



October 31, 2023

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

Re: Independent Audit in CARE's 2022 Annual Report

Dear Dr. Peoples,

CalRecycle acknowledges receipt of Carpet America Recovery Effort's (CARE) *California Carpet Stewardship Program 2022 Annual Report (2022 Annual Report)*, which includes an independent financial audit pursuant to Title 14, California Code of Regulations (CCR) section 18944(a)(9). CalRecycle reviewed the audit information contained in the *2022 Annual Report* and below is a summary of the results of the review pursuant to 14 CCR section 18944(a)(9)(D).

Appendix 11.11 of CARE's *2022 Annual Report* presents the "Independent Auditors' Report" and "California Carpet Stewardship Program Financial Statements," as of December 31, 2022, compared to financial statements as of December 31, 2021. The independent auditors found that CARE's financial statements are presented fairly in all material respects. According to the independent auditors, the financial position of the California Carpet Stewardship Program as of December 31, 2022, and 2021, and the changes in its net assets and its cash flows for the years ended were reported in accordance with accounting principles generally accepted in the United States of America.

State Compliance Report Findings

The independent audit report in its *2022 Annual Report* includes a separate "State Compliance Report" on CARE's internal control over financial reporting and on compliance with the requirements in statute and regulations, as required by 14 CCR section 18944(a)(9). Based on tests performed by the independent auditors, they did not identify any material weaknesses or significant deficiencies in internal controls over the financial reporting process. However, they did identify a compliance finding, noting CARE did not reach its recycled output goal of 84 million pounds by December 31, 2022.

If you have any questions, you may direct them to carpet@calrecycle.ca.gov.

Sincerely,

Signed by Rachel Machi Wagoner

Director

Cc: Speaker pro Tempore Cecilia M. Aguiar-Curry