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January 7, 2026

Board of Directors
Oak Grove Multi-Municipal Compost Processing Board
Stroudsburg, PA

In planning and performing our audit of the basic financial statements of the governmental activities and each major fund of Oak Grove Multi-Municipal Compost Processing Board (OGMMCPB), as of and for the years ended December 31, 2019, 2020, 2021, 2022 and 2023, in accordance with auditing standards generally accepted in the United States of America, we considered OGMMCPB's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OGMMCPB's internal control. Accordingly, we do not express an opinion on the effectiveness of OGMMCPB's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

We consider the following deficiencies in OGMMCPB's internal control to be material weaknesses:

Trial balances as provided by management were not in accordance with generally accepted accounting principles for governments. Adjustments were necessary to correct transactions related to capital purchases and repayments of loans to Middle Smithfield Township. An adjustment was needed to record material unbilled accounts receivable at December 31, 2023.

Invoices for certain services are not being prepared on a timely basis, sometime over a year after the service was provided.

Controls over cash received at the site are inadequate. Receipt books are utilized at the site; however, they are not being utilized properly. We noted instances of pink copies not being in the book; these should remain in the receipt book. There were instance of yellow copies remaining in the book, when they should accompany the actual cash that was collected. There were instances of the receipt not being dated, receipts not including a payee, receipts not including the person writing out the receipt, and receipts that did not note the type of payment received. There were instances of amounts not being deposited into the bank account until months after they were received. We also noted receipts listed as "Bill To" with amounts that were never recorded as being deposited in QuickBooks. These issues make it impossible to monitor cash and assess the completeness of revenue.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Very truly yours,

Riley and Company, Inc.

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