



AGENDA
Nowthen City Council Work Session IV
September 27, 2021
@ 6:00 PM

1. Proposed 2022 Budget Discussion & Resolution 2021-30
2. RFP for Professional Auditing Services
3. Arvig Proposal
4. Well Update – Historic Town Hall
5. Adjourn

September 22, 2021

Lori Streich, City Clerk
City of Nowthen
8188 199th Ave NW
Nowthen, MN 55330

Re: 2022 CIP Recommendation

Dear Mrs. Streich:

As requested, we have reviewed the 2022 Capital Improvement Plan for the City of Nowthen. Our review consisted of reviewing previous 5 Year CIP drafts, coordination/communication with the City of Ramsey, and physically driving the roads to perform a “windshield inspection” and noting the conditions of the roads. For the year 2022, we would recommend the following:

**Iguana Street NW, 199th Avenue NW, Ferret Street NW – Construct Bituminous Overlay
Preliminary Cost Estimate \$280,000**

**190th Avenue NW and Vicuna Street NW – Construct Bituminous Overlay
Preliminary Cost Estimate \$210,000**

Therefore, the total **Capital Improvement Preliminary Estimate is \$490,000.**

In addition to completing the above Capital Improvement Projects, we would also recommend that the City allocate funds to perform the following maintenance activities:

Bituminous Patching – we recommend that the City consider patching on some of the roads that are not scheduled for a Capital Improvements in the near future to extend their life and improve the ride. Roads that would benefit from patching to prolong the life include: Jasper Street NW, 185th Avenue NW/Clifton Road NW/187th Avenue NW, 184th Avenue NW/Tiger Street NW, Erkium Street NW, Waco Street NW/Waco Drive NW. If the City budgets for this, we can assist in obtaining quotes for the patching and present them to the City for approval on an individual basis. Although no detailed estimates have been prepared, the **recommended Budget Amount \$120,000**

Jasper Street NW – Micro Surfacing. Micro-surfacing is an ultra thin bituminous overlay (approximately 3/8 inch thick) that will help improve the ride and extend the life of the pavement. This is considered a maintenance activity and therefore would typically be paid 100% by City funds (no assessments). **Preliminary Estimate \$70,000**

185th Avenue NW/Clifton Road NW/187th Avenue NW – Micro Surfacing. Micro-surfacing is an ultra thin bituminous overlay (approximately 3/8 inch thick) that will help improve the ride and extend the life of the pavement. This is considered a maintenance activity and therefore would typically be paid 100% by City funds (no assessments). **Preliminary Estimate \$100,000**

Therefore, the **Preliminary Cost Estimate for the additional Maintenance Activities as discussed above is \$290,000.**

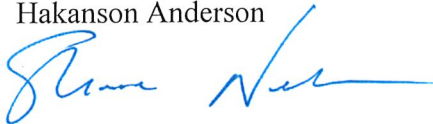
Please note that in our previous CIP Drafts, we included reconstruction of Waco Drive NW, Waco Street NW, Ventre Street NW and 182nd Lane NW for the year 2022. However, these road segments are recommended to be coordinated with the City of Ramsey. Per our communications with City of Ramsey Staff on September 10, 2021, these roads are not scheduled for reconstruction in the next 10 years.

Similarly, Erkium Street NW is not scheduled in their 10 Year CIP. However, Barium Street NW is scheduled for the year 2026. We would therefore recommend that the City of Nowthen consider programing a reconstruction for the continuation of Barium Street NW in the year 2026.

If the City considers budgeting for the Capital Improvement Projects as discussed herein plus the additional Maintenance Activities as discussed herein the **total Preliminary Estimate for Capital Improvement Projects plus Additional Maintenance Activities for 2022 is \$780,000.**

Upon request, I am available to attend the City Council's budget workshop on September 27th to discuss these recommendations in greater detail.

Sincerely,
Hakanson Anderson



Shane Nelson, P.E., City Engineer

Memo

To: City Clerk/Treasurer and Nowthen City Council
From: Lori Yager, RTY Consulting
Date: September 27, 2021
Re: Proposed 2022 Budget worksession IV

At the Budget worksession held on September 13, 2021, the city council requested that staff ask three departments to cut their respective budgets further than proposed. The total reduction was to be (\$40,000).

Public Works and Parks were asked to reduce their respective budgets by (\$10,000) each. Staff is proposing to reduce the public works budget by (\$18,750) but at the same time increase the parks budget by \$7,895 for a total net decrease of (\$10,855). Combined changes for both departments include a reduction in salary & benefits (\$6,405), reduce repair & maintenance (\$3,700), reduce supplies (\$250) and reduce refuse (\$500). See highlighted yellow line items in the attached spreadsheet for proposed changes.

Fire was asked to reduce their budget by (\$20,000). The Fire Chief asked for clarification from the council regarding this. Staff has not received any budget changes from the Fire department. I have made recommended changes based on history and projections. Reduce fire pay by (\$8,000). This is based on how much has been spent through September 2021 and extrapolating that out for 12 months. I have also included 8 additional firefighters in the extrapolation. A full year of fire pay with 8 new firefighters is projected to be \$76,000, not \$84,000. In addition, I am proposing the fire budget move \$3,000 from maintenance to supplies.

Total cuts for all three departments are proposed to be (\$18,855).

Since our previous meeting, the part-time office assistant is now available to work full-time. This is highly desirable for staff and is now included in the preferred 2022 budget document. This change increases the budget by \$28,300.

Each year, the City of Nowthen must adopt and certify a preliminary levy and submit it to Anoka County by the 30th of September. The preliminary levy includes levies for general operations, city capital/infrastructure and debt service. The recommended levy includes an overall 3.9% increase over the previous year's levy. The total **annual cost** to the average residential taxpayer with a property value of \$396,000 is \$907 for city taxes or an increase of \$17 a year.

General fund operating expenditures increased 5% or \$91,700. The increases include changes in the Law Enforcement contract of \$114,290, added election expense of \$13,475 and other changes of (\$36,065). Total general fund expenditures are increasing \$56,700 or 3% as transfers out are being reduced by (\$35,000).

Please view the attached 2022 budget.

Action Requested: Approve Resolution 2021-30 certifying the preliminary property tax levy collectible in 2022 and adopting the proposed 2022 Budget.

NOWTHEN

8188 199th Avenue Northwest, Nowthen, MN 55330
Phone: (763)441-1347 Website: www.nowthenmn.govoffice2.com

CITY OF NOWTHEN, MINNESOTA RESOLUTION

RES-2021-30

A RESOLUTION RELATING TO ADOPTION OF A PROPOSED 2022 BUDGET AND CERTIFYING A PRELIMINARY PROPERTY TAX LEVY COLLECTIBLE IN 2022, AND SETTING PUBLIC MEETING DATES

WHEREAS, the City of Nowthen's property tax levy has been set within the levy limitations imposed by the State each year,

WHEREAS, levy limits have not been imposed for the year 2022,

WHEREAS the City of Nowthen is required, by law, to adopt a proposed budget and certify a preliminary tax levy for 2022 to the Anoka County Auditor by September 30, 2021; and

WHEREAS, the Nowthen City Council held four public meetings, July 20, August 31, September 13, and September 27, 2021 to discuss the proposed budget and preliminary tax levy for the year 2022.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Nowthen, Minnesota, as follows:

1. The budget for the City of Nowthen for the year 2022 is hereby proposed with appropriations for each of the various activities (which are more fully detailed in the official copy of the 2022 budget, available in the office of the City Clerk or online at (www.nowthenmn.govoffice2.com) as follows:

| PURPOSE | AMOUNT |
|-----------------------|-------------|
| General | \$1,928,265 |
| Recycling | 64,920 |
| Debt Service | 256,230 |
| Building Capital | 155,000 |
| Road Improvement | 924,000 |
| Parks Capital | 125,000 |
| Equipment Replacement | 908,420 |
| | |
| TOTAL | \$4,361,835 |

2. Estimated 2022 gross revenues (which are more fully detailed in the official copy of the 2022 budget, available in the office of the City Clerk or online at www.nowthenmn.govoffice2.com), are hereby found to be equal to or in excess of appropriations for the general fund, excluding transfers for equipment and capital improvements.
3. There is hereby a preliminary levy upon all taxable property in the City of Nowthen a direct ad valorem tax in the year 2021, payable 2022, for the following purposes and in the following amounts:

| PURPOSE | AMOUNT |
|-----------------------------|-------------|
| General Fund | \$1,632,260 |
| 2013 GO Fire Equipment Cert | 18,500 |
| 2019A GO Improvement Bonds | 62,800 |
| Total Certified Levy | \$1,713,560 |

4. The above preliminary levy includes the amount necessary to cover debt service requirements in 2022.
5. Public meeting date for the 2022 proposed levy and budget is set to be Tuesday, December 14, 2021, at 7:00pm, with a continuation meeting date of December 21, 2021, if necessary.
6. A certified copy of this resolution shall be transmitted to the Anoka County Auditor.

Adopted by the Nowthen City Council this 27th day of September 2021.

ATTEST:

Lori Streich, City Clerk/Treasurer

Jeff Pilon, Mayor

CITY OF NOWTHEN
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022

| | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Projected | 2021 Budget | 2022 Budget | Dollar Change | % Change |
|---|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|----------------|
| Fund: 100 - GENERAL FUND | | | | | | | | |
| <u>REVENUES</u> | | | | | | | | |
| 100-31001 Ad Valorem Taxes-Current | 1,301,286 | 1,325,387 | 1,351,271 | 1,468,420 | 1,469,635 | 1,632,260 | 162,625 | 11.07% |
| 100-31002 Ad Valorem Taxes-Delinquent | - | 10,761 | 8,181 | 14,832 | 2,000 | - | (2,000) | |
| 100-31003 Penalties & Interest on Taxes | - | 1,417 | 14 | | - | - | | |
| 100-31004 Fiscal Disparities | - | | | | - | - | | |
| 100-31005 Rents Lieu of Tax | - | 17 | 119 | | - | - | | |
| 100-31006 Forfeited Tax Sale Proceeds | - | | | | - | - | | |
| 100-31953 Special Assessments | - | | | | - | - | | |
| Taxes | <u>1,301,286</u> | <u>1,337,582</u> | <u>1,359,585</u> | <u>1,483,252</u> | <u>1,471,635</u> | <u>1,632,260</u> | <u>160,625</u> | <u>10.91%</u> |
| 100-32101 Right-Of-Way-Permits | 2,280 | 2,250 | 6,600 | 5,265 | 2,200 | 3,000 | 800 | |
| 100-32102 Tabacco Licenses | 250 | 250 | 250 | 250 | 250 | 250 | - | |
| 100-32110 Alcoholic Beverage Licenses | 4,280 | 4,546 | 3,940 | 3,840 | 4,280 | 4,280 | - | |
| 100-32111 Mining Permit | - | | | | - | - | - | |
| 100-32190 Farmers Permit | 1,190 | 1,240 | 1,520 | 1,650 | - | 1,200 | 1,200 | |
| 100-32210 Building Permits | 82,833 | 101,078 | 97,097 | 102,268 | 86,000 | 87,000 | 1,000 | |
| 100-32211 Building Permit Surcharge | 5,328 | 4,590 | 3,659 | 3,876 | 4,000 | 4,000 | - | 0.00% |
| 100-32213 Building Permit Investigate Fee | 633 | 755 | - | 1,106 | 550 | 550 | - | |
| 100-32215 Mailbox Installation | 350 | 200 | 475 | 250 | 400 | 400 | - | 0.00% |
| 100-32216 Driveway Permits | 1,125 | 750 | 125 | 500 | 500 | 500 | - | |
| 100-32217 Culverts | 4,677 | 3,148 | 7,240 | 2,910 | 3,000 | 3,100 | 100 | 3.33% |
| 100-32240 Animal Licenses | 375 | 460 | 222 | 260 | 425 | 425 | - | |
| Licenses & Permits | <u>103,321</u> | <u>119,267</u> | <u>121,128</u> | <u>122,175</u> | <u>101,605</u> | <u>104,705</u> | <u>3,100</u> | <u>3.05%</u> |
| 100-33401 Local Government Aid | 27,774 | 28,401 | 50,816 | 70,524 | 52,005 | 52,005 | - | 0.00% |
| 100-33410 Wetland Reimbursement | 501 | 272 | 10,243 | 294 | - | 250 | 250 | |
| State Aid - Fire Relief | | | | - | 23,050 | - | (23,050) | |
| 100-33429 State Aid - Pera | 453 | 453 | 453 | - | 450 | 450 | - | 0.00% |
| 100-33430 State Aid | | 10,400 | 10,609 | - | - | - | | |
| 100-33431 Misc Intergovernmental Revenue | 9,656 | - | 2,548 | | 1,600 | 1,600 | - | |
| Intergovernmental Revenue | <u>38,384</u> | <u>39,526</u> | <u>74,669</u> | <u>70,818</u> | <u>77,105</u> | <u>54,305</u> | <u>(22,800)</u> | <u>-29.57%</u> |

CITY OF NOWTHEN
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022

| | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Projected | 2021 Budget | 2022 Budget | Dollar Change | % Change |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------------|---------------------|
| Fund: 100 - GENERAL FUND | | | | | | | | |
| 100-34101 City/Town Hall Rent | 6,553 | 5,402 | 2,583 | 4,557 | 5,200 | 5,200 | - | |
| 100-34102 Recording of Legal Instruments | 420 | 30 | 210 | 249 | 390 | 390 | - | |
| 100-34103 Zoning and Subdivision Fees | 13,477 | 20,353 | 38,924 | 32,974 | 13,000 | 25,000 | 12,000 | 92.31% |
| 100-34104 Plan Checking Fee | 35,417 | 43,636 | 34,621 | 37,305 | 34,500 | 35,000 | 500 | 1.45% |
| 100-34105 Sale of Maps and Publications | 600 | 230 | 228 | 120 | 160 | 160 | - | 0.00% |
| 100-34109 Planner/Planning Fees | 33,232 | 5,684 | 29,807 | 33,289 | 29,000 | 30,000 | 1,000 | 3.45% |
| 100-34111 Tower Lease Payments | 12,696 | 12,696 | 13,331 | 14,601 | 12,695 | 12,695 | - | 0.00% |
| 100-34112 Newsletter Ads | 1,110 | 960 | 2,255 | 3,113 | 1,000 | 1,200 | 200 | 20.00% |
| 100-34114 Public Hearing Fees | 2,500 | 750 | - | 1,500 | 2,000 | 2,000 | - | 0.00% |
| 100-34115 Charges for services | | 100 | - | | - | - | - | |
| 100-34116 Copies | 54 | 88 | 5 | 4 | 50 | 50 | - | |
| 100-34117 Engineering Fees | 1,329 | 878 | 1,764 | 113 | 800 | 800 | - | |
| 100-34207 Fire Calls Paid | 4,466 | | | | - | - | - | |
| 100-34740 Park and Recreation Concessions | 1,582 | 1,452 | 1,702 | 3,031 | 2,000 | 2,000 | - | |
| 100-34741 Ball Field Rental | 750 | 720 | 90 | 330 | 500 | 500 | - | |
| Charges for Services | <u>114,186</u> | <u>92,979</u> | <u>125,520</u> | <u>131,186</u> | <u>101,295</u> | <u>114,995</u> | <u>13,700</u> | <u>13.52%</u> |
| 100-35101 Court Fines | 6,913 | 11,976 | 5,574 | 10,485 | 8,000 | 8,500 | 500 | 6.25% |
| 100-35104 Administrative Fines (Penalties) | 800 | 4,242 | - | 400 | 800 | 800 | - | 0.00% |
| 100-35105 NSF Fines | | | | | - | - | - | |
| Fines & Forfeitures | <u>7,713</u> | <u>16,218</u> | <u>5,574</u> | <u>10,885</u> | <u>8,800</u> | <u>9,300</u> | <u>500</u> | <u>5.68%</u> |
| 100-36201 Miscellaneous Revenue | 741 | 12 | 111 | - | 500 | 500 | - | |
| 100-36202 Refunds | 17,460 | 4,901 | 3,328 | 1,261 | 2,500 | 2,500 | - | |
| 100-36210 Interest Income | 10,604 | 26,438 | 13,645 | 1,364 | 5,200 | 3,200 | (2,000) | |
| 100-36211 Gain or (loss) from Investment | | | | | - | - | - | |
| 100-36230 Contributions and Donations | <u>12,308</u> | <u>27,879</u> | <u>4,531</u> | <u>20,933</u> | <u>6,500</u> | <u>6,500</u> | <u>-</u> | <u>-</u> |
| Miscellaneous | <u>41,113</u> | <u>59,230</u> | <u>21,615</u> | <u>23,558</u> | <u>14,700</u> | <u>12,700</u> | <u>(2,000)</u> | <u>-13.61%</u> |
| 100-37200 Transfer In | | | | 1,000 | 1,000 | - | (1,000) | |
| 101-39100 Use of Fund Balance | | | | | 95,425 | - | (95,425) | |
| TOTAL REVENUES | <u><u>1,606,003</u></u> | <u><u>1,664,802</u></u> | <u><u>1,708,091</u></u> | <u><u>1,842,873</u></u> | <u><u>1,871,565</u></u> | <u><u>1,928,265</u></u> | <u><u>56,700</u></u> | <u><u>3.03%</u></u> |

CITY OF NOWTHEN
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022

| | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Projected | 2021 Budget | 2022 Budget | Dollar Change | % Change |
|---|----------------|----------------|----------------|-------------------|----------------|----------------|------------------|-------------|
| Fund: 100 - GENERAL FUND | | | | | | | | |
| <u>EXPENDITURES</u> | | | | | | | | |
| Mayor Council | | | | | | | | |
| 100-41110-103 Wages and Salaries: Part-time Employees | 23,656 | 24,258 | 24,629 | 24,570 | 25,200 | 24,700 | (500) | -1.98% |
| 100-41110-112 Other Pay | | | | | - | - | - | |
| 100-41110-121 PERA | 2,040 | 1,600 | 715 | 580 | 800 | 800 | - | 0.00% |
| 100-41110-122 FICA | 595 | 972 | 364 | 892 | 1,570 | 1,070 | (500) | |
| 100-41110-135 Medicare | 731 | 769 | 778 | 378 | 400 | 400 | - | 0.00% |
| 100-41110-433 Miscellaneous | | | 99 | - | | | - | |
| 100-41110-435 Training | | | 825 | 1,628 | 3,600 | 3,600 | - | |
| | 27,022 | 27,599 | 27,410 | 28,048 | 31,570 | 30,570 | (1,000) | -3.17% |
| Office Administration | | | | | | | | |
| 100-41420-100 Full-Time Earnings | 67,376 | 96,774 | 120,055 | 119,904 | 179,005 | 190,000 | 10,995 | 6.14% |
| 100-41420-103 Part-Time Earnings | 10,450 | 2,461 | 11,545 | 28,325 | - | - | - | |
| 100-41420-112 Other Pay | 160 | 703 | 575 | 520 | 500 | 500 | - | 0.00% |
| 100-41420-113 Health Savings Account | 1,671 | 1,685 | 83 | - | 500 | 500 | - | |
| 100-41420-121 PERA | 10,481 | 14,258 | 9,950 | 8,993 | 13,425 | 14,500 | 1,075 | 8.01% |
| 100-41420-122 FICA | 11,315 | 7,559 | 3,959 | 9,813 | 11,100 | 12,000 | 900 | 8.11% |
| 100-41420-131 Paid Insurance: Health | 14,199 | 23,622 | 30,049 | 30,063 | 47,900 | 29,900 | (18,000) | -37.58% |
| 100-41420-135 Employer Paid Insurance: Medicare | 2,646 | 1,877 | 6,305 | 1,916 | 2,600 | 2,800 | 200 | 7.69% |
| 100-41420-201 Office Supplies | 363 | - | 1,698 | 1,226 | 3,900 | 2,500 | (1,400) | |
| 100-41420-203 General Supplies | - | 1,229 | 189 | 1,410 | 900 | 2,000 | 1,100 | |
| 100-41420-217 Computer, Office Equipment, Etc. | - | - | 1,387 | 14,437 | 2,000 | 2,000 | - | |
| 100-41420-218 Operating Supplies | - | - | 109 | - | - | - | - | |
| 100-41420-310 Expert & Professional Services | - | - | - | - | 500 | - | (500) | |
| 100-41710-322 Communications: Postage | - | - | 28 | 229 | 900 | - | (900) | |
| 100-41710-351 Printing and Binding: Legal Notices Publish | - | - | - | - | 1,500 | - | (1,500) | |
| 100-41710-352 Printing and Binding: General Notices and Pub | - | - | - | - | 400 | - | (400) | |
| 100-41710-353 Printing and Binding: Ordinance Publications | - | - | - | - | 400 | - | (400) | |
| 100-41420-354 Newsletter | - | - | (75) | - | 2,200 | - | (2,200) | |
| 100-41420-433 Miscellaneous: Dues & Subscriptions | - | - | - | 36 | 500 | 100 | (400) | |
| 100-41420-435 Training | - | - | (241) | 794 | 2,000 | 2,000 | - | |
| 100-41420-491 Other charges | 503 | 55 | (11) | - | 500 | 500 | - | |
| 100-41420-520 Capital Outlay: Buildings | | | 8,083 | 5,469 | | | - | |
| | 119,164 | 150,223 | 193,688 | 223,135 | 270,730 | 259,300 | (11,430) | -4.22% |

CITY OF NOWTHEN
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022

| | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Projected | 2021 Budget | 2022 Budget | Dollar Change | % Change |
|--|----------------|----------------|----------------|-------------------|----------------|----------------|------------------|----------------|
| Fund: 100 - GENERAL FUND | | | | | | | | |
| Elections | | | | | | | | |
| 100-41410-103 Wages and Salaries: Part-time Employees | 8,099 | | 8,129 | | - | 9,000 | 9,000 | |
| 100-41410-112 Other Pay | 166 | | 259 | | - | 300 | 300 | |
| 100-41410-201 Office Supplies: Accessories (staplers, pencils) | 241 | | 220 | | - | 250 | 250 | |
| 100-41410-203 Office Supplies: Printed Forms and Papers | 126 | | 135 | | - | 150 | 150 | |
| 100-41410-215 Operating Supplies: Shop Materials | 68 | | | | - | 75 | 75 | |
| 100-41410-217 Computer, Office Equipment, Etc. | 1,039 | - | 694 | | - | 1,000 | 1,000 | |
| 100-41410-351 Printing and Binding: Legal Notices Publish | 1,129 | - | 339 | | - | 500 | 500 | |
| 100-41410-415 Rentals: Other Equipment | 20 | | 289 | | - | 300 | 300 | |
| 100-41410-433 Miscellaneous | | | 1,028 | 926 | | 1,900 | 1,900 | |
| | <u>10,888</u> | <u>-</u> | <u>11,093</u> | <u>926</u> | <u>-</u> | <u>13,475</u> | <u>13,475</u> | <u>100.00%</u> |
| Finance and Assessing | | | | | | | | |
| 100-41510-301 Professional Services: Accounting | 16,823 | 41,370 | 19,685 | 16,500 | 14,400 | 14,400 | - | 0.00% |
| 100-41510-302 Professional Services: Audit | 8,030 | 8,749 | 9,650 | 3,800 | 8,800 | 9,600 | 800 | 9.09% |
| 100-41510-304 Professional Services: Assessing | 22,119 | 22,988 | 23,106 | 19,845 | 25,000 | 25,000 | - | 0.00% |
| 100-41420-491 Other charges | 24 | 66 | - | | 50 | 50 | - | |
| | <u>46,996</u> | <u>73,173</u> | <u>52,441</u> | <u>40,145</u> | <u>48,250</u> | <u>49,050</u> | <u>800</u> | <u>1.66%</u> |
| Legal | | | | | | | | |
| 100-41610-315 Prosecuting Attorney | 37,072 | 35,665 | 35,056 | 25,485 | 42,000 | 37,500 | (4,500) | -10.71% |
| 100-41610-316 Civil Attorney | 59,810 | 20,588 | 33,635 | 41,972 | 25,000 | 30,000 | 5,000 | 20.00% |
| | <u>96,882</u> | <u>56,253</u> | <u>68,691</u> | <u>67,456</u> | <u>67,000</u> | <u>67,500</u> | <u>500</u> | <u>0.75%</u> |
| General Government/Buildings | | | | | | | | |
| 100-41710-101 Full-Time Earnings | | 4,401 | 62 | - | - | - | - | |
| 100-41710-112 Other pay | | | (243) | | | | | |
| 100-41710-121 FICA | | | | | - | - | - | |
| 100-41710-122 PERA | | 4,710 | - | | - | - | - | |
| 100-41710-131 Paid Insurance: Health | | | | | - | - | - | |
| 100-41710-135 Employer Paid Insurance: Medicare | | 1,102 | - | | - | - | - | |
| 100-41710-201 Office Supplies: Accessories (staplers, pencils) | 2,930 | 3,596 | 1,218 | 992 | 100 | 1,000 | 900 | 900.00% |
| 100-41710-203 Office Supplies: Printed Forms and Papers | 1,536 | 1,625 | 241 | 903 | 100 | 1,100 | 1,000 | 1000.00% |
| 100-41710-204 Office Supplies: Shop Materials | | 201 | - | | - | - | - | |
| 100-41710-208 Farmers Market Operations | - | - | - | | - | - | - | |
| 100-41710-217 Computer, Office Equipment, Etc. | 204 | 2,008 | - | | - | - | - | |
| 100-41710-218 Operating Supplies | | | 716 | | | | | |
| 100-41710-223 Repair and Maintenance Supplies: Building | 30 | 974 | 214 | | 500 | 500 | - | 0.00% |
| 100-41710-226 Repair and Maintenance Supplies: Sign Rep | 1,535 | - | - | | 500 | 500 | - | 0.00% |

CITY OF NOWTHEN
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022

| | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Projected | 2021 Budget | 2022 Budget | Dollar Change | % Change |
|---|----------------|----------------|----------------|-------------------|----------------|----------------|------------------|---------------|
| Fund: 100 - GENERAL FUND | | | | | | | | |
| 100-41710-258 Merchandise for Resale: Maps | - | - | - | | 50 | 50 | - | 0.00% |
| 100-41710-310 Professional Services | 24,092 | 1,404 | 26,172 | 15,729 | 15,555 | 17,255 | 1,700 | 10.93% |
| 100-41710-311 Recording Fees | 434 | - | 414 | 353 | 425 | 425 | - | 0.00% |
| 100-41710-317 Animal Control | 491 | 150 | 572 | 954 | 700 | 700 | - | 0.00% |
| 100-41710-321 Communications: Telephone | 7,970 | 8,657 | 7,971 | 8,756 | 9,000 | 9,000 | - | 0.00% |
| 100-41710-322 Communications: Postage | 629 | 300 | 867 | 354 | - | 600 | 600 | |
| 100-41710-351 Printing and Binding: Legal Notices Publish | 1,385 | 1,197 | 1,397 | 831 | - | 1,100 | 1,100 | |
| 100-41710-352 Printing and Binding: General Notices and Pub | 359 | 327 | 161 | 699 | - | 500 | 500 | |
| 100-41710-353 Printing and Binding: Ordinance Publications | 237 | 102 | 113 | 1,365 | - | 500 | 500 | |
| 100-41710-354 Newsletter | 1,931 | 1,671 | 2,231 | 2,897 | - | 2,800 | 2,800 | |
| 100-41710-362 Insurance: Property | 28,558 | 30,488 | 33,658 | 32,539 | 33,500 | 34,000 | 500 | 1.49% |
| 100-41710-365 Insurance: Workman's Comp | 10,914 | 11,270 | 12,685 | 10,370 | 14,100 | 14,100 | - | |
| 100-41710-375 Property Taxes | 320 | 198 | 256 | 358 | 420 | 420 | - | 0.00% |
| 100-41710-381 Utility Services: Electric Utilities | 5,730 | 5,290 | 5,329 | 5,363 | 6,100 | 6,000 | (100) | -1.64% |
| 100-41710-383 Utility Services: Gas Utilities | 5,706 | 5,606 | 4,699 | 6,036 | 6,800 | 6,800 | - | 0.00% |
| 100-41710-384 Utility Services: Refuse Disposal | 2,715 | 2,024 | 1,933 | 420 | 2,900 | 2,500 | (400) | -13.79% |
| 100-41710-387 Surcharge | 50 | - | - | 35 | - | - | - | |
| 100-41710-405 Repair/Maint-Contractual | 19,647 | 16,510 | 7,128 | 9,597 | 12,500 | 12,500 | - | 0.00% |
| 100-41710-415 Rentals: Other Equipment | 1,220 | 1,758 | 574 | 488 | 1,600 | 1,600 | - | 0.00% |
| 100-41710-433 Miscellaneous: Dues and Subscriptions | 7,252 | 10,896 | 6,661 | 7,731 | 2,000 | 7,000 | 5,000 | 250.00% |
| 100-41710-435 Training | - | - | 398 | 3,173 | 750 | 2,700 | 1,950 | |
| 100-41710-437 Refunds | 231 | 590 | 854 | 107 | 100 | - | (100) | -100.00% |
| 100-41710-438 Miscellaneous: Cleaning | 5,137 | 3,951 | 681 | - | 750 | - | (750) | -100.00% |
| 100-41710-490 Miscellaneous: Donations to Civic Organizations | 3,000 | 2,500 | 500 | 3,000 | 3,000 | 3,000 | - | 0.00% |
| 100-41710-491 Miscellaneous | 10 | 369 | 139 | 139 | - | 125 | 125 | |
| | <u>134,253</u> | <u>123,875</u> | <u>117,601</u> | <u>113,186</u> | <u>111,450</u> | <u>126,775</u> | <u>15,325</u> | <u>13.75%</u> |

CITY OF NOWTHEN
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022

| | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Projected | 2021 Budget | 2022 Budget | Dollar Change | % Change |
|---|----------------|----------------|----------------|-------------------|----------------|----------------|------------------|-------------|
| Fund: 100 - GENERAL FUND | | | | | | | | |
| Planning and Zoning | | | | | | | | |
| 100-41810-103 Part-Time Earnings | 1,127 | - | - | - | - | 1,500 | 1,500 | |
| 100-41810-121 FICA | 151 | - | - | - | - | - | - | |
| 100-41810-135 Employer Paid Insurance: Medicare | 35 | - | - | - | - | - | - | |
| 100-41810-310 Professional Services | 60,767 | 61,031 | 56,595 | 68,030 | 60,000 | 60,000 | - | 0.00% |
| 100-41810-313 Code Enforcement | - | - | - | - | 100 | - | (100) | -100.00% |
| 100-41810-351 Printing and Binding: Legal Notices Publish | 405 | 333 | - | - | 500 | - | (500) | -100.00% |
| 100-41810-352 Printing and Binding: General Notices and Pub | 33 | 103 | - | - | - | - | - | |
| 100-41810-405 Repair/Maint-Contractual | - | 142 | - | - | - | - | - | |
| 100-41810-433 Miscellaneous: Dues and Subscriptions | 473 | - | - | - | - | - | - | |
| 100-41810-437 Refunds | - | - | 3,250 | 3,626 | - | - | - | |
| | 62,991 | 61,609 | 59,845 | 71,656 | 60,600 | 61,500 | 900 | 1.49% |
| Engineering | | | | | | | | |
| 100-41910-303 Professional Services | 53,252 | 42,071 | 46,345 | 48,766 | 35,000 | 40,000 | 5,000 | 14.29% |
| 100-41910-310 Professional Services | - | - | 880 | 855 | - | 900 | 900 | |
| 100-41910-491 Miscellaneous | 322 | 100 | - | - | - | - | - | |
| | 53,574 | 42,171 | 47,225 | 49,621 | 35,000 | 40,900 | 5,900 | 16.86% |
| Sheriff's Contract | | | | | | | | |
| 100-42110-310 Professional Services | 226,680 | 236,561 | 249,080 | 259,695 | 259,695 | 373,985 | 114,290 | 44.01% |
| Fire Management | | | | | | | | |
| 100-42210-104 Firefighter pay | - | - | - | 33,534 | 65,000 | 58,700 | (6,300) | |
| 100-42210-105 Training pay | - | - | - | - | 10,000 | - | (10,000) | |
| 100-42210-106 Miscellaneous hours | - | - | - | - | 6,000 | 3,000 | (3,000) | |
| 100-42210-121 FICA | - | - | - | 1,515 | 4,900 | 3,500 | (1,400) | |
| 100-42210-124 City contribution to Fire Relief Assoc | 3,708 | - | - | 6,285 | 29,155 | 10,000 | (19,155) | |
| 100-42210-135 Employer Paid Insurance: Medicare | - | - | - | 355 | 1,400 | 800 | (600) | |
| 100-42210-212 Operating Supplies: Motor Fuels | 1,713 | 1,174 | 703 | 516 | 2,000 | 1,500 | (500) | -25.00% |
| 100-42210-215 Operating Supplies: Shop Materials | 475 | 309 | 322 | 2,888 | 7,000 | 4,000 | (3,000) | -42.86% |
| 100-42210-217 Computer, Office Equipment, Etc. | - | - | - | 143 | 1,000 | 1,000 | - | 0.00% |
| 100-42210-221 Repair and Maintenance: Supplies: Equipment | 3,187 | 1,917 | 295 | 13,557 | 8,000 | 8,000 | - | 0.00% |
| 100-42210-223 Repair and Maintenance: Supplies: Building | - | 18 | - | - | - | - | - | |
| 100-42210-240 Small Tools & Minor Equipment | 4,732 | 2,449 | 15,995 | 1,615 | 4,000 | 4,000 | - | 0.00% |
| 100-42210-300 Professional Services: physicals | - | - | - | - | 6,500 | 6,500 | - | |
| 100-42210-301 Professional Services: Auditing and Account | 6,416 | - | - | - | - | - | - | |
| 100-42210-305 Professional Services: Fire | 42,654 | 75,858 | 80,899 | 75,069 | 75,000 | 77,325 | 2,325 | 3.10% |

CITY OF NOWTHEN
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022

| | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Projected | 2021 Budget | 2022 Budget | Dollar Change | % Change |
|---|----------------|----------------|----------------|-------------------|----------------|----------------|------------------|-------------|
| Fund: 100 - GENERAL FUND | | | | | | | | |
| 100-42210-310 Professional Services | 3,676 | 3,093 | 3,667 | 15,580 | 17,350 | 20,500 | 3,150 | 18.16% |
| 100-42210-314 Fire Truck Fees | | 13,298 | - | - | - | - | - | |
| 100-42210-321 Communications: Telephone | 2,333 | 2,197 | 3,154 | 2,264 | 4,500 | 3,000 | (1,500) | -33.33% |
| 100-42210-352 Printing and Binding: General Notices and Pub | - | - | - | - | - | - | - | |
| 100-42210-360 Insurance | | | | | 1,500 | - | (1,500) | |
| 100-42210-365 Insurance: Workman's Comp | - | - | - | 10,637 | 11,500 | 12,500 | 1,000 | 8.70% |
| 100-42210-381 Utility Services: Electric | 2,998 | 2,807 | 6,190 | 3,003 | 3,100 | 3,100 | - | 0.00% |
| 100-42210-383 Utility Services: Gas | 1,860 | 1,797 | 1,515 | 2,729 | 2,300 | 2,300 | - | 0.00% |
| 100-42210-404 Repairs and Maintenance-Contractual: Ma | 5,022 | 4,780 | 1,985 | 2,130 | 11,000 | 8,000 | (3,000) | -27.27% |
| 100-42210-405 Repairs/Maint-Contractual | 1,436 | 700 | 1,013 | 500 | 2,500 | 2,500 | - | 0.00% |
| 100-42210-415 Rentals: Other Equipment | 1,126 | 1,070 | 783 | 1,105 | - | 1,200 | 1,200 | |
| 100-42210-420 Uniforms | | | | | 10,000 | 10,000 | - | |
| 100-42210-433 Miscellaneous Dues & Subscriptions | | | | 420 | - | - | - | |
| 100-42210-435 Training | | | | 7,247 | 20,000 | 20,000 | - | |
| 100-42210-436 Conferences | | | | | 4,000 | 4,000 | - | |
| 100-42210-438 Cleaning | | | | 900 | - | 1,800 | 1,800 | |
| 100-42210-439 Mileage/travel | | | | | 250 | 250 | - | |
| 100-42210-491 Other Charges | 255 | 183 | 71 | 956 | 1,000 | 1,000 | - | 0.00% |
| 100-42210-580 Capital Outlay: Motor Vehicles | 10,238 | - | - | - | - | - | - | |
| | 91,829 | 111,650 | 116,592 | 182,946 | 308,955 | 268,475 | (40,480) | -13.10% |
| Building Inspection | | | | | | | | |
| 100-42410-203 Office Supplies: Printed Forms and Papers | 124 | - | - | - | - | - | - | |
| 100-42410-310 Professional Services | 101,764 | 122,250 | 96,931 | 102,802 | 95,000 | 97,000 | 2,000 | 2.11% |
| 100-42410-387 Surcharge | 2,825 | 3,494 | 4,589 | 3,777 | 3,000 | 3,000 | - | 0.00% |
| 100-42410-437 Refunds | 96 | - | 543 | 30 | 75 | 75 | - | 0.00% |
| 100-42410-810 Refunds and Reimbursements | | | 191 | | | | | |
| | 104,809 | 125,744 | 102,254 | 106,609 | 98,075 | 100,075 | 2,000 | 2.04% |
| Public Works | | | | | | | | |
| 100-43110-100 Full-Time Earnings | 70,571 | 77,812 | 111,548 | 72,796 | 106,255 | 104,700 | (1,555) | -1.46% |
| 100-43110-103 Part-Time Earnings | 27,033 | 16,742 | 22,602 | 15,264 | 18,000 | 16,600 | (1,400) | -7.78% |
| 100-43110-112 Other pay | | | 880 | 560 | - | 1,000 | 1,000 | |
| 100-43110-113 Health Savings Account | 1,681 | 1,657 | - | - | 500 | 500 | - | |
| 100-43110-121 PERA | 16,384 | 15,318 | 9,190 | 6,585 | 9,475 | 9,200 | (275) | -2.90% |
| 100-43110-122 FICA | 14,850 | 13,968 | 3,898 | 5,956 | 7,830 | 7,600 | (230) | -2.94% |
| 100-43110-131 Paid Insurance: Health | 22,745 | 26,097 | 24,738 | 21,068 | 24,550 | 17,800 | (6,750) | -27.49% |
| 100-43110-135 Employer Paid Insurance: Medicare | 3,474 | 3,271 | 5,458 | 1,393 | 1,725 | 1,700 | (25) | -1.45% |

CITY OF NOWTHEN
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022

| | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Projected | 2021 Budget | 2022 Budget | Dollar Change | % Change |
|---|----------------|----------------|----------------|-------------------|----------------|----------------|------------------|-------------|
| Fund: 100 - GENERAL FUND | | | | | | | | |
| 100-43110-142 Unemployment Compensation: Benefit Pay | - | - | - | - | 4,500 | 2,500 | (2,000) | -44.44% |
| 100-43110-212 Operating Supplies: Motor Fuels | 16,864 | 21,579 | 15,089 | 13,580 | 20,000 | 20,000 | - | 0.00% |
| 100-43110-213 Operating Supplies: Lubricants and Additives | 1,206 | 1,813 | 1,322 | 3,939 | 1,500 | 1,700 | 200 | 13.33% |
| 100-43110-215 Operating Supplies: Shop Materials | 3,837 | 3,526 | 1,899 | 2,086 | 4,000 | 4,000 | - | 0.00% |
| 100-43110-217 Computer, Office Equipment, Etc. | - | - | - | - | 500 | - | (500) | -100.00% |
| 100-43110-221 Repair and Maintenance: Supplies: Equipment | 11,636 | 37,449 | 21,536 | 14,417 | 15,000 | 15,000 | - | 0.00% |
| 100-43110-222 Repair and Maintenance: Supplies: Tires | 360 | - | 4,624 | 3,380 | 3,200 | 3,200 | - | 0.00% |
| 100-43110-223 Maintenance & Repairs | - | - | - | - | - | - | - | - |
| 100-43110-224 Repair and Maintenance Supplies: Street Maint | 1,008 | 79 | 36,039 | 31,167 | 2,100 | 25,000 | 22,900 | |
| 100-43110-226 Repair and Maintenance Supplies: Sign Rep | 2,112 | - | 3,415 | 1,295 | 5,500 | 5,000 | (500) | -9.09% |
| 100-43110-227 Repair and Maintenance: Supplies: Building | - | 380 | - | - | - | - | - | - |
| 100-43110-228 Culverts | 2,191 | 3,544 | 12,119 | 2,843 | 8,000 | 8,000 | - | 0.00% |
| 100-43110-240 Small Tools & Minor Equipment | 952 | 356 | 893 | 840 | 2,500 | 2,500 | - | 0.00% |
| 100-43110-310 Professional Services | 4,210 | 770 | 947 | 1,460 | 2,000 | 2,000 | - | 0.00% |
| 100-43110-335 License tabs | 134 | - | 154 | - | 160 | 160 | - | 0.00% |
| 100-43110-404 Repairs and Maintenance-Contractual: Ma | 7,855 | 16,471 | 13,299 | 8,486 | 10,000 | 10,000 | - | 0.00% |
| 100-43110-405 Repairs/Maint-Contractual Streets | 91,909 | 56,462 | 42,598 | 47,957 | 90,000 | 60,000 | (30,000) | -33.33% |
| 100-43110-415 Rentals: Other Equipment | 1,413 | 8,144 | 2,217 | 7,341 | 3,500 | 5,000 | 1,500 | 42.86% |
| 100-43121-440 Gravel, Rock, Etc. | 57,445 | 43,754 | 72,968 | 44,960 | 67,000 | 67,000 | - | 0.00% |
| 100-43110-491 Other Charges | 900 | 400 | - | - | 500 | 500 | - | 0.00% |
| | 360,770 | 349,592 | 407,433 | 307,367 | 408,295 | 390,660 | (17,635) | -4.32% |
| Nowthen Farmers Market | | | | | | | | |
| 100-45128-100 Full-Time Earnings | - | 581 | - | - | - | - | - | - |
| 100-45128-122 FICA | - | 42 | - | - | - | - | - | - |
| 100-45128-135 Employer Paid Insurance: Medicare | - | 22 | - | - | - | - | - | - |
| 100-45128-208 Farmers Market Operations | 827 | 1,383 | 540 | 1,270 | 1,500 | 2,500 | 1,000 | 66.67% |
| 100-45128-215 Operating Supplies: Shop Materials | - | 16 | - | - | - | - | - | - |
| | 827 | 2,044 | 540 | 1,270 | 1,500 | 2,500 | 1,000 | |

CITY OF NOWTHEN
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022

| | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Projected | 2021 Budget | 2022 Budget | Dollar Change | % Change |
|---|----------------|----------------|----------------|-------------------|----------------|----------------|------------------|-------------|
| Fund: 100 - GENERAL FUND | | | | | | | | |
| Park Areas | | | | | | | | |
| 100-45202-101 Full-Time Earnings | | 6,632 | 13,413 | 11,655 | 5,910 | 14,500 | 8,590 | 145.35% |
| 100-45202-103 Part-Time Earnings | 11,093 | 12,949 | - | 6,972 | 11,800 | 10,000 | (1,800) | -15.25% |
| 100-45202-113 Health Savings Account | | - | - | - | - | - | - | |
| 100-45202-121 PERA | | 373 | 1,258 | 1,073 | 1,325 | 1,800 | 475 | 35.85% |
| 100-45202-122 FICA | 1,936 | 2,613 | 334 | 939 | 1,100 | 1,500 | 400 | 36.36% |
| 100-45202-131 Paid Insurance: Health | | - | 1,191 | 2,661 | 1,375 | 3,350 | 1,975 | 143.64% |
| 100-45202-135 Employer Paid Insurance: Medicare | 453 | 622 | 634 | 219 | 165 | 300 | 135 | 81.82% |
| 100-45202-212 Operating Supplies: Motor Fuels | 1,256 | 477 | 819 | - | 1,200 | 1,200 | - | 0.00% |
| 100-45202-215 Operating Supplies: Shop Materials | 43 | 186 | - | 603 | - | 500 | 500 | |
| 100-45202-218 Operating Supplies: Parks/Maintenance | 6,322 | 2,373 | 3,996 | 1,634 | 4,500 | 4,500 | - | 0.00% |
| 100-45202-221 Repair and Maintenance Supplies: Equip | 2,667 | 3,041 | 985 | 1,443 | 2,700 | 2,700 | - | 0.00% |
| 100-45202-225 Repair and Maintenance Supplies: Landsap | | 178 | - | - | 2,000 | 1,000 | (1,000) | -50.00% |
| 100-45202-226 Repair and Maintenance Supplies: Sign Rep | | | 151 | - | 300 | 150 | (150) | -50.00% |
| 100-45202-240 Small Tools and Minor Equipment | | | | | 200 | 100 | (100) | -50.00% |
| 100-45202-381 Utility Services: Electric Utilities | 767 | 785 | 498 | 495 | 800 | 800 | - | 0.00% |
| 100-45202-384 Utility Services: Refuse Disposal | 338 | - | - | - | 500 | - | (500) | -100.00% |
| 100-45202-404 Repairs and Maintenance - Contractual | 354 | 878 | 249 | 782 | 2,500 | 2,000 | (500) | -20.00% |
| 100-45202-415 Rentals: Other Equipment | 1,088 | 1,009 | 347 | 227 | 1,200 | 1,000 | (200) | -16.67% |
| 100-45202-437 Refunds | | | 53 | | | | | |
| 100-45202-440 Gravel, Rock, Etc. | | | | 585 | 600 | 600 | - | 0.00% |
| 100-45202-491 Miscellaneous | | | 860 | - | | | | |
| | 26,317 | 32,116 | 24,788 | 29,288 | 38,175 | 46,000 | 7,825 | 20.50% |
| URRWMO | | | | | | | | |
| 100-46103-310 Professional Services | 3,640 | 10,539 | 10,161 | 9,768 | 9,770 | 10,000 | 230 | 2.35% |
| Unallocated | | | | | | | | |
| 100-49290-495 Contingency | | | | - | 15,000 | 15,000 | - | |
| Transfers Out | | | | | | | | |
| 100-49360-720 | 917,709 | 353,370 | 187,500 | 107,500 | 107,500 | 72,500 | (35,000) | -32.56% |
| Total Expenditures | 2,284,351 | 1,756,519 | 1,676,342 | 1,598,614 | 1,871,565 | 1,928,265 | 56,700 | 3.03% |
| Changes in Fund Balance | (678,348) | (91,717) | 31,749 | 244,259 | - | - | | |

CITY OF NOWTHEN
HISTORIC, CURRENT AND PROJECTED TAX LEVIES AND CITY TAX RATES

INCLUDES GENERAL AND DEBT SERVICE FUNDS

| Levy Payable Years | Total Levy Before Credits | NET Tax Capacity | General Tax Levy | Debt Tax Levy | Total City | | Gross Tax Levy Increase | |
|--------------------|---------------------------|------------------|------------------|---------------|------------------------|-------------------|-------------------------|--------------|
| | | | | | Tax Levy After Credits | Tax Capacity Rate | | |
| 2027/28 | 2,368,813 | 7,848,628 | 2,106,513 | 262,300 | | 2,169,754 | 27.645% | 4.33% |
| 2026/27 | 2,270,416 | 7,735,184 | 2,008,116 | 262,300 | - | 2,074,250 | 26.816% | 4.44% |
| 2025/26 | 2,173,824 | 7,623,399 | 1,951,524 | 222,300 | - | 1,980,509 | 25.979% | 4.47% |
| 2024/25 | 2,080,895 | 7,485,465 | 1,858,595 | 222,300 | - | 1,891,097 | 25.264% | 6.49% |
| 2023/24 | 1,954,077 | 7,276,852 | 1,771,777 | 182,300 | - | 1,769,327 | 24.314% | 7.61% |
| 2022/23 | 1,815,867 | 7,058,074 | 1,673,067 | 142,800 | - | 1,637,733 | 23.204% | 5.97% |
| 2021/22 | 1,713,560 | 6,716,162 | 1,632,260 | 81,300 | - | 1,536,267 | 22.874% | 3.92% |
| 2020/21 | 1,648,935 | 6,038,527 | 1,469,635 | 179,300 | - | 1,490,261 | 24.679% | 4.94% |
| 2019/20 | 1,571,350 | 5,850,907 | 1,378,450 | 192,900 | - | 1,418,976 | 24.252% | 5.48% |
| 2018/19 | 1,489,716 | 5,478,598 | 1,345,349 | 144,367 | - | 1,323,858 | 24.164% | 1.95% |
| 2017/18 | 1,461,196 | 4,831,271 | 1,313,791 | 147,405 | - | 1,311,662 | 27.149% | 7.34% |
| 2016/17 | 1,361,332 | 4,596,394 | 1,217,312 | 144,020 | - | 1,214,194 | 26.416% | 0.71% |
| 2015/16 | 1,351,730 | 4,596,394 | 1,207,710 | 144,020 | - | 1,214,194 | 26.416% | 8.71% |

NOWTHEN RESIDENTIAL CITY TAX SCENARIO'S

| <u>2019 Taxable Value</u> | <u>City Taxes Payable 2020</u> | <u>Change from Previous Year</u> | <u>2020 Market Value</u> | <u>2020 Taxable Value</u> | <u>City Taxes Payable 2021</u> | <u>Change from Previous Year</u> | <u>2021 Market Value</u> | <u>2021 Taxable Value</u> | <u>City Taxes Payable 2022</u> | <u>Increase over Previous Year</u> | <u>% Change</u> |
|-----------------------------------|--|--|----------------------------------|-----------------------------------|--|--|----------------------------------|-----------------------------------|--|--|---------------------|
| \$351,133 | \$852 | 70 | \$365,213 | \$360,842 | \$891 | 39 | \$398,082 | \$396,670 | \$907 | 17 | 1.9% |
| \$510,384 | \$1,257 | 112 | \$523,144 | \$523,144 | \$1,305 | 49 | \$570,226 | \$570,226 | \$1,344 | 39 | 3.0% |
| \$833,484 | \$2,236 | 201 | \$854,321 | \$854,321 | \$2,327 | 91 | \$931,210 | \$931,210 | \$2,376 | 49 | 2.1% |

MONTHLY CITY TAX EXAMPLES

| | | | | | |
|-----------|-------|-----------|-------|-----------|-------|
| \$351,133 | \$71 | \$360,842 | \$74 | \$396,670 | \$76 |
| \$510,384 | \$105 | \$523,144 | \$109 | \$570,226 | \$112 |
| | | \$854,321 | \$194 | \$931,210 | \$198 |

CITY OF NOWTHEN
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022 BUDGET

| RECYCLING | 2019 | 2020 | 2021 | 2021 | 2022 | Dollar | % |
|--|---------------|---------------|---------------|---------------|---------------|----------------|---------------|
| Revenues | Actual | Actual | Projected | Budget | Budget | Change | Change |
| Intergovernmental | 49,378 | 49,529 | 49,000 | 30,000 | 31,000 | 1,000 | 3.33% |
| Charges for Services | 21,064 | 14,432 | 24,392 | 16,950 | 18,900 | 1,950 | 11.50% |
| Interest Earnings | | 129 | 75 | 75 | 75 | - | |
| TOTAL REVENUES | 70,442 | 64,090 | 73,467 | 47,025 | 49,975 | 2,950 | 6.27% |
| | | | | | | 1,000 | |
| | | | | | | 1,950 | |
| | | | | | | 2,950 | |
| Expenditures | | | | | | | |
| Salaries and Benefits | 14,010 | 7,730 | 13,324 | 17,850 | 18,270 | 420 | 2.35% |
| Supplies | 749 | 300 | 234 | 1,200 | 1,200 | - | 0.00% |
| Printing & utilities | 12,778 | 29,628 | 5,970 | 11,450 | 11,450 | - | 0.00% |
| Maintenance | 5,538 | 1,668 | 1,580 | 7,000 | 4,000 | (3,000) | -42.86% |
| Hauling | 28,145 | 24,338 | 17,570 | 30,000 | 30,000 | - | 0.00% |
| Capital Outlay: Buildings & Structures | - | - | 19,000 | - | - | - | |
| TOTAL EXPENDITURES | 61,220 | 63,664 | 57,678 | 67,500 | 64,920 | (2,580) | -3.82% |
| | | | | | | 420 | |
| | | | | | | (3,000) | |
| Change in Fund Balance | 9,222 | 426 | 15,790 | (20,475) | (14,945) | 5,530 | 27.01% |
| Fund Balance | 30,614 | 31,040 | 46,830 | | 31,885 | | |

CITY OF NOWTHEN
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022 BUDGET

| | 2019 Actual | 2020 Actual | 2021 Projected | 2021 Budget | 2022 Budget | Dollar Change | % Change |
|---------------------------|----------------|----------------|-------------------|----------------|----------------|------------------|----------------|
| TOTAL DEBT | | | | | | | |
| Revenues | | | | | | | |
| Taxes | 143,391 | 190,204 | 177,445 | 179,300 | 81,300 | (98,000) | -54.66% |
| Special Assessments | 228,796 | 56,198 | 49,275 | 59,306 | 127,775 | 68,469 | 115.45% |
| Interest earnings | - | 2,836 | 1,640 | 2,140 | 1,805 | (335) | -15.65% |
| Transfer In | 9,730 | 85,901 | - | - | - | - | |
| TOTAL REVENUES | 372,187 | 249,238 | 228,360 | 240,746 | 210,880 | (29,866) | -12.41% |
| Expenditures | | | | | | | |
| County Fees | - | - | 1,000 | 1,000 | 1,450 | 450 | 45.00% |
| Principal & interest | 150,128 | 172,650 | 266,333 | 266,335 | 253,380 | (12,955) | -4.86% |
| Fiscal agent fees | 475 | 25 | 1,250 | 900 | 1,400 | 500 | 100.00% |
| Transfer out | - | - | 1,000 | 1,000 | - | (1,000) | |
| TOTAL EXPENDITURES | 150,603 | 172,675 | 269,583 | 269,235 | 256,230 | (13,005) | -4.83% |
| Changes in Fund Balance | 221,584 | 76,563 | (41,224) | | (45,350) | | |
| Ending Fund Balance | 368,135 | 444,698 | 557,455 | | 512,105 | | |

Reduce levy for:
 Grader debt service paid in 2021
 2012A Improvement debt paid in 2022

CITY OF NOWTHEN
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022 BUDGET

| CAPITAL | 2019 Actual | 2020 Actual | 2021 Projected | 2021 Budget | 2022 Budget | Dollar Change | % Change |
|----------------------------------|----------------|----------------|-------------------|----------------|----------------|------------------|---------------|
| Park Improvement | | | | | | | |
| Revenues | | | | | | | |
| Park development fees | 5,000 | - | 37,500 | 30,000 | 30,000 | - | 0.00% |
| Interest Earnings | 1,941 | 908 | 500 | 2,500 | 500 | (2,000) | -80.00% |
| TOTAL REVENUES | 6,941 | 908 | 38,000 | 32,500 | 30,500 | (2,000) | -6.15% |
| Reduce Interest earnings in 2022 | | | | | | | |
| Expenditures | | | | | | | |
| Improvements | - | - | - | 50,000 | 100,000 | 50,000 | 100.00% |
| Buildings & Structures | - | - | - | - | 25,000 | - | - |
| TOTAL EXPENDITURES | - | - | - | 50,000 | 125,000 | 50,000 | 0.00% |
| Changes in Fund Balance | 6,941 | 908 | 38,000 | | (94,500) | | |
| Ending Fund Balance | 217,527 | 218,435 | 255,527 | | 161,027 | | |
| | | | | | 50,000 | | |
| | | | | | 30,000 | | |
| | | | | | 15,000 | | |
| | | | | | 5,000 | | |
| | | | | | 10,000 | | |
| | | | | | 15,000 | | |

CITY OF NOWTHEN
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022 BUDGET

| CAPITAL | 2019 Actual | 2020 Actual | 2021 Projected | 2021 Budget | 2022 Budget | Dollar Change | % Change |
|-----------------------------|----------------|----------------|---|----------------|------------------------------|------------------|----------------|
| Building Improvement | | | | | | | |
| Revenues | | | | | | | |
| Miscellaneous | 4,215 | 17,920 | - | - | - | - | |
| Interest Earnings | - | 446 | 250 | 500 | 200 | (300) | -60.00% |
| Transfer In | - | 125,000 | 35,000 | 35,000 | - | (35,000) | -100.00% |
| TOTAL REVENUES | 4,215 | 143,366 | 35,250 | 35,500 | 200 | (35,300) | -99.44% |
| | | | reduce interest earnings and transfer from the general fund | | | (35,300) | |
| Expenditures | | | | | | | |
| Improvements | 17,675 | 7,232 | - | 73,000 | 80,000 | 7,000 | 100.00% |
| Buildings & Structures | - | 36,514 | 2,462 | 75,000 | 75,000 | - | 0.00% |
| TOTAL EXPENDITURES | 17,675 | 43,746 | 2,462 | 148,000 | 155,000 | 7,000 | 4.73% |
| Changes in Fund Balance | (13,460) | 99,620 | 32,788 | - | (154,800) | | |
| Ending Fund Balance | 78,648 | 178,268 | 111,436 | | (43,364) | | |
| | | | | | New Well | 80,000 | |
| | | | | | Council Chamber improvements | 75,000 | |

CITY OF NOWTHEN
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022 BUDGET

| CAPITAL | 2019 Actual | 2020 Actual | 2021 Projected | 2021 Budget | 2022 Budget | Dollar Change | % Change |
|--|------------------|----------------|-------------------|------------------|------------------|--------------------|----------------|
| Road Improvement Fund | | | | | | | |
| Revenues | | | | | | | |
| Special Assessments | 5,438 | 121,674 | 5,440 | 5,440 | 5,440 | - | 0.00% |
| Interest Earnings | 2,080 | 12,887 | 5,000 | 12,000 | 5,000 | (7,000) | -58.33% |
| Bond issue | 1,252,131 | - | 1,950,000 | 2,600,000 | - | (2,600,000) | 100.00% |
| Transfer In | 261,140 | - | - | - | - | - | - |
| TOTAL REVENUES | 1,520,789 | 134,561 | 1,960,440 | 2,617,440 | 10,440 | (2,607,000) | -99.60% |
| Issue Bonds in 2021 to pay for 2020 & 2021 street improvement projects | | | | | | | |
| Expenditures | | | | | | | |
| Repair & Maintenance - Contractu | 27,241 | 14,455 | 125,700 | 60,000 | 10,000 | (50,000) | -83.33% |
| Improvements | 1,156,973 | 837,334 | 1,140,000 | 2,000,000 | 914,000 | (1,086,000) | -54.30% |
| Transfer out | - | 85,900 | - | - | - | - | - |
| TOTAL EXPENDITURES | 1,184,214 | 937,689 | 1,265,700 | 2,060,000 | 924,000 | (1,136,000) | -55.15% |
| Changes in Fund Balance | 336,575 | (803,128) | 694,740 | | (913,560) | | |
| Ending Fund Balance | 1,266,010 | 462,882 | 1,960,750 | | 1,047,190 | | |

Iguana Street / 199th Avenue / Ferret Street
 Garnet Street (S of CSAH 24)
 Waco Street / 215th Avenue (Morton Farm Preserve)
 185th Ave / Jasper

CITY OF NOWTHEN
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET DETAIL - ACTUAL 2019 & 2020, 2021 PROJECTED, 2021 BUDGET, PROPOSED 2022 BUDGET

| CAPITAL | <u>2019 Actual</u> | <u>2020 Actual</u> | <u>2021 Projected</u> | <u>2021 Budget</u> | <u>2022 Budget</u> | <u>Dollar Change</u> | <u>% Change</u> |
|------------------------------|------------------------|-----------------------------------|---------------------------|------------------------|--------------------------|--------------------------|-----------------|
| Equipment Replacement | | | | | | | |
| Revenues | | | | | | | |
| Interest Earnings | - | 2,120 | 1,000 | 2,000 | 5,000 | 3,000 | 150.00% |
| Bond Issue | - | - | 880,000 | - | - | - | |
| Transfer In | 82,500 | 62,500 | 72,500 | 72,500 | 72,500 | - | 0.00% |
| TOTAL REVENUES | <u>82,500</u> | <u>64,620</u> | <u>953,500</u> | <u>74,500</u> | <u>77,500</u> | <u>3,000</u> | <u>4.03%</u> |
| | | Increase interest from bond issue | | | | 3,000 | |
| | | | | | | - | |
| Expenditures | | | | | | | |
| Supplies | 4,585 | 14,098 | 14,000 | 21,000 | 17,500 | (3,500) | -16.67% |
| Professional | - | - | 30,000 | - | - | - | |
| Heavy Machinery | 49,850 | - | - | 300,000 | 345,000 | 45,000 | 100.00% |
| Motor Vehicles | - | - | - | - | 450,000 | 450,000 | 100.00% |
| Other Equipment | - | - | 33,000 | - | 89,000 | 89,000 | 100.00% |
| Interest Expense | - | - | - | - | 6,920 | 6,920 | 100.00% |
| TOTAL EXPENDITURES | <u>54,435</u> | <u>14,098</u> | <u>77,000</u> | <u>321,000</u> | <u>908,420</u> | <u>587,420</u> | <u>183.00%</u> |
| | | | | | | | |
| | | | | | 16" Toro | 75,000 | |
| | | | | | Sterling 9500 (2001) | 270,000 | |
| | | | | | Tanker | 450,000 | |
| | | | | | Extrication Tools (2008) | 30,000 | |
| | | | | | SCBA Packs (8) | 52,000 | |
| | | | | | Portable Radios (2017) | 10,000 | |
| | | | | | Thermal Imager (2012) | 7,000 | |
| | | | | | Turnout gear | 7,500 | |
| | | | | | <u>901,500</u> | | |
| Changes in Fund Balance | 28,065 | 50,522 | 876,500 | (246,500) | (830,920) | | |
| Ending Fund Balance | 206,585 | 257,107 | 1,133,607 | | 302,687 | | |

CITY OF NOWTHEN
HISTORIC, CURRENT AND PROJECTED TAX LEVIES AND CITY TAX RATES
INCLUDES GENERAL AND DEBT SERVICE FUNDS

| Levy Payable Years | Total Levy Before Credits | NET Tax Capacity | General Tax Levy | Debt Tax Levy | Total City | | Gross Tax Levy Increase | |
|--------------------|---------------------------|------------------|------------------|---------------|------------------------|-------------------|-------------------------|--------------|
| | | | | | Tax Levy After Credits | Tax Capacity Rate | | |
| 2027/28 | 2,336,221 | 7,848,628 | 2,073,921 | 262,300 | | 2,137,163 | 27.230% | 4.41% |
| 2026/27 | 2,237,463 | 7,735,184 | 1,975,163 | 262,300 | - | 2,041,297 | 26.390% | 4.47% |
| 2025/26 | 2,141,800 | 7,623,399 | 1,919,500 | 222,300 | - | 1,948,484 | 25.559% | 4.46% |
| 2024/25 | 2,050,395 | 7,485,465 | 1,828,095 | 222,300 | - | 1,860,598 | 24.856% | 6.51% |
| 2023/24 | 1,925,003 | 7,276,852 | 1,742,703 | 182,300 | - | 1,740,252 | 23.915% | 7.73% |
| 2022/23 | 1,786,859 | 7,058,074 | 1,644,059 | 142,800 | - | 1,608,725 | 22.793% | 6.03% |
| 2021/22 | 1,685,260 | 6,716,162 | 1,603,960 | 81,300 | - | 1,507,967 | 22.453% | 2.20% |
| 2020/21 | 1,648,935 | 6,038,527 | 1,469,635 | 179,300 | - | 1,490,261 | 24.679% | 4.94% |
| 2019/20 | 1,571,350 | 5,850,907 | 1,378,450 | 192,900 | - | 1,418,976 | 24.252% | 5.48% |
| 2018/19 | 1,489,716 | 5,478,598 | 1,345,349 | 144,367 | - | 1,323,858 | 24.164% | 1.95% |
| 2017/18 | 1,461,196 | 4,831,271 | 1,313,791 | 147,405 | - | 1,311,662 | 27.149% | 7.34% |
| 2016/17 | 1,361,332 | 4,596,394 | 1,217,312 | 144,020 | - | 1,214,194 | 26.416% | 0.71% |
| 2015/16 | 1,351,730 | 4,596,394 | 1,207,710 | 144,020 | - | 1,214,194 | 26.416% | 8.71% |

NOWTHEN RESIDENTIAL CITY TAX SCENARIO'S

| <u>2019 Taxable Value</u> | <u>City Taxes Payable 2020</u> | <u>Change from Previous Year</u> | <u>2020 Market Value</u> | <u>2020 Taxable Value</u> | <u>City Taxes Payable 2021</u> | <u>Change from Previous Year</u> | <u>2021 Market Value</u> | <u>2021 Taxable Value</u> | <u>City Taxes Payable 2022</u> | <u>Increase over Previous Year</u> | <u>% Change</u> |
|-----------------------------------|--|--|----------------------------------|-----------------------------------|--|--|----------------------------------|-----------------------------------|--|--|---------------------|
| \$351,133 | \$852 | 70 | \$365,213 | \$360,842 | \$891 | 39 | \$398,082 | \$396,670 | \$891 | 0 | 0.0% |
| \$510,384 | \$1,257 | 112 | \$523,144 | \$523,144 | \$1,305 | 49 | \$570,226 | \$570,226 | \$1,320 | 14 | 1.1% |
| \$833,484 | \$2,236 | 201 | \$854,321 | \$854,321 | \$2,327 | 91 | \$931,210 | \$931,210 | \$2,333 | 6 | 0.2% |

MONTHLY CITY TAX EXAMPLES

| | | | | | |
|-----------|-------|-----------|-------|-----------|-------|
| \$351,133 | \$71 | \$360,842 | \$74 | \$396,670 | \$74 |
| \$510,384 | \$105 | \$523,144 | \$109 | \$570,226 | \$110 |
| | | \$854,321 | \$194 | \$931,210 | \$194 |

Request for Proposal for
Professional Auditing Services
For Fiscal Years Ending
2021, 2022, 2023

September 28, 2021

TABLE OF CONTENTS

I. INTRODUCTION

- A. General Information
- B. Term of Engagement
- C. Subcontracting

II. NATURE OF SERVICES REQUIRED

- A. General
- B. Scope of Work to be Performed
- C. Auditing Standards to be Followed
- D. Reports to be Issued
- E. Reporting to the Council
- F. Special Considerations
- G. Working Paper Retention and Access to Working Papers

III. DESCRIPTION OF THE GOVERNMENT

- A. Name and Telephone Number of Contact Person
- B. Background Information
- C. Budgetary Basis of Accounting
- D. Federal and State Financial Assistance
- E. Pension Plans
- F. Magnitude of Finance Operations

IV. TIME REQUIREMENTS

- A. Proposal Calendar
- B. Notification and Contract Dates
- C. Schedule for the 2021 Fiscal Year Audit
 - 1. Interim Work
 - 2. Detailed Audit Plan and Programs
 - 3. Fieldwork
 - 4. Draft Reports
- D. Date Final Report is Due

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR

- A. City Clerk/Treasurer and Consultant
- B. Work Area, Telephone, Photocopying, WiFi and FAX Machines

VI. PROPOSAL REQUIREMENTS

- A. General Requirements
 - 1. Submission of Notification of Interest
 - 2. Inquiries
 - 3. Submission of Proposals
- B. Proposal
 - 1. General Requirements
 - 2. Independence
 - 3. License to Practice in Minnesota
 - 4. Firm Qualifications and Experience
 - 5. Partner, Supervisory and Staff Qualifications and Experience
 - 6. Similar Engagements with Other Government Entities
 - 7. Specific Audit Approach
 - 8. Identification of Anticipated Potential Audit Problems
- C. Dollar Cost Bid
 - 1. Total All-Inclusive Maximum Price
 - 2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each
 - 3. Out-of-pocket Expenses in the Total All-inclusive Maximum Price and Reimbursement Rates
 - 4. Rates for Additional Professional Services
 - 5. Manner of Payment

VII. EVALUATION PROCEDURES

- A. Evaluation Criteria
 - 1. Mandatory Elements
 - 2. Technical Qualifications
 - 3. Price
- B. Oral Presentations
- C. Final Selection

- D. Right to Reject Proposals
- E. Current Audit & Accounting Service Hours

ATTACHMENTS

- A. Proposer Warranties
- B. Schedule of Proposed Fees for City of Nowthen Audit
- C. Schedule of Proposed Fees for City of Nowthen Compilation
- D. Schedule of Current Audit & Accounting Service Hours

I. INTRODUCTION

A. General Information

The City of Nowthen is requesting two proposals from qualified firms of certified public accountants. The first is to compile its financial statements for the fiscal years ending December 31, 2021, 2022, and 2023. The second is to audit its financial statements for the fiscal years ending December 31, 2021, 2022, and 2023. This audit is to be performed in accordance with U.S. generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (July 2007), the provisions of the federal Single Audit Act of 1984 as amended, and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, as applicable.

There is no expressed or implied obligation for the City of Nowthen to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, three (3) copies of a proposal must be received by Lori Streich, City Clerk/Treasurer, at 8188 199th Avenue NW, Nowthen, MN 55330 by 4:00 P.M. on October 20, 2021. The City of Nowthen reserves the right to reject any or all proposals submitted.

Proposals submitted may be evaluated by City Staff and City Council

During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from responding firms, or to allow corrections of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the engagement letter between the City of Nowthen and the firm selected.

It is anticipated that the selection of a firm will be completed by November 15, 2021. Following the notification of the selected firm, it is expected a Letter of Engagement will be executed by December 15, 2021.

B. Term of Engagement

An initial 3-year contract is contemplated subject to annual review of price and performance, along with an option to renew for an additional 3-year period. The 3-year renewal option will be at the sole discretion of the City, with scope of services and pricing to be negotiated.

C. Subcontracting

Following the award of the audit contract, no subcontracting will be allowed without the express prior written consent of the City of Nowthen.

II. NATURE OF SERVICES REQUIRED

A. General

The City of Nowthen is soliciting the services of qualified firms of certified public accountants to compile and to audit its financial statements for the fiscal years ending December 31, 2021, 2022, and 2023. The audit is to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The City of Nowthen desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is not required to audit the schedule of expenditures of federal awards if such audit is not triggered by the threshold of funding received by the City.

C. Auditing Standards to Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

- The auditing standards generally accepted in the United States of America.
- The standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, if applicable.
- The provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).
- The provisions of U.S. Office of Management and Budget (OMB) Circular A-133.
- The provisions of the Minnesota Legal Compliance Audit Guide for Local Government.

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on the compliance and internal control over financial reporting based on an audit of the financial statements.
3. A report on compliance with applicable laws and regulations.

In the required report(s) on internal controls, the auditor shall communicate any control deficiencies found during the audit. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies in internal control that is less than a material weakness, yet important enough to merit attention by those charged with governance.

The reports on compliance shall include all instances of noncompliance.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:

The City Council.

E. Reporting to those charged with governance

Auditors shall assure themselves that the City of Nowthen's governing body is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Planned scope and timing of the audit
3. Significant findings from the audit

F. Special Considerations

1. The City of Nowthen may prepare one or more official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor's report thereon. The auditor shall be required, if requested by the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."

G. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the City of Nowthen of the need to extend the retention period. The auditor will be required to make working papers available, upon request.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Major Contact Person: The auditor's principal contact with the City will be Lori Streich, City Clerk/Treasurer (763-274-1927), lstreich@nowthenmn.net or a designated representative, who will coordinate the assistance to be provided by the City of Nowthen to the auditor.

B. Background Information:

- The City of Nowthen is located in Anoka county and serves an area of 35.1 square miles with a population of 4,536
- The City of Nowthen's fiscal year begins on January 1 and ends on December 31
- The City is a Plan A form of government with an elected Mayor and four elected City Council members.
- The City provides the usual services to its citizens which include public safety; public works; public health; culture; recreation, and community development. The City also provides recycling services.
- More detailed information on the government and its finances can be found in the 2021 annual budget and 2020 Audited Financial Statments, which are available on the city's website.

C. Budgetary Basis of Accounting

The City prepares its budgets on a basis consistent with generally accepted accounting principles.

D. Federal and State Financial Assistance

During the fiscal year to be audited, the City does not expect to have expended in excess of \$750,000 of Federal assistance from various programs.

F. Magnitude of Finance Operations

The finance department is headed by Lori Streich, City Clerk/Treasurer. There is one additional full-time employee and 1 part-time employee. The principal functions performed, and the number of employees assigned to each area, are as follows:

| <u>Function</u> | <u>Number of Employees</u> |
|----------------------|----------------------------|
| City Clerk/Treasurer | 1 |
| Deputy City Clerk | 1 |
| Office Assistant | 1 (part-time) |

IV. TIME REQUIREMENTS

A. Proposal Calendar:

| | |
|-----------------------------|-----------------------------|
| Request for proposal issued | September 28, 2021 |
| Due date for proposals | October 20, 2021, 4:00 p.m. |
| Interview Final Choices | November 1-3, 2021 |
| City Council Approval | Tuesday, November 9, 2021 |

B. Notification and Contract Dates:

| | |
|----------------------------|-------------------|
| Selected firm notified | November 15, 2021 |
| Engagement Letter executed | December 15, 2021 |

C. Schedule for Audits

The City will have all records ready for audit and all management personnel available to meet with the firm's personnel at a date that is mutually convenient. Each of the following should be completed by the auditor no later than the dates indicated.

1. Interim Work: The auditor shall complete interim work by the end of January.
2. Detailed Audit Plan: The auditor shall provide by the end of January, to the City, both a detailed audit plan, and a list of all schedules to be prepared by the City.
3. Fieldwork: The auditor shall complete all fieldwork by the end of April.
4. Draft Reports: The auditor shall have reviewed drafts of the audit report by the middle to end of May.

D. Date Final Report is Due

The City or Auditor shall prepare draft financial statements, notes and required supplementary schedules by the middle of May. The auditor shall provide all recommendations, revisions, and

suggestions for improvement to the City by the end of May.

The final auditor reports and five signed copies (and 1 copy in Adobe pdf format) should be delivered to the City Clerk/Treasurer by the beginning of June.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR & REPORT PREPARATION

A. Administration Department

The City Clerk/Treasurer and responsible personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the City.

B. Work Area, Telephones, Photocopying, FAX Machine, and the internet.

The City will provide the auditor with reasonable work space, desks, and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities and FAX machines.

C. Report Preparation

Report preparation, editing, and printing shall be either the responsibility of the City.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Time will be made available to Audit Firms for an on-site visit should one be desired.
2. Inquiries: Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Lori Streich, City Clerk/Treasurer
8188 199th Avenue NW
Nowthen, MN 55303
Email:
lstreich@nowthenmn.net
Phone:
763-274-1927

3. Submission of Proposals: The following material is required to be received by October 20, 2021 for a proposing firm to be considered:
 - a. A master copy (so marked) of a Technical Proposal and two copies to include the following:
 - i. Title Page: Title page showing the request for proposals subject; the firm's name; the name, address, and telephone number of the contact person; and the date of the proposal.
 - ii. Table of Contents
 - iii. Transmittal Letter: A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes it to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 60 days.
 - iv. Detailed Proposal: The detailed proposal should follow the order set forth in Section VI B of this request for proposals.
 - b. Proposers should send the completed proposal to the following address:

City of Nowthen
8188 199th Avenue NW
Nowthen, MN 55330

B. Proposal

1. General Requirements

The purpose of the Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Nowthen in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The Proposal should address all the points outlined in the request for proposals. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items No. 2 through 10, must be included.

They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of the City as defined by generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards (July 2007).

The firms should also list and describe the firm's professional relationship involving the City or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the City written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Minnesota

An affirmative statement should be included that the firm and all assigned key professional staff are properly registered and licensed to practice in Minnesota.

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications, and Experience

Identify the principal supervisory and management staff, including engagement

partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Minnesota. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, or other assigned staff may be changed if those personnel leave the firm, are promoted, or are assigned to another office; provided that the replacements have substantially the same or better qualifications or experience. The City retains the right to approve or reject replacements.

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

7. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement

8. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the

firm's approach to resolving these problems and any special assistance that will be requested from the City.

C. Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The City will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

2. Rates by partner, manager, supervisory and staff level times and hours anticipated for each. The dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in Attachment B, that supports the total all-inclusive maximum price.

3. All estimated out-of-pocket expenses to be reimbursed should be presented in the format provided in Attachment B. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

4. Rates for Additional Professional Services

If it should become necessary for the City to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the firm. Any such additional work agreed to between the City and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month.

VII. EVALUATION PROCEDURES

Proposals submitted may be evaluated by Staff and City Council. The City Nowthen reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements
 - a. The audit firm is independent and licensed to practice in Minnesota.
 - b. The firm has no conflict of interest with regard to any other work performed by the firm for the City
 - c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
 - d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work
2. Technical Qualifications
 - a. Expertise and Experience
 1. The firm's past experience and performance on comparable government engagements
 2. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation
 - b. Audit Approach
 1. Adequacy of a proposed staffing plan for various segments of the engagement
 2. Adequacy of sampling techniques
 3. Adequacy of analytical procedures
 4. Price: Please complete Attachment B

C. Oral Presentations

During the evaluation process the City may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the City may have on a firm's proposal.

D. Final Selection

The City Clerk/Treasurer may recommend to the City Council the appointment of a CPA firm judged to be most responsive and responsible proposer for the auditing services requested. The final decision with respect to the appointment will be made by the City Council.

E. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the engagement letter between the City and the firm selected. The City of Nowthen reserves the right, without prejudice, to reject any or all proposals.

F. Current Audit and Accounting Service Hours

Attachment C includes what the city has paid its current auditor for the past two years audits. All proposals should include major hours of work performed for the audit. For additional information about hours and services to be performed, please contact the city clerk/treasurer.

ATTACHMENT A

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Minnesota laws with respect to foreign (non-state) corporations.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

ATTACHMENT B

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE AUDIT OF THE FINANCIAL STATEMENTS**

| | <u>HOURS</u> | <u>STANDARD HOURLY RATES</u> | <u>QUOTED HOURLY RATES</u> | <u>TOTAL</u> |
|--|--------------|--------------------------------------|------------------------------------|--------------|
| PARTNERS | _____ | _____ | _____ | _____ |
| MANAGERS | _____ | _____ | _____ | _____ |
| SUPERVISORY STAFF | _____ | _____ | _____ | _____ |
| STAFF | _____ | _____ | _____ | _____ |
| OTHER (SPECIFY) | _____ | _____ | _____ | _____ |
| SUBTOTAL | _____ | | | _____ |
| TOTAL NOT-TO-EXCEED COST FOR THE 2021 AUDIT | | | | _____ |
| TOTAL NOT-TO-EXCEED COST FOR THE 2022 AUDIT | | | | _____ |
| TOTAL NOT-TO-EXCEED COST FOR THE 2023 AUDIT | | | | _____ |

ATTACHMENT C

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE COMPILATION OF THE FINANCIAL STATEMENTS**

| | <u>HOURS</u> | <u>STANDARD HOURLY RATES</u> | <u>QUOTED HOURLY RATES</u> | <u>TOTAL</u> |
|--|--------------|--------------------------------------|------------------------------------|--------------|
| PARTNERS | _____ | _____ | _____ | _____ |
| MANAGERS | _____ | _____ | _____ | _____ |
| SUPERVISORY STAFF | _____ | _____ | _____ | _____ |
| STAFF | _____ | _____ | _____ | _____ |
| OTHER (SPECIFY) | _____ | _____ | _____ | _____ |
| SUBTOTAL | _____ | | | _____ |
| TOTAL NOT-TO-EXCEED COST FOR THE 2021 COMPILATION | | | | _____ |
| TOTAL NOT-TO-EXCEED COST FOR THE 2022 COMPILATION | | | | _____ |
| TOTAL NOT-TO-EXCEED COST FOR THE 2023 COMPILATION | | | | _____ |

ATTACHMENT D

2019 Audit

| | |
|-------|---------|
| Audit | \$8,749 |
|-------|---------|

2020 Audit

| | |
|-------|---------|
| Audit | \$9,650 |
|-------|---------|

Audit Hours - Should include basic audit and fieldwork procedures.

SINCE 1945

A COMPLETE WATER WELL DRILLING COMPANY



September 16, 2021

WATER WELL DRILLING
GEOTHERMAL SYSTEMS
SEPTIC SYSTEMS
WELL SEALING
WATER CONDITIONING
JET & SUBMERSIBLE PUMPS
SERVICE

PROPERTY OWNERS INFO

NAME: CITY OF NOWTHEN
BILLING ADDRESS: 8188 199TH AVE. NW
CITY, STATE, ZIP CODE: NOWTHEN, MN 55330

PHONE: 763-274-1927 OFFICE
EMAIL:
CELL PHONE: 763-639-9151 JEFF
LOCATION: FIRESTATION & TOWNHALL

(Please complete all highlighted areas.)

JOB SITE INFORMATION:

Land Owners Name: Phone

Land Owners Address:

County Name: Township Name:

Loan: Yes [] No [] (If no, please see payment terms below) (If yes, and payment is dependant on loan, fill in information below)

Lender Information

Loan Company: Address Phone

Contact Name Phone Expected Closing Date:

Note: This proposal expires in 30 days. Prices are subject to change if job is not completed within 120 days of signed proposal.
*** Unexpected obstacles and problems not visible at time of estimate may result in additional charges***

Table with 2 columns: BID INCLUDES and Option 1/2/3. Rows include flow test results, pump installation options with prices, and a note about pitless adaptor.

Payment terms: Base price down to schedule.
(Balance secured with a valid credit card)

Additional labor at \$285/hours 2men and truck
Additional Excavating at \$19/ft

Bid does not include:

- Electrical hook up
Compacting

I HEREBY ALLOW MORK WELL CO., INC. TO MAKE THE DETERMINATION OF, EQUIPMENT AND VARIABLES THAT THEY DEEM NECESSARY WHICH MAY RESULT IN ADDITIONAL COST. ALL WORK WILL BE COMPLETED IN A WORKMANLIKE MANNER ACCORDING TO STANDARD PRACTICES. ALL AGREEMENTS ARE CONTINGENT UPON STRIKES, ROAD RESTRICTIONS, NATURAL DISASTER, OR DELAYS BEYOND OUR CONTROL.

I HAVE READ THE REVERSE SIDE OF THIS PROPOSAL.
A MONTHLY \$35.00 ADMINISTRATION FEE WILL BE APPLIED ON ALL ACCOUNTS OVER 30 DAYS PAST DUE AND WILL INCLUDE INTEREST ACCRUING AT A RATE OF 1.5% PER MONTH (18% APR) WITH A \$5.00 PER MONTH MINIMUM ON ANY OUTSTANDING BALANCE. A \$30.00 CHARGE WILL BE ADDED TO ALL RETURNED CHECKS. A LIEN WILL BE IMPOSED ON DELINQUENT ACCOUNTS AND CUSTOMER IS RESPONSIBLE FOR ALL FEES ASSOCIATED WITH FILING AND COLLECTIONS TO INCLUDE BUT NOT LIMITED TO ANY LEGAL FEES (SEE REVERSE SIDE FOR LIEN NOTICE AND GENERAL CONDITIONS).

ACCEPTANCE OF PROPOSAL

MORK WELL COPY of proposal must be signed and returned with deposit (*) before scheduling can occur.
The above prices, specifications and conditions are satisfactory and are hereby accepted. I authorize Mork Well Co., Inc. to do the work as specified. *Payment will be made as outlined above. If not the property owner, I hereby acknowledge that I am contracted by the owner of the property to enter into a contractual agreement with Mork Well Co., Inc.

Property Owners/ Contractors Signature: Date of acceptance:

7303 185th Avenue NW, Anoka, MN 55303 - Phone (763) 753-2530 - Fax (763) 753-5470

MORK WELL COPY

GENERAL CONDITIONS

1. Homeowner must provide Mork Well Co., Inc., its employees, affiliates and equipment clear access to well location and job site.
2. If we are notified to proceed and site is not ready, an extra trip charge will be added to contract price. Any waiting time or delays on the job will be billed at our customary time and material rates.
3. If the job is non-continuous (i.e. work done in stages) due to weather, job site not ready, etc... Mork Well Co., Inc., reserves the right to invoice for work performed at the end of each stage. Payment terms are as stated on the 1st page of proposal per invoice. Our right to file a lien on a delinquent account applies to each invoice.
4. Mork Well Co., Inc. will not be responsible for damage done to overhead and/or underground wires, driveways, sidewalks, trees or lawns, etc.
5. We can not be held responsible for any private unmarked or miss-marked underground utilities.
6. This proposal is subject to the availability of quoted materials.

MINNESOTA CONTRACTOR'S MECHANIC'S LIEN NOTICE

- (A) PERSONS OR COMPANIES FURNISHING LABOR OR MATERIALS FOR THE IMPROVEMENT OF REAL PROPERTY MAY ENFORCE A LIEN UPON THE IMPROVED LAND IF THEY ARE NOT PAID FOR THEIR CONTRIBUTIONS, EVEN IF THE PARTIES HAVE NO DIRECT CONTRACTUAL RELATIONSHIP WITH THE OWNER.
- (B) MINNESOTA LAW PERMITS THE OWNER TO WITHHOLD FROM HIS CONTRACTOR AS MUCH OF THE CONTRACT PRICE AS MAY BE NECESSARY TO MEET THE DEMANDS OF ALL OTHER LIEN CLAIMANTS, PAY DIRECTLY THE LIENS AND DEDUCT THE COST OF THEM FROM THE CONTRACT PRICE, OR WITHHOLD AMOUNTS FROM HIS CONTRACTOR UNTIL THE EXPIRATION OF 120 DAYS FROM THE COMPLETION OF THE IMPROVEMENT UNLESS THE CONTRACTOR FURNISHES TO THE OWNER WAIVERS OF CLAIMS FOR MECHANICS' LIENS SIGNED BY THE PERSONS WHO FURNISHED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO PROVIDE THE OWNER WITH TIMELY NOTICE.

BY SIGNING THE 1st PAGE OF THIS PROPOSAL, THE OWNER ACKNOWLEDGES RECEIPT OF THIS NOTICE CONCERNING THE LIEN RIGHT OF MORK WELL CO., INC.