



A Tradition of Stewardship  
A Commitment to Service

**Napa-Vallejo Waste Management Authority**  
Internal Audit Report  
For the Quarter Ended September 30, 2014

Issued by  
**AUDITOR-CONTROLLER**  
Internal Audit Section  
December 31, 2014

# NAPA-VALLEJO WASTE MANAGEMENT AUTHORITY

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A Tradition of Stewardship  
A Commitment to Service

Auditor-Controller

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**Tracy A. Schulze**  
Auditor-Controller

## EXECUTIVE SUMMARY

Board of Directors  
Napa-Vallejo Waste Management Authority  
1195 Third Street, Room B10  
Napa, California 94559

### Scope

This engagement was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. We have performed a review applicable to the revenue and other elements noted below for the Napa-Vallejo Waste Management Authority (Authority). This review is solely to assist the Authority Board and management with respect to the review of revenue and accounts receivable associated with inbound customers; and verification of controls associated with fees, manual tickets, stored tare weights, voids and issuance of tickets at Devlin Road Transfer Station (DRTS) operated by Northern Recycling Operations & Waste Services, LLC (Northern), for the quarter ended September 30, 2014.

### Objective

The objective of our review was to:

- Provide the Authority with information on exceptions and additional information resulting from our engagement.
- Determine the accuracy of the accounts receivable maintained by the Treasurer-Tax Collector's Office (Treasurer) on behalf of the Authority.
- Determine the accuracy of the revenue reported in the Authority's general ledger for inbound customers.
- Determine if controls associated with fees, manual tickets, stored tare weights, voids and issuance of tickets at Devlin Road Transfer Station are being maintained to protect the integrity of the revenues reported to the Authority.

### Procedures

Our engagement included the following procedures:

- Evaluate accounts receivable activity and balances;
- Verify that the revenue has been posted accurately and timely to the general ledger;

## **Procedures** (Continued)

- Verify that tickets have been properly charged;
- Verify that internal controls are in place over the issuance of tickets;
- Examine a sample of transactions to determine the reliability of the Scale Transaction Report;
- Examine a sample of hand tags to determine the reliability of the information inputted into the Scale Transaction Report; and
- Provide a summary of the results to the Board of Directors and the Executive Director of the Napa-Vallejo Waste Management Authority.

## **Summary of Results and Exception**

For the purpose of our review, items requiring notification to the Board and management have been categorized as follows:

**Results** – A transaction or group of transactions that warrant notification to the Board and management but do not require action from the involved parties.

**Exception** – A transaction or group of transactions that warrant notification to the Board and management and require action from the involved parties, such as a revision of procedures.

Based on our review of the quarter ended September 30, 2014, we noted the following results and exceptions:

### **Report Section**

- I. Result: Account Balances over 90 Days** – As of September 30, 2014, twelve (12) accounts had balances over 90 days past due for an amount of \$4,936. See Exhibit A on page 11 for a detail list and Exhibit B on page 12 for the history of accounts over 90 days from October 1, 2012 to September 30, 2014.
- II.A Analysis of General Ledger Activity**
- Result:** A total of \$3.4 million in revenue was received in cash, checks, credit card charges and charges to accounts receivable. See Exhibit C on page 13 for the detail results of the analysis.
- II.B.1 Exception: Shortage/Short Pays** – During the quarter, three (3) overages, four (4) shortages, nine (9) short pays and five (5) payments of short pays occurred for the cumulative shortage of \$227.96. Five (5) of the above transactions were not recorded on the Daily Reconciliation Form; however, one (1) of the five (5) was recorded on the “No Pay Summary”. See Exhibit D on page 14 for the detail of Net Cash (Shortages) Overages for the quarter ending September 30, 2014.

## Summary of Results and Exception (Continued)

### Report

#### Section (Continued)

- II.B.2** **Exception:** No Pay Summary – July and August 2014 No Pay Summary reports contained three (3) posting errors for an aggregate amount of \$117.86. In addition, the variance analysis indicated that two (2) short pays occurred during the month of September, but no report was provided.
- III.A** **Exception:** Ticket Accuracy – We noted nine (9) tickets with incorrect rates assigned to them. Eight (8) of the nine (9) errors occurred on July 1, 2014 and resulted in accounts receivable customers being under charged by \$26.31. The ninth (9<sup>th</sup>) error pertaining to a difference of \$1 for a special handling fee occurred on September 30, 2014. The error was identified by Northern and a billing adjustment was submitted to the Treasurer on October 3, 2014 for the \$1.
- III.B** **Exception:** Same Time In and Out – We noted seventeen (17) tickets with the same “Time In” and “Time Out” entries for a cumulative amount of \$729 for inbound materials that did not indicate the cause of why the time was the same within the comment field of SoftPak or on the Daily Reconciliation Forms. Tickets for voids, replacements, non-weighed items, Collection Contractors and public agencies were excluded from the procedure.
- III.C** **Exception:** Missing Tickets – During the quarter, there were fourteen (14) tickets missing on the Scale Transaction Report. This is a decrease of twenty-one (21) tickets from the prior quarter.
- III.D** **Exception:** Negative Tickets – During the quarter there were two hundred twenty-one (221) tickets with negative amounts for a cumulative amount of \$46,233. See a breakdown of the exceptions on page 9. See Exhibit E on page 15 and 16 for additional analysis.

Detailed information of the reported results, exceptions, and recommendations can be found starting on page 5.

### Conclusion


We determined that Northern Recycling Operations & Waste Services, LLC currently owes Napa-Vallejo Waste Management Authority \$227.96 for cash shortages occurring during the period of July 1, 2014 to September 30, 2014. At the end of the fiscal year, ending June 30, 2015, the cumulative shortage is due to Napa-Vallejo Waste Management Authority upon the receipt of a letter from the Executive Director of NVWMA in accordance with the conditions set forth in the Agreement between Northern Recycling Operations & Waste Services, LLC and Napa-Vallejo Waste Management Authority.

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 may have come to our attention that would have been reported to you.

The responses to the exceptions identified in our report have been provided by Northern and the Napa County Treasurer Tax-Collector's Office. We did not audit these responses and, accordingly, we express no opinion on them.

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.

Tracy A. Schulze  
Auditor-Controller

By   
Karen Dotson-Querin, CPA  
Audit Manager  
December 31, 2014

## RESULTS AND EXCEPTIONS

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**NAPA-VALLEJO WASTE MANAGEMENT AUTHORITY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

**RESULTS AND EXCEPTIONS**

**I. ACCOUNTS RECEIVABLE**

**Procedure:** We obtained information from Central Collections regarding the status of accounts 90 days and over past due. The Treasurer’s Central Collection Division has the option of requesting Board approval to write-off the uncollectible accounts twice a year, historically in December and September.

**Result:** Account Balances over 90 Days – All accounts over 90 days as of September 30, 2014 and their status have been presented in Exhibit A on page 11 for an aggregate amount of \$4,936, including fees and interest, which is a decrease of \$449 compared to the prior quarter balance of \$5,385. A detailed listing of the “Status of Accounts Receivable over 90 Days” is also included in Exhibit A on page 11. In addition, historical data and trends of the accounts receivable balances over 90 days is presented in Exhibit B on page 12.

**Treasurer’s Response:** See Exhibit A for Treasurer’s Collection Measures.

**II. REVENUE**

**A. Procedure:** We completed a comparison of the general ledger activity to the deposit slip information submitted by DRTS for the quarter ended September 30, 2014. We also verified the timeliness of transmitting the deposit information and recording the revenue in the proper account.

Analysis of General Ledger Activity

**Result A:** A total of \$3.4 million in revenue was received in cash, checks, credit card charges and charges to accounts receivable. We summarized our analysis in Exhibit C on page 13 (“Analysis of General Ledger Activity”). Exhibit C also includes a graph depicting the quarterly revenue collected by DRTS from cash and credit card transactions over the last twelve quarters.

**B. Procedure:** Using the “Scale Transaction Reports,” we summarized the total cash, check, and credit card payments for each day and calculated the monthly total. We compared the daily amounts to the amounts DRTS deposited into the bank. We have summarized our comparison and results in Exhibit D on page 14 (“Summary of Cash (Shortage) Overage”).

**Exception B1:** Overages/Shortage/Short Pays – During the quarter, three (3) overages, four (4) shortages, nine (9) short pays and five (5) payments of short pays occurred for the cumulative shortage of \$227.96. Seven (7) of the above transactions were not recorded on the Daily Reconciliation Form; however, one (1) of the five (5) was recorded on the “No Pay Summary”. See Exhibit D on page 14 for the detail of Net Cash (Shortages) Overages for the quarter ending September 30, 2014.

**NAPA-VALLEJO WASTE MANAGEMENT AUTHORITY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

**RESULTS AND EXCEPTIONS**

**II. REVENUE (Continued)**

**Recommendation B1:** We recommend that all unusual transactions be recorded on the Daily Reconciliation Form. This will provide information to balance the daily transactions prior to the deposits being remitted to the bank.

**Northern's Management Response B1:** Northern Recycling will continue to instruct scale house staff to record all short payments on the short pay summary form and on the daily reconciliation form. Office staff will review the audit results with the scale house staff to help reinforce the use of the reconciliation form as a tool to communicate any transaction issues during the course of business.

**Exception B2:** No Pay Summary – The monthly No Pay Summary reports for the quarter ended September 30, 2014 were verified for accuracy. July and August 2014 contained three (3) posting errors for an aggregate amount of \$117.86. One of the posting errors was an indication that a payment was received; however, the payments could not be located within the cash deposited on the date indicated on the report. In addition, the variance analysis indicated that two (2) short pays occurred during the month of September, but no report was provided. However, the September 2014 short pays were documented on the daily reconciliation form by the scale house operators.

**Recommendation B2:** We recommend that all short pay transactions be recorded on the No Pay Summary report. This will provide information for Northern's staff to forward the No Pays in excess of \$20 to the Treasurer's office for collection within three (3) days of the transaction.

**Northern's Management Response B2:** Northern Recycling will review the audit results and use this as a visual reminder for all scale house staff to record any short pay in excess of \$20.00 on the No Pay Summary Report.

**III. INTERNAL CONTROLS**

**A. Procedure:** We verified the accuracy of the rates charged and the total amount charged per item on the tickets issued during the quarter ended September 30, 2014 and reported on the Scale Transaction Report. We utilized the approved rates by the Authority's Board effective July 1, 2014 and the clean dirt proposal accepted by the Executive Director on February 12, 2012. We analyzed every ticket on the 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.

**NAPA-VALLEJO WASTE MANAGEMENT AUTHORITY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

**RESULTS AND EXCEPTIONS**

**III. INTERNAL CONTROLS (Continued)**

**Exception A: Ticket Accuracy** – We noted nine (9) tickets with incorrect rates assigned to them. Eight (8) of the nine (9) errors occurred on July 1, 2014 and resulted in accounts receivable customers being under charged by \$26.31. The ninth (9<sup>th</sup>) error pertaining to a difference of \$1 on a special handling fee occurred on September 30, 2014. The error was identified by Northern and a billing adjustment was submitted to the Treasurer on October 3, 2014 for the \$1.

**Recommendation A:** It is recommended that Northern verify that the Soft-Pak system is programmed to charge all customers at the correct rates. Northern should submit a billing adjustment to Central Collections to correct the affected accounts receivable customers for the tickets issued on July 1, 2014.

**Northern's Response A:** Northern Recycling will submit a billing adjustment form to bill the accounts receivable customers for the rate difference. Northern Recycling staff will continue to monitor the software system to insure that the correct rates are being charged.

**B. Procedure:** We examined the Scale Transaction Reports for the quarter ended September 30, 2014 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 excluded tickets for non-weighed items (e.g. auto batteries, tires, etc.), tickets for Collection Contractor's vehicles and public agencies with tare weights coded into the system in accordance with the Northern contract, hand tags for system outages 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 B: Same Time In and Out** – We noted seventeen (17) tickets with the same "Time In" and "Time Out" entries for a cumulative amount of \$729 for inbound materials that did not indicate the cause of why the time was the same within the comment field of SoftPak or on the Daily Reconciliation Forms. Fourteen (14) of the seventeen (17) tickets were for cash customers. Tickets for voids, replacements, non-weighed items, Collection Contractors and public agencies were excluded from the procedure.

**Recommendation B:** We recommend that reasons for manual input of tickets continue to be noted in the comment field within Soft-Pak. In addition to noting the reasons within Soft-Pak, the reasons for manual entry should also be noted on the Daily Reconciliation Forms when the reason for manual entry is not apparent.

**NAPA-VALLEJO WASTE MANAGEMENT AUTHORITY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

**RESULTS AND EXCEPTIONS**

**III. INTERNAL CONTROLS (Continued)**

**Northern's Response B:** Northern Recycling has reviewed all of the tickets to determine why they had a change that resulted in the tickets having the same time in and out. The following are the reason these tickets had the same time in and out: Selected wrong customer, Freon Removal, Hand Tag, Credit Card Rejected, customer decided to put charge on their account. Northern Recycling will review the audit results with the scale house staff to reinforce their need to place any unusual transaction on the daily reconciliation form.

**C. Procedure:** We verified whether Northern accounted for all tickets issued in the quarter ended September 30, 2014. We also tested the sequence of the tickets issued. 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 the appearance of gaps in sequence.

Gaps in sequential numbering may also occur when manual tickets, which are issued when the system goes down, are entered into the Soft-Pak system. Manual tickets must be dated in the system based on the date the load was delivered to ensure accurate reporting of daily vehicle counts and tonnage.

As a result of this procedure, we noted the following:

**Exception C: Missing Tickets** – There were fourteen (14) tickets missing on the Scale Transaction Report. This is a decrease of twenty-one (21) tickets from the prior quarter. The missing tickets occurred in July and early August.

**Recommendation C:** We recommend that Northern continues to log all Soft-Pak issues and note any unique circumstances as well as recording each instance when the operator is forced to disconnect the system.

**Northern's Response C:** Northern Recycling will continue to monitor scale house ticket sequence to determine if the software update solved the missing ticket issue. Scale house staff has been reminded to log any instance when the operator is forced to disconnect the system or the system goes down for power outages.

**D. Procedure:** We reviewed negative amounts from the Scale Transaction Reports for the quarter ended September 30, 2014. 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.

**NAPA-VALLEJO WASTE MANAGEMENT AUTHORITY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

**RESULTS AND EXCEPTIONS**

**III. INTERNAL CONTROLS (Continued)**

**Exception D: Negative Tickets** - During the quarter there were two hundred twenty-one (221) tickets with negative amounts for a cumulative amount of \$46,233. The following is a breakdown of the negative tickets:

Passed on further investigation:

- 145 tickets – Reclassified bulky item coupons to a separate City of Napa account for earthquake debris – Reported original tickets and replacement tickets on separate documents.

Exceptions:

- 14 tickets – Timeliness - August 2, 2014, twelve (12) tickets were subsequently reported as void on separate Daily Reconciliation Form on August 14, 2014. In addition, during the month of September two (2) additional voids were not reported timely.
- 2 tickets – Driver Signature – During the month of July, two (2) cash tickets were voided and replaced with tickets of lesser value. The driver’s signature was missing on the replacement tickets. The difference between the original tickets and the replacement tickets was \$632.40.
- 7 tickets – Not Reported on Daily Reconciliation Form – Information was recognized in Void Report, but not on scale house operator’s Daily Reconciliation Form.
- 2 tickets – Missing Information on Daily Reconciliation Form - Reported on Daily Reconciliation Form but without but dollar amount or weight was not included.
- 1 ticket – Incorrect information for tickets – The dollar amount of the original and replacement tickets were reversed.
- 2 tickets – Replacement Tickets Not Reported in Void Report – Void report did not have the replacement ticket indicated.

See Exhibit E on page 15 for a summary of the negative tickets for the quarter ended September 30, 2014 and for the previous seven (7) quarters.

Exhibit E also includes graphs on page 16 depicting the quarterly dollar value of negative tickets for quarters ended December 31, 2012 through September 30, 2014.

The Negative Tickets increased mainly for the following reasons:

- Cash transactions - increased mainly due to the payment type changing from cash to credit card.
- Accounts Receivable transactions – increased dramatically due to the revisions requested by the City of Napa for the earthquake coupons.

**NAPA-VALLEJO WASTE MANAGEMENT AUTHORITY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

**RESULTS AND EXCEPTIONS**

**III. INTERNAL CONTROLS (Continued)**

**Recommendation D:** We recommend that scale house staff continue to note reasons for any negative amounts on the end of day reconciliation form. The reasons should include the original ticket number, the replacement ticket number, and any change of date, weight or origin. 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.

We also recommend that replacement tickets for cash transactions are signed by the drivers. This will assist in providing an audit trail that the appropriate payment was received in conjunction with the replacement ticket.

**Northern’s Response D:** Northern Recycling has instructed all scale house staff to have customer sign all tickets even if the customer does not want the receipt. Requiring customers to sign tickets helps to create proof that the customer received their copy of the receipt/ticket and were aware of the amount charged. We have also asked scale house staff to note anytime a customer does not want to sign their ticket. The scale house staff was reminded to use the daily reconciliation form as a tool to communicate any transaction abnormality.

## EXHIBITS

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## Exhibit A

### Napa-Vallejo Waste Management Authority Status of Accounts Receivable Over 90 Days Per Central Collections As of September 30, 2014

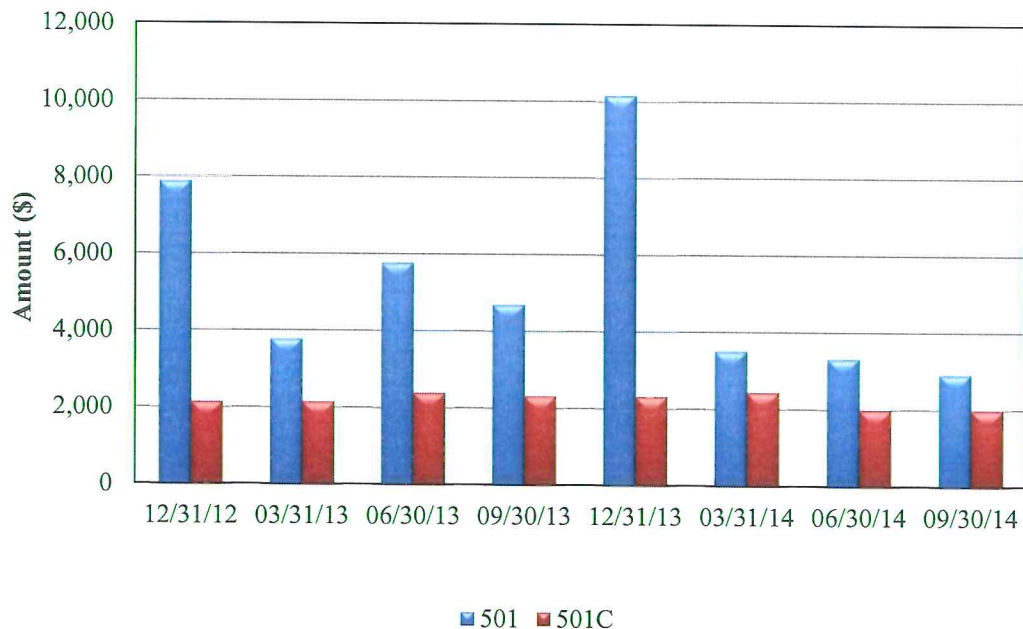
Account Name	Account Number	Total	Collection Measure
<b>Account 501 - General A/R</b>			
California Custom Remodeling	52445	\$ 69.51	Paid 10/8/14
Classic Party Rentals	55367	678.46	Paid fees for \$51.68, still owes \$626.78. In Bankruptcy
On Time Maintenance Service	55260	1,426.60	Customer making monthly pymts of \$100.00
R.E. Bradley Construction	52363	<u>751.66</u>	Customer making monthly pymts of \$100.00
<b>Subtotal 501 - General A/R</b>		<u>2,926.23</u>	
<b>Account 501C - NSF A/R</b>			
Golden Gate Roofing Service	55442	783.48	Judgement on file
Grossi, Paul DBA North Bay Roofing	60494	179.55	continue collection process
Hernandez, Ruben	57142	678.44	Judgement on file
Morgan Peabody, Ltd.	55396	291.00	Judgement on file
Rojas, Steven/Aqua Fresca Pool & Spa	60596	<u>77.00</u>	No current contact information. Will request writeoff
<b>Subtotal 501C - NSF A/R</b>		<u>2,009.47</u>	
<b>Total Accounts Receivable Over 90 Days</b>		<u>\$ 4,935.70</u>	

## Exhibit B

### Napa-Vallejo Waste Management Authority Comparison of Accounts Receivable Over 90 Days Quarters Ended December 31, 2012 through September 30, 2014

Quarter Ended	501		501C		Total	
	# of Accounts	Amount	# of Accounts	Amount	# of Accounts	Amount
12/31/2012	26	7,904	7	2,162	33	10,067
3/31/2013	11	3,782	7	2,162	18	5,944
6/30/2013	18	5,778	8	2,413	26	8,192
9/30/2013	11	4,702	7	2,336	18	7,038
12/31/2013	17	10,173	7	2,336	24	12,509
3/31/2014	8	3,517	6	2,464	14	5,981
6/30/2014	7	3,324	5	2,009	12	5,333
9/30/2014	4	2,926	5	2,009	9	4,935
Average	13	5,263	7	2,237	19	7,500

Historically, delinquent accounts are due to lack of payments on general accounts receivable accounts. The dollar amount of delinquencies generally decreases during the quarter ended March 31<sup>st</sup> due to uncollectible accounts being approved by the Board to be written-off and generally increase in the quarter ended September 30<sup>th</sup>. However, due to collection efforts the delinquent accounts remained relatively the same for the last three (3) quarters.



## Exhibit C

### Napa-Vallejo Waste Management Authority Analysis of General Ledger Activity July 1, 2014 through September 30, 2014

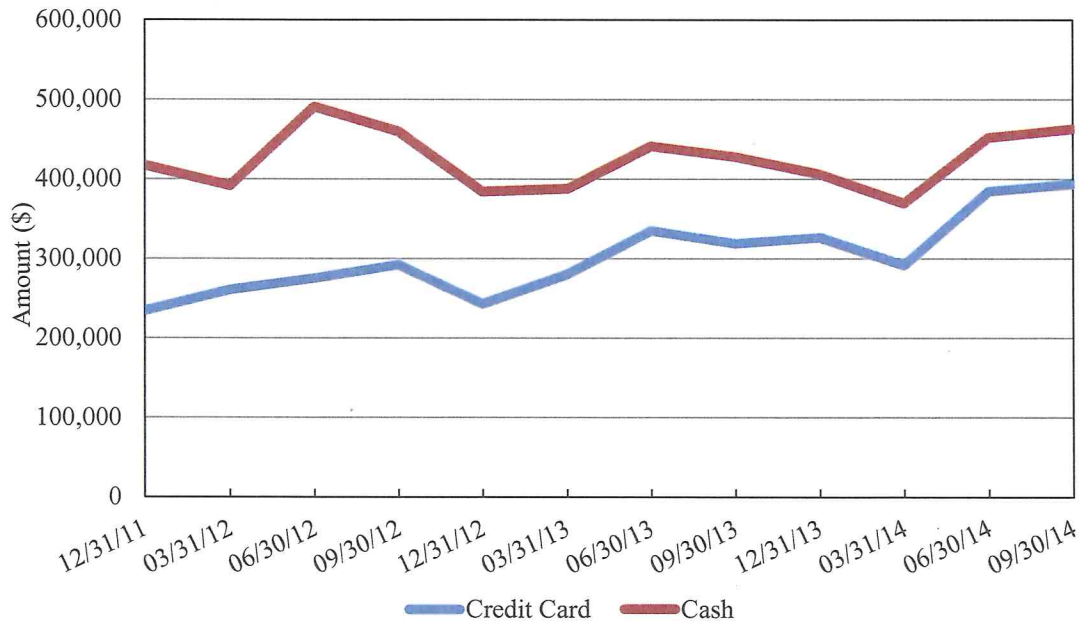
	General Ledger Total	Components				Other
		Visa / MC	Deposit Slip	CAMS	Bank Adjustments	
<b>JULY</b>	\$ 1,407,776.54	\$ 130,647.95	\$ 157,667.58	\$ 1,119,461.01	\$ -	\$ -
<b>AUGUST</b>	1,061,824.62	114,966.88	165,588.14	781,269.60	-	-
<b>SEPTEMBER</b>	893,714.16	147,653.40	139,745.28	606,315.48	-	-
<b>QUARTER</b>	<u>\$ 3,363,315.32</u>	<u>\$ 393,268.23</u>	<u>\$ 463,001.00</u>	<u>\$ 2,507,046.09</u>	<u>\$ -</u>	<u>\$ -</u>

$\Sigma a =$  \$ -  
b

Explanation of Bank Adjustments & Other:	Instances	Amount
Bank Adjustments/Deposit Corrections	0	\$ -
Refund/Returned Checks - Non Sufficient Funds (NSF)	0	-
	<u>0</u>	<u>\$ -</u>

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

### Revenue Collected at Devlin Road Transfer Station (DRTS) Quarters Ended December 31, 2011 through September 30, 2014



Revenue collected at DRTS increased approximately \$20,000 for Cash/Checks and for Visa/MC in the quarter ended September 30, 2014 compared to the quarter ended June 30, 2014.

## Exhibit D

### Napa-Vallejo Waste Management Authority Summary of Cash (Shortage) Overage For the Year Ended September 30, 2014

Description	Quarter Ended Sep. 30, 2014	Year to Date
Deposit Slips	\$ 462,107.07	\$ 462,107.07
VISA Slips	396,865.79	396,865.79
Subtotal	858,972.86	858,972.86
Deposits Per Cash Report	859,200.82	859,200.82
Cash (Shortage) Overage	(227.96)	(227.96)
Bank Adjustments	-	-
Net Cash (Shortage) Overage	<u>\$ (227.96) a</u>	<u>\$ (227.96)</u>

**June 30, 2014 shortage is caused by the following:**

Description	Instances	Total
Overage	3	\$ 82.70
Shortage	4	(92.72)
Short Pay	9	(374.44)
Short Pay Paid	5	156.50
Net Cash (Shortage) Overage	<u>21</u>	<u>\$ (227.96) a</u>

## Exhibit E

### Napa-Vallejo Waste Management Authority Summary of Tickets with Negative Amounts For July 1, 2012 to September 30, 2014

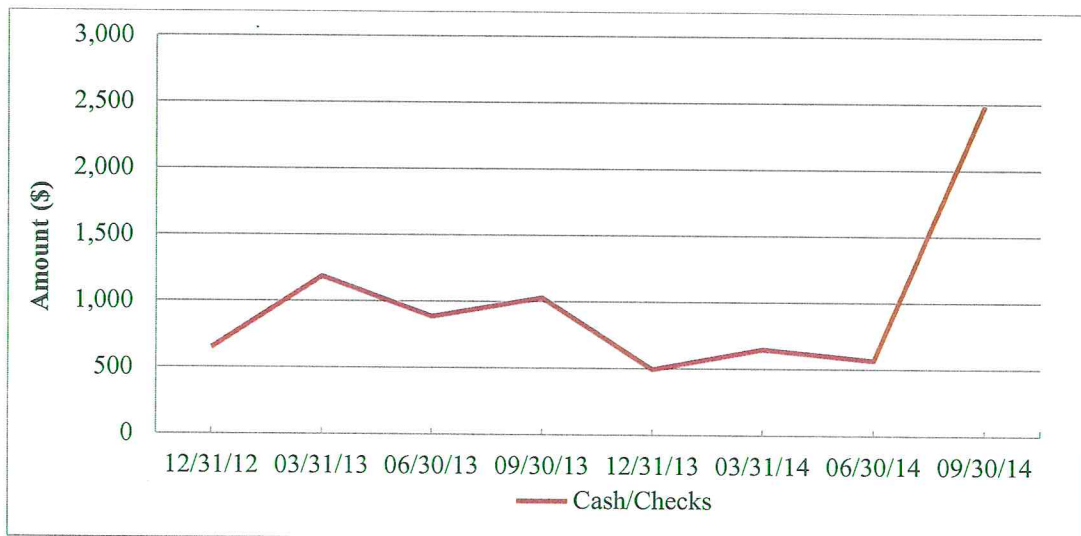
Quarter Ended	Cash/Checks		A/R		Total	
	# of Tickets	Amount	# of Tickets	Amount	# of Tickets	Amount
12/31/2012	8	651	16	4,016	24	4,667
3/31/2013	13	1,191	16	5,178	29	6,369
6/30/2013	10	889	25	9,628	35	10,517
9/30/2013	13	1,033	39	11,321	52	12,354
12/31/2013	6	500	22	6,174	28	6,673
3/31/2014	5	652	14	4,978	19	5,629
6/30/2014	6	570	49	11,959	55	12,529
9/30/2014	15	2,497	206	43,736	221	46,233
Average	10	\$ 998	48	\$ 12,124	58	\$ 13,121

The above table is a summary of negative tickets by transaction type, month, and totals for the quarter ended September 30, 2014 and also includes totals for the seven (7) prior quarters, for comparison.

**Exhibit E  
(Continued)**

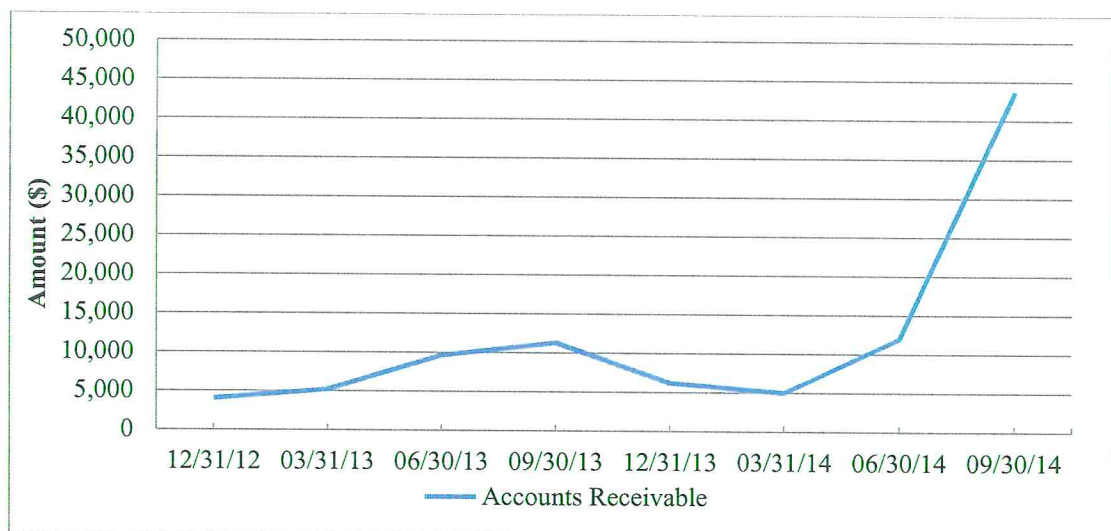
**Napa-Vallejo Waste Management Authority  
Summary of Tickets with Negative Amounts  
For October 1, 2012 to September 30, 2014**

**Cash/Check Tickets with Negative Amounts  
Quarters Ended December 31, 2012 through September 30, 2014**



Due to the inherent risk of fraud associated with cash transactions, negative cash/check tickets have been separately shown above. Cash tickets with negative amounts increased during the quarter ended September 30, 2014 mainly due to the payment type changing.

**Accounts Receivable (AR) Tickets with Negative Amounts  
Quarters Ended December 31, 2012 through September 30, 2014**



Accounts Receivable tickets with negative amounts in the quarter ended September 30, 2014, increased dramatically compared to the quarter ended June 30, 2014 due to the revisions requested by the City of Napa for the earthquake coupons.