
VPS Program Quarter 3 2016 Review

Q3 2016 VPS Summary & Recommendations for Approval

December 9, 2016



Agenda

- Program Update
- Quarterly Overview of Results
- Q4 2016 Forecast
- Financials
- CSE Overpayment
- Approval Request



VPS Program Update

- 61 CSEs participate in the VPS Program
 - 54 CSEs requested funds for Q3
 - 52 requested funds in Q2

- End-market issues in the marketplace persist
 - Limited outlets for all fiber types
 - N66 is only fiber type in demand
 - Material deselected in favor of CA Material
 - Processors have decreased demand

- AUPs are currently being conducted on 3 CSEs

- All CSEs that requested funds are CARE members in good standing



VPS Summary Results



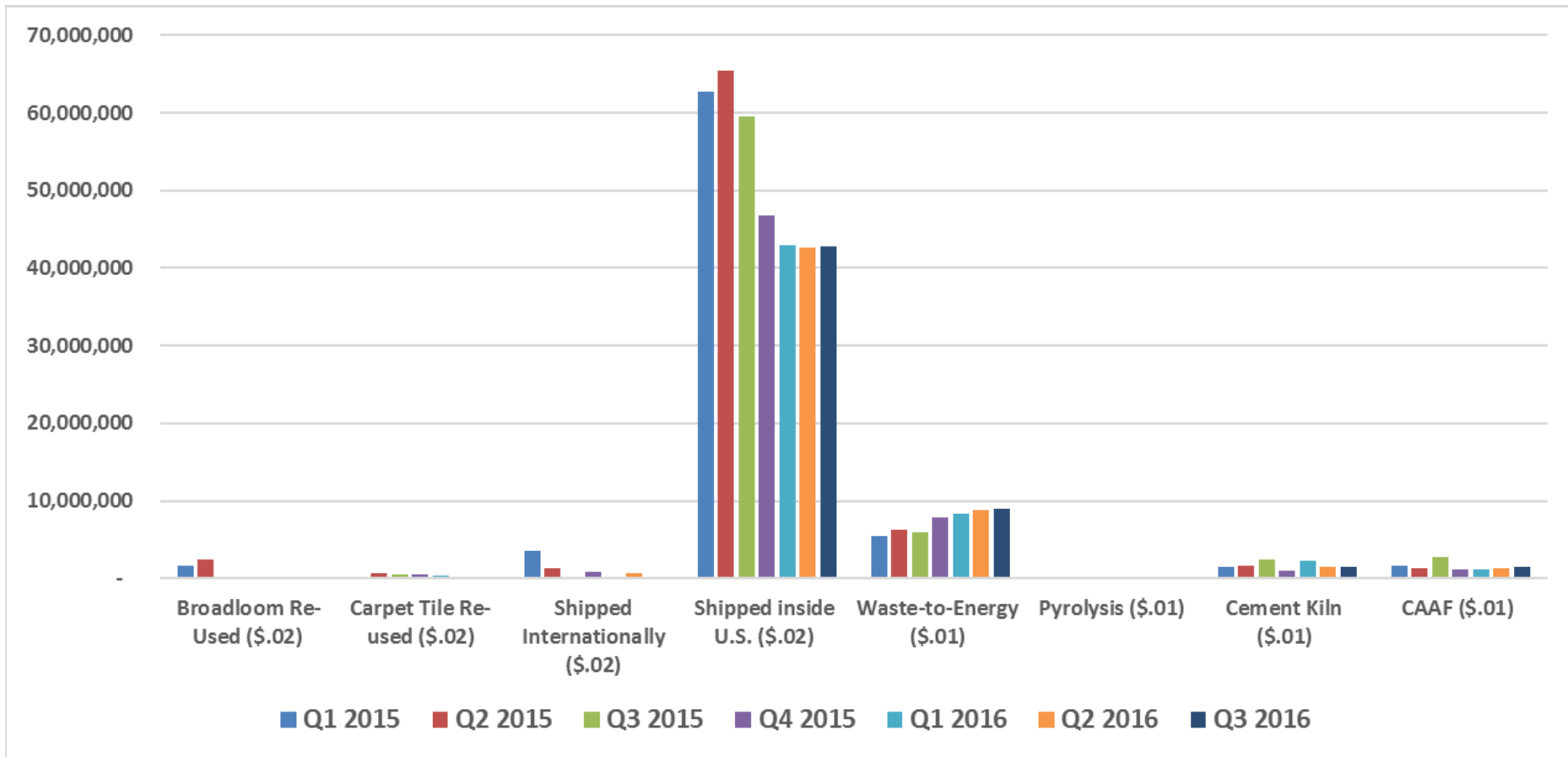
Q3 2016 Summary Results

- 54 CSEs Requested Funds for Q3 2016
 - 61 CSEs participate in program (88% response rate)
- Output Eligible for Funding: 55,152,513 lbs.
 - Total Output: 74,975,272 lbs.
 - Landfilled: 14,218,688 lbs.
 - Ending Inventory: 5,604,071 lbs.
- **Total \$ Requested - \$916,338.21***
 - \$981,571.09 before reporting error correction
 - No CSEs reached cap limit

*Reporting error correction \$65,232.88



VPS Q3 Output Destinations (lbs.)

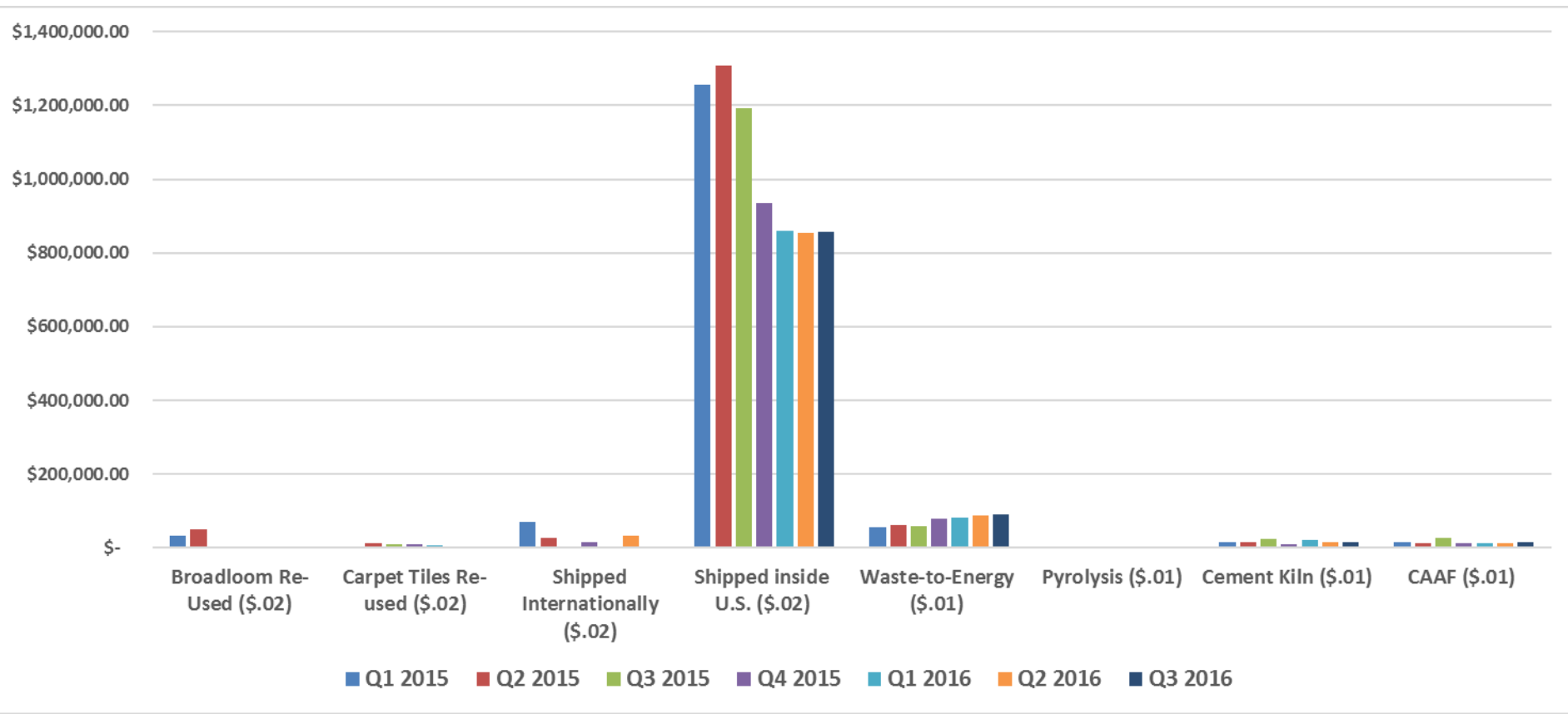


VPS Q3 Output Destinations (lbs.)

Pounds of Output								
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	% +/- (Q2v.Q3)
Broadloom Re-Used (\$02)	1,662,222	2,514,473	80,000	-	9,000	36,461	51,531	41%
Carpet Tile Re-used (\$02)		639,206	550,980	559,536	377,437	99,400	159,755	61%
Shipped Internationally (\$02)	3,576,893	1,403,553	79,004	841,259	-	656,019	-	-100%
Shipped inside U.S. (\$02)	62,764,138	65,385,512	59,557,428	46,690,476	42,976,715	42,671,152	42,793,310	0%
Waste-to-Energy (\$01)	5,501,436	6,243,524	6,015,714	7,892,383	8,362,449	8,902,747	9,044,459	2%
Pyrolysis (\$01)	-	-	-	-	-	-	-	
Cement Kiln (\$01)	1,444,065	1,583,132	2,481,035	1,068,195	2,297,386	1,488,314	1,572,613	6%
CAAF (\$01)	1,648,083	1,262,845	2,732,455	1,162,065	1,162,065	1,397,981	1,530,845	10%
Total	76,596,837	79,032,245	71,496,616	58,213,914	55,185,052	55,252,074	55,152,513	-0.2%



VPS Q3 Output (\$s)



VPS Q3 Output (\$000s)

Output (\$000s)							
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Broadloom Re-Used (\$.02)	33	50	1	-	-	1	1
Carpet Tiles Re-used (\$.02)	-	13	11	11	7	2	3
Shipped Internationally (\$.02)	71	28	1	17	-	33	-
Shipped inside U.S. (\$.02)	1,300	1,300	1,100	933	900	853	856
Waste-to-Energy (\$.01)	55	62	60	79	84	90	90
Cement Kiln (\$.01)	14	16	25	11	23	15	16
CAAF (\$.01)	16	13	27	12	14	14	15
Total Uncapped	1,400	1,500	1,300	1,100	1,000	1,000	1,000
Cap Correction	(142)	(162)	(190)	(163)		(45)	
Overpayment Correction							(65)
Grand Total Payout for Total	1,400	1,400	1,100	900	1,000	1,000	900

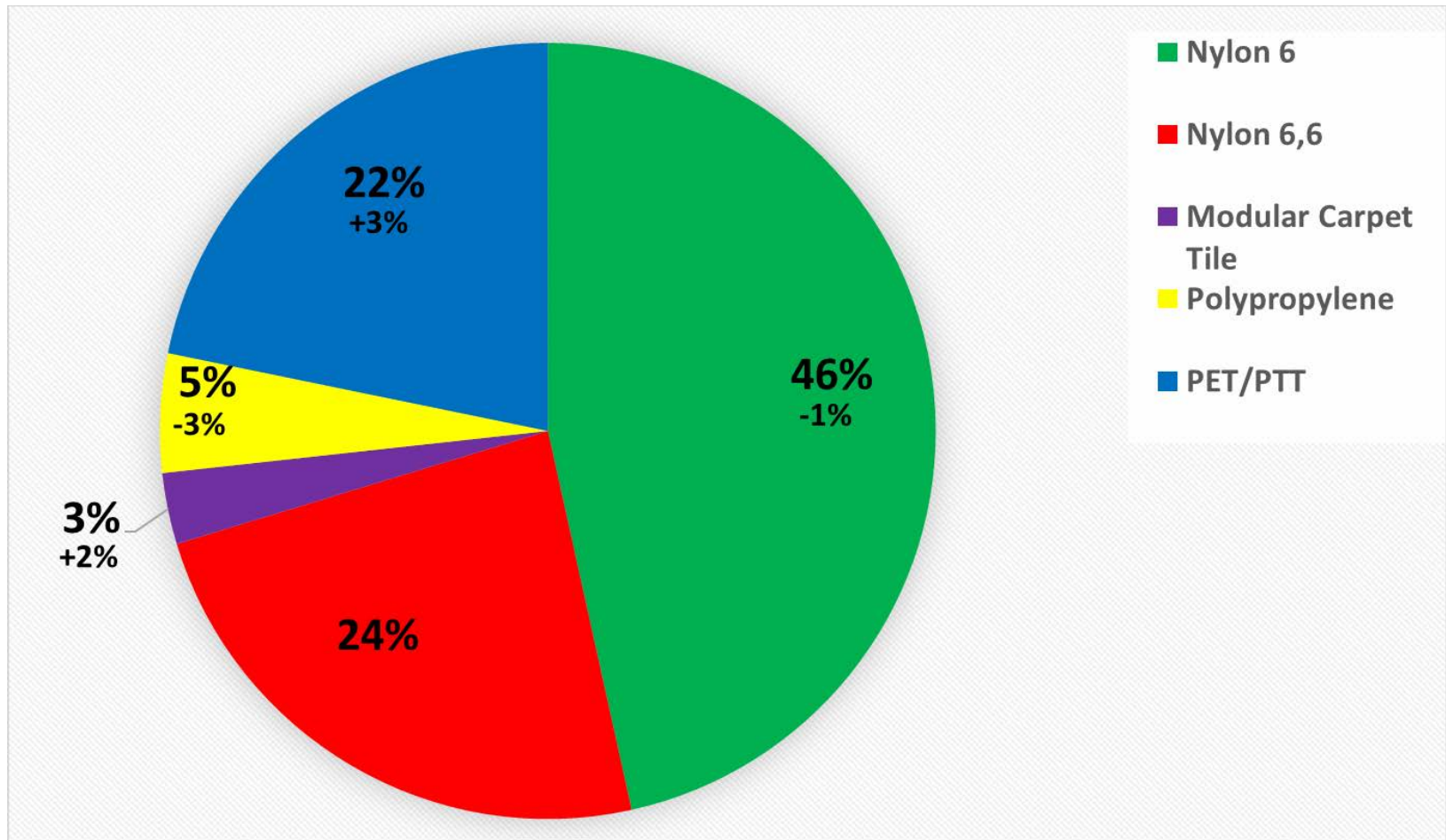


VPS Q3 Output (\$s)

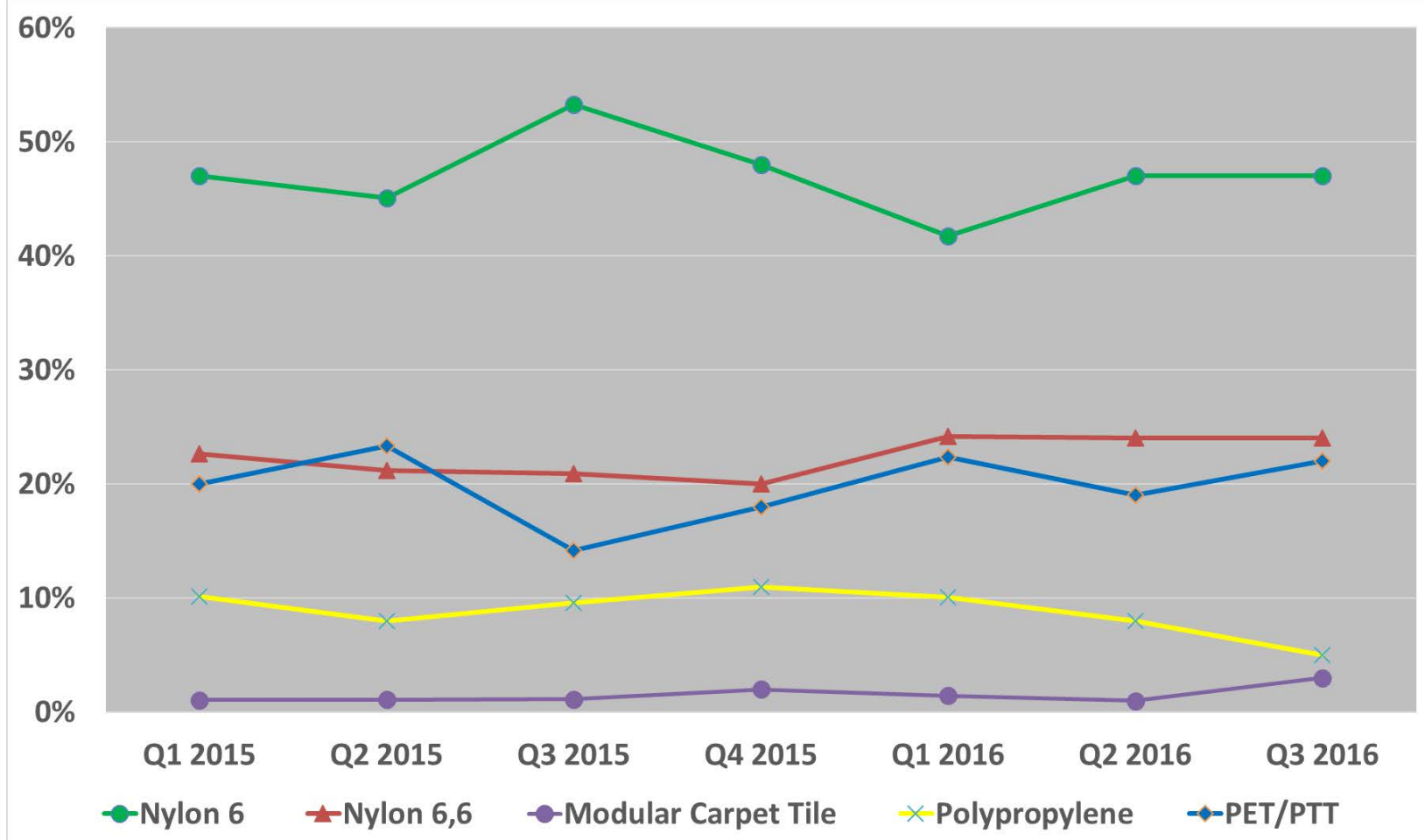
Output in \$s			
	Q2 2016	Q3 2016	% +/- (Q2v.Q3)
Broadloom Re-Used (\$.02)	\$ 729	\$ 1,031	41%
Carpet Tiles Re-used (\$.02)	\$ 1,988	\$ 3,195	61%
Shipped Internationally (\$.02)	\$ 33,120	\$ -	-100%
Shipped inside U.S. (\$.02)	\$ 853,423	\$ 855,866	0%
Waste-to-Energy (\$.01)	\$ 89,027	\$ 90,445	2%
Pyrolysis (\$.01)	\$ -	\$ -	
Cement Kiln (\$.01)	\$ 14,883	\$ 15,726	6%
CAAF (\$.01)	\$ 13,980	\$ 15,308	10%
Total Uncapped	\$ 1,007,151	\$ 981,571	-3%
Cap Correction	\$ (45,767)		
Overpayment Correction		\$ (65,233)	
Grand Total Payout for Total	\$ 961,384	\$ 916,338	-5%



Face Fiber Breakdown of Sorted Output



Face Fiber Breakdown

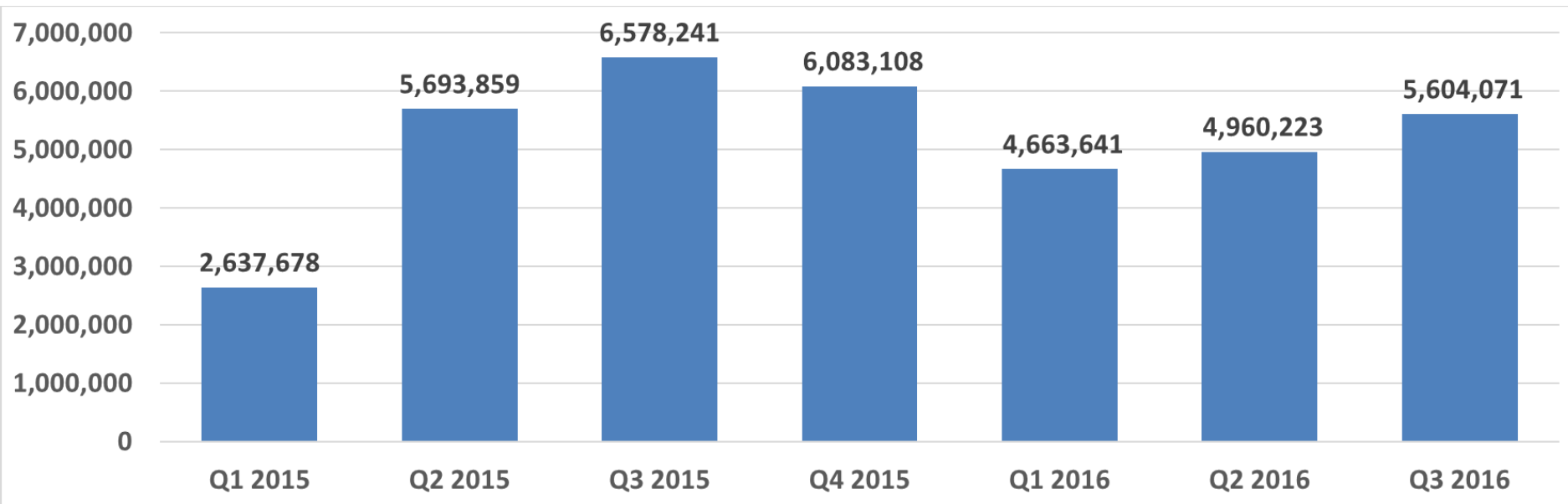


Face Fiber Breakdown(%)

Face Fiber % Breakdown - Shipped and Sold							
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Nylon 6	47	45	53	48	42	47	47
Nylon 6,6	23	22	21	21	24	24	24
Modular Carpet	1	1	1	2	1	1	3
Polypropylene	10	8	10	11	10	8	5
PET/PTT	20	23	14	18	22	19	22
Other/Mixed Fib	0	1	1	0	0	0	0



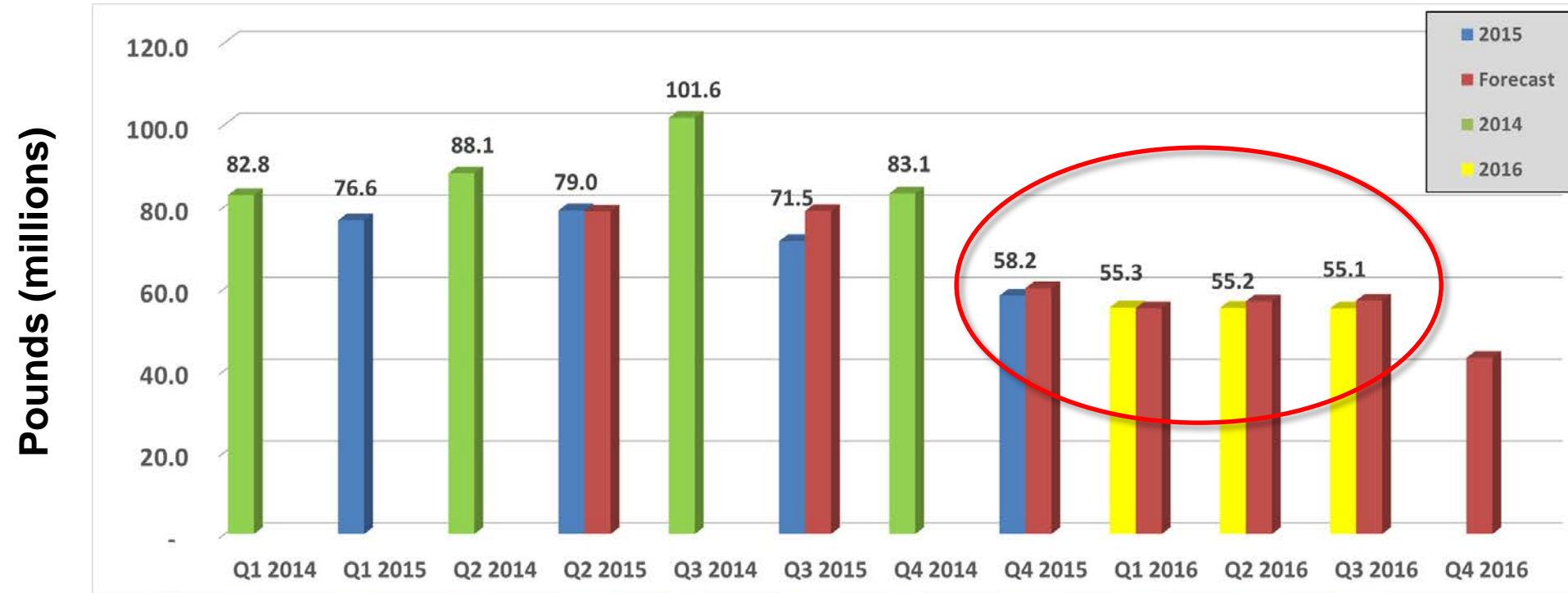
Inventory Levels



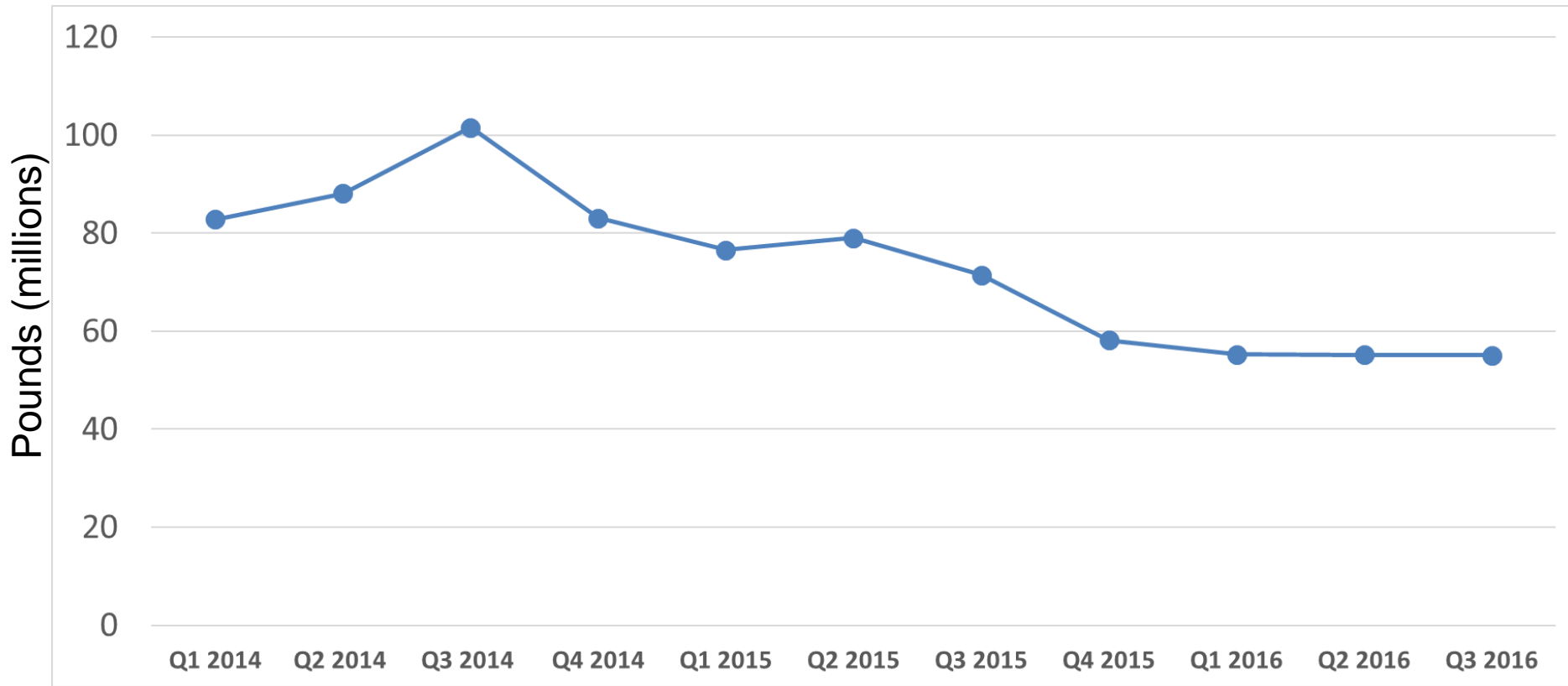
VPS Q3 2016 Forecast



Results and Forecasts



Sorted Output Trend



VPS Financials



VPS AUP Tracking

VPS CSE AUP Tracking			
	Selected	Completed	Note
Q1 2015	3	3	
Q2 2015	3	3	
Q3 2015	3	3	1 finding; overpayment of \$49K to be paid back to VPS program in installments
Q4 2015	3	3	
Q1 2016	3	3	
Q2 2016	3	3	
Q3 2016	3		All are in final stages with no material findings
Q4 2016	3		Work will begin when reports are received in Jan. 2017



Accounting Details for Quarter

Q3 2016 Financial Analysis	
Starting Balance	\$ 10,000.00
Admin Expenses	\$ (35,699.70)
CSE Payout	\$ (916,338.21)
Reserve	\$ (10,000.00)
Transfer Amount	\$ (952,037.91)

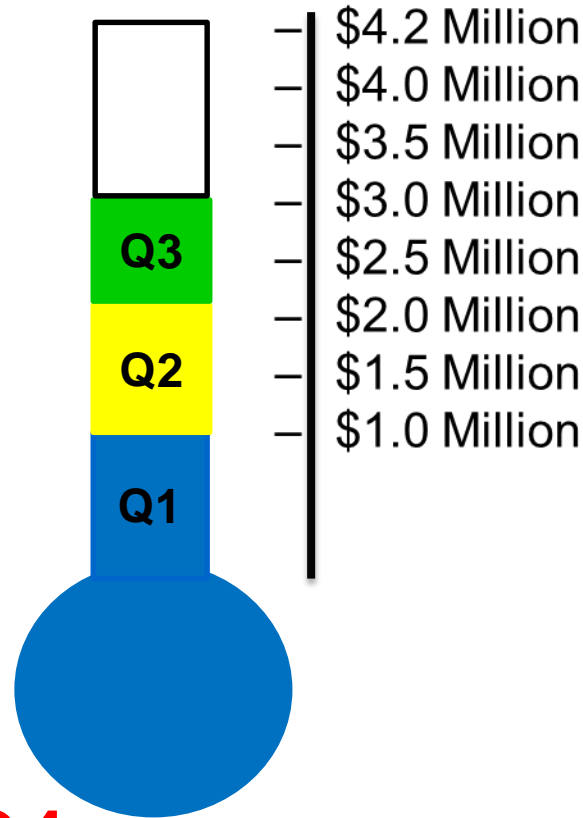


VPS Payout vs. Budget

Q3 Actual Payout – \$952,037

Q2 Actual Payout - \$1,104,003

Q1 Actual Payout - \$1,005,519



\$1,138,440 Left for Q4



Reporting Error



- CSE made a mistake in completing the reporting form
 - Overreported by 5,550,000 lbs.
 - Resulted in overpayment of \$65,232.88

- CSE is aware of the error

- AUP was conducted in Q1 on CSE
 - No findings
 - CARE believes that this was a clerical error with no fraudulent intent



Recommendations for VPS Approval

- 1) Approve transfer of \$952,037.91
- 2) Approve CSE Distribution of \$916,338.21
- 3) Approve Administrative reimbursements of \$35,699.70

Total Payout Q2: \$952K



End of Review

