

**THE AMERICAN KENNEL CLUB, INCORPORATED**

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
<b>Liabilities and Net Assets</b>		
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

**THE AMERICAN KENNEL CLUB, INCORPORATED**

Consolidated Statements of Activities  
 Years ended December 31, 2016 and 2015  
 (In thousands)

	<u>2016</u>	<u>2015</u>
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	<u>72,784</u>	<u>67,806</u>
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	<u>70,801</u>	<u>59,054</u>
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	<u>74,164</u>	<u>67,385</u>
Net assets at end of year	\$ <u>80,027</u>	<u>74,164</u>