



Certified Public Accountants

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To the Board of Directors
Deborah Stern, President
The German Shepherd Dog Club of America, Inc.

July 9, 2020

In planning and performing our audit of the financial statements of The German Shepherd Dog Club of America, Inc. as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered The German Shepherd Dog Club of America, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in The German Shepherd Dog Club of America, Inc.'s internal control to be a material weakness:

Approvals for Expenditures:

During our audit we noted that actual expenditures for specialty show operations were significantly in excess of the budget amounts. Through our inquiries with management it was determined that there were instances of expenditures made without advance approvals and occurrences where verbal contracts were incurred rather than contracts signed with advance approval. As a result, expenditures for specialty show operations did not meet expectations set by the budget approved by the Board of Directors. We recommend that the Organization strengthen their policies for the procuring products and services.

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Approvals for Expenditures (Continued):

Management's Response:

We agree with the finding. During the May 30 board meeting, updates to the GSDCA Financial Controls (formerly named GSDCA Financial Guidelines) were made that further strengthened the spending controls.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

The German Shepherd Dog Club of America, Inc.'s written response to the material weakness identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

RYUN, GIVENS & COMPANY, P.L.C.



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