

AFFIDAVIT OF PUBLICATION : 533339

STATE OF KANSAS, COUNTY OF RENO, SS:

David Dove

of lawful age, being first duly sworn, deposeth and saith, he/she is Legal Representative of

The Hutchinson News

a daily newspaper printed and published in the city of Hutchinson, Reno County, Kansas, and not a trade, religious, or fraternal publication, and which newspaper has been entered as second-class mail matter in the United States post office, Hutchinson, Kansas, and which newspaper has been continuously and uninterruptedly published daily for more than fifty weeks a year and has been so published for more than fifty years prior to the first publication of the notice hereinafter mentioned, and that a notice, of which a true copy is hereto attached, was published in the regular and entire Thursday issue of said HUTCHINSON NEWS for 1 day the first being made on the 30th day of August, A.D., 2012 and the last on the 30th day of August, A.D., 2012.

Affiant further says that he/she has personal knowledge of the statements above set forth, and that they are true.

David Dove

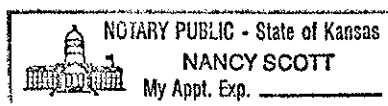
Subscribed and sworn to before me this 12th day of September, A.D., 2012.

Nancy Scott

Notary Public.

My Commission Expires 02/24/13

Printer's Fees, \$185.10



FILED

SEP 13 2012

Shari A. Dugan
COUNTY CLERK

NOTICE OF BUDGET HEARING

The governing body of
Valley/Clay Drainage District No. 2
Reno County

will meet on September 10, 2012 at 7:00 PM at the Jim Bogner residence, 6807 S. Willison Rd, Hutchinson, Kansas, to answer objections of taxpayers relating to the proposed use of all funds and the amount of the 2013 budget. Detailed budget information is available at the Jim Bogner residence, 6807 S. Willison Rd, Hutchinson, KS.

BUDGET SUMMARY

Proposed Budget 2013 Expenditures and Amount of 2012 Ad Valorem Tax establish the 2013 budget. Estimated Tax Rate is subject to change depending on the final audit.

| FUND | Prior Year Actual 2011 | | Current Year Estimate for 2012 | | Budget for 2012 |
|--------------------|------------------------|------------------|--------------------------------|------------------|-----------------|
| | Expenditures | Actual Tax Rate* | Expenditures | Actual Tax Rate* | |
| General | 29,509 | 3.866 | 16,800 | 3.200 | |
| Maintenance | 69,058 | | 56,600 | | |
| Totals | 98,567 | 3.866 | 73,400 | 3.200 | |
| Less: Transfers | 0 | | 0 | | |
| Net Expenditures | 98,567 | | 73,400 | | |
| Total Tax Levied | 18,302 | | 19,917 | | XXXX |
| Assessed Valuation | 4,709,464 | | 6,223,896 | | |

Outstanding Indebtedness

| | 2010 | 2011 | |
|-------------------|------|------|--|
| Jan 1, | 0 | 0 | |
| G.O. Bonds | 0 | 0 | |
| Revenue Bonds | 0 | 0 | |
| Other | 0 | 0 | |
| Lease Pay. Princ. | 0 | 0 | |
| Total | 0 | 0 | |

*Tax rates are expressed in mills.

/s/ Jim Bogner
Clerk

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The Hutchinson News

ly newspaper printed and published in the city
Hutchinson, Reno County, Kansas, and not a
, religious, or fraternal publication, and which
paper has been entered as second-class mail
er in the United States post office, Hutchinson,
as, and which newspaper has been
nuously and uninterruptedly published daily
more than fifty weeks a year and has been so
ished for more than fifty years prior to the first
ication of the notice hereinafter mentioned, and
a notice, of which a true copy is hereto
hed, was published in the regular and entire
sday issue of said HUTCHINSON NEWS for 1
he first being made on the 30th day of August,
, 2012 and the last on the 30th day of August,
, 2012.

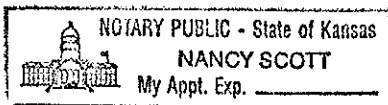
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Shari A. Dugrebin
COUNTY CLERK

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The governing body of
Valley/Clay Drainage District No. 2
Reno County
will meet on September 10, 2012 at 7:00 PM at the Jim Bogner residence, 6807 S Willison Rd, Hutchinson, KS for the purpose of hearing and
answering objections of taxpayers relating to the proposed use of all funds and the amount of tax to be levied.
Detailed budget information is available at the Jim Bogner residence, 6807 S Willison Rd, Hutchinson, KS and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2013 Expenditures and Amount of 2012 Ad Valorem Tax establish the maximum limits
of the 2013 budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

| FUND | Prior Year Actual 2011 | | Current Year Estimate for 2012 | | Proposed Budget Year for 2013 | | |
|--------------------|------------------------|---------------------|--------------------------------|---------------------|--------------------------------------|----------------------------------|-----------------------|
| | Expenditures | Actual Tax Rate* | Expenditures | Actual Tax Rate* | Budget Authority for Expenditures | Amount of 2012 Ad Valorem Tax | Estimate Tax Rate* |
| General | 29,509 | 3.866 | 16,800 | 3.200 | 25,925 | | |
| Maintenance | 69,058 | | 56,600 | | 56,966 | | |
| Totals | 98,567 | 3.866 | 73,400 | 3.200 | 82,891 | 21,212 | 3.200 |
| Less: Transfers | 0 | | 0 | | 0 | | |
| Net Expenditures | 98,567 | | 73,400 | | 82,891 | | |
| Total Tax Levied | 18,302 | | 19,917 | | XXXXXXXXXXXXXX | | |
| Assessed Valuation | 4,709,464 | | 6,223,896 | | 6,629,210 | | |

Outstanding Indebtedness

| | 2010 | 2011 | 2012 |
|-------------------|------|------|------|
| Jan 1, | | | |
| G.O. Bonds | 0 | 0 | 0 |
| Revenue Bonds | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| Lease Pur. Princ. | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

*Tax rates are expressed in mills.

/s/ Jim Bogner
Clerk

533339

CERTIFICATE

State of Kansas
Special District
2013

To the Clerk of Reno County, State of Kansas
We, the undersigned, officers of
Valley/Clay Drainage District No. 2

certify that: (1) the hearing mentioned in the attached publication was held;
(2) after the Budget Hearing this budget was duly approved and adopted
maximum expenditures 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.

| | | Page No. | 2013 Adopted Budget | | |
|---|---------------|-------------|--------------------------------------|----------------------------------|--|
| | | | Budget Authority for Expenditures | Amount of 2012 Ad Valorem Tax | County Clerk's Use Only |
| Table of Contents: | | | | | |
| Computation to Determine Limit for 2013 | | 2 | | | |
| Allocation MVT, RVT, 16/20M Veh & Slid | | 3 | | | |
| Schedule of Transfers | | 4 | | | |
| Statement of Indebt. & Lease/Purchase | | 5 | | | |
| Fund | K.S.A. | | | | |
| General | 24-512 | 6 | 25,925 | 21,212 | 3.200 |
| Maintenance | | 7 | 56,966 | | |
| Totals | | XXXXXXXXXX | 82,891 | 21,212 | |
| Budget Summary | | 8 | Is a Resolution required? | Yes / <i>NR</i> | County Clerk's Use Only |
| Neighborhood Revitalization Rebate | | | | | |
| Resolution | | 9 | | | |
| 6.629,210 | | | | | Nov. 1, 2013 Total Assessed Valuation |
| | | | | | 3.200 |

Assisted by:
Swindoll, Janzen, Hawk & Loyd

Address:
P.O. Box 2889
Hutchinson, KS 67504

Richard Seck
Janet Bryan
Thomas J. Beal
Roger Guicard

Attest: _____, 2012

County Clerk

Governing Body

FILED

SEP 13 2012

Shari A. Lequien
COUNTY CLERK

Computation to Determine Limit for 2013

| | Amount of Levy |
|---|----------------|
| 1. Total Tax Levy Amount in 2012 Budget | + \$ 19,917 ✓ |
| 2. Debt Service Levy in 2012 Budget | - \$ 0 |
| 3. Tax Levy Excluding Debt Service | \$ 19,917 |

2012 Valuation Information for Valuation Adjustments:

| | | |
|--|-------------------|----|
| 4. New Improvements for 2012: | + 1,056 ✓ | |
| 5. Increase in Personal Property for 2012: | | |
| 5a. Personal Property 2012 | + 69,705 | |
| 5b. Personal Property 2011 | - 52,148 | |
| 5c. Increase in Personal Property (5a minus 5b) | + 17,557 ✓ | |
| | (Use Only if > 0) | |
| 6. Valuation of Property that has Changed in Use during 2012: | 0 | |
| 7. Total Valuation Adjustment (Sum of 4, 5c, 6) | 18,613 | |
| 8. Total Estimated Valuation July, 1, 2012 | 6,629,210 ✓ | |
| 9. Total Valuation less Valuation Adjustment (8 minus 7) | 6,610,597 | |
| 10. Factor for Increase (7 divided by 9) | 0.00282 | |
| 11. Amount of Increase (10 times 3) | + \$ 56 | |
| 12. Maximum Tax Levy, excluding debt service, without Resolution (3 plus 11) | \$ 19,973 | |
| 13. Debt Service Levy in this 2013 Budget | 0 | |
| 14. Maximum levy, including debt service, without a Resolution (12 plus 13) | 19,973 | dp |

If the 2013 budget includes tax levies exceeding the total on line 14, you must adopt a resolution to exceed this limit and attach a copy to this budget.

Valley/Clay Drainage District No. 2
Reno County

ALLOCATION OF MOTOR, RECREATIONAL ,16/20M VEHICLE TAXES & SLIDER

| 2012 Budgeted Funds | Tax Levy Amount in 2011 Budget | Allocation for Year 2013 | | | |
|------------------------|-----------------------------------|--------------------------|-----|------------|--------|
| | | MVT | RVT | 16/20M Veh | Slider |
| General | 19,917 | 934 | 34 | 72 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 |
| Total | 19,917 | 934 | 34 | 72 | 0 |

County Treas MVT Estimate 934

County Treas RVT Estimate 34

County Treas 16/20 M Vehicle Tax Estimate 72

County Treas Slider Estimate 0

MVT Factor 0.04689

RVT Factor 0.00171

16/20M Factor 0.00362

Slider Factor 0.00000

Valley/Clay Drainage District No. 2
Reno County

Schedule of Transfers

| Expenditure Fund Transferred From: | Receipt Fund Transferred To: | Actual Amount for 2011 | Current Amount for 2012 | Proposed Amount for 2013 | Transfers Authorized by Statute |
|---|---|---------------------------------------|--|---|--|
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| | | | | | |
| Totals | | 0 | 0 | 0 | |
| Adjustments* | | | | | |
| Adjusted Totals | | 0 | 0 | 0 | |

*Note: Adjustments are required only if the transfer is being made in 2012 and/or 2013 from a non-budgeted fund

STATEMENT OF INDEBTEDNESS

| Type of Debt | Date of Issue | Interest Rate % | Amount Issued | Amount Outstanding Jan 1, 2012 | Date Due | | Amount Due 2012 | | Amount Due 2013 | |
|---------------------|---------------|-----------------|---------------|--------------------------------|----------|-----------|-----------------|-----------|-----------------|-----------|
| | | | | | Interest | Principal | Interest | Principal | Interest | Principal |
| General Obligation: | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Total G.O. | | | | 0 | | | 0 | 0 | 0 | 0 |
| Revenue Bonds: | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Total Revenue | | | | 0 | | | 0 | 0 | 0 | 0 |
| Other: | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Total Other | | | | 0 | | | 0 | 0 | 0 | 0 |
| Total | | | | 0 | | | 0 | 0 | 0 | 0 |

STATEMENT OF CONDITIONAL LEASE-PURCHASE AND CERTIFICATE OF PARTICIPATION*

| | Contract Date | Term of Contract (Months) | Interest Rate % | Total Amount Financed (Beginning Principal) | Principal Balance On Jan 1, 2012 | Payments Due 2012 | Payments Due 2013 |
|----------------|------------------|------------------------------------|-----------------------|--|--|-------------------------|-------------------------|
| Item Purchased | | | | | | | |
| | | | | | | | |
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| | | | | | | | |
| Total | | | | 0 | 0 | 0 | 0 |

***If you are merely leasing/renting with no intent to purchase, do not list--such transactions are not lease-purchases.

Valley/Clay Drainage District No. 2
Reno County
FUND PAGE FOR FUNDS WITH A TAX LEVY

State of Kansas
Special District
2013

| Adopted Budget General | Prior Year Actual 2011 | Current Year Estimate 2012 | Proposed Budget Year 2013 |
|--|---------------------------|-------------------------------|------------------------------|
| Unencumbered Cash Balance Jan 1 | 11,274 | 829 | 4,734 |
| Receipts: | | | |
| Ad Valorem Tax | 17,420 | 19,419 | xxxxxxxxxxxxxxxxxxx |
| Delinquent Tax | 413 | | |
| Motor Vehicle Tax | 1,130 | 1,205 | 934 |
| Recreational Vehicle Tax | 41 | 39 | 34 |
| 16/20M Vehicle Tax | 52 | 42 | 72 |
| LAVTR | | | |
| Slider | | | |
| In Lieu of Taxes | | | |
| | | | |
| Interest on Idle Funds | 8 | | |
| Miscellaneous | | | |
| Does misc. exceed 10% of Total Receipts | | | |
| Total Receipts | 19,064 | 20,705 | 1,040 |
| Resources Available: | 30,338 | 21,534 | 5,774 |
| Expenditures: | | | |
| Legal Fees | 5,363 | 7,300 | 7,000 |
| Legal Publications | 312 | 300 | 350 |
| Other Professional Services | 440 | 500 | 1,000 |
| Postage & Supplies | | 100 | 200 |
| Insurance | 1,457 | 1,500 | 1,500 |
| Meetings and Mileage | 1,041 | 1,100 | 1,500 |
| Dike Maintenance | 3,132 | 0 | 3,000 |
| Easement Payments | 17,764 | | 3,000 |
| Engineering | | 6,000 | 8,375 |
| Neighborhood Revitalization Rebate | | | |
| Miscellaneous | | | |
| Does misc. exceed 10% Total Expenditures | | | |
| Total Expenditures | 29,509 | 16,800 | 25,925 |
| Unencumbered Cash Balance Dec 31 | 829 | 4,734 | xxxxxxxxxxxxxxxxxxx |
| 2011/2012 Budget Authority Amount: | 31,278 | 22,705 | xxxxxxxxxxxxxxxxxxx |
| Non-Appropriated Balance | | | |
| Total Expenditure/Non-Appr Balance | | | 25,925 |
| Tax Required | | | 20,151 |
| Delinquent Comp Rate: | 5.00% | | 1,061 |
| Amount of 2012 Ad Valorem Tax | | | 21,212 |

df

FUND PAGE FOR FUNDS WITH NO TAX LEVY

| Adopted Budget Maintenance | Prior Year Actual 2011 | Current Year Estimate 2012 | Proposed Budget Year 2013 |
|---|---------------------------|-------------------------------|------------------------------|
| Unencumbered Cash Balance Jan 1 | 35,902 | 15,566 | 7,966 |
| Receipts: | | | |
| Maintenance Assesments | 48,722 | 49,000 | 49,000 |
| | | | |
| | | | |
| | | | |
| | | | |
| Interest on Idle Funds | | | |
| Miscellaneous | | | |
| Does misc. exceed 10% of Total Receipts | | | |
| Total Receipts | 48,722 | 49,000 | 49,000 |
| Resources Available: | 84,624 | 64,566 | 56,966 |
| Expenditures: | | | |
| Drainage Maintenance | 46,168 | 42,600 | 31,966 |
| Dike Maintenance | 3,000 | 3,000 | 10,000 |
| Mowing | 18,320 | 10,000 | 10,000 |
| Tree Trimming & Removal | 1,570 | 1,000 | 5,000 |
| | | | |
| | | | |
| | | | |
| Miscellaneous | | | |
| Does misc. exceed 10% Total Expenditure | | | |
| Total Expenditures | 69,058 | 56,600 | 56,966 |
| Unencumbered Cash Balance Dec 31 | 15,566 | 7,966 | 0 |
| 2011/2012 Budget Authority Amount: | 63,123 | 73,902 | |

See Tab A

NOTICE OF BUDGET HEARING

State of Kansas
Special District
2013

The governing body of
Valley/Clay Drainage District No. 2
Reno County

will meet on September 10, 2012 at 7:00 PM at the Jim Bogner residence, 6807 S Willison Rd, Hutchinson, KS for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of tax to levied. Detailed budget information is available at the Jim Bogner residence, 6807 S Willison Rd, Hutchinson, KS and will be available at this hearing.

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| Totals | 98,567 | 3.866 | 73,400 | 3.200 | 82,891 | 21,212 | 3.200 |
| Less: Transfers | 0 | | 0 | | 0 | | |
| Net Expenditures | 98,567 | | 73,400 | | 82,891 | | |
| Total Tax Levied | 18,302 | | 19,917 | | xxxxxxxxxxxxxxxxxxx | | |
| Assessed Valuation | 4,709,464 | | 6,223,896 | | 6,629,210 | | |

Outstanding Indebtedness,

| | 2010 | 2011 | 2012 |
|-------------------|------|------|------|
| Jan 1, | 0 | 0 | 0 |
| G.O. Bonds | 0 | 0 | 0 |
| Revenue Bonds | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| Lease Pur. Princ. | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

*Tax rates are expressed in mills.

Clerk

SPECIAL DISTRICT RESOLUTION

RESOLUTION NO. 2012-1

A resolution expressing the property taxation policy of the Board of Valley/Clay Drainage District No. 2 District with respect to financing the 2013 annual budget for Valley/Clay Drainage District No. 2, Reno County, Kansas.

Whereas, K.S.A. 79-2925b provides that a resolution be adopted if property taxes levied to finance the 2013 Valley/Clay Drainage District No. 2 district budget exceed the amount levied to finance the 2012 Valley/Clay Drainage District No. 2 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, Valley/Clay Drainage District No. 2 provides essential services to district residents; and

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

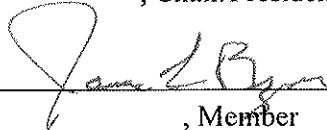
NOW, THEREFORE, BE IT RESOLVED by the Board of the Valley/Clay Drainage District No. 2 that is our desire to notify the public of the possibility of increased property taxes to finance the 2013 Valley/Clay Drainage District No. 2 budget as defined above.

Adopted this 10th day of September, 2012 by the Valley/Clay Drainage District No. 2 District Board, Reno County, Kansas.

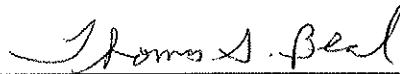
Valley/Clay Drainage District No. 2 District Board



, Chair/President



, Member



, Member