February 9, 2026

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

Re: FPIC Response: City of Bessemer City FY 2024-2025 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 2024-2025 Financial Audit. Please see below our two (2) responses:

GENERAL FUND (GF):

FPIC 1. Fund Balance Available as a Percentage of Expenditures and Transfers Out (Excluding Powell Bill)
Bessemer City will continue working to increase revenues and reduce expenditures, where feasible, to raise the fund balance to at least 34% as required by North Carolina General Statutes (NCGS). Our 2024–2025 audit reflected a level of 29.35%. It remains our goal to steadily strengthen our fund balance position so that it not only meets the NCGS minimum but moves closer to the average for communities of similar size, which is 64%.

WATER/SEWER FUND (WSF):

FPIC 2. Unrestricted Cash as a Percentage of Expenses
Bessemer City will continue working to increase revenues and reduce expenditures, where feasible, to raise unrestricted cash levels to above the 16% threshold required by North Carolina General Statutes (NCGS). Our 2024–2025 audit reported an unrestricted cash level of 7.53%, and we remain committed to improving this position in the coming fiscal years.

If you need additional information, please let us know.

Respectfully submitted,

Becky S. Smith
Mayor

William Whitmire
City Council- Ward 1

Allen Hook
City Council- Ward 3

Manny Sambouniery
City Council- Ward 5; Mayor Pro-Tempore

Hydeia Y. Hayes, MPA, CMC
City Clerk

Nellie Floyd
City Council- Ward 2

Brenda Boyd
City Council- Ward 4

Chris Harmon
City Council- Ward 6

Joshua M. Ross, MPA
City Manager