71,375,860	\$ 93,887,910	\$ 4,259,553	\$ 7,726,681
Adjustments:				
Net change in recording 60-day receipts	(143,598)	-	-	371,523
To record encumbrances and continuing appropriations	-	(15,328,277)	-	15,328,277
To reclassify stabilization funds to the general fund	2,263,012	-	1,265,000	17,970,362
To record expense accruals	-	(518,691)	-	(641,776)
To reclassify OPEB activity	-	500,000	200,002	-
To record worker's compensation	-	(78,647)	-	(140,550)
To record opioid settlement	1,764	-	-	9,321
Total Adjustments	<u>2,121,178</u>	<u>(15,425,615)</u>	<u>1,465,002</u>	<u>32,897,157</u>
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 73,497,038</u>	<u>\$ 78,462,295</u>	<u>\$ 5,724,555</u>	<u>\$ 40,623,838</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	\$ 3,425,462
Adjustments	
To reverse prior year expense accruals	(48,170)
To record encumbrances and continuing appropriations	<u>(2,905,439)</u>
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 471,853</u>

TOWN OF DENNIS, MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2024

NOTE 2 CHANGES IN ACTUARIAL ASSUMPTIONS AND PLAN PROVISIONS – BARNSTABLE COUNTY RETIREMENT ASSOCIATION

Changes in Assumptions

- Year Ended December 31, 2016
 - Discount rate changed from 7.75% to 7.625%
- Year Ended December 31, 2017
 - Discount rate changed from 7.625% to 7.375%
 - Inflation rate changed from 4.00% to 3.25%
- Year Ended December 31, 2019
 - Discount rate changed from 7.375% to 7.15%
- Year Ended December 31, 2021
 - Discount rate changed from 7.15% to 6.90%

Changes in Plan Provisions

- Year Ended December 31, 2022
 - Pursuant to Chapter 296 of the Acts of 2022, there was a one-time increase in the Cost-of-Living Adjustment (COLA) from 3% to 5% effective July 1, 2022.

NOTE 3 CHANGES IN ACTUARIAL ASSUMPTIONS AND PLAN PROVISIONS – OPEB PLAN

Changes in Assumptions

- Year Ended June 30, 2020
 - Discount rate changed from 3.5% to 2.21%
 - Valuation includes the repeal of the excise tax on high cost health plans
- Year Ended June 30, 2021
 - Discount rate changed from 2.21% to 2.36%
 - Per capita health costs updated to reflect current experience and future expectations
- Year Ended June 30, 2022
 - Discount rate changed from 2.36% to 3.75%
- Year Ended June 30, 2023
 - Discount rate changed from 3.75% to 6.5%
 - Per capita health costs updated to reflect current experience and future expectations
- Year Ended June 30, 2024
 - Medicare trend assumption revised to reflect the estimated impact of the Inflation Reduction Act of 2022

Changes in Plan Provisions

- None

**TOWN OF DENNIS, MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2024**

**NOTE 4 METHODS AND ASSUMPTIONS – ACTUARIALLY DETERMINED CONTRIBUTIONS –
BARNSTABLE COUNTY RETIREMENT ASSOCIATION**

Inflation rate:	4.00% (2015-2017)
	3.25% (2018-2024)
Discount rate:	7.75% (2015-2016)
	7.625% (2017)
	7.375% (2018-2019)
	7.15% (2020-2021)
	6.90% (2022-2024)

**NOTE 5 METHODS AND ASSUMPTIONS – ACTUARIALLY DETERMINED CONTRIBUTIONS –
OPEB PLAN**

Inflation rate:	3.25% (2019-2024)
Discount rate:	3.50% (2019)
	2.21% (2020)
	2.36% (2021)
	3.75% (2022)
	6.50% (2023-2024)



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