



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 December 31, 2010

Issued by
AUDITOR-CONTROLLER
Internal Audit Section
March 22, 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 DECEMBER 31, 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 December 31, 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, the manual ticket number was noted in the comment field, and that the signature of the driver and weigh master were recorded on the manual ticket.

Exception A: Of the twenty-five (25) manual tickets tested, twenty-four (24) were for Cash or Non-Franchise Accounts Receivable customers. One (1) manual ticket was for a Franchise Hauler. The following fifty-two (52) exceptions were noted:

- One (1) exception for the quantity amount not written on manual ticket
- One (1) exception for the dollar amount not written on manual ticket
- Twenty-five (25) exceptions for computer generated ticket number not recorded on hand tag
- One (1) exception for Signature of Weigh Master missing on hand tag
- Twenty-four (24) exceptions for Signature of Driver missing on hand tag

Recommendation A: It is recommended that scale house staff ensure that all manual tickets have the quantity, amount, and computer generated ticket recorded on the manual ticket. It is also recommended that Cash and Non-Franchise Accounts Receivable customers sign the manual ticket on the way out and Franchise Haulers sign the manual ticket on the way in to verify that the information recorded on the manual ticket is correct.

Northern's Response A: Northern has added the following controls for the use of manual tickets.

- Scale house staff will write in the quantity (weights) on each manual ticket
- Scale house staff will write in the amount of the charge on each ticket, including franchise tickets
- Scale house staff will also note the computer generated ticket number of the replacement ticket on the manual ticket for cross reference
- Scale house staff will make sure that all manual tickets are signed by the scale house attendant as well as the driver. This includes franchise haulers, billed customers and self haul customers.

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 December 31, 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".)

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

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: We noted when reviewing the accounts receivable for the quarter ended December 31, 2010 that there were two (2) instances when the Transaction Register did not agree with the Scale House Transaction Report.

- The invoice amount of \$31.00 was incorrectly billed to Account #52077 on October 5, 2010 by Northern. This transaction also appeared on the October Scale Transaction Report for this customer. On October 6, 2010, an adjustment was made by Central Collections to correct the customer's account to a zero balance. The intended customer, Account #54351, was billed for the amount of \$31.00 on the Transaction Register Report on October 6, 2010 by Central Collections.
- The November Transaction Register and the November Scale Transaction report did not agree due to \$66.56 incorrectly charged to Account #50540 instead of Account #55213 in the October invoices by Northern. An adjustment was made in November by Central Collections correcting the error.

Recommendation B1: We recommend that Northern continue to exercise greater care when invoicing the A/R customers. It should be noted that there were only two (2) instances for the entire quarter and Northern should be commended for their proficiency in keeping the errors to a minimum.

Northern's Response B1: Each scale house attendant manually looks at each ticket that they create during the course of business for each day to help ensure that the proper amount is charged and the proper customer is charged and that the proper amount is charged for loads under 6 tons or over 6 tons. At the end of the month we review all of the invoices for all of the customers prior to billing to try to catch any mistakes that are obvious.

Exception B2: We noted when reviewing the accounts receivable for the quarter ended December 31, 2010 that there was one (1) instance when the Transaction Register did not agree with the “Accounts Receivable by Name” report. Account #57821 had a balance of \$79.00 on September 30, 2010. The account did not appear again on the Transaction Register until November 2010 when payment was rendered.

Recommendation B2: We are aware of the system problems with HMS and would request that Central Collections indicate on the bottom of the Transaction Register if any adjustments were needed. This information would assist us in knowing that the problem has been addressed and the correction was manually adjusted on the report.

Treasurer’s Response B2: The invoice created for \$79.00 on September 7, 2010, was created with an incorrect transaction code of CFIRE instead of NVWMA, however, the account set-up was correct and the invoice is reflected on the September Transaction Register in Group 501 – NVWMA correctly. The invoice is not on the October Transaction Register, but is again reflected on the November Transaction Register when the payment was received. The transaction code error only affected the Sept. Summary Statistics Report, Accounts Billed by Invoice Type, and Nov. Summary Statistics Report, and Payment Detail; the payment was noted and adjusted manually on the month-end reconciliation.

We agree that due to the continuing problems with the HMS system, we will adjust our procedures to insure that any posting errors and/or corrections are cross-noted on the Transaction Register where adjustments are needed. The actual correction calculations will be found on the monthly reconciling Summary Statistics Report.

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: Upon reviewing the scale transactions, we noted there were inconsistencies in applying the minimum charge to franchise haulers. In accordance with Resolution # 09-08, a \$31.00 minimum charge should be applied for all customers.

For the quarter ended December 31, 2010, we noted thirteen (13) tickets where the minimum vehicle charge was not applied to a non-franchise hauler. This resulted in the Accounts Receivable balance being understated by an aggregate amount of \$109.24 as of December 31, 2010.

The following is a summary of the undercharged amounts by account, month, and totals for the quarter ended December 31, 2010:

Table 1
Undercharged Tickets

<u>Account</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Quarter</u>
52748	<u>\$ 77.48</u>	<u>\$ 10.44</u>	<u>\$ 21.32</u>	<u>\$ 109.24</u>
# of Tickets	<u>7</u>	<u>3</u>	<u>3</u>	<u>13</u>

Recommendation C: It is recommended that Northern verify that the Soft-Pak system is programmed to charge all customers at the correct rates. It should be noted that \$109.24 has been adjusted in the quarter ending March 31, 2011.

Northern's Response C: When we are notified by the NVWMA to change rates we submit the new rates to the software provider. Once the software provider notifies Northern that the new rates have been input we then instruct the scale house staff to check the tickets for accuracy. If incorrect charges are discovered during the course of business over the next couple of weeks that information is passed onto the software provider to take steps to correct the problem.

D. Procedure: For each month in the quarter ended December 31, 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 December 31, 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 \$14,346.53, 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. REVENUE

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 December 31, 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 December 31, 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 B: (Updated Finding) Twenty-three (23) exceptions, resulting in a net cash shortage of \$163.78 inclusive of bank adjustments and merchant charge-backs, were noted for the quarter. Exceptions have been presented in Exhibit C, “Summary of Cash (Shortage) Overage”. Of the twenty-three (23) exceptions, we noted seven (7) instances (30%) where cash variances were not detected by the end of day cash reconciliation completed by DRTS staff.

Recommendation B: All Cash Shortages/Overages are to be indicated on the Daily Reconciliation Forms by Northern’s scale house staff.

Northern’s Response B: Scale house staff has been instructed to run a add machine tape for each scale house attendant’s cash drawer and daily reconciliation at the end of day. Each scale house attendant is to have one of the other scale house attendants double check their daily reconciliation and sign off on it as well. Any overages or shortages are to be noted on the daily reconciliation form.

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) Nine (9) exceptions were noted out of the ninety (90) summary charge slips for the quarter ended December 31, 2010. Five (5) of the nine (9) exceptions were not noted on Northern’s Daily Reconciliation Forms. The total credit card charge posted to the General Ledger was \$44.20 more than Northern’s records for the quarter ended December 31, 2010. DRTS processed \$ 189,742.40 in total credit card charges for the quarter ended December 31, 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 not close any ticket until the credit card/debt card charge has been run and accepted. Scale house staff is to note any split payments on the ticket when the customer pays part of the charge with a credit card and part of the charge with cash. Scale house staff has been instructed to verify end of day credit card charges with the daily reconciliation for all scale house staff any discrepancy is to be noted on the daily reconciliation and reported to the office manager.

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 December 31, 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, two (2) bank adjustments were posted to the General Ledger resulting in a net increase of \$40.00 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: We will institute the audit staff's recommendation which will be instituted starting March 28th.

V. INTERNAL CONTROLS

A. Procedure: We examined the Scale Transaction Reports for the quarter ended December 31, 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-sixty-six (166) tickets with the same "Time In" and "Time Out" entries. There were forty-six (46) tickets with the same time entries for cash customers and one hundred twenty (120) tickets for the remaining Accounts Receivable customers where there was no apparent reason to enter the tickets manually. Two (2) instances were noted for Valley Recycling having tickets with the same in and out time. One hundred nine (109) of the one-hundred-sixty-six (166) tickets were to

accounts #50685, #50765, #50559 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 continue to be noted in the comment field within Soft-Pak and that the comment field is included on the Scale Transaction Report. It has been noted that Northern has successfully added the comment field in the February 2011 Scale Transaction Report. We recommend that Northern run and post the January 2011 Scale Transaction Report again. In addition to noting the reasons within Soft-Pak, the reasons for manual entry should also 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: Northern will re-run the scale transaction report for January which will show the comments section from each ticket on the report. Scale house staff will continue to note on the daily reconciliation when a manual ticket was created and when a replacement system generated ticket was also created. Reasons for the manual ticket is to be noted on the daily reconciliation and the ticket numbers used are to be noted on the daily log.

B. Procedure: We verified if Northern accounted for all tickets issued in the quarter ended December 31, 2010. We also tested the sequence of the ticket 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:

Result B1: (Updated Finding) For the quarter ended December 31, 2010, it was noted that there were fifty-three (53) instances when ticket numbers were issued out of sequence. We noted fifty-one (51) instances where manual tickets were entered for customers utilizing the facility on October 31, 2010 and November 1, 2010 when the computers were down. The Scale Transaction report did not include a comment field which if used would provide additional explanations on why tickets are out of sequence.

Result B2: We noted two (2) tickets on the December Scale Transaction Report were back-dated in January 2011 for outbound loads.

Recommendation B1 & B2: It has been noted that Northern has successfully added the comment field to the February 2011 Scale Transaction report. We recommend that Northern run and post the January 2011 Scale Transaction Report again in an effort to have the comment field appear. This would help in verifying if the tickets have been issued in sequence.

Northern's Response B1 & B2: Northern will re-run the January transaction report which will hopefully include the comment section for each ticket. Northern will make sure that all tickets are entered prior to month end.

C. Procedure: We reviewed negative amounts from the Scale Transaction Reports for the quarter ended December 31, 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:

The following table includes a summary of negative tickets by transaction type, month, and totals for the quarter ended December 31, 2010 and also includes totals for prior quarter, the quarter ended September 30, 2010, for comparison.

Table 2
Tickets with Negative Amounts

	<u>October</u>	<u>November</u>	<u>December</u>	<u>Quarter</u>	<u>Prior Quarter</u>
Cash Tickets	7	7	2	16	15
A/R Tickets	21	37	0	58	32
Total Tickets	<u>28</u>	<u>44</u>	<u>2</u>	<u>74</u>	<u>47</u>
Cash Amount	\$ (473)	\$ (1,110)	\$ (312)	\$ (1,895)	\$ (1,103)
A/R Amount	(6,277)	(10,130)	-	(16,407)	(9,027)
Total Amount	<u>\$ (6,750)</u>	<u>\$ (11,240)</u>	<u>\$ (312)</u>	<u>\$ (18,302)</u>	<u>\$ (10,130)</u>

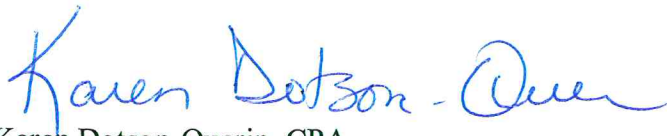
Exception C: (Updated Finding) Based on the results in Table 2, we reviewed the applicable manual end of day reconciliation forms for all tickets with negative quantities. Reasons for the negative amounts were not noted on the end of day reconciliation forms in seven (7) instances out of the Seventy-four (74) 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.

Northern's Response C: Scale house staff will continue to note any negative amounts on their daily reconciliation form. Anytime that a ticket is voided and a new ticket is created the replacement ticket will always note the reason for the voided ticket and the new ticket will note the original ticket number for cross reference.

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
March 22, 2011

Exhibit A-1

**Napa-Vallejo Waste Management Authority
Accounts Receivable Activity Summary
As of December 31, 2010**

	<u>Month Ended</u> <u>October 31, 2010</u>		<u>Month Ended</u> <u>September 30, 2010</u>		<u>Month Ended</u> <u>December 31, 2010</u>
Ending A/R per HMS:					
General A/R	\$ 422,380.14	a	\$ 137,902.82	c	\$ 437,441.10
NSF A/R	2,982.52	b	3,482.16	d	3,482.16
	<u>425,362.66</u>		<u>141,384.98</u>		<u>440,923.26</u>
Adjustments need on HMS:					
HMS Fees, Int. & Penalties, and Other Adj.:					
General A/R	(225.23)	a	(163.40)	c	(362.84)
NSF A/R	(840.00)	b	(1,020.00)	d	(1,020.00)
	<u>1,637.74</u>	a	<u>1,648.18</u>	c	<u>1,669.50</u>
Other Adjustments - General A/R:					
Acct. 54051 (NCRWS) 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
Accts. 52748, 54051, 50558 -Tickets billed in error	(429.08)		(429.08)		(429.08)
Acct 52748 - Tickets billed in error	77.48		87.92		109.24
Acct. 54053 (Recology Amer. Canyon) 9/1/10 Bill	433.20		433.20		433.20
Acct. 50719 (R E Maher) ticket #358388	(359.68)		(359.68)		(359.68)
	<u>1,637.74</u>	a	<u>1,648.18</u>	c	<u>1,669.50</u>
Adjusted A/R Balance					
General A/R	Σ a \$ 423,792.65		Σ c \$ 139,387.60		Σ e \$ 438,747.76
NSF A/R	Σ b 2,142.52		Σ d 2,462.16		Σ f 2,462.16
Total	<u>\$ 425,935.17</u>		<u>\$ 141,849.76</u>		<u>\$ 441,209.92</u>

Exhibit A-2

**Napa-Vallejo Waste Management Authority
Accounts Receivable Activity Over 90 Days
Per Central Collections
As of December 31, 2010**

<u>Account Number</u>	<u>Principal</u>	<u>Fees/Interest</u>	<u>Total</u>	<u>Collection Measures</u>
Account Type - General A/R				
55505	\$ 640.21	\$ 64.43	\$ 704.64	Hold placed, ph. # not valid continue to send invoices.
54250	103.04	49.72	152.76	Hold placed, phone # not valid continue to send invoices.
50685	10,117.78	-	10,117.78	Paid through Dec., sent 10 day letter for Jan invoice 3/9
55260	1,321.58	128.58	1,450.16	Small Claims process initiated. Requested Sheriff to serve documents.
54114	257.40	38.39	295.79	Hold placed, continue to send invoices.
Subtotal - General A/R	<u>12,440.01</u>	<u>281.12</u>	<u>12,721.13</u>	
Account Type - NSF A/R				
57857	80.64	45.00	125.64	Possible write off, continue to send invoices.
55442	728.48	55.00	783.48	Continue to leave messages and send invoices.
57400	31.00	45.00	76.00	Possible write off, continue to send invoices.
57142	573.44	45.00	618.44	Possible write off, continue to send invoices.
57792	46.72	45.00	91.72	Possible write off, continue to send invoices.
57484	31.00	45.00	76.00	Possible write off, continue to send invoices.
57346	128.00	90.00	218.00	Continue to leave messages and send invoices.
55396	136.00	155.00	291.00	Possible write off, continue to send invoices.
57439	62.00	90.00	152.00	Possible write off, continue to send invoices.
57602	31.00	45.00	76.00	Continue to leave messages and send invoices.
57768	58.24	45.00	103.24	Continue to leave messages and send invoices.
Subtotal - NSF A/R	<u>1,906.52</u>	<u>705.00</u>	<u>2,611.52</u>	
Total - A/R	<u>\$ 14,761.77</u>	<u>\$ 1,411.12</u>	<u>\$ 16,172.89</u>	

Exhibit B

**Napa-Vallejo Waste Management Authority
Analysis of General Ledger Activity
October 1, 2010 through December 31, 2010**

	<u>General Ledger Total</u>	<u>Visa / MC</u>	<u>Deposit Slip</u>	<u>HMS</u>	<u>Bank Adjustments</u>	<u>Other</u>
OCTOBER	\$ 654,896.66	\$ 69,096.96	\$ 142,571.38	\$ 443,593.97	\$ -	\$ (365.65)
NOVEMBER	1,180,970.43	63,110.40	131,142.00	986,981.41	20.00	(283.38)
DECEMBER	548,880.48	54,845.74	108,823.08	385,460.48	20.00	(268.82)
QUARTER	<u>\$ 2,384,747.57</u>	<u>\$ 187,053.10</u>	<u>\$ 382,536.46</u>	<u>\$ 1,816,035.86</u>	<u>\$ 40.00</u>	<u>\$ (917.85)</u>

Σ a = \$ (877.85)
b

<u>Explanation of Bank Adjustments & Other:</u>	<u>Instances</u>	<u>Amount</u>
Returned Checks - Non Sufficient Funds (NSF)	7	\$ (452.48)
Journal fees/overpayments	7	(267.33)
Bank Adjustments	2	40.00
Merchant Charge-Backs	2	(198.04)
	<u>18</u>	<u>b \$ (877.85)</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 December 31, 2010**

<u>Description</u>	<u>Quarter Ended September 30, 2010</u>	<u>Quarter Ended December 31, 2010</u>	<u>Year to Date</u>
Deposit Slips	\$ 497,896.56	\$ 384,260.02	\$ 882,156.58
VISA Slips	<u>237,738.78</u>	<u>189,742.40</u>	<u>427,481.18</u>
Subtotal	735,635.34	574,002.42	1,309,637.76
Deposits Per Cash Report	<u>735,425.42</u>	<u>574,008.16</u>	<u>1,309,433.58</u>
Cash (Shortage) Overage	209.92	(5.74)	204.18
Bank Adjustments	(195.52)	40.00 a	(155.52)
Merchant charge-backs	-	(198.04) b	(198.04)
Collections on "No Pay Activity Customers"	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash (Shortage) Overage	<u>\$ 14.40</u>	<u>\$ (163.78) c</u>	<u>\$ (149.38)</u>

<u>Shortage is caused by the following:</u>	<u>Instances</u>	<u>Total</u>
Cash shortage	6	\$ (6,504.18)
Cash overage	6	6,454.24
Credit Card not accurately accounted for	7	44.20
Bank Adjustments	2	a 40.00
Merchant Charge-backs	2	b (198.04)
Net Cash (Shortage) Overage	<u>23</u>	<u>c \$ (163.78)</u>

Exhibit D

**Napa-Vallejo Waste Management Authority
Summary of Credit Card Exceptions
For the Quarter Ended December 31, 2010**

<u>Transaction Date</u>	<u>County GL</u>	<u>Northern Recycling</u>	<u>Variance</u>
10/2/2010	\$ 2,506.96	\$ 2,506.76	\$ 0.20
10/20/2010	2,657.06	2,657.08	(0.02)
10/22/2010	2,114.16	2,117.08	(2.92)
10/27/2010	3,137.00	3,142.00	(5.00)
10/31/2010	4,529.28	1,475.96	3,053.32
11/1/2010	0.00	3,053.32	(3,053.32)
11/27/2010	1,156.06	1,155.76	0.30
12/13/2010	3,513.44	3,464.80	48.64
12/17/2010	2,055.88	2,052.88	3.00
Total Quarterly Exceptions	<u>\$ 21,669.84</u>	<u>\$ 21,625.64</u>	<u>\$ 44.20</u>
Total Quarterly Activity	<u>\$ 189,742.40</u>	<u>\$ 189,698.20</u>	<u>\$ 44.20</u>

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