



AMERICAN
KENNEL CLUB

ANNUAL REPORT *2016*



ANNUAL MESSAGE

from the Chairman & President



We are happy to report that 2016 was a year of important growth for the American Kennel Club.

The year saw an overall 8 percent increase in registrations. This indicates an upswing in breeder confidence in the AKC, as well as a sustained demand among pet owners for well-bred puppies. Our continued improvements in registration and customer service have helped us reverse a trend that has concerned us all. We have more work to do, but we are encouraged by the turning tide.

Event entries exceeded 3 million for the ninth time in ten years, totaling over 3,100,000, an aggregate increase of 37,000.

During 2016, we saw growth in some new events. We launched the entry-level Agility Course Test, which has succeeded in welcoming newcomers to the world of AKC events. Also, the new Fast CAT 100-yard dash” sport got off to an outstanding start and opened yet more doors for the uninitiated.

Continuing our efforts to nurture the next generation, we launched the Junior Showcase Event, where junior handlers can share in the camaraderie of competition with their peers. We also took critical steps to enhance our sport for veteran participants. Launched in 2016, the AKC Canine College is transforming education for breeders and judges.

The year in the sport of dogs culminated in the 16th edition of the AKC National Championship. We were happy to welcome Royal Canin, from the Mars Petcare family, as our new presenting sponsor, and the show was rechristened The AKC National Championship Presented by Royal Canin. A record-breaking entry converged on Orlando, Florida, for national championship events in conformation, obedience, and agility, AKC Meet the Breeds, and many other opportunities for fun and education. The show was taped and presented as a three-hour special broadcast on the Hallmark Channel in January 2017.

We made significant advances in communications in 2016, proving that the AKC stands ready to meet America's

insatiable interest in purebred dogs. The AKC appeared positively in nearly 20,000 media clips in the first three quarters of the year, amounting to nearly 35 billion media impressions—and in the last quarter of 2016 that figure grew significantly, thanks to media coverage of the AKC National Championship Presented by Royal Canin.

Two public-service announcements showcasing the AKC and its dedicated breeders as the two most important resources for future dog owners were launched in 2016, with a third slated for a January 2017 release. These PSAs ran on TV, radio, the internet, and in taxis, movie theaters, planes, and on a Times Square billboard, where millions of people from all over the world saw the AKC presented as the number-one resource for and about dogs.

It was gratifying to witness the explosion in public interaction with AKC across all communications platforms. 2016 was a year of unprecedented growth for our website, now ranked as the number-one destination on the internet for dog lovers. Nearly six million unique visitors, fanciers and pet owners alike, come to *akc.org* every month to see, watch, and hear what we have to say about our events, dogs, dog care, training, and responsible dog ownership. Traffic on the site is up more than 40 percent, and engagement with our social media is skyrocketing to new levels—in fact, 2016 saw a 19 percent increase in our social-media following.

Nearly a million people visit our Marketplace for puppies every month, spurring a growth of 42 percent. We continue to distribute e-newsletters to over a million readers a month, and the “I Am a Breeder” and “Meet the Breed” series of YouTube videos, along with the print and digital editions of *AKC Family Dog*, carry AKC message to the dog-loving public nationwide.

We revamped our AKC online store to create an infinitely better customer experience offering unique products. Royalties from our licensing program continue to increase as customers seek more AKC products. Thanks to these efforts, the AKC brand is more powerful than ever.

As we engage with dog lovers of all kinds, in a growing variety of ways and with increasing personalization, they more often see us as not only the leading authority but as their “go-to resource” for information about dogs. As we gain loyalty of new generations of dog owners, we are making advances for registrations and our sport.

In 2016, the AKC led the way in advocacy in canine legislation. Government Relations department staff monitored and responded to more than 3,000 proposed bills and ordinances. The year also saw our most successful national legislative conference to date, with 75 leaders and liaisons in attendance. And, we were delighted to play a role in establishing May 1 as National Purebred Dog Day.

The following pages of this report will highlight further accomplishments, milestones, and innovations of 2016. It was among the busiest and most gratifying years in our organization’s long history, but there is still much to do as we strive to consolidate the AKC’s position as the world’s leading canine authority and resource.

2016 was an outstanding year, but surely the best is yet to come.

RONALD H. MENAKER
Chairman of the Board



DENNIS B. SPRUNG
President/CEO





2015 THE AMERICAN KENNEL CLUB

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2016: AKC YEAR IN REVIEW

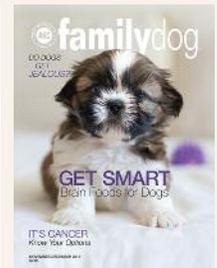
January

- On January 1, the [American Hairless Terrier](#) (Terrier Group) and [Sloughi](#) (Hound Group) are fully recognized by the American Kennel Club.
- The AKC gives Dr. Arnold L. Goldman, DVM, MPH, and the Connecticut Federation of Dog Clubs and Responsible Dog Owners the Walter Bebout Memorial Award for Leadership in Canine Legislation.
- The AKC appoints Jay W. Waks senior executive vice president and general counsel.
- The [AKC Canine Health Foundation](#) announces its 2016 class of Clinician-Scientist Fellows. Three promising veterinary post-docs and students receive CHF support for their training and research.



February

- On Saturday, February 13, thousands of dog lovers pack New York's Piers 92 and 94 for the debut edition of "Meet & Compete," the canine extravaganza that combines AKC Meet the Breeds and Westminster's Masters Agility Championship. "Meet & Compete" is sponsored by Purina Pro Plan.
- The AKC announces that the Labrador Retriever was 2015's top breed in individual-dog registrations. It was the Lab's 25th consecutive year atop the [annual rankings](#). Rounding out the top five breeds in individual registrations were German Shepherd Dogs, Golden Retrievers, Bulldogs, and Beagles.
- [AKC Family Dog](#) wins five of the Dog Writers Association of America's awards for excellence, including one for Best Magazine. In all, AKC Publications takes 11 DWAA awards in print and digital categories.
- The annual Barkfest at Bonhams brunch and auction preview benefits the [AKC Humane Fund](#).
- Iowa state senators Dennis Guth and Dan Zumbach win the AKC's James A. Holt [Legislator of the Year Awards](#), given in appreciation of the senators' support of responsible dog breeding. The awards were presented in February at the state capitol by a contingent of dedicated breeders and club members.
- The 2016 [AKC Pointing Breed Gun Dog Championship](#) is held at the Ames Plantation in Grand Junction, Tennessee.
- The AKC Canine Health Foundation kicks off a major [tick-borne disease initiative](#) that educates dog owners and aims to find better diagnostics, preventives, and therapeutics for dogs. The project is supported by a \$250,000 donation-matching fund provided by the AKC.



March

- At the Annual Meeting of the American Kennel Club on March 8, the Delegates elected Patricia M. Cruz (Heart of the Plains Kennel Club), William J. Feeney (Sir Francis Drake Kennel Club), and Karolynne M. McAteer (Irish Setter Club of America) as the Board of Directors Class of 2020. Cruz and Feeney are returning Board Members; McAteer was elected to her first term. Ronald H. Menaker (Memphis Kennel Club) is elected Chairman of the Board and Carl C. Ashby III (United States Kerry Blue Terrier Club) is elected Vice Chairman.
- Rosanne Demascio, of Elkton, Maryland, and her Border Collie MACH All Zet Air Attack Strafe, MXB, MXJ, win the Crufts Agility International Invitational, besting elite competitors from around the world.
- An entry of more than 1,600 of the nation's best agility, obedience, and rally teams converge on Tulsa, Oklahoma, to compete in the Companion Events National Championships, held March 18 to 20.
- An exhibition of the [AKC Museum of the Dog's](#) collection of pastels, paintings, drawings, prints, and sculpture of dogs from the Toy Group is installed at the museum's Main Hall Gallery.
- The AKC expands its [Breeder Education](#) platform to include new courses and materials, sponsored by Royal Canin USA.
- The AKC rolls out [Fast CAT](#), a lure-chasing event designed for all dogs.



April

- The AKC awards [Junior Scholarships](#) to 21 students representing 16 states. The scholarships range from \$1,000 to \$2,000 and are offered annually to high-school, college, and graduate-school students. Additionally, the AKC awards eight [Veterinary Scholarships](#), totaling \$25,000, to vet students. Two of the year's recipients are former AKC juniors.
- The first AKC Paw of Courage awards are given. This award recognizes dogs who have been severely injured or killed in the line of duty.
- The 2016 AKC Walking Gun Dog Championship is held at the Wasatch Hunting Preserve grounds near Lehi, Utah.



May

- Two new agility classes, ACT 1 and ACT 2 ([Agility Course Test](#)), are introduced. The classes provide shorter courses with basic obstacles that are appropriate for dogs beginning in the sport.
- A new video series, "[I Am a Breeder](#)," is launched to promote responsible breeders to the pet-buying public.

June

- The AKC rolls out the [Farm Dog Certified](#) test, a series of exercises that replicate situations a dog may encounter in a farm environment.
- The Agility Grand Champion (AGCH) title is introduced.
- The 11th annual AKC/Sportmix World Champion coonhunt and show is held in Lancaster, Ohio.



July

- The [Pumi](#) (Herding Group) is admitted to the AKC Stud Book as the 190th AKC breed.



August

- The AKC Humane Fund announces the 2016 recipients of the [Sir John D. Spurling Scholarship](#), celebrating the human-canine bond. Each year, the AKC Humane Fund awards five full-time students enrolled in courses of study that contribute to the well-being of dogs and the advancement of responsible pet ownership.
- Royal Canin enters a multiyear agreement to be the official presenting sponsor of the AKC National Championship, renamed the “AKC National Championship Presented by Royal Canin.” Royal Canin is a leading global pet-food company specializing in breed-specific nutrition.
- Staff celebrates Executive Secretary James P. Crowley’s 45th anniversary with the AKC.
- AKC Breeders of the Year in each breed group are announced. Sporting Group: Dot Vooris Simberlund, Fieldfine German Shorthaired Pointers; Hound: Ray and Jana Brinlee, Jaraluv Scottish Deerhounds; Working: Alan Kalter and Chris Lezotte, HappyLegs Bullmastiffs; Terrier: Joan Huber, Blythewood Miniature Schnauzers; Toy: Max E. Hurd, Hurd’s Chihuahuas; Non-Sporting: Susan and Gary Carr, Salishan Tibetan Terriers; Herding Group: Terry Miller and Dominique Dube, Deja Vu/Popsakadoo Briards.
- The AKC Reunite [disaster-relief trailer](#) program reaches a significant milestone when the 50th such vehicle is presented to Somerset County, New Jersey. The state-of-the-art trailers are made possible by [AKC Reunite](#) and AKC clubs and their allies nationwide.



September

- The 14th annual flagship [AKC Responsible Dog Ownership Day](#) is held at the N.C. State Fairgrounds in Raleigh.
- The AKC, the Theriogenology Foundation, and the AKC Canine Health Foundation announce the 2016 residents of the American Kennel Club/Theriogenology Foundation [Companion Animal Residencies in Theriogenology](#). The residency program is made possible by grants from the AKC and the CHF. Each grant is in the amount of \$100,000, to be used for study over two to three years by students from Auburn University, the University of Pennsylvania, The Ohio University, and North Carolina State University.



- [AKC Canine College](#) is launched. The learning platform allows the AKC to extend learning and certification opportunities to individuals without limitations of geography and time.
- The AKC Humane Fund announces winners of the 17th annual AKC Humane Fund Awards for Canine Excellence ([ACE](#)). These awards celebrate five dogs who have significantly improved the lives of their owners and communities.
- The 2016 [AKC National Tracking Invitational](#) is held at Clermont, Kentucky, hosted by the Greater Louisville Training Club and the Mid-Kentucky Kennel Club.



- The AKC World Agility squad travels to Zaragoza, Spain, to compete in the Agility World Championships.

October

- Recipients of [AKC Lifetime Achievement Awards](#) are announced. They are Patricia W. Laurans (Conformation), Elizabeth “Tibby” Chase (Companion Events), and Jim Campbell (Performance Events).
- [Junior Showcase](#) events are introduced by the AKC. The events promote and increase youth participation in agility, obedience, and rally.



- The American Kennel Club presents U.S. Senator Kelly Ayotte, of New Hampshire, with an AKC Legislator of the Year Award at the Souhegan Kennel Club show.
- The AKC Museum of the Dog hosts “Pet Portrait in Pastel Painting” classes conducted by the distinguished artist Deanna Nash.

November

- The AKC’s new online store, “[AKC Shop](#),” opens for business. The online store features products that leverage the AKC’s extensive knowledge in dog breeds, health, and training, as well as exclusive AKC breed-specific merchandise.
- The AKC Lure Coursing National is held at Reidsville, North Carolina.
- The Greater Panama City Dog Fanciers’ Association wins an AKC Community Achievement Award for its exemplary participation in AKC Responsible Dog Ownership Day.





December

- An combined entry of nearly 5,000 dogs converge on the Orange County Convention Center in Orlando, Florida, for the AKC National Championship Presented by Royal Canin on December 17 and 18. The multifaceted event includes the AKC Obedience Classic, AKC Agility Invitational, AKC Meet the Breeds, a full slate of Juniors competitions, demonstrations, educational forums, and, as its centerpiece, a world-class conformation dog show. (See results.) The [Hallmark Channel](#) tapes the show for a three-hour presentation aired in January 2017.
- The [AKC Breeder of the Year by Sport Award](#) is given to those who have dedicated themselves to improving the health, temperament, and performance of dogs in a given sport.
- The [AKC Club Development](#) department is formed to work with AKC member clubs to address challenging situations and enhance their ability to hold quality events.
- At year's end, AKC Government Relations staff reports that they tracked 2,200 dog-related legislative proposals in 2016, up from a previous high of 1,700 in 2015. (See the [Government Relations Year in Review](#).)



2016: OUR SPORT, BY THE NUMBERS



Conformation

4,947 AKC-sanctioned events; **1,618** all-breed dog shows with **1,314,969** entries; **2,667** specialty shows with **139,534** entries; **55** Open Shows with **1,186** entries; **607** 4–6 Month Beginner Puppy competitions with **10,830** entries; **18,888** conformation championships, **6,171** Grand Championships, **73** Certificates of Merit, and **194** dual championships earned **86** new judges approved for **144** breeds; **749** judges' applications approved for **5,004** additional breeds; **835** total judges' applications processed **84** fully accredited AKC Registered Handlers; **35** handling clinics staged by Registered Handlers; **17** Educational Seminars held by Registered Handlers; **2** \$5,000 George Ward Memorial Scholarships awarded; **13** Conformation Executive Field Representatives covering **88** percent of all-breed shows

Companion and Performance Events

2,627 obedience events with **126,877** entries and **9,847** titles earned; **77** Obedience Trial Champion (OTCH) titles earned; **451** tracking trials with **1,944** entries and **641** titles earned; **50** Champion Tracker titles earned; **3,684** agility events with **1,223,660** entries and **48,492** titles earned; **806** Master Agility Champion (MACH) and **376** Preferred Agility Champion (PACH) titles earned; **2,365** rally events with **76,328** entries and **10,637** titles

earned **200** Versatile Companion Dog titles awarded; **10,351** titles earned by AKC Canine Partners **5,545** AKC-approved licensed performance events with over **255,075** entries and **12,833** titles earned **3,384** titles awarded for accomplishments outside of the AKC competitive-event realms (AKC-associated events)

AKC Canine Good Citizen

47,641 CGC certifications, **11,233** S.T.A.R. Puppies, **3,668** AKC Community Canines, and **1,428** Urban CGCs, for a total of **63,970** certifications

AKC National Championship

4,710 entries from all 190 AKC-recognized breeds (largest entry: **141** Golden Retrievers); **711** National Owner-Handled Series entries; **248** AKC Obedience Classic entries representing 62 breeds from **35** states, Canada, and Puerto Rico; **700** AKC Agility Invitational entries representing **161** breeds from **44** states and **4** countries;

121 conformation Junior Showmanship entries; **77** AKC National Juniors Agility Competition entries; **34** AKC Juniors Classic Obedience Competition; **38** AKC Juniors Classic Rally Competition entries; **700** North America Diving Dogs/AKC National Championship entries



FINANCIAL REPORT AMERICAN KENNEL CLUB 2016



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

2016 was a solid year for the organization and its affiliates from a financial perspective. 2016's total consolidated revenues of AKC and its affiliates were \$72.8 million which was 7% greater than the \$67.8 million in 2015. Dog and litter registrations of \$28.8 were 4% higher than 2015's \$27.6 million. Total consolidated operating expenses of \$70.8 million in 2016 were reasonably above the 2015 total by \$11.7 million (19.9%).

2016's operating results generated a moderate operating surplus of \$1.9 million versus an operating surplus of \$8.8 million in the prior year. In an extremely positive year within the financial markets, our consolidated gain on investments totaled \$6.3 million for 2016 which was soundly favorable as compared to the loss of \$4.2 million reflected in 2015. The total unfunded status of pension and post-retirement plans marginally increased to \$61.1 million from \$59.0 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 2016 consolidated financial statements, including auditor's unqualified independent report, will be made available upon request.

Joseph V. Baffuto, Jr.
CHIEF FINANCIAL OFFICER

CONSOLIDATED BALANCE SHEETS

December 31, 2016 and 2015 (In thousands)

Assets		2016	2015
Cash and cash equivalents	\$	1,241	2,962
Accounts receivable, net of allowance for doubtful accounts of \$187 and \$188 in 2016 and 2015, respectively		2,865	4,119
Investment receivable		3,797	—
Investments		122,964	120,141
Prepaid expenses and other		6,641	4,617
Property and equipment, net		13,823	10,617
Total assets	\$	151,331	142,456
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	\$	7,678	6,058
Deferred revenue		466	906
Deferred lease liability		2,005	2,264
Capital lease obligations		—	59
Postretirement benefit obligations other than pensions		28,220	25,655
Pension benefits obligation		32,935	33,350
Total liabilities		71,304	68,292
Contingencies			
Net assets:			
Unrestricted:			
Operating	\$	38,148	35,949
Investment in property and equipment		13,823	10,558
Board-designated for long-term purposes		87,589	84,782
Funded status of postretirement plans		(61,155)	(59,005)
Total unrestricted		78,405	72,284
Temporarily restricted		1,622	1,880
Total net assets		80,027	74,164
Total liabilities and net assets	\$	151,331	142,456

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended December 31, 2016 and 2015 (In thousands)

	2016	2015
Changes in unrestricted net assets:		
Operating support and revenues:		
Registration fees	\$ 28,806	27,609
Recording and event fees	11,553	11,313
Fees and certified pedigrees	7,034	6,511
Enrollment fees and microchip sales	6,426	5,626
Other income	5,626	4,180
DNA and other product services	5,101	4,600
Royalty and sponsorship income	4,762	4,259
Interest and dividends	1,842	1,723
Publications	998	1,247
Net assets released from restrictions	636	738
Total operating support and revenues	72,784	67,806
Operating expenses:		
Payroll and related benefits	31,528	27,340
Professional and service fees	10,179	6,060
Depreciation and amortization	6,924	6,221
Rent	3,155	3,054
Forms and supplies	3,113	2,557
Public relations, events, and programs	2,950	2,480
Communications and postage	2,630	2,560
Travel	2,055	1,837
Maintenance, rentals, and insurance	2,053	2,050
Other	721	831
Printing, paper, and promotions	1,710	944
Grants and contributions	1,545	1,118
Public education	1,494	1,322
Directors, delegates, and committees	744	680
Total operating expenses	70,801	59,054
Increase in unrestricted net assets before nonoperating items	1,983	8,752
Realized and unrealized (loss) gain on investments	6,288	(4,203)
(Deficiency) excess of pension contribution over expense	(1,507)	(576)
Net amount not yet recognized as a component of net periodic benefit cost	(643)	2,972
Increase (decrease) in unrestricted net assets	<u>6,121</u>	<u>6,945</u>
Changes in temporarily restricted net assets:		
Contributions and reclassification	378	572
Net assets released from restrictions	(636)	(738)
Decrease in temporarily restricted net assets	<u>(258)</u>	<u>(166)</u>
Increase (decrease) in net assets	5,863	6,779
Net assets at beginning of year	74,164	67,385
Net assets at end of year	\$ 80,027	74,164



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