



A Tradition of Stewardship
A Commitment to Service

Napa-Vallejo Waste Management Authority

Accountant's Report on Applying Agreed-Upon Procedures
For the Quarter Ended September 30, 2010

Issued by
AUDITOR-CONTROLLER
Internal Audit Section
February 24, 2011

**NAPA-VALLEJO WASTE MANAGEMENT AUTHORITY
AGREED-UPON PROCEDURES
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Auditor-Controller

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ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE QUARTER ENDED SEPTEMBER 30, 2010

Board of Directors
Napa-Vallejo Waste Management Authority
1195 Third Street, Room 101
Napa, CA 94559

We have performed the procedures enumerated below, which were agreed to by the Executive Director of the Napa-Vallejo Waste Management Authority, hereafter known as NVWMA, on behalf of the Board and Manager of the Devlin Road Transfer Station, hereafter known as DRTS. These procedures are solely to assist the designated parties with respect to the documents obtained in Step I of the Agreed-Upon Procedures as they pertain to the Revenues, Accounts Receivable and Northern Recycling Operations & Waste Services, LLC, hereafter known as Northern. This engagement to apply agreed-upon procedures was performed in accordance with the standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. Responses to the findings identified in our report have been provided by Northern and Treasurer's Central Collection staff. We did not audit these responses and, accordingly, we express no opinion on them.

Our procedures and findings are as follows:

I. DOCUMENTATION

We obtained copies of the following documents for the quarter ended September 30, 2010.

From Northern Recycling Operations & Waste Services, LLC, we obtained the "Scale Transaction" report, "Void Ticket Report" and "Daily Reconciliation Forms". Reports were obtained for each month of the quarter. Daily PDF copies of the deposit slip and "Daily Reconciliation Form" are posted to an on-line storage site called *Box.Net*.

From the Treasurer's Central Collection Division, we obtained an "Accounts Receivable by Name", "Transaction Register", "Station List", copies of any applicable journal entries, a listing of manual rate adjustments, payments, refunds, and billings for each month in the

quarter. The Treasurer's office utilizes the HMS system for tracking the Accounts Receivable of NVWMA.

From the Auditor-Controller's Office – Accounting Division, we obtained the "General Ledger Detail Transactions" report for each month in the quarter and one-month after.

II. DRTS SITE VISIT

A. Procedure: We tested a sample of twenty-five (25) manual tickets and verified that the customer name, quantity, and dollar amount agreed with the information entered into Northern's Soft-Pak system. We also verified that the manual tickets were pre-numbered and the manual ticket number was noted in the Comment field of the computer generated ticket.

Results A: No exceptions were noted as a result of this procedure.

B. Procedure: We tested a sample of twenty-five (25) transactions from the Scale Transaction Report and verified the customer name, quantity, and dollar amount agreed to the Soft-Pak system.

Results B: No exceptions were noted as a result of this procedure.

III. ACCOUNTS RECEIVABLE

A. Procedure: We summarized the Accounts Receivable activity for the quarter ended September 30, 2010 and adjusted the report by the exceptions noted below, and in Exhibit A-1. (See Exhibit A-1 for the "Accounts Receivable Activity Summary".) In addition, the report was adjusted for exceptions noted in the prior report, which had not yet been corrected: Account #54051 (\$173.40); Accounts #50558, #54053, #50763, and #56658 (aggregate amount for these four accounts is \$1,742.42); Account #56991 (-\$143.33). As a result of this procedure we noted the following exception:

Exception A: When comparing the customer payments received per the Station Lists to the Accounts Receivable activity reported by the HMS system we noted one (1) payment of \$1,602.56, received from Account #56991 on July 21, 2010, was not properly reflected in the customer's account. Due to a glitch in the HMS software only \$1,509.12 was posted to the customer's account. The customer's balance as reported by the HMS system is understated by \$93.44. The balance was corrected in August 2010.

Recommendation A: We recommend that Central Collections verify that all payments have been correctly posted to the invoices and any necessary adjustments are posted in a timely manner. Central Collections should also continue to work with ITS and HMS to resolve continuing software issues.

Treasurer's Response A: The payment for \$1,602.56 received on July 21, 2010, paid the \$1,509.12 remaining balance of invoice #50362213 (issued July 6 for \$3,249.56), and created an overpayment of \$93.44. Overpayments do not get reflected on the HMS Transaction Register as there is no invoice to reflect the payment against. In most cases,

HMS must manually adjust the system to reflect a credit balance for an account, and this was not completed until after the July month-end reports were run. This transaction was known, however, and the month-end reports (Credit Report, Transaction Register, and Summary Stats) were adjusted manually during the monthly balancing process. The overage was refunded August 31, 2010. The treasurer's office is continuing to work directly with HMS to alleviate this continuing system problem.

B. Procedure: Customers are billed monthly for the scale transactions from the prior month. We summarized Northern's Scale Transaction Reports by customer and agreed the amounts to the invoices posted to the Treasurer's Transaction Register Report. As a result of this procedure we noted the following exceptions:

Exception B1: The July 2010 invoice amount on the Transaction Register Report for Account #50558 was \$.60 more than the June 2010 Scale Transaction Report activity. Based on the June 2010 Scale Transaction Report, ticket #339186 for \$132.00 was voided and replaced with ticket #341878 for \$131.40, but the voided ticket was billed to the customer in July 2010. This resulted in the Accounts Receivable balance being overstated by \$0.60 as of July 31, 2010. The August 2010 invoice issued by Northern included the replacement ticket and a credit for the voided ticket, thereby correcting the difference in July 2010.

A similar finding occurred for Account #51936. The July 2010 invoice amount on the Transaction Register Report was \$388.74 more than the June 2010 Scale Transaction Report activity. The June 2010 Scale Transaction Report indicated that ticket #339211 for \$388.74 was voided and replaced with ticket #339213. However, both the replacement ticket and the voided ticket were billed to the customer in July 2010. This resulted in the July 2010 Accounts Receivable balance being overstated by \$388.74. The August 2010 invoice issued by Northern included a credit for the voided ticket, thereby correcting the overstatement.

Exception B2: When reviewing the Accounts Receivable, we noted that Account #54053 was double adjusted. In August 2010, Northern completed a billing adjustment that was processed by the Treasurer to credit the account \$433.20 to correct the billing of voided ticket #341928. The September 2010 invoice issued by Northern also included a credit of \$433.20 for the voided ticket. This has resulted in understating the Accounts Receivable balance by \$433.20.

Recommendation B1 & B2: When corrections need to be made for tickets from prior months, a "Billing Adjustment Form" should be completed by Northern and sent to the Napa County Treasurer/Central Collections along with the incorrect tickets attached as backup. If corrections for prior months are made by including the prior month's voided tickets in the invoices of subsequent months and by sending a "Billing Adjustment Form", double adjustments may be made in error. Only one method of correcting prior month errors should be used.

Treasurer's Response B1 & B2: Our office procedure is to only process adjustments upon receipt of the "Billing Adjustment Form" issued by NVWMA, as was done in this case. We cannot comment on Northern procedures, but it is our understanding that this form is used to process any adjustment that has already been billed; adjustments for items that have not been billed are corrected by Northern on a customer's current invoice.

Northern's Response B1 & B2: Scale House staff has been instructed to never void a ticket from a prior month once a new month has started.

Exception B3: In July 2010, the June 2010 Scale Transaction Report activity for Account #55359 did not agree with the July 2010 invoice amount on the Transaction Register Report. The invoice for \$85.76 was posted for the correct amount and customer, but was posted to the incorrect Accounts Receivable subledger in the HMS system. We also noted that the customer's July 2010 payments and June 2010 invoice were not recorded in the NVWMA Accounts Receivable subledger. Since the account balance was \$0.00 as of July 31, 2010, it had no effect on the Accounts Receivable balance.

Recommendation B3: We recommend that Central Collections verify that all transactions, including payments and invoices, have been correctly posted to the customer's account.

Treasurer's Response B3: We currently verify payments post correctly to the account and invoice billed by NVWMA when the payment is processed and through our weekly and monthly balancing process. This payment was not reflected on the Transaction Register Report accurately as the account was coded with an incorrect client group number at set-up, which was discovered during the balancing process. The customer set-up was updated with the correct, NVWMA, coding, which allowed subsequent reports to reflect the account accurately. The payment was deposited to the correct client as shown by the Station List and Summary Statistics correctly reflecting NVWMA. If any discrepancies are found to have been paid to the incorrect client, the general ledger would be adjusted at that time and backdated to the original date of the transaction.

C. Procedure: We selected five (5) Accounts Receivable customers on the "Scale Transaction Report" and determined if:

1. Tonnage was charged at the appropriate rate.
2. The minimum vehicle charge was applied.
3. Tare amounts were included on the "Scale Transaction Report" for each ticket.
4. The "Scale Transaction Report" contained undocumented negative amounts.
5. Any unusual items identified in the "Scale Transaction Report".

The appropriate rate and minimum vehicle charge are based on the current fees in Resolution #09-08, which was adopted by NVWMA Board of Directors. As a result of this procedure we noted the following exception:

Exception C: We found one of the 5 selected customers had been undercharged. As such, we expanded our selection to all customers and searched for tickets less than the minimum charge of \$31. Upon reviewing the scale transactions, we noted there were inconsistencies in applying the minimum charge to franchise haulers. There were instances when franchise haulers were charged a minimum of \$31.00 and instances when they were charged per ton for an amount less than \$31.00. It should be noted that there is inconsistent language in Resolution # 09-08, which may allow for an inconsistent application of fees. However, based on our understanding of item (f) of the resolution, a \$31.00 minimum charge should be applied for all customers (including franchise haulers).

For the quarter ended September 30, 2010, we noted forty-six (46) tickets were undercharged. There were forty-five (45) tickets where the minimum vehicle charge was not applied and one (1) ticket where the incorrect rate was used. Three (3) accounts were involved in this finding, one (1) of which is not a franchise hauler. This resulted in the Accounts Receivable balance being understated by an aggregate amount of \$427.32 as of September 30, 2010. Due to the inconsistency in the language of the resolution and in the application of the minimum charge rate, we've included an A/R adjustment for this finding. Depending on the resolution of this exception, a portion of the adjustment may be removed. The following is a summary of the undercharged amounts by account, month, and totals for the quarter ended September 30, 2010:

Table 1
Undercharged Tickets

<u>Account</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Quarter</u>
50558	\$ 76.60	\$ 80.60	\$ 89.60	\$ 246.80
54051	6.60	19.20	24.00	49.80
52748*	2.20	68.24	60.28	130.72
	<u>\$ 85.40</u>	<u>\$ 168.04</u>	<u>\$ 173.88</u>	<u>\$ 427.32</u>
# of Tickets	<u>11</u>	<u>14</u>	<u>21</u>	<u>46</u>

* Not a franchise hauler.

Recommendation C: The language in the resolution should be revised to clear up any inconsistencies. Removing any inconsistencies from the fee resolution will allow for an application of the fees that is consistent with the original intention of the resolution. Once the issue of the minimum charge rates being applied to franchise haulers has been resolved, DRTS should verify that the franchise haulers' customer data in Soft-Pak is correct and that the appropriate charge/rate is being applied.

Northern's Response C: Franchise haulers are not subjected to the minimum charge, franchise haulers always pay a per ton rate. Our software provider has been instructed to change the pricing for Valley Recycling to ensure that they are charged the minimum amount (\$31.00) when they bring in a load under 900 pounds.

D. Procedure: For each month in the quarter ended September 30, 2010, we prepared a summary of the fees, interest, and adjustments (for fees and interests) and determined the balance for each account type.

Results D: No findings were noted as a result of this procedure.

E. Procedure: For the quarter ended September 30, 2010, we obtained information from Central Collections regarding the status of accounts 90 days and over past due. All accounts over 90 days and their status have been presented in Exhibit A-2 for an aggregate amount of \$8,394.99, excluding fees and interest. The Treasurer's Central Collection Division may request Board approval to write-off the uncollectible accounts twice a year, historically in December and June.

Results E: See Exhibit A-2 for “Accounts Receivable Activity over 90 Days”. Approval for uncollectible accounts write-off is tentatively scheduled to be obtained in April 2011.

IV. REVENUES

A. Procedure: We recalculated the charges on the “Scale Transaction Report” for 200 randomly selected cash transactions from each of the monthly reports for the quarter ended September 30, 2010.

Results A: No findings were noted as a result of this procedure.

B. Procedure: Using the “Scale Transaction Reports,” we summarized the total cash, check, credit card payments for each day and calculated the monthly total. We completed a comparison of the payments per the Scale Transaction Report to the payments per the deposit information for the quarter ended September 30, 2010 and year-to-date. We have summarized our comparison and findings in Exhibit C. (See Exhibit C for the “Summary of Cash (Shortage) Overage”.) As a result of this procedure we noted the following exceptions:

Exception B1: (Updated Finding) Twelve (12) exceptions, resulting in a net cash overage of \$14.40 inclusive of bank adjustments, were noted for the quarter. Exceptions have been presented in Exhibit C, “Summary of Cash (Shortage) Overage”. Of the twelve (12) exceptions, we noted eleven (11) instances (92%) where cash variances were not detected by the end of day cash reconciliation completed by DRTS staff.

Exception B2: In the process of reviewing the deposit slips and daily reconciliations we noted that a Daily Reconciliation Form dated September 16, 2010 indicated a payment was accepted for a transaction that occurred on September 15, 2010. According to the note on the form, ticket #363410 for \$281.60 was created for a cash customer that “dumped” on September 15, 2010 and came back to pay on September 16, 2010. The September 2010 Scale Transaction Report indicated that the vehicle’s gross and tare weights were both manually entered at the same time on September 16, 2010. We also noted that a customer “Short Pay” was not noted on the Daily Reconciliations for September 15, 2010. This suggested that the ticket was left open on September 15, 2010 and that the transaction was not recorded until September 16, 2010. Although, the Daily Reconciliations were still in balance because the “Short Pay” transaction had not been recorded, this does not provide accurate daily reporting of vehicles, materials, and revenue transactions.

Recommendation B1 & B2:

The following controls are recommended:

- All Cash Shortages/Overages are to be indicated on the Daily Reconciliation – 92% of the cash shortages/overages for the quarter ending September 30, 2010 were not indicated on the Daily Reconciliation.
- All “No Pays” are to be indicated on the Daily Reconciliation – We noted one “Short Pay”/”No Pay” for the quarter ended September 30, 2010. The “Short Pay” was not indicated on the Daily Reconciliation. “Short Pay” transactions should be closed the day of the transaction and accounted for on the Daily Reconciliation.

- All inbound tickets must be closed out each day in order to provide an accurate report on vehicles, materials and revenue transaction for each day.

Northern's Response B1 & B2: In order to insure that the deposit slips are correct and match the daily reconciliation we have instructed the scale house staff to run an adding machine tape and attach the tape to their end of day paperwork. Scale house staff has been instructed to ALWAYS close all open tickets by the end of business each day and to complete a shortpay form for any shortpay occurrences during the day and attach a copy of the shortpay form to their daily reconciliation.

Exception B3: In the process of reviewing the deposit slips and daily reconciliations for the quarter ended September 30, 2010, we noted that a Daily Reconciliation Form for August 30, 2010 indicated that ticket #358388 for \$359.68 to Account #50719 was incorrect. It was replaced with corrected ticket #358390 for \$132.48. In reviewing the August 2010 Scale Transaction Report and the invoice for August tickets, we determined that both the incorrect and corrected ticket were billed. This has resulted in overstating Accounts Receivable by \$359.68.

Recommendation B3: Only the corrected ticket should have been billed to the customer. We recommend that a Billing Adjustment Form be sent to Central Collections to adjust the customer's account. When a ticket is noted as being incorrect, DRTS staff should verify that the incorrect ticket is voided in Soft-Pak and that a corrected ticket has been issued prior to the transmittal of the monthly activity.

Northern's Response B3: The double billing occurred because the ticket was voided in the wrong month. To better control voids and replacement tickets we are going to instruct the scale house staff to forward incorrect tickets to the office manager who will void the tickets and make sure that a billing adjustment form is sent to Central Collections if the voided ticket is from a prior month.

C. Procedure: We completed a comparison of the daily credit card payments per the "Scale Transaction Report" to the summary charge slip. (See Exhibit D for the "Summary of Credit Card Exceptions".) As a result of this procedure we noted the following exception:

Exception C: (Updated finding) Three (3) exceptions were noted out of the ninety-two (92) summary charge slips for the quarter ended September 30, 2010. Two (2) of the exceptions were not noted on the Daily Reconciliation Forms. The total credit card charge posted to the General Ledger was \$0.84 more than Northern's records for the quarter ended September 30, 2010. DRTS processed \$ 237,737.94 in total credit card charges for the quarter ended September 30, 2010.

Recommendation C: Continued effort should be made by scale house staff to verify payment type before closing a ticket. However, should a customer change the payment type after the ticket is closed then the scale house staff should indicate the change at the bottom of the Daily Reconciliation form.

Northern's Response C: Scale house staff has been instructed to note all tickets that require a change in the payment method. It should be noted that customers inform the scale house staff that they are going to use a credit card/debit card or cash when they weigh in. When they weigh out and are told of the total fee the form of payment might change

because the customer's card will not cover the amount. We are experiencing more split payment customers because of the tough economic times.

D. Procedure: (Updated Finding) We completed a comparison of the General Ledger activity to the deposit slip information submitted by DRTS for the quarter ended September 30, 2010 and summarized our comparison in Exhibit B. (See Exhibit B for the "Analysis of General Ledger Activity".) We also verified the timeliness of transmitting the deposit information and recording the revenue in the proper account. We noted that the transmission of deposit information and the recording of revenue were performed in a timely manner. As a result of this procedure we noted the following exception:

Exception D: As noted in Exhibit B, four (4) bank adjustments were posted to the General Ledger resulting in a net decrease of \$195.52 in revenue.

Recommendation D: We recommend that scale house staff perform a self-review of the deposit slips they prepare by double-checking with a calculator or adding machine the amounts listed on the slip then subtracting the total previously calculated. The amount should net to zero. Then another employee (reviewer) should verify the amount of the cash to the amount listed on the deposit slips while in the presence of the employee preparing the deposit slip. If the cash agrees with the amount on the deposit slip, then the reviewer should initial next to the cash amount prior to sealing the deposit in the armor car carrier bag.

Northern's Response D: The above recommendation has already been implemented and the adding machine tape is attached to the daily reconciliation form.

V. INTERNAL CONTROLS

A. Procedure: We examined the Scale Transaction Reports for the quarter ended September 30, 2010 and noted transactions with the same "Time In" and "Time Out." Tickets have the same "Time In" and "Time Out" when staff manually input the tickets. Manual tickets may be required if the system is down. We were provided a log with the dates the system was down and have excluded manual tickets from these dates. We have also excluded tickets for non-weighed items (e.g. auto batteries, tires, etc.), tickets for Collection Contractor's vehicles with tare weights coded into the system in accordance with the Northern contract, and tickets where the comment indicated that the ticket was entered manually to correct a previous ticket. As a result of this procedure we noted the following exception:

Exception A: (Updated Finding) We noted one-hundred-six (106) tickets with the same "Time In" and "Time Out" entries. There were seventeen (17) tickets with the same time entries for cash customers and eighty-nine (89) tickets for the remaining Accounts Receivable customers where there was no apparent reason to enter the tickets manually. No instances were noted of tickets for Valley Recycling having the same in and out time.

Eighty-four (84) of the one-hundred-six (106) tickets were to accounts #50685, #50765, and #50764. These accounts are not Collection Contractors, but DRTS stores tare weights for these customers. The contract between Northern and NVWMA currently only provides for the storing of tare weights for Collection Contractors' vehicles.

Recommendation A: We recommend that reasons for manual input of tickets be noted in the comment field and that the comment field is included on the Scale Transaction Report. Until that has been implemented, reasons for manual entry should be noted on the Daily Reconciliation Forms when reason for manual entry is not apparent. We also recommend that the contract be amended to allow the storing of tare weights for vehicles of other Approved Users.

Northern's Response A: Scale house staff has been instructed to indicate the replacement ticket # and the date of the new ticket was created in the comment section of the ticket. It should be noted that the comment section of each ticket is limited in the amount of data that can be input.

B. Procedure: We verified if Northern accounted for all tickets issued in the quarter ended September 30, 2010. We noted three (3) tickets were not reported on the Scale Transaction Reports. DRTS explained that the three tickets were used for the Buy Back Center to test material reports. We also tested the sequence of the ticket issued. As a result of this procedure we noted the following exception:

Exception B: (Updated Finding) We understand that gaps in the ticket numbers within a month will appear when corrections for billing purposes are made after month end by posting replacement tickets. The system posts the replacement tickets with the date of the original ticket, but uses the next available ticket number at the time the correction is made, creating an appearance of gaps in the sequence. For the quarter ended September 30, 2010, it was noted that there were forty-seven (47) instances when ticket numbers were issued out of sequence. We noted that six (6) instances were tickets replacing voids and the ticket date was the date of the original ticket. We also noted that thirty-three (33) tickets were due to manual tickets being entered the day after the transaction. There was no apparent reason why the remaining eight (8) tickets were issued out of sequence.

Recommendation B: We recommend that when a ticket is entered for a previous date, that a reason is noted in the comments field. Also if the ticket is a replacement ticket, it would also be beneficial if the date the replacement ticket was created was indicated in the comment field. This would help in verifying if the tickets have been issued in sequence.

Northern's Response B: The scale house staff and office manager will record in the comment section of the replacement the voided ticket and the date of the replacement ticket. Again it should be noted that the comment section of the ticket will not allow additional information because it is limited in the amount of data that can be input.

C. Procedure: We reviewed negative amounts from the Scale Transaction Reports for the quarter ended September 30, 2010. We understand from our inquiries that negative quantities may be input manually to void or adjust ticket charges as necessary, for example where the origin, vehicle, customer or other information is input in error. The reasons for the negative amounts appear on a monthly Void Report. As a result of this procedure we noted the following exception:

Exception C: (Updated Finding) The following table includes a summary of negative tickets by transaction type, month, and totals for the quarter ended September 30, 2010 and also includes totals for prior quarter, the quarter ended June 30, 2010, for comparison.

Table 2
Tickets with Negative Amounts

	<u>July</u>	<u>August</u>	<u>September</u>	<u>Quarter</u>	<u>Prior Quarter</u>
Cash Tickets	8	5	2	15	20
A/R Tickets	14	6	12	32	38
Total Tickets	<u>22</u>	<u>11</u>	<u>14</u>	<u>47</u>	<u>58</u>
Cash Amount	\$ (550.32)	\$ (371.76)	\$ (180.76)	\$ (1,102.84)	\$ (2,397.46)
A/R Amount	(4,706.40)	(1,771.14)	(2,549.76)	(9,027.30)	(11,396.40)
Total Amount	<u>\$ (5,256.72)</u>	<u>\$ (2,142.90)</u>	<u>\$ (2,730.52)</u>	<u>\$ (10,130.14)</u>	<u>\$ (13,793.86)</u>

We also reviewed the applicable manual end of day reconciliation forms for all tickets with negative quantities. Reasons for the negative amounts were not noted on the end of day reconciliation forms in four (4) instances out of the forty-seven (47) tickets with negative quantities.

Recommendation C: We recommend that scale house staff continue to note reasons for any negative amounts in the end of day reconciliation form. The reasons should include the original ticket number and the replacement ticket number. The implementation of the monthly void reports has been useful for review purposes, as the comment field (described in the void report as “Notes”) provides a description for each ticket with a negative quantity. At this time, DRTS is working to incorporate the comment field into the “Scale Transactions” Report.

Northern’s Response C: Our software provider has indicated that the comment section of the tickets should now show up on the “Scale Transaction Report”.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors and the Executive Director of the Napa-Vallejo Waste Management Authority and the Manager of the Devlin Road Transfer Station and is not intended to be used by anyone other than these specified parties.

Karen Dotson-Querin, CPA
Internal Audit Manager
February 24, 2011

Exhibit A-1

**Napa-Vallejo Waste Management Authority
Accounts Receivable Activity Summary
As of September 30, 2010**

	<u>Month Ended July 31, 2010</u>	<u>Month Ended August 31, 2010</u>	<u>Month Ended September 30, 2010</u>
Ending A/R per HMS:			
General A/R	\$ 115,135.25 a	\$ 51,416.01 c	\$ 150,821.44 e
NSF A/R	3,149.66 b	2,485.88 d	2,611.52 f
	<u>118,284.91</u>	<u>53,901.89</u>	<u>153,432.96</u>
Adjustments need on HMS:			
HMS Fees, Int. & Penalties, and Other Adj.:			
General A/R	(298.73) a	(142.70) c	(218.43) e
NSF A/R	(885.00) b	(660.00) d	(705.00) f
	<u>(1,183.73)</u>	<u>(802.70)</u>	<u>(923.43)</u>
Other Adjustments General A/R:			
Acct. 54051 - 3/2/10 bill	173.40	173.40	173.40
Accts. 50558, 54053, 50763, 56658 - June Bill	1,742.42	1,742.42	1,742.42
Acct. 56991 - 5/18/10 Pmt	(143.33)	-	-
Acct. 51936 - 7/6/10 bill	(388.74)	-	-
Acct. 50558 - 7/6/10 bill	(0.60)	-	-
Acct. 56991 - 7/21/10 Pmt	(93.44)	-	-
Accts. 52748, 54051, 50558 - underbilled tickets	85.40	253.44	427.32
Acct. 54053 - 9/1/10 Bill	-	-	433.20
Acct. 50719 - Ticket #358388	-	-	(359.68)
	<u>1,375.11 a</u>	<u>2,169.26 c</u>	<u>2,416.66 e</u>
Adjusted A/R Balance			
General A/R	Σ a 116,211.63	Σ c 53,442.57	Σ e 153,019.67
NSF A/R	Σ b 2,264.66	Σ d 1,825.88	Σ f 1,906.52
Total	<u>\$ 118,476.29</u>	<u>\$ 55,268.45</u>	<u>\$ 154,926.19</u>

Exhibit A-2

**Napa-Vallejo Waste Management Authority
Accounts Receivable Activity Over 90 Days
Per Central Collections
As of September 30, 2010**

<u>Account Number</u>	<u>Principal</u>	<u>Fees/Interest</u>	<u>Total</u>	<u>Collection Measures</u>
Account Type - General A/R				
54927	\$ 0.20	\$ -	\$ 0.20	Pd 10/20/10
56395	500.00	-	500.00	Pd 10/13/2010
54250	103.04	49.72	152.76	Still owes-possible write off
50667	-	36.08	36.08	Fee & Penalty removed (our fees)
50685	4,611.10	-	4,611.10	Still owes-pymt promised
55260	1,428.73	-	1,428.73	Still owes-Small Claims letter sent
54114	31.00	-	31.00	Still owes-possible write off
Subtotal - General A/R	<u>6,674.07</u>	<u>85.80</u>	<u>6,759.87</u>	
Account Type - NSF A/R				
55442	728.48	55.00	783.48	Judgment in place still pursuing
57400	31.00	45.00	76.00	Still pursuing no pymts made
57142	573.44	45.00	618.44	Judgment in place still pursuing
57464	31.00	45.00	76.00	Still pursuing no pymts made
57346	128.00	90.00	218.00	Still pursuing no pymts made
55396	136.00	155.00	291.00	Judgment in place still pursuing
57439	62.00	90.00	152.00	Still pursuing no pymts made
57602	31.00	45.00	76.00	Still pursuing no pymts made
Subtotal - NSF A/R	<u>1,720.92</u>	<u>570.00</u>	<u>2,290.92</u>	
Total - A/R	<u>\$ 8,394.99</u>	<u>\$ 655.80</u>	<u>\$ 9,050.79</u>	

Exhibit B

**Napa-Vallejo Waste Management Authority
Analysis of General Ledger Activity
July 1, 2010 through September 30, 2010**

	General Ledger Total	Visa / MC	Deposit Slip	HMS	Bank Adjustments	Other
JULY	\$ 1,024,236.47	\$ 80,606.58	\$ 171,514.30	\$ 770,793.71	\$ 20.00	\$ 1,301.88
AUGUST	1,031,557.50	87,120.80	159,460.98	785,401.53	4.48	(430.29)
SEPTEMBER	882,666.56	71,980.48	171,506.04	639,693.37	(220.00)	(293.33)
QUARTER	<u>\$ 2,938,460.53</u>	<u>\$ 239,707.86</u>	<u>\$ 502,481.32</u>	<u>\$ 2,195,888.61</u>	<u>\$ (195.52)</u>	<u>\$ 578.26</u>
				$\Sigma a =$	<u>\$ 382.74</u>	<u>\$ 382.74</u>

Explanation of Bank Adjustments & Other:	Instances	Amount
Returned Checks - Non Sufficient Funds (NSF)	7	\$ (392.60)
Journal fees/overpayments	19	(2,849.26)
Bank Adjustments	4	(195.52)
Uncollectibles	5	3,820.12
Change Order Correction	1	(30.00)
Change Order Submitted as a deposit	1	30.00
	<u>37</u>	<u>\$ 382.74</u>

Detail is available upon request from the Napa County Auditor-Controller's Office

Exhibit C

**Napa-Vallejo Waste Management Authority
Summary of Cash (Shortage) Overage
For the Quarter Ended September 30, 2010**

<u>Description</u>	<u>Quarter Ended September 30, 2010</u>
Deposit Slips	\$ 497,896.56
VISA Slips	<u>237,738.78</u>
Subtotal	735,635.34
Deposits Per DRTS Report	<u>735,425.42</u>
Cash (Shortage) Overage Before Bank Adjustments and "No Pay" Collections	209.92
Bank Adjustments	(195.52)
Collections on "No Pay Activity Customers"	<u>-</u>
Net Cash (Shortage) Overage	<u>\$ 14.40</u> ^a

<u>Shortage is caused by the following:</u>	<u>Instances</u>	<u>Total</u>
Cash shortage	1	\$ (0.08)
Cash overage	4	209.16
Credit Card not accurately accounted for	3	0.84
Bank Adjustments	4	(195.52)
"No Pay" at Scalehouse (Net)	-	-
Collection on "No Pays"	<u>-</u>	<u>-</u>
Net Cash (Shortage) Overage	<u>12</u>	<u>\$ 14.40</u> ^a

Exhibit D

**Napa-Vallejo Waste Management Authority
Summary of Credit Card Exceptions
For the Quarter Ended September 30, 2010**

<u>Transaction Date</u>	<u>County GL</u>	<u>Northern Recycling</u>	<u>Variance</u>
8/14/2010	\$ 3,729.32	\$ 3,728.32	\$ 1.00
9/5/2010	1,828.36	1,828.72	(0.36)
9/25/2010	3,007.88	3,007.68	0.20
Total Quarterly Exceptions	<u>\$ 8,565.56</u>	<u>\$ 8,564.72</u>	<u>\$ 0.84</u>
Total Quarterly Activity	<u>\$ 237,738.78</u>	<u>\$ 237,737.94</u>	<u>\$ 0.84</u>