Memorandum

REVISED

Date: November 27, 2018

To: Department of Finance
Rodolfo Aquino, Finance Budget Analyst
Natural Resources, Energy, Environment
915 L Street
Sacramento, CA 95814

From: **Department of Resources Recycling and Recovery (3970)**
1001 I Street
Sacramento, CA 95814
Ken DaRosa, Chief Deputy Director
Ken.DaRosa@CalRecycle.ca.gov

Subject: FUND BALANCE RECONCILIATION PACKET FOR 2019-20 GOVERNOR'S BUDGET (PAST YEAR PORTION)

The following documents for the preparation of the past year portion of the 2019-20 Governor's Budget are enclosed:

FUND CALIFORNIA BEVERAGE CONTAINER RECYCLING FUND (0133)

For Non-Shared Funds:

1. A copy of this cover memo.
2. DF-117, Certification of Past and Prior Year Information.
3. DF-303 Detailed Fund Balance Report for the fiscal year ended June 30, 2018.
4. Supporting year-end financial reports for the fiscal year ended June 30, 2018. Data has been clearly annotated to the DF-303 Detailed Fund Balance Report.
5. Fund Condition Statement (past year portion).
6. Hyperion Past Year Reports showing Hyperion entries result in expenditures and revenues matching DF-303.

Accounting Contact: Zoua Vang
Phone No.: (916) 341-6340
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Budget Contact: Nicole Clay,
Phone No.: (916) 341-6174
Email: Nicole.Clay@calrecycle.ca.gov

Ken DaRosa, Chief Deputy Director

Attachment I

STATE OF CALIFORNIA
Certification of Past and Prior Year Information
DF-117
(Revised 06/2018)

Department of Finance
915 L Street
Sacramento, CA 95814
IMS Mail Code: A-15

Fund Number and Name <u>(0133) CALIFORNIA BEVERAGE CONTAINER RECYCLING FUND</u>

Org Code/Department Title <u>(3970) DEPARTMENT OF RESOURCES RECYCLING & RECOVERY</u>

Select Fund user type:

■ As the **Non-Shared Fund Administrator**[1], our department has fully reconciled the past/prior accounting/budget information for fiscal year 2017-18 to reflect full compliance with state law; the information is accurate and reconciles between budget and accounting records.

☐ As the **Shared Fund Administrator**[1], our department has coordinated with all fund users of this fund and has fully reconciled the past/prior accounting/budget information for fiscal year 2017-18 to reflect full compliance with state law; the information is accurate based on the representation of fund user(s) for their portion of the fund, and reconciles between budget and accounting records.

☐ As a **Shared Fund User**[1], our department has provided the designated fund administrator of this fund with all necessary information on a timely manner to assist in the overall fund reconciliation. Our department has fully reconciled our portion of the past/prior accounting/budget information for fiscal year 2017-18 to reflect full compliance with state law; the information is accurate and reconciles between budget and accounting records.

☐ As a **Fund Administrator or User of a fund without a Fund Condition Statement**[2] our department has fully reconciled the past/prior accounting/budget information for fiscal year 2017-18 to reflect full compliance with state law; the information is accurate and reconciles between budget and accounting records.

Sign certification:

I certify (or declare) under penalty of perjury that the budget and accounting information provided to the Department of Finance by my organization reconciles to the year-end financial reports submitted to the State Controller's Office. In addition, I understand that this information is subject to audit by the Department of Finance's Office of State Audits and Evaluations, to be funded by my department's spending authority from the fund.

Signature (Department Head or Designee)[3] — Date: 29 Nov 2018

<u>Ken DaRosa, Chief Deputy Director</u>
Print Name, Title

<u>(916) 341-6544</u>
Phone #

[1] This certification applies to funds with a Fund Condition Statement in the Governor's Budget.

[2] This certification applies to funds that do not have a Fund Condition Statement in the Governor's Budget: (1) most non-governmental costs funds (including bond and federal funds) and (2) certain funds (e.g., General Fund/Special Deposit Fund) that are administered on a statewide level. Please refer to the State Funds Manual, or contact your Finance budget analyst for additional information.

[3] Designee may be delegated down one level, such as the Chief Deputy Director, only.

STATE OF CALIFORNIA
DETAILED FUND BALANCE REPORT
DF-303 (06/18)

3970 Department of Resources Recycling and Recovery (Renum from 35
Detailed Fund Balance Report 1/
0133 - California Beverage Container Recycling Fund
FY 2017-18 Actual
(For 2019-20 Governor's Budget)

		Ref #	Sub-Totals	Fund Balance
A. BEGINNING FUND BALANCE July 1, 2017 2/		1		**$275,402,848.63**
B. PRIOR YEAR ADJUSTMENTS				
2015-16 Expenditures (G/L 9000 or 9893)	1,851,765.79	2		
2015-16 Scheduled Reimbursements (G/L 8100 or 9893)	0.00			
2016-17 Expenditures (G/L 9000 or 9893)	515,134.59	3		
2016-17 Scheduled Reimbursements (G/L 8100 or 9893)	0.00			
2016-17 Revenues (G/L 8000 or 9892)	-1,374,959.73	4		
Refunds to Reverted Appn (G/L 9891)	1,227.50	5	993,168.15	
C. FUND ASSESSMENT ADJUSTMENTS				
Adjustment to Align FCS and Financial Reports 2/			0.00	**993,168.15**
ADJUSTED BEGINNING BALANCE				**276,396,016.78**
D. REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS				
Revenues (G/L 8000):				
4120000 - Beverage Container Redemption Fees (1251)	1,342,961,417.15			
4140000 - Document Sales (1412)	3,350.00			
4163000 - Investment Income - Surplus Money Investments (1503, 2503)	1,990,588.07			
4171400 - Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons (1610, 2619)	31,638.15			
4172500 - Miscellaneous Revenue (1614, 299, 239)	3,228,619.21			
4173000 - Penalty Assessments - Other (1643)	60,558.40			
4173500 - Settlements and Judgments - Other (1630)	6,424.61	6	1,348,282,595.59	
Transfers and Other Adjustments				
Operating Transfer From 0133 to Fund 0269 per 624/95 Sec. 29(d), amended by Ch 5/10 Sec. 4, PRC Sec. 14580(a)	-63,180,962.00	7		
Operating Transfer From 0133 to Fund 0278 per 624/95 Sec. 29(d), amended by Ch 5/10 Sec. 4, PRC Sec. 14580(a)	-47,447,566.00	8	-110,628,528.00	
Total Revenues, Transfers, and Other Adjustments			**1,237,654,067.59**	**1,237,654,067.59**
TOTAL RESOURCES				**1,514,050,084.37**
E. EXPENDITURES AND EXPENDITURE ADJUSTMENTS				
Expenditures:				
Expenditures (G/L 9000):				
State Operations - Support	44,748,803.10	9		
Scheduled Reimbursements (G/L 8100)	0.00			
Local Assistance	1,171,425,533.05	10		
Scheduled Reimbursements (G/L 8100)	0.00			
Capital Outlay	0.00			
Scheduled Reimbursements (G/L 8100)	0.00		1,216,174,336.15	
Statewide Assessments				
Pro Rata (FY2017-18)	282,078.00	11		
FI$Cal Assessments (FY 2017-18)	63,000.00	12	345,078.00	
Expenditures Adjustments:				
Other Sources (G/L 9830)	0.00		**0.00**	
Total Expenditures and Expenditure Adjustments			**1,216,519,414.15**	**1,216,519,414.15**
F. Ending Fund Balance as of June 30, 2018 (must reconcile to Report 8, see 3/ below)			13	**$297,530,670.22**

STATE OF CALIFORNIA
DETAILED FUND BALANCE REPORT
DF-303 (06/18)

3970 Department of Resources Recycling and Recovery (Renum from 35
Detailed Fund Balance Report 1/
0133 - California Beverage Container Recycling Fund
FY 2017-18 Actual
(For 2019-20 Governor's Budget)

		Ref #	Sub-Totals	Fund Balance
	NOTES:			

1/ The Detailed Fund Balance (DFB) Report will be used by the fund administrator of non-shared funds and users of shared funds to reconcile accounting data to budgetary data. See section 1.6.
For **non-shared funds**, the fund administrator will use the DFB report to prepare the past year portion of the Fund Condition Statement (FCS) for the 2019-20 Governor's Budget.
For **shared funds**, the fund administrator will consolidate all the DFB reports received from fund users and prepare a DFB Consolidated Worksheet. The consolidated worksheet will be used to prepare the past year portion of the FCS. See sections 5 and 6.

2/ Enter an adjustment to align the FCS and year-end financial reports if the beginning balance per financial reports does not match the beginning fund balance per past year column of the 2019-20 Governor's Budget and the difference requires an adjustment to the department's accounting records.
Enter an adjustment to align the FCS and year-end financial reports due to delay in completing the financial reports. Estimated accruals have been used for preparing the past year portion of the FCS for the Governor's Budget. The difference between the department's actual accruals and estimated accruals should be identified here.
Explain the reason for the PY adjustment in a footnote to the DFB report and provide supporting documentation. The sum of the PY adjustment and the beginning fund balance per financial reports should equal the beginning balance per 2019-20 Governor's Budget.
Note: Any difference in beginning fund balance that does not meet this criterion should be resolved in conjunction with Finance.

3/ **Ending Fund Balance in Section F must reconcile to Report 8, Post Closing Trial Balance:**

NON-SHARED FUND:

	Ref #	Sub-Totals	Fund Balance
DF-303 - Ending Fund Balance from Section F	A		$ 297,530,670.22
Report 8 - Balance in GL 5530, Fund Balance Unappropriated at 6/30/18 (*reverse sign)	13 B		297,530,670.22
Difference (should be $0)	A-B = $0		$ -

SHARED FUND USER:

	Ref #	Sub-Totals	Fund Balance
DF-303 - Ending Fund Balance from Section F	A		
Report 8 - Balance in GL 5570, Fund Balance Clearing at 6/30/18 (*reverse sign)	B	$ -	
Add - Year-to-date activity in GL 1140, Cash in State Treasury (per Trial Balance of GL Acounts, e.g., CALSTARS G01 Report)	C		B+C=D -
Difference (should be $0)	A-D = $0		$ -

REPORT NO. 15
AGENCY: DEPT.OF RESOURCES RECYCLING AND RECOVERY (3970)
FUND: CALIFORNIA BEVERAGE CONTAINER RECYCLING FUND (0133)

RECONCILIATION OF AGENCY ACCOUNTS WITH TRANSACTIONS PER STATE CONTROLLER
FISCAL YEAR ENDED JUNE 30, 2018

		Reverse Prior Year		Apply Current Year				Transactions For Agency Accounts			
Controller Account Title	Transactions Per Controller (A)	Adjustments to Controller's Accounts (B)	Accruals (C)	Corrections Made by Controller (D)	Adjustments to Controller's Accounts (E)	Accruals (F)	Total of Columns A-F (G)	9000 Appropriation Expenditures (H)	8000 Revenue (I)	9891 Refunds to Reverted (J)	9812 Operating Transfers Out (K)
Appr - State Operations											
2017-18, Chapter 14/17											
Item 3970-001-0133											
Program 30.01-Administration	10,319,653.78					3,880,754.79	14,200,408.57	14,200,408.57			
Program 30.02-Dist. Administration	(10,319,653.78)					(3,880,754.79)	(14,200,408.57)	(14,200,408.57)			
Program 50-Bev Cont Recycl and Litter Reduction	33,124,449.62					11,624,353.48	44,748,803.10	44,748,803.10	9		
Program 99-Clearing Account	19,869,850.57					(19,869,850.57)	0.00				
Program 90-Reimbursements											
Program 96-State Comp Insurance Fund Deposit	20,696.28					(20,696.28)	0.00				
Program 97- ORF	455,000.00					(455,000.00)	0.00				
Program 98- Advance to SRF-Other	70,000.00					(70,000.00)	0.00				
Appr - State Operations											
2016, Chapter 23/16											
Item 3970-001-0133											
Program 30.01-Administration	2,127,044.28		(2,354,234.68)			287,576.77	60,386.37	60,386.37			
Program 30.02-Dist. Administration	(2,127,044.28)		2,354,234.68			(287,576.77)	(60,386.37)	(60,386.37)			
Program 50-Bev Cont Recycl and Litter Reduction	6,985,652.47		(10,214,169.41)			2,713,382.35	(515,134.59)	(515,134.59)	3		
Program 99-Clearing Account	(8,156,623.16)	2,113.57	8,593,310.80			(438,801.21)	0.00				
Program 90-Reimbursements											
Program 96-State Comp Insurance Fund Deposit	(14,722.03)		14,722.03				0.00				
Program 97- ORF	(455,000.00)		455,000.00				0.00				
Program 98- Advance to SRF-Other	(50,000.00)		50,000.00				0.00				
Appr - State Operations											
2015, Chapter 10/15											
Item 3970-001-0133											
Program 30.01-Administration	452,767.52		(670,226.96)				(217,459.44)	(217,459.44)	2		
Program 30.02-Dist. Administration	(535,387.10)		752,846.51				217,459.41	217,459.41			
Program 50-Bev Cont Recycl and Litter Reduction	1,293,521.04		(3,145,286.80)				(1,851,765.76)	(1,851,765.76)			
Program 99-Clearing Account	(2,904,351.16)	(2,113.57)	2,906,464.73				0.00				
Program 90-Reimbursements											
Program 96-State Comp Insurance Fund Deposit											
Program 97- ORF											
Program 98- Advance to SRF-Other											
Appr - Local Assistance											
2006, Chapter 907/06											
Item 3970-605-0133											
PRC Sec. 14581 (A)(9)	9,980,910.84		(5,000,000.00)				4,980,910.84	4,980,910.84	10		
Plastic Market Development Payment											
Item 3970-611-0133											
PRC Sec. 14581 (A)(8)	9,908,850.00		(5,000,000.00)			5,000,000.00	9,908,850.00	9,908,850.00			
Quality Incentive Payment											
Appr - Local Assistance											
1999, Chapter 815/99											
Item 3970-608-0133											
PRC SEC 14581 (A)(4)(A)	9,171,909.64		(9,622,340.00)			9,376,279.00	8,925,848.64	8,925,848.64			
City and County Payments											
Appr - Local Assistance											
1995, Chapter 624/95											
Item 3970-604-0133											
Curbside Programs PRC SEC 14581 (A)(2)	14,999,999.99		(15,000,000.00)			15,000,000.00	14,999,999.99	14,999,999.99			

REPORT NO. 15
AGENCY: DEPT.OF RESOURCES RECYCLING AND RECOVERY (3970)
FUND: CALIFORNIA BEVERAGE CONTAINER RECYCLING FUND (0133)

RECONCILIATION OF AGENCY ACCOUNTS WITH TRANSACTIONS PER STATE CONTROLLER
FISCAL YEAR ENDED JUNE 30, 2018

		Reverse Prior Year		Apply Current Year				Transactions For Agency Accounts			
Controller Account Title	Transactions Per Controller (A)	Adjustments to Controller's Accounts (B)	Accruals (C)	Corrections Made by Controller (D)	Adjustments to Controller's Accounts (E)	Accruals (F)	Total of Columns A-F (G)	9000 Appropriation Expenditures (H)	8000 Revenue (I)	9891 Refunds to Reverted (J)	9812 Operating Transfers Out (K)
Appr - Transfer PRC 14580											
1995, Chapter 624/95											
Item 3970-615-0133											
Transfer to Glass Processing Fee Acct	63,180,962.00						63,180,962.00				7 63,180,962.00
Appr - Transfer PRC 14580											
1995, Chapter 624/95											
Item 3970-616-0133											
Transfer to PET Processing Fee Acct	47,447,566.00						47,447,566.00				8 47,447,566.00
Appr - Local Assistance											
1992 Chapter 1266/92											
Item 3970-601-0133											
Handling Fees PRC SEC 14581 (A) (1)	50,116,968.54		(8,172,355.52)			8,602,972.65	50,547,585.67	50,547,585.67	10		
Item 3970-606-0133											
Community Conservation Corp Grant PRC SEC 14581 (A)(3)(A)	7,224,852.87		(2,506,037.13)			2,423,393.26	7,142,209.00	7,142,209.00			
Item 3970-609-0133											
Grants - Other PRC SEC 14581 (A)(5)	1,152,467.49		(2,764,695.79)			3,023,777.81	1,411,549.51	1,411,549.51			
Appr - Local Assistance											
1986 Chapter 1290/86											
Item 3970-603-0133											
PRC SEC. 14580	1,073,763,662.90		(70,672,167.60)			70,417,084.10	1,073,508,579.40	1,073,508,579.40			
Payments to Recycling Industry											
REVENUE, 2017											
125100 - Beverage Container Redemption Fees	(1,137,504,660.31)				25,243.16	(205,482,000.00)	(1,342,961,417.15)		(1,342,961,417.15)	6	
141200 - Sales of Documents	(3,350.00)						(3,350.00)		(3,350.00)		
150300 - Income from Surplus Money Inv	(1,236,597.82)					(753,990.25)	(1,990,588.07)		(1,990,588.07)		
161000- Escheat - Checks- Warrants	(31,638.15)						(31,638.15)		(31,638.15)		
161400 - Miscellaneous Revenue	(2,899,819.21)				(15,500.00)	(313,300.00)	(3,228,619.21)		(3,228,619.21)		
163000 - Settlements/Judgments	(6,424.61)						(6,424.61)		(6,424.61)		
164300 - Penalty Assessments	(60,539.43)				(18.97)		(60,558.40)		(60,558.40)		
REVENUE, 2016											
125100 - Beverage Container Redemption Fees	(194,087,957.22)	(38,571.95)	196,643,680.98				2,517,151.81		2,517,151.81	4	
141200 - Sales of Documents	(1.00)						(1.00)		(1.00)		
150300 - Income from Surplus Money Inv	(172,069.54)		172,069.54				0.00				
161000 - Escheat - Checks, Warrants											
161400 - Miscellaneous Revenue	(1,858,600.00)		722,100.00				(1,136,500.00)		(1,136,500.00)		
163000 - Settlements/Judgments	(52,413.83)		46,273.98				(6,139.85)		(6,139.85)		
164300 - Penalty Assessments	(18.66)		467.43				448.77		448.77		
164700 - Court Filing Fees & Surcharges											
Refunds to Reverted Appropriations	(1,227.50)						(1,227.50)			(1,227.50)	5
MyCalPays Assessments											
GAAP Assessments											
FiSCal Assessments								63,000.00	12		
BU 9900 - Pro Rata								282,078.00	11		
Totals	(811,312.96)	(38,571.95)	77,589,656.79	-	9,724.19	(99,222,395.66)	(22,472,899.59)	1,214,152,513.77	(1,346,907,635.86)	(1,227.50)	110,628,528.00

REPORT 8 - POST-CLOSING TRIAL BALANCE
Resources Recycling & Recovery - 3970
Fund 0133
Fiscal Year 2017 - 18
As of 06/30/2018

Business Unit:	3970 - Resources Recycling & Recovery	**Report ID:**	RPTGL069
Fund:	0133 - California Beverage Container	**Run Date:**	10/15/2018
Subfund:		**Run Time:**	11:23:58
		Adjustment Period:	998

ACCOUNT	ACCOUNT TITLE	DEBITS	CREDITS
1110	General Cash - CTS Accounts	2,688,855.24	
1130	Revolving Fund Cash	400,454.81	
1210	SMIF Deposits	198,317,000.00	
1311	AR - Abatements	1,397,079.48	
1313	AR - Revenue	219,989,984.82	
1315	AR - Dishonored Checks	58,329.85	
1319	AR - Other	148,919.77	
1380	Contingent Receivables	36,932,877.68	
1410	Due From Other Funds	17,101,782.65	
1420	Due From Approps - Same Fund	15,383,062.91	
1590	Due From Other Govt Entities	17,729.00	
1600	Provision For Deferred AR		51,439,508.42*
1710	Expense Advances	37,336.69	
1730	Prepay to Other Funds/Approps	90,696.28	
1749	Prepay to Other Govt Entities	16,009,416.60	
3010	Accounts Payable		90,485,927.93
3114	Due to Other Funds - Current		8,679,270.77
3115	Due to Other Approps-Same Fund		15,383,062.91
3210	Due to Federal Government		1,170.00
3220	Due to Local Governments		25,341,509.19
3230	Local Sales Taxes Payable		51.09
3290	Due to Other Govt Entities		1,026,573.97
3730	Uncleared Collections		2,667,639.24
5330	Reserve - Prepaid Items		16,009,416.60
5530	Fund Balance - Unappropriated		297,530,670.22
65	Unapp InterUnit Transfers		8,725.44* (1)
Fund	0133	508,573,525.78	508,573,525.78

13 -

(1) GL 65 (Unapp InterUnit Transfers) is equivalent to GL 1140 (Cash in State Treasury) in the legacy system.
The credit balance is a result of Report 3 - Adjustment to SCO affecting cash to the fund.

REPORT 4 - YEAR END STATEMENT OF REVENUE
Resources Recycling & Recovery - 3970
Fund 0133
Fiscal Year 2017-18
As of 06/30/2018

Business Unit :	3970 - Resources Recycling & Recovery	**Report ID :**	RPTGL065
Fund :	0133 - California Beverage Container	**Run Date :**	10/08/2018
Subfund:		**Run Time :**	13:40:47
Enactment Year :	2016	**Adjustment Period :**	998

Account	Description	Actual Revenues	Total
125100	Bevg Container Redemption Fees	-2,517,151.81	
141200	Document Sales	1.00	
161400	Miscellaneous Revenue	1,136,500.00	
163000	Settlements - Other	6,139.85	
164300	Penalty Assessments - Other	-448.77	
***Total Fund**	0133		-1,374,959.73 4

RECONCILIATION OF STATE CONTROLLERS REVENUE WITH STATEMENT OF REVENUE, JUN, 30, 2018

TOTAL REVENUE PER STATE CONTROLLERS OFFICE ACCOUNTS		196,172,287.75
RECONCILING FACTORS:		
ACCRUALS PER REPORT OF ACCRUALS	197,585,819.43	
ADJUSTMENT TO CONTROLLERS ACCOUNTS	(38,571.95)	197,547,247.48
TOTAL REVENUE PER STATEMENT OF REVENUE		-1,374,959.73

DF303 Appropriation Calculations Detail

	FY 2015-16 (PY Adj)	FY 2016-17 (PY Adj)	FY 2017-18
Revenues (Report 4 and Report 15)			
125100 Beverage Container Redemption Fees		-$2,517,151.81	$1,342,961,417.15
141200 Sales of Documents		$1.00	$3,350.00
150300 Income from surplus money investments			$1,990,588.07
161000 Escheat of unclaimed checks & warrants			$31,638.15
161400 Miscellaneous Revenue (option B)		$1,136,500.00	$3,228,619.21
163000 Settlements/Judgements		$6,139.85	$6,424.61
164300 Penalty Assessment		-$448.77	$60,558.40
164700 Court Filing Fees			
Total Revenues Reported for reference #4 and #6	**$0.00**	4 **-$1,374,959.73**	6 **$1,348,282,595.59**
EXPENDITURES (Report 6 and Report 15)			
State Operations Expenditures:			
(3970-001-0133) Departmental Support	$1,851,765.79	$515,134.59	$44,748,803.10
Total Expenditures Reported for reference #2, #3 and #9	2 **$1,851,765.79**	3 **$515,134.59**	9 **$44,748,803.10**
Local Assistance Expenditures:			
(3970-601-0133) Handling Fees, PRC 14581 (a)(1)			$50,547,585.67
(3970-603-0133) CRV Out, PRC 14580			$1,073,508,579.40
(3970-604-0133) Curbside, PRC 14581 (a)(2)			$14,999,999.99
(3970-605-0133) Plastic Mkt Development, PRC 14581 (a)(8)(A)			$4,980,910.84
(3970-606-0133) Grants - Local CCCs, PRC 14581.1			$7,142,209.00
(3970-608-0133) Pmts to Cities and Counties, PRC 14581 (a)(3)(A)			$8,925,848.64
(3970-609-0133) Grants - other, PRC 14581 (a)(4)			$1,411,549.51
(3970-610-0133) Public Education, PRC 14581 (a)(6)			
(3970-611-0133) Quality Incentive Payment PRC 14581 (a)(7)			$9,908,850.00
Total Local Assist Expenditures Reported for reference #10		**$0.00**	10 **$1,171,425,533.05**

REPORT 9 ANALYSIS OF CHANGE IN FUND BALANCE
Resources Recycling & Recovery - 3970
Fund 0133
Fiscal Year 2017 - 18
As of 06/30/2018

Business Unit:	3970 - Resources Recycling & Recovery	Report ID:	RPTGL113
Fund:	0133 - California Beverage Container	Run Date:	10/16/2018
Subfund:		Run Time:	07:47:21
		Adjustment Period:	998

Account Number	Account Title		Total	
5530	Fund Balance - Unappropriated, July 1, 2017		275,402,848.63	1
	Additions:			
8000	Revenue	1,346,907,635.86		
9812	Transfers to Other Funds	(110,628,528.00)		
	Total Additions		1,236,279,107.86	
	Deductions:			
9000	Appropriated Expenses	1,214,152,513.77		
9891	Refunds to Reverted Appropriat	(1,227.50)		
	Total Deductions		1,214,151,286.27	
	Adjustments to Fund Balance:			
	Fund Balance - Unappropriated			
	Total Adjustments			
5530	Fund Balance - Unappropriated, June 30, 2018		297,530,670.22	13

Zoua Vang — Name of Contact Person (Type or Print)

(916) 341-6340 — Telephone Number

3970 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

FUND CONDITION STATEMENT

		2017-18*
0133 Beverage Container Recycling Fund		
BEGINNING BALANCE	$	275,403
Prior year adjustments 1/		993
Adjusted Beginning Balance	$	276,396
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS		
Revenues:		
4120000 Beverage Container Redemption Fees (1251) 2/		1,342,961
4140000 Document Sales (1412)		3
4163000 Investment Income - Surplus Money Investments (1503, 2503)		1,991
4171400 Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons (1610, 2619)		32
4172500 Miscellaneous Revenue (1614, 299, 239)		3,229
4173000 Penalty Assessments - Other (1643)		61
4173500 Settlements and Judgments - Other (1630)		6
Transfers and Other Adjustments:		
FO0001 From General Fund, loan repayment per item xxx-xx-xxxx		(63,181)
FO0001 From General Fund, loan repayment per item xxx-xx-xxxx		(47,448)
Total Revenues, Transfers, and Other Adjustments	$	1,237,654
Total Resources	$	1,514,050
EXPENDITURES AND EXPENDITURE ADJUSTMENTS		
Expenditures:		
3970 Department of Resources Recycling and Recovery		
State Operations		44,749
Local Assistance		1,171,426
Capital Outlay		
8880 Financial Information System for CA (State Operations)		63
9900 Pro Rata		282
Total Expenditures and Expenditure Adjustments	$	1,216,520
FUND BALANCE	$	297,530

1/ Prior year adjustments is the "Total Prior Year Adjustment for the FCS" amount from the DFB. Rounding adjustments may be necessary to reconcile the ending fund balance on FCS to the DFB. Rounding adjustments can be included in the PY adjustment amount on the FCS.
2/ List FI$Cal Chart of Accounts codes from DF-303.
* Dollars in thousands, except in Salary Range.

BEVERAGE CONTAINER RECYCLING PROGRAM

Certification & Registration Branch

4th Quarter
Oct 2018

ZONE STATUS 2017 AND 2018 FOR LARGE CITIES AND STATEWIDE

	Dec 31, 2017					Dec 31, 2018				
	LA	**SD**	**SJ**	**SF**	**CA**	**LA**	**SD**	**SJ**	**SF**	**CA**
Served %	40	35	22	9	37	37	27	13	9	36
Exempt %	38	32	32	20	33	41	28	34	8	32
Hold %	7	12	8	10	6	6	10	13	0	5
Unserved %	15	21	38	61	24	16	35	40	83	27
Total %	100	100	100	100	100	100	100	100	100	100

DEALERS IN UNSERVED CONVENIENCE ZONES

	Dec 31, 2017	Dec 31, 2018
Option A	3,239	3,702
Option B	89	171
Non-responsive	265	289
TOTAL	3,593	4,162

HANDLING FEE TOTAL CLAIMS PAID

	Dec 2017	Dec 2018
Total # of Claims Paid	8,842	8,992
Total Amount Paid	$46,522,433	$48,168,798
Average per claim	$5,262	$5,357

BEVERAGE MANUFACTURER AND DISTRIBUTOR REGISTRATIONS AND CONTAINER PRODUCT REVIEWS

	Oct – Dec 2017	Oct – Dec 2018
Applications Reviewed	198	260
Registered	122	172
Dry Lead *	76	88
Beverage Manufacturer ID Issued	107	153
Beverage Distributor ID Issued	106	153
Product Determination/Label Reviews Conducted	334	190

** **Dry Lead:** A company who is either unresponsive or determined to not be a beverage manufacturer or distributor.*

BEVERAGE MANUFACTURER AND DISTRIBUTOR ACCOUNTS MANAGED

	Dec 2017	Dec 2018
Beverage Distributors	2,108	2,256
Beverage Manufacturers	2,000	2,165
Total Number of Accounts	4,108	4,421

DISBURSEMENT PROGRAMS

- **198** new or renewal RC, PR, CS, CP, and SP applications were processed in the fourth quarter of 2018.
- **122** trainees took precertification classes in the fourth quarter of 2018.

Operational Programs	3-Jan-17	3-Jan-18	2-Jan-19
Processors (PR)	189	181	176
Recycling Centers (RC)	1,713	1,630	1,553
Drop-off or Collection Programs (CP)	201	196	186
Community Service Programs (SP)	202	198	198
Curbside Programs (CS)	607	599	610

QUESTIONS & COMMENTS

BEVERAGE CONTAINER RECYCLING PROGRAM

Enforcement Branch

4th Quarter
January 2019

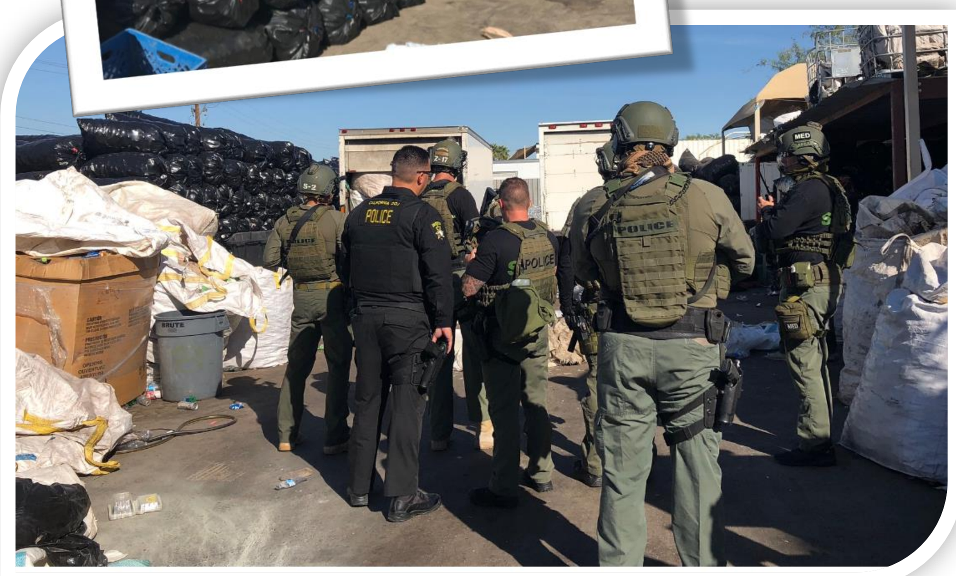
INVESTIGATIONS SECTION

- Recommendations to Terminate Certifications and Deny Certification Applications increased from zero to 18 when compared to the 3rd quarter of 2017.

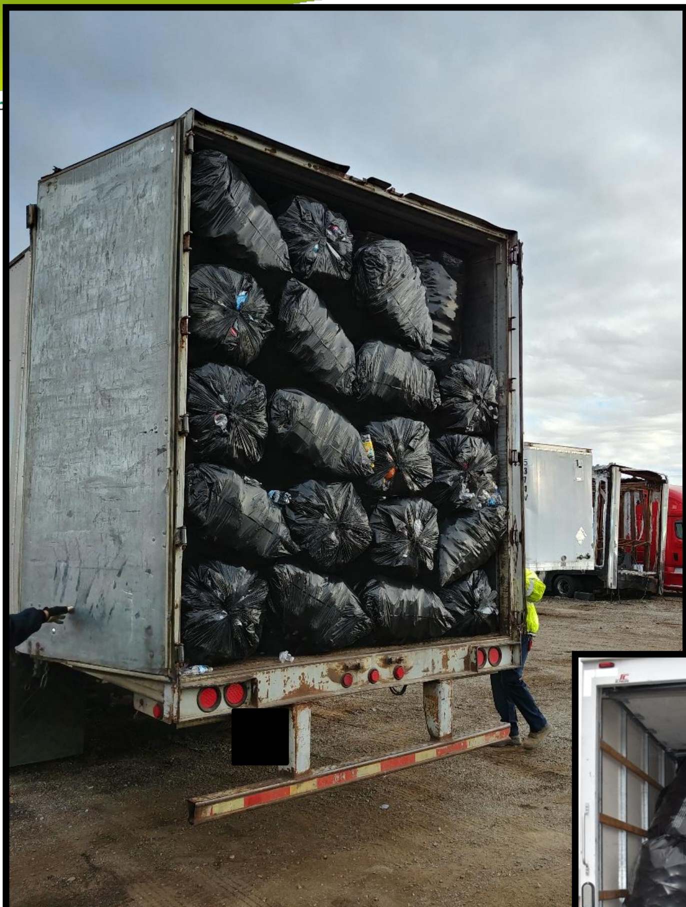
IMPORTED MATERIALS

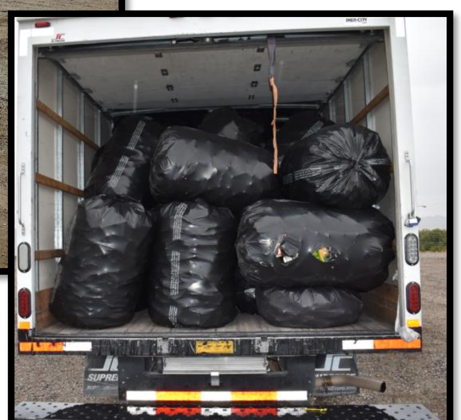
- Imported Material Reports (IMR) decreased from 1,330 to 934, a 30% decrease compared to the 3rd quarter of 2018.

DOJ ARRESTS



- In November 2018, CA DOJ partnered with Arizona law enforcement and arrested 3 individuals responsible for importing empty beverage containers into CA from Arizona for CRV.
- A total of 27,860 lbs. of Aluminum and PET empty beverage containers seized with a CRV value of $41,837.
- Charges include felony recycling fraud, attempted grand theft, and conspiracy.
- https://www.calrecycle.ca.gov/newsroom/2018/12dec/22





DOJ ARRESTS

- In December 2018, CA DOJ along with CA Department of Food and Agriculture conducted temporary mobile checkpoints in 2 locations near Blythe and Needles, CA.
- 2 individuals responsible for importing empty beverage containers into CA from Arizona and Las Vegas, NV for CRV.
- A total of 8,254 lbs. of Aluminum and PET empty beverage containers seized with a CRV value of $12,178.88.
- Charges include bringing out-of-state containers, line-breakage, rejected containers to the marketplace for redemption, attempted grand theft, and conspiracy.

QUESTIONS & COMMENTS