

Exhibit "B"
Quailwood Meadows Community Facilities District
 Annual Budget 2010-11

Revenues:	
Property Taxes - General (Operating)	\$ 38,997
Property Taxes - Secondary (Debt Service)	389,970
Developer Contribution (Operating)	-
Developer Contribution (Debt Service)	-
Interest on Investments (\$694,000 x .25%)	1,735
Total Revenues	430,702
 Expenditures:	
General Operations	71,437
Debt Service	581,820
Capital Improvements	-
Total Expenditures	653,257
Excess (Deficiency) of Revenues Over (Under) Expenditures	(222,555)
 Other Financing Sources (Uses):	
General Obligation Bonds	-
Special Assessment Bonds	-
Total Other Financing Sources (Uses)	-
Excess (Deficiency) of Revenues and Sources Over (Under) Expenditures and Other Uses	(222,555)
Beginning Fund Balance	534,500
Ending Fund Balance	\$ 311,945

Community Facilities Districts are formed under the Community Facilities Act Legislation adopted by the State Legislature in 1988. The formation of facilities districts may result in the levy of ad valorem taxes to finance public infrastructure and enhanced municipal services.

On August 12, 2004, the Town Council adopted Resolution No. 1294 forming the Quailwood Meadows Community Facilities District (District). On August 12, 2004, the District Board adopted Resolution No. 1 which organized the District and set an election for October 12, 2004, to consider whether to (a) issue and sell general obligation bonds of the District for public infrastructure in a maximum amount of \$25,000,000, payable from an ad valorem tax (\$3.00 per \$100 secondary assessed valuation) against real and personal property located in the District (see legal description of property), and (b) levy an ad valorem tax on real and personal property in the District not in excess of \$.30 per \$100 of secondary assessed valuation for District operation and maintenance.

Property taxes are based on \$12,999,005 secondary assessed valuation per Yavapai County Assessor's Office.

Quailwood Meadows Community Facilities District

Annual Budget 2010-11

Personnel Services	11,687
Professional and Contractual Services	34,200
Printing, Binding and Other Services	-
Insurance	-
Miscellaneous	25,550
Replacement Reserve Set Aside	-
Debt Service	581,820
Capital Improvements:	
Balance of Proceeds	-
Machinery and Equipment Purchased by the Town for the CFD	-
Total Appropriations	<u><u>653,257</u></u>

Quailwood Meadows Community Facilities District

Annual Budget 2010-11

Personnel Services

Accounting and Auditing Services	1,003
Engineering Services	2,130
Attorney and Legal Services	2,437
District Manager	2,502
District Clerk	1,076
District Treasurer	1,518
CFD Administration	1,021
Total Personnel Services	<u><u>11,687</u></u>

Professional and Other Contracted Services

Landscaping Services	30,200
Other Professional Services	4,000
Total Professional and Other Contracted Services	<u><u>34,200</u></u>

Printing, Binding and Other Services

Photocopy and Microfilming	-
Legal Advertising	-
Recording Costs	-
Total Printing, Binding and Other Services	<u><u>-</u></u>

Insurance

Insurance and Bonds	-
Total Insurance	<u><u>-</u></u>

Miscellaneous

Miscellaneous Supplies	-
Miscellaneous Services - Utility	25,550
Total Miscellaneous	<u><u>25,550</u></u>

Replacement Reserve Set Aside

-

Quailwood Meadows Community Facilities District
Annual Budget 2010-11

General Operations				
Equipment Purchased by Town for CFD Work		-		
Total Capital		<u>-</u>	Full Amount	%
Accounting & Audit	Finance Manager	1,003	100,334	1.0%
Engineering Manager	Ramon Smith	2,130	106,507	2.0%
Legal	Ivan Legler	2,437	162,464	1.5%
District Manager	Larry Tarkowski	2,502	166,773	1.5%
District Clerk	Diane Russell	1,076	107,584	1.0%
District Treasurer	Bill Kauppi	1,518	151,776	1.0%
CFD Admin	Council	1,021	68,096	1.5%
Accounting/ Auditing		500	500	100.0%
Landscaping Services		30,200	46,000	100.0%
Trustee Services		3,500	3,500	100.0%
Utilities - Water		20,800	26,000	100.0%
Utilities - Street Lighting		4,750	4,750	100.0%
General Street Maintenance		-	-	0.0%
Photocopying	Clerk	-	250	0.0%
	Finance	-	300	0.0%
Legal Advertising	Clerk	-	1,000	0.0%
Recording Costs		-	-	0.0%
Insurance & bonds	Non-Department	-	602,500	0.0%
Misc Supplies	Clerk	-	1,000	0.0%
	Mgmt Services	-	5,184	0.0%
Misc Costs		-	-	0.0%
Replacement Reserve Set Aside		-	69,400	0.0%
Total General Operations		<u>71,437</u>		