2016: THE YEAR IN REVIEW
ACCOMPLISHMENTS

DENNIS B. SPRUNG
PRESIDENT/CEO
2016: The Year in Review

Accomplishments

This review shares my observations on many achievements of 2016 which was another successful year for the great American Kennel Club. Appreciation for these accomplishments belongs to staff at every level. Their talent, positive attitude, commitment, knowledge of our business and long term employment is to be celebrated.

Together we grew entries, litter registrations, individual registrations, EZ Reg. Pedigree sales, unique visitors to akc.org, Facebook/social media, web advertising, licensing, Good Dog Helpline, breeds with full recognition (miscellaneous and FSS), added classes and titles, expanded health commitments, experienced public relations triumphs, enhanced education and added to our capability to honor our own. Last but certainly far from least, we once again significantly boosted our bench strength with new hires, for even more success in this year ahead.

Events

Numerous events continue to flourish. AKC’s almost 5,000 clubs are comprised of dedicated dog people who are in place countrywide. Their expertise, devotion and passion exceed any other volunteer work force. In order to assist our clubs and provide expert advice cross-departmentally, the new Club Development Department was formed. Many of our staff have long-term expertise as club officers, show chairs, delegates and judges and can provide knowledge. We will strengthen their core, minimize bureaucracy, share best business practices (in conjunction with our Delegate Committees), and have our Marketing department research, analyze, and use existing data to furnish a roadmap for driving membership through unique exhibitors and entries.

In Events, entries exceeded the 3 million mark for the ninth time in ten years and seventh in a row. Total entries were 3,152,892 with 400 more events held than the previous year. This year we experienced an aggregate increase of 37,000 entries (1.2%). Agility was a notable area of growth with 28,000 additional entries. Companion and Performance entries have both increased, Conformation has not. As a result, there is a definite marketing opportunity to be addressed in terms of gaining unique exhibitors and entries in conformation.

Performance Events Enhancements

- Creation of an Amateur Master National in Retrieving Hunt Tests
- Launch of the Farm Dog Certification Program
- Launched new sport – Fast CAT
- Recognition of four drafting titles by the Briard Club of America
- Licensing for performance clubs holding field events based on membership, not territory
- Participation of Poodles into Spaniel Hunt Tests
- Approval of the formation of Coursing Ability Test (CAT) Clubs
- Establishment of a National Retriever Derby Championship
- Increase in the number of trials Herding clubs can hold per year
- Additional opportunity for Juniors to compete at lower levels with a qualifying dog in Herding
- Italian Greyhound eligible to run in Best In Field for Lure Coursing
- Dogs earning an ASFA Certification Course can now compete in AKC Lure Coursing trials.
- Approval to allow a breed to hold their National Championship Field Trial as part of the AKC Gun Dog Championship, provided no National Championship for that breed was held in prior year.
- Entries increased in Field Trials, Hunting Tests, Herding Trials and Tests, Lure Coursing and Coursing Ability Tests. The new Fast CAT had 6,125 entries.

**Conformation Events and Matches**
- Executive Field Representatives attended 86% of AB shows
- Recognized several Special Attractions as having standing approval
- Modified:
  - Limited Number of Events Policy to expand the number of clubs that can be recognized as isolated
  - Policy to allow group clubs to support entries at all-breed events
  - Policy to allow group shows to be held concurrently with all-breed shows
  - Concurrent events policy to support multi-day specialties (usually national specialties)
  - Policy to allow group clubs to offer Junior Showmanship for all-breeds
  - Match regulations to allow clubs more options when holding matches
  - Grand Champion program to recognize the advanced accomplishments of Grand Champion dogs as AKC titles instead of achievement levels
  - Event Closeout Notification process so that it can now be delivered by email rather than postal mail
  - Event Operations representative assignments to be based more on geographical area, allowing for clusters to communicate with one representative.
- Conformation B-Matches – added to Event Search on the AKC website, and began sending automated customized e-mail blasts.
- Implemented:
  - Email campaign to grow participation in Conformation B matches
  - Process to make the list of dogs ineligible to compete available to clubs, superintendents, and trial secretaries
- 4-6 Month Beginner Puppy Competition was held 606 times, an all-time high
- FSS Open Shows competition was held 55 times, an all-time high
- Held four Show Committee Seminars
- 1,456 shows included NOHS competition, up 36% from the previous year.
- NOHS Best Practices converted to Regulations in order to enhance consistency between events.
- Approved Junior Showcase Events for Companion Sports (limited to Juniors only).
• Revision to the event notification messages to provide clubs the URL link to a form when information on the form needs to be submitted for event approval.
• Clubs are no longer required to submit a grooming plan.
• Event applications can be effective for multiple years
• Specialty clubs are allowed to hold two days of shows per year and one additional show to join national specialties. This provides clubs more flexibility to schedule their shows, opportunity for additional entries, and reduces the instance of local clubs holding shows in the name of the Parent Club.
• Allowing clubs, at their discretion, to utilize electronic documents for premium lists, judging programs and catalogs.
• Revised the application for a show/trial, improving the layout and consolidating the judges panel for Specialty, Obedience and Junior Showmanship onto the application. This eliminates the club from having to submit a separate form with duplicate information.
• Providing clubs flexibility in holding 4-6 month Beginner Puppy Competition. As of January 2016, day of show entries were permitted and starting in April we began allowing foreign judges.
• Common Site Application (CSA) forms no longer require signatures from each participating club, thus allowing the information to be emailed and allowing any club in the cluster to submit the CSA information.
• As of April 2016 there is a check box for sweepstakes rather than submitting forms.
• Created a series of reports and metrics that allow us to monitor, measure, and improve our customer service.

Agility
• New Agility Course Test (ACT) launched May 1, 2016 with 80 events held in 2016
• Worked to introduce the new Premier class to local clubs
• 20th annual National Agility Championship had 1016 handler/dog teams representing 97 breeds from 46 states and Canada, up 238 entries from 2015
• 11th annual AKC Agility Invitational with 700 handler/dog teams representing 162 breeds from 44 states, Bermuda, Canada, Portugal, and Puerto Rico. Winners were: 8 inch: Portuguese Podengo Pequeno; 12 inch, Pembroke Welsh Corgi; 16 inch, Shetland Sheepdog; 20 inches, Brittany; 24 inches, Belgian Sheepdog
• 6th annual Junior Agility Competition held on the Friday of the AKC National Championship in Orlando. 86 handler/dog teams from 21 states and Canada, representing 23 breeds
• Agility Grand Championship December – Effective July 1, 2016. Three Agility Grand Championships were earned thru December 31, 2016 - a Golden Retriever, a Cavalier King Charles Spaniel and a Portuguese Water Dog
• Restructure and launch of FAST class designed to decrease trial time needed to run class to encourage more clubs to offer – Effective January 1, 2017
• Suspended use of Agility Chute obstacle for safety concerns brought forward by Advisory Committee and Agility community
• Overall, entries are up over 28,000 for the year.

Obedience/Rally
• 4th AKC Obedience Classic held in conjunction with the AKC National Championship. 248 handler/dog teams competed in four classes – only national obedience event to offer competition at all class levels. There was participation from 62 breeds from 38 states and Puerto Rico. Participation increased by 18% over 2015.
  o AKC Obedience Classic was won by: Novice Class, a Golden Retriever; Open Class, a Labrador Retriever; Utility Class, an All-American Dog; Masters Class, a Labrador Retriever
• 6th AKC Juniors Obedience/Rally Classic in conjunction with the Obedience Classic. 38 Juniors with 18 breeds from 13 states and Canada.
• 3rd AKC Rally National Championship in March had 325 handler/dog teams with 71 breeds from 39 states and Canada competing.
  o AKC Rally National Championship was won by: Rally Novice, a Boxer; Rally Advanced, a Border Collie; Rally Excellent, a Boxer; Rally Advanced Excellent, a Belgian Tervuren.
• 22nd annual National Obedience Championship had 134 handler/dog teams with 44 breeds from 16 states competing.
  o AKC National Obedience Championship was won by a Golden Retriever
• Junior Showcase Events – Board approved changes to Obedience Regulations, Rally Regulations and Agility Regulations to allow trials limited to Juniors only at a club’s discretion.
• Provided clubs more flexibility by changing policy so that Obedience clubs in conflict may co-exist if they both agree
• Rally Clubs - Board approved the formation of Rally clubs.
• Annual Rally entries grew 4,290.
• Board approved allowing Obedience and Rally trials to co-exist within the conflict distance of 100 miles if the club obtains the written permission of the club with the established date.

AKC National Championship presented by Royal Canin
• Total conformation entries of 4,710 were up 40 from 4,670 in 2015. As a result, the AKC National Championship presented by Royal Canin was the largest dog show held in the United States since the AKC 1984 Centennial event and the largest dog show in North America. Dogs from 49 states and hundreds of international competitors vied for Best in Show. There were 121 juniors and over 1,000 BBE entries.
• Entries in the Obedience Classic were up 18%, totaling 248.
• The Agility Invitational saw 700 entries.
• PR impressions exceeded 3.5 billion, up 57%, at a valuation of $435 million.
• There were 34 Junior Obedience entries and 38 Junior Rally entries in the AKC Juniors Classic. Plus 77 entries in the AKC Junior Agility competition.
• NOHS finals entries were up 5% year over year, with 712 dogs entered.
NADD diving dogs saw a huge increase, with more than 700 dogs competing – up from 200 in 2015.

Sponsors include Royal Canin, Showsight, Canine Chronicle, ATT U-Verse, I-5 Publishing, FidoTV, and Amazon

Meet the Breeds

Held in New York City in conjunction with Westminster Kennel Club’s 3rd Annual Masters Agility Championship, this major educational effort enjoyed the participation of 135 Parent Club Booths.

The outreach had the support of 110 elected officials from New York, New Jersey and Connecticut serving as “Honorary Chairs”, including US Senator Chuck Schumer.

Attendance totaled approximately 20,000

Media impressions were 927,082,756, valued at $63,435,930.15; there were 585 clips and advertising reached 35,000,000 people.

After expenses, the initiative resulted in profitability

AKC Meet the Breeds held in conjunction with the AKC National Championship presented by Royal Canin in December included volunteers from 160 Parent Clubs.

The success of both AKC Meet the Breeds in New York City and Orlando could not have been achieved without the expertise of our Parent Club volunteers.

Judges

Application Tally

- Judging applications for new breeds increased from 84 to 91, requesting 170 breeds up from 106.
- Additional breed applications increased from 484 to 870, up 80% and breeds requested went from 3,886 to 5,857, up 51%.
- The average number of breeds per application decreased from 7.64 to 6.73.

Staff prepared an annual report to the Board regarding the impact of the Judging Approval Process which included updates to the benchmark numbers of five measurements provided the year prior. Staff reported on the 10-question survey to measure the perception of judges, comparing the 2016 results with the 2015 baseline. There were 8,343 respondents to the current survey.

The American Water Spaniel, Spanish Water Dog, American Staffordshire Terrier, and Finnish Spitz were added to the list of breeds eligible to be judged on the ramp at the judge’s discretion.

Juniors

Feb 2016 - Reserve Best Junior Handler Mandatory at All Breed Shows

April 2016 – Novice Class Criteria, Best Junior win with competition counts towards criteria to move to the Open Class, effective July 1, 2016

May 2016 - AKC Junior Recognition System, effective March 1, 2017

July 2016 - Junior Only Trials for Companion Events, effective February 1, 2017 (Junior Showcase Event)
- November 2016- Limited Breed Shows have the option to offer All Breed Junior Showmanship, effective January 1, 2017.
- November 2016- Juniors allowed to handle a dog in a lower level herding class even if the dog has acquired a qualifying score at a higher level, effective March 1, 2017.
- December 2016-Farm Dog Certification Test application fee waived for junior organizations.

**New Titles**
- Implemented new “Agility Grand Champion” title, effective July 1, 2016.
- Implemented multiple levels of Grand Championship Titles, effective April 1, 2016.
- Launched the agility ACT class with two new titles – ACT1 and ACT2.
- Title Recognition Program – The number of titles AKC recorded that were earned in affiliated organization events was an all-time record high.

**Canine Good Citizen**
Since 2013, when CGC became an official AKC title, the number of certificates sold has increased by 62%. There were 63,970 titles and certificates sold, an increase of 6% over last year. This number only reflects the dog owners who chose to purchase the certificates and titles, and it is estimated that well over 100,000 dogs participate in the CGC program annually.

CGC Evaluators are at an all-time high of 11,457 paid evaluators, up 7.4% from the previous year. In 2017, an online CGC Evaluator/dog trainer education program will be launched.

Revenue for the CGC program has seen steady growth in the last five years, exceeding $1 million dollars in 2016.

CGC now stands as a gold standard of behavior for dogs in our communities. Many major insurance companies will insure a breed not otherwise insurable if the dog has the CGC award and many therapy dog groups use CGC as a prerequisite for screening.

**Registration and Customer Development**
Last year was the third successive year of growth in AKC registrations with more than 525,000 individual dogs. Litters registered totaled 224,000. Overall revenue from registration and related fees, products and services totaled $34.6MM, surpassing the expectation by 3% and generated $1.8MM more revenue than 2015, a 6% year-on-year increase.

In addition, the Registration and Customer Service Development team has continued to drive improvements in efficiency and quality. Increased efficiencies allowed the department to grow revenue while keeping a lid on its operating expenses (Payroll, Benefits & Controllable costs.) In 2016, the department’s total operating expense as a percent of revenue was less than the prior year and better than planned. Customer Service also continued to improve across nearly every performance metric including the speed of processing and the average hold time for the AKC Call Center.
The sustained and determined focus on improving services for AKC’s core customer, the breeder, has been crucial to our success over the last few years. This effort continues with a number of major initiatives including the upgrade of call center technology, the exploration of new breeder-focused tools and services, and an expansion both of online and in-the-field breeder education efforts.

- Due to increased dog registrations and improved online purchasing experience, Pedigree revenue increased 10% over the prior year to $4.9MM.
- AKC GoodDog Helpline (GDH): Purchasers of this product receive live telephone training and behavior support seven days a week. The online sales of the service via AKC.org increased 24% over the prior year’s sales, taking the total GDH revenue to just under $1.0MM. At the same time, the quality of the service continues to receive extremely high marks in customer satisfaction surveys.
- Breeder Development: Breeder education in all its forms is critical to the success of breeders and to the health of dogs. The Breeder Development Department takes the education directly to the breeders, meeting them at their kennels, in their homes or at seminars, conferences and health clinics. We ramped up efforts to engage, nurture and support AKC breeders by adding an additional Breeder Development Field Representative. The three-person department met with breeders in their kennels and participated in 35 breeder conferences, seminars and meetings. They also conducted 17 health clinics, assisting breeders by providing free eye, heart, patella and dental screenings for nearly 2,000 dogs.
- DNA: The AKC DNA program continues to undergird the veracity of the AKC Studbook by providing world-class DNA services for parentage evaluation. A total of 30,982 samples were collected in 2016, an 11% increase over the prior year. Additionally, the AKC took action in 2016 to update its DNA technology platform from STR’s to SNP’s, co-authoring a peer-reviewed article on a new SNP panel for canine parentage.

Registrations continued its path of annual success for the third year in a row. This year litters were up 6% followed by individual registrations increasing 8%. I continue to believe an opportunity for an individual dog registration fee increase exists due to the elasticity available in this area. The last individual fee increase was in January of 2012 when the cost rose from $20.00 to $30.00. However, I still do not think a litter fee increase is necessary. I encourage a well thought out individual price increase.

Bred with H.E.A.R.T.

- AKC Bred with H.E.A.R.T. continues to engage, encourage and recognize breeders who meet specific health testing standards and who participate in continuing education. This program is backed by AKC Inspections and provides marketing support to participating breeders.
- To date, the program has seen nearly 2,000 enrollments.
- Seven breeder education courses were launched on AKC Canine College in 2016, including Dr. Claudia Orlandi’s ABC’s of Dog Breeding.
• All of the courses are free to the public. For a nominal fee, breeders may also complete a course exam and receive a frameable AKC certificate for passing the test.
• Nearly 4,000 breeders viewed at least one of the breeder education courses and more than 1,000 passed the optional course test.

Breeder of Merit
786 new BOMs were enrolled this year, with 15 BOMs being revoked due to various reasons (lack of health testing, dropping club membership, referrals.)

6,510 litters were 100% registered by BOMs, an increase of 4.6% over last year. These litters accounted for 26,325 individual dogs.

The Breeder of Merit program was successfully transitioned to requiring breeders to apply and qualify on a breed specific basis. Changes were applied retroactively and all existing BOMs were reclassified for only the breeds for which they met the requirements.

Kennel Names
142 new Registered Kennel Names were granted in 2016. 324 RKNs were renewed. The following kennel names were retired:
• Weatherwax (Collies)
• De Strathcona (Briards)
• Josandre (Papillons)
• Kvar (Papillons)

Breeds
Breeds that gained full recognition in 2016
• American Hairless Terrier 1/1/2016
• Sloughi 1/1/2016
• Pumi 7/1/2016

Miscellaneous
• The Dutch Shepherd became eligible to compete in the Miscellaneous Class January 1, 2017
• The Barbet became eligible to compete in the Miscellaneous Class January 1, 2017

New breeds in F.S.S.
• Bavarian Mountain Scent Hound
• Teddy Roosevelt Terrier
• Braque Francais Pyrenean
• Pudelpointer

Standard Revisions approved:
• Bulldog (effective 8/31/2016)
Leongberger (effective 8/31/2016)

Clubs
By the end of 2016, there were 4,913 clubs. Included in this tally are 626 Member Clubs; 4060 Licensed clubs; and 227 Sanctioned Level clubs (the 227 number includes 99 Sanctioned Plan A level clubs and 128 Sanctioned Plan B level clubs). During 2016, we experienced 20 new accredited clubs, seven advancing to Plan A, 38 newly licensed and four became member clubs. Thirty-eight member clubs revised their Bylaws.

Growth Group
Last year was a banner year for AKC’s newly established Growth Group, which brought unprecedented cohesion to our Registration, Marketing, Technology and alternative revenue divisions. The consolidated team achieved expansions in all lines of business, ultimately strengthening AKC’s brand and reinforcing our position as the leading voice for dogs in America. The revenue generated is intended for reinvestment back in the mission of AKC.

In a year of explosive digital growth, AKC led the conversation with dog enthusiasts from every platform. Traffic on our website has grown significantly to over 6 million unique visitors per month, and our social following has increased to 4 million followers. AKC’s total digital audience achieved 52% growth in the past year. Comscore, the leading authority on web metrics for America’s largest companies, placed AKC as the number one website for dog-related content and named AKC the highest ranked site for engagement in the dog category. Claiming AKC’s rightful place as the source that satisfies public demand for information about dogs, our content team increased production to fifteen article posts per day and nine weekly and monthly e-newsletters. These digital communications enjoy click through and open rates four and five times greater than industry averages respectively. Circulation of the flagship YourAKC, which I began when serving as Chief Operating Officer in 2003, reached 1.4 million subscribers. The launch of a new customer relationship marketing program known as AKC Pupdate put AKC at the forefront of responsible dog owner education and created a long-awaited platform for regular touchpoints with new puppy owners.

A complete restructuring of the online store brought the debut of an up-to-date e-commerce strategy. The Growth Group transformed Shop AKC from a passive rental model to a curated online experience for discerning shoppers. Brisk holiday sales, specialized gift boxes and a unique product line all contributed to over 100% growth in e-commerce revenue in 2016.

AKC’s merchandise licensing program grew to $50 million in wholesale sales at retail, resulting in a 20% increase in royalties paid to AKC over the prior year. Three new licensees were added to the portfolio in apparel, home furnishings and grooming categories. A path for alignment with AKC positioning, brand and goals was cemented with the creation of new packaging guidelines and a revised merchandise style guide.
Sponsorship reached new heights with the signing of several key, multi-year partnerships including two agreements with leading global pet food brands. Sponsorship for AKC’s flagship dog show, the AKC National Championship, was secured. Our hotel partnership saw more than 100% growth in activation by core constituents, and resulting revenue to AKC doubled in the past year, proving our value as an influencer marketer. Sponsorship revenue totaled $9.3 million in receivables for 2016 and beyond. Emboldened by our website’s highly engaged audience, quality content and contemporary user experience, our digital advertising and media sales revenue grew by 112%.

This was a year of exceptional expansion of AKC’s audiences and a broadened scope of products to serve dog lovers in all segments. In cultivating a burgeoning base of new supporters, the department contributed proactively to our organization’s mission to advance purebred dogs and promote responsible dog ownership.

**akc.org**
- akc.org had 15 million more total users in 2016 (from 30 million to 45 million)
- On Sunday, November 20, akc.org broke its record by welcoming 315,000 unique visitors in a single day.
- By the end of the year, the number of Facebook fans reached 3.4 million
- Total Facebook video views reached 250 million.
- In October 2016, a new record was set: 8 million people engaged with the AKC Facebook page.
- The Content team produced 1,200 articles on akc.org
- AKC Database grew by 1 million people to a total of 4 million dog owners
- Average open rate for all newsletters grew by 9%, from 26% to 29%
- Launched in September 2016, AKC Pupdate is an automated, weekly email newsletter program sent to all dog owners who register with AKC. The Pupdate series contains valuable heath, training and nutrition information for raising a puppy. The series of emails are sent to the owners during the first year of the puppies’ life. The content is also personalized by the puppies’ breed and age.

**Marketplace**
- AKC Rescue Network: AKC’s Rescue Network was integrated into Marketplace. On every breed page, the Parent Club Rescue information is listed and a link to the full list of rescue groups is provided.
- Breed-Specific Information: Breed-specific information was added to educate puppy buyers and help them decide which breed is right for them. A description of the breed, breed history, recommended health tests from the Parent Club, and the Parent Club information (name, link, breed standard PDF) is included.
- Breeder of Merit Program: Marketplace was updated to support the change in the BOM program to make it breed-specific.
• Litters that have Conformation champion bloodlines up to three generations back is displayed.
• Searching for Litters: Revised search results to display litter listings instead of breeders (breeders with subscriptions will still show up if they have no active litters.) Litter listing and breeder information was consolidated into a single page. This makes it easier for the puppy buyer to find what they are looking for and contact breeders about available puppies.
• Testimonials: Breeder and puppy buyer testimonials were added, enabling us to showcase success stories to both groups.
• Messaging and Value Proposition: New content to promote our core values was included as well as what sets both the AKC and Marketplace apart from the other puppy listing sites. This information can be seen on our Homepage and About Us page.
• AKC PuppyFinder Rebranding: The site was rebranded to provide visitors an understanding of Marketplace when they first visit. Additionally, this provides a term that we can reuse for future verticals (GroomerFinder, etc.)

Financials
For the year 2016, AKC had revenues totaling $66.4 million, which represented a 6.8% increase over the 2015 fiscal year. Total operating expenses in 2016 were $61 million, which was a 14.3% increase from the prior year.

Today’s financial assets are higher than ever before. Last year’s results of an operating profit (unaudited) of $5.4 million plus our investments which earned an additional $6 million resulted in a net increase of $11.4 million. This bottom line strength allows us to take necessary actions for the health and well-being of our dogs and the betterment of our clubs and community.

Personnel
We began the process of migrating to a new Human Resources Information System which will add efficiency and self-service for our staff. We continue to support the mission of the business by recruiting talent for our expanding organization.
• Hiring of the following management positions: SVP, Operations and Planning, VP Technology, VP Marketing, Customer Service Manager, Sr. Director, Digital Marketing, Director Human Resources, Sr. Marketing Manager, Director of Advertising, Manager, IT Service Desk, and Director IT Operations.
• Promotions of staff to new positions: Manager, GL& Finance, Sr. Financial Analyst, Managing Editor, Research Analyst, Manager Compliance, two Directors in Marketing, Sr. Manager, E-Commerce, Supervisor Customer Service, Instructional Designer, Senior Digital Print Analyst, VP Legal, three promotions to AVP
• Transfers within AKC allowing for retention of knowledge and job enrichment for ten staff members
• Transfer of two staff members from AKC to affiliates
• 106 employees are now working remotely in the field or from home.

Health
From October 2015 – December 2016, our Chief Veterinary Officer, wrote, reviewed or approved 50 articles; participated in 20 media interviews; gave four speeches/presentations; recorded numerous videos for the website and participated in many meetings. Highlights include:
• A widely read and shared article titled, “Healthy Dogs – does breed type matter”
• USA Today interview and editorial on healthy dogs
• Wall Street Journal and Atlanta Journal Constitution interviews on Bulldogs and the Bulldog study
• Presentation to the AKC Crop & Dock Section meeting at the AKC National Championship
• Visits to Ohio State University and North Carolina State University veterinary schools
• Reviewed and guided all medical related articles for Marketing (over 50 + articles); created long form Veterinary content for Marketing and akc.org
• Provided veterinary input for the Marketing Department’s Pupdate Newsletter
• Participated in interviews for various pet-related outlets including Pawculture, PetMD, Care.com, and CNBC.
• Acted as spokesperson during all National Championship media in Orlando (Good Day Orlando, CBSNews, OBJ, Orlando Sentinel, ABC and more.)
• Attended the AVMA Conference on behalf of the AKC
• Filmed Veterinary videos for akc.org and social media
• Created content to launch the Vet’s Corner on the website
• Consulted with Business Development re: the safety of ingredients in AKC licensed products.
• Attended AKC CHF Meetings.

Public Relations
• 2016 year-end media coverage analysis:
  o 23974 clips;
  o Total audience reached with all clips (including print, online, TV, syndicated and matte stories) 48,723,505,205;
  o Total publicity value for 2016 was $152,379,446.26, a 25% increase over 2015.
• AKC spokespeople appeared on numerous television shows as well as on radio. Examples include AKC “Most Popular Announcement” on Good Morning America, new breeds on FOX and Friends, Good Day NY on both occasions, Pix 11 and Fox Business Network. Meet the Breeds was featured on Pix 11, Fox and Friends and Kennedy.
• With respect to the most popular breeds, in addition to the segment listed above, there were over 600 international broadcast placements where TV networks spoke about our announcements but no AKC spokesperson was on camera.
• Responsible Dog Ownership Days celebrated with the 14th annual AKC RDO program and 630 clubs or organizations participated
• Top 10 Registration Stats released to much media fanfare; notable outlets ABC News, NY Times, Reuters, Associated Press, NY Post, LA Times and several hundreds more.
• Created two PSAs that aired during National Championship and will air in top registration markets in Q1 2017.
• Honored nine dogs in the Paw of Courage program with national coverage (People Pets, Yahoo, PopSugar Pets, Chicago Tribune and more)

**Business Roundtable**
A monthly Business Roundtable began in September of 2015 and continued throughout 2016. Last year, there was an average of over 100 employees participating per session. Every employee is invited to the meetings.

**Topics:**
**January**
• Field Staff
• Performance Events
• Public Relations

**February**
• Publications
• Social Media and Content
• AKC Registered Handler’s Program

**April**
• Inspections
• Companion Events
• Breeder Development

**May**
• Finance
• AKC Reunite
• AKC Booth- the face of the AKC

**June**
• Public Education
• Pet Partners Insurance
• Internal Audit

**July**
• Human Resources
• Support Services
• Marketplace

**September**
General Counsel/Legal

Developed Concept for Novel New Mediation/Arbitration Program
The Legal Department began work to adopt a novel, independent mediation and arbitration program that may be used by the fancy, on a purely voluntary basis, to resolve (a) private disputes between co-owners of dogs, and (b) internal club disputes over application of local club rules. (This program, once finalized, is expected to be rolled out in 2017.)

Prepared Legal Groundwork for AKC’s New Ventures
The Legal Department handled the expert legal work required to get the new Smart Pet Technologies, LLC and AKC Pet Care LLC ventures off the ground.

Revitalized AKC’s Legal Department
The Legal Department (a) doubled much of its workload in 2016 by comparison with the prior year, (b) filled the position of General Counsel with a highly-ranked attorney who had represented the AKC during the previous 19 years, and (c) promoted to Deputy General Counsel and Assistant General Counsel the two attorneys who had been working with us for some 24 years and 17 years, respectively.

Established New Accident Insurance Programs
The Legal Department instituted Judge’s accident insurance for AKC-approved Judges and implemented additional insurance programs for its new ventures.

Compliance
- Increased Inspections - 2,890 inspections were completed in 2016, an 18.7% increase from 2015. We inspected 1,082 kennels for the first time which provided us with an additional opportunity to educate breeders on AKC’s Care and Conditions Policy and explain AKC’s resources available to them to raise happy and healthy dogs.
- Bred with H.E.A.R.T., Breeder of Merit and Registered Handlers Inspections - Almost 300 inspections were completed of Bred with H.E.A.R.T. breeders, Breeder of Merit breeders and Registered Handlers.
• Collaborations between Compliance and Breeder Development - The AKC Board of Directors complimented these two departments on their formulation and implementation of multiple steps by which they have collaborated to serve the best interests of pure-bred dogs through their respective inspections and registration functions.

• Event Committee Hearings - The Compliance Division processed 142 Event Committee Actions.

• Management Disciplinary Committee - Reviewed and made decisions on disciplinary action in 90 cases.

• Event Committee Education - The Compliance Division continued its outreach to and education of Event Committees by setting up a landing page in the Rules and Regulations pages of akc.org where Event Committees can access Dealing with Misconduct at American Kennel Club Events and a PowerPoint Presentation to assist clubs in handling discipline at their events.

• AKC Disciplinary Guidelines - The AKC Board of Directors approved the recommendations of Compliance to update the AKC Disciplinary Guidelines in terms of penalties and organization of offenses.

• Article XII Complaints - The AKC Board of Directors adopted the policy recommendations of Compliance to address the content, format and fee for filing of complaints pursuant to the Charter and Bylaws of the American Kennel Club, Inc.

Donations

• A $500,000 donation from AKC to AKC CHF was given in 2016 matching dollar for dollar any donations from new or lapsed donors.

• An additional donation of $250,000 will match dollar for dollar donations to the AKC CHF Tick-borne Disease Initiative.

• The Theriogenology Foundation received an overall donation of $400,000 between AKC and AKC CHF for grants to veterinary universities. The grants will be provided to:
  o Auburn University College of Veterinary Medicine
  o North Carolina State University College of Veterinary Medicine
  o University of Pennsylvania School of Veterinary Medicine
  o Ohio State University

Education

• Human Resources conducted training on a variety of subjects for employees. Annual training on Sexual Harassment Prevention and Discrimination Prevention was completed through the online training platform Grovo. Additional training on stress management and attention management were also conducted through the self-paced learning available through Grovo. There were three on-site learning sessions, one presented by United Healthcare on Men’s and Women’s health, one presented by John Hancock on investing and 401ks, and a third presented by Coastal Federal Credit Union on better budgeting.
• Presentation from an outside party on “Excellent Customer Service” given to the Conformation Executive Field Representatives

• AKC was represented at the following Conferences:
  o American Veterinary Medical Association in San Antonio, Texas
  o Western Veterinary Conference in Las Vegas, Nevada
  o NC State Veterinary Conference- AKC Breeder of Excellence Symposium covering following topics: Normal Pregnancy and Whelping Management, Planning Cesarean Sections, Puppy Care at Birth, Puppy Care in the First Week of Life, and Preventative Care for Puppies at Home

• The Breeder of Excellence Seminar as a joint effort with the Theriogenology Foundation in Orlando covered topics including Reproductive Nutrition, Neonatology, Top Five Breeding Challenges and How to Avoid Them, and Genetic Testing

• Vet Outreach Lunch N Learns
  o Presentations were made at 15 Vet Schools by AKC Ambassadors or staff and at one Vet Tech Class.
  o Currently there are 5,197 Practices enrolled in Vet Net. We send four electronic newsletters a year to this group.

• Advanced Judging Institute – 1 (Terrier and Non-Sporting groups)
• Institute for New & Aspiring Judges (Basic Institute) – 5
• Judging Junior Showmanship seminars - 26
• RHP JS Clinics - 25
• RHP Adult Handling Clinic – 10
• RHP Continuing Education seminars (topic: Applying to be a judge) - 17
• EFR Speaking engagements – 59
• Inspectors speaking engagements – 25
• Public Education
  o Partnership with Bark for Life
  o AKC Book Donation to schools and libraries
  o Vet’s Corner created on akc.org for vet-approved resources
  o Created an AKC Video Library on the website

• Canine Ambassador Program
  o Online Directory of Ambassadors on akc.org
  o Phone and email campaigns to Canine Ambassador contacts
  o Bi-monthly newsletter sent to participants
  o Published CA Resources online including online lesson plans, worksheets, booklets.
  o Updated the animated video Taking Care of Bailey

• Kids’ Corner Microsite
  o Microsite is located on akc.org under the resources tab on the homepage
  o Flashcards, articles, videos, quizzes, games, digital coloring pages and photos available for children
  o All pages optimized for Google searches and social media
Main landing page updated regularly with relevant material ie: Halloween Safety Tips, Pumpkin Treats for Dogs, Fall Hiking Tips, Thanksgiving Infographic, Holiday Road Trip Tips, Christmas Tree Safety, Cold Weather Activities, National Championship Updates, Junior Handler Articles/Stories, Meet the Breeds photos, videos, etc.

- **Dog-Themed Lesson Plans for Teachers:**
  - Lesson plans created by teachers in Math, Science, English/Language Arts, Social Studies/History, and Art available for various age groups
  - Uploaded lesson plans to akc.org for download/print
  - Attended Teacher Conferences to spread awareness of the available resources

- **AKC Dog Show Patch Program**
  - Program officially launched at the 2016 AKC National Championship in Orlando, Florida
  - Almost 100 Girl Scouts from over 25 different troops participated in the launch
  - Held a Lunch & Learn for club members interested in running the Patch Program at their local shows

- **The AKC Registered Handlers Program** donated two George Ward Scholarships of $5,000 each.
  - Morgan M. Miller – Shippensburg University; RHP Member- Andrew Green
  - Tiffany D. Cardin - Mount Ida College; RHP Member – Tuni Conti
  - In 2016, the following clubs contributed to the fund:
    - Penn Ridge Kennel Club-$6000
    - Queensboro Kennel Club- $3000
    - Northeastern Indiana Kennel Club- $2671
    - Progressive Dog Club- $1200

**AKC Canine College**
The American Kennel Club launched the AKC Canine College September 27, 2016. The Canine College extends learning and certification opportunities with online courses, exams, and resources. The Canine College may be accessed anytime, anywhere and on any device with internet access. It is a tool that can be used effectively and efficiently to supplement the AKC educational resources.

Currently on the Canine College:
- **Breed Courses**
  - Lagotto Romagnolo
  - Irish Red and White Setter
- **Conformation Judges Breed Exams (All groups available February 1, 2017)**
  - Sporting
  - Terrier
  - Toy
- **Performance Judges Exams**
  - AKC Hunt Test Exam for Retrievers
AKC Canine College courses offer immediate feedback, videos and interactions that reinforce learning, and opportunities to apply what has been learned through exercises and assessments.

AKC’s Instructional Designers develop courses through collaboration with Subject Matter Experts – for breed courses, a partnership with the Parent Club; for courses on Anatomy and Breeding — input from accomplished veterinarians and breeder and author Claudia Orlandi.

An e-portfolio allows a judge to store and organize documentation demonstrating their work in each breed. The e-portfolio can be shared, when ready, with the click of a button to the Judging Operations Department.

The Canine College catalog will continue to expand offering courses and resources to conformation, companion and performance judges, breeders, groomers, trainers, stewards, show chairs, and more.

**Government Relations**

In July, AKC GR conducted its most successful national legislative conference in Raleigh, North Carolina with some 75 federation leaders and legislative liaisons in attendance. Attendees traveled from as far as Hawaii to participate in the “by invitation only” two-day conference.

GR Staff represented AKC public policy interests through speaking engagements, canine legislation and educational training programs, legislator conferences, lobby and educational days and legislator/policy conferences.

**Legislative /Lobby days** were held in the following states in conjunction with local breeders, federations, clubs and enthusiasts: North Carolina, New Jersey, Iowa, Colorado, Georgia, Connecticut, Tennessee, Ohio, Kentucky, Indiana, California and Wisconsin.

**Educational Events for legislators and grassroots training** held by GR or in conjunction with an event at which GR staff made presentations: New York; New Jersey; Florida; Washington DC (in conjunction with the Congressional Sportsmen’s Caucus); Philadelphia (the Democratic National
Convention); Chicago, IL (National Conference of State Legislators); Biloxi, MS (Presentation to the annual meeting of the National Assembly of Sportsmen’s (legislator) Caucuses.

AKC GR monitored more than 2,200 federal state and local bills and proposed ordinances and responded as necessary with alerts, analysis, written and in person testimony, and recommendations, amendments and educational materials for grassroots.

GR monitored nearly 900 state and federal regulatory changes, with analysis, official comments and responses to approximately 45 sets of regulations.

AKC GR worked with key members of State legislatures, Congress, local communities and AKC legislative liaisons and federations to introduce AKC recommendations or model legislation in a wide variety of areas including:

- Requiring shelters to scan lost pets for microchips and to use all appropriate resources to contact owners;
- Establishing via congressional resolution National Purebred Dog Day as May 1;
- Establishing non-breed-specific dangerous dog laws in states and local communities;
- Establishing reasonable regulations for pet care, including the rewriting of problematic bills;
- Requiring the US Veterans Administration to study the specific needs of post 9/11 military victims of PTSD, TBI and MST, and help with appropriately trained service dogs;
- Providing funding for domestic violence shelters that allow victims to seek shelter with a pet, and certain temporary protections for pet owners whose pets are threatened or harmed as part of a stalking or domestic attack on its owner.

AKC GR has begun planning for expansion of new activities, with deployment of its first regional legislative analyst/field representative in December; and its first regional legislative conference (New England) in January 2017.

With the AKC Board, GR updated a number of new canine legislation position statements and developed new statements to guide long term canine public policy in the areas of: purebred dog breeding, pet choice, protection of pets under domestic violence acts, and spaying/neutering.

More than 100 legislators signed on as honorary chairs at Meet the Breeds in February. A record number of legislators and legislative staff also visited the event, got personalized tours from AKC staff, and met responsible breeders and constituents.

As it was an election year, GR also administered the AKC PAC and helped raise (and disburse) a record $50,000 to key legislative candidates. AKC PAC had a 90% success rate in 2016 in supporting candidates who ultimately won their races.

**Honoring Our Own**
• The AKC Canine Health Foundation recognized the AKC with the President’s Award at the National Championship in Orlando.
• NAIA honored the AKC with their Innovators Award.
• The Dog Writers Association of America (DWAA) honored the AKC’s print and digital media with ten awards, including the coveted “Best Magazine” award for AKC Family Dog.
• The AKC Humane Fund recognized five dogs with their annual Awards for Canine Excellence (ACE):
  - Uniformed Service K-9: “Radar,” a Bloodhound handled by Frank Hurst of Kiowa, Colorado
  - Service Dog: “Teddie,” a Labrador Retriever owned by Krystal Greco of North East, Maryland
  - Therapy Dog: “Jackie,” a Sussex Spaniel owned by Jan Hepper of San Francisco, California
  - Search and Rescue Dog: “Bodie,” a Belgian Malinois owned and handled by Amy Lavoie of Santee, California
  - Exemplary Companion Dog: “Haus,” a German Shepherd Dog owned by Tonya DeLuca of Tampa, Florida
• The AKC Outstanding Sportsmanship Award program provides each member club with an AKC Medallion to award to one of its own on a yearly basis.
• Pioneer Valley Kennel Club honored with community achievement award
• Forrest and Charlotte Lucas honored with AKC Outstanding Leadership Award
• AKC/AVMF Veterinary Scholarship recipient Jacqueline Fera (University of Pennsylvania)
• AKC Awarded eight additional veterinary scholarships: Caitlin Brown (U of F), Katherine Fernhoff (UC Davis), Alyssa Helms (U of Tenn), Jodie Joseph (Cornell University), Rebekah Mayhew (U of Wis), Ethan McEnroe (UC Davis) and Samantha Perry (Virginia-Maryland Regional College of Veterinary Medicine)
• Breeder of the Year announced in seven groups for those who have dedicated their lives to the advancement of healthy purebred dogs, producing dogs who are true to their breed in appearance, ability and temperament.
  - Sporting Group: Dorothea Vooris Simberlund, Fieldfine German Shorthaired Pointers
  - Hound Group: Ray and Jana Brinlee, Jaraluv Scottish Deerhounds
  - Working Group: Alan Kalter & Chris Lezotte, Happylegs Bullmastiffs
  - Terrier Group: Joan Huber, Blythewood Miniature Schnauzers
  - Toy Group: Max E. Hurd, Hurd’s Chihuahuas
  - Non-Sporting Group: Susan and Gary Carr, Salishan Tibetan Terriers
  - Herding Group: Terry Miller and Dominique Dube, Déjà vu/ Popsakadoo Briards
• Alan Kalter and Chris Lezotte named 2016 Breeder of the Year
• The 2016 Breeder of the Year by Sport award recipients are:
  - Pointing Breed Field Events: Albert and Cynthia Cropek, Brittanys
  - Retriever Field Events: Michael and Margot Brown, Labradors
  - Spaniel Field Events: Kevin Battistoni, Springers
Hound Field Events: Wayne and Marty Parker, Beagles
Herding: Kathy Greenwood, Belgian Malinois
Lure Coursing: Mary Childs, Borzoi/Whippets
Earthdog: Dawn Martin, Westies
Coonhounds: Mike Crockett, B&T Coonhounds
Agility: Nina Plail, Shelties
Obedience: David and Judy Guaraldo, Shelties
Rally: Gayle Watkins, Golden Retrievers
Tracking: Cynthia Nauer, Labradors

- Six delegates recognized for 25 years of service, joining 104 previously honored: Judy Colan, Arlene Czech, Patricia Haines, Beverly Nosiglia, Diane Taylor, and Gerald Yarborough
- Two judges recognized for 50 years of service: Mrs. Alane Gomez and Ms. Kathleen Steen.
- Nine Judges recognized for 25 years of service: Mr. Eugene Blake, Mrs. Loraine Boutwell, Mr. Timothy Catterson, Mrs. Frances H. (Marci) Forrester, Ms. Betty Reinga Leininger, Ms. Joy Graeme Messinger, Mr. Vincent G. Mulligan, Mr. Frederick R. Stephens, and Mrs. Neena Van Camp.
- Five judges achieved All Breed status: Mr. Dana Cline, Mr. James Frederiksen, Dr. Steve Keating, Mrs. Elizabeth Muthard, and Mrs. Patricia V. Trotter.
- Visionary Awards presented to five Delegates: Chris Sweetwood, Gail LaBerge, Alan Kalter, Nancy Fisk, and Tom Davies
- Lifetime Achievement Award finalists announced: Conformation – Thomas H. Bradley, Patricia W. Laurans, and Hon. David C. Merriam; Companion – Susan B. Bluford, Elizabeth Chase, and Nancy Craig; Performance – Jim Campbell, Teri Dickinson, and Melody Fair
  - Lifetime Achievement Winners: Patricia W. Laurans, Elizabeth Chase, and Jim Campbell
- The AKC Paw of Courage award was presented to show appreciation for the many sacrifices working dogs make while serving and protecting our country. This award specifically recognizes dogs who have been severely injured or killed in the line of duty.
  - K9 Officer Ogar of Smith County Constable’s Office, Precinct 5, TX
  - K9 Officer Jag of Twin Rivers Unified School District Police Department, CA
  - K9 Officer Betcha of Rutland County Sheriff’s Office, VT
  - K9 Officer Krijger of Norfolk Police Department, VA
  - K9 Officer Nicky of the Las Vegas Metro Police Department, NV
  - K9 Officer Aren of the Port Authority of Allegheny County Police Department, PA
  - K9 Officer Jethro of the Canton Police Department, OH
  - K9 Officer Patrick of the Washington State Patrol, WA
  - K9 Officer Tryko of the Doraville Police Department, GA
- 2,914 dogs earned BBE Medallions in 2016 across all sports
  - Agility MACH/PACH: 192
  - Conformation: 2,356
ATS Projects

Cloud Program

Refactored and implemented a revised cloud program at significantly reduced cost, in line with our business priorities and objectives.

- Successfully migrated akc.org and Marketplace to Amazon Web Services (AWS).
- Successfully completed Phase one of Application Modernization program, moving all legacy applications to modern development platform and migrating to Amazon Web Services.
- Successfully migrated AKC email accounts to the cloud (Office 365.)
- Cloud Enterprise Resource Planning (ERP) platform (Sage X3) is on target for early June 2017 completion.
- Cloud Telephony project has been kicked off and will be implemented, in conjunction with a new Call Center Management platform, during the 1st half of 2017.

ATS Organizational Improvement

Rebranded former ISD organization as ATS and established our vision as a partner to our businesses while strengthening our internal capabilities with staff who share our company goals and values.

- Increased internal staffing to contractor ratio from 35% to 67%, including attracting three key staff who left in 2015 back to the company.
- Moved flexible staffing to near-shore (Costa Rica) from India and Jordan, fostering closer collaboration between AKC and partner due to minimal time zone differences

Security Assessment

Completed security assessment to ensure that our company assets and data are being protected through monitoring, testing, policies and education.

- Many critical items have already been remediated.
- Passed external penetration test – ethical hacker was unable to breach our network from the public internet.
- Company-wide staff education sessions were held to reduce risk of internal breaches such as phishing attacks.

Real Estate

- The North Carolina office will remain in its location in Raleigh.
- Due diligence is taking place for a New York City office location.