

Napa County

Auditor-Controller

Internal Audit Report

Napa-Vallejo Waste Management Authority
Quarterly Monitoring
Internal Controls Review

For the Quarter Ended June 30, 2025

Report Date: July 21, 2025



A Tradition of Stewardship
A Commitment to Service

Tracy A. Schulze, CPA
Auditor-Controller

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Engagement Team

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A Tradition of Stewardship
A Commitment to Service

Auditor-Controller
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Tracy A. Schulze
Auditor-Controller

July 21, 2025

Board of Directors
Napa-Vallejo Waste Management Authority

Executive Summary

The internal audit section of the Napa County Auditor-Controller's Office has completed a quarterly monitoring for Napa-Vallejo Waste Management Authority (Authority) for the quarter ended June 30, 2025.

Internal Audit conducted the review in accordance with the Global Internal Audit Standards (Standards) established by the Institute of Internal Auditors. These Standards require Internal Audit to identify, analyze, evaluate, and document sufficient information and evidence to meet the engagement objectives. They also require that the internal audit function maintain independence and objectivity, and that all engagements be performed with proficiency and due professional care.

Based on our review, internal controls over revenue and accounts receivable appear to be adequately designed and implemented as of June 30, 2025. A net cash overage of \$116 was identified (see **Exhibit A**). As of the date of this review, there are no customer accounts on the Treasurer-Tax Collector's Central Collections aging report with balances exceeding \$250 that are 90 days or more past due.

This report is a matter of public record and is intended for the information and use of the Authority's Board of Directors, the Executive Director, management at Northern Recycling Operations and Waste Services LLC (Northern), a California limited liability company, and the Treasurer-Tax Collector. I would like to thank the Internal Audit team, Northern's staff, and the Authority's management for their professionalism and expertise throughout the course of this engagement.

Sincerely,

A handwritten signature in blue ink that reads "Tracy Schulze".

Tracy Schulze
Auditor-Controller

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

Background and Authority

The Authority, a joint powers agency established under California Government Code Section 6500 et seq., entered into an agreement with Northern on March 1, 2007. This agreement was subsequently amended on March 19, 2010.

The Authority is composed of the County of Napa and the Cities of Napa, American Canyon, and Vallejo. It was formed to provide coordinated and cost-effective solid waste processing, transfer, and disposal services. Under the provisions of Public Resources Code Section 40059(a)(2), the Authority contracted with Northern to operate the Devlin Road Transfer Station (DRTS).

To support effective oversight, the Authority has engaged the Napa County Auditor-Controller's Office to conduct quarterly monitoring of internal controls throughout fiscal year 2024–25.

Objective and Scope

The primary objectives of this engagement were to:

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

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

Procedures

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

1. Review of Northern's Scale Transaction Report

- Reconciled revenue from non-cash transactions per Northern's Scale

Napa-Vallejo Waste Management Authority
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Transaction Report to the Detail Receivables Report generated from Tyler Munis.

- Verified ticket rates (i.e., scale rates charged) against the Board-approved resolution.
- Assessed the completeness of the report by identifying any missing ticket numbers.
- Evaluated internal controls over voided, replacement, and manual (hand tag) tickets.

2. Accounts Receivable Aging Analysis

- Compiled the 90-Day Aging Report using data from the Treasurer-Tax Collector's Tyler Munis system.
- Reviewed and reported on the Treasurer-Tax Collector's collection efforts for any receivables over 90 days past due with balances exceeding \$250.

3. Cash Overage / (Shortage) Summary

- Compared Northern's Cash Receipt Reports (cash, checks, and credit cards) to the Authority's general ledger entries.
- Investigated short payments over \$25 to assess reasonableness.
- Reported the net cash overage or shortage for the quarter and cumulative fiscal year based on 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 June 30, 2025. As of that date, there are no accounts on the Treasurer-Tax Collector's Accounts Receivable report with balances of \$250 or more that are over 90 days past due. This is due to the NVWMA Board's approval, on June 16, 2025, of a \$1,303 write-off for Trash Logic LLC. A reconciliation of all cash and credit card transactions between Northern's cash reports and the Treasury's journal entries resulted in a net cash overage of \$116 for the quarter, which includes (\$1,220) in bank adjustments.

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

Exhibit A – Cash Overage / (Shortage) Summary

Description	For Quarter Ended September 30, 2024	For Quarter Ended December 31, 2024	For Quarter Ended March 31, 2025	For Quarter Ended June 30, 2025	Year-to-Date
Authority's General Ledger					
Cash	\$ 515,274	\$ 432,676	\$ 460,988	\$ 507,232	\$ 1,916,170
VISA/MC	2,116,486	1,805,621	1,905,370	2,219,923	8,047,400
Bank/TTC Adjustments	(2,005)	(2,269)	(2,944)	(1,220)	(8,438)
Total	\$ 2,629,755	\$ 2,236,028	\$ 2,363,414	\$ 2,725,935	\$ 9,955,132
Northern's Records					
Cash/Check per Northern's Cash Report	520,677	433,423	448,847	507,638	1,910,585
VISA/MC per Northern's Cash Report	2,109,798	1,802,618	1,914,524	2,218,181	8,045,121
Total	\$ 2,630,475	\$ 2,236,041	\$ 2,363,371	\$ 2,725,819	\$ 9,955,706
Net Cash Overage / (Shortage)	\$ (720)	\$ (13)	\$ 43	\$ 116	\$ (574)

NOTE: The year-to-date balance reported for the quarter ended March 31, 2025, was misstated due to a formula error and has been corrected in this report to accurately reflect activity from all four quarters.