



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, 2011

Issued by
AUDITOR-CONTROLLER
Internal Audit Section
March 15, 2012

**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, 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 specified operations of 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, 2011.

From Northern Recycling Operations & Waste Services, LLC, we obtained the "Scale Transaction" report, deposit slips 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*.

I. DOCUMENTATION (Continued)

From the Treasurer's Central Collection Division, we obtained an "Accounts Receivable Aging" report, "Accounts Receivable Client Transaction" report, "Cash Receipts Audit Trail" report, copies of any applicable journal entries, a listing of manual rate adjustments, payments, refunds, and billings for each month in the quarter.

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. ACCOUNTS RECEIVABLE

A. Procedure: We summarized the Accounts Receivable activity for the quarter ended December 31, 2011 and adjusted the report by the exceptions noted below, and by the "Other Adjustments" in Exhibit A-1 page 13 ("Accounts Receivable Activity Summary").

Results A: See Exhibit A-1, Exhibit A-3 and Procedure II.E. on pages 13 and 15.

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.

Exception B1: During the quarter ended December 31, 2011, two November tickets (#481006 and 480731) were not included in the December 2011 transmittal to the Treasurer's Office for Account #54051 for an aggregate total of \$106.75. Both tickets were dated November 30, 2011. The tickets were included in the January 2012 transmittal to the Treasurer's Office.

Recommendation B1: It is recommended that Northern verify that all tickets for the month have been accounted for before issuing the transmittal to the Treasurer's Office. The verification can be performed by creating a pivot table by customer name from the scale transaction report and comparing the Accounts Receivable transaction summary balances to the Invoice file prepared for the Treasurer's Office.

Northern's Response B1: Northern has developed a month end procedure to identify any potential ticket transaction differences to month end invoices.

Exception B2: During the quarter ended December 31, 2011, twenty-seven (27) November tickets for residual waste from the City's Material Diversion Facility were weighed but not assigned a per unit price of \$61 per ton. The error began on November 8, 2011 and resulted in Account #50558 being under billed for an aggregate amount of \$10,687.20. The Executive Director noted the error and immediately brought the error to the attention of DRTS manager on March 8, 2012.

II. ACCOUNTS RECEIVABLE (Continued)

Recommendation B2: It was noted by DRTS that the error occurred after changing a description in the SoftPak system. It is recommended that whenever any change is made to the SoftPak system that Northern verify that all tickets processed for next three to four days are processing correctly. The verification can be performed by creating a pivot table by customer name from the scale transaction report and recalculating the amounts of the tickets.

Northern's Response B2: Northern Recycling has instructed all scale house staff to perform a check of all contract accounts, billed customers and cash customers to identify any potential pricing problems that have resulted from any software updates or price changes. A billing adjustment form 501 was submitted to create an invoice to collect the amounts owed.

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 #2011-08, which was adopted by NWMA Board of Directors on June 2, 2011.

Results C: No findings were noted as a result of this procedure for the quarter ended December 31, 2011.

Status of Prior Reports:

The following is a summary of the undercharged amounts by account and balance outstanding for the quarters ended March 31, 2011 and June 30, 2011. As of December 31, 2011, these accounts were not adjusted.

Table 1
Previously Reported Undercharged Tickets

Account	Balance As of March 31, 2011	Balance As of June 30, 2011
50558	30.40	119.60
54051	103.20	154.60
	<u>\$ 133.60</u>	<u>\$ 274.20</u>

II. ACCOUNTS RECEIVABLE (Continued)

Status of Prior Reports (Continued):

The following is a summary of the overbilled amounts by account and totals for the quarter ended March 31, 2011. As of December 31, 2011, these accounts were not adjusted.

Table 2
Previously Reported Overbilled Tickets

<u>Account</u>	<u>Balance</u> <u>As of</u> <u>March 31, 2011</u>
56519	\$ 23.62
57268	30.40
56658	19.28
	<u>\$ 73.30</u>

The following is a summary of Account #52748 being charged erroneously during the fiscal year ended June 30, 2011. During the quarter ended March 31, 2011 Account #52748 was undercharged for two tickets (ticket #353254 and #330617) for a total of \$9.60. In June 2011, an invoice for the amount of \$130.72 was submitted to Account #52748. This invoice was to bill for various undercharged tickets, \$9.60 of the total invoice related to tickets #353254 and #330617. The rest of the invoice was for tickets that had already been adjusted in a prior quarter. This has resulted in overcharging Account #52748 by \$121.12.

Recommendation C: It is recommended that Northern submit a “Billing Adjustment Form” to the Treasurer’s Office for the outstanding adjustments.

Northern’s Response (Prior Reports) C: A billing adjustment form 501 was submitted to the Treasurer’s Office on February 17, 2012.

D. Procedure: For each month in the quarter ended December 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. The aggregate amount of fees and interest has been removed from the Accounts Receivable balances to determine the amount owed by customers to Napa-Vallejo Waste Management Authority. See Exhibit A-1 on page 13.

II. ACCOUNTS RECEIVABLE (Continued)

E. Procedure: For the quarter ended December 31, 2011, we analyzed the accuracy of the Accounts Receivable Aging report.

Exception E1: We discovered that the October, November and December “A/R Aging Report” did not recognize credit balances, payments received but not yet applied to invoices, adjustments or refunds issued in prior months, and reversal of payment errors. “A/R Aging Reports” are time sensitive and cannot be run again once activity is posted to the system.

As a result of the missing information, the “A/R Aging Report” could not be used for determining the ending balances for the NVWMA Customer accounts. In order to verify the account balances, balances were determined by utilizing the balances calculated for September by the Auditor’s office and applying the information from the “A/R Client Transaction Report”.

A comparison was performed between the calculated balances for each month and the “A/R Aging Report”. A total of 31 accounts out of a total of approximately 220 accounts with invoice activity in November were affected by the reporting errors. October, November and December varied by \$(2,350.96), \$(3,397.14) and \$125.70, respectively. A detail analysis is located on Exhibit A-3 page 15 (“CAMS Reporting Errors”).

Recommendation E1: It is recommended that Central Collections and CAMS work together to produce an “A/R Aging Report” to include all the necessary components that are instrumental in obtaining an accurate ending balance for the NVWMA Customer accounts. We understand that the new system (CAMS) was recently implemented, and all requests for producing a working report were acknowledged by CAMS.

Treasurer’s Response E1: In January, 2012, we found the inclusion of credit balances is optional on the new CAMS Aging Report, and must be selected when run. At the end of December, we were unaware of this requirement. We understand the importance of making certain this option is checked when running the Aging Report. It was at this same time that we, along with CAMS, discovered the report cannot be recreated on an as-of basis. Central Collections has been working closely with CAMS to get the Aging Report to reflect all balances correctly; the report needed additional “tweaking” for the month of February, however, we believe the report has been corrected since then. Central Collections will be confirming the corrections have been made with the balancing of the March information during the first week of April, 2012.

Exception E2: We discovered that the November 2011 activity for Account #57900 in the amount of \$64 was charged incorrectly to Account #50597 under the Human Resources client category in CAMS. Central Collections acknowledged the need for an adjustment at the end of the December “A/R Aging Report” by adding the balance of Account #50597 under Human Resources to the report.

II. ACCOUNTS RECEIVABLE (Continued)

Recommendation E2: It is recommended that Central Collections posts the necessary adjustments to the CAMS system to assign the outstanding balance in Account #50597 to Account #57900.

Treasurer's Response E2: The file that Central Collections received from NVWMA reflects that the activity in question is for Account #50597, not #57900. The error we found is that an incorrect invoice number was used when recording the payment received which resulted in creating offsetting outstanding and credit balances for this account, netting to \$0.00. CAMS is still working on a solution to get the credit balance applied to an open invoice. In addition to this key error, the aging report identifies the customer number as category 132 (Human Resources); this customer is truly category 501 and is coded as such in the CAMS system. The customer balance was included correctly in the December, 2011 501 totals, even though it prints incorrectly on the report. Central Collections worked with CAMS to get this straightened out in January, and it is now printing correctly on the aging report.

F. Procedure: 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 on page 14 for an aggregate amount of \$8,187.99, excluding fees and interest, which is an increase from the prior quarter balance of \$7,399.35. 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 F: See Exhibit A-2 for a detail listing of the "Accounts Receivable Activity over 90 Days".

Treasurer's Response F: See Exhibit A-2 for Treasurer's Collection Measures.

III. 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, 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 December 31, 2011. We have summarized our comparison and findings in Exhibit C on page 17 ("Summary of Cash (Shortage) Overage"). As a result of this procedure we noted the following exception.

III. REVENUE (Continued)

Exception B: (Updated Finding) Nine (9) exceptions, resulting in a net cash shortage of \$35.10 inclusive of bank adjustments, were noted for the quarter ended December 31, 2011. Exceptions have been presented in Exhibit C, "Summary of Cash (Shortage) Overage". Of the nine (9) exceptions, we noted two (2) instances (22%) where cash variances were not indicated on the end of day cash reconciliation completed by DRTS staff. The year-to-date cash overage is \$5.05.

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: All scale house staff have been reminded to perform an end of day reconciliation and to note any shortages or overages on the daily reconciliation form.

C. Procedure: We completed a comparison of the General Ledger activity to the deposit slip information submitted by DRTS for the quarter ended December 31, 2011 and summarized our comparison in Exhibit B on page 16 ("Analysis of General Ledger Activity"). We also verified the timeliness of transmitting the deposit information and recording the revenue in the proper account. As a result of this procedure we noted the following exceptions:

Exception C1: During the quarter ended December 31, 2011, deposit slips, Visa/MC summary tags and "Daily Reconciliation" forms were not posted to the on-line storage system of *Box.net* in a timely manner for six (6) different transactions for an aggregate value of \$8,938.90. Deposit slips and "Daily Reconciliation" forms should be posted within 1 day and Visa/MC should be posted within 2 days. When analyzing the information, weekends and holidays were taken into consideration.

Exception C2: As noted in Exhibit B, one (1) bank adjustments were posted to the General Ledger resulting in a net decrease of \$20.00 in revenue.

Recommendation C1 and C2: We recommend that scale house staff be cross-trained, so when the employee who normally posts information to *Box.net* is not available, then another employee can perform their job responsibilities.

We also 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.

III. REVENUE (Continued)

Northern's Response C1 and C2: Northern has cross trained several employee's to perform the timely posting of Daily Reconciliation forms to box net. Scale house staff has also been instructed to perform self review of deposit slips and to have another employee review the amount of cash listed on the deposit to help catch any error prior to the deposit being sealed.

Exception C3: During the quarter ended December 31, 2011, cash deposits and Visa/MC charges were not posted to the general ledger in a timely manner for three (3) different transactions for an aggregate value of \$4,719.70. Cash deposits should be posted to the general ledger within 2 days and Visa/MC charges should be posted within 3 days. When analyzing the information, weekends and holidays were taken into consideration.

Recommendation C3: We recommend that Treasury staff be cross-trained, so when the employee who normally posts information to the General Ledger is not available, then another employee can perform their job responsibilities.

Treasurer's Response C3: There are two Treasury staff and the Treasury Supervisor all cross-trained to process these transactions, and they are processed on a daily basis. However, even though NVWMA faxes copies of the deposit tickets to our office, Treasury does not process the activity until it shows up on our bank's Treasury Information Report, which lists the daily activity posted to the account. This report is run each morning and processed that same day for the prior day's activity. For these transactions, the deposits were not deposited at the bank until November 15, and were processed to the general ledger the next day, November 16, when we received the confirmation of the activity for the day. The delay is due to the time it takes for the armored pick-up and delivery to occur, as this is a multi-step process; the deposits do not go directly from the transfer station/Northern to Wells Fargo on the day of pick-up.

IV. INTERNAL CONTROLS

A. Procedure: We examined the Scale Transaction Reports for the quarter ended December 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 excluded tickets for non-weighted 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:

IV. INTERNAL CONTROLS (Continued)

Exception A: We noted three (3) tickets with the same “Time In” and “Time Out” entries for an aggregate amount of \$268.60. There was one (1) ticket with the same time entry for a cash customer and two (2) tickets for non-franchise Accounts Receivable customers. The two (2) non-franchise Accounts Receivable ticket were for accounts #50588 and #56519. The tickets did not pertain to Collection Contractors and did not have an explanation provided to determine if the tickets were replacement tickets or if tare weights were used in violation of the terms of the contract and permission granted by the NVWMA Executive Director.

It should be noted that the contract between Northern and NVWMA currently only provides for the storing of tare weights for Collection Contractors’ vehicle. On June 1, 2011, the Executive Director authorized DRTS to utilize tare weights of vehicles of public entities. As such, Northern shall be responsible for the contractual duty of ensuring the accuracy of the vehicle tare weights (i.e. re-weighing of vehicles no less than two (2) times per year).

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.

Northern’s Response A: All scale house staff has been instructed to note reasons for tickets to have a same in and out time. The two tickets in question did not have any notes on them and the scale house employee that performed the transaction is no longer employed by Northern.

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

IV. INTERNAL CONTROLS (Continued)

As a result of this procedure we noted the following:

Exception B: For the quarter ended December 31, 2011, there were four (4) missing tickets on the Scale Transaction Report for the quarter ended December 31, 2011.

Tickets #475451 and #475453 could not be retrieved in the system when requested on February 24, 2012.

Tickets #487039 and #487766 were not on the Scale Transaction report initially loaded on *Box.net*. However, these tickets were able to be reprinted from the system when requested. The tickets were associated with disposal by Account #50763 in December 2011, which is billable in January 2012.

Recommendation B: We recommend that a “Billing Adjustment Form” form to be submitted to the Treasurer’s Office for tickets #487039 and #487766, for an aggregate of \$588.90. Additionally, we recommend that Northern continues to log all Soft-Pak issues, work with the software provider to resolve system problems and to note any unique circumstances.

Northern’s Response B: A billing adjustment form 501 was submitted on February 24, 2012 to correct the shortage.

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

The following table includes a summary of negative tickets by transaction type, month, and totals for the quarter ended December 31, 2011 and also includes totals for the prior quarter ended September 30, 2011, for comparison.

IV. INTERNAL CONTROLS (Continued)

Table 3
Tickets with Negative Amounts

	<u>October</u>	<u>November</u>	<u>December</u>	<u>Quarter Ending 12/31/11</u>	<u>Quarter Ending 9/30/11</u>
Cash Tickets	6	5	5	16	14
A/R Tickets	118	9	18	145	35
Total Tickets	<u>124</u>	<u>14</u>	<u>23</u>	<u>161</u>	<u>49</u>
Cash Amount	\$ (289)	\$ (3,412)	\$ (163)	\$ (3,864)	\$ (1,345)
A/R Amount	<u>(35,099)</u>	<u>(2,361)</u>	<u>(4,168)</u>	<u>(41,628)</u>	<u>(10,699)</u>
Total Amount	<u>\$ (35,388)</u>	<u>\$ (5,773)</u>	<u>\$ (4,331)</u>	<u>\$ (45,492)</u>	<u>\$ (12,044)</u>

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

Exception C1: 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 for eight (8) tickets out of the one hundred sixty-one (161) tickets with negative quantities. The aggregate monetary effect of the eight (8) tickets was \$2,033.13.

Exception C2: In addition, to the eight (8) tickets noted in Exception C1, ninety-nine (99) tickets pertaining to franchise hauler transactions were voided and re-entered due to the system not being updated for the rate change effective October 1, 2011. The system log did not contain notations of the delay in programming. The aggregate monetary effect of the ninety-nine (99) tickets was \$29,619.20.

Recommendation C1 & C2: 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.

We also recommend that rate changes are updated in the system after the close of business on the day before the rate becomes effective or prior to the commencement of business on the day the rate becomes effective. Should the programming of the new rate be delayed, then the delay should be included on the system log.

Northern’s Response C1 & C2: All scale house staff has been reminded to continue to note any reason for a ticket that is generated with a negative amount. The reason for the negative amount should be noted on the end of day reconciliation form. Northern will try to make all rate changes at the end of day prior to the new rate taking effect.

V. CONCLUSION

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 15, 2012

Exhibit A-1

**Napa-Vallejo Waste Management Authority
Accounts Receivable (A/R) Activity Summary
As of December 31, 2011**

	<u>Month Ended October 31, 2011</u>		<u>Month Ended November 30, 2011</u>		<u>Month Ended December 31, 2011</u>
Accounts Receivable					
Beginning AR Balance					
501	\$ 65,305.24	a	\$ 93,097.42	d	\$ 84,777.37
501C	2,753.64	c	2,753.64	f	2,753.64
	<u>68,058.88</u>	aa	<u>95,851.06</u>	bb	<u>87,531.01</u>
Add:					
Invoices and new assignments					
501	732,744.70		676,459.09		712,175.41
501C	-		-		83.20
	<u>732,744.70</u>		<u>676,459.09</u>		<u>712,258.61</u>
Customer Refunds or					
Short/Over	491.56		189.37		-
Adjustments for 501	-		-		22.90
Less:					
Total Collections per					
Station List (incl. Fees & Int.)	(706,167.80)		(684,244.79)		(643,142.39)
Net Collections	<u>(706,167.80)</u>		<u>(684,244.79)</u>		<u>(643,142.39)</u>
Calculated A/R Balance - all accts	<u>\$ 95,127.34</u>	aa	<u>\$ 88,254.73</u>	bb	<u>\$ 156,670.13</u>
Ending A/R per HMS:					
501	\$ 95,368.60	a	\$ 88,818.45	d	\$ 143,493.58
501C	3,728.64	c	3,728.64	f	3,856.84
	<u>99,097.24</u>		<u>92,547.09</u>		<u>147,350.42</u>
Adjustments needed on HMS:					
HMS Fees, Int. & Penalties, and Other Adj.:					
Net 501	-	a	(723.72)	d	(723.72)
Net 501C	(975.00)	c	(975.00)	f	(1,020.00)
Other Adjustments 500/501B/501C:					
Acct. 52748 Valley Recycl. -Tickets billed in error	(121.12)		(121.12)		(121.12)
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		57.80
Acct. 57268 (Bluewater Environ) Feb 2011 bill	(30.40)		(30.40)		(30.40)
Acct. 56658 (Santa Rosa Recy) Feb 2011 bill	(19.28)		(19.28)		(19.28)
Acct. 54051 (NCRWS) Mar 2011 bill	45.40		45.40		45.40
Acct. 54051 (NCRWS) Apr 2011 bill	3.40		3.40		3.40
Acct. 50558 (City of Napa) May 2011 bill	20.60		20.60		20.60
Acct. 50558 (City of Napa) June 2011 Bill	68.60		68.60		68.60
Acct. 54051 (NCRWS) June 2011 bill	48.00		48.00		48.00
Acct 54051 (NCRWS) Nov 2011 Tickets	-		-		106.75
Acct 50597 (Fuller) assigned to HR Dec 2011	-		-		64.00
Acct 50558 - (NRWS) MDF Residual in Nov 2011	-		-		10,687.20
CAMS Reporting Errors	(2,350.96)		(3,397.14)		125.70
	<u>(2,271.18)</u>	a	<u>(3,317.36)</u>	d	<u>11,063.43</u>
Adjusted HMS Balance - All Accts	<u>95,851.06</u>		<u>87,531.01</u>		<u>156,670.13</u>
Difference	<u>\$ (723.72)</u>		<u>\$ -</u>		<u>\$ -</u>
					<u>December 31, 2011</u>
			501	g	\$ 153,833.29
			501C	i	2,836.84
			Total		<u>\$ 156,670.13</u>

Exhibit A-2

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

<u>Account Number</u>	<u>Principal</u>	<u>Fees/ Interest</u>	<u>Total</u>	<u>Collection Measures</u>
Account 501 - General A/R				
57778	\$ 83.19	\$ -	\$ 83.19	Continue collection procedure
54927	17.80	-	17.80	Continue collection procedure
50557	510.00	-	510.00	Continue collection procedure
60110	190.20	-	190.20	Continue collection procedure
50560	(32.00)	-	(32.00)	Applied to Inv# 50588936
53174	(110.72)	-	(110.72)	Refunded 8/31/11 s/b -0-
54638	1,809.56	235.33	2,044.89	Continue collection procedure
51936	149.75	-	149.75	Paid 1/4/12
55505	735.64	141.68	877.32	Approved as "Uncollectible"
50682	(105.00)	-	(105.00)	Refunded 2/29/12
54051	548.80	-	548.80	Continue collection procedure
50688	174.36	48.84	223.20	Continue collection procedure
55769	322.20	-	322.20	Paid 1/4/12
55260	1,428.73	297.87	1,726.60	Continue collection procedure
54754	103.00	-	103.00	Continue collection procedure
50731	(32.00)	-	(32.00)	Refunded 2/29/12
52165	345.80	-	345.80	Paid 1/26/12
56991	(794.96)	-	(794.96)	Refunded \$854.48 8/31/11 & \$60.52 11/30/11
Subtotal - 501 - General A/R	<u>5,344.35</u>	<u>723.72</u>	<u>6,068.07</u>	
Account 501C - NSF A/R				
60113	77.00	-	77.00	Continue collection procedure
58533	31.00	45.00	76.00	Continue collection procedure
55442	728.48	55.00	783.48	Continue collection procedure
58290	62.00	90.00	152.00	Continue collection procedure
57967	150.40	45.00	195.40	Approved as "Uncollectible"
57142	633.44	45.00	678.44	Continue collection procedure
58336	322.56	90.00	412.56	Continue collection procedure
57464	31.00	45.00	76.00	Approved as "Uncollectible"
55396	136.00	155.00	291.00	Continue collection procedure
58400	294.04	135.00	429.04	Continue collection procedure
58481	31.00	45.00	76.00	Continue collection procedure
58014	87.68	45.00	132.68	Continue collection procedure
60097	169.80	-	169.80	Continue collection procedure
57965	31.00	45.00	76.00	Continue collection procedure
57768	58.24	45.00	103.24	Approved as "Uncollectible"
Subtotal - 501C - NSF A/R	<u>2,843.64</u>	<u>885.00</u>	<u>3,728.64</u>	
Total A/R	<u>\$ 8,187.99</u>	<u>\$ 1,608.72</u>	<u>\$ 9,796.71</u>	

Exhibit A-3

**Napa-Vallejo Waste Management Authority
CAMS Reporting Errors
As of December 31, 2011**

Client No.	Calculated Balance as of 10/31/11	Aging Balance 10/31/11	Difference as of 10/31/11	Notes	Difference as of 11/30/11	Notes	Difference as of 12/31/11	Notes
50522	\$ (0.80)	\$ -	\$ (0.80)	1	\$ -	5	\$ -	
54927	130.90	234.65	(103.75)	1	(103.75)	1	-	
50549	-	-	-		-		156.36	6
50557	577.75	829.05	(251.30)	3	(251.30)	3	(251.30)	3
50558	-	-	-		-		125.80	3
50559	-	-	-		-		356.80	3
50560	(69.70)	-	(69.70)	1 & 2	(101.70)	1 & 2	-	
58343	-	-	-		-		8.96	3
54724	(42.90)	-	(42.90)	2	-	5	-	
53174	(29.47)	-	(29.47)	1	(110.72)	1 & 2	-	
50595	80.79	118.95	(38.16)	1	-	5	38.16	3
50597	-	-	-		-		(64.00)	7
52311	(20.88)	-	(20.88)	1	(20.88)	1	-	
53991	-	-	-		(32.00)	2	-	
50645	-	-	-		(184.60)	2	-	
53061	(0.30)	-	(0.30)	1	-	5	0.30	3
50669	-	-	-		(42.20)	4	-	
57900	(56.00)	-	(56.00)	2	(56.00)	1	-	
50682	(105.00)	-	(105.00)	1	(105.00)	1	-	
50692	-	-	-		(232.70)	2	(167.20)	7
50722	160.20	170.60	(10.40)	1	-	5	10.40	3
50763	(290.40)	-	(290.40)	3	(290.40)	1	-	
55286	(79.95)	-	(79.95)	1	-	5	79.95	3
50724	(90.70)	-	(90.70)	2	(90.70)	1	-	
54756	-	-	-		(31.00)	2	-	
50731	409.35	441.35	(32.00)	1	(32.00)	3	-	
54634	399.76	444.40	(44.64)	1	(44.64)	1	-	
50741	296.41	525.50	(229.09)	1	(229.09)	1	(229.09)	1
58537	-	-	-		(643.50)	2	-	
50754	(0.04)	-	(0.04)	1	-	5	0.04	3
56991	(855.48)	-	(855.48)	1	(794.96)	1	60.52	3
	<u>\$ 413.54</u>	<u>\$ 2,764.50</u>	<u>\$ (2,350.96)</u>		<u>\$ (3,397.14)</u>		<u>\$ 125.70</u>	

Notes

- (1) Credit balances
- (2) Payments without invoices to apply to
- (3) Not recognizing write-offs in prior month
- (4) Not recognizing payment against current outstanding balance
- (5) Prior credit written off, refunded or applied to current month activity
- (6) Reversal of posting error in prior month not recognized in current month
- (7) Cause of difference unknown as of March 8, 2012

Exhibit B

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

	General Ledger Total	Components				
		Visa / MC	Deposit Slip	HMS	Bank Adjustments	Other
OCTOBER	\$ 935,022.19	\$ 86,127.85	\$ 143,218.10	\$ 706,167.80	\$ -	\$ (491.56)
NOVEMBER	914,527.02	80,391.15	150,100.45	684,244.79	(20.00)	(189.37)
DECEMBER	<u>834,475.94</u>	<u>67,874.40</u>	<u>123,542.35</u>	<u>643,142.39</u>	<u>-</u>	<u>(83.20)</u>
QUARTER	<u>\$ 2,684,025.15</u>	<u>\$ 234,393.40</u>	<u>\$ 416,860.90</u>	<u>\$ 2,033,554.98</u>	<u>\$ (20.00)</u>	<u>\$ (764.13)</u>
					<u>\$ (784.13)</u>	<u>\$ (784.13)</u>
					$\Sigma a =$	<u>\$ (784.13)</u>

Explanation of Bank Adjustments & Other:	Instances	Amount
Returned Checks - Non Sufficient Funds (NSF)	9	\$ (764.13)
Bank Adjustments	1	(20.00)
	<u>10</u>	<u>\$ (784.13)</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
July 1, 2011 through December 31, 2011**

<u>Description</u>	<u>Quarter Ended Sep. 30, 2011</u>	<u>Quarter Ended Dec. 31, 2011</u>	<u>Year to Date</u>
Deposit Slips	\$ 496,542.94	\$ 419,077.10	\$ 915,620.04
VISA Slips	272,751.79	234,639.20	507,390.99
Subtotal	769,294.73	653,716.30	1,423,011.03
Deposits Per Cash Report	769,294.58	653,731.40	1,423,025.98
Cash (Shortage) Overage	0.15	(15.10)	(14.95)
Bank Adjustments	40.00	(20.00) a	20.00
Net Cash (Shortage) Overage	<u>\$ 40.15</u>	<u>\$ (35.10) b</u>	<u>\$ 5.05</u>

Shortage is caused by the following:

	<u>Instances</u>	<u>Total</u>
Cash shortage	4	\$ (74.40)
Cash overage	4	59.30
Bank Adjustments	1 a	(20.00)
Net Cash (Shortage) Overage	<u>9 b</u>	<u>\$ (35.10)</u>