



WILKERSON GUTHMANN
CPAs and Business Consultants

September 18, 2015

To the Board of Directors
of American Dairy Association
of South Dakota
2015 Rice Street
Roseville, Minnesota 55113

We have audited the financial statements of American Dairy Association of South Dakota (Association) for the years ended June 30, 2015 and 2014, and have issued our report thereon dated September 18, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated July 15, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ended June 30, 2015 and 2014. We noted no transactions entered into by the Association 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 estimate affecting the financial statements was management's estimate of the allocation of the management and general portion of the Midwest Dairy Association contract in determining that it is reasonable in relation to the financial statements taken as a whole.

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Qualitative Aspects of Accounting Practices (continued)

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 misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management requested one adjusting entry during the course of our audit procedures which was not material to the financial statements. See attached schedule summarizing the client requested adjusting entry.

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 auditor's 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 September 18, 2015.

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 Association's financial statements or a determination of the type of auditor's 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.

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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 Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the American Dairy Association of South Dakota and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Wilkinson, Guthmann & Johnson, Ltd.

Client: **10226020 - American Dairy Association of South Dakota**
 Engagement: **2015 Aud - American Dairy Association of South Dakota**
 Period Ending: **6/30/2015**
 Trial Balance: **311 - Trial Balance**
 Workpaper: **325-1 - Required Communication Letter Attachment**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entry JE # 101		251		
	Record interest receivable at 6/30/15			
1350	Interest Receivable		2,916.00	
3100	Interest Income			2,916.00
Total			<u><u>2,916.00</u></u>	<u><u>2,916.00</u></u>