



October 29, 2024

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

*Sent via email*

**Subject: Independent Audit in CARE's 2023 Annual Report**

Dear Dr. Peoples,

CalRecycle acknowledges receipt of Carpet America Recovery Effort's (CARE) *California Carpet Stewardship Program 2023 Annual Report (2023 Annual Report)*, which includes an independent financial audit pursuant to Title 14, California Code of Regulations (14 CCR) section 18944(a)(9). CalRecycle reviewed the audit information contained in the *2023 Annual Report* and below is a summary of the results of the review pursuant to 14 CCR section 18944(a)(9)(D).

Appendix 11.12 of CARE's *2023 Annual Report* presents the "Independent Auditors' Report" and "California Carpet Stewardship Program Financial Statements," as of December 31, 2023, compared to financial statements as of December 31, 2022. The independent auditors found that CARE's financial statements present fairly, in all material respects, the financial position of the California Carpet Stewardship Program as of December 31, 2023, and 2022. According to the independent auditors, the changes in the net assets and cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America.

**State Compliance Report Findings**

The independent audit report in the *2023 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 the 75% recycling efficiency rate goal as of December 31, 2023.

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

Sincerely,

Signed by Zoe Heller, Director

Cc: Robyn Gillum, Supervisor, Extended Producer Responsibility Unit