



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 March 31, 2011

Issued by
AUDITOR-CONTROLLER
Internal Audit Section
June 27, 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 MARCH 31, 2011

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 March 31, 2011.

From Northern Recycling Operations & Waste Services, LLC, we obtained the "Scale Transaction" 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-three (23) were for Cash or Non-Franchise Accounts Receivable customers. Two (2) manual tickets were for a Franchise Hauler. The following four (4) exceptions were noted:

- Two (2) instances where the dollar amount was not written on manual ticket
- Nine (9) instances where the computer generated ticket number was not recorded on hand tag
- Two (2) instances where the Signature of Weigh Master was missing on hand tag
- Seventeen (17) instances where the Signature of Driver was missing on hand tag

Recommendation A: It is recommended that scale house staff ensure that all manual tickets have the quantity and/or gross tare weight, 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: Scale house staff has been instructed to make sure that all information is written on the manual ticket and the tickets are signed. An example of a ticket has been posted for the staff to use as a reference.

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 March 31, 2011 and adjusted the report by the exceptions noted below, and in Exhibit A-1. (See Exhibit A-1 for the “Accounts Receivable Activity Summary”.)

Exception A: An invoice for the amount of \$381.52 was submitted to Account #52748 for forty-six (46) tickets from August 1, 2010 through March 31, 2011 that were undercharged using the per ton rate versus the minimum rate. Upon analysis of the account, it has been noted that two (2) additional tickets were not included on the invoice. These transactions were for Ticket #330617 in the amount of \$2.20 and ticket #353254 in the amount of \$7.40 for a total of \$9.60.

Recommendation A: We recommend that Northern bill the amount of \$9.60 for the two (2) tickets not included on the previous invoice to Account #52748.

Northern’s Response A: Northern provided Napa County Central Collections a request for an adjustment in June 2011. The difference of \$9.60 was billed on June 24, 2011.

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 B: We noted when reviewing the accounts receivable for the quarter ended March 31, 2011 that there were two (2) instances when the Transaction Register did not agree with the Scale House Transaction Report.

- The January Transaction Register and the January Scale Transaction Report did not agree due to \$622.20 being charged to Account #50551 instead of Account #54053 in the January invoices by Northern. An adjustment was made in February by Central Collections correcting the error.
- The January Transaction Register maintained by Central Collections and the January Scale Transaction Report provided by Northern did not agree for a difference of \$395.40. The February Transaction Register and February Scale Transaction Report did not agree for a difference of \$148.20. Both differences occurred for Account #50558 from adjustments Northern posted to the Scale Transaction Reports to correct an error for a November 2010 transaction (Ticket #377137) which was incorrectly billed in the amount of \$543.60. Northern issued a replacement ticket in November 2010, (Ticket #377138), but Northern did not void the original transaction until December 2010. When Northern needs to adjust an account after the Scale Transactions has been provided to Central Collections, then Northern must submit a request for an adjustment to Central Collections.

Recommendation B: We recommend that Northern continue to exercise greater care when invoicing the A/R customers.

Northern's Response B: The above instances are scale transaction errors which resulted in the wrong customer being billed. The scale house attendants will need to make sure that they are entering the correct customer code when an accounts vehicle enters the scale.

Status of Prior Reports - B: In June 2011, billing adjustment forms were issued for prior quarters from Northern to Central Collections to adjust the following accounts:

Account	Amount	Quarter	Reason for Adjustment
54051	\$ 173.40	March 2010	Adjusted twice
50558	\$ 1,742.42	June 2010	Adjusted twice
52748, 54051, & 50558	\$ (559.80)	Aug. 2010 - March 2011	Over-Billing due to minimum rate not applied
54053	\$ 433.20	September 2010	Adjusted twice

An adjustment for Account #50719 for the amount of \$359.68 will be made in the quarter ending September 30, 2011. Due to no open invoices on this account, an adjustment cannot be made until new charges are generated by Northern.

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 exceptions:

Exception C1: 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 March 31, 2011, we noted twenty-one (21) tickets where the minimum vehicle charge was not applied to a non-franchise hauler and nineteen (19) tickets where the minimum vehicle charge was not applied to a franchise hauler. This resulted in the Accounts Receivable balance being understated by an aggregate amount of \$284.76 as of March 31, 2011.

The following is a summary of the undercharged amounts by account, month, and totals for the quarter ended March 31, 2011:

Exception C1 (Continued):

**Table 1
Undercharged Tickets**

<u>Account</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>Quarter</u>
52748 *	\$ 11.44	\$ 96.80	\$ 42.92	\$ 151.16
50558	30.40	-	-	30.40
54051	-	57.80	45.40	103.20
	<u>\$ 41.84</u>	<u>\$ 154.60</u>	<u>\$ 88.32</u>	<u>\$ 284.76</u>
# of Tickets				
Non-Franchise	2	12	7	21
Franchise	7	8	4	19
	<u>9</u>	<u>20</u>	<u>11</u>	<u>40</u>

* Account 52748 is a related party to the operators of DRTS

Exception C2: Upon reviewing the scale transactions, we noted there were inconsistencies in applying the rate to non-franchise haulers. In accordance with Resolution # 09-08, vehicles six (6) tons and over will be charged by the ton at the rate of \$62.00 for all non-franchise customers.

For the quarter ended March 31, 2011, we noted three (3) tickets where the vehicle charge for six (6) tons and over was incorrectly charged to non-franchise haulers. This resulted in the Accounts Receivable balance being overstated by an aggregate amount of \$73.30 as of March 31, 2011.

The following is a summary of the overbilled amounts by account, month, and totals for the quarter ended March 31, 2011:

**Table 2
Overbilled Tickets**

<u>Account</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>Quarter</u>
56519	\$ 23.62	\$ -	\$ -	\$ 23.62
57268	-	30.40	-	30.40
56658	-	19.28	-	19.28
	<u>\$ 23.62</u>	<u>\$ 49.68</u>	<u>\$ -</u>	<u>\$ 73.30</u>
# of Tickets				
	<u>1</u>	<u>2</u>	<u>-</u>	<u>3</u>

Recommendation C1 & C2: It is recommended that Northern verify that the Soft-Pak system is programmed to charge all customers at the correct rates. It was noted that of the \$284.76 noted in Exception C1, \$151.16 has been adjusted in the quarter ended March 31, 2011 for Account #52748.

Northern's Response C1 & C2: Northern will develop a procedure that will be used to help verify that customers are being charged correctly after a rate change is made and the Soft-Pak system is updated. This procedure will be reviewed with the Auditor Controllers Office.

D. Procedure: For each month in the quarter ended March 31, 2011, 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 March 31, 2011, 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 \$6,578.14, 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".

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 March 31, 2011.

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 March 31, 2011 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) Thirty-eight (38) exceptions, resulting in a net cash overage of \$94.14 inclusive of bank adjustments, were noted for the quarter. Exceptions have been presented in Exhibit C, "Summary of Cash (Shortage) Overage". Of the thirty-eight (38) exceptions, we noted only one (1) instance (3%) 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: The scale house staff has been instructed to write all overages and shortages on the Daily Reconciliation Form.

C. Procedure: (Updated Finding) We completed a comparison of the General Ledger activity to the deposit slip information submitted by DRTS for the quarter ended March 31, 2011 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 C: As noted in Exhibit B, three (3) bank adjustments were posted to the General Ledger resulting in a net increase of \$20.00 in revenue.

Recommendation C: 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 C: The scale house staff is double checking and initialing all deposit slips. Each deposit slip is verified by another scale house attendant prior to deposit. This procedure will be reviewed with one of the auditors during the next site inspection/visit.

V. INTERNAL CONTROLS

A. Procedure: We examined the Scale Transaction Reports for the quarter ended March 31, 2011 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 eighty (80) tickets with the same "Time In" and "Time Out" entries. There were thirteen (13) tickets with the same time entries for cash customers and sixty-seven (67) tickets for the remaining Accounts Receivable customers where there was no apparent reason to enter the tickets manually. Sixty-two (62) of the eighty (80) tickets were to accounts #50685 and #50765. 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. 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 has been informed that the contract has been changed to allow the storing of tare weights for the following non-franchise customers (Vallejo Unified School District, Vallejo Sanitation, Napa State Hospital). Reason for manual tickets will still be noted in the comment field in Soft Pak.

B. Procedure: We verified if Northern accounted for all tickets issued in the quarter ended March 31, 2011. 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:

Exception B1: For the quarter ended March 31, 2011, it was noted that there were eight (8) ticket numbers that did not show up on the Scale Transaction Report. Three (3) transactions were for outbound tickets with zero amounts. The remaining tickets were for the following:

<u>Ticket #</u>	<u>Amount</u>	<u>Reason</u>
None	\$ 152.32	Transaction did not have Ticket number - only the amount appeared. Per inquiry, Ticket # should be #410854
410868	31.00	Ticket# & Amount did not appear on March report
410870	35.20	Ticket# & Amount did not appear on March report
412124	84.48	Ticket# & Amount did not appear on March report
410869	31.00	Ticket# & Amount did not appear on March report
Total	<u>\$ 334.00</u>	

Exception B2: We noted three (3) tickets on the February Scale Transaction Report were back-dated in March 2011 for transactions due to a correction.

Recommendation B1 & B2: Upon inquiry with Northern regarding the ticket with no ticket number, it was determined that the ticket number was 410854. Since this transaction was actually flagged as completed, there was no known reason why it did not include the ticket number. Upon inquiry with Soft-Pak, during this time period, there were no power outages or other interruption in the process and no reason to suspect foul play had occurred. It is recommended complete logs are maintained to monitor all Soft-Pak issues and note any occurrences that are unique. It is also recommended that corrections for tickets are entered prior to month end.

Northern's Response B1 & B2: Northern started to keep a log of Soft-Pak issues starting in July 2011. This will help to provide our software provider the issues that arise that cannot be explained so that they can research and hopefully solve.

C. Procedure: We reviewed negative amounts from the Scale Transaction Reports for the quarter ended March 31, 2011. 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 quarters ended March 31, 2011 and also includes totals for the prior quarters ended September and December 2010, for comparison.

Table 3
Tickets with Negative Amounts

	<u>January</u>	<u>February</u>	<u>March</u>	<u>Quarter Ending 3/31/11</u>	<u>Quarter Ending 12/31/10</u>	<u>Quarter Ending 9/30/10</u>
Cash Tickets	4	6	2	12	16	15
A/R Tickets	27	11	24	62	58	32
Total Tickets	<u>31</u>	<u>17</u>	<u>26</u>	<u>74</u>	<u>74</u>	<u>47</u>
Cash Amount	\$ (128)	\$ (985)	\$ (117)	\$ (1,230)	\$ (1,895)	\$ (1,103)
A/R Amount	<u>(9,726)</u>	<u>(3,521)</u>	<u>(6,366)</u>	<u>(19,613)</u>	<u>(16,407)</u>	<u>(9,027)</u>
Total Amount	<u>\$ (9,854)</u>	<u>\$ (4,506)</u>	<u>\$ (6,483)</u>	<u>\$ (20,843)</u>	<u>\$ (18,302)</u>	<u>\$ (10,130)</u>

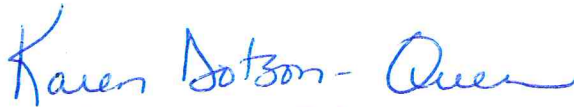
Exception C: (Updated Finding) Based on the results in Table 3, we reviewed the applicable manual end of day reconciliation forms for all tickets with negative quantities. Reasons for the negative amounts were not noted on the end of day reconciliation forms in ten (10) instances out of the Seventy-four (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 has been reminded to note any negative ticket amounts on the daily reconciliation form. This will be monitored in the future to help determine the causes.

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
June 27, 2011

Exhibit A-1

Napa-Vallejo Waste Management Authority Accounts Receivable Activity Summary As of March 31, 2011

	Month Ended January 31, 2011	Month Ended February 28, 2011	Month Ended March 31, 2011
Ending A/R per HMS:			
501	\$ 95,362.93 ^a	\$ 145,738.71 ^c	\$ 74,599.21 ^e
501C	3,482.16 ^b	3,482.16 ^d	3,636.24 ^f
	<u>98,845.09</u>	<u>149,220.87</u>	<u>78,235.45</u>
Adjustments need on HMS:			
HMS Fees, Int. & Penalties, and Other Adj.:			
General A/R	(364.59) ^a	(402.78) ^c	(467.07) ^e
NSF A/R	(1,020.00) ^b	(1,020.00) ^d	(1,065.00) ^f
Other Adjustments - General A/R:			
Acct. 54051 (NCRWS) 3/2/10 bill	173.40	173.40	Note 1 ↓ 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 through 9/30/10	(559.80)	(559.80)	(559.80)
Accts. 52748 Valley Recyl. -Tickets billed in error	251.40	348.20	9.60
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)	Note 2 ↓ (359.68)
Acct. 50558 (City of Napa) Jan. 2011 bill	30.40	30.40	30.40
Acct. 56519 (Sonoma Garbage) Jan. 2011 bill	(23.62)	(23.62)	(23.62)
Acct. 54051 (NCRWS) Feb. 2011 bill	-	57.80	57.80
Acct. 57268 (Bluewater Environ) Feb. 2011 bill	-	(30.40)	(30.40)
Acct. 56658 (Santa Rosa Recy) Feb. 2011 bill	-	(19.28)	(19.28)
Acct. 554051 (NCRWS) March 2011 bill	-	-	45.40
	<u>1,687.72</u> ^a	<u>1,792.64</u> ^c	<u>1,499.44</u> ^e
501	Sum of ^a 96,686.06	Sum of ^c 147,128.57	Sum of ^e 75,631.58
501C	Sum of ^b 2,462.16	Sum of ^d 2,462.16	Sum of ^f 2,571.24
Total	<u>\$ 99,148.22</u>	<u>\$ 149,590.73</u>	<u>\$ 78,202.82</u>

Note 1: Adjustments will be made in quarter ended 6/30/11.

Note 2: Adjustments will be made in quarter ended 9/30/11.

Exhibit A-2

**Napa-Vallejo Waste Management Authority
Accounts Receivable Activity Over 90 Days
Per Central Collections
As of March 31, 2011**

<u>Account Number</u>	<u>Principal</u>	<u>Fees/Interest</u>	<u>Total</u>	<u>Collection Measures</u>
Account Type - General A/R				
54638	\$ 1,755.26	\$ 99.58	\$ 1,854.84	Hold placed, continue to leave messages & send invoices
55505	713.56	86.51	800.07	Hold placed, ph. # not valid continue to send invoices.
54250	103.04	49.72	152.76	Cancelled as uncollectible on 4/20/11
55260	1,364.44	192.87	1,557.31	Small Claims scheduled for 6/10/2011
54114	257.40	38.39	295.79	Cancelled as uncollectible on 4/20/11
Subtotal - General A/R	<u>4,193.70</u>	<u>467.07</u>	<u>4,660.77</u>	
Account Type - NSF A/R				
57966	50.56	45.00	95.56	Customer promised payment by 6/8/2011
57857	80.64	45.00	125.64	Cancelled as uncollectible on 4/20/11
57918	96.64	90.00	186.64	Cancelled as uncollectible on 4/20/11
55442	728.48	55.00	783.48	Continue to leave messages and send invoices.
57917	79.36	45.00	124.36	Cancelled as uncollectible on 4/20/11
57967	150.40	45.00	195.40	Continue to leave messages and send invoices.
57400	31.00	45.00	76.00	Cancelled as uncollectible on 4/20/11
57142	633.44	45.00	678.44	Possible write off, continue to send invoices.
57464	31.00	45.00	76.00	Possible write off, continue to send invoices.
57346	128.00	90.00	218.00	Paid in full 4/26/11
55396	136.00	155.00	291.00	Possible write off, continue to send invoices.
58014	87.68	45.00	132.68	Continue to leave messages and send invoices.
57439	62.00	90.00	152.00	Cancelled as uncollectible on 4/20/11
57965	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>2,384.44</u>	<u>930.00</u>	<u>3,314.44</u>	
Total - A/R	<u>\$ 6,578.14</u>	<u>\$ 1,397.07</u>	<u>\$ 7,975.21</u>	

Exhibit B

**Napa-Vallejo Waste Management Authority
Analysis of General Ledger Activity
January 1, 2011 through March 31, 2011**

	<u>General Ledger Total</u>	<u>Visa / MC</u>	<u>Deposit Slip</u>	<u>HMS</u>	<u>Bank Adjustments</u>	<u>Other</u>
JANUARY	\$ 1,237,838.38	\$ 67,095.58	\$ 126,473.38	\$ 1,044,283.86	\$ 20.00	\$ (36.44)
FEBRUARY	823,515.87	69,300.38	118,992.00	635,463.92	100.00	(340.43)
MARCH	<u>878,204.95</u>	<u>76,475.96</u>	<u>132,986.10</u>	<u>669,465.49</u>	<u>(100.00)</u>	<u>(622.60)</u>
QUARTER	<u>\$ 2,939,559.20</u>	<u>\$ 212,871.92</u>	<u>\$ 378,451.48</u>	<u>\$ 2,349,213.27</u>	<u>\$ 20.00</u> <small>a</small>	<u>\$ (999.47)</u> <small>a</small>
				Σ a =	<u>\$ (979.47)</u> <small>b</small>	
<u>Explanation of Bank Adjustments & Other:</u>				<u>Instances</u>	<u>Amount</u>	
Returned Checks - Non Sufficient Funds (NSF)				9	\$	(873.03)
Journal fees/overpayments				4		(126.44)
Bank Adjustments				3		20.00
				<u>16</u>	<small>b</small> \$	<u>(979.47)</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
January 1, 2011 through March 31, 2011**

<u>Description</u>	<u>Quarter Ended Sep. 30, 2010</u>	<u>Quarter Ended Dec. 31, 2010</u>	<u>Quarter Ended March 31, 2011</u>	<u>Year to Date</u>
Deposit Slips	\$ 497,896.56	\$ 384,260.02	\$ 380,952.68	\$ 1,263,109.26
VISA Slips	237,738.78	189,742.40	212,336.42	639,817.60
Subtotal	735,635.34	574,002.42	593,289.10	1,902,926.86
Deposits Per Cash Report	735,425.42	574,008.16	593,214.96	1,902,648.54
Cash (Shortage) Overage	209.92	(5.74)	74.14	278.32
Bank Adjustments	(195.52)	40.00	20.00 a	(135.52)
Merchant charge-backs	-	(198.04)	-	(198.04)
Collections on "No Pay Activity Customers"	-	-	-	-
Net Cash (Shortage) Overage	<u>\$ 14.40</u>	<u>\$ (163.78)</u>	<u>\$ 94.14 b</u>	<u>\$ (55.24)</u>

<u>Shortage is caused by the following:</u>	<u>Instances</u>	<u>Total</u>
Cash shortage	17	\$ (20,223.48)
Cash overage	17	20,301.18
Credit Card not accurately accounted for	1	(3.56)
Bank Adjustments	3 a	20.00
Net Cash (Shortage) Overage	<u>38 b</u>	<u>\$ 94.14</u>