March 7, 2025

Local Government Commission (LGC)
3200 Atlantic Avenue
Raleigh, NC 27604

Re: FPIC Response: City of Bessemer City FY 2023-2024 Financial Audit

Dear Honorable Members of the North Carolina Local Government Commission (LGC):

This letter is in response to the Finance Performance Indications of Concerns (FPIC) for the City of Bessemer City's 2023-2024 Financial Audit. Please see below our five (5) responses:

WATER/SEWER FUND (WSF):

FPIC 1. Quick Ratio - The WSF quick ratio for the 2023-2024 budget was .72

- Response- Bessemer City intends to increase rates in future budgets to increase this quick ratio above 1. In the future, the City anticipates a healthy increase in the Water Sewer Fund's Quick Ratio as we continue financial recovery efforts.

FPIC 2. Water and Sewer Fund (WSF) Unrestricted Cash - The WSF showed a net operating loss in the 2023-2024 budget.

- Response- Future budgets will include revenue increases to build back WSF fund balance, increasing our unrestricted cash level. Additionally, future budgets will consist of less administrative charges from the WSF to the general fund, allowing additional revenues to build up fund balance in the WSF.

If you need additional information, please let us know.

Respectfully submitted,

Becky S. Smith
Mayor

Michael Brooks
City Council- Ward 1

Nellie Floyd
City Council- Ward 2

Allen Hook
City Council- Ward 3; Mayor Pro-Tempore

Brenda Boyd
City Council- Ward

Brent Guffey
City Council- Ward 5

Donnie Griffin
City Council- Ward 6

Hydeia Y. Hayes, MPA, CMC
City Clerk

Joshua M. Ross, MPA
City Manager