on
the
move
on the move
In 2003, the American Kennel Club Canine Health Foundation moved — both literally and figuratively — to set the stage for accelerated growth.

After eight years in Aurora, Ohio, the Foundation’s offices moved to the American Kennel Club building in Raleigh, North Carolina. But the relocation was only the first step in a dramatic effort to move the organization forward.

New leaders were selected. Important new alliances were formed. And significant scientific breakthroughs were announced. All of this was done to speed progress in conquering the deadly diseases that strike our dogs.
2003 board of directors

FROM LEFT TO RIGHT
ROW 1:
JOHN A. STUDEBAKER, PRESIDENT
WAYNE E. FERGUSON, VICE PRESIDENT
CATHERINE BILL, SECOND VICE PRESIDENT
ROBERT L. KELLY, TREASURER
LEE ARNOLD, SECRETARY

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PAMELA STEPHENS BUCKLES
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PAUL A. CAILLAUD
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ROW 3:
HOWARD FALBERG
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DR. ASA MAYS
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ELYSABETH HIGGINS, DIRECTOR EMERITUS
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STAFF
DEBORAH (DD) DILALLA, MBA, EXECUTIVE DIRECTOR
ERIKA A. WERNE, MIM, DIRECTOR OF GRANTS
DIANE E. VASEY, BS, MA, DIRECTOR OF DEVELOPMENT

BETSY J. FRENZ,
EXECUTIVE ASSISTANT
RITA Y. GARDNER,
SENIOR ADMINISTRATIVE ASSISTANT
Dear Friends of the American Kennel Club

Canine Health Foundation:

This was a defining year for the American Kennel Club Canine Health Foundation. Landmark achievements in science shared the spotlight with bold new organizational directions.

In science, our $1 million investment in mapping the canine genome mushroomed into the $50 million National Institutes of Health canine genome sequencing project, which is expected to unleash scientific knowledge invaluable to the prevention and treatment of canine — and human — diseases. This towering achievement capped eight years of Foundation leadership in canine health research.

Not content to rest on these impressive laurels, the board of directors stepped forward to position the Foundation for new benchmarks of success. As Oliver Wendell Holmes said, “I find the great thing in this world is not so much where we stand as in what direction we are moving.”

We gave considerable thought to where we needed to go and how to get there. After studying the benefits of moving, we relocated our office in July to unused space within the AKC building in North Carolina.

This resulted in expected bottom-line benefit and new synergy with our founder, the American Kennel Club. The AKC board, officers and staff have contributed greatly toward this successful move.

Significantly expanding the dollars needed to fight canine diseases was another goal. We were excited to finalize a multi-year, multi-million dollar partnership with longtime supporter Nestlé Purina PetCare Company that will help us reach new levels of progress. A new relationship with Triple Crown Dog Academy, too, is helping us do more to help the dogs we treasure.

On the following pages you’ll read more on how we are reshaping the Foundation to have an even more substantial impact on canine health in the future. We owe a deep debt of gratitude to all of you — individual, dog club and corporate donors, our talented officers, board of directors and staff. Thanks to your commitment and dedication, the American Kennel Club Canine Health Foundation is truly on the move in its fight to conquer canine diseases.

Sincerely,

John A. Studebaker
President
NEW FACILITIES
In July, 2003, moving trucks left Aurora, Ohio, home to the American Kennel Club Canine Health Foundation (CHF) since its founding in 1995, to begin the 560 mile trek south to a new office suite in the American Kennel Club (AKC) building in Raleigh, North Carolina.

The move signals a closer relationship with AKC and an opportunity to share facilities, services and purchasing, thereby saving funds that will, instead, be applied to fighting canine diseases.

Three Foundation staff members also relocated to Raleigh — Deborah (DD) DiLalla, who was named CHF Executive Director; Erika Werne, Director of Grants and Betsy Frenz, Executive Assistant. Subsequently Diane Vasey was selected as Director of Development and Rita Gardner was hired as Senior Administrative Assistant.

Both the move and a reduction in staff, from nine to five, were designed to shrink expenses so CHF could fund four to eight additional research proposals annually.

Benefits of the move already are apparent to CHF. AKC staff members have assisted CHF with many services, including mailing and shipping, purchasing and computer support.

The cost of office space and services has been reduced significantly. This is a win-win relationship in many ways, with both CHF and AKC creatively trying out new ways to work together to benefit both organizations.

The move was the first step in a dynamic plan to accelerate the Foundation’s growth and development in the most cost-effective way possible.
NEW ALLIANCES

A cornerstone of the American Kennel Club Canine Health Foundation’s strategic direction is forming meaningful corporate alliances with key players in the dog world who share a commitment to canine health research. Toward that end, partnerships were announced with these leading companies and organizations:

NESTLÉ PURINA PETCARE COMPANY

In February CHF announced the formation of a multi-year, multi-million dollar partnership with longtime supporter Nestlé Purina PetCare Company. This partnership, the first-ever collaboration of its kind dedicated solely to canine health research, cements an already extensive mutual commitment to improving the lives and longevity of dogs through health studies.

Stemming from this alliance is the Purina Parent Club Partnership Program (PPCP), a new initiative focused on helping breed clubs raise money for health studies and education. Purina writes a check for 10 percent of the value of all points earned by people who send to Purina the weight circles from Purina dog food bags. To participate, Purina Pro Club members declare the breed of their choice to receive the funds for health studies. Half of Purina’s check goes to CHF on behalf of the breed; and the other half goes to the parent club for education, rescue, or, at the discretion of the club, for health research. For more information about the program, call toll-free 1-800-778-3375.

In 2003 first year PPCP donations to CHF through participating breed clubs totaled $42,000. More than 100 national breed clubs participated in 2003, and that number is growing rapidly.

TRIPLE CROWN DOG ACADEMY

The Foundation forged a corporate multi-year alliance with Triple Crown Dog Academy, the world leader in pet education. Its goal is to boost awareness and instruct dog owners on forming healthy relationships with their dogs through training, behavior solutions and appropriate dog products. CHF and Triple Crown will share training, behavior, health and genetic resources and work together to promote the health and well being of dogs worldwide. The CHF Proud Supporter logo will be featured on Triple Crown dog products.

ORTHOPEDIC FOUNDATION FOR ANIMALS/CANINE HEALTH INFORMATION CENTER

The Orthopedic Foundation for Animals collaborated with CHF on a pilot project to centralize canine health data, the Canine Health Information Center (CHIC). The pilot’s success launched CHIC as a permanent resource where owners, breeders and scientists can access the centralized health information needed to breed healthy dogs.

CHF PRESIDENT’S AWARD GOES TO NESTLÉ PURINA

The 2003 CHF President’s Award was given to Nestlé Purina PetCare Company for its prior years of dedication to the mission of canine health. Since CHF’s founding in 1995, Purina has provided support for canine genome mapping, research studies, our National Parent Club Canine Health conferences, our Canine Cancer Initiative, the Search and Rescue Dog Health Fund and much more. True to form, Nestlé Purina has since signed an agreement to continue its commitment and step up the level of financial support. This new partnership between CHF and Nestlé Purina is expected to spur research progress aimed at preventing and treating canine diseases such as epilepsy, heart disease, orthopedic disease and cancer, the number one disease killer of dogs.
NEW SCIENTIFIC BREAKTHROUGHS

Canine genetics came of age in 2003, thanks to the Foundation’s pioneering leadership.

CHF groundwork led to the landmark $50 million funding of the canine genome sequencing project. Now under way at the Broad Institute, Massachusetts Institute of Technology, with funding by the National Institutes of Health (NIH), the sequencing is expected to revolutionize the prevention and treatment of canine and human diseases when it is completed in mid-2004.

The impetus for the sequencing can be attributed to the Foundation’s early work and $1 million-plus investment in canine genome research. CHF spearheaded canine genome research and was the first to fund collaborative research on the canine genome, host genome mapping conferences and provide ongoing funding for genetic research. Recognizing that public funds were needed to tackle the challenging tasks ahead, CHF initiated the process that led to the NIH taking on the genome sequencing project.

Concurrent with the sequencing, a new CHF funded canine genome map, numbering 3,400 markers and covering nearly the entire genome, was developed under the leadership of Elaine Ostrander, Ph.D., Fred Hutchinson Cancer Research Center, Seattle, Washington.

New discoveries in preventing and treating canine diseases added to the year’s scientific achievements. Urs Giger, P.D., Dr. Med. Vet., M.S., F.V.H., University of Pennsylvania, found the gene causing MPS Type VI in Miniature Pinschers, a disease that results in bone, eye and facial abnormalities in dogs and humans. Other funded scientists announced advances in treating various forms of cancer, including lymphoma, osteosarcoma, bladder cancer, mast cell tumors and cancer of the blood vessels. RNA Interference, SU11654, Tum5 and Interleukin-12 were found effective for certain types of cancer.
NEW MILESTONES
The impetus to move forward drove all aspects of the Foundation’s work, from grants to fundraising to education. It was a busy and fulfilling year which, despite an uncertain economy, notched record revenues and new benchmarks of success.

NEARLY $11 MILLION IN GRANTS
Since its formation eight years ago, CHF has spearheaded research aimed at uncovering the mysteries behind disabling canine diseases, moving the science forward with promising discoveries. In all, 200 grants have been approved, for a total of $10,840,000 and an average allocation per grant of $56,544.

In 2003, 14 new grants were added, focusing on alternative medicine approaches, behavior problems, brain disease, cancer and epilepsy. The total number of proposals received this year for 2004 funding was up to 120, nearly twice the 68 received last year. From this 120 we selected 12 applications for funding.

In an effort to observe the work of grantees firsthand, staff and volunteers made site visits to the new College of Veterinary Medicine at Western University in California, North Carolina State University in Raleigh, the Animal Medical Center in New York and The Ohio State University.

2003 REVENUES REACH $3 MILLION
It was a good year for the top line as revenues increased to $3 million, the highest ever. Exceptional results from corporate, club and individual donations; estates and fundraising events contributed to this achievement.

The number of donor advised funds rose to 155 with a year-end balance of $1,529,696. CHF board member Mary Edwards Hayes and her husband, Peter, became the first couple to contribute $100,000, expecting their gift to serve as an incentive to others. Three estates left $120,000 to the Foundation.
EDUCATING ONE ANOTHER


Genes, Dogs and Cancer attracted leading canine cancer scientists from the U.S., Brazil, Canada, France, Germany, Portugal and the United Kingdom for a workshop-style forum on canine cancer. Researchers shared findings, including the results of promising new cancer drugs, vaccines, treatments and clinical trials, many of which have implications for humans as well as dogs.

More than 250 scientists, geneticists, breeders and national dog club representatives gathered for the National Parent Club Canine Health Conference to discuss advances in canine genetics, genome mapping and health care and to get new research and tests into the hands of breeders who can put it to good use. Summaries of this conference are available from CHF.

CHF also supported the Tufts Canine and Feline Breeding Conference, the University of Florida Owners and Breeders Seminar and The Ohio State University Theriogenology Conference.

NEW MILESTONES, continued

THE GALA BY THE BAY: A NIGHT TO REMEMBER WAS CHF’S LARGEST FUNDRAISING EVENT EVER

Held in conjunction with the AKC national championship dog show in Long Beach, California, the event netted $100,000 after expenses. Custom sculpture, original oils, vacations, Broadway show/dinner packages and a Tiffany bracelet were among the prized auction items. Catherine Bell was the event chair; Mary Hayes, the auction chair; and Wayne Ferguson and Dog News publisher Matt Stander were the auctioneers. Gala sponsors were Pedigree and the Canine Chronicle.

A NEW LEADERSHIP TEAM

Spearheading this year’s dynamic organizational changes was a board of directors headed by new President John A. Studebaker; new officers, Vice President Wayne Ferguson and Treasurer, Robert Kelly. Returning to their posts were Second Vice President Catherine Bell and Secretary, Lee Arnold. Two new directors, Karen T. LeFrak and Steve T. Remspecher, were added to the leadership team.

NEW IN 2003: “ACORNS” SPROUT RESEARCH FUNDS

Acorns grow into large trees. That’s the thinking behind an innovative new CHF grants program called Acorns, that offers small “seed money” grants to up-and-coming scientific researchers. These grants, in amounts up to $12,000, are for projects of 12 months or less. Applicants get decisions in 45 days and, in 2004, will be able to apply and receive their payments online. This year 11 Acorn grants were approved, totaling $107,724.
NEW MILESTONES, continued

**DOG CLUBS MEET THE CHALLENGE**

The International Kennel Club Cluster Dog Shows, held in Chicago in February, added to the Foundation’s coffers. CHF received $5 for every adult dog entered in the show from the International Kennel Club (IKC), which was matched by Nestlé Purina. At Saturday’s charity ball, Nestlé Purina and IKC presented a check for $22,300 for the entries, and Purina cut another check for $42,000 representing first-year proceeds from the Purina Parent Club Partnership Program.

Houston’s 26th Annual Reliant Park World Series of Dog Shows, July 17-20, hit a home run for the CHF team, raising $16,000 from fees for grooming space contributed by exhibitors. The event was sponsored by the Houston Kennel Club, Inc., Beaumont Kennel Club, Inc., Galveston Kennel Club, Inc. and the Houston Combined Specialty Association.

CHF participated in the NBC-televised National Dog Show, sponsored by the Kennel Club of Philadelphia and Nestlé Purina, which was seen by millions of viewers immediately after the Macy’s Thanksgiving Day Parade.

Countless dog clubs came up with creative fundraising ideas — from birthday parties to auctions, from picnics to pet dog shows — even prizes for the silliest grins. A handout detailing their innovative ideas is available from CHF.

**AWARDS GIVEN AND RECEIVED**

CHF’s Annual Golden Paw award for the best canine health article of the year went to C. A. Sharp for her article, The Rising Storm: What Breeders Need to Know about the Immune System.

For the second year in a row, CHF received a Maxwell Award from the Dog Writers Association of America, this time for a four-color flyer developed to raise money for the CHF Search and Rescue Dog Health Fund.

**INDIVIDUALS FUNDING PET PROJECTS**

The word is out: Donor Advised Funds are not just for clubs anymore. Now, individuals are designating donor advised funds for research causes close to their hearts. Helen Chrysler Greene of New York City announced her health fund for Miniature Pinschers, which would contribute significantly to research into Legg Calve Perthes Disease, a devastating abnormality in the breed. Jeffrey Pepper is sponsoring $10,000 in cancer research, designated to benefit Golden Retrievers, Petit Basset Griffon Vendeens and Cavalier King Charles Spaniels. CHF Board member Pamela Stephens Buckles and her husband, André, have established a fund in honor of two of their Shetland Sheepdogs, Mocha and Baby.

In the hope other individuals will join in, Pamela Buckles is chairing the new Individual Advisory Board of CHF to raise awareness of the work of the Foundation and, in turn, raise major gifts from individuals. When it comes to raising funds for canine health research, every individual can make a difference.

To find out how you can make a difference, call us toll-free at 1-888-682-9696 or log onto our web site at www.akcchf.org

Photo courtesy of Bruce Curtis
The new millennium brings many challenges for canine health. A new donor recognition level was established, the Millennium Founder. This level begins with individual, club and corporate donations of $25,000 or more. Founders are those individuals, clubs and corporations who have given at the $10,000 level. Founders have been supporting the Foundation since its inception in 1995. Both of these giving levels are cumulative and recognized in perpetuity.
FOUNDER CLUBS
Anonymous
American Bloodhound Club
American Bullmastiff Association, Inc.
American Miniature Schnauzer Club, Inc.
American Sealyham Terrier Club
Atlantic States Briard Club
Baltimore County Kennel Club, Inc.
Basset Hound Club of America, Inc.
Bearded Collie Club of America, Inc.
Belgian Sheepdog Club of America, Inc.
Bill Trainer Thanksgiving Classic Cluster
Border Terrier Club of America, Inc.
Borzoi Club of America, Inc.
Briard Club of America, Inc.
Bulldog Club of America Charitable Health Fund, Inc.
Chattanooga Kennel Club
Chinese Shar-Pei Club of America Charitable Trust
Clumber Spaniel Club of America, Inc.
Columbiana County Kennel Club
Del Valle Dog Club of Livermore
Delaware Water Gap Kennel Club
Dobromen Pinscher Club of America
Duluth Kennel Club
English Cocker Spaniel Club of America, Inc.
English Setter Association of America, Inc.
Finger Lakes Kennel Club, Inc.
Flat-Coated Retriever Society of America, Inc.
Forsyth Kennel Club
Fort Worth Kennel Club
German Shepherd Dog Club of America
Golden Gate Kennel Club
Gordon Setter Club of America, Inc.
Great Dane Club of America, Inc.
Greater Swiss Mountain Dog Club of America, Inc.
Harrisburg Kennel Club, Inc.
Heart of America Kennel Club, Inc.
Irish Water Spaniel Club of America, Inc.
Irish Wolfhound Club of America
Keeshond Club of America, Inc.
Kishwaukee Kennel Club, Inc.
Labrador Retriever Club, Inc.
Ladies’ Dog Club, Inc.
Lehigh Valley Kennel Club, Inc.
Mahoning Shenango Kennel Club, Inc.
Mastiff Club of America, Inc.
Medallion Rottweiler Club
Medallion Rottweiler Health Research Charitable Trust Fund
National Amateur Retriever Club
National Beagle Club
National Retriever Club, Inc.
New-Pen-Del Newfoundland Club, Inc.
Norwegian Elkhound Association of America, Inc.
Papillon Club of America, Inc.
Portuguese Water Dog Club of America, Inc.
Portuguese Water Dog Foundation, Inc.
Rattail Days/Irish Water Spaniel Reliant Park World Series of Dog Shows
Rhodesian Ridgeback Club of United States, Inc.
Saint Bernard Club of America
Saluki Club of America, Inc.
Samoyed Club of America Education and Research Foundation, Inc.
San Joaquin Kennel Club
Saw Mill River Kennel Club
Siberian Husky Club of America, Inc.
Silver Bay Kennel Club of San Diego, Inc.
South Windsor Kennel Club
Spring Peach Blossom Cluster Dog Show
Springfield Kennel Club, Inc.
Standard Schnauzer Club of America
Tennessee Valley Kennel Club, Inc.
Tibetan Terrier Club of America, Inc.
Vizsla Club of America, Inc.
Vizsla Club of America Welfare Foundation
Weimaraner Foundation Fund
Whidbey Island Kennel Club, Inc.
Windham County Kennel Club, Inc.

FOUNDER CORPORATIONS
Anonymous
Cherrybrook, Inc.
Heska Corporation
Howell Book House/IDG Books Worldwide, Inc.
Merck Ag/Vet Division; Merial
Onofrio Dog Shows, Inc.
PEZoogen/PE AnGen, Inc.
Pharmacia & Upjohn Company
Retriever Field Trial News
Robbins-Giola, LLC

2003 AKC Canine Health Foundation Annual Report
The Heritage Society is a unique fellowship of individuals who share a deep concern for the health of dogs, and who offer a permanent means of support for advancing canine health research through planned gifts to the AKC Canine Health Foundation. Members of the Heritage Society ensure the continuation of canine health research for future generations of dogs.
## HONOR ROLL OF CORPORATIONS 2003

**FOUNDER**
($1,000,000+)
American Kennel Club

**CORPORATE BUILDER**
($100,000 to $999,999)

- Nestlé Purina PetCare Company
-GMT Automotive
-狗的正义

**CORPORATE BUILDER AND PARTNER**
($10,000 to $49,999)

- Tuffmutt, LTD.
- Saturn Service Parts Operations
- Infinity Kennels
- Delmont Veterinary Hospital
- Bend Pet Resort, LLC

**CHAMPION**
($5,000 to $9,999)

- REMINGTON ARMS
- Dog Sense Staff
- Byrne Gallery, LLC
- Brown Motors, Inc.

**SPONSOR**
($2,500 TO $4,999)

- Janet Stone Jones Foundation
- MB-F, Inc.
- Eli Lilly & Company
- Dog News

**ASSOCIATE**
($1,000 TO $2,499)

- MG-F, Inc.
- American Fox Terrier Club
- AKC Companion Animal Recovery
- MB-F, Inc.

**FRIENDS**
($100 TO $499)

- Bend Pet Resort, LLC
- Delmont Veterinary Hospital
- Infinity Kennels
- Saturn Service Parts Operations
- Tuffmutt, LTD.

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## HONOR ROLL OF CLUBS 2003

**FOUNDER**
($10,000 TO $24,999)

- Bend Pet Resort, LLC
- Delmont Veterinary Hospital
- Tuffmutt, LTD.

**SPONSOR**
($2,500 TO $4,999)

- Tuffmutt, LTD.
- Saturn Service Parts Operations
- Infinity Kennels
- Delmont Veterinary Hospital
- Bend Pet Resort, LLC

**ASSOCIATE**
($1,000 TO $2,499)

- GMT Automotive
- dog's justice
- Nestlé Purina PetCare Company

**FRIENDS**
($100 TO $499)

- Bend Pet Resort, LLC
- Delmont Veterinary Hospital
- Infinity Kennels
- Saturn Service Parts Operations
- Tuffmutt, LTD.
HONOR ROLL OF CLUBS 2003, continued

Kennel Club of Freeborn County, Minnesota, Inc.
Komondor Club of America, Inc.
Longview Kalloa Kennel Club, Inc.
Mad River Valley Kennel Club, Inc.
Mastiff Club of America, Inc.
Merrimack Valley Kennel Club, Inc.
Missouri Rhineland Kennel Club
Missouri Valley Gordon Setter Club
Montgomery County Kennel Club, Inc.
Mt. Baker Kennel Club, Inc.
North County Gordon Setter Club of Minnesota, Inc.
Norwegian Elkhound Club of the Potomac Valley
Nova Scotia Duck Tolling Retriever Club, Inc.

PATRON
($500 TO $999)
Akita Club of America, Inc.
American Maltese Association, Inc.
Battle Creek Kennel Club, Inc.
Bedlington Terrier Club of America
Boca Raton Dog Club, Inc.
Bushy Run Kennel Club
Chesapeake Virginia Dog Fanciers Association
Dachshund Club of America, Inc.
Fun-Tier Kennel Club of Greater Killeen
Glossopeter Kennel Club, Inc.
Golden Gate Akita Club
Greater Gainesville Dog Fanciers Association, Inc.
Greater Philadelphia Dog Fanciers Association
Heartland Dog Club, Inc.
Hockomock Kennel Club, Inc.
Holland Michigan Kennel Club
Kennel Club of Pasadena
Medina Kennel Club, Inc.
Middleburg Kennel Club
Miniature Bull Terrier Club of Southern California
Mt. Nittany Dog Training Club
North Eastern Maryland Kennel Club
Northern California Basset Hound Club
Nutmeg Weimaraner Club
Orange Coast Rhodesian Ridgeback Club
Owner Handler Association of America, Inc.
Penn Ridge Kennel Club, Inc.
Piedmont Kennel Club, Inc.
Pioneer Valley Kennel Club
Progressive Dog Club of Wayne County, Inc.
Santa Maria Kennel Club, Inc.
Sawnee Mountain Kennel Club of Georgia
Scottish Terrier Club of Michigan, Inc.
Siberian Husky Club of Greater Milwaukee
Siberian Husky Club of Greater New York, Inc.
St. Clairsville Ohio Kennel Club
Standard Schrauner Club of Northern California
Sturges Kennel Club
West Highland White Terrier Club of Southeast Texas
Williamette Valley Kennel Club

FRIENDS
($100 TO $499)
Afghan Hound Club of Northern New Jersey
Alaska Kennel Club, Inc.
American Belgian Tervuren Club, Inc.
American Brussels Griffon Association
American Eskimo Dog Club of America, Inc.
American Whippet Club, Inc.
Apple Valley Kennel Club
Australian Terrier Club of America, Inc.
Bedlington Terrier Club of Greater Chicago
Belle-City Kennel Club, Inc.
Blackhawk Kennel Club, Inc.
BluebonNet Cardigan Welsh Corgi Club
Boston Terrier Club of Greater Cincinnati, Inc.
Bullmastiffs of Northern California
Carolina Kennel Club, Inc.
Centennial State Miniature Schnauzer Club
Chinese Shar-Pei Club of Greater Houston
Chicagoland Bearded Collie Club
Chintimini Kennel Club, Inc.
Chow Chow Club, Inc.
Dachshund Club of New Jersey
Dandie Dinmont Terrier Club of America, Inc.
Diable Valley German Shepherd Dog Club
Durango Kennel Club
Everglades Terrier Club
Evergreen Colorado Kennel Club
German Wirehaired Pointer Club of America, Inc.
Golden Retriever Club of San Diego County
Greater Fredericksburg Kennel Club
Greater Pittsburgh German Shepherd Club
Greater Valley Forge Rhodesian Ridgeback Club
Heart of Minnesota Great Dane Club
Huntsville Kennel Club
Idaho Capital City Kennel Club
Indian River Dog Training Club, Inc.
Inland Empire Hound Club of Southern California
Jaxon Kennel Club, Inc.
Kenzek Kennel Club of Columbus Indiana, Inc.
Kneel Club of Riverside
Kennel Club of Texarkana
Kuvajt Club of America
Lake Erie Labrador Retriever Club
Laurel Highlands Kennel Association, Inc.
Lawrenceville Kennel Club, Inc.
Long Beach Kennel Club
Mile Hi Golden Retriever Club
Mount Hamilton Siberian Husky Club
Mount Vernon Dog Training Club, Inc.
National Beagle Club
New England Rhodesian Ridgeback Club
Newfoundland Club of New England
North Georgia Siberian Husky Club, Inc.
Northeast Ohio Dog Club
Northern California Siberian Husky Club, Inc.
Ohio River Valley Airedale Terrier Club
Ohio Saint Bernard Club, Inc.
Orange Blossom Owner Handlers Association of Florida
Orrole Dog Training Club
Pacific Crest Keeshond Club
Panhandle Kennel Club of Texas, Inc.
Pharaoh Hound Club of America
Potomac Basset Hound Club, Inc.
Pugel Sound Norwegian Elkhound Association
Ramoqa Kennel Club
Rantan Belgian Shepherd Club
Rhode Island Kennel Club, Inc.
Rosky Mountain Irish Wolfhound Association
Saint Bernard Club of Greater Phoenix, Inc.
Saint Bernard Club of Pacific Coast, Inc.
San Jacinto Beagle Club
Santa Clara Valley Kennel Club, Inc.
Sara Bay Kennel Club, Inc.
Saw Mill River Kennel Club
Sheboygan Kennel Club, Inc.
Shenandoah Valley Kennel Club, Inc.
Shoreline Dog Fanciers Association of Orange County
Sierra Nevada Club of Tampa Bay
Sno-king Agility Club
South Florida Basset Hound Club
St. Charles Missouri Kennel Club
Staffordshire Bull Terrier Club, Inc.
Standard Schnauzer Club of Southern California
Sunshine Pembroke Welsh Corgi Club, Inc.
Talcott Mountain Agility Club
Topline German Shepherd Dog Club of Illinois, Inc.
Tuxedo Park Kennel Club
United States Lakeland Terrier Club
Williamson Dog Training Club
Woodstock Dog Club, Inc.
HONOR ROLL OF INDIVIDUALS 2003

CHAMPION $50,000 TO $99,999
Estate of Nancy Todd Ackerman
Peter and Mary Edwards Hayes
Estate of Barbara F. Heller

MILLENNIUM FOUNDER $25,000 TO $49,999
Anonymous
André and Pamela Stephens Buckles

FOUNDER ($10,000 TO $24,999)
Anonymous
Richard W. and Sandra D. Denman
Melissa Florin
John E. Hoffman
Roy and Jo-Ann S. Kuwomoto
Estate of Ruth Lightner Marshall
Dr. William C. and Zoila A. Truesdale

LEADERSHIP ($5,000 TO $9,999)
Anonymous
Lee and Romana Arnold
Kevin M. and Nadine Brennan
Wayne E. Ferguson
Rhonda E. Hoven, Starlight Fund
Robert L. and June V. Kelly
Karen T. Le Frak
James and Sheila Polk
Jeffrey G. Pepper
Richard and Dorothy A. Metcalf
Cecil Mann in memory of Irene Mann
Karen T. Le Frak

ASSOCIATE ($1,000 TO $2,499)
Anonymous
Dr. Sheldon B. and Marcia S. Adler
Lynn Bernard
Terry and Dr. Bonnie Burman
A. Duane and Connie Butcher
James and Celinda-Carlsile Cheskawich
Howard and Carol Falberg
Friends of Portia Johnson
Michael E. and Karen L. Gibson
Walter F. Goodman
Tom and T. Dione Hanke
Dana Harlow
Georgia Hymmen
John R. and Stephanie Cuny Ingram
Kevin and Elizabeth D. Iole
Patrick Kelly
Carolyn J. Koch
Janet S. Lange
Dr. Renee Lara
Patricia W. Laurans
Donald R. and Georgia W. Mandich
Susan McManis
Cora N. Miller
Andrew G. and Mary Ellen Mills
James B. and Barbara Monroe
Sidney L. and Dr. Sally Z. Monroe
Dr. Edward A. and Adele H. Neupert
Dr. William R. Newman
William E. and Elizabeth I. Patterson
Dr. Roger W. and Elizabeth C. Pearson
David J. and Pamela B. Peat
David A. and Maxine M. Pierce
Steve Porter and Sandra Bingham-Porter
Mary Schacht
Bernard and Francine Schwartz
Dr. Warren C. and Phyllis N. Sewall
Robert A. and Helen Stein
Mark and Judy Stem
Anna D. Tilghman
Robert C. and Linda Tonnancour
Leonard A. and Sheri F. Vandrith
David and Cynthia G. Vogels
Joe C. and Rhonda H. Walton

PATRON ($500 TO $999)
Anonymous
Sande Abernathy
"Mavis" Michelle Allen
Charles D. and Catherine Bell
Tracey Bennett
Donald E. and Sharon Boyd
Janet Cohen
Nick S. and Rosalie D’Attilio
Almira B. Dallas
Nancy C. Donovan
Karen Dowell
Mary Duglafia and Pamela Allen
Edmund and Pamela Deuk
Linda L. Ford
Timothy L. and Christi L. Forman
Karen L. Gibson
Jim Gion

DR. EUGENE AND JACQUELINE L. GOTTLEIB
Tom Grabe
Richard and Mary G. Greaver
Barbara Gresser
Peter K. Grunebaum
June Guido
Linda Guihen
Sharon M. Hall
Virginia Hanigan
Franciska Hapke
Clayton H. Heathcock and Cheri Hadley
Sam and Debra A. Hokkanen
Judith A. James
Mark S. and Marilyn F. Johnson
Barbara Junior
Gilbert S. Kahn
Keke Kahn
Sydney Kirkland
Amir Kulkarni
Bjorn Lamborn
Jennifer Lim
Patricia Locktov
Patricia Long
Prof. Iris Comelia Love
Dr. Gerald M. and Sarah S. Mager
Thomas L. and Mary Jeanne Millner
Satu and Bernardette Mitrakul
Douglas Moret
Dr. Robert W. and Lynne M. Myall
David W. and Jill R. Neidig
John M. Noel
Ivan G. Palmblad
M. Linda Parker
D. M. and Jennifer W. Phillips
Rc and Lee Ann Plaut
Michael and Cathy Rainer
Kenton E. and Greyell Richard
Janet Ritchie
Dr. Randi V. Rossow
Linda Sanders
Joseph R. and Patricia Ann Schapa
Charles H. and Nina Schafer
Dawn Scord
Dr. Linda L. Sell
Michel Sharp
Daniel Sigal
Jack S. and Melanie S. Steele
Daneil and Laurel Strachan
Steve Wolden and Becky Stephens
James and Andrea Stevens
Anthony F. and Mary Ann P. Szovitz
William O. and Sally Cove Taylor
Elis Veltman
Joanne G. Williams
Linda Wroth
Ray L. and Carolyn Anne Young

FRIENDS ($100 TO $499)
Anonymous
Susan G. Ablon
Lyndel J. Ackerman
Edward L. Adams
Susan D. and Harriet Z. Albers
Harold W. and Lois Albright
Veronica Aldstadt
Robert H. and Dianne D. Almy
Grace Ray Anderson
Kara Anderson
Susan J. Anderson
Edward S. and Rochelle D. Andonian
Prof. Alexandre Lima Andrade
Tony and Melinda Andric
Dr. Douglas F. Artzak
Feral Jean and Betty A. Atchley
Janet E. Atkins
Rudolph G. and Jeanie E. Ayala
Michelle Badger
Thomas and Dors E. Baldwin
Krisen Banberg
Robert E. and Linda Love Banghart
Paul F. and Anne D. Barber
Diana M. Barber
Ruth D. Barbetta
Bobby Barlow
Deborah K. Barnett
Keith G. Bates
Dr. Carmen L. and Nancy H. Battaglia
Michael and Jacqueline E. Baugh
Colliee Baunttag
Norren R. Baxter
Edward A. and Ruth L. Beamish
Bob H. Beatty
George and Kathy Belew
Gloria Bell
Dr. Jerold and Mrs. Candace Bell
Dr. Harvey R. Bendix
Richard and Linda Berberich
Dr. Carolina Berger
William and Ellen Berls
Anthony Bernard
Dr. Robert and Gretchen Bernardi
Dr. Joanne M. Bidnese
Rita J. Biddle
Leesa E. Billman
Eugenia B. Bishop
Fred Blasdell
Carmen Blankenship
Glenda Blue
Lisa Blum
Michelle Bode
Martha Boden
Carolyn J. Bonin
Irving Bonox
Gayle S. Bontest
Laura Bostwick
Laura V. Boyce
Wayne L. and Joan Boyd
Gary L. and Deborah Brady
Betsy Brainard
Dr. Lisa Branford
Eileen Brewin
Arthur E. and Ruth L. Brewer
Frances E. Brewer
Elizabeth Brown
Dr. Gary S. Brown
Mary Beth Brown

2003 AKC Canine Health Foundation Annual Report
HONOR ROLL OF INDIVIDUALS 2003, continued

Dr. Kenneth Brown
Dr. Robert M. and Valerie Brown
Carolyn A. Bucci
Dr. Robert L. and Linda M. Burger
Karen Burnett
Christina Burton
James W. and Deborah A. Busby
David T. Bussard
Curt Byrd
Dr. Joyce G. Campbell
Carol Carlson
Douglas A. Carlson and Amanda R. Bonni
Ronald J. and Janis Callins
Elizabeth Carter
Debra Caselli
Debra F. Castelainulli
Catherine Chapman
Andrew and Betty W. Charlton
Alfred and Patricia Cheauré
Bruce M. and L. Child
Leonard and Barbara Clark
Lorna Colocolo
Donald and Nancy Colson
Sandria L. Conner
Dr. Kenine Comstock
Sally Compton
John T. Connolly
Dr. Jonathan C. and Judith C. Cons
Dr. Louis W. and Marjorie A. Conway
Hal and Patricia C. Cope
M.L. and Elise Copeland
James S. and Kathleen M. Corbett
Carol M. Corbeby
Cortney and Julie Corral
Kent and Donna Dannen
William R. and Judith V. Daniels
Susan B. Dale
Joseph T. Cush
Willard L. and Barbara J. Curry
Charles and Sara Jenkins
Richard C. and Renee M. Jacquier
Linda S. Immel
Joseph and Margaret Ikard
Michael J. Hudak
Richard and Jennifer A. Hoffnagle
Kerstin G. Hokanson
Ronald E and Sandra J. Holden
Cheryl L. Hollandback
Douglas R. and Rita Holloway
SMStg. Gayle M. Holmen
Linda M. Honeck
Shirley M. Hooksay
Mary M. Hopping
Richard A. and Anne A. Horvitz
Suzanne L. Hostetter
Jay Hoynakic
Michael J. Hudak
Dennis and Holly Hugdahl
Sherri S. Hust
Toni Hyland
Joseph and Margaret Icard
Linda S. Immel
Richard C. and Renee M. Jacquier
Susan James
Penelope M. Jarz
Dr. K. Ann Jorgum
James and Sara Jenkins
Donald A. and Georgetta J. Jensen
Stephen Martin and Robette G. Johnson
Peter N. and Donna M. Johns
Carol L. Johnson
Dr. Gary Johnson
Mary C. Jones
Peter N. and Donna M. Johnson
Tina Johnson
Dr. Carol Jones
Donald E. and Mary Lou Just
Marie Kaufman-Cardona
Nicholas L. Kay
Karen L. Kelly
Karen M. Kenney
William E. and Doreen A. Kent
April Kerns
Dr. Chand Khanna
Sylvia S. Kidwell
Mildred Kliner
Jeffrey and Iva Kimmelman
George F. and Carolyn S. King
Jo-Ann Kippax
Dr. William Kisselbergh
Helen Preston Klempner
Shirley T. Knaack and Martha E. Dobbins
Dr. David L. and Deborah R. Knight
Barbara G. Koch
Denny Kodner
Chris and Cheryl Koenitz
Joseph and Marlene S. Kolz
Patricia T. Kosina
Richard and Pookies Kostuk
Edward J. and Jeannine K. Kott
Warten and Janet M. Kring
Dr. Oma Kristal
Carol Krohn
Michael Krolicko
Barbara Krzewicki
Rhonda Kuhn
Floyd L. Kurtz
Robert N. and Eva Gail LaBerge
Dr. Bartley R. Labiner
Beth A. Lagomoniere
Mary Ann H. Lamont
Phyllis V. Larsen
Richard E. and Frances Latham
Joan Lawson
Dr. Hilard M. and Joan S. Lazarus
Dr. John and Elizabeth P. Leaman
Dr. Tim Leard
Dr. Alfred Legendre
William C. and Mary Jane Leitner
Mr. and Mrs. Dwain Lentz
Sidney and Diane L. Levin
Gregory J. and Sherry Linker
Colette Livingston
Mary F. Lockiniski
Theresa Lohmuller
Joni Lovitz
Thomas B. and Hope Lund
Anita A. Lutenberger
Susan Lybrand
Loma LaRue
Stan F. and June A. Lyons
Douglas and Penelope P. Mahon
William C. and Joan K. Mahone
Thaddeus and Carol Makowski
Mary L. Mandich
Robert and Shirley Manning
Dorrith Marquis
Frances Marrow
Daryl D. Martin
In the year 2003, gifts were made to the Foundation to remember the following friends of dogs.

Nancy Todd Ackerman
Marie Adams
Hilda Bigelow
Betty A. Bishop
Marjorie Brandt
Donna Broucek
Betty-Claire Caillaud
Albert Castelli
Betty Claus
Merrill Cohen
James A. Cook
Linda Croft
Burt Dancocs
Annette Davies
Stacie Lynn Dec
Faye Dickens
Sarah Dimon
Donna L. Dobson
Barbara Doherty
Patrick N. Doniere, Jr.
Dr. Martha K. Dull
Sandra Duncan
Paul Durkee
Velma Norris Eberle
Gene Ellis
Maxine Ellis
Thelma Finney
L. B. Fisher
Nancy D. Frey
Mildred Fry
Bill Gajdosik
Margaret Gardner
Saul Gellerman
Helene Gilbert
Beatrice Goodman
Phyliss Haage
John Andrew Hackly
Barbara F. Heller
Ken Henrichsen, Sr.
Dr. Samuel Hoddesson
Carol Hollands
Coralie Ingram
Fred Itzemplitz
Henry H. Johnson
George S. Jurban, Sr.
Juanita Kean
Judy King’s mother
Leone Kniebusch
Carol Kratzer
Charlotte Larson
Dr. John W. Lawrence
Louis Layendecker
Jean Look
Audrey Love
Ruth Lightner Marshall
Lorraine Maulbeck
Dr. Aura McConnell
Donna Milton
Carol Mitchell
Phil Moore
Kim Moscato
Jack W. Neal
Earl Norris
Howard Philip Nygood
John Olbrich
Suzanne Ward O’Neill
Vince Potts
Dorothy M. Preble
Lori Ragano
Richard Renshaw
Agnes Renwick
Larry Ross
Reba Rubright
Peg Sanger
Alexander C. Schwartz, Jr.
Gerta Shaw
Cliff Souza
Bruce Sutton
Elizabeth Treharne
Vera Turner
Lucy Vick
Nelson Whiteman
Constance Willemsen
Loretta Wittpenn
From The Treasurer:

We present this improved financial picture with thanks to our major 2003 benefactors, The American Kennel Club, Nestlé Purina PetCare Company and everyone who has contributed funds, kind words and good thoughts. Thank you!

The first major additions to American Kennel Club's 1995 $1,000,000 endowment will be six figures in 2004 from both the American Kennel Club and Nestlé Purina PetCare Company.

Our first Operating Reserve of $250,000 was funded in 2003 largely from bequests.

Our first line of bank credit, $250,000, unsecured, has been established.

For the first time our annual Gala (in Long Beach, CA) netted $100,000. More than 700 of the Fancy's Finest made it a wonderful generous evening. Please join us in Tampa, January 2005.

We have 155 Donor Advised Funds (largely breed organization donations), and for the first time they total $1,500,000; this includes about $154,000 (a healthy 12.1 percent) 2003 investment income allocated to each DAF. These burgeoning funds provide major grant financing.

On February 21, 2004, at the elegant “Purina-International KC Dinner and Ball” in Chicago, we received $125,548, half of the breed earnings from Nestlé Purina’s creative, no-strings-attached Parent Club Partnership Program. These dollars, earned by weight circle collection, will be credited to each individual breed’s Donor Advised Fund, an eight percent increase in total Donor Advised Funds.

We reached 200 total grants. Software to aid their management has been installed. Requests for Canine Health Research Proposals in a new cycle were mailed February 2, 2004. Our last cycle, nine months ago, produced 120 pre-proposals.

Relocation costs, moving from Ohio to the AKC Building in Raleigh, NC, added more than $200,000 to 2003 General and Administrative costs. Other General and Administrative expenses were less than $300,000, the lowest since 1997.

Relocation included a restructuring and a reduction in force from nine to five. We have three experienced professionals with masters' degrees and support staff of two to concentrate on our core functions, Grants and Fundraising.

We pledge to work hard, try to work smart and merit your support. Thank you.

Robert L. Kelly,
Treasurer and Grants Committee Chair
independent auditors’ report

February 17, 2004

The Board of Directors of
American Kennel Club Canine Health Foundation, Inc.

We have audited the accompanying statements of financial position of the American Kennel Club Canine Health Foundation, Inc. (the “Foundation”) as of December 31, 2003 and 2002 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Foundation’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2003 and 2002 and the results of its activities and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Walthall, Drake & Wallace LLP
Certified Public Accountants
### STATEMENTS OF FINANCIAL POSITION

December 31, 2003 and 2002

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (Note 1)</td>
<td>$1,079,337</td>
<td>$ 966,590</td>
</tr>
<tr>
<td>Investments (Notes 1 and 2)</td>
<td>3,552,879</td>
<td>2,968,443</td>
</tr>
<tr>
<td>Dividends and interest receivable</td>
<td>10,212</td>
<td>20,203</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>357,653</td>
<td>458,776</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>8,502</td>
<td>6,744</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment, net (Notes 1 and 3)</td>
<td>76,790</td>
<td>44,177</td>
</tr>
<tr>
<td>Charitable remainder annuity trust receivable (Note 1)</td>
<td>78,499</td>
<td>75,395</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$5,163,872</strong></td>
<td><strong>$4,540,328</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$ 95,321</td>
<td>$ 111,090</td>
</tr>
<tr>
<td>Grants payable (Notes 1 and 4)</td>
<td>2,446,818</td>
<td>2,095,744</td>
</tr>
<tr>
<td>Deferred contribution income</td>
<td>—</td>
<td>23,150</td>
</tr>
<tr>
<td>Amount due to broker</td>
<td>—</td>
<td>9,950</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>2,542,139</strong></td>
<td><strong>2,239,934</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted (Note 1)</td>
<td>(695,841)</td>
<td>(773,059)</td>
</tr>
<tr>
<td>Temporarily restricted (Notes 1 and 6)</td>
<td>2,266,133</td>
<td>2,023,033</td>
</tr>
<tr>
<td>Permanently restricted (Note 1)</td>
<td>1,051,441</td>
<td>1,050,420</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>2,621,733</strong></td>
<td><strong>2,300,394</strong></td>
</tr>
</tbody>
</table>

| TOTAL LIABILITIES AND NET ASSETS            | **$5,163,872**| **$4,540,328**|

The accompanying notes are an integral part of the financial statements.
# Statements of Activities and Changes in Net Assets

For the Year Ended December 31, 2003

## Revenues and Other Support

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$533,679</td>
<td>$767,458</td>
<td>$1,021</td>
<td>$1,302,158</td>
</tr>
<tr>
<td>Contributions - American Kennel Club, Inc. (Note 8)</td>
<td>800,000</td>
<td>—</td>
<td>—</td>
<td>800,000</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>97,237</td>
<td>3,104</td>
<td>—</td>
<td>100,341</td>
</tr>
<tr>
<td>Net unrealized and realized investment income</td>
<td>339,585</td>
<td>—</td>
<td>—</td>
<td>339,585</td>
</tr>
<tr>
<td>Corporate sponsored events and conferences (Note 8)</td>
<td>244,516</td>
<td>—</td>
<td>—</td>
<td>244,516</td>
</tr>
<tr>
<td>Administrative support - American Kennel Club, Inc. (Note 8)</td>
<td>220,000</td>
<td>—</td>
<td>—</td>
<td>220,000</td>
</tr>
<tr>
<td>Relocation support - American Kennel Club, Inc. (Note 8)</td>
<td>70,000</td>
<td>—</td>
<td>—</td>
<td>70,000</td>
</tr>
<tr>
<td>In-kind donation - American Kennel Club, Inc. (Note 8)</td>
<td>106,639</td>
<td>—</td>
<td>—</td>
<td>106,639</td>
</tr>
<tr>
<td>Royalty Income</td>
<td>8,993</td>
<td>—</td>
<td>—</td>
<td>8,993</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>11,880</td>
<td>—</td>
<td>—</td>
<td>11,880</td>
</tr>
</tbody>
</table>

## Net Assets Released from Restrictions

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction of program restrictions</td>
<td>$527,462</td>
</tr>
</tbody>
</table>

**Total Revenues**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>3,204,112</strong></td>
</tr>
</tbody>
</table>

## Functional Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canine research and education</td>
<td>2,004,547</td>
</tr>
<tr>
<td>Fund raising</td>
<td>239,483</td>
</tr>
<tr>
<td>Organizational development</td>
<td>134,969</td>
</tr>
<tr>
<td>General and administrative</td>
<td>503,774</td>
</tr>
</tbody>
</table>

**Total Functional Expenses**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Functional Expenses</strong></td>
<td><strong>2,882,773</strong></td>
</tr>
</tbody>
</table>

## Increase in Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase in Net Assets</strong></td>
<td><strong>321,339</strong></td>
</tr>
</tbody>
</table>

## Net Assets, Beginning

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Assets, Beginning</strong></td>
<td><strong>2,621,733</strong></td>
</tr>
</tbody>
</table>

## Net Assets, Ending

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Assets, Ending</strong></td>
<td><strong>2,621,733</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
### STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2002

<table>
<thead>
<tr>
<th>REVENUES AND OTHER SUPPORT</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$ 294,278</td>
<td>$1,033,012</td>
<td>$ 1,017</td>
<td>$1,328,307</td>
</tr>
<tr>
<td>Contributions - American Kennel Club, Inc. (Note 8)</td>
<td>700,000</td>
<td>-</td>
<td>-</td>
<td>700,000</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>116,594</td>
<td>2,982</td>
<td>-</td>
<td>119,576</td>
</tr>
<tr>
<td>Net unrealized and realized investment losses</td>
<td>(349,348)</td>
<td>-</td>
<td>-</td>
<td>(349,348)</td>
</tr>
<tr>
<td>Corporate sponsored events and conferences (Note 8)</td>
<td>255,078</td>
<td>20,500</td>
<td>-</td>
<td>275,578</td>
</tr>
<tr>
<td>Administrative support - American Kennel Club, Inc. (Note 8)</td>
<td>333,700</td>
<td>-</td>
<td>-</td>
<td>333,700</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>13,163</td>
<td>-</td>
<td>-</td>
<td>13,163</td>
</tr>
</tbody>
</table>

**NET ASSETS RELEASED FROM RESTRICTIONS**

| Satisfaction of program restrictions | 654,616 | (654,616) | - | - |
| TOTAL REVENUES | 2,018,081 | 401,878 | 1,017 | 2,420,976 |

**FUNCTIONAL EXPENSES**

| Canine research and education | 2,053,720 | - | - | 2,053,720 |
| Fund raising                  | 314,603   | - | - | 314,603 |
| Organizational development    | 196,402   | - | - | 196,402 |
| General and administrative    | 336,267   | - | - | 336,267 |

**TOTAL FUNCTIONAL EXPENSES** | 2,900,992 | - | - | 2,900,992 |

**INCREASE (DECREASE) IN NET ASSETS** | (882,911) | 401,878 | 1,017 | (480,016) |

**NET ASSETS, BEGINNING** | 109,852 | 1,621,155 | 1,049,403 | 2,780,410 |

**NET ASSETS, ENDING** | $(773,059) | $2,023,033 | $1,050,420 | $2,300,394 |

The accompanying notes are an integral part of the financial statements.
STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2003

<table>
<thead>
<tr>
<th>Canine Research and Education</th>
<th>Fund Raising</th>
<th>Organizational Development</th>
<th>General and Administrative</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants (Note 1)</td>
<td>$1,570,391</td>
<td>$—</td>
<td>$—</td>
<td>$1,570,391</td>
</tr>
<tr>
<td>Payroll and related expenses</td>
<td>226,485</td>
<td>73,854</td>
<td>68,679</td>
<td>67,951</td>
</tr>
<tr>
<td>Professional fees</td>
<td>45,943</td>
<td>12,218</td>
<td>12,094</td>
<td>103,194</td>
</tr>
<tr>
<td>Travel</td>
<td>9,167</td>
<td>11,188</td>
<td>1,383</td>
<td>7,904</td>
</tr>
<tr>
<td>Meetings</td>
<td>6,595</td>
<td>4,505</td>
<td>3,712</td>
<td>5,685</td>
</tr>
<tr>
<td>Conferences</td>
<td>64,474</td>
<td>69,936</td>
<td>12,168</td>
<td>—</td>
</tr>
<tr>
<td>Printing, telephone, postage and office</td>
<td>34,717</td>
<td>14,421</td>
<td>13,603</td>
<td>5,732</td>
</tr>
<tr>
<td>Equipment rental and repairs</td>
<td>4,820</td>
<td>3,899</td>
<td>3,497</td>
<td>9,109</td>
</tr>
<tr>
<td>Rent and utilities</td>
<td>10,682</td>
<td>4,747</td>
<td>4,747</td>
<td>9,498</td>
</tr>
<tr>
<td>Marketing and advertising</td>
<td>1,659</td>
<td>19,972</td>
<td>3,000</td>
<td>18,974</td>
</tr>
<tr>
<td>Website design and expense</td>
<td>2,629</td>
<td>66</td>
<td>320</td>
<td>370</td>
</tr>
<tr>
<td>Membership expenses</td>
<td>—</td>
<td>2,376</td>
<td>2,171</td>
<td>—</td>
</tr>
<tr>
<td>New development</td>
<td>—</td>
<td>25</td>
<td>114</td>
<td>—</td>
</tr>
<tr>
<td>Promotional items purchased</td>
<td>—</td>
<td>8,083</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>—</td>
<td>4,001</td>
<td>—</td>
<td>15,345</td>
</tr>
<tr>
<td>Relocation expense</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>210,701</td>
</tr>
<tr>
<td>Retirement of assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>20,837</td>
</tr>
<tr>
<td>In-kind donation (AKC) -</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>office space and services</td>
<td>22,628</td>
<td>6,639</td>
<td>6,639</td>
<td>6,169</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,357</td>
<td>3,553</td>
<td>2,842</td>
<td>22,305</td>
</tr>
</tbody>
</table>

**TOTAL**                        | **$2,004,547** | **$239,483**                | **$134,969**              | **$503,774**  | **$2,882,773** |

The accompanying notes are an integral part of the financial statements.
 STATES OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2002

<table>
<thead>
<tr>
<th></th>
<th>Canine Research and Education</th>
<th>Fund Raising</th>
<th>Organizational Development</th>
<th>General and Administrative</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants (Note 1)</td>
<td>$1,624,926</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$1,624,926</td>
</tr>
<tr>
<td>Payroll and related expenses</td>
<td>151,204</td>
<td>120,985</td>
<td>93,564</td>
<td>123,331</td>
<td>489,084</td>
</tr>
<tr>
<td>Professional fees</td>
<td>90,319</td>
<td>3,123</td>
<td>10,590</td>
<td>122,138</td>
<td>226,170</td>
</tr>
<tr>
<td>Travel</td>
<td>18,999</td>
<td>15,347</td>
<td>6,216</td>
<td>10,814</td>
<td>51,376</td>
</tr>
<tr>
<td>Meetings</td>
<td>6,671</td>
<td>2,247</td>
<td>2,144</td>
<td>3,853</td>
<td>14,915</td>
</tr>
<tr>
<td>Conferences</td>
<td>54,891</td>
<td>56,154</td>
<td>6,671</td>
<td>—</td>
<td>117,716</td>
</tr>
<tr>
<td>Printing, telephone, postage and office</td>
<td>48,586</td>
<td>36,730</td>
<td>25,370</td>
<td>12,449</td>
<td>123,135</td>
</tr>
<tr>
<td>Equipment rental and repairs</td>
<td>8,714</td>
<td>7,083</td>
<td>5,466</td>
<td>4,650</td>
<td>26,293</td>
</tr>
<tr>
<td>Rent and utilities</td>
<td>14,947</td>
<td>10,991</td>
<td>7,034</td>
<td>10,992</td>
<td>43,964</td>
</tr>
<tr>
<td>Marketing and advertising</td>
<td>3,564</td>
<td>17,469</td>
<td>5,159</td>
<td>23,803</td>
<td>49,995</td>
</tr>
<tr>
<td>Website design and expense</td>
<td>26,346</td>
<td>260</td>
<td>8,805</td>
<td>200</td>
<td>35,611</td>
</tr>
<tr>
<td>Membership expenses</td>
<td>—</td>
<td>15,616</td>
<td>15,616</td>
<td>—</td>
<td>31,232</td>
</tr>
<tr>
<td>New development</td>
<td>—</td>
<td>8,039</td>
<td>2,987</td>
<td>—</td>
<td>11,026</td>
</tr>
<tr>
<td>Promotional items purchased</td>
<td>—</td>
<td>5,014</td>
<td>—</td>
<td>—</td>
<td>5,014</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>—</td>
<td>12,992</td>
<td>4,990</td>
<td>12,269</td>
<td>30,251</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,353</td>
<td>2,553</td>
<td>1,610</td>
<td>11,768</td>
<td>20,284</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$2,053,720</td>
<td>$314,603</td>
<td>$196,402</td>
<td>$336,267</td>
<td>$2,900,992</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
STATMENTS OF CASH FLOWS

For the Years Ended December 31, 2003 and 2002

CASH FLOWS FROM OPERATING ACTIVITIES
Increase (decrease) in net assets $321,339 $480,016

Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:
- Depreciation and amortization 19,346 30,251
- Net unrealized and realized investment (gains) losses (339,585) 349,348
- Non-cash contribution of securities (12,317) (10,209)
- In-kind donation of furniture and equipment - AKC (64,564) —
- Retirement of furniture and equipment 20,837 —

Changes in assets and liabilities:
- Dividends and interest receivable 9,991 4,363
- Contributions receivable 101,123 (64,334)
- Prepaid expenses (1,758) (980)
- Accounts payable (15,769) 79,076
- Grants payable 351,074 307,063
- Charitable remainder annuity trust receivable (3,104) (2,982)
- Deferred contribution income (23,150) (18,184)
- Amount due to broker (9,950) 9,950

Total adjustments 32,174 683,362

NET CASH PROVIDED BY OPERATING ACTIVITIES 353,513 203,346

CASH FLOWS FROM INVESTING ACTIVITIES
- Purchase of investments (1,728,265) (1,767,850)
- Proceeds from sale of investments 1,495,731 1,672,615
- Purchase of furniture and equipment (8,232) (10,686)

NET CASH USED IN INVESTING ACTIVITIES (240,766) (105,921)

INCREASE IN CASH AND CASH EQUIVALENTS 112,747 97,425
CASH AND CASH EQUIVALENTS - BEGINNING 966,590 869,165
CASH AND CASH EQUIVALENTS - ENDING $1,079,337 $966,590

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION
Cash paid during the year:
- Interest $— $—
- Income taxes $— $—

The accompanying notes are an integral part of the financial statements.
NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS
The American Kennel Club Canine Health Foundation, Inc. (the "Foundation"), established February 21, 1995, is a not-for-profit organization (exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code) formed for the purpose of furthering the advancement of knowledge of canine diseases and health care by clinical study, laboratory research and publication.

BASIS OF ACCOUNTING
The financial statements of the Foundation have been prepared on the accrual basis of accounting.

ESTIMATES
In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK
The Foundation places its cash and cash equivalents with high-credit quality institutions. At times these balances may be in excess of the FDIC insurance limit. Cash and investments in money market funds and shares of registered investment companies are uninsured.

CASH AND CASH EQUIVALENTS
The Foundation considers demand deposits and all highly liquid investments with a maturity of three months or less when purchased as cash and cash equivalents for the purpose of the Statements of Cash Flows.

INVESTMENTS
Investments in mutual funds, commercial paper, marketable equity securities, and U.S. government obligations are stated at fair market value with both realized and unrealized gains and losses recognized in the Statements of Activities and Changes in Net Assets.

CHARITABLE REMAINder ANNUITY TRUST
The Foundation is a beneficiary under a charitable remainder annuity trust agreement under which the donor is entitled to annuity payments for the remainder of his life. Upon the donor's death, the assets in the trust will revert to the Foundation. The Foundation has reflected a receivable in the amount of $78,499 and $75,395 at December 31, 2003 and 2002, respectively, in its Statements of Financial Position, representing the present value of the future benefits to be received by the Foundation.

CONTRIBUTIONS
The Foundation recognizes contributions received, including all unconditional promises to give, as revenues when the conditions on which they depend are substantially met. Temporarily restricted support is recorded as unrestricted support if the restriction is met in the same period as the support is received. The Board of Directors has predicated funding for certain grants on receiving a stipulated amount of donor support. Pledges received on these grants are considered conditional pledges and are not included in revenue until the required donor support level has been obtained. As of December 31, 2003 and 2002, there was $-0- of conditional pledges made on grants not meeting the required donor support level.

Cash contributions received on these grants are shown on the Statements of Financial Position as Deferred Contribution Income. Any grant cancellations approved by the Board of Directors are recognized at the time of approval.

Any grant cancellations approved by the Board of Directors are recognized at the time of approval. The Board of Directors has predicated funding for certain grants on receiving a stipulated amount of donor support. These grants are considered incurred and charged to expense when the donor support level has been obtained. As of December 31, 2003 and 2002 there were $5,0- and $373,317, respectively, of proposed grants not meeting the required donor support level.

NET ASSETS
Unrestricted net assets include contributions and investment income that will be used to fund canine research and educational programs designated by the Board of Directors. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Foundation in perpetuity. Investment income from permanently restricted net assets is unrestricted.

ADVERTISING COSTS
The cost of advertising is expensed as incurred.

MEMBERSHIP EXPENSES
All costs related to acquiring new members are expensed as incurred.

FUNCTIONAL ALLOCATION OF EXPENSES
The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities and the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

FUNCTIONAL ALLOCATION OF EXPENSES
The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities and the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

MEMBERSHIP EXPENSES
The costs of acquiring new members are expensed as incurred.
NOTE 2 - INVESTMENTS
Investments in mutual funds, commercial paper, marketable equity securities and U.S. government obligations with readily determinable fair values are reported at their fair values in the Statements of Financial Position.
Investments are comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds</td>
<td>$1,959,960</td>
<td>$991,867</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>245,969</td>
<td>310,215</td>
</tr>
<tr>
<td>Marketable equity securities</td>
<td>245,131</td>
<td>332,554</td>
</tr>
<tr>
<td>U.S. government obligations</td>
<td>677,347</td>
<td>1,324,022</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>424,472</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>9,785</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,552,879</strong></td>
<td><strong>$2,968,443</strong></td>
</tr>
</tbody>
</table>

NOTE 3 - FURNITURE, FIXTURES AND EQUIPMENT
Furniture, fixtures and equipment consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>$92,171</td>
<td>$134,454</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(15,381)</td>
<td>(90,277)</td>
</tr>
<tr>
<td><strong>Furniture, fixtures and equipment, net</strong></td>
<td><strong>$76,790</strong></td>
<td><strong>$44,177</strong></td>
</tr>
</tbody>
</table>

Pursuant to the Foundation’s relocation to the American Kennel Club’s North Carolina operations center in June 2003, the Foundation retired fixtures and equipment totaling $115,080 with an accumulated depreciation of $94,243. In 2003, the American Kennel Club also donated $64,564 worth of furniture, fixtures and facility improvements to the Foundation.

NOTE 4 - GRANTS PAYABLE
Grants payable are scheduled to be disbursed as follows:

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,590,470</td>
<td>856,348</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,446,818</strong></td>
<td></td>
</tr>
</tbody>
</table>

NOTE 5 - LINE OF CREDIT
The Foundation established a $250,000 unsecured line of credit with a commercial bank in September 2003. Interest expense on the line of credit is the bank’s prime rate plus three-quarter percent per annum (4.75% at December 31, 2003). There were no advances made on the line of credit.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific canine research</td>
<td>$2,187,634</td>
<td>$1,947,638</td>
</tr>
<tr>
<td>Annuity trust agreement (for future periods)</td>
<td>78,499</td>
<td>75,395</td>
</tr>
<tr>
<td><strong>Total temporarily restricted net assets</strong></td>
<td><strong>$2,266,133</strong></td>
<td><strong>$2,023,033</strong></td>
</tr>
</tbody>
</table>

Temporarily restricted net assets were released for research related to the study of specific diseases.

NOTE 7 - LEASES
The Foundation leased office space under an operating lease agreement which was scheduled to expire in May 2004. In September 2003, a $20,000 buyout of this lease was agreed to between CHF and the landlord. The buyout of the lease agreement is included in the relocation category on the financial statements. The Foundation also leases certain office equipment under an operating lease agreement which expires in September 2004.

The minimum future rent payable for this operating lease is $4,743.

NOTE 8 - RELATED PARTY TRANSACTIONS
During 2003, the American Kennel Club, Inc., (“the Club”) contributed to the Foundation funds totaling $1,140,000 consisting of a general contribution of $800,000, administrative support of $220,000, relocation support of $70,000 and $50,000 for the 2003 National Parent Club Canine Health Conference.

During 2002, the American Kennel Club, Inc., (“the Club”) contributed funds totaling $1,136,200 consisting of a general contribution of $700,000, administrative support of $333,700 and $102,500 for Search and Rescue research.

The Foundation relocated its offices to the American Kennel Club’s operation center in Raleigh, North Carolina in June of 2003. In addition to the free use of office space, the AKC also made improvements to the office space, provided administrative support services and donated equipment to the Foundation. The total estimated value of these donated items was $106,639.

The Foundation’s employees are covered under the Club’s medical and pension plans as a related organization. The defined benefit pension plan, administered by the Club, is currently overfunded and therefore no pension expense is recorded in the accompanying Statements of Activities.

NOTE 9 - CONTINGENCIES
The Foundation has received a claim for damages pursuant to a lawsuit initiated in June 2003. Management does not believe this matter will ultimately have a material adverse effect upon the financial condition of the Foundation and has not provided for this claim in the accompanying financial statements.
MISSION
The mission of the AKC Canine Health Foundation is to develop significant resources for basic and applied health programs with emphasis on canine genetics to improve the quality of life for dogs and their owners.

GOALS
The AKC Canine Health Foundation will achieve the following goals:

- To help dogs live longer, healthier lives.
- To respect the dedication and interest of dog clubs, breeders and owners in health and continuously seek ways to involve them in the work of the Foundation.
- To identify health issues of concern to dog breeders and owners.
- To identify and sponsor research and education programs, with particular emphasis on canine genetics, that:
  Meet the highest scientific and educational standards;
  Have the greatest potential for advancing the health of dogs;
  Have expectations for producing materials and applications that are reasonable and affordable for breeders and owners.
- To seek ways to integrate the observations and knowledge of dog owners, breeders and veterinarians and other scientists for the purpose of advancing the health of dogs.
- To responsibly monitor grantees and make the results of their work available for public use through publication in scientific journals, and through sharing and dissemination of information and education with dog owners, breeders and veterinarians.
- To raise endowment funds for the Foundation’s programmatic purposes, and to invest these funds for both growth of principal and income adequate to advance the Foundation’s purpose.

THANK YOU
The AKC Canine Health Foundation would like to acknowledge the support and dedication of those who attended various fundraising events throughout 2003. When people come together for a cause such as canine health, the small contributions of many make a definite difference and greatly further the mission of the Foundation. We appreciate the individuals whose presence enhanced our events, and whose enthusiasm helped to make each one a success. This special thanks goes to everyone who has sat down to a dinner, taken to the dance floor, held up a hand for an auction item, bought a raffle ticket, or engaged in conversation with another guest to talk about the dogs we love.
remember,

the more you give,

the more we can do