



A Tradition of Stewardship
A Commitment to Service

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

For the period of October 1, 2025 to
December 31, 2025

Tracy A. Schulze
Auditor-Controller
Internal Audit Section
February 4, 2026

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Tracy A. Schulze
Auditor-Controller

February 4, 2026

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 December 31, 2025.

This review was conducted in accordance with professional auditing standards applicable to the public sector, which require that engagements be performed with integrity, objectivity, competence, due professional care, and confidentiality.

As of December 31, 2025, internal controls over revenue and accounts receivable appear to be adequately designed and implemented. Consistent with prior quarters, Internal Audit noted a minor variance consisting of a net cash overage of \$451 (see **Exhibit A**). In addition, the Treasurer-Tax Collector's Central Collections aging report reflected customer accounts with balances exceeding \$250 that were outstanding for 90 days or longer totaling \$9,122 (**Exhibit B**).

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 that reads "Tracy Schulze".

Tracy A. Schulze
Auditor-Controller

Napa-Vallejo Waste Management Authority
Quarterly Monitoring
For the Quarter Ended December 31, 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 December 31, 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.

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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 December 31, 2025. The Treasurer-Tax Collector's accounts receivable balances exceeding 90 days and greater than \$250 totaled \$9,122 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 overage of \$451 for the quarter, which included \$575 in bank adjustments. The fiscal year-to-date cash overage is \$40 as of December 31, 2025.

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For the Quarter Ended December 31, 2025

Exhibit A – Cash Overage / (Shortage) Summary

Description	Quarter Ended December 31, 2025	Quarter Ended September 30, 2025	Year-to-Date
Authority's General Ledger			
Cash	\$ 432,597	\$ 490,767	\$ 923,364
VISA/MC	1,919,802	2,221,494	4,141,296
Bank/TTC Adjustments	(575)	(1,234)	(1,809)
Total	\$ 2,351,824	\$ 2,711,027	\$ 5,062,851
Northern's Cash Report			
Cash/Check	407,560	509,440	917,000
VISA/MC	1,943,813	2,201,998	4,145,811
Total	\$ 2,351,373	\$ 2,711,438	\$ 5,062,811
Net Cash Overage / (Shortage)	\$ 451	\$ (411)	\$ 40

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Exhibit B – Treasurer-Tax Collector’s Accounts Receivable Aging Report and Collection Measures for Receivables over 90 Days with account balances exceeding \$250

Account Name	Customer ID	Total	Collection Measures
Hanford Applied Restoration & Conservation	1445	\$ 702	Correspondence sent with no response back. Mail does not come back as return to sender.
Vallejo Garbage	50572	\$ 6,617	Customer is expected to pay the balance in full.
AWT Construction Group Inc	61740	\$ 1,803	At the time of receiving the aging report received for quarter ending 12.31.25, customer had a balance due of \$8,078.94 as they paid down \$6,275.89 at the time of this report - Continued collection measures remain in place to collect remaining balance.
90 Days Aging Receivables w/Balance Due > \$250		<u><u>\$ 9,122</u></u>	

Note: Collection measures provided by Treasurer-Tax Collector, Central Collections.