
VPS Program Quarter 3 2015 Review

Q3 2015 VPS Summary &
Recommendations for Approval

December 4, 2015



Agenda

- Program Update
- Quarterly Overview of Results
- Q4 2015 Forecast
- Financials
- Approval Request



VPS Detailed Agenda Q3 '15

- Welcome
 - Antitrust Guidelines
 - Roll call
 - Agenda Approval

- Program Update (Anthony)

- Data Review, Forecast & Recommendations for VPS Q3 2015 (Anthony)

- Q4 2015 Forecast (Anthony)

- Fund Approval Request (Anthony)



VPS Program Update

- 68 CSEs participate in the VPS Program
 - 57 CSEs requested funds for Q3
- End-market issues in the marketplace persist
- AUPs are currently being conducted on 3 CSEs
 - 3 companies have been selected for Q4 AUPs
- All CSEs that requested funds are CARE members in good standing



Potential Options

1. **Withhold all funds until overpayment of \$49,760.68 is resolved.**
2. **Develop a payment schedule with CSE where a portion of the overpayment is withheld every quarter for the next 4 quarters. This would begin immediately.**
 - a) **Equates to ~\$12,500 per quarter**
3. **Withhold all of Q3 payout, then withhold a portion of the remaining balance for the next 4 quarters.**
4. **Withhold half of Q3 payout. Develop a schedule to pay the balance over the next 4 quarters.**
5. **Other**



Proposed VPS AUP Policy

- The VPS Program Manager, in dialog with the Executive Director, will select CSEs that will undergo Agreed Upon Procedures by an independent accounting firm. Once the accounting firm contacts the CSE to start the process, the CSE will then have 30 days to submit all of the requested documents. Failure to do so will result in a forfeiture of the next quarter's payout. Refusal to provide all requested documentation in a timely fashion will result in a forfeiture of the following quarter's payout and potential exclusion from the VPS Program.



VPS Summary Results

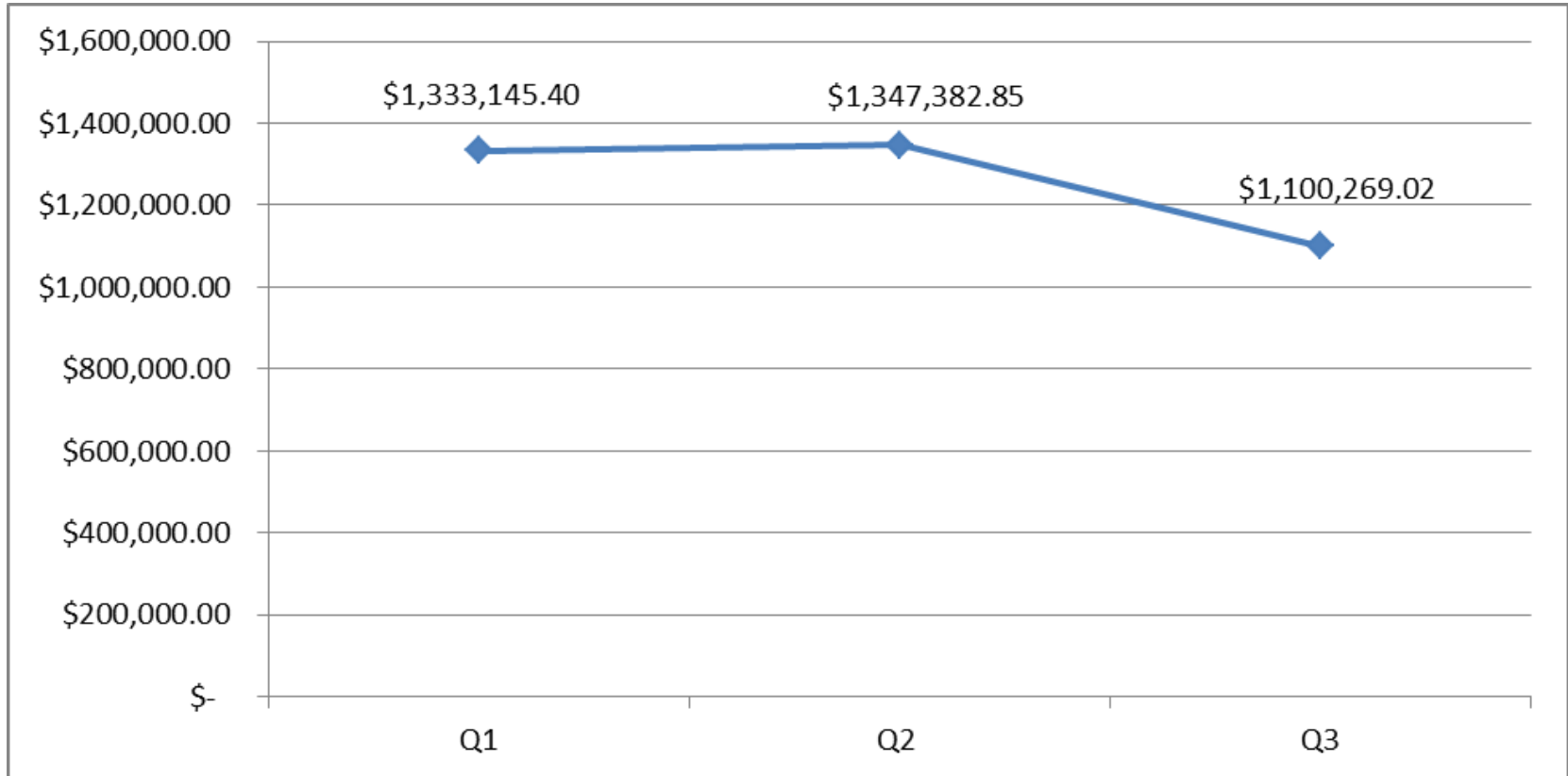


Q3 2015 Summary Results

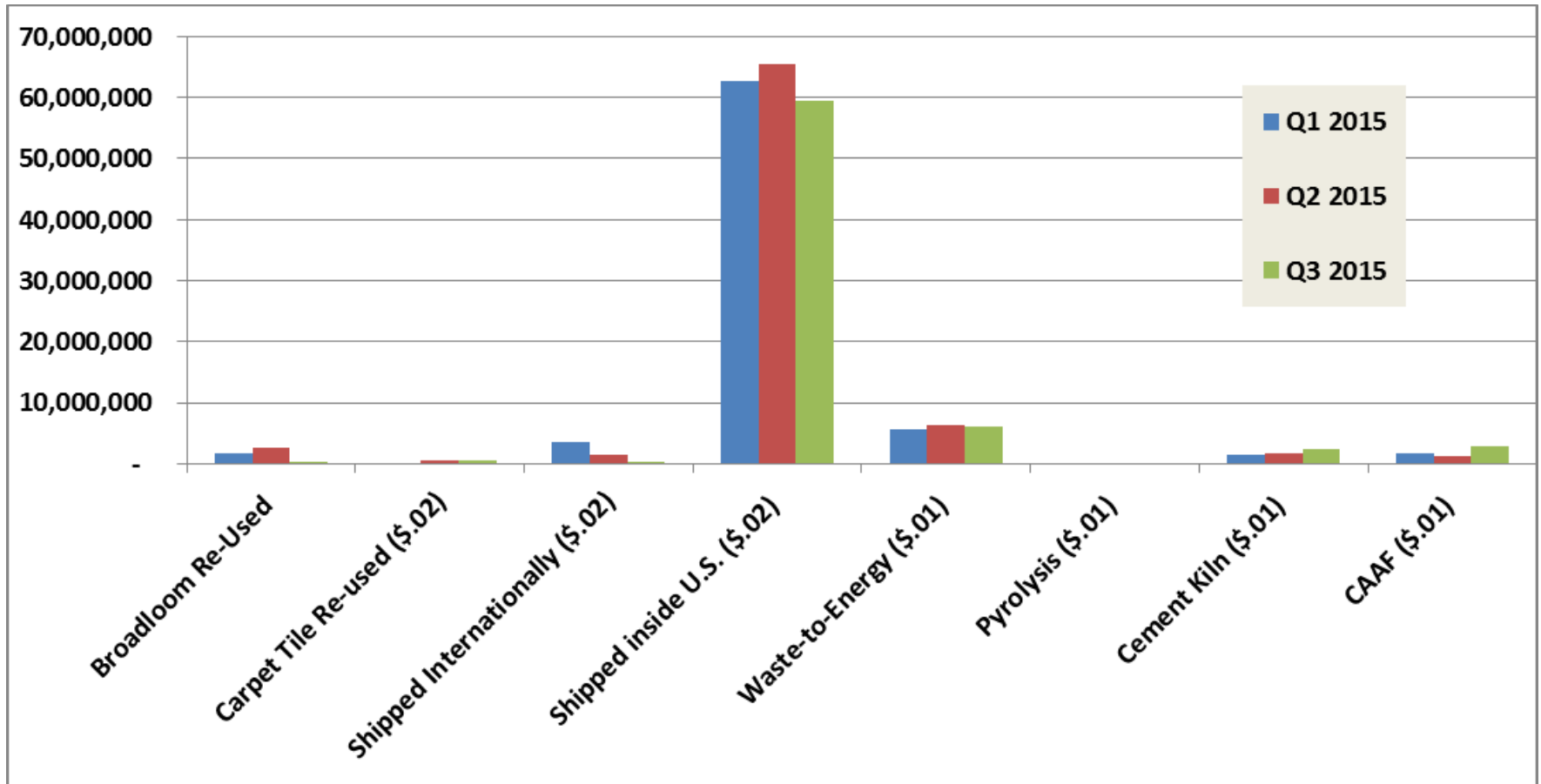
- 57 CSEs Requested Funds for Q3 2015
 - 68 CSEs participate in program (87% response rate)
- Output Eligible for Funding: 71,496,616 lbs.
 - Total Output: 95,532,362
 - Landfilled: 17,457,505
 - Ending Inventory: 6,578,241
- **Total \$ Requested - \$1,126,698.72**
 - One CSE reached cap limit of \$400,000 in Q3



Funds Requested Trend Analysis



VPS Q3 Output Destinations (lbs)

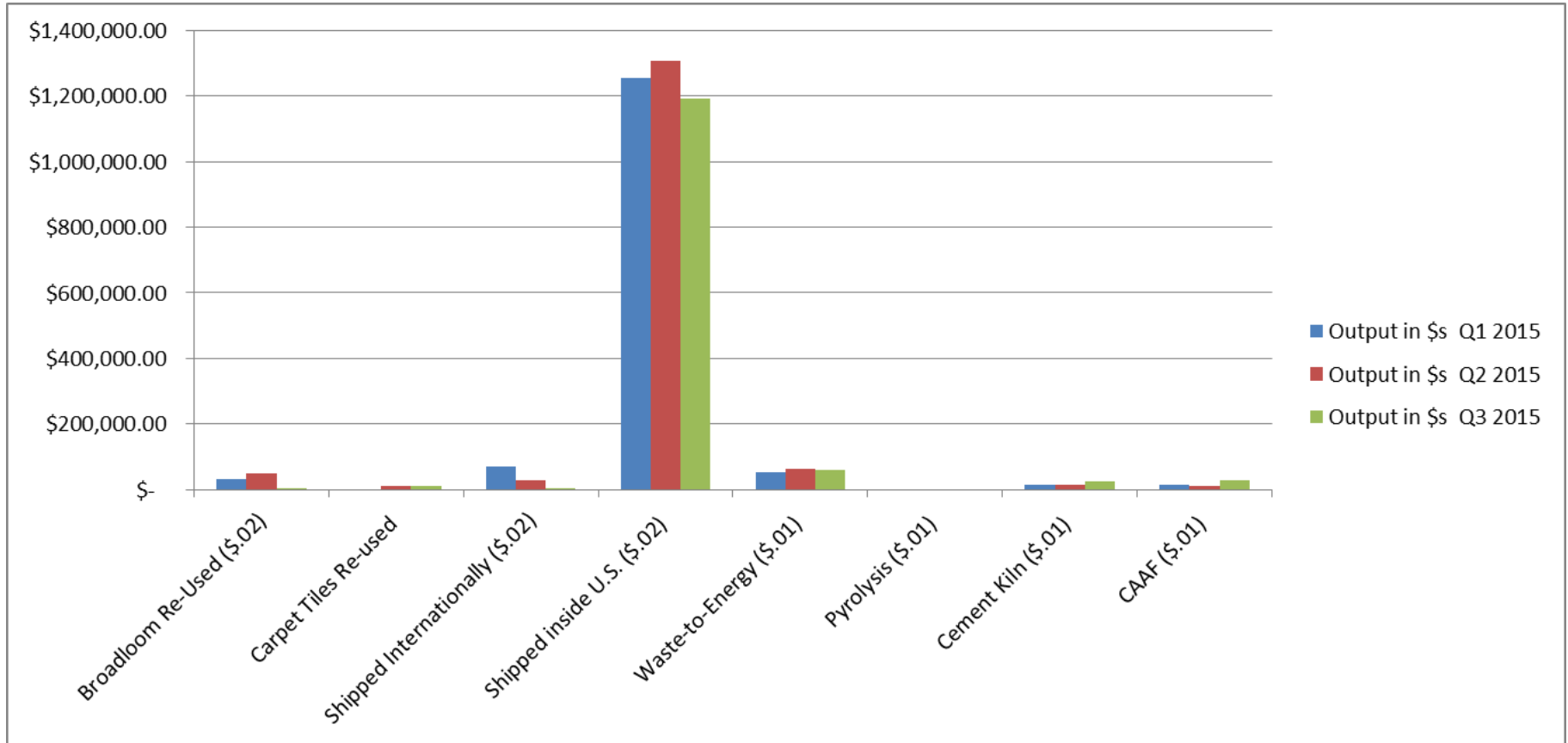


VPS Q3 Output Destinations (lbs)

Pounds of Output				
	Q1 2015	Q2 2015	Q3 2015	% +/- (Q2v.Q3)
Broadloom Re-Used	1,662,222	2,514,473	80,000	-97%
Carpet Tile Re-used (\$.02)		639,206	550,980	-14%
Shipped Internationally (\$.02)	3,576,893	1,403,553	79,004	-94%
Shipped inside U.S. (\$.02)	62,764,138	65,385,512	59,557,428	-9%
Waste-to-Energy (\$.01)	5,501,436	6,243,524	6,015,714	-4%
Pyrolysis (\$.01)	-	-	-	
Cement Kiln (\$.01)	1,444,065	1,583,132	2,481,035	57%
CAAF (\$.01)	1,648,083	1,262,845	2,732,455	116%
Total	76,596,837	79,032,245	71,496,616	-10%



VPS Q3 Output (\$s)



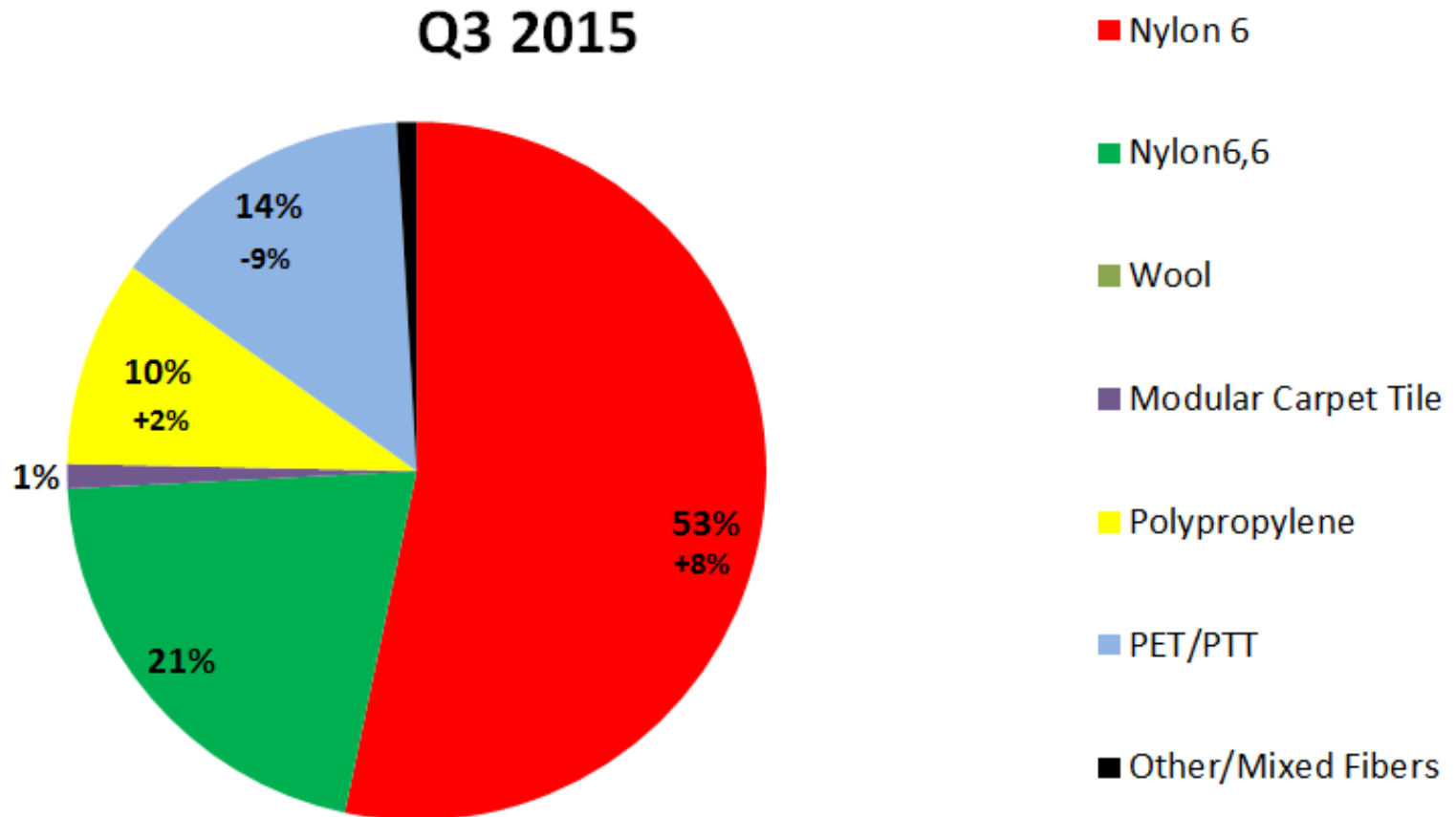
VPS Q3 Output (\$s)

Output in \$s			
	Q1 2015	Q2 2015	Q3 2015
Broadloom Re-Used (\$.02)	\$ 33,244.44	\$ 50,289.46	\$ 1,600.00
Carpet Tiles Re-used	\$ -	\$ 12,784.12	\$ 11,019.60
Shipped Internationally (\$.02)	\$ 71,537.86	\$ 28,071.06	\$ 1,580.08
Shipped inside U.S. (\$.02)	\$ 1,255,282.76	\$ 1,307,710.24	\$ 1,191,148.56
Waste-to-Energy (\$.01)	\$ 55,014.36	\$ 62,435.24	\$ 60,157.14
Pyrolysis (\$.01)	\$ -	\$ -	\$ -
Cement Kiln (\$.01)	\$ 14,440.65	\$ 15,831.32	\$ 24,810.35
CAAF (\$.01)	\$ 16,480.83	\$ 12,628.45	\$ 27,324.55
Grand Total Payout for Total	\$ 1,333,145.40	\$ 1,347,382.85	\$ 1,126,698.72



Face Fiber Breakdown of Sorted Output

Q3 2015



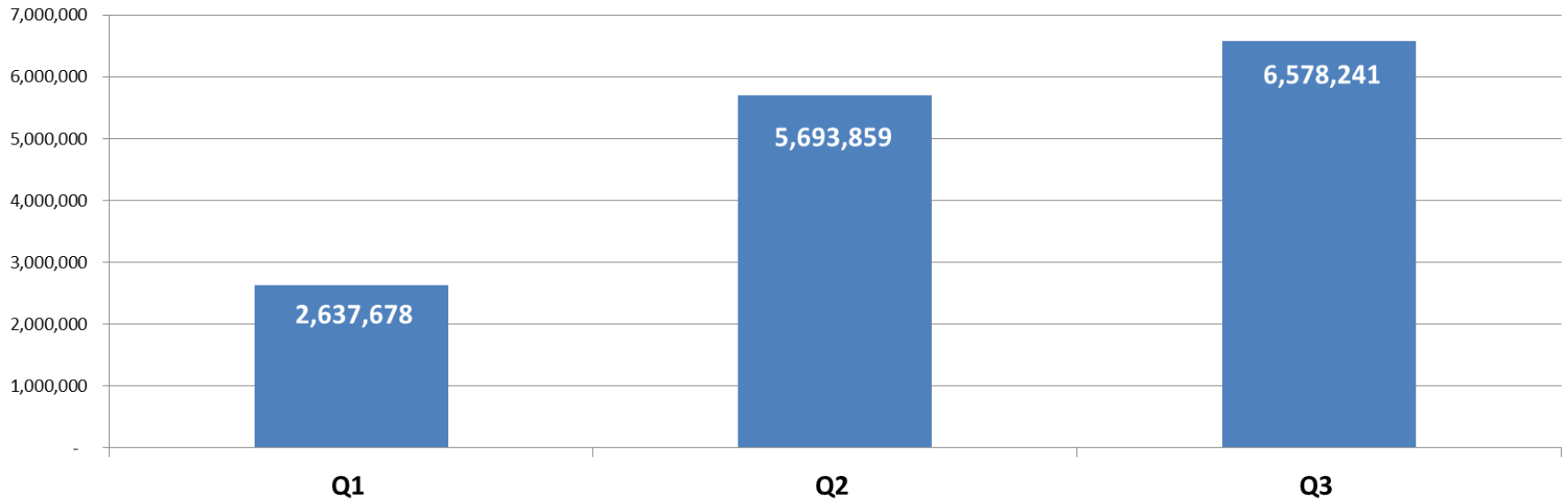
Face Fiber Breakdown (Q1 vs Q2 vs Q3)

Face Fiber Breakdown -Shipped and Sold			
	Q1 2015	Q2 2015	Q3 2015
Nylon 6	46%	45%	53%
Nylon6,6	23%	21%	21%
Wool	0%	0%	0%
Modular Carpet Tile	1%	1%	1%
Polypropylene	10%	8%	10%
PET	18%	23%	14%
PTT	1%	0%	0%
Other/Mixed Fibers	1%	1%	1%



Inventory Levels

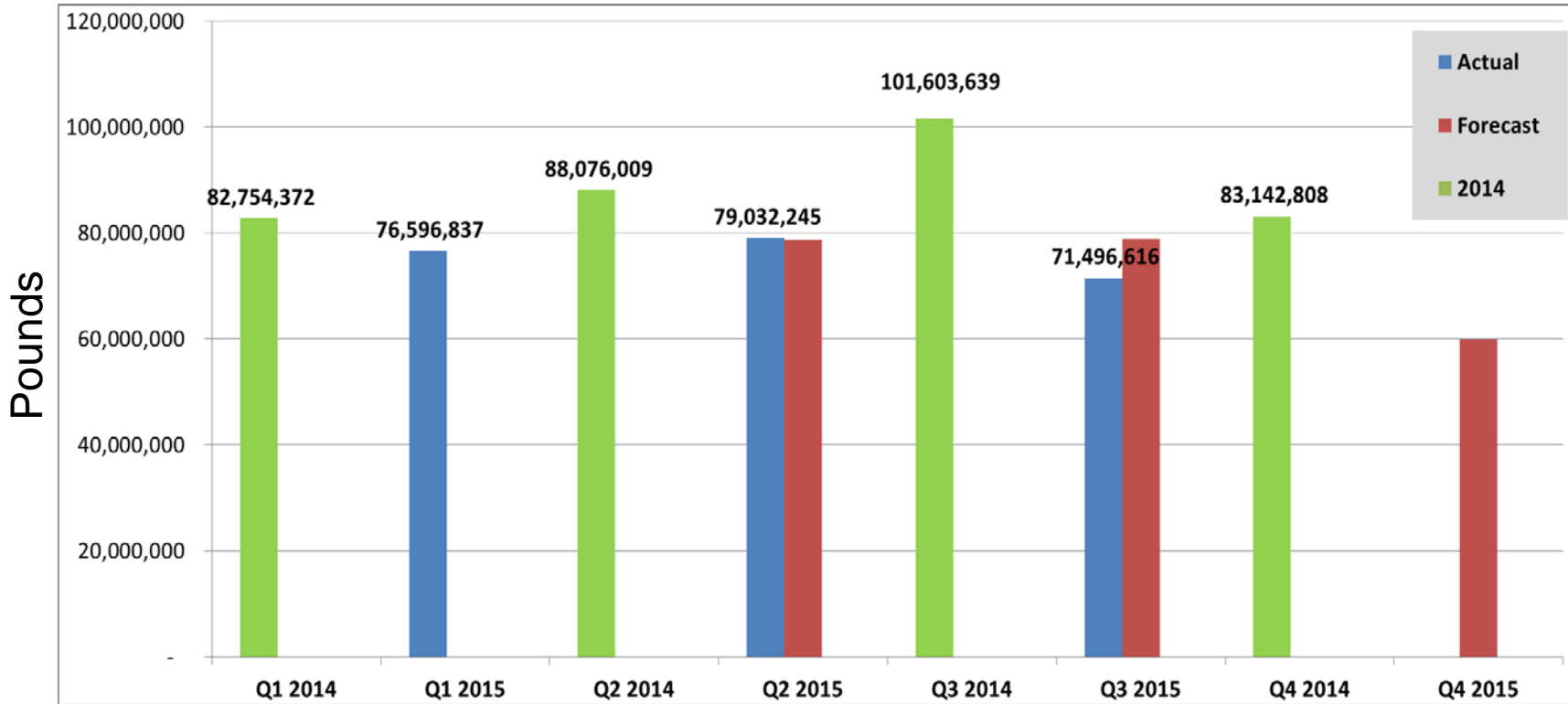
Ending Inventory



VPS Q3 2015 Forecast



Results and Forecasts



VPS Financials



Accounting Details for Quarter

Q3 Financial Analysis	
Starting Balance	\$ 10,000.00
Admin Expenses	\$ (63,658.00)
CSE Payout	\$ (1,100,269.02)
Reserve	\$ (10,000.00)
Transfer Amount	\$ (1,163,927.02)

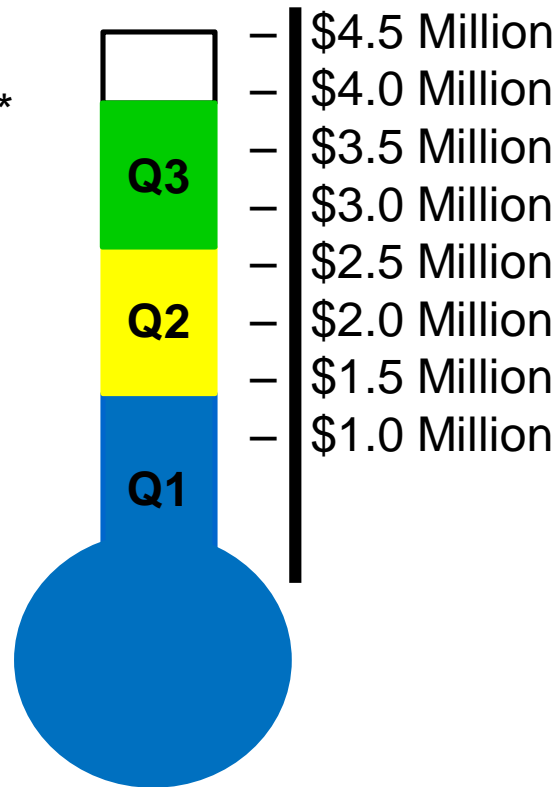


VPS Payout vs. Budget

Q3 Actual Payout – \$1,190,356.72*

Q2 Actual Payout - \$1,389,968.48

Q1 Actual Payout - \$1,376,219.40



\$543,455.40 left for Q4



Recommendations for VPS Approval

- 1) Approve transfer of \$1.16 M
- 2) Approve CSE Distribution of \$1,100,269.02
- 3) Approve Administrative reimbursements of \$63,658.00

*Total Payout Q3: \$1.19 M**

*Includes correction from VPS CSE form error



End of Review

