



November 16, 2021

Robert Peoples, Ph.D.  
Carpet America Recovery Effort  
100 South Hamilton Street  
Dalton, Georgia 30722

**Re: CARE Independent Audit in 2020 Annual Report**

Dear Dr. Peoples,

CalRecycle acknowledges receipt of *CARE's California Carpet Stewardship Program 2020 Annual Report* (2020 Annual Report), which includes an independent financial audit. Pursuant to California Code of Regulations (CCR), Title 14, Division 7, Chapter 11, Article 1, Section 18944, CalRecycle reviewed the audit contained in the 2020 Annual Report and below are the results of the review.

Appendix 10.14 of CARE's 2020 Annual Report presents the California Carpet Stewardship Program's Financial Statements with Independent Auditor's Report, as of December 31, 2020, and 2019. CARE's Financial Statements are found to be presented fairly in all material respects. The financial position of the California Carpet Stewardship Program as of December 31, 2020, and 2019, and the changes in its net assets and its cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America. The independent auditors did not identify any material weaknesses or significant deficiencies. As such, there are no findings for this section.

**State Compliance Report**

CARE's independent audit report in its 2020 Annual Report includes a separate State Compliance Report on the carpet program requirements, as required by 14 CCR section 18944(a)(9). Based on tests performed by the auditors, the State Compliance Report identified compliance findings noting CARE did not reach a 24 percent recycling rate required by January 1, 2020, and also did not reach its reuse goal of 1.5 million pounds of postconsumer carpet by December 31, 2020. Except for the noncompliance noted above, CARE's State Compliance Report, found CARE complied, in all material respects, with the statutory requirements that were evaluated by the auditor.

**Conclusion**

There are no financial statement findings issued for 2020 resulting from CARE's independent audit. However, the State Compliance Report identified two compliance findings noting CARE did not meet at least two goals as of December 31, 2020.

If you have any questions, you may direct them to the carpet stewardship team at [carpet@calrecycle.ca.gov](mailto:carpet@calrecycle.ca.gov).

Sincerely,

Signed by Rachel Machi Wagoner, Director, on November 15, 2021

Rachel Machi Wagoner  
Director, CalRecycle

Cc: Kevin Campbell, Branch Chief, CalRecycle  
Steven Inderkum, Manager, CalRecycle  
Linh Johnson, Supervisor, CalRecycle  
Clark Williams, Branch Chief, CalRecycle  
Cynthia Dunn, Manager, CalRecycle  
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