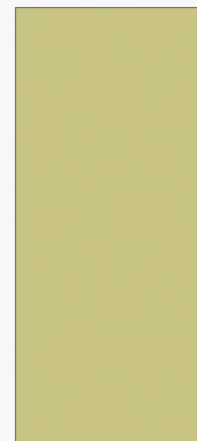


TOWN OF BRIDGEWATER

AUDIT EXIT CONFERENCE - TOWN COUNCIL/FINANCE SUBCOMMITTEE
ROSELLI, CLARK & ASSOCIATES
APRIL 24, 2018

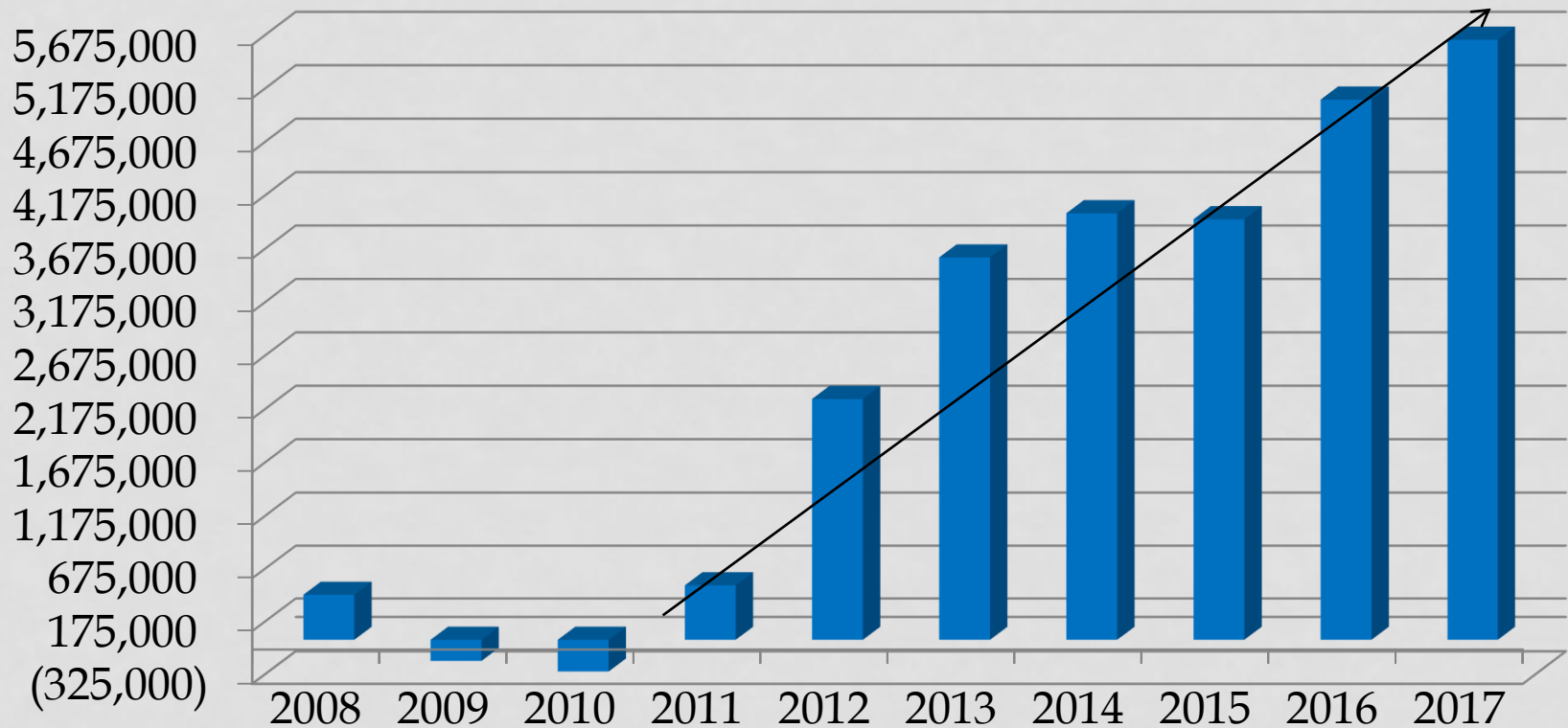


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- ❑ Economic trends
- ❑ Accomplishments
- ❑ Other Postemployment Benefits
- ❑ General findings and recommendations

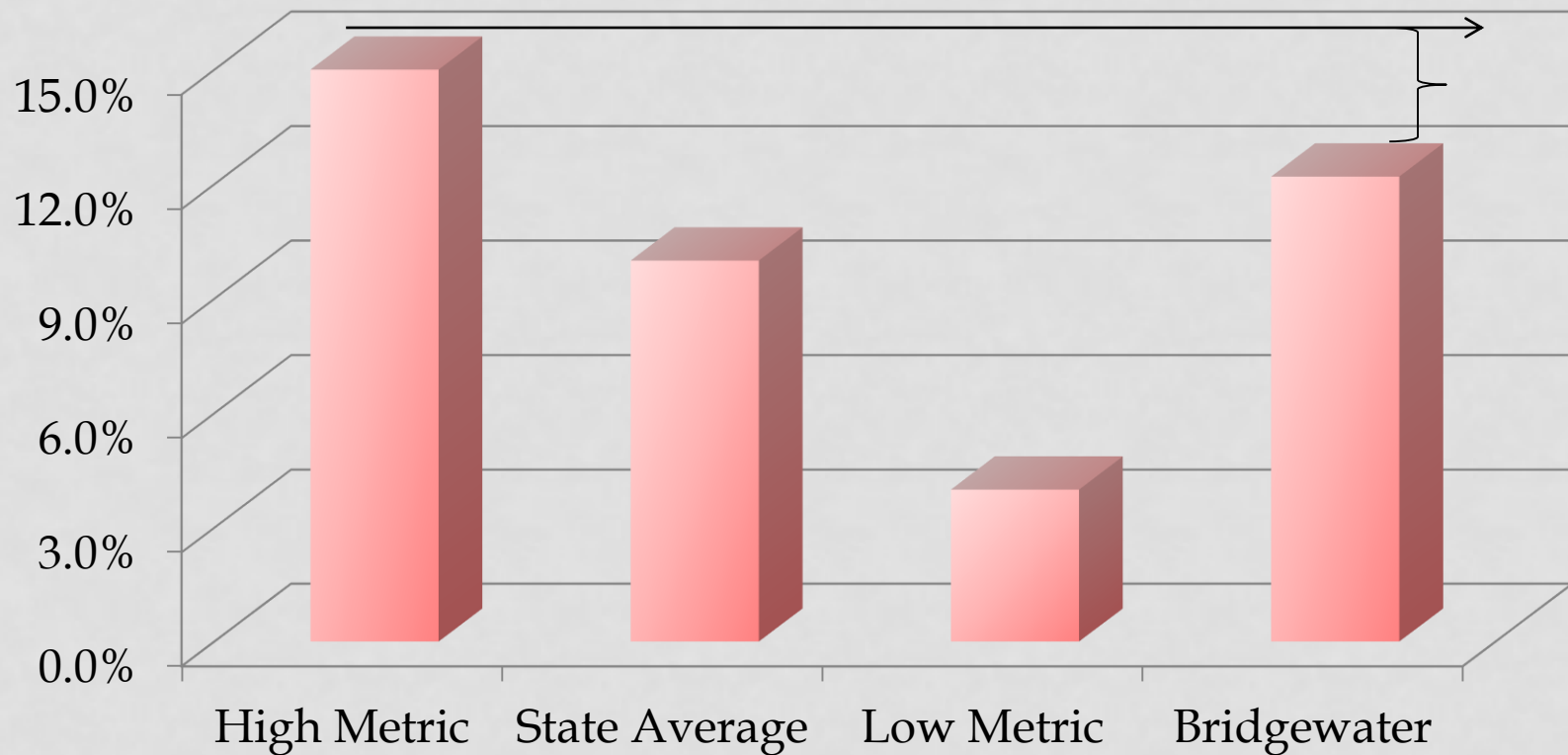
ECONOMIC TRENDS

Reserve Balances



ECONOMIC TRENDS

Reserve Ratio



ECONOMIC TRENDS

- ❑ Reserves increased from 2016 to 2017.
- ❑ Free cash was not used in the general operations in fiscal 2017.
- ❑ Local receipts exceed forecast by \$1.3M.
- ❑ Metrics have exceeded State average which was a goal that was established over five years ago.
- ❑ Continue to work at maintaining reserve ratio.
- ❑ Goal is to maintain tier 2 reserve status; tier 1 is within reach.
- ❑ Bond rating is A1 with Moodys; may want to consider having S+P complete a rating.

ACCOMPLISHMENTS

- Increased reserves as discussed.
- Free Cash policy being followed.

OTHER POSTEMPLOYMENT BENEFITS

- ❑ GASB 74 (effective 2017) and GASB 75 (effective 2018)
- ❑ Estimated liability under GASB 75 is approximately \$40.6 million.
- ❑ Discount rate is 3.25%; Town could work to improve this.
- ❑ 5% free cash transfer made
- ❑ Currently \$225K in the fund.
- ❑ Average age of employees = 47.

PENSION LIABILITY UPDATE

- ❑ GASB 68 implemented in 2015
- ❑ June 30, 2017 Bridgewater proportionate share of pension liability was \$31.3 million - flat to the prior year
- ❑ The funding of this liability is in the control of Plymouth County Retirement; to which the Town belongs
- ❑ Discount rate used in calculation is 8%;
- ❑ Liability will be updated annually and certified by separate audit report

GENERAL FINDINGS AND RECOMMENDATIONS

- Tailings
- Tax Title Collections
- Overlay balances
- Transfer Station
- Accounting for Special Funds
- Trust Fund Investment Income
- Indirect Costs