

CRESTLINE SANITATION DISTRICT
 APPROPRIATIONS LIMIT

Year	Prior Year Appropriations Limit	CA per Capita Personal Income	Change in Population	Calculation Factor	Appropriations Limit		
2011-2012	\$ A 4,311,695	B 2.51%	1.0251	C 1.05%	1.0105	1.0359	\$ 4,466,328

STATE CONTROLLER
COUNTY BUDGET ACT

UNTY BUDGET FORM
SCHEDULE 16

COUNTY OF SAN BERNARDINO
SCHEDULE OF APPROPRIATION LIMITS
FOR THE FY 2010 - 2011

DISTRICT	FUND	2010-11 ANNUAL APPROPRIATIONS LIMIT	APPROPRIATIONS SUBJECT TO LIMIT	AMOUNT OVER (UNDER) LIMIT
COUNTY SERVICE AREAS				
CSA 17 APPLE VALLEY	SFV	271,886	188,838	(83,048)
CSA 18 CEDARPIINES	SFV	1,474,873	122,753	(1,352,120)
CSA 20 JOSHUA TREE	SGD	3,930,948	552,088	(3,378,860)
CSA 29 LUCERNE VALLEY	SGG	2,169,484	523,833	(1,645,651)
CSA 30 RED MOUNTAIN	SGJ	73,994	4,517	(69,477)
STREET LIGHTING				
CSA 40 ELEPHANT MOUNTAIN	SIS	52,906,375	313,032	(52,593,343)
CSA 42 ORO GRANDE	SIV / SIY/ EAP/ EAS	556,037	32,660	(523,377)
CSA 54 CREST FOREST	SJV	231,784	36,392	(195,392)
CSA 56 WRIGHTWOOD (PARK)	SKD	407,063	153,610	(253,453)
CSA 59 DEER LODGE	SKJ	380,241	39,217	(341,024)
CSA 60 APPLE VALLEY AIRPORT	EBJ	3,323,786	1,876,693	(1,447,093)
CSA 63 OAK GLEN/YUCAIPA	SKM	8,463,867	99,592	(8,364,275)
CSA 64 SPRING VALLEY LAKE - SANITATION	EBM	318,296	107,250	(211,046)
CSA 64 SPRING VALLEY LAKE - STREETSWEEPING / WATER	ECB	396,886	163,924	(232,962)
CSA 68 VALLEY OF THE MOON	SKP	2,084,620	46,942	(2,037,678)
CSA 69 LAKE ARROWHEAD	SKS	2,244,840	23,506	(2,221,334)
CSA 70 DB-2 BIG BEAR IMPROVEMENT ZONE	EIB	16,532	0	(16,532)
CSA 70 CG CEDAR GLEN WATER	ELL	505,858	2,750	(503,108)
CSA 70 D-1 LAKE ARROWHEAD DAM	SLA	5,493,155	499,139	(4,994,016)
CSA 70 F MORONGO VALLEY LAKE	EBY	138,275	375	(137,900)
CSA 70 G WRIGHTWOOD	SLG	194,394	21,632	(172,762)
CSA 70 J OAK HILLS	ECA	513,804	7,900	(505,904)
CSA 70 R-2 TWIN PEAKS ROAD	SMA	86,991	10,447	(76,545)
CSA 70 R-3 ERWIN LAKE ROAD	SMD	194,699	61,707	(132,992)
CSA 70 R- 22 TWIN PEAKS ROAD	SOB	27,011	550	(26,461)
CSA 70 R- 40 UPPER NORTH BAY LAKE ARROWHEAD	RGW	26,720	273	(26,447)
CSA 70 R- 42 WINDY PASS	RHL	57,023	4,506	(52,517)
CSA 70 R- 44 SAW PIT CANYON	SYT	71,160	100	(71,060)
CSA 70 TV-2 MORONGO VALLEY	SLD	360,634	171,181	(189,453)
CSA 70 TV-4 MESA	SLF	82,777	2,004	(80,773)
CSA 70 TV-5 WONDER VALLEY	SLE	329,609	10,562	(319,047)
CSA 70 Zone M - WONDER VALLEY - PARK	SYR	67,301	8,056	(59,245)
CSA 70 Zone M - WONDER VALLEY - ROAD	SLP	175,611	4,777	(170,834)
CSA 70 Zone P - 6 EL MIRAGE	SYP	290,264	1,757	(288,507)
CSA 70 Zone W HINKLEY	SLT	68,931	14,613	(54,318)
CSA 70 Zone W-1 GOAT MOUNTAIN	ECS	26,167	2,788	(23,380)
CSA 70 Zone W-3 HACIENDA	ECY	170,483	550	(169,933)
CSA 82 SEARLES VALLEY	EFY	541,197	56,850	(484,347)
CSA SL-1 COUNTYWIDE STREETLIGHTS	SQV	25,351,998	689,570	(24,662,428)
FLOOD CONTROL DISTRICT				
FLOOD CONTROL	RFA-RFZ	1,641,006,569	38,383,800	(1,602,622,769)
SANITATION DISTRICT				
CRESTLINE	EGS/EGY	4,311,695	976,950	(3,334,745)
COUNTY FIRE DISTRICT				
SBC FIRE PROTECTION DISTRICT ADMIN	SKX	81,318,473	7,203,441	(74,115,032)
VALLEY SERVICE ZONE of SBCFPD	FVZ	44,244,051	8,146,697	(36,097,354)
MOUNTAIN SERVICE ZONE of SBCFPD	FMZ	19,361,704	8,216,988	(11,144,716)
NORTH DESERT SERVICE ZONE of SBCFPD	FNZ	24,532,016	7,636,084	(16,895,932)
SOUTH DESERT SERVICE ZONE of SBCFPD	FSZ	18,032,830	5,567,176	(12,465,655)
SERVICE ZONE FP-1 RED MOUNTAIN	SGM	1,110,201	30	(1,110,171)
SERVICE ZONE FP-2 WINDY ACRES	SLJ	501,177	150	(501,027)
SERVICE ZONE FP-3 EL MIRAGE	SHS	1,278,740	125	(1,278,615)
SERVICE ZONE FP-4 WONDER VALLEY	SLM	430,666	300	(430,366)
SERVICE ZONE FP-5 HELENDALE/SILVER LAKE	SLR	1,009,993	1,250	(1,008,743)
SERVICE ZONE FP-6 HAVASU LAKE	SIZ	132,827	250	(132,577)
SERVICE ZONE PM-1 LAKE ARROWHEAD PARAMEDIC	SND	1,159,465	500	(1,158,965)
SERVICE ZONE PM-2 HIGHLAND PARAMEDIC	SHV	2,876,608	2,000	(2,874,608)
SERVICE ZONE PM-3 YUCAIPA PARAMEDIC	SHP	58,295	38	(58,258)
CFD No. 2002-2 CENTRAL VALLEY CFD	SFE	2,761,026	0	(2,761,026)
PARK DISTRICT				
BIG BEAR VALLEY	SSA	8,233,624	1,849,111	(6,384,513)
BLOOMINGTON	SSD	2,987,692	299,537	(2,688,155)
GRAND TOTAL		1,969,373,226	84,141,359	(1,885,231,867)

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May 2011

Dear Fiscal Officer:

Subject: Price and Population Information

Appropriations Limit

The California Revenue and Taxation Code, Section 2227, mandates the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2011, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2011-2012. Enclosure I provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2011-2012 appropriations limit. Enclosure II provides city and unincorporated county population percentage changes, and Enclosure IIA provides county's and incorporated area's summed population percentage changes. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. Consult the Revenue and Taxation Code, Section 2228 for further information regarding the appropriation limit. You can access the Code from the following website: "<http://www.leginfo.ca.gov/calaw.html>" check box: "Revenue and Taxation Code" and enter 2228 for the search term to learn more about the various population change factors available to special districts to calculate their appropriations limit. Article XIII B, Section 9(C), of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. Consult the following website: "http://www.leginfo.ca.gov/const/article_13B" for additional information. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this issue should be referred to their respective county for clarification, or to their legal representation, or to the law itself. No State agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. The Federal 2010 Census population counts for cities and counties have been certified to the State Controller's Office. Revenue and Taxation Code Section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2011.**

Please Note: The population estimates provided in this report incorporate 2010 Census numbers as benchmarks. Therefore, the population estimates for 2010 and 2011 published in this report for your jurisdiction may be noticeably different from the previous year estimates.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost-of-living factor to compute their appropriation limit by a vote of their governing body. The cost-of-living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the 2011-2012 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2011-2012	2.51 (B)

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2011-2012 appropriation limit.

2011-2012:

Per Capita Cost of Living Change = 2.51 percent
Population Change = 0.77 percent

Per Capita Cost of Living converted to a ratio: $\frac{2.51 + 100}{100} = 1.0251$

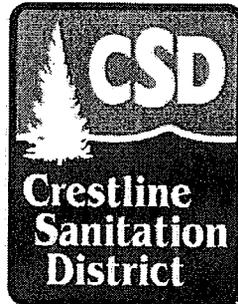
Population converted to a ratio: $\frac{0.77 + 100}{100} = 1.0077$

Calculation of factor for FY 2011-2012: $1.0251 \times 1.0077 = 1.0330$

Enclosure II
Annual Percent Change in Population Minus Exclusions
January 1, 2010 to January 1, 2011 and Total Population, January 1, 2011

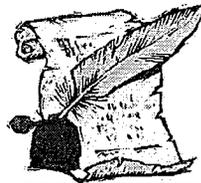
County City	Percent Change	--- Population Minus Exclusions ---		Total Population
	2010-2011	1-1-10	1-1-11	1-1-2011
San Bernardino				
Adelanto	1.22	30,699	31,073	31,671
Apple Valley	0.82	69,100	69,668	69,668
Barstow	1.92	22,015	22,438	22,839
Big Bear Lake	0.68	5,017	5,051	5,051
Chino	1.25	70,108	70,986	78,537
Chino Hills	0.91	74,663	75,345	75,345
Colton	0.76	52,103	52,498	52,498
Fontana	1.54	195,453	198,456	198,456
Grand Terrace	0.62	12,034	12,109	12,109
Hesperia	0.65	90,139	90,726	90,726
Highland	0.69	53,080	53,444	53,444
Loma Linda	0.64	23,185	23,333	23,395
Montclair	1.11	36,624	37,031	37,031
Needles	0.72	4,839	4,874	4,874
Ontario	0.98	163,794	165,392	165,392
Rancho Cucamonga	1.87	165,101	168,181	168,181
Redlands	0.77	68,703	69,231	69,231
Rialto	0.94	99,092	100,021	100,021
San Bernardino	0.59	208,152	209,373	211,076
Twentynine Palms	2.96	11,379	11,716	24,646
Upland	0.68	73,703	74,207	74,207
Victorville	1.61	111,056	112,848	117,219
Yucaipa	0.73	51,341	51,717	51,717
Yucca Valley	0.72	20,686	20,834	20,834
Unincorporated	0.87	282,242	284,699	294,229
County Total	1.05 C	1,994,308	2,015,251	2,052,397

(*) Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.



Crestline Sanitation District

(A California Special District)



FINANCIAL STATEMENTS
AND
AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2011



SMITH MARION & CO.
CERTIFIED PUBLIC ACCOUNTANTS



SMITH MARION & CO., LLP

Please respond to:
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Board of Commissioners
Crestline Sanitation District
Crestline, CA

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of net assets of the Crestline Sanitation District as of June 30, 2011 and the related statement of revenue, expenses, and changes in net assets, and the statement of cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Crestline Sanitation District at June 30, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted in inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

February 03, 2012

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**Crestline Sanitation District
Notes to Financial Statements
June 30, 2011**

NOTE 7: RISK MANAGEMENT (continued)

Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no material IBNR claims payables as of June 30, 2011.

NOTE 8: PROPOSITION 111 APPROPRIATION LIMITS

Proposition 111, which added Article XIII B to the State Constitution, established limits on budget appropriations in order to restrict government spending. We have reviewed the proceeds of taxes received by the District during the 2010-2011 fiscal year, and have found the revenue to be within the guidelines established by Proposition 111.

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 3, 2012, which is the date the financial statements were available to be issued, and has determined that there are no transactions that will have a significant impact on the District.

**County of San Bernardino
Crestline Sanitation District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2009**

NOTE 9: RESTRICTED NET ASSETS

The District issued bonds under the Improvement Act of 1915 (Bonds) to finance certain sewer improvements. The District reports the Bonds according to the provisions of the Government Accounting Standards Boards Statement No. 6. All the District's bonds matured as of July 2, 1996. The portion of the matured Bonds held by the Treasurer/Tax-Collector of the County of San Bernardino amounting to \$48,939 is reported as restricted net assets.

NOTE 10: PROPOSITION 111 APPROPRIATION LIMITS

Proposition 111, which added Article XIIIB to the State Constitution, established limits on budget appropriations in order to restrict government spending. We have reviewed the proceeds of taxes received by the District during the 2008-2009 fiscal year, and have found the revenue to be within the guidelines established by Proposition 111.

NOTE 11: MEASURE R

On November 4, 2008, Measure R was passed by the community of Crestline. This measure established a Governance Committee, whose purpose is to conduct a study and recommend to the County Board of Supervisors whether or not the District should change its governance to a district governed by a locally elected board composed of residents of the District. On February 16, 2010 the Governance Committee issued its Governance Feasibility Report, which recommends a reorganization of the governing body of the District from a Board-governed to self-governed Board of Directors. As a result of this recommendation, a special election was held on August 3, 2010 for the community of Crestline to give final vote as to the future governance of the District and the five local residents that will serve as the Board of Directors. The voters voted in favor of the District to become a self-governed District. The District will no longer be a component unit of the County of San Bernardino and will no longer be governed by the County Board of Supervisors.