



December 17, 2021

To the Board of School Directors  
West Perry School District  
Elliottsburg, Pennsylvania

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of West Perry School District (the School District) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Governmental Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 27, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by West Perry School District are described in Note 1 to the financial statements. The School District adopted the following accounting standard during the year ended June 30, 2021:

The School District adopted GASB Statement No. 84, *Fiduciary Activities*. The objectives of this statement are to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. Upon implementation of this standard, the assets of nonfiduciary student activities were moved into the general fund and the former agency fund is now reported as the custodial fund. See Note 18 for prior period adjustments related to the adoption of this standard. We have included an emphasis-of-matter paragraph in our independent auditors' report, alerting readers to this matter.

The application of existing policies was not changed during 2021. We noted no transactions entered into by the School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the School District's financial statements were:

Management's estimate of the School District's proportionate share of PSERS' net pension liability is based on the actuarial assumptions employed by PSERS, an allocation of system-wide amounts to the School District based upon the School District's proportionate share of system-wide covered payroll, and actuarial methods prescribed by GASB Statement No. 68. We evaluated the key factors and assumptions used to develop the School District's estimate of its proportionate share of the net pension liability, and related deferred inflows and outflows of resources, in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the provision for depreciation was based on the allocation of costs over the estimated useful life of a depreciable asset using the straight-line method. We evaluated the key factors and assumptions used to develop the provision for depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the provision for compensated absences and retirement bonuses was based on assumption of wages as well as timing and likelihood of retirement or termination of employment. We evaluated the key factors and assumptions used to develop the provision for compensated absences and retirement bonuses in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the insurance deposit with South Central Trust (Trust) Risk-Sharing Pool (RSP) was based upon a formula in the RSP bylaws. Upon withdrawal from the Trust, the School District is entitled to its proportionate share of any surplus, or obligated for its proportionate share of any deficit, subject to vesting provisions. We evaluated the key factors and assumptions used to develop the formula in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other postemployment benefits (OPEB) liability was based on information provided by the School District to the actuary for the single employer defined benefit OPEB plan. The estimate is based on the actuary's calculation. For the proportionate share of the cost-sharing multiple-employer defined benefit OPEB plan (the Pennsylvania Public School Employees' Retirement System Health Insurance Premium Assistance Program), the estimate is based on the actuarial assumptions employed by PSERS, an allocation of system-wide amounts to the School District based upon the School District's proportionate share of system-wide covered payroll, and actuarial methods prescribed by GASB Statement No. 75. For both plans, we evaluated the key factors and assumptions used to develop the School District's estimates of the net OPEB liability, and related deferred inflows and outflows of resources, in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

**Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated December 17, 2021.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, other postemployment benefits plan information, and pension plan information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Restriction on Use**

This information is intended solely for the information and use of Board of School Directors and management of West Perry School District and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully yours,

A handwritten signature in black ink that reads "Trout CPA". The signature is written in a cursive, flowing style.

Trout CPA