

Exhibit "B"
Quailwood Meadows Community Facilities District
Annual Budget 2012-13

Revenues:	
Property Taxes - General (Operating)	\$ 20,675
Property Taxes - Secondary (Debt Service)	361,819
Developer Contribution (Operating)	-
Developer Contribution (Debt Service)	175,140
Interest on Investments	6
Total Revenues	557,640
 Expenditures:	
General Operations	71,299
Debt Service	581,410
Total Expenditures	652,709
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,069)
 Other Financing Sources (Uses):	
Transfer from Deposit Account	44,445
Total Other Financing Sources (Uses)	44,445
Excess (Deficiency) of Revenues and Sources Over (Under) Expenditures and Other Uses	(50,624)
Beginning Fund Balance	195,536
Ending Fund Balance	\$ 144,912

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 (estimated at \$5.25 per \$100 secondary assessed valuation for the fiscal year 2012-13) 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 \$6,891,797 secondary assessed valuation per Yavapai County Assessor's office.

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Personnel Services	11,529
Professional and Contractual Services	34,220
Printing, Binding and Other Services	-
Insurance	-
Miscellaneous	25,550
Replacement Reserve Set Aside	-
Debt Service	581,410
Total Appropriations	<u><u>652,709</u></u>

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Personnel Services	
Accounting and Auditing Services	951
Engineering Services	2,109
Attorney and Legal Services	2,421
District Manager	2,446
District Clerk	1,065
District Treasurer	1,507
CFD Administration	1,030
Total Personnel Services	<u>11,529</u>
Professional and Other Contracted Services	
Landscaping Services	30,200
Other Professional Services	4,020
Total Professional and Other Contracted Services	<u>34,220</u>
Printing, Binding and Other Services	
Photocopy and Microfilming	-
Legal Advertising	-
Recording Costs	-
Total Printing, Binding and Other Services	<u>-</u>
Insurance	
Insurance and Bonds	-
Total Insurance	<u>-</u>
Miscellaneous	
Miscellaneous Supplies	-
Miscellaneous Services - Utility	25,550
Total Miscellaneous	<u>25,550</u>
Replacement Reserve Set Aside	<u>-</u>