



AMERICAN  
KENNEL CLUB

**ANNUAL REPORT** *2015*



# ANNUAL MESSAGE

*from the Chairman & President*



As the public's love for its dogs continues unabated, the American Kennel Club strives to provide the programs and services to teach responsible dog ownership and enhance the human-canine bond.

In 2015, the AKC, working together with clubs and fanciers, developed ways to further our traditional mission while also reaching entirely new communities of dog lovers and welcoming them into the AKC family.

Last year, we sanctioned 22,977 events that drew 3,112,462 entries.

We launched a fully redesigned, mobile-optimized website, merging our more than 130 years of canine expertise with digital innovation to present a new face of AKC—one that stays true to our heritage while also being progressive and inclusive.

The new site allows us to upload continuous content, turning [akc.org](http://akc.org) into the destination for training tips, canine health news, and more. Our continued growth in the social-media space—we now have a community of over 3.3 million people—drives dog lovers to the site and turns them into loyal customers.

AKC Online Breeder Classifieds was revamped into AKC Marketplace—a new platform that allows us to better connect responsible breeders to potential dog owners. There is easy access to parent-club and breed-standard information for each breed, and enhanced breeder profile pages that include litter, health, and vaccination information.

We partnered with Westminster for the first time ever in 2015 to bring AKC Meet the Breeds to over 20,000 members of the public in February in New York City. This is always a highly valuable event for us, and drew all major New York media, achieving over 680 million media impressions.

Our annual AKC Responsible Dog Ownership Days included over 600 events nationwide, with the flagship event hosted by staffers in our Raleigh Operations center. Raleigh Mayor Nancy McFarlane proclaimed September 19 “AKC Responsible Dog Ownership Day” in a special City Hall ceremony in honor of the event.

The AKC/Eukanuba National Championship drew record numbers in its 15<sup>th</sup> year, drawing an entry of 4,670 dogs. Combined with the AKC Agility Invitational, AKC Obedience Classic, and other weekend events, the overall show

topped 6,100 entries, making it the largest dog show held in the United States in the past 20 years. Viewers could watch the event for the first time ever on FidoTV, a partnership we'll continue to grow with expanded programming in 2016.

In 2015, we also introduced several new programs designed to serve responsible dog owners and breeders. The AKC Urban CGC title was added to the Canine Good Citizen (CGC) training program, focusing on city-dwelling dogs and the special skills they require. Since 1989, more than 700,000 dogs and their owners have been recognized by the CGC program.

AKC continued its long-standing commitment to advance the health and welfare of all dogs by launching the new Bred with H.E.A.R.T. program. This is our way to engage, encourage and recognize all breeders who participate in continuing education and who meet specific health testing standards based on recommendations from the parent club or CHIC.

We launched a fun new optional titling class in Agility—the Premier class. The class is designed to challenge dogs and handlers at an increased speed and skill level above those set for the Master-level classes.

Other new titles in the Companion and Performance Event realms include the Retriever Field Trial Title (QA2) Qualified All Age Twice and a new titling path in obedience starting from Preferred Novice all the way up to Preferred Obedience Champion.

For the first time in AKC history, we appointed a Chief Veterinary Officer. Dr. Jerry Klein, an AKC judge and a veterinarian with more than 35 years of experience in the field, now serves as the organization's principal authority and spokesperson on canine health and veterinary policy.

As a result of all of these outreach efforts, our public-relations totals topped out at record highs. We reached an audience of over 24 billion with our media clips in 2015, and the publicity value was more than \$152 million—a 77 percent increase over 2014.

We're pleased to report that AKC also had a strong financial year in 2015. Our revenues of \$67.8 million were 5 percent higher than 2014, and dog and litter registration revenue rose 2 percent.

Last year's operating results generated a strong operating surplus of \$8.8 million for AKC, a \$3.1 million increase over 2014. You can see our financial results at the end of this report.

Finally, it was another banner year for our clubs. With more than 5,000 member, licensed, and sanctioned clubs across America, the AKC family boasts tens of thousands of dedicated, committed volunteers. Many clubs made a difference this year, providing pet oxygen masks to local fire stations, supporting K-9 units, making pet-food donations to the neighborhood food bank, and much, much more.

We thank our club members for the vital grassroots outreach they continue to do to educate the public about responsible dog ownership and canine legislation issues.

With the support and contributions of the Board of Directors, Delegates, AKC staff, fanciers, and the millions of owners of AKC-registered dogs, we look forward to continuing to create a positive future for the American Kennel Club. There is always more to be done for our beloved dogs, and we look forward to serving all dog lovers in 2016.

**RONALD H. MENAKER**  
*Chairman of the Board*



**DENNIS B. SPRUNG**  
*President/CEO*







2015 THE AMERICAN KENNEL CLUB

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Dr. Carmen L. Battaglia



Dr. Thomas M. Davies



Steven D. Gladstone, Esq.



Dennis B. Sprung  
EX OFFICIO



# 2015: AKC YEAR IN REVIEW

## January

- The **Bergamasco Sheepdog** (Herding Group), **Boerboel** (Working Group), **Cirneco dell'Etna** (Hound Group), and **Spanish Water Dog** (Working Group) are fully recognized by the American Kennel Club.
- The **AKC Canine Health Foundation** announces its 2015 class of Clinician-Scientist Fellows. Six promising veterinary post-docs and students receive CHF support for their training and research.



## February

- The AKC announces that the **Labrador Retriever** is top dog in individual dog registrations for the 24<sup>th</sup> straight year. The **German Shepherd Dog**, **Golden Retriever**, **Bulldog**, and **Beagle** round out the five most popular breeds. Thanks to an increase in dog and litter registrations, and the roll-out of innovative new programs and products, AKC Registrations will report 7 percent revenue growth in 2015.
- A fully redesigned, mobile-optimized **akc.org** is launched.
- AKC Meet the Breeds is held at Pier 92 in New York City. Thousands of visitors interact with AKC parent-club members and dogs of more than 100 breeds. The popular event was held in partnership with Purina Pro Plan, and co-sponsored by AKC Visa Card and PetPartners, Inc.
- The annual Barkfest at Bonhams brunch and art-auction preview benefits the **AKC Humane Fund**.
- The Dog Writers Association of America names the **AKC Gazette** Best Online Magazine for a fourth straight year. Connie Vanacore, the *Gazette* columnist from the **Irish Setter Club of America**, is inducted into the DWAA Hall of Fame.

## March

- AKC Delegates elect Dr. Carmen L. Battaglia (**German Shepherd Dog Club of America**), Dr. Thomas M. Davies (**Springfield Kennel Club**), and Steven D. Gladstone, Esq. (**Waterloo Kennel Club**) to the AKC Board of Directors, Class of 2019. The Board elects Ronald H. Menaker (**Memphis Kennel Club, Inc.**) as Chairman of the Board and Carl C. Ashby III (**United States Kerry Blue Terrier Club, Inc.**) as Vice Chairman.







- AKC staff and their dogs greet thousands of families at the NC State University College of Veterinary Medicine Open House.
- Desiree Snelleman and Border Collie Pace travel to Birmingham, England, to represent the AKC at Crufts, competing in the British Open Agility Final and the International Agility Invitational.
- Eleven AKC National Agility Champions are crowned at the **AKC National Agility Championship**, in Reno, Nevada. The Championship, sponsored by J&J Dog Supplies, Max 200, M.A.D. Agility, and Voyce, drew a combined entry of more than 1,000.

- The 2015 **AKC National Obedience Championship** and **AKC Rally National Championship** are held at Purina Farms in Gray Summit, Missouri. The Championships, sponsored by J&J Dog Supplies, draw more than 500 entries.

## April

- The AKC Pointing Breed Gun Dog Championship Association hosts the 22<sup>nd</sup> annual **AKC Pointing Breed Gun Dog & Walking Gun Dog Championships** at Grovespring, Missouri.
- Giving owners a new level of achievement for their dogs, **AKC Canine Good Citizen** launches the CGC Urban training test.
- **AKC Reunite** donates a Pet Disaster Relief Trailer to Anoka County, Minnesota, as part of its ongoing trailer-donation program.



## May

- The AKC Canine Health Foundation, in partnership with VetVine, begins a series of live webinars presented by leading research veterinarians and other experts in animal health.
- The **New Jersey Federation of Dog Clubs** and the **Hangtown Kennel Club** (California) win AKC Community Achievement Awards, recognizing outstanding public-education and legislation efforts.
- The AKC website rolls out four new mobile-optimized “micro-sites” dedicated to **Training, Health, AKC Family Dog magazine**, and the **AKC Gazette**.
- Big Lots, a retailer operating more than 1,400 stores in 48 states, with annual revenues approaching \$5 billion, becomes the exclusive retailer of the **AKC Select** line of branded products.



## June

- At the **Detroit Kennel Club** show, Senator Debbie Stabenow (Michigan) receives one of 100 AKC Legislator of the Year Awards given in 2015.

## July

- The **Berger Picard** (Herding Group), **Lagotto Romagnolo** (Sporting Group), and **Miniature American Shepherd** (Herding Group) are fully recognized by the American Kennel Club.
- The AKC’s Team USA Agility squad competes at the European Agility Open in Germany.
- The **AKC Museum of the Dog** offers art classes for adults conducted by Bob





Bertram, a renowned painter of sporting scenes.

- The AKC launches the **“Bred with HEART”** (*Health, Education, Accountability, Responsibility, and Tradition*) program, described as a new way to engage, encourage, and recognize breeders who meet specific health-testing standards and who participate in continuing education.

## August

- The AKC National Parent Club Canine Health Conference is held in St. Louis. The biennial event is hosted by the AKC Canine Health Foundation and sponsored by the Nestlé Purina PetCare Company. At the conference, Dr. Douglas Thamm, of the Colorado State University Animal Cancer Center, receives the Asa Mays, DVM, Award for Excellence in Canine Health Research.
- At a city hall ceremony, Raleigh mayor Nancy McFarlane proclaims September 19 **“AKC Responsible Dog Ownership Day.”**
- The 2015 AKC Breeders of the Year in each breed group are announced. Sporting Group: Janet Bunce, Wochica Golden Retrievers; Hound Group: Jay T. Hafford and James P. Blanchard, Thaon Reg. Afghan Hounds; Working Group: Sylvia Hammarstrom, Skansen Giant Schnauzers; Terrier Group: Lydia Coleman Hutchinson, Wolfpit Cairn Terriers; Toy Group: Arlene A. Czech, Coquina Papillons; Non-Sporting Group: Kathie Vogel, Vogelflight Bichons Frises; and Herding Group: John Buddie, Tartanside Collies (who, in December, is named AKC Breeder of the Year).
- An AKC junior-handling clinic, conducted by **AKC Registered Handlers**, is held at the **Olympic Kennel Club** show. Registered Handlers hold clinics for junior and adult handlers at shows year-round.



## September

- In Middleburg, Virginia, paintings from the AKC collection are part of the National Sporting Library & Museum’s **“Side-by-Side with Gun and Dog”** exhibition, celebrating three centuries of the unique partnership of hunter and gundog.
- AKC staff interact with thousands of dog lovers during the Eastern States Exhibition in West Springfield, Massachusetts. Called “New England’s Greatest State Fair,” the event attracts 1.3 million people over three weeks.





- The 13th annual **Flagship AKC Responsible Dog Ownership Day** is held at the North Carolina State Fairgrounds in Raleigh.

## October

- **Dr. Jerry Klein**, a Chicago-based veterinarian, dog fancier, and conformation judge, is appointed AKC Chief Veterinary Officer.
- The **AKC/USA World Agility Team** travels to Bologna, Italy, to compete in the FCI World Agility Championship.
- The AKC partners with the Dish Network's **FidoTV**, the first TV channel dedicated solely to dog lovers. As part of this strategic partnership, FidoTV airs the 2015 AKC/Eukanuba National Championship group and Best in Show competition.
- The **AKC Lifetime Achievement Awards** are announced: Patti L. Strand (Conformation Events), John Cox (Companion Events), and John Russell (Performance Events).
- The AKC Humane Fund announces winners of the 16th annual AKC Humane Fund Awards for Canine Excellence (**ACE**) in the categories of Exemplary Companion, Search and Rescue, Service, Therapy, and Uniformed Service K-9.
- AKC Agility launches the **Premier class**.



## November

- The AKC Lure Coursing National is held at Edmond, Oklahoma.
- AKC employees and dogs of 16 breeds march in the 2015 WRAL Raleigh Christmas Parade, televised live and rebroadcast on Christmas morning.
- The **Greater Panama City Dog Fanciers' Association**, **Spokane Kennel Club**, and **McKinley Kennel Club** win AKC Community Achievement Awards.
- **AKC Family Dog** collaborates with 20th Century Fox to publish an exclusive preview of "The Peanuts Movie," a popular holiday release starring Snoopy.



## December

- AKC Reunite donates \$1,500 to the Friends of Rowlett, a nonprofit assisting pets displaced by storms that devastated the Dallas area.
- The AKC launches an enhanced **AKC Marketplace**. The web-based service helps breeders connect with puppy clients and showcase their breeding lines.
- The 15th AKC/Eukanuba National Championship draws a record entry of 4,670 dogs vying for the title of National Champion in Orlando, Florida. When combined with the **AKC Agility Invitational**, the **AKC Obedience Classic** and **Junior Showmanship** events, entries top 6,100. A **documentary** about the event is prepared for broadcast on AT&T's U-Verse TV in 2016.

Among the weekend's attractions are the AKC National Owner-Handled Series Finals, the Canine Breeder Excellence Seminar (powered by Royal Canin and the Theriogenology Foundation), and the presentation of the AKC Lifetime Achievement Awards.





- Arnold L. Goldman, DVM, MPH, and the **Connecticut Federation of Dog Clubs and Responsible Dog Owners** win the 2015 Bebout Memorial Award for Leadership in Canine Legislation, administered by **AKC Government Relations**. During 2015, the department tracks more than 1,700 federal, state, and local bills as well as a variety of state and federal regulations.
- On December 29, *akc.org* sets a single-day record: 227,084 unique visitors. Digital advertising revenue grows dramatically in 2015, and social-media staff reports that **AKC Facebook** attracted a million new fans during the year.







# 2015: OUR SPORT, BY THE NUMBERS



## *Conformation*

**4,640** AKC-sanctioned events; **1,599** all-breed dog shows with **1,326,737** entries; **2,526** specialty shows with **138,252** entries; **20** Open Shows with **464** entries; **495** 4–6 Month Beginner Puppy competitions with **8,389** entries; **18,507** conformation championships, **6,065** Grand Championships, **104** Certificates of Merit, and **174** dual championships earned

**84** new judges approved for **115** breeds; **311** judges' applications approved for **2,192** additional breeds; **395** total judges' applications processed

**91** fully accredited AKC Registered Handlers; **25** handling clinics staged by Registered Handlers; **13** Educational Seminars held by Registered Handlers; **4** \$3,500 George Ward Memorial Scholarships awarded; **13** Conformation Executive Field Representatives covering **89 percent** of all-breed shows.

## *Companion and Performance Events*

**2,650** obedience events with **130,894** entries and **10,071** titles earned; **88** Obedience Trial Champion (OTCH) titles earned; **432** tracking trials with **1,879** entries and **604** titles earned; **40** Champion Tracker titles earned; **3,683** agility events with **1,194,860** entries and **49,329** titles earned; **803** Master Agility Champion (MACH) and **364** Preferred Agility Champion (PACH) titles earned; **2,324** rally events with **72,038** entries and **10,287** titles earned

**187** Versatile Companion Dog titles awarded; **8,912** titles earned by AKC Canine Partners

**9,248** AKC-approved licensed performance events with over **238,949** entries and **11,273** titles earned

**2,883** titles awarded for accomplishments outside of the AKC competitive-event realms (AKC-associated events).

## *AKC Canine Good Citizen*

**46,040** CGC certifications, **10,091** S.T.A.R. Puppies, **3,667** AKC Community Canines, and **814** Urban CGCs, for a total of **60,612** certifications.

## *AKC/Eukanuba National Championship*

**4,825** entries of AKC-recognized breeds; **46** Miscellaneous Class dogs entered, representing **9** Miscellaneous breeds; **677** National Owner-Handled Series entries; **219** AKC Obedience Classic entries representing 44 breeds; **712** AKC Agility Invitational entries; **156** conformation Junior Showmanship entries; **59** AKC National Juniors Agility Competition entries; **43** AKC Juniors Classic Obedience Competition entries representing 15 breeds; **42** AKC Juniors Classic Rally Competition entries representing 15 breeds.





# FINANCIAL REPORT AMERICAN KENNEL CLUB 2015



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

2015 was a financially sound year for the organization. 2015's consolidated total revenues of \$67.8 million were 5% above the \$64.5 million in 2014. Dog and litter registrations of \$27.6 were 2% higher than 2014's \$27.0 million. Total consolidated operating expenses of \$59.0 million in 2015 were merely \$243,000 (0.4%) above the total in 2014.

2015's operating results generated an exceptional operating surplus of \$8.7 million versus an operating surplus of \$5.7 million in the prior year. In an extremely volatile year within the financial markets, our consolidated loss on investments totaled \$4.2 million for 2015 which was unfavorable as compared to the \$1.2 million consolidated gain from 2014. The total unfunded status of pension and post-retirement plans decreased to \$59.0 million from \$61.4 million in the prior year.

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

A complete copy of the 2015 consolidated audited financial statements, including auditor's unqualified independent report, is available upon request.

Joseph V. Baffuto, Jr.  
CHIEF FINANCIAL OFFICER

# CONSOLIDATED BALANCE SHEETS

*December 31, 2015 and 2014* (In thousands)

<b>Assets</b>		<b>2015</b>	<b>2014</b>
Cash and cash equivalents	\$	2,962	3,862
Accounts receivable, net of allowance for doubtful accounts of \$188 and \$250 in 2015 and 2014, respectively		4,119	3,618
Investments		120,141	116,655
Prepaid expenses and other		4,617	4,536
Property and equipment, net		10,617	10,541
<b>Total assets</b>	<b>\$</b>	<b>142,456</b>	<b>139,212</b>
<b>Liabilities and Net Assets</b>			
Liabilities:			
Accounts payable and accrued expenses	\$	6,058	6,374
Deferred revenue		906	1,350
Deferred lease liability		2,264	2,540
Capital lease obligations		59	162
Postretirement benefit obligations other than pensions		25,655	27,945
Pension benefits obligation		33,350	33,456
<b>Total liabilities</b>		<b>68,292</b>	<b>71,827</b>
Contingencies			
Net assets:			
Unrestricted:			
Operating		35,949	32,534
Investment in property and equipment		10,558	10,379
Board-designated for long-term purposes		84,782	83,827
Funded status of postretirement plans		(59,005)	(61,401)
<b>Total unrestricted</b>		<b>72,284</b>	<b>65,339</b>
Temporarily restricted		1,880	2,046
<b>Total net assets</b>		<b>74,164</b>	<b>67,385</b>
<b>Total liabilities and net assets</b>	<b>\$</b>	<b>142,456</b>	<b>139,212</b>

# CONSOLIDATED STATEMENTS OF ACTIVITIES

*Years ended December 31, 2015 and 2014* (In thousands)

	2015	2014
Changes in unrestricted net assets:		
Operating support and revenues:		
Registration fees	\$ 27,609	27,054
Recording and event fees	11,313	11,366
Royalty and sponsorship income	4,259	3,956
Fees and certified pedigrees	6,511	6,370
Enrollment fees and microchip sales	5,626	4,981
DNA and other product services	4,600	3,957
Other income	4,180	3,538
Publications	1,247	1,450
Interest and dividends	1,723	1,208
Net assets released from restrictions	738	698
<b>Total operating support and revenues</b>	<b>67,806</b>	<b>64,578</b>
Operating expenses:		
Payroll and related benefits	27,340	27,016
Depreciation and amortization	6,221	5,774
Professional and service fees	6,060	5,289
Rent	3,054	3,315
Communications and postage	2,560	2,651
Forms and supplies	2,557	2,626
Public relations, events, and programs	2,480	3,278
Maintenance, rentals, and insurance	2,050	1,878
Travel	1,837	1,923
Public education	1,322	1,510
Grants and contributions	1,118	1,264
Printing, paper, and promotions	944	983
Directors, delegates, and committees	680	822
Other	831	512
<b>Total operating expenses</b>	<b>59,054</b>	<b>58,841</b>
Increase in unrestricted net assets before nonoperating items	8,752	5,737
Realized and unrealized (loss) gain on investments	(4,203)	1,189
(Deficiency) excess of pension contribution over expense	(576)	754
Net amount not yet recognized as a component of net periodic benefit cost	2,972	(24,484)
Other	—	(758)
<b>Increase (decrease) in unrestricted net assets</b>	<b>6,945</b>	<b>(17,562)</b>
Changes in temporarily restricted net assets:		
Contributions and reclassification	572	572
Net assets released from restrictions	(738)	(698)
<b>Decrease in temporarily restricted net assets</b>	<b>(166)</b>	<b>(126)</b>
<b>Increase (decrease) in net assets</b>	<b>6,779</b>	<b>(17,688)</b>
Net assets at beginning of year	67,385	85,073
<b>Net assets at end of year</b>	<b>\$ 74,164</b>	<b>67,385</b>





# OFFICERS AND STAFF



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