

AMERICAN KENNEL CLUB
Delegate Zoom Meeting
June 8, 2021

Dennis B. Sprung, President in the Chair, called the meeting to order at 12:00 p.m. Eastern Time (ET).

(One sharp rap of the gavel.)

Executive Secretary, Gina M. DiNardo, explained the Zoom Webinar functionality as follows: We will be using select interactive features for this meeting. *Raise hand* indicates that you wish to speak. You will be acknowledged in the order that hands were raised. You will be asked to unmute when it is time to speak. Keep your hand raised until called upon or lower your hand if you decide not to speak. *Polls* are launched live to conduct votes for new member clubs and amendments. *Q & A* is only to be used for issues regarding Parliamentary procedures such as to second a motion. If any Delegate has technical issues during the meeting, please call the Zoom Tech Support line at 919-816-3320. I'll repeat that. 919-816-3320.

(National Anthem played.)

Mr. Sprung introduced the Chairman, Dr. Thomas M. Davies; Vice Chairman, Dominic Palleschi Carota; Executive Secretary, Gina DiNardo; Professional Registered Parliamentarian, Joan Corbisiero and David Levy, the Court Reporter.

Mr. Sprung offered condolences of the recent passing of Fred G. Ferris on March 29, 2021. He was the Delegate for the Connecticut River Working Group Association since January 2010.

The Chair called on the Executive Secretary to read the names of the Delegates seated since the last meeting.

Ms. DiNardo read the names of the Delegates seated since the last meeting in March 2021:

Stephanie S. Brooks, Coral Springs, FL, to represent Fort Lauderdale Dog Club
Brian Brubaker, Carlisle, PA, to represent Puli Club of America
Rebecca (Becky) Campbell, Dublin, OH, to represent Central Ohio Kennel Club
Anita R. O'Berg, Goleta, CA, to represent Channel City Kennel Club
Edward J. Collins, Scottsville, VA, to represent Anatolian Shepherd Dog Club
Jean C. Edwards, Bridgeton, NJ, to represent South Jersey Kennel Club
Jill Faulmann, Sherwood, OR, to represent Sherwood Dog Training Club
Mary Ellen Ferguson, Bernalillo, NM, to represent Rio Grande Kennel Club
Jane Fitzin, Powhatan, VA, to represent Winston-Salem Dog Training Club
Eduardo Toshio Fujiwara, Hampton, NJ, to represent Two Cities Kennel Club
Vanessa Giamo, Newton, NJ, to represent Miniature Bull Terrier Club
Laurie Green, Toledo, OH, to represent Lewiston-Auburn Kennel Club
Corie Haylett, Boone, NC, to represent Asheville Kennel Club
Edwin T. Lorentz, Slippery Rock, PA, to represent Central Beagle Club
Leslie Puppo-Rogers, Salisbury, NC, to represent Salisbury (NC) Kennel Club
Virginia T. Rowland, Templeton, MA, to represent French Bulldog Club of America
Joanne Schottinger, Chester, NJ, to represent Greater Swiss Mountain Dog Club
Bruce Schwartz, Los Angeles, CA to represent Welsh Terrier Club of America
Timothy Ufkes, Seattle, WA to represent Olympic Kennel Club
Lynne Wickens, Andover, OH, to represent Ashtabula Kennel Club
Rachel A. Wilson, Scituate, RI, to represent Wampanoag Kennel Club

The following new Delegate introductions were given by the Executive Secretary:

Becky Campbell, Dublin, Ohio, representing Central Ohio Kennel Club

Becky is a “life member” of Central Ohio Kennel Club. She has served as President, Vice President, Board member and is currently the Treasurer. She has had Mastiffs for over 25 years. Becky has been fortunate to share her home with nationally ranked dogs both in Conformation and Obedience. She is very active in her Parent Club as well as her local kennel club. Becky served as the Delegate for the Mastiff Club of America for the past eight years and is looking forward to her continued service as a Delegate for Central Ohio Kennel Club.

Jill Faulmann, Sherwood, Oregon, representing Sherwood Dog Training Club

Jill is the Secretary, Treasurer and now Delegate of Sherwood Dog Training Club in Oregon. This club was started from the ground up. It was licensed in 2008 and became a Member Club in 2020. Jill is also a “life member” of Deep Peninsula Dog Training Club in California, is an officer in the Pacific Northwest French Bulldog Club, and a member of the French Bulldog Club of America. Jill has titled a variety of breeds in Tracking, Obedience, Rally, Agility, Fast Cat and Conformation. She also does the Trial Secretary services for the Sherwood Dog Training Club events.

Mary Ellen Ferguson, Albuquerque, New Mexico, representing Rio Grande Kennel Club

Dogs have always been an integral part of Mary Ellen's life. Growing up in Northwestern Pennsylvania, with a father who was an avid sportsman, “Gun Dogs” were beloved members of her family. Her affinity for Schnauzers began at an early age when friends from California brought their mini on their visit east. Although her love of the Sporting Group never dwindled, she knew that she would someday have a Schnauzer. A retired Hospital Administrator, Mary Ellen has served on a number of non-profit Boards in a variety of positions and has the distinction of being a multi-million-dollar fundraiser. Currently, she is Vice President of RGKC's Board. Additionally, she serves as Assistant Show Chairman for the High Desert Cluster and coordinates the show's Marketing and PR efforts. Mary Ellen is a strong advocate of Dog Breed Preservation and the tenants upon which the AKC was founded. She has owned, shown in Conformation and bred Standard Schnauzers for the past 20 years.

Jane Fitzin, Powhatan, Virginia, representing Winston-Salem Dog Training Club

In 1994, Jane got her first Labrador Retriever and has been a “true blue” lab fan ever since. Jane's current Labrador Retriever, Springtime Skies Thunderous Storm, a therapy dog, visits at-risk students in elementary schools and on the weekends Team Storm trials in Agility, Obedience, Rally and Scent Work. Jane actively teaches companion Obedience to the community and is a CGC evaluator. In addition to serving on the Executive Board of the Winston-Salem Dog Training Club in Winston-Salem, North Carolina for the past seven years, Jane also served as their past President, and now has taken on the role of their AKC Delegate.

Eduardo Fugiwara, Hampton, New Jersey, representing Two Cities Kennel Club

Eduardo acquired his first Irish Terrier in 2012. He started co-breeding with Linda Honey under the Rockledge prefix in 2015, He has bred a multiple BIS, two multiple specialty BIS, 2018 Westminster BOB, 2020 AKC National BOB and a 2019 National Specialty BOB. He has served as Show Chair, Cluster Chair, Cluster Assistant Chair in different clubs. He increased the profit of one of his club's shows 4200% in 5 years. He has served on his Parent Club's Board of Governors since 2015. He has been serving in the All-Breed Clubs Committee since 2019, serving on different subcommittees, and the Nominating committee in 2020. His experience in the corporate world and high-performance sports have proven useful in his initiatives in our sport.

Vanessa Giamo, Newton, New Jersey, representing Miniature Bull Terrier Club of America

Vanessa first saw a Miniature Bull Terrier while attending Westminster Dog Show as a spectator and fell in love with the breed's unique look and clownish attitude. She ended up purchasing her first puppy sight unseen from a breeder in Australia in 2001, and soon thereafter joined the MBTCA and became involved with showing and later breeding Mini Bulls under the kennel name Minotaur. Prior to representing the MBTCA as Delegate, she most recently served two terms as the club's First Vice President. She has recently become an AKC Judge of MBT's and Bull Terriers. Vanessa is also a member of the Newton Kennel Club and the Leonberger Club of America.

Corie Haylett, Boone, North Carolina, representing Asheville Kennel Club

Corie is a new member to the dog show exhibiting family, though she showed horses in 4-H as a child. She has always had a family dog or two and had a Pomeranian live to 20 years old. She currently enjoys exhibiting her beloved Pomeranians and does breed, though only a few litters a year. Her son is exploring the opportunity of Junior Showmanship. Professionally, she teaches full-time at Appalachian State University. In addition to the Asheville Kennel Club, she is an active member of her National Breed Club and a Toy specialty club. Corie hopes to bring a perspective from a new exhibitor to the Delegate Body and is honored to have been recommended and voted-in by members to represent the Asheville Kennel Club.

Ed Lorentz, Slippery Rock, Pennsylvania, representing Central Beagle Club

Ed has been breeding and training Field Trial Beagles since 2011. He is an active Field Trial Judge and competitor in the North East Beagle Gundog Federation and the Pennsylvania Beagle Gundog Federation. He has two sons Caleb and Easton that are both involved in the Eastern Junior Beagler's handling program. Ed's enthusiasm for Beagles as hunting companions started at the age of 6 when watching his Uncle Bill's Beagle run a rabbit. Since then there is no better music than that of a pack of beagles on the hunt. As a Delegate of one of the first Beagle clubs in the United States. Ed is looking forward to increase awareness of the need for Beagles to be field capable while still meeting conformation standards. He is looking forward to dipping his toes into the Conformation world this season with his trialing Beagles in pursuit of a dual champion. He looks forward to working with all of you.

Anita R. O'Berg, Goleta, California, representing Channel City Kennel Club

Anita proudly represents the Channel City Kennel Club, which is located in Santa Barbara County, California. Anita also serves the club as Assistant Show Chair and teaches their weekly handling class. Her other club memberships include the Santa Barbara Kennel Club and Morris and Essex Kennel Club. Anita is currently on the Board of the Samoyed Club of America as the club's Treasurer. Her other non-profit experience includes over 30 years in the Junior League of Santa Barbara. In her professional life she is a Corporate Controller. Anita would like to thank the membership of the CCKC for their trust. She looks forward to supporting the world of purebred dogs as a Delegate.

Leslie Puppo-Rogers, Salisbury, North Carolina, representing Salisbury North Carolina Kennel Club

Leslie began her involvement in purebred dogs in 1978 with Cocker Spaniels, in 1986 she purchased her first Curly-Coated Retriever and is currently on the board of the CCRCA. Now she and her husband's main focus is Pointers, they co-bred and co-owned the 2019 National Specialty winner. She has been Show Chair for Lake County Kennel Club of Northern California and Salisbury Kennel Club. She is the Corresponding Secretary of Salisbury Kennel Club and looks forward to representing the club as their new Delegate.

Virginia Rowland, Templeton, Massachusetts, representing French Bulldog Club of America

Virginia is a breeder/judge of French Bulldogs and Bullmastiffs. She is active in the American Bullmastiff Association as a Board member, National Rescue Coordinator and a member of the Ladies' Dog Club. She is also the President of the Massachusetts Federation of Dog Clubs and Responsible Dog Owners. This is her fifth time serving as a Delegate since 1984, previously representing the American Mastiff Association, Macon Kennel Club, Ladies' Dog Club and American Bullmastiff Association.

Joanne Schottinger, Chester, NJ, representing Greater Swiss Mountain Dog Club of America

A lifelong lover of dogs, Joanne became involved with Greater Swiss Mountain Dogs in 2004 in California where she was an officer in the Southwest GSMD club (now disbanded) and a member of the GSMDCA. Her 'Swissies' predominantly compete in Conformation events, but also have participated in Rally, Obedience, pack hiking, and weight pulling. She recently bred her first litter with a great deal of support and advice from her AKC Breeder of Merit. Retirement from oncology practice in California brought a move back to her native New Jersey, but she continues to teach (remotely) in a medical school in California and remains engaged in research on cancer screening.

Tim Ufkes, Seattle, Washington, representing Olympic Kennel Club

Tim began his journey in the world of dogs in 1996 with a puppy that ended his show career with multiple BIS in the United States and Canada. Tim joined OKC in 2007 and has held positions including Grounds Chair, Assistant Show Chair, Show Chair and lastly President as well as having served on the Board of Directors nearly every year of his involvement in the club. Additionally, Tim has been a member of the Irish Water Spaniel Club of America since 1997. Tim is excited to represent one of the premier shows held each year in the western United States and eager to be a part of the Delegate Body for the AKC.

Lynne Wickens, Andover, Ohio, representing Ashtabula Kennel Club

Lynne's career in showing dogs began at an early age of 11 with a Wire-Haired Fox Terrier. As a junior handler she trained and learned how to hand strip a terrier. She currently breeds and shows West Highland White Terriers. She just recently retired her 15-year-old Westie from Agility who was the number one Westie for several years both at the MACH and PACH levels. He was invited to the AKC Agility Invitational 6 times. She is currently running 5 Westies and a 24" All-American Dog. She has participated in Obedience, Rally, Conformation, Agility, Fast CAT®, and has obtained numerous titles. Lynne is the Rally and Agility trainer for the Ashtabula Kennel Club. Lynne also enjoys travel, photography, and crafting. She is looking forward to becoming more involved with the AKC.

Rachel A. Wilson, Scituate, Rhode Island, representing Wampanoag Kennel Club

Rachel was introduced to Great Danes in 2008 first as a pet and then found the love of Obedience and Rally after attending classes at a Competition Training Center. She volunteered at Great Dane Around New England Rescue until 2013, when she founded her own rescue Great Dane Rescue of New England. Her 12-volunteer organization covers five New England states rescuing and rehabilitating Great Danes, averaging 40-65 dogs per year. As her love for the breed grew, she obtained a rescue Great Dane that proved to have Obedience and Rally talents and that became a High in Trial and High Combined at the Great Dane National. Although a rescue – he was a purebred Great Dane who was given up on – but in the right home, with the right family amazing things could be accomplished and become a team. Fast forward to 2014 when Rachel acquired her first Conformation Great Dane where she fell in love with that aspect of the purebred dog sport. Upon finishing her first champion, she co-bred her first litter and continues to breed when timing and pedigrees are right. Rachel

continues to show and compete in Conformation as an owner/handler/breeder and owner-handler, Rally, Obedience and Fast CAT/Lure Coursing. This year she will be embarking on showing Chihuahuas as she has always owned, along with her Great Danes. Rachel is a CGC Evaluator and will be looking to acquire her Junior Showmanship judging license within the upcoming year to start with as they are the future of our Sport.

Mr. Sprung: Thank you and a sincere welcome to our new Delegates.

The minutes of the March 9, 2021, Delegate Meeting were published in the online April 2021 *AKC Gazette* and the complete transcript was posted on the Delegates Portal on AKC's website. There were no corrections and the minutes were adopted as published.

Dr. Davies presented the Chairman's Report as follows:

Dr. Davies: Good morning or afternoon, whatever the case may be. Resilience. Flexibility. Communication. When we look back on the past year and a half – as we do now nearing the midway point of 2021 – these are the words that characterize our incredible organization. The end of the pandemic is at last in our sights, but there is still a long way to go.

The resilience of our Delegates, clubs, breeders, exhibitors, handlers, judges and volunteers has been nothing short of extraordinary. Challenges with quarantines, social distancing, health protocols and venue shutdowns never tempered our fanciers' desire to host events for all who love and value purebred dogs. It was certainly not easy, but those of us who were able, continued to show up for our dogs and our sport. We are getting back to where we have been. Now, AKC events for the second quarter of the year are at ninety-nine percent of the quantity of events in the same period of 2019, before the pandemic. The return is most notable among certain Companion events, but all sports are rising to meet a new day when we can congregate safely again and share the love of our purebred dogs together.

Registration trends also prove the resilience of our breeders. Litters and dogs have grown by 18% and 25% respectively, as compared to the same period last year. Navigating the demand of so-called "pandemic puppy buyers," contending with distanced veterinary visits and socializing young puppies have been among the challenges our breeders faced. But we pressed on with our mission to carry forth and improve breeding stock into the next generation. Our breeds, particularly those bearing the mark of "vulnerable," demand our cultivation and preservation. Breeders who maintained these important efforts during this difficult period have our respect and appreciation.

The road forward has not been easy for anyone in our sport. But we have persevered, and that is the true measure of our accomplishment. As Nelson Mandela put it, *"Do not judge me by my success; judge me by how many times I fell down and got back up again."*

All of us, including the fanciers we represent, have shown how being flexible and receptive to new ideas and expectations can see us through trying times. We adapted to face coverings and social distancing protocols to bring back competition where we could. We provided virtual titles in Companion and Performance events to allow dogs and owners to gain a foothold in our sports when traditional opportunities were few. We availed ourselves of continuing education online to hone our skills away from the rings. We participated in meetings like this, virtually, to keep pace with the speed of business. And while our lives begin to take on a greater degree of "the way things were," we will consider how some of the "pandemic practices" could continue to add value to the ways in which we collaborate going forward. It was Martin Luther King Jr. who famously said, *"If you can't fly, then run. If you can't run, then walk. If you can't walk, then crawl. But whatever you do, you have to keep moving forward."* ... and that's just what we have done.

Communication has been the key to how we have achieved so much under so many constraints. The Board and Staff have made inordinate efforts to keep everyone abreast of developments and changes during the past twelve months. Thomas Jefferson wrote, "*A well-informed electorate is a prerequisite to democracy.*" Throughout the pandemic, our President and CEO has sent sixteen in-depth reports to update Club Presidents, Secretaries and Delegates about Staff projects and achievements. In an effort to enhance Board transparency, your Board established a Board Communications Committee in May of last year. This committee is tasked with timely communication with the entire Delegate body on issues and inquiries that are important to the Sport and the fancy. This committee speaks for the Board and represents the opinion of the Board. In some cases, the Communications Committee simply delivers a timely message, while in other cases it is a response to an inquiry of the Board from the Delegate Body. The Committee welcomes the opportunity to communicate with you all, so please continue to reach out.

Staff has also taken extra steps to communicate to new dog owners with concrete ways to engage with our organization and our mission. A new email series called "AKC Events Near You" began in April as a way to notify new dog registrants about upcoming events and learning opportunities tailored by location and breed eligibility. Every month, registrants in the past 12 months with a dog between the ages of 4 and 36 months receive a list of AKC events in which their dog can participate, occurring in the following month within 120 miles of their home. In April alone, we deployed more than 400,000 emails. As more events return and as registrations increase, these email numbers will continue to grow. We want to do everything possible to encourage new dog owners to join us in our sports, and to support our clubs to build gate and entries whenever possible. This triggered email series is just one more way in which we are leveraging communication tools to rise to the challenges of our times.

Finally, on behalf of the Board, I would like to acknowledge some individuals who have put into practice the *resilience, flexibility and communication* that have seen AKC through the pandemic.

In the field, Pattie Proctor. The work of a Conformation Field Representative is largely behind the scenes, particularly when events were cancelled, but its value cannot be understated. Pattie's efforts have been extraordinary. Covering events, observing judges, running clinics, creating schedules, leading conference calls, mentoring field staff and every aspect of "the show must go on" are all in a day's work for this pillar of the sport. Pattie, we thank you for all that you do.

Also, in the field, Dr. Mary Burch. The scientific leader of the AKC Canine Good Citizen program, Mary has given 25 years to the notion that a well-trained dog is a joy to own. Under her care, the AKC Canine Good Citizen award has been bestowed upon 1 million dogs. Mary has grown our roster of CGC Evaluators to an all-time high of more than 13,000. Ever receptive to the needs of new dog owners, Mary has built the AKC Family Dog Program to extend CGC into more titles, including AKC S.T.A.R. Puppy, AKC Community Canine, Urban CGC, AKC Therapy Dog, and AKC FIT Dog. Mary has also devised new programs for owners who wish to train virtually, including AKC Trick Dog and AKC Virtual Home Manners. Thank you, Dr. Burch.

In Raleigh, Tim Pursell, and in New York, Paula Spector. Together, this cross-departmental team transformed the way our meetings take place, and it was their sweat equity and collaboration that ensured that we have never missed a beat. To date, 11 Board meetings, 4 Delegate Meetings complete with electronic voting and 28 Committee Meetings all came together seamlessly thanks to their dedicated planning, technical support, training and attention to detail. I join them both in saying we all look forward to the day when we can see each other again in person. Thank you, Paula and Tim.

In New York, Ron Furman. While the pandemic put a damper on professional sports, Ron Furman led the way for AKC to fill the void. With a portfolio of exciting events unfolding on ESPN Networks and a debut of the AKC National Championship on ABC TV, Ron has helped us broaden our audience and sponsors immensely by introducing the viewing public to the thrilling world of AKC events. Agility, Fastest Dog, Dock Diving, Flyball, Police K9 and other programs are all joining the ranks of AKC Action Sports on ESPN, thanks to Ron's vision and ingenuity. Thank you, Ron.

In Raleigh, Keith Frazier. Conditions in North Carolina required critical attention that was delivered expertly by Keith and his team. Print and mail services that we require for our core business – most notably Registration – never shut down when the pandemic began and have kept moving forward like a well-oiled machine. Keith and his team have worked tirelessly in person at our Operations Center to ensure that employees could return to a safe and secure office environment with all necessary health measures in place. Thank you, Keith.

And, in Raleigh, Doug Ljungren and the entire Sports & Events Staff for building the virtual titling programs that have brought into AKC so many new sport participants and allowed the existing participants to continue to hone their skills and to enjoy their canine partners in new and fun ways. Thank you, Doug, and all the “outside the box” thinkers on your Staff.

2021 is halfway behind us, and we have every reason to be hopeful for better days ahead. Still, we will forge ahead with the *resilience, receptivity and communication* that our fancy and our Staff have exemplified during these exceptional times. Thank you again for your collaboration and support.

Mr. Sprung: Thank you, Tom, for that inspiring speech and for the recognition of Staff. It's an honor in their behalf, I thank the Board.

Next is the President's Report. AKC Sports are back. My compliments to the many clubs that admirably held various events while upholding strict government mandates of social distancing, temperature checks and masks.

Our clubs commitment shared by knowledgeable volunteers and coupled with dedicated judges, stewards, exhibitors, event secretaries and superintendents led the way for an amazing comeback from one of the most challenging times in any dog person's memory. Together we survived a pandemic, statewide shutdowns, recession, tumultuous elections and social unrest.

AKC's mission to uphold the integrity of the registry and promote the sports of purebred dogs while breeding for type and function requires leadership and collaboration from the Chairman, Vice Chair, Board and Staff working in harmony. Fortunately, we have this.

Litters and individual dog registrations are stronger than they have been in 15 years thanks in part to outstanding customer service, in-house technology advances and the dedication of AKC Breeders. Our sports are once more beginning to flourish, picking up where we left off the year before COVID when entries were the highest in history. Virtual opportunities created during the pandemic are welcoming new people to the AKC universe for the very first time. Everyone in North Carolina, the Field, and New York City played an important role and I thank each one of them.

Of course, this doesn't just happen; it takes you – the Delegate Body, clubs, responsible breeders, event secretaries, superintendents and a host of others, plus a Board and Staff possessing a vision with the will and commitment to achieve it.

Beyond these attributes of the Great American Kennel Club there is history, today and forever.

Please watch the screen for a tribute I put together on “Who We Are”. With special appreciation to Cody Barr for her technical knowledge and support.
(*Who We Are; History; Today; Forever Video played.*)

Mr. Sprung: That, my friends, is the Great American Kennel Club.

Chief Financial Officer, Ted Phillips, gave the Financial Report as follows:

Good morning and good afternoon to all of our Delegates. Thank you for attending today's meeting. We truly appreciate your time and your support. Today I'm presenting key performance indicators and financial results for the first quarter of 2021. That first quarter is made up of three months ended March 31, 2021, compared to the same period in 2020. When relevant, we will include references to the 2021 budget. Let's begin with these nonfinancial key performance indicators, these data points are essential to telling the story of the March 31, 2021 net operating results. The chart you see on your screen provides a monthly comparison of litter registrations for the first quarter ended March 31, 2021 with comparison to 2020. For the three months ended March 31, 2021, litter registrations totaled 82,026. This result is 22 percent higher when compared to the same period in 2020. Here are two additional points regarding the positive impact of litter registrations. Litter registrations are 12 percent of total revenue for the quarter ended March 31, 2021. The aforementioned double-digit growth began in August of 2020 and continued through the end of March 2021. The average growth over this period was an increase of 21 percent. This is a strong and sustaining measure of AKC revenue.

This chart provides a monthly comparison of dog registrations for the first quarter ended March 31, 2021, as compared to 2020. For these three months, dog registrations totaled 226,658. This result is 37 percent growth over 2020. As we dig into these numbers, it's essential to note that beginning in April 2020, and continuing through March 2021, dog registrations sustained double-digit increases over the same prior year period. The average increase over those months was 20 percent. To illustrate how these nonfinancial statistics support financial results, please note that the combined litter and dog registrations represent 48 percent of total revenue for the first quarter ended March 31, 2021. AKC's online process for registrations is essential and very popular. As of March 31, 2021, we're pleased to report that 82 percent of dog registrations and 85 percent of litter registrations occur online. In closing this section, we thank our breeders, the entire Delegate Body, our Board of Directors, and AKC Staff for these outstanding achievements and we look forward to continued success in the future.

As we turn to events and entries on this slide, the COVID-19 pandemic has continued its impact on our first quarter results. Looking back to last year, it's essential to remember that in the first quarter of 2020, the trends were following a strong activity from 2019. However, in late March 2020, the shutdown began to impact events and entries adversely. In these results, we see the continued impact on events and entries. The events and entries as of March 31, 2021, were 22 percent and 39 percent lower. However, looking ahead, our Sports & Events Staff, has reported their current projections extended through July 2021, indicate the path back to more events has begun. As you heard from our Chairman, we are looking at a number close to 100 percent of our 2019 activity. We're pleased when we hear this – and we hear that clubs are holding events; we look forward to better times.

On this next slide, let's review the financial operating results for the first quarter of 2021 compared to the year-to-date budget and to prior year-to-date actual results. As of March 31, 2021, total revenues of \$25.969 million produced net operating income of \$9.379 million. These results were generated principally by increased registration revenues and overall lower expenses. Let's look at the first quarter budget vs. actual results for 2021. First quarter budget, total revenues actual exceeds total budget by 31 percent. Total expenses are 9.7 percent

lower than budget. These variances are due to cautious budgeting due to the pandemic's uncertainty and a slow return to business activity in the first quarter of the year. In addition, certain operating expenses were not fully deployed because there was insufficient business activity to support spending. When comparing the first quarter of 2021 to the first quarter of 2020, we report the total revenues increased by 27 percent while total expenses decreased by 14 percent.

Now, let's look at a breakout of total revenue on this slide which comprises the significant lines or groups of revenue. I'll refer to groups and provide comments and significant elements of the group. The first group, titled, registration and related fees for the first quarter of 2021 has actual revenue of \$16.265 million. This is primarily comprised of total registration revenue of \$12.4 million. This result exceeded Q1, 2020, total registration revenue of \$8.9 million by 27 percent or \$3.4 million. When comparing Q1, 2021 total registrations against budget, we report that revenues are 32 percent higher or \$2.9 million higher. Revenue from litter and dog registrations comprised 48 percent of total first quarter revenue in 2021 vs. 44 percent of the prior year. Going a little deeper into these totals, please note that dog registrations exceeded Q1 2020 by 42 percent or \$2.8 million. In addition to the registration results, here are some examples of increases in registration-related fees due to our online presence. Sales of certified pedigrees exceeded Q1 2020, by \$705,000 or 56 percent. Online certificate transfers exceeded Q1 2020, by \$128,000 or 48 percent, and litter certificates and AKC puppy folders also exceeded Q1 2020 by \$276,000 or 56 percent.

Moving on from registration, let's look at the events and other fees group. This group combines revenues from recording and service fees, title recognition fees, and events application fees. Q1 in 2021 actuals of \$2.5 million are lower than the prior year by \$217,000 or 8 percent. The significant area or significant measure in this group are event service fees, leading this group at \$1.6 million for the first quarter of 2021, vs. \$1.9 million for the first quarter of 2020. As we mentioned earlier, positive news is that although these Q1 actuals lag the prior year, the positive indicators point to the second quarter as a significant increase over the prior year, and closer to 2019 actuals. Moving on to product and service sales, Q1 2021 revenues totaled \$3.2 million, which is 3.8 percent, or \$128,000 lower than the prior year. When this revenue group is evaluated further, we're also pleased to report that merchandise sales of \$769,000 are comparable to the prior year. As a reminder, both e-commerce and traditional order fulfillment produced these sales. DNA services are ahead of the prior year by \$541,000 or 31 percent, and income from Good Dog! Helpline totaled \$1.3 million and exceeds the prior year by 61 percent. Next, let's look at advertising, sponsorship and royalties. Q1 2021 revenue totaled \$3.8 million, exceeding the same period in 2020 by \$1.3 million or 53 percent. This positive variance is due to new sponsorship revenue that is recognized in the first quarter of 2021.

Now, let's review the slide on controllable expenses where we compare Q1 2021 results to budget in the prior year. Before we get into the details, please note that total controllable expenses for the first quarter were \$2.3 million or 14.5 percent lower than the prior year's first quarter. Total controllable expenses were also lower than budget by \$1.4 million or 9.2 percent. All lines or all groups except for postage, materials and fulfillment were lower than budget and I'll explain why shortly but here are the significant variances for controllable expenses. Travel was lower than budget by 73 percent or \$506,000. Rent and occupancy expense for outside facilities were lower due to not holding a Meet the Breeds® event, and promotion and public relations expenses were lower due to the timing and spending of deployable assets and promotions. Staff costs were lower than the prior year by 11 percent or \$889,000, and lower than budget by 5 percent, or \$380,000, principally due to conservative cost projections for health-related benefits in 2021. Remember all expenses are lower due to the careful expense management that we deployed. As I mentioned earlier, an area of cost increase is in fulfillment, because we realized additional sales and merchandise activities. The

group of expenses at the far right relates to our grants and donations, and AKC continues to support our charitable affiliates as authorized by our annual operating budget. Grants and donations to the Canine Health Foundation and the AKC Museum of the Dog are consistent with budget and prior year actuals. Also, please note that at federal and state government levels, our Government Relations Staff continues to support or provide support for legislation promoting the mission of AKC.

Now, let's take a look at our investment results, and see how they performed in the first quarter of 2021. The investment performance results are reported on the bar graph on the right, and investment asset allocations are reported on the pie chart on the left. Investment assets are diversified in order to manage market risk which is why we show a broadly diversified portfolio in the pie chart. As of March 31, 2021, investment performance was positive, returning 3.72 percent. However, the portfolio trailed the balanced index benchmark by 81 basis points due to market volatility. As you see on the slide, the one and three-year trailing reports beat benchmark. The AKC investment portfolio at March 31, 2021 was comprised of the following asset allocations: Equity investments make up 63 percent of the portfolio; fixed income investments and cash make up 24 percent, and private equity assets total 13 percent. Overall, this is very good performance in a volatile financial market which followed a lengthy economic shutdown.

Finally, I'd like to present our balance sheet or statement of financial position. Please note this statement is not combined with any of the AKC affiliates. Total assets as of March 31, 2021 stand at \$163 million. This is \$11.2 million higher than December 31, 2020. This increase is principally due to the net operating results including cost controls and increased investment values. The liability and commitment side of the balance sheet is generally comparable with December 31, 2020. The overall financial condition of AKC continues to be healthy due to the combination of revenue and expense related comments I made earlier, and a positive tone by management deploying AKC assets. At the same time, we continue to assess risk using good governance tools such as our investment policy statement, while considering the future impact of post-retirement and pension plan obligations.

In summary, I'd like to thank you for your time today. We appreciate your dedication to AKC and look forward to serving you. I want to thank the AKC Board of Directors for their continuing support of our mission through its programs and support of our Staff. We've worked through many challenges in the past year and are ready to move forward as activities recover. It's our combined efforts, our Delegates, our Board and our Staff that make up the building blocks for a successful program supporting our mission. I'm available to answer any questions at your convenience – I've included my contact information on this slide, and I wish you a good meeting today. Thank you.

Mr. Sprung: Thank you, Ted, for that thorough report.

Next, there was a bylaw amendment vote and a rule change vote.

The first vote was on the Charter and Bylaws of the American Kennel Club **Article VII, New Section 2**, which moves a statement concerning the election of Board members from Article VIII, which addresses the nominating committee and nominations for the Board, to Article VII which addresses the election of Board members. The remaining sections of the Bylaws in Article VII and Article VIII will be renumbered.

The amendment was proposed by the Delegate Bylaws Committee and brought forward with approval from the AKC Board of Directors.

Voting was conducted by Zoom poll; the results were two-thirds in the affirmative and the amendment was adopted.

The second vote was on *Rules Applying to Dog Shows Chapter 16, Section 6* – Championships, which removes the phrase referencing one type of independent specialty to generalize the language, provides consistency within the section and allows for future inclusion of additional independent specialties that may be developed without further modification of the section.

This amendment was proposed by the Delegate Dog Show Rules Committee and brought forward with approval from the AKC Board of Directors.

Voting was conducted by Zoom poll; the results were two-thirds in the affirmative and the amendment was adopted.

The Chair called on the Executive Secretary to read the proposed amendment to the Charter and Bylaws of the American Kennel Club, **Article VII, Sections 4, 5 and New Section 6**.

Ms. DiNardo: This amendment is to the Charter and Bylaws of the American Kennel Club **Article VII, Sections 4, 5 and New Section 6** which affirmatively set forth the ability of the Board to meet through electronic means in accordance with New York State Not-for-Profit Law. The remaining sections of the Bylaws will be renumbered.

This amendment was proposed by AKC Staff and brought forward with approval from the AKC Board of Directors.

It will be published in two issues of the *AKC Gazette* and you will be asked to vote on it at the September 2021 meeting. The full text is on the worksheet previously emailed.

The Chair called on the Executive Secretary to read a list of vacancies for the Delegate Standing Committees to be filled in September.

Ms. DiNardo: These are the vacancies on Delegate Standing Committees that are to be filled at the September Delegate Meeting:

All-Breed Clubs Committee: 4 three-year terms

Bylaws Committee: 3 three-year terms, 1 two-year term and 1 one-year term.

Canine Health Committee: 3 three-year terms.

Companion Events Committee: 4 three-year terms and 1 two-year term.

Delegate Advocacy and Advancement Committee: 4 three-year terms.

Dog Show Rules Committee: 4 three-year terms.

Field Trial and Hunting Test Events Committee: 3 three-year terms and 1 one-year term.

Herding, Earthdog and Coursing Events Committee: 3 three-year terms and 1 one-year term.

Parent Clubs Committee: 4 three-year terms and 1 one-year term.

Perspectives Editorial Staff: 6 two-year terms and 2 one-year terms.

Mr. Sprung: Delegates will be emailed self-nomination forms by the end of June. The self-nomination form must be returned to the Executive Secretary, Gina DiNardo, by Friday, July 16, 2021.

Questions on the procedures to be followed should also be directed to the Executive Secretary. Delegates may only self-nominate for one committee, except that a member of the *Perspectives* Editorial Staff may also serve on another standing committee.

In August, the Delegates will be emailed the nominees for each committee. Their qualification statements will be included in the September Delegate Meeting notification.

The Chair called on Doug Ljungren, EVP Sports & Events, to introduce the 2021 Lifetime Achievement Award video presentation.

Mr. Ljungren: Since 1999 The American Kennel Club Lifetime Achievement Awards have honored those individuals whose outstanding accomplishments have left a lasting mark on the Sport of purebred dogs. The nominees and recipients of this award have fully demonstrated their passion and commitment to our Sport. They have earned our deepest respect as well as our heartfelt gratitude. Each winner receives an engraved sterling silver revere bowl. The names of this year's recipients will also be added to the Lifetime Achievement Award perpetual trophy, a Tiffany & Company sterling silver bowl, which is on permanent display at AKC Headquarters in New York City. *(2021 Lifetime Achievement Award video plays.)*

Mr. Sprung: Thank you, Doug, and congratulations to the three winners of the Lifetime Achievement Awards. It is our honor to recognize them.

The next Delegate Meeting will be held on September 14, 2021. More detailed information will be emailed to the Delegates.

The following Delegates spoke during New Business:

Frances Stephens, Delegate for the Puyallup Valley Dog Fanciers spoke in support of the St. Bernard Club of America Board's initiative to encourage new participation in the Sport. As of July 1, 2021, each club that hosts a local specialty offering Junior Showmanship with an entry of a least one Junior, will receive \$100 to support their local programs.

Mr. Sprung: Thank you for sharing that positive information.

Don James, Delegate for the Leonberger Club of America, and member of the *Perspectives* Editorial Staff requested article submissions for the upcoming September issue. In the role of Coordinator for the issue, he provided his email contact information 20destry03@gmail.com.

Felice Jarrold, Delegate for the Old Pueblo Dog Training Club inquired about having the Forum presentation video and President's Report video available to share with clubs.

Mr. Sprung: Yes, the "AKC Who We Are; History, Today; Forever" video that I put together will be shared with the Delegates.

Ms. DiNardo: If the Delegate Forum presentation on "Nutrition and New Research on Canine Hygiene" can be shared, the video will be posted to the Delegate Portal, and I will advise the Delegate Body.

Sylvia Thomas, Delegate for the Kennel Club of Riverside, *Perspectives* Editor offered Delegates the option to have articles from *Perspectives* be sent to them in PDF format to share with club members, advising them to reach out to her by email. She announced that there were vacancies on the *Perspectives* Editorial Staff to be filled at the September election and invited the Delegates to join the group.

Mr. Sprung: Thank you, Sylvia for your work on behalf of *Perspectives*.

John McCullagh, Delegate for the Blennerhasset Kennel Club followed up on his suggestion about having lengthy items such as new or changed breed standards be attached as separate files to the Secretary's Page in the *AKC Gazette*, or *Perspectives* to avoid costly and time-consuming printing.

Mr. Sprung: Thank you, John. We will get you an answer this week on that.

Mr. McCullagh: Thank you, Sir.

Susanne Burgess, Delegate for the English Springer Spaniel Field Trial Association, spoke on behalf of the English Springer Spaniel Foundation, serving as past President and a current Board member. She provided website information (<http://englishspringerfoundation.org/>) for donations in memoriam of David Hopkins, who was a long-time Delegate, Chairman of the Field Trial Committee for many years, a member of the CHF Board and dedicated to the Sport. She explained the money from contributions would be used to commemorate the activities David was most involved in.

Mr. Sprung: Thank you. It's nice to honor David.

Pat Laurans, Delegate for the German Wirehaired Pointer Club of America gave an update on the AKC Reunite Program trailers. Including trailers in the pipeline – there are 100 – and an additional 12 coming soon. A celebration will take place when the 100th trailer is finished. There was a recent deployment to Mesa, Arizona for the Telegraph fire where 6 dogs and 1 parrot were rescued. In April 2021, a trailer deployed with the Queen Anne's County Department of Emergency Services and all the animals were safely evacuated. Pat thanked everyone for helping to raise monies for the trailers and the clubs for working so hard to support the program.

Mr. Sprung: Pat, thank you for your leadership of the trailer project. It's fabulous. It will be an exceptional day for the AKC and for Reunite when the 100th trailer is released.

James Phinizy, Delegate from the Scottish Deerhound Club of America, expressed compliments to AKC Staff, specifically Mara Bovsun, for her editorial work on the *AKC Family Dog* magazine. He recalled that when he was an AKC Board member in the 1990's, a policy was established to send a copy of the *AKC Gazette* to the governor's office and every state house. He recommended that the current AKC Board consider doing this with *AKC Family Dog*, explaining it would be a smart PR effort to spread the word of AKC with a publication that appeals to the everyday person.

Mr. Sprung: Thank you for the suggestion and for your compliment to Mara and I will see to it that it is on the July agenda for our Board of Directors.

Hearing no further business, the Chair adjourned the meeting.

(One sharp rap of the gavel.)

(Time noted: 1:21 p.m. ET)

The opinions expressed by the speakers may not necessarily reflect those of The American Kennel Club.