

certify that: 1) the hearing mentioned in the attached publication was held; 2) after the Budget Hearing this budget was duly approved and adopted as the maximum expenditure for the various funds for the year 2013; and 3) the Amount(s) of 2012 Ad Valorem Tax are within statutory limitations for the 2013 Budget.

List any resolution setting a fund levy limit:

Computation to Determine Limit for 2013 Budget

| | | Amount of Levy |
|--|---------|-------------------|
| 1. Total tax levy amount in 2012 budget | | 3,163 |
| 2. Debt service levy in 2012 budget | | 0 |
| 3. Tax levy excluding debt service (1 - 2) | | 3,163 |
| 2012 Valuation Info. for Valuation Adjustments: | | |
| 4. New Improvements for 2012 | | 0 |
| 5. Increase in personal property for 2012 | | |
| 5a. Personal property 2012 | 14,558 | |
| 5b. Personal property 2011 | 16,122 | |
| 5c. Increase in personal property (5a - 5b) If 5c is negative, enter a zero | | 0 |
| 6. Valuation of annexed territory for 2012 | | |
| 6a. Real estate | 0 | |
| 6b. State assessed | 0 | |
| 6c. New improvements | 0 | |
| 6d. Total adjustment (6a + 6b - 6c) | | 0 |
| 7. Valuation of property changed in use during 2012 | | 0 |
| 8. Total valuation adjustment (4 + 5c + 6d + 7) | | 0 |
| 9. Total estimated valuation July 1, 2012 | 228,037 | |
| 10. Total valuation less valuation adjustment (9 - 8) | | 228,037 |
| 11. Factor for increase (8 divided by 10) | | .00000 |
| 12. Amount of increase (11 times 3) | | 0 |
| 13. Maximum tax levy, excluding debt service, without ordinance or resolution (3 + 12) | | 3,163 |
| 14. Debt service levy in this 2013 budget | | 0 |
| 15. Maximum tax levy, including debt service, without ordinance or resolution (13 + 14) | | 3,163 |

If the 2013 budget includes tax levies exceeding the total on line 15,
you must adopt an ordinance or resolution to exceed this limit,
and attach a copy to this budget.

Allocation of Motor Vehicle Tax, Recreational Vehicle Tax, 16/20M Vehicle Tax, and Slider

| 2012 Budgeted Fund | Tax Levy Amount in 2012 Budget | Allocation for Year 2013 | | | |
|--------------------|--------------------------------------|--------------------------|-----|-------------------|--------|
| | | MVT | RVT | 16/20M Veh Tax | Slider |
| GENERAL FUND | 3,163 | 1,129 | 6 | 16 | 0 |
| | 3,163 | 1,129 | 6 | 16 | 0 |

Schedule of Transfers

| Year | Fund Transferred From: | Funds Transferred To: | Amount | Statutory Authority |
|------|------------------------|-----------------------|--------------|---------------------|
| 2011 | SEWER OPERATING | SEWER REPLACEMENT | 600 | Bond Ser 1990 |
| 2011 | SEWER OPERATING | BOND RESERVE | 5,880 | Bond Ser 1990 |
| | | | <u>6,480</u> | |
| 2012 | SEWER OPERATING | BOND RESERVE | 5,900 | Bond Ser 1990 |
| 2012 | SEWER OPERATING | SEWER REPLACEMENT | 600 | Bond Ser 1990 |
| | | | <u>6,500</u> | |
| 2013 | SEWER OPERATING | BOND RESERVE | 5,900 | Bond Ser 1990 |
| 2013 | SEWER OPERATING | SEWER REPLACEMENT | 600 | Bond Ser 1990 |
| | | | <u>6,500</u> | |

Statement of Indebtedness

| Issue Date | Retire Date | Interest Rate | Amount | Amount | Due Date | Amount Due 2012 | | Amount Due 2013 | |
|----------------|-------------|---------------|-----------------|----------------------|-----------------------|--------------------|--------------|-----------------|--------------|
| | | | of Bonds Issued | Outstanding 1-1-2012 | | Interest/Principal | Interest | Principal | Interest |
| Revenue Bonds | | | | | | | | | |
| SANITARY SEWER | | | | | | | | | |
| 9/90 | | 5% | 89,100 | 45,600 | 5/27 & 11/27 11/27 | 2,100 | 3,800 | 1,910 | 4,000 |
| | | | | <u>45,600</u> | | <u>2,100</u> | <u>3,800</u> | <u>1,910</u> | <u>4,000</u> |

MARION CO IMPR DISTRICT #3
GENERAL FUND

State of Kansas
2013 Budget Form

| | Prior Year Actual 2011 | Current Year Estimate 2012 | Proposed Budget 2013 |
|---|---------------------------|-------------------------------|-------------------------|
| Unencumbered Cash Balance, Jan. 1 | 28,486 | 30,492 | 31,798 |
| Cancelled Prior Year Encumbrances | 0 | | |
| Receipts | | | |
| AD VALOREM TAX | 2,991 | 3,163 | 0 |
| DELINQUENT TAX | 55 | 10 | 10 |
| MOTOR VEHICLE TAX | 934 | 1,109 | 1,129 |
| REC VEHICLE TAX | 5 | 6 | 6 |
| LAVTR | 0 | 0 | 0 |
| 16/20M VEHICLE TAX | 18 | 18 | 16 |
| Slider Vehicle Tax | 0 | 0 | 0 |
| Total Receipts | 4,003 | 4,306 | 1,161 |
| Resources Available | 32,489 | 34,798 | 32,959 |
| Expenditures | | | |
| INSURANCE | 1,559 | 0 | 2,000 |
| CONTRACT SERVICE | 438 | 3,000 | 34,171 |
| Total Expenditures | 1,997 | 3,000 | 36,171 |
| Unencumbered Cash Balance, Dec. 31 | 30,492 | 31,798 | xxxxxxxxxxxx |
| Non-Appropriated Balance | | | 0 |
| Total Expenditures and Non-Appropriated Balance | | | 36,171 |
| Tax Required | | | 3,212 |
| Delinquency Computation | | | 0 |
| Amount of 2012 Ad Valorem Tax | | | 3,212 |

MARION CO IMPR DISTRICT #3
SEWER OPERATING

State of Kansas
2013 Budget Form

| | Prior Year Actual 2011 | Current Year Estimate 2012 | Proposed Budget 2013 |
|------------------------------------|---------------------------|-------------------------------|-------------------------|
| Unencumbered Cash Balance, Jan. 1 | 1,206 | 1,047 | 1,882 |
| Cancelled Prior Year Encumbrances | 0 | | |
| Receipts | | | |
| SEWER FEES | 8,249 | 9,000 | 9,000 |
| Total Receipts | 8,249 | 9,000 | 9,000 |
| Resources Available | 9,455 | 10,047 | 10,882 |
| Expenditures | | | |
| PER DIEM | 180 | 200 | 200 |
| AUDIT | 0 | 180 | 180 |
| PUBLICATION, SUPPLIES | 396 | 200 | 200 |
| INSURANCE | 0 | 0 | 2,054 |
| MOWING, ACCOUNTING | 550 | 600 | 600 |
| EQUIP REPLACEMENT | 0 | 0 | 663 |
| CONTRACT SERVICE | 319 | 300 | 300 |
| REIMBURSED EXPENSES | 363 | 0 | 0 |
| PERMITS | 185 | 185 | 185 |
| TRF TO REPLACEMENT | 600 | 600 | 600 |
| TRF TO BOND RESERVE | 5,815 | 5,900 | 5,900 |
| Total Expenditures | 8,408 | 8,165 | 10,882 |
| Unencumbered Cash Balance, Dec. 31 | 1,047 | 1,882 | 0 |

MARION CO IMPR DISTRICT #3
SEWER REPLACEMENT

State of Kansas
2013 Budget Form

| | Prior Year Actual 2011 | Current Year Estimate 2012 | Proposed Budget 2013 |
|------------------------------------|---------------------------|-------------------------------|-------------------------|
| Unencumbered Cash Balance, Jan. 1 | 14,535 | 15,164 | 15,964 |
| Cancelled Prior Year Encumbrances | 0 | | |
| Receipts | | | |
| INTEREST INCOME | 29 | 200 | 200 |
| TRF FROM SEWER OPERATING | 600 | 600 | 600 |
| Total Receipts | 629 | 800 | 800 |
| Resources Available | 15,164 | 15,964 | 16,764 |
| Expenditures | | | |
| CONTRACT SERVICE | 0 | 0 | 16,764 |
| Total Expenditures | 0 | 0 | 16,764 |
| Unencumbered Cash Balance, Dec. 31 | 15,164 | 15,964 | 0 |

MARION CO IMPR DISTRICT #3
BOND RESERVE

State of Kansas
2013 Budget Form

| | Prior Year Actual 2011 | Current Year Estimate 2012 | Proposed Budget 2013 |
|------------------------------------|---------------------------|-------------------------------|-------------------------|
| Unencumbered Cash Balance, Jan. 1 | 3,843 | 3,790 | 3,870 |
| Cancelled Prior Year Encumbrances | 0 | | |
| Receipts | | | |
| INTEREST INCOME | 12 | 80 | 80 |
| TRF FROM SEWER OPERATING | 5,815 | 5,900 | 5,900 |
| Total Receipts | 5,827 | 5,980 | 5,980 |
| Resources Available | 9,670 | 9,770 | 9,850 |
| Expenditures | | | |
| CASH BASIS RESERVE | 0 | 0 | 3,940 |
| PRINCIPAL | 3,600 | 3,800 | 4,000 |
| INTEREST | 2,280 | 2,100 | 1,910 |
| Total Expenditures | 5,880 | 5,900 | 9,850 |
| Unencumbered Cash Balance, Dec. 31 | 3,790 | 3,870 | 0 |

NOTICE OF HEARING 2013 Budget

The governing body of MARION CO IMPR DISTRICT #3 will meet on the
2nd day of September, 2012 at 12:00 p.m. at
Jeff Bina Residence for the purpose of hearing and answering objections of
taxpayers relating to the proposed use of all funds and the amount of 2012 ad valorem tax.
Detailed budget information is available at Marion County Clerk Office
and will be available at this hearing.

BUDGET SUMMARY

The "Proposed Budget 2013 Expenditures" and the "Amount of 2012 Ad Valorem Tax" establish
the maximum limits of the 2013 budget. The "Est Tax Rate" is subject to change
depending on the final assessed valuation. Tax rates are expressed in mills.

| Fund | 2011 | | 2012 | | Proposed Budget 2013 | | |
|--------------------|--------------------------------------|-----------------------|---|-----------------------|----------------------|-------------------------------------|--------------------|
| | Prior Year Actual Expenditures | Actual Tax Rate | Current Year Estimate of Expenditures | Actual Tax Rate | Expenditures | Amount of 2012 Ad Valorem Tax | Est Tax Rate |
| GENERAL FUND | 1,997 | 14.085 | 3,000 | 14.087 | 36,171 | 3,212 | 14.085 |
| SEWER OPERATING | 8,408 | | 8,165 | | 10,882 | 0 | .000 |
| SEWER REPLACEMENT | 0 | | 0 | | 16,764 | 0 | .000 |
| BOND RESERVE | 5,880 | | 5,900 | | 9,850 | 0 | .000 |
| Totals | 16,285 | 14.085 | 17,065 | 14.087 | 73,667 | 3,212 | 14.085 |
| Less: Transfers | 6,480 | | 6,500 | | 6,500 | | |
| Net Expenditures | 9,805 | | 10,565 | | 67,167 | | |
| Total Tax Levied | 3,085 | | 3,163 | | | | |
| Assessed Valuation | | 219,028 | | 0 | | 228,037 | |

| | Outstanding Indebtedness, January 1, | | |
|--------------------------|--------------------------------------|--------|--------|
| | 2010 | 2011 | 2012 |
| General Obligation Bonds | 0 | 0 | 0 |
| Revenue Bonds | 52,300 | 49,000 | 45,600 |
| No-Fund Warrants | 0 | 0 | 0 |
| Temporary Notes | 0 | 0 | 0 |
| Lease Purchase Principal | 0 | 0 | 0 |
| Other Debt | 0 | 0 | 0 |
| Total | 52,300 | 49,000 | 45,600 |

Jeff Bina

President

A resolution expressing the property taxation policy of the Board of MARION CO IMPR DISTRICT #3 with respect to financing the 2013 annual budget for MARION CO IMPR DISTRICT #3, Marion County, Kansas.

Whereas, K.S.A. 79-2925b provides that a resolution be adopted if property taxes levied to finance the 2013 District budget exceed the amount levied to finance the 2012 budget, except with regard to revenue produced and attributable to the taxation of 1) new improvements to real property; 2) increased personal property valuation, other than increased valuation of oil and gas leaseholds and mobile homes; and 3) property which has changed in use during the past year, or with regard to revenue produced for the purpose of repaying the principal of and interest upon bonded indebtedness, temporary notes, or no-fund warrants; and

Whereas, budgeting, taxing and service level decisions for all District services are the responsibility of the District Board; and

Whereas, the District provides the essential services to protect the health, safety and well being of the citizens of the District; and

Whereas, the cost of provision of these services continues to increase.

NOW, THEREFORE, BE IT RESOLVED by the District Board that it is our desire to notify the public of the possibility of increased property taxes to finance the 2013 District budget due to the above mentioned constraints.

ADOPTED THIS 2nd day of September, 2012 by the MARION CO IMPR DISTRICT #3 Board, Marion County, Kansas.

District Board,
MARION CO IMPR DISTRICT #3

Will D. Bine
Terry Silhan
Kelly Steiner

Chairman/President

SOURCE: This sample resolution was obtained from the Kansas Association of Counties.

CAVEAT: This sample resolution is intended to assist the user in complying with a requirement of K.S.A. 79-2925b. This sample, or any resolution derived from it, should be reviewed by the governing body's legal counsel for accuracy and completeness in light of the requirements of K.S.A. 79-2925b and the intent of the governing body.

AFFIDAVIT OF PUBLICATION

STATE OF KANSAS, MARION COUNTY, ss:

Melvin Honeyfield, being first duly sworn, deposes and says: That he is the production manager of the Marion County Record, a weekly newspaper printed in the State of Kansas, and published in and of general circulation in Marion County, Kansas, with a general paid circulation on a weekly basis in Marion County, Kansas, and that said newspaper is not a trade, religious or fraternal publication.

Said newspaper is a weekly newspaper published at least 50 times a year; has been so published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice; and has been admitted at the post office of Marion in said County as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive weeks, the first publication thereof being made as aforesaid on the

22nd day of August, 2012

with subsequent publications being made

on the following dates:

(First published in the Marion County Record, Marion, Kansas, August 22, 2012) It

NOTICE OF HEARING 2013 budget

The governing body of **MARION COUNTY IMPROVEMENT DISTRICT #3** will meet on the 2nd day of September, 2012 at 12 p.m. at Jeff Bina Residence for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of 2012 ad valorem tax. Detailed budget information is available at Marion County Clerk Office and will be available at this hearing.

BUDGET SUMMARY

The "Proposed Budget 2013 Expenditures" and the "Amount of 2012 Ad Valorem Tax" establish the maximum limits of the 2013 budget. The "estimated Tax Rate" is subject to change depending on the final assessed valuation. Tax rates are expressed in mills.

Melvin Honeyfield

Subscribed and sworn to before me this

22nd day of August, 2012

Jean M. Stuchlik
Notary Public, Marion County, Kansas

My appointment expires: 11-20-12

PUBLICATION FEE: \$153.00

Affidavit Fee 5.00



| FUND | 2011 | | 2012 | | Proposed Budget 2013 | | |
|--------------------|--------------------------------|-----------------|---------------------------------------|-----------------|----------------------|-------------------------------|-------------------|
| | Prior Year Actual Expenditures | Actual Tax Rate | Current Year Estimate of Expenditures | Actual Tax Rate | Expenditures | Amount of 2012 Ad Valorem Tax | Estimate Tax Rate |
| General | 1,997 | 14.085 | 3,000 | 14.087 | 36,171 | 3,212 | 14.085 |
| Sewer Operating | 8,408 | | 8,165 | | 10,882 | | |
| Sewer Replacement | | | | | 16,764 | | |
| Bond Reserve | 5,880 | | 5,900 | | 9,850 | | |
| Totals | 16,285 | 14.085 | 17,065 | 14.087 | 73,667 | 3,212 | 14.085 |
| Less: Transfers | 6,480 | | 6,500 | | 6,500 | | |
| Net Expenditure | 9,805 | | 10,565 | | 67,167 | | |
| Total Tax Levied | 3,085 | | 3,163 | | | | |
| Assessed Valuation | 219,028 | | 0 | | 228,037 | | |

Outstanding Indebtedness, January 1,

| | 2010 | 2011 | 2012 |
|---------------|--------|--------|--------|
| Revenue Bonds | 52,300 | 49,000 | 45,600 |
| Total | 52,300 | 49,000 | 45,600 |

Jeff Bina, President