



AMERICAN KENNEL CLUB

Annual Report 2012

ANNUAL MESSAGE

FROM THE CHAIRMAN & PRESIDENT



Every day it seems we learn of a fascinating new form of technology that brings enhancement to our choices for entertainment. Americans of all ages are offered an ever-growing menu of options for ways to enjoy our lives. Yet even in our evolving times, dogs are a mainstay of the American family. For 128 years, the American Kennel Club has made it possible for dog lovers to share their lives with their pets in fun and fulfilling ways through the wonderful world of AKC events.

In 2012, we offered growing opportunities for dogs and handlers to learn, compete and test their skills together. Many of our sports showed impressive gains in their entries, including group conformation shows, agility trials, obedience trials, tracking events and field trials. AKC events were entered more than three million times across the country – over three percent more than the year before.

As events grew, so did our roster of new offerings for exhibitors. The Coursing Ability Test (“CAT”) now invites dogs of many breeds to relish the thrill of the chase in a safe setting. Our new AKC Canine Partners attraction “My Dog Can Do That” introduced dog show spectators to the world of AKC Rally and Agility. The AKC Canine Good Citizen program continued its early education outreach with the highly popular “S.T.A.R. Puppy.” Each and every one of these opportunities offers an entrée to AKC events and a lifetime of fun with dogs.

The sport of dogs continues to thrive because our passion for dogs is hard wired. The joy we experience from the human-canine bond is like no other. It is at the heart of our ongoing efforts to grow and enhance events and programs for breeders, exhibitors, handlers, clubs and pet owners nationwide. Ever evolving, always there for dogs and the people who love them: We are *The American Kennel Club*.

Alan Kalter
CHAIRMAN OF THE BOARD

Dennis B. Sprung
PRESIDENT/CEO

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Alan Kalter



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CLASS OF 2016



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William J. Feeney



Thomas S. Powers

EX OFFICIO



Dennis B. Sprung

2012: AKC YEAR IN REVIEW

12 months of changes, challenges, tradition, and triumph

JANUARY

- The [Treeing Walker Coonhound](#) joins the Hound Group as the 174th AKC breed.
- The Colorado Federation of Dog Clubs wins the AKC's Walter Bebout Memorial Award for Leadership in Canine Legislation.
- The AKC launches its [Owner-Handler Series](#) as a pilot program spotlighting the sport's owner-handlers, who account for some 80 percent of show entries.
- The [AKC Canine Health Foundation](#) releases the first of 30 Health-E Barks podcasts it will produce during the year; the free downloads feature the world's leading canine-health experts.

FEBRUARY

- [AKC Communications](#) stages a media event at AKC headquarters in New York to announce the 2011 AKC breed-registration rankings; for the 21st straight year the Labrador Retriever ranks first, followed in the top five by the German Shepherd Dog, Beagle, Golden Retriever, and Yorkshire Terrier; the announcement is widely reported by the national media.



- The 2012 [AKC Pointing Breed Gun Dog Championship](#) is held at the Ames Plantation near Grand Junction, Tennessee; it draws an entry of 124, including 105 Field Champions, the most AKC pointing-breed FCs ever assembled for a single event.
- At the annual awards banquet of the Dog Writers Association of America, [AKC Publications](#) wins seven Maxwell Medallions for excellence in print and online publishing.
- The popular [Barkfest at Bonhams](#) brunch and art-sale preview is held in New York to benefit the [AKC Humane Fund](#).

MARCH

- At the annual meeting of the American Kennel Club, the AKC delegate body elects the Board of Directors class of 2016: Patricia M. Cruz (Heart of the Plains Kennel Club), William J. Feeny (Sir Francis Drake Kennel Club), and Thomas S. Powers (Kennel Club of Beverly Hills); the newly constituted Board elects Alan Kalter (American Bullmastiff Association) chairman and Dr. Robert D. Smith (Memphis Kennel Club) vice chairman.



- At the [Crufts Obedience](#) and [Agility World Cup](#) competitions, in Birmingham, England, AKC/USA team members Petra Ford and her Labrador Retriever, Tyler, finish first in the Individual obedience competition, and Tori Self and her Border Collie, Rev, take second, third, and fifth placements in agility.

- Eleven new AKC National Agility Champions are crowned at the [AKC National Agility Championship](#), at Reno, Nevada; the event, sponsored by J&J Dog Supplies, features more than 900 dogs (representing 88 breeds and AKC Canine Partner mixed-breed enrollees) making 4,200 total runs.

APRIL

The AKC Board implements a newly enhanced [Care and Conditions of Dogs](#) policy.

- The Delaware County Kennel Club and Pasco Florida Kennel Club receive [AKC Community Achievement Awards](#) for outstanding public-education and legislation efforts.
- The AKC and Eukanuba announce that the AKC/Eukanuba National Championship will be an open show, awarding Championship and Grand Championship points.
- A free [Junior Showmanship](#) clinic, staged by [AKC Registered Handlers](#), is held at the Baltimore County Kennel Club show; it's the first of 19 such clinics for adults and juniors, sponsored by Purina ProPlan.



MAY

- The AKC Companion Animal Recovery ([AKC CAR](#)) [Canine Support and Relief Fund](#) announces \$258,000 in grants, the majority to K-9 search-and-rescue teams.
- [AKC Government Relations](#) staff, accompanied by dogs of 10 different breeds, meet with legislators and state employees at “Canines at the Capitol” at the North Carolina Legislative Complex.
- The AKC Humane Fund, Inc., announces the creation of the “John Spurling, O.B.E., Scholarship Celebrating the Human-Canine Bond”; the scholarship is named for the chairman of PetPartners, Inc., insurance provider for the [AKC Pet Healthcare Plan](#).
- Twenty-eight students from 19 states receive [AKC Junior Scholarships](#); the awards for high-school, college, and graduate-school students range from \$1,000 to \$3,000.
- Doug Ljungren is promoted to vice president of the newly consolidated Companion and Performance Events department.

JUNE

- The [Russell Terrier](#) joins the Terrier Group as the 175th AKC breed; the Coton de Tulear, Spanish Water Dog, and Miniature American Shepherd join the [Miscellaneous class](#).
- The AKC circulates the [“Join With the AKC to Protect Responsible Small Breeders”](#) petition in response to the U.S. Department of Agriculture’s proposed regulations that would create harsh and unintended consequences for responsible small and hobby breeders; the petition, along with AKC comments on the proposed rule change, is sent to the USDA.



- Rocky, a Border Collie owned by Joyce Walton, becomes the first dog to earn the [AKC Master Herder](#) title.
- AKC Companion Animal Recovery, working with the AKC and its Colorado clubs, donates \$6,000 from the Canine Support and Relief Fund to three nonprofits caring for pets displaced as a result of [wildfires](#) in the state.

- Connie Percy is promoted to vice president/chief information officer; Michael Ganey is named vice president of Marketing.

JULY

- The well-received AKC Owner-Handler Series, launched in January as a pilot program, is opened to every all-breed club.
- A new Masters Class is announced for the inaugural [AKC Obedience Classic](#) slated for December 2013; this, along with revised eligibility for the Novice, Open, and Utility classes, will give more obedience exhibitors a chance to compete.
- Ten top breeders are named group winners of [AKC Breeder of the Year](#) awards.
- The AKC Canine Health Foundation launches the [Canine Athlete Initiative](#), a major fund-raising and public-awareness campaign.
- The Board elects Peter Farnsworth as chief financial officer; General Counsel Margaret Poindexter is promoted to vice president; William Adams is promoted to assistant vice president of Computer Operations.



AUGUST

- A redesigned AKC [website](#) is launched; among the site's innovations are interactive features that allow instant access to social media.
- The AKC Canine Health Foundation reports that the Nestlé Purina PetCare Company's 2012 contributions to the foundation will total more than \$1 million.
- An AKC Advanced Judges Institute (Sporting Group) is held in Harrisburg, Pennsylvania.



SEPTEMBER

- The AKC/USA Agility World Team brings home a gold medal (Large Dog Team Jumping) from the 2012 [FCI Agility World Championship](#), in the Czech Republic.
- The AKC Humane Fund announces winners of Awards for Canine Excellence ([ACE](#)) in the categories of Exemplary Companion, Law Enforcement, Search and Rescue, Service, and Therapy.
- At the September Delegate Meeting, English Springer Spaniel Pride 'n Joy's Juno-Lupa and Beckie Stanevich, AKC delegate from the Mountaineer Kennel Club, are recognized as the first dog and handler to earn the AKC Urban Search and Rescue ([SAR](#)) title.
- The AKC kicks off the 10th anniversary of [Responsible Dog Ownership Days](#) with a flagship event in Raleigh; throughout the month AKC clubs and allied organizations hold more than 600 RDO Day events across the country.
- The AKC Board establishes full reciprocity with China's National General Kennel Club.



OCTOBER

- The AKC and The International Cat Association host the fourth annual [AKC Meet the Breeds](#) exposition at New York City's Javits Center; the two-day event, sponsored by PetPartners, Inc., draws more than 30,000 visitors who meet 200 dog and cat breeds.
- Patricia Craige Trotter (Conformation), Sharon Redmer (Companion Events), Jean Dieden, DVM (Performance Events), are recipients of the 2012 [AKC Lifetime Achievement Awards](#).
- The AKC Humane Fund gives grants to 11 “pets allowed” women's shelters, which provide women with pets a safe haven from domestic violence.
- AKC staff, club members, and dogs representing several Italian breeds march in New York's annual [Columbus Day Parade](#).
- The [AKC Museum of the Dog](#) hosts special events devoted to the Cavalier King Charles Spaniel, Pug, and Saluki.
- The AKC Canine Partners department participates in an American Cancer Society [Walk-n-Wag](#) event that raises \$12,000 for cancer research.



NOVEMBER

- After Hurricane Sandy wallops the Northeast, the AKC Humane Fund creates the [“Sandy Fund”](#) to assist organizations that provide support and services for dogs and owners faced with the challenges of natural disaster; the new fund is founded with \$10,000 contributions from the Humane Fund and the Westminster Kennel Club; the AKC, the New York Yankees, and Eukanuba team up to arrange for 44 tons of dog and cat food to be delivered to Yankee Stadium for distribution in the wake of the storm.
- The Dog Show Superintendents Association donates \$5,000 to the [AKC Canine Legislation Support Fund](#) to help protect the rights of responsible dog owners.
- The Lehigh (Pennsylvania) Valley Kennel Club and the Obedience Training Club of Wichita Falls (Texas) win AKC Community Achievement Awards.
- Daryl Hendricks, the new AKC chief operating officer, comes aboard to replace John Lyons, who retires on January 5, 2013.

DECEMBER

- The [AKC/Eukanuba National Championship](#) is held at the Orange County Convention Center in Orlando, Florida, on December 15 and 16; among the dogs in the [winner's circle](#) are Best in Show Wire Fox Terrier GCh. Afterall Painting the Sky, Best Bred-by-Exhibitor Doberman Pinscher GCh. Protocol's Veni Vidi Vici, and Eukanuba World Challenge winner Standard Poodle GCh. Jaset's Satisfaction.



- The AKC names James W. Smith (Absolutely Smooth Fox Terriers) as its Breeder of the Year.
- AKC Performance Events expands its Pointing Breed Field Trial program with the creation of the [AKC Walking Gun Dog Championship](#) and two new titles, Grand Field Champion and Grand Amateur Field Champion.
- The AKC announces that passing the [AKC Canine Good Citizen](#) test will be recognized with an official title; owners of AKC-registered or -listed dogs will have the option to affix the “CGC” suffix to a dog’s name and include Canine Good Citizen on their dog’s official title record.
- The Northeastern Indiana Kennel Club, Northeastern Maryland Kennel Club, and Spokane Kennel Club win AKC Community Achievement Awards for hosting successful Responsible Dog Ownership Days.
- An Advanced Judges Institute (Terrier Group) and the Judges Education Symposium are held in Orlando.





2012: OUR SPORT, BY THE NUMBERS

CONFORMATION

4,270 AKC-sanctioned events; **1,604** all-breed dog shows with **1,435,266** entries; **2,432** specialty shows with **137,964** entries; **20,765** conformation championships, **6,766** Grand Championships, **86** Certificates of Merit, **201** dual championships earned.

DOG SHOW JUDGES DEPARTMENT

71 new judges approved; **197** judges' applications approved for **1,206** additional breeds; 513 total judges' applications processed; **126** fully accredited AKC Registered Handlers; **19** clinics staged by Registered Handlers; **2** George Ward Memorial Scholarships of \$5,000 awarded; **11** conformation field representatives covering **77.8** percent of all-breed shows

COMPANION EVENTS

2,675 obedience events with **142,918** entries and **11,255**; **94** Obedience Trial Champion (OTCH) titles earned; **444** tracking trials with over **2,100** entries and 660 titles earned; **41** Champion Tracker titles earned; **2,863** agility events with over **1,157,000** entries and **52,600** titles earned; **2,673** Master Agility Champion (MACH) and **258** Preferred Agility Champion (PACH) titles earned; **918** AKC National Agility Championship entries; **2,260** rally events with **68,000** entries and **10,500** titles earned; **182** Versatile Companion Dog titles awarded; **3,820** titles (obedience, rally, agility) earned by AKC Canine Partners

AKC CANINE GOOD CITIZEN

Over **31,660** Canine Good Citizen certifications and **7,760** S.T.A.R. Puppy certifications earned

PERFORMANCE EVENTS

6,100 AKC-approved licensed performance events with over **250,000** entries and **11,150** titles earned; **1,390** titles awarded for noncompetitive accomplishments outside of the AKC event realms

AKC/EUKANUBA NATIONAL CHAMPIONSHIP

4,181 entries representing **175** AKC-recognized breeds; **1,210** Bred-by-Exhibitor entries; **93** Golden Retrievers entered (largest entry of any breed); **123** Miscellaneous Class dogs entered, representing all **16** Miscellaneous breeds; **42** countries represented in the Eukanuba World Challenge; **126** AKC National Obedience Invitational entries; **617** AKC Agility Invitational entries; **166** conformation Junior Showmanship entries, **73** entries in the AKC National Juniors Agility Competition, and **46** entries in the AKC National Juniors Obedience Competition



FINANCIAL REPORT AMERICAN KENNEL CLUB 2012

The following financial summaries have been extracted from the audited consolidated financial statements of the American Kennel Club, Inc.

2012 was a highly successful year for the organization, as compared to the previous year. 2012's consolidated total revenues of \$62.1 million were 4% higher than the prior year. Dog and litter registrations were \$1.7 million (10%) higher than 2011. Total consolidated operating expenses of \$59.0 million in 2012 were approximately \$700,000 (1%) lower than in 2011. This savings was achieved by cost reductions in various areas.

2012's consolidated operating results yielded an operating surplus of \$3.1 million vs. a deficit of \$209,000 in the prior year. The consolidated gain on investments for 2012 totaled \$7.6 million due to positive stock market conditions experienced throughout the calendar year. The total unfunded status of post-retirement plans remains high, at \$61.6 million, up \$3.1 million due to changes in actuarial assumptions. To meet this future need, AKC has adopted an investment policy on its pension-related investments designed to minimize the unfunded nature of these liabilities, and maintains a substantial amount of investments available to meet these future needs, if necessary.

The AKC Board's Audit Committee meets regularly with senior management along with our external auditors to ensure that we fulfill our responsibility for maintaining adequate accounting controls and the accuracy of the consolidated financial statements.

A complete copy of the 2012 consolidated audited financial statements, including KPMG's unqualified independent auditors' report, is available upon request.

Peter W. Farnsworth
Chief Financial Officer

Joseph V. Baffuto, Jr.
Controller

CONSOLIDATED BALANCE SHEETSDecember 31, 2012 and 2011
(In thousands)

	2012	2011
ASSETS		
Cash and cash equivalents	\$ 3,143	1,736
Accounts receivable, net of allowance for doubtful accounts of \$414 and \$187 in 2012 and 2011, respectively	3,923	3,715
Investment receivable	—	914
Investments	89,309	78,682
Prepaid expenses and other	5,325	4,509
Property and equipment, net	9,774	11,515
Total assets	\$ 111,474	101,071
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 6,241	5,733
Deferred revenue	1,157	1,498
Deferred lease liability	4,560	4,975
Capital lease obligations	824	2,371
Postretirement benefit obligations other than pensions	29,643	26,830
Pension benefits obligation	31,980	31,662
Total liabilities	\$ 74,405	73,069
Contingencies		
Net assets:		
Unrestricted:		
Operating	\$ 26,652	18,244
Funded status of postretirement plans	(61,623)	(58,492)
Investment in property and equipment	8,950	9,144
Board-designated	60,932	57,600
Total unrestricted	34,911	26,496
Temporarily restricted	2,158	1,506
Total net assets	37,069	28,002
Total liabilities and net assets	\$ 111,474	101,071

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended December 31, 2012 and 2011
(In thousands)

	2012	2011
Changes in unrestricted net assets:		
Operating support and revenues:		
Registration fees	\$ 25,809	22,888
Recording and event fees	11,249	10,912
Royalty and sponsorship income	6,227	5,971
Fees and certified pedigrees	5,968	6,168
Enrollment fees and microchip sales	4,867	4,473
DNA and other product services	3,723	3,700
Other income	1,353	1,484
Publications	1,549	2,612
Contributed airtime and print space	394	483
Interest and dividends	685	466
Contributions	—	34
Net assets released from restrictions	356	338
Total operating support and revenues	\$ 62,180	59,529
Operating expenses:		
Payroll and related benefits	28,725	29,209
Depreciation and amortization	6,327	6,088
Professional and service fees	6,113	5,410
Rent	3,008	3,647
Communications and postage	2,669	2,714
Forms and supplies	2,479	2,258
Maintenance, rentals, and insurance	2,064	2,182
Travel	1,747	1,645
Public education	1,355	1,577
Public relations, events, and programs	1,263	1,323
Grants and contributions	1,069	1,144
Printing, paper, and promotions	896	1,355
Directors, delegates, and committees	650	749
Other	676	437
Total operating expenses	\$ 59,041	59,738
Increase (decrease) in unrestricted net assets before nonoperating items	3,139	(209)
Realized and unrealized gain (loss) on investments	7,637	(2,260)
Reclassifications	(598)	—
Reorganization charges	—	(266)
Excess (deficiency) of pension contribution over expense	1,130	(5,341)
Net amount not yet recognized as a component of net periodic benefit cost	(2,893)	(9,651)
Increase (decrease) in unrestricted net assets	8,415	(17,727)
Changes in temporarily restricted net assets:		
Contributions and reclassifications	1,008	—
Net assets released from restrictions	(356)	(338)
Increase (decrease) in temporarily restricted net assets	652	(338)
Increase (decrease) in net assets	9,067	(18,065)
Net assets at beginning of year	28,002	46,067
Net assets at end of year	\$ 37,069	28,002

OFFICERS AND STAFF

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