



May 7, 2024

Jim Erickson  
President and CEO  
UltiMed, Inc. 350 Highway 7, Suite 100  
Excelsior, MN 55331

*Sent via e-mail*

**Subject: Notice of Disapproval of UltiMed, Inc.'s 2024 Annual Program Budget**

Dear Jim Erickson:

UltiMed, Inc. (UltiMed) submitted its 2024 annual program budget, with its 2022 annual report, in a document titled, *Pharmaceutical and Sharps Waste Stewardship Annual Report (2024 Annual Program Budget)* on August 18, 2023. As stated in CalRecycle's September 15, 2023, letter, the *2024 Annual Program Budget* was found to be incomplete. A complete 2024 annual program budget has not been provided and CalRecycle has conducted a compliance review of UltiMed's incomplete *2024 Annual Program Budget*.

Staff reviewed UltiMed's *2024 Annual Program Budget* to determine whether the requirements of Public Resources Code (PRC) section 42033.2(c) and Title 14 California Code of Regulations (14 CCR) section 18973.6 were met. It was found that UltiMed did not submit an independent financial audit for the year ending December 31, 2022. On page 28 of the *2024 Annual Program Budget*, UltiMed states, "As detailed in the Stewardship Plan, UltiMed is operating the Program on its own through the general operation of the overall business. Due to this construct, the Stewardship Program does not have stand-alone financial statements for independent audit."

Irrespective of UltiMed's business operations, a 2022 independent financial audit of its stewardship program should have been submitted and included in the *2024 Annual Program Budget* pursuant to PRC section 42033.2(c)(1) and 14 CCR section 18973.6(f). As a result, the *2024 Annual Program Budget* is not substantially compliant with all material requirements that apply to program budgets.

**Determination**

**Taking into account the foregoing, UltiMed's 2024 Annual Program Budget cannot be found compliant and therefore is disapproved pursuant to 14 CCR Section 18973.1(f).**

With regard to the unmet requirement referenced above (i.e., the missing independent financial audit), CalRecycle will not be taking an enforcement action. CalRecycle

expects that, should UltiMed become a program operator in the future, it will submit an independent financial audit with its annual program budget, pursuant to PRC section 42033.3(c)(1) and 14 CCR section 18973.6(f).

Sincerely,

**Signed by:** Mindy McIntyre, Chief Deputy Director

**Dated:** May 7, 2024