



A Tradition of Stewardship
A Commitment to Service

**Napa-Vallejo Waste Management Authority
Quarterly Monitoring
Internal Controls Review**

For the Quarter Ended September 30, 2025

**Tracy A. Schulze
Auditor-Controller**

Internal Audit Section
October 15, 2025

Table of Contents

	<u>Page</u>
Executive Summary	1
Background and Authority	2
Objective and Scope	2
Procedures	2
Conclusion	3
Exhibit A – Cash Overage / (Shortage) Summary	4

Internal Audit Team

Christine Hernandez - Deputy Auditor-Controller
Nicholas Kittredge - Grant Compliance & Internal Audit
Susan MacDonald - Internal Audit



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Auditor-Controller
1195 Third Street · Room B10
Napa, CA 94559

Main: (707) 253-4551
Fax: (707) 226-9065
www.countyofnapa.org

Tracy A. Schulze
Auditor-Controller

October 15, 2025

Board of Directors
Napa-Vallejo Waste Management Authority

Executive Summary

The Internal Audit Section of the Napa County Auditor-Controller's Office (Internal Audit) has completed quarterly monitoring for Napa-Vallejo Waste Management Authority (Authority) for the quarter ended September 30, 2025.

Internal Audit performed this review in conformance with professional auditing standards applicable to the public sector. These standards require that each engagement be performed with integrity, objectivity, competence, due professional care, and confidentiality.

Internal controls over revenue and accounts receivable appear to be adequately designed and implemented as of September 30, 2025. Consistent with prior quarters, a minor variance was noted - a net cash shortage of \$411 (see **Exhibit A**). The Treasurer-Tax Collector's Central Collections aging report indicated that customer accounts with balances greater than \$250 outstanding for 90 days or longer totaled \$0.

This report is a matter of public record and is intended solely for the information and use of the Authority's Board of Directors, Executive Director, Management at Northern Recycling Operations and Waste Services LLC (Northern), and the Treasurer-Tax Collector. Internal Audit extends its appreciation to the Northern staff and the Authority's management for their cooperation, expertise, and professionalism throughout this engagement.

Sincerely,

A handwritten signature in blue ink, reading "Tracy A. Schulze".

Tracy A. Schulze
Auditor-Controller

Napa-Vallejo Waste Management Authority
Quarterly Monitoring
For the Quarter Ended September 30, 2025

Background and Authority

The Authority is a joint powers agency organized under the laws of the State of California pursuant to Government Code Section 6500 et seq. The Authority is composed of the County of Napa and the Cities of Napa, American Canyon, and Vallejo, and was established to provide coordinated and economically efficient solid waste processing, transfer, and disposal services for its member agencies.

The Authority entered into an agreement with Northern on March 1, 2007, which was subsequently amended on March 19, 2010. Pursuant to Public Resources Code Section 40059(a)(2), the Authority and Northern are authorized to enter into a transfer station operation agreement under which Northern operates the Devlin Road Transfer Station (DRTS).

For fiscal year 2025-26, the Authority has engaged the Napa County Auditor-Controller's Office to perform quarterly monitoring of internal controls over DRTS operations and related financial activities.

Objective and Scope

The primary objectives of this engagement were to:

1. Evaluate whether internal controls over fees, collections, manual ("hand tag") tickets, and voided or replacement tickets were adequately designed and implemented.
2. Review and report the Treasurer-Tax Collector's collection measures for any accounts receivable balances greater than \$250 that are more than 90 days past due.
3. Identify and report any cash overages or shortages arising from cash, check, or credit card transactions.

The scope of this review included an examination of the Authority's and Northern's records for the quarter ended September 30, 2025.

Procedures

To achieve the engagement objectives, Internal Audit performed the following procedures:

1. Northern's Scale Transaction Report

- Agreed reported revenue (non-cash transactions) per Northern's Scale Transaction Report to the Detail Receivables Report generated in Tyler Munis.
- Verified ticket rates (i.e., scale rates charged) to the applicable Board Resolution.
- Reviewed the report for completeness, including confirmation that no tickets were missing.
- Verified internal controls over voided, replacement, and manual ("hand tag") tickets.

Napa-Vallejo Waste Management Authority
Quarterly Monitoring
For the Quarter Ended September 30, 2025

2. Accounts Receivable Aging Report

- Compiled the Accounts Receivable 90-Day Aging Report from Treasurer-Tax Collector reports generated in Tyler Munis.
- Reviewed and reported on the Treasurer-Tax Collector's collection measures for any customer accounts with balances greater than \$250 outstanding for more than 90 days.

3. Cash Overage / (Shortage) Summary

- Compared Northern's Cash Receipt Reports (cash, check, and credit card transactions) to the Authority's general ledger.
- Reviewed short payments exceeding \$25 to assess their validity and reasonableness.
- Reported quarterly and fiscal year-to-date cash overages or shortages arising from cash, check, and credit card transactions.

Conclusion

Based on our review, internal controls over revenue and accounts receivable appear to be adequately designed and implemented as of September 30, 2025. The Treasurer-Tax Collector's accounts receivable balances exceeding 90 days and greater than \$250 totaled \$0 as of quarter-end. Reconciliation of all cash and credit card transactions between Northern's cash reports and Treasury's journal entries identified a net cash shortage of \$411 for the quarter, which included \$1,234 in bank adjustments.

Napa-Vallejo Waste Management Authority
Quarterly Monitoring
For the Quarter Ended September 30, 2025

Exhibit A – Cash Overage / (Shortage) Summary

Description	Quarter Ended September 30, 2025	Year-to-Date
Authority's General Ledger		
Cash	\$ 490,767	\$ 490,767
VISA/MC	2,221,494	2,221,494
Bank/TTC Adjustments	(1,234)	(1,234)
Total	\$ 2,711,027	\$ 2,711,027
Northern's Cash Report		
Cash/Check	509,440	509,440
VISA/MC	2,201,998	2,201,998
Total	\$ 2,711,438	\$ 2,711,438
Net Cash Overage / (Shortage)	\$ (411)	\$ (411)