

ROCKY MOUNT
CITY MANAGER'S OFFICE
THE CENTER OF IT ALL

December 9, 2022

Susan McCullen, Director, Fiscal Management Section
State and Local Government Finance Division and
The Local Government Commission

Re: Financial Performance Indicators of Concern

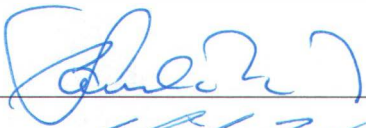
In our 2022 financial audit we indicated an operating net income loss of \$283,932 in our water and sewer fund. This net income loss excludes depreciation but includes debt service, principal, and interest.

To rectify this concerns the city is taking several steps to improve the Quick Ratio in the Water and Sewer Fund by improving cash collections.

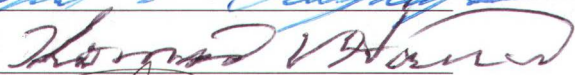
First, the City Council increased water and sewer rates by 8.8% effective July 1, 2022.

Second, the City Council received the results of a cost-of-service analysis (COSA) in September and agreed to adjust the rates again in FY 2024 to support operational needs and planned capital improvements.

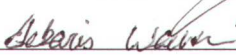
Sincerely,

Mayor 

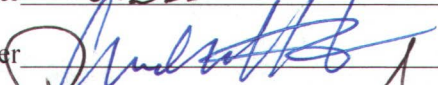
Councilmember 

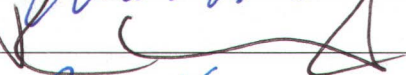
Councilmember 

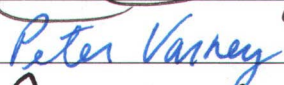
Councilmember 

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City Manager 

Finance Director 