



January 22, 2021

The Roman Catholic Diocese of Salina - Chancery Office
Most Reverend Gerald Vincke
P.O. Box 980
Salina, KS 67402-0980

Your Excellency:

We have audited the consolidated financial statements of The Roman Catholic Diocese of Salina - Chancery Office as of and for the year ended June 30, 2020, and have issued our report thereon dated January 22, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 23, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of The Roman Catholic Diocese of Salina - Chancery Office solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by The Roman Catholic Diocese of Salina - Chancery Office is included in Note 1 to the financial statements. There has been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Qualitative Aspects of the Entity's Significant Accounting Practices (Continued)

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. We did not identify any such estimates.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We did not identify any such disclosures.

Identified or Suspected Fraud

We have not identified or obtained information that indicates fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any material misstatements during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to The Roman Catholic Diocese of Salina - Chancery Office's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated the same as this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Management's Consultations with Us

In the normal course of our professional association with The Roman Catholic Diocese of Salina - Chancery Office, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as auditors.

Accounting Standards Update

During 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07 Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets. The main provisions in this update are as follows:

- Contributions of nonfinancial assets are to be reported separate from contributions of financial assets.
- Financial assets are generally defined as cash and ownership interests. Most other assets would be nonfinancial (land, buildings, use of facilities, materials and supplies, intangible assets, and services).
- Enhanced disclosures for contributions of nonfinancial assets including your intentions in using or selling the contributed asset, any donor-imposed restrictions, and a description of the valuation techniques used to arrive at a fair value measurement.

This standard becomes first effective for your organization in the fiscal year beginning on July 1, 2022. Early adoption is permitted.

Limitation on the Use of This Report

This report is intended solely for the information and use of the Board of Directors and management of The Roman Catholic Diocese of Salina - Chancery Office and is not intended to be and should not be used by anyone other than these specified parties.

Vayney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas