Therefore to this dog will I, tenderly not scornfully, render praise and favor.

— Elizabeth Barrett Browning
Much has happened since the sequencing of the canine genome in 2005. Researchers have begun using the genome sequence map to look for genetic markers of canine diseases in specific breeds. This is the first step toward developing tests to help owners and breeders determine which dogs carry a mutant gene. The goal, of course, is to eliminate genes for specific diseases from the general population through selective breeding.

Our crystal ball tells us we have a major contribution to make in not only eliminating disease from a significant percentage of the canine population, but, given the similarity between the canine genome and the human genome, we can see our work on canine genetics helping find cures for human diseases as well.

So what progress did the AKC Canine Health Foundation make in 2006? Just turn the page and you’ll find out!
<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter from President</td>
<td>1</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>2</td>
</tr>
<tr>
<td>Touching Lives</td>
<td>3-7</td>
</tr>
<tr>
<td>Global Involvement</td>
<td>8-9</td>
</tr>
<tr>
<td>CHIC</td>
<td>11</td>
</tr>
<tr>
<td>Goals</td>
<td>12</td>
</tr>
<tr>
<td>Donors</td>
<td>13</td>
</tr>
<tr>
<td>Honor Roll of Donors</td>
<td>14-19</td>
</tr>
<tr>
<td>Founders Society</td>
<td>20-21</td>
</tr>
<tr>
<td>Heritage Society</td>
<td>22</td>
</tr>
<tr>
<td>Staff</td>
<td>23-25</td>
</tr>
<tr>
<td>Year in Review</td>
<td>26-29</td>
</tr>
<tr>
<td>Grants &amp; Awards</td>
<td>30-31</td>
</tr>
<tr>
<td>Mission Statement</td>
<td>32</td>
</tr>
<tr>
<td>Financials</td>
<td>33-43</td>
</tr>
</tbody>
</table>
Dear Friends of the American Kennel Club Canine Health Foundation:

In this, my second year as President, we have delivered on the promises we made to you last year. 2006 was a remarkable period of discoveries and new initiatives for the Foundation – all benefiting our canine and human neighbors. We saw enormous gains in canine genetics, cancer discoveries, and the correlation between our canine companions and indeed, their owners.

The Foundation continues to be fiscally responsible and accountable. Our Grants Committee, Chaired by Dr. Duane Butherus, continues to be the envy of other organizations. Through careful consideration and with the advice and review of renowned scientists the world over, the Foundation awarded over $2.2 million in funds to investigators around the globe. We're proud to maintain our tradition of excellence and distinction.

The Canine Health Foundation continues its practice of stewardship and service to our donors. The organization was again recognized by the independent ratings group, Charity Navigator, as a 4-Star nonprofit. Considered the “gold standard” in evaluating foundations, Charity Navigator distinguishes organizations for their transparency and precision in their financial reporting and we continue to garner high praise from the organization.

True to our mission of recognizing exceptional researchers and their methodologies, a major initiative for our Board in 2007 is the Canine Comparative Oncology & Genomics Consortium (CCOGC). Proposed by researchers at several leading universities and backed by the National Institutes of Health, this initiative will prove to become an integral component in the fight against canine cancers. A tissue repository that will soon boast 3,000 samples of canine cancers from osteosarcoma to melanoma, CCOGC was generously supported by CHF to the tune of $250,000. Matched by our good friends at Morris Animal Foundation, to date, our alliance has secured over $1.6 million of the requested $2.2 million. Be on the lookout for more information regarding this important project.

Within this report, you’ll read about truly amazing discoveries and how they relate to human research. “Translational medicine” is the term given to the connection between research innovations in various species. The canine model is so closely related to the human model it’s uncanny. Not only do we share our homes with our dogs, we share our genetic makeup with them, so it’s appropriate that research tends to overlap leading to faster advances and more definitive therapies in both.

While 2006 was a phenomenal year in the growth and development of our Foundation, 2007 will be yet another banner year. We continue our proud alliances with the American Kennel Club and Nestlé Purina PetCare Company and thank them as always for their charitable support. We also thank the clubs who contribute, the volunteers who give so graciously of their time, and our individual donors for your continued confidence. We will maintain our upward climb and will remain a responsible nonprofit. I can assure you my fellow Directors and I will continue our due diligence and will sustain our efforts in the manner you expect – we owe it to our four-legged best friends and those who care for them.

Wayne E. Ferguson, President
2006 Board of Directors

From left to right

Row 1:
Wayne E. Ferguson,* PRESIDENT
Cindy Vogels, 1ST VICE PRESIDENT
Catherine Bell,* 2ND VICE PRESIDENT
Lee Arnold*, SECRETARY

Row 2:
Stuart Eckmann, TREASURER
Pamela Stephens Buckles
A. Duane Butherus, PhD
Anthony D. DiNardo, DMD

Row 3:
Howard Falberg*
Thomas A. Grabe
Susan LaCroix Hamil*
Mary Edwards Hayes

Row 4:
JoAnn Kusumoto
The Honorable Iris Cornelia Love, PhD*
Karen Mays
Thomas L. Millner

Row 5:
Andrew Gene Mills
Steve T. Remspecher
Nina Schaefer
Howard Spey, MD

Row 6:
Melanie S. Steele
John A. Studebaker*
William C. Truesdale, DVM

* Indicates persons who have served on the board since 1996.
Ten years ago the Canine Health Foundation had just finished its first grants. Among the grants awarded that year was the modest sum of $40,000 for Active Grant No. 1268. Little did anyone know that a short 10 years later, with the completion of the canine genome sequence, the results of the research started under Grant No. 1268, *A Genetic Map of the Canine Genome*, would revolutionize the world of canine health.
Alex is a Golden Retriever who, two years ago, lost a leg to cancer but is still living a full and happy life. Two people care deeply about her continued good health, but for somewhat different reasons. When Alex’s illness was diagnosed as osteosarcoma, an often fatal bone cancer in Goldens, her owner, Kevin Darling, had a decision to make. If he did nothing, Alex would most probably die in a few weeks. But the treatment option was costly (amputation and chemo), and no one could guarantee that treatment would leave Alex in any better condition than she was at the time of the diagnosis.

Darling’s next step was to contact Dr. Jaime Modiano at the University of Colorado. Modiano’s research team is part of a network of researchers around the world working to isolate genetic markers for canine cancers. He described some of the basic research he was doing and suggested Darling contact a specialist in Detroit for an evaluation of Alex’s condition. In Detroit, Darling learned that as a result of recent research into bone cancer, scientists can now predict with some certainty that 50% of dogs with this cancer in a limb survive 10-12 months after treatment; and have an additional 10-30% chance of surviving for 2 years. That was enough of a guarantee for Darling, and he went ahead with the treatment.

But the story doesn’t end there. Darling sent samples of Alex’s tissue and blood to Modiano’s lab as part of an ongoing study looking for genetic markers for cancer in dogs. If anything in Alex’s genetic map could help unravel the mystery behind canine cancers, Darling wanted to do his part. And, as Modiano is quick to point out, researchers hope to find ways to not only find and treat canine cancers, but to link the fairly homogeneous genetic markers in dogs to the more complex genetic markers found in humans, thereby accelerating the development of new therapies for human cancers.

And where does the AKC Canine Health Foundation fit into this picture? “We could not have accomplished what we have without the support of the Canine Health Foundation!” says Dr. Modiano. “They were key to our getting our first grant for this research and will be critically important as we begin looking for viable treatments in the future.” Both Kevin Darling and Dr. Modiano agree that this is Alex’s real legacy to us all.
The Man in the Middle

Dr. Richard Vulliet is a man caught in the middle. And that’s a good thing for dog owners. Vulliet believes, like many of his colleagues, that the future of canine medicine lies in finding markers for genetic mutations that predispose dogs to various diseases and using those markers to help breeders identify and eliminate the problem gene from future dog populations. Researchers like Vulliet are moving forward with new and innovative therapies that, although they might seem somewhat conventional when compared to those used by their genetic brethren, nevertheless offer hope for dogs that would otherwise have no future.

Let’s take dilated cardiomyopathy (DCM), a degenerative heart disease found in both dogs and humans. Says Vulliet, “If you or I had DCM, we’d put our names on a heart transplant donors’ list and wait for a new heart. If we were lucky enough to find a donor, we, or our insurance company, would shell out $400,000 for the procedure. For today’s dog population, there is, unfortunately, only one option: euthanasia.” But Vulliet and his team of researchers at UC Davis are looking for other options. For example, they will soon begin injecting adult canine stem cells harvested from healthy bone marrow into the coronary arteries of dogs with DCM. The theory is that these particular stem cells, which researchers consider “plastic” in nature, can change their composition to match that of the host cell environment and will strengthen existing heart cells in an effort to ward off the disease. It’s early, but Vulliet is hopeful.

And Vulliet’s research may have some carryover into gene-based research down the road. Says Vulliet, “Instead of using stem cells to affect the composition of a particular type of tissue, stem cells can be used to deliver corrected copies of malignant genes in order to correct genetic defects.” Dr. Vulliet is currently doing pilot studies to test this use in cats. But it’s early yet. Vulliet applauds the efforts of the CHF in being able to target limited resources to support projects that will have the maximum effect on canine health, utilizing a variety of methods to detect and treat the disease in question. For Vulliet, CHF’s help with the genome sequencing project is a case in point. But Vulliet is still content to help dogs in the here and now, even if it’s by doing it the old fashioned way — one dog at a time.

Terminology

**Gene:**
The fundamental physical and functional unit of heredity that carries information from one generation to the next and is found in a particular sequence in the chromosome structure of plants and animals, for example, the gene that gives Golden Retrievers their characteristic color.

**Genome Sequence:**
The map of all genes within a single chromosome of a particular species, for example, the genetic map of the dog, the human, the monkey, etc.

**Genetic Marker:**
A location of a particular gene within the chromosome and associated with a particular trait, for example, the genetic mutation of a gene that could trigger osteosarcoma in a certain breed of dog.

**Translational Research:**
Using the results of medical research from one species of animal to better understand related medical problems in another species, for example, using the results of canine therapy studies to develop similar therapies for human diseases, and vice versa.
Dr. Mark Oyama is a man with a mission. He’s looking for a genetic marker for Degenerative Mitral Valve Disease (DMVD), the most common heart disease in dogs. And he doesn’t know where to look…at least not just yet. But he and his fellow researchers at University of Pennsylvania have narrowed down the list of possibilities considerably. How considerably? Out of a universe of 23,000 genes, they have identified 10 to 12 suspicious looking genes.

Now, you might think that analyzing 23,000 different genes to find the specific gene that causes DMVD could take some time. Not so, says Oyama. Today, using a new technology called microarray analysis, researchers can perform genetic profiling on tens of thousands of genes, all at the same time. Of course, they have to know which genes to focus on in the first place. Fortunately, last year’s sequencing of the canine genome gave researchers the detailed genetic map they needed to take advantage of microarray analysis.

What is the next step for Oyama? In the case of DMVD, it’s to find which genes actually indicate a predisposition for the disease. Once identified, researchers can develop a test breeders can use to identify dogs that have a high predisposition for disease and work to eliminate it from the breed. Oyama is also working with researchers studying the human forms of DMVD that might be applicable to dogs. Called “translational research,” it takes advantage of the 5- to 15-year head start human researchers have because of the additional resources dedicated to disease research in humans.

“The Canine Health Foundation,” says Oyama, “has been a tremendous asset in not only providing funding for health-related studies, but for being willing to address a broad range of canine health issues.” This is one of the primary reasons he likes working with the Canine Health Foundation. “CHF is very proactive in supporting cutting edge research,” says Oyama, “and is always looking for advances in canine health that will close the gap between canine and human health research.”
All cancers have a genetic component. But not all dogs (or humans) with a particular mutant gene will get cancer. Environmental factors, such as exposure to pesticides, contaminated drinking water, or air pollution, play a role in whether a dog or human actually develops the disease. In fact, there is only one tumor in dogs where just the presence of a specific mutant gene invariably leads to cancer. All other canine cancers result from the interplay of both genetic and environmental factors.

The challenge is that dogs and humans are made up of cells that by their very nature are continually dividing. And as they divide, mutant cells can appear that become malignant. The challenge facing cancer researchers today is to be able to quickly identify genetic markers for particular cancers and work to reduce the frequency of those genes in the at-risk population. The second challenge is to develop therapies to improve the treatment of existing cancers. The third challenge, and probably the toughest nut to crack, is the identification of the environmental variables that can trigger particular cancers.

Fortunately, because of the close similarity between the canine and human genomes, and the homogeneity of the dog genome compared to the genome of their more heterogeneous human companions, canine researchers may be able significantly advance human cancer research in the near future. Where it might require thousands of human test subjects and the computing power of the state of New York to work through all the human variables to find the disease marker for a particular kind of human cancer, similar research in canines might require 100 dogs and a desktop PC. Not only could canine research help change the face of human cancer research, it could be our saving grace.
FIGHT AGAINST CANINE EYE DISEASE GOES GLOBAL

In 2006, scientists at Cambridge University Veterinary School and Animal Health Trust conducted research to identify the genetic mutation responsible for primary lens luxation (PLL). PLL is a painful, debilitating, and often blinding disease in which the lens of the eye separates from its foundation and moves within the eye. This causes secondary eye damage and often results in glaucoma. Researchers believe it is caused by an inherited mutant gene; scientists hope to identify this gene in order to develop a diagnostic test to isolate it. Gene mapping in Miniature Bull Terriers and Ormskirk Terriers has moved researchers closer to their goal of finding the faulty gene, but to speed up test development, researchers are now looking to sample a wider range of breeds affected by PLL.

INTERNATIONAL SUPPORT FOR CANINE HEALTH INITIATIVES

2006 saw the addition of several international donors to the Canine Health Foundation’s research initiatives. Determined to find the cause of familial renal disease in the Norwegian Elkhound, members of a Scandinavian breed club contributed money to support recently funded research at the University of Utrecht in the Netherlands. Donations were made in support of the CHF canine cancer research initiatives from donors in Italy as well – truly showing the worldwide impact the Canine Health Foundation is having on the search for cures of diseases in dogs.
ARGENTINA:
Grant 730-A: Effect of the Aromatase Inhibitor, Anastrazole, on Benign Prostatic Hyperplasia

AUSTRALIA:
University of New South Wales
Grant 438AT: Progressive Retinal Atrophy - Collection of Baseline Data for the Australian Cattle Dog Project 2020

CANADA:
University of Guelph, Ontario
Grant 683-A: Evaluation of Laboratory Methods to Improve Characterization of Dogs With von Willebrand Disease
University of Montreal, Quebec
Grant 366: Molecular Control of COX-2 Expression and Regulation of Prostaglandin Transport in Canine Mammary Tumors
Grant 2222: Molecular Control of Prostaglandin Synthesis in Canine Mammary Tumors
University of Saskatchewan
Grant 326-A: Coat Color and Eye Disease - Microphthalmia, Merle and MITF in Dogs

ENGLAND:
Animal Health Trust
Grant 571-A: Identification of Canine Microsatellites Associated with Genes Known to Cause Progressive Retinal Atrophy in Dogs and Retinitis Pigmentosa in Humans
Grant 578-A: Optimisation of a DNA Test for the Deletion Mutation in MURR1 Causing Copper Toxicosis in Bedlington Terriers
Grant 582-A: Identification of Canine Microsatellites Associated with Genes Known to Cause Inherited Cataract Conditions in Humans
Grant 664-A: Exploration of Alternative Sampling Techniques for Canine Cancers
Royal Veterinary College
Grant 653-A: Canine Idiopathic Familial Epilepsies are Associated with Ion Channel Mutations
University of Cambridge
Grant 567-A: Mapping the Genetic Lesion of Primary Lens Luxation in Lancashire Heelers, Miniature Bull Terriers and Other Terrier Breeds
University of Liverpool
Grant 718-A: Ras Mutations in Canine Lymphoid and Myeloid Leukemias
University of Manchester
Grant 859-A: Canine Immune-Mediated Hemolytic Anemia
Grant 871-A: Canine Anal Furunculosis
Grant 876-A: A Whole Genome Screen on Rhodesian Ridgebacks With Thyroglobulin Antibody Positive Hypothyroid Disease
Grant 877-A: Collection of A Second Cohort of Hypothyroid Dogs

FRANCE:
CNRS: University of Rennes
Grant 212: Development of a New Resource for Positional Cloning of Hip Dysplasia Genes: A High Density SNP Map of Canine Chromosome One
Grant 336: Mapping of the Gene for Malignant Histiocytosis in the Bernese Mountain Dog
Grant 1808: An Integrated Linkage and Radiation Hybrid Map of the Dog: A Collaborative Project
Grant 2215: A BAC Map of the Canine Genome

GERMANY:
Georg – August – University of Goettingen
Grant 577-A: Investigation into the Genetic Mutation that Causes Sebaceous Adenitis (SA) Disease
University of Kassel
Grant 772-A: Autoimmune Disease Susceptibility in Dogs: Evaluation of Fcy-receptor Candidate Genes for (Auto-) Immune Mediated Anemia and Thrombocytopenia

THE NETHERLANDS:
University of Utrecht
Grant 386: Development of a DNA Linkage Test for Familial Renal Disease
Grant 580: Patellar Luxation in Dogs: A Molecular Approach
Grant 687-A: Fluorescence-Activated Cell Sorting of Canine Pituitary Corticotroph Cells for Subsequent Microarray Analysis

SCOTLAND:
University of Edinburgh
Grant 595: The Development of a Cellular Delivery System for RNA Interference Targeted to Canine Tumors
Grant 806-A: Alteration in Protein Expression in Canine Myxomatous Mitral Valve Disease
Grant 2401: Characterization of the Clinical Features of Idiopathic Pulmonary Fibrosis in the West Highland White Terrier

SWITZERLAND:
University of Bern
Grant 803-A: Toll-Like Receptors in Dogs And Their Role in Intestinal Inflammation
Grant 812-A: Investigation of the Canine Cathepsin L Gene (CTSL) as a Candidate for Alopecia X in Keeshonden and Pomeranians
OUR FOUNDER
It has been 12 years since the American Kennel Club (AKC) decided to build a healthier future for dogs. The founding of the Canine Health Foundation was a major milestone in the fight against devastating canine diseases. Having contributed more than $15 million toward canine research, AKC’s commitment and financial leadership in the battle to overcome canine diseases has led to extraordinary advances in research that benefit both canines and humans.

Integral to the combined efforts of these two organizations is educating the public about advances in canine genetic research and how breeders can raise healthier dogs. The extremely successful Breeder’s Symposia, jointly sponsored by AKC and CHF, offers cutting-edge seminars that encourage responsible breeding. AKC’s continuing dedication to canine health is evident by their significant monetary contributions, in-kind donations, and gifts of services. We continue to extend our sincere appreciation to our extraordinary founders.

To learn more about the AKC, go to www.akc.org.

NESTLÉ PURINA PETCARE COMPANY
Purina continues to show unwavering loyalty to the advancement of canine health. Nestlé Purina PetCare Company supports canine health research by donating to AKC Canine Health Foundation each time Purina Pro Club members submit weight circles from eligible dog food bags under the Purina Parent Club Partnership Program (PPCPP). Wildly successful, PPCPP contributed $189,063 in 2005 and $242,000 in 2006 to Donor Advised Funds for breed-specific health research. Since our alliance began, Purina has contributed in excess of $3 million to the Canine Health Foundation, benefiting genome mapping, Canine Cancer Initiatives, Search and Rescue Dog Studies, and other research programs. In addition, Purina sponsors CHF’s premier educational event, the biennial National Parent Club Canine Health Conference.

To learn about Nestlé Purina PetCare Company, go to www.proplan.com.
The Canine Health Information Center (CHIC) is a centralized database jointly sponsored by the AKC Canine Health Foundation and the Orthopedic Foundation for Animals. The CHIC database collects health-related information from multiple sources and encourages the testing, recording, and evaluation of information to build health awareness among the databank’s various users. Since the program began in 2001, more than 30,000 dogs have been entered into the database.

The objectives of the CHIC program are:

• To work with parent clubs to identify issues that would benefit from a centralized health information system.
• To establish and maintain a centralized databank to support research into canine disease and provide feedback to owners and breeders.
• To establish scientifically valid diagnostic criteria for the gathering of information destined to be part of the database.

Basic to the CHIC philosophy is the understanding that each breed has different health concerns. A key element of CHIC is to tailor its requirements to meet the needs of each breed. These unique requirements are established through input from parent clubs prior to a breed’s entry into the CHIC program. Breed-specific requirements typically consist of the inherited diseases that are of the greatest concern within a breed and for which a screening test is available. Each parent club helps develop specific screening protocols for its particular breed.

CHIC operates as an informed-consent database. All information regarding test results remains confidential unless the owner specifically authorizes release into the public domain. All test information entered into the database is available in aggregate form for research and statistical reporting purposes. CHIC, CHF, and OFA websites make aggregate and public information easily accessible via the Internet. The CHIC website, www.caninehealthinfo.org, contains basic information on the CHIC program and maintains a listing of participating breeds and approved test protocols for each breed. The website has been designed to integrate seamlessly with the OFA website at www.offa.org.
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 purpose, and to invest these funds for both growth of principal and income adequate to advance the Foundation’s purpose.
In 1996, individual and corporate donors gave a total of $447,000 to the Canine Health Foundation. An additional $400,000 in research funds came from the American Kennel Club, for a grand total of $847,000. In 2006, CHF donors gave a total of over $4.7 million and were able to fund more than $2.3 million in research and educational projects.
AKC Canine Health Foundation Honor Roll of Donors 2006
January 1, 2006 through December 31, 2006

DIAMOND BENEFACCTOR
($1,000,000+)

CORPORATION
American Kennel Club
Nestlé Purina PetCare Company

CHAMPION ($50,000 - $99,999)

CORPORATION
American Boxer Charitable Foundation, Inc.
Orthopedic Foundation for Animals, Inc.

MILLENNIUM FOUNDER
($25,000 - $49,999)

LEADERSHIP ($5,000 - $9,999)

CLUB
American Chinese Crested Club, Inc.
Atlantic States Briard Club
Bichon Frise Club of America, Inc.
Chihuahua Club of America, Inc.
Field Spaniel Society of America
International Kennel Club of Chicago, Inc.
Italian Greyhound Club of America, Inc.
Keeshond Club of America, Inc.
Kennon Club of Philadelphia
Piedmont Border Collie Association
Plainfield Kennel Club, Inc.
Siberian Husky Club of America, Inc.
TarTan Gordon Setter Club, Inc.
Tennessee Valley Kennel Club, Inc.
Tualatin Kennel Club, Inc.
Whidbey Island Kennel Club, Inc.
Yorkshire Terrier Club of America, Inc.

SPONSOR ($2,500 - $4,999)

CLUB
American Norfolk Terrier Association
American Shih Tzu Club, Inc.
Belgian Sheepdog Club of America, Inc.
Dobie Rottweiler Foundation of America
Doberman Pinscher Club of America
Epi-K9 Friends
German Shorthaired Pointer Club of America, Inc.
Hendersonville Kennel Club
Kishwaukee Kennel Club, Inc.
Otterhound Club of America
San Joaquin Kennel Club
Seminoles Kennel Club
Staffordshire Terrier Club of America

ASSOCIATE ($1,000 - $2,499)

CLUB
American Bullmantiff Association, Inc.
Irish Wolfhound Club of America, Inc.
Old English Sheepdog Club of America, Inc.
Portuguese Water Dog Club of America, Inc.
Saint Bernard Club of America
Scottish Deerhound Club of America, Inc.
Versatility In Poodles, Inc.

CROSSBREED BENEFACCTOR
($1,000,000+)

CORPORATION
American Kennel Club
Nestlé Purina PetCare Company

CHAMPION ($50,000 - $99,999)

CROSSBREED FOUNDER
($25,000 - $49,999)

CROSSBREED LEADERSHIP ($5,000 - $9,999)

CROSSBREED CLUB
American Chinese Crested Club, Inc.
Atlantic States Briard Club
Bichon Frise Club of America, Inc.
Chihuahua Club of America, Inc.
Field Spaniel Society of America
International Kennel Club of Chicago, Inc.
Italian Greyhound Club of America, Inc.
Keeshond Club of America, Inc.
Kennon Club of Philadelphia
Piedmont Border Collie Association
Plainfield Kennel Club, Inc.
Siberian Husky Club of America, Inc.
TarTan Gordon Setter Club, Inc.
Tennessee Valley Kennel Club, Inc.
Tualatin Kennel Club, Inc.
Whidbey Island Kennel Club, Inc.
Yorkshire Terrier Club of America, Inc.

CROSSBREED SPONSOR ($2,500 - $4,999)

CROSSBREED CLUB
American Norfolk Terrier Association
American Shih Tzu Club, Inc.
Belgian Sheepdog Club of America, Inc.
Dobie Rottweiler Foundation of America
Doberman Pinscher Club of America
Epi-K9 Friends
German Shorthaired Pointer Club of America, Inc.
Hendersonville Kennel Club
Kishwaukee Kennel Club, Inc.
Otterhound Club of America
San Joaquin Kennel Club
Seminoles Kennel Club
Staffordshire Terrier Club of America

CROSSBREED ASSOCIATE ($1,000 - $2,499)

CROSSBREED CLUB
American Bullmantiff Association, Inc.
Irish Wolfhound Club of America, Inc.
Old English Sheepdog Club of America, Inc.
Portuguese Water Dog Club of America, Inc.
Saint Bernard Club of America
Scottish Deerhound Club of America, Inc.
Versatility In Poodles, Inc.

CROSSBREED CROSSBREED
($1,000,000+)

CROSSBREED CORPORATION
American Kennel Club
Nestlé Purina PetCare Company

CROSSBREED CHAMPION
($50,000 - $99,999)

CROSSBREED FOUNDATION
($25,000 - $49,999)

CROSSBREED LEADERSHIP
($5,000 - $9,999)

CROSSBREED SPONSOR
($2,500 - $4,999)

CROSSBREED ASSOCIATE
($1,000 - $2,499)

italic type denotes clubs active in the Purina Parent Club Partnership Program.
italic type denotes clubs active in the Purina Parent Club Partnership Program.
Mr. William Pierce
Ms. Linda Pocurull
Mr. and Mrs. Frank J. Polimneni
Cdr. and Mrs. Thomas C. Poling
Ms. Collette V. Polinski
Ms. Jeri Poller
Mr. Gerald Post
Ms. Rebecca Potosky
Ms. Sharon D. Potter
Ms. Margaret B. Pough
Ms. Jen Prescott-Doming
Ms. Connie Presley
Mrs. Mary W. Price
Mr. Rich Prodan
Mr. Joe Punzalan
Ms. Ethel D. Queen
Ms. Shirley Quillen
Ms. Karen Raduziner
Ms. Bette Raitton
Mr. John C. Ramirez
Mr. and Mrs. Juan Ramirez
Mr. and Mrs. Steve T. Remspecher
Mr. and Mrs. Jerome S. Rubin
Mrs. Jacquelyn J. Rowe
Mr. and Ms. Mike Roukas
Mrs. Lawrence A. Green
Mr. James D. Shaffer
Dr. and Mrs. George D. Sexton
Ms. Mary Selnes
Dr. and Mrs. George D. Sexton
Mr. and Mrs. Robert A. Shade
Mr. and Mrs. Donald Sharfer
Mr. James D. Shaffer
Ms. Carol Shatz
Mr. and Mrs. Lawrence A. Green
Mrs. Abbe Shaw
Mr. and Mrs. Gary Shaw
Mr. John C. Sheahan
Mr. and Mrs. James W. Shelton
Mr. Mark J. Shepherd
Mr. and Mrs. Daniel J. Shoemaker
Mr. John R. Shoemaker
Mr. Robert Shore
Ms. Cathy Sicard
Ms. Debbie Silcox-Enders
Mrs. Andrea Simmers
Ms. Cynthia D. Simonsen
Ms. Nancy Simpson
Ms. Sherry Singleton
Mr. Lee J. Storah
Ms. Marci Smlanich
Ms. Alexis A. Smith
Ms. Nadine M. Smith
Mr. Robert W. Smith
Mr. and Mrs. Wayde Smith
Ms. Elizabeth Sorenson
Ms. Braxann Spencer
Ms. Caren Spital
Mr. Brendan M. Stack
Mr. and Mrs. Theodore P. Stafford
Dr. and Mrs. Robert J. Stanton, Jr.
Mr. Rob Russon
Ms. Linda L. Rutz
Ms. Judith Ryan
Ms. Jeanne Ryall
Ms. Betty Salmon
Mr. and Mrs. William R. Sanders
Ms. Cathy Sands
Mr. and Mrs. Michael Santorelli
Mr. John W. Sappington
Ms. Caryl L. Scaravelli
Mr. Robert Schaefar
Mr. David J. Scheirer
Ms. Anne Schelter
Mr. and Mrs. John Schiavone, Jr.
Ms. Alice B. Schottenstein
Mr. and Mrs. Bernard Schwartz
Mr. and Mrs. John R. Schwartz
Ms. Martha Schwartzmann
Ms. Joan Scott
Ms. Linda B. Seaver
Ms. Nancy J. Selman
Ms. Mary Selnes
Dr. and Mrs. George D. Sexton
Mr. and Mrs. Robert A. Shade
Mr. and Mrs. Donald Sharfer
Mr. James D. Shaffer
Ms. Carol Shatz
Mr. and Mrs. Lawrence A. Green
Mrs. Abbe Shaw
Mr. and Mrs. Gary Shaw
Mr. John C. Sheahan
Mr. and Mrs. James W. Shelton
Mr. Mark J. Shepherd
Mr. and Mrs. Daniel J. Shoemaker
Mr. John R. Shoemaker
Mr. Robert Shore
Ms. Cathy Sicard
Ms. Debbie Silcox-Enders
Mrs. Andrea Simmers
Ms. Cynthia D. Simonsen
Ms. Nancy Simpson
Ms. Sherry Singleton
Mr. Lee J. Storah
Ms. Marci Smlanich
Ms. Alexis A. Smith
Ms. Nadine M. Smith
Mr. Robert W. Smith
Mr. and Mrs. Wayde Smith
Ms. Elizabeth Sorenson
Ms. Braxann Spencer
Ms. Caren Spital
Mr. Brendan M. Stack
Mr. and Mrs. Theodore P. Stafford
Dr. and Mrs. Robert J. Stanton, Jr.
Ms. Elaine Stary
Ms. Kim Staton
Mr. Charles C. Steidel
Mr. and Mrs. Charles A. Steidel
Ms. Lisa Steiner
Dr. Dee Stelmach
Ms. Sandra H. Stemmler
Ms. Frances C. Stephens
Ms. Robin Stewart
Ms. Eva M. Stock
Ms. Nathalie Stone
Mrs. Evie Sullivan
Ms. Jeannine Sullivan
Ms. Katherine L. Sullivan
Ms. Lisa D. Summers
Ms. Dana Summer
Mrs. Laura A. Suter
Mr. Nathaniel Sutter
Ms. Mary Swirles
Ms. Mary Swirls
Ms. Beverly G. Sztaton
Ms. Patricia Tackett
Ms. Erinellie Talon
Mr. and Mrs. John J. Tanis
Mr. Charles Taylor
Mrs. Diane F. Taylor
Mr. and Mrs. Terry W. Temple
Mr. Menahem Thalkar
Mr. and Mrs. Bobby R. Thomas
Mr. and Mrs. Frank Thomas
Ms. Amy Thompson
Ms. Judith Thompson
Ms. Cathy Tigert
Mr. and Mrs. William Tobin
Mr. Noriko Tonomura
Mr. and Mrs. Alfred Treen
Mr. Gary J. Tuchler
Mr. and Mrs. Robert F. Tucker
Ms. Michelle Turek
Mr. Ben L. Turmon
Mrs. Tonya L. Turner
Ms. Julie Turner-Hayes
Mr. L. Emerson Tuttle
Dr. David Vail
Dr. Victor E. Vaili
Mr. and Mrs. Robert D. Van Horne
Ms. Diana Van Sandt
Mr. and Mrs. Frederick Vanacore
Ms. Donna Vartanian
Ms. Dana Vedier
Mr. and Mrs. Leonard A. Venditti
Ms. Elizabeth Verner and
Ms. Elizabeth Chapman
Ms. D. R. Veseling
Ms. Valerie Vessev
Ms. M.E. Vickery
Ms. Marilyn Vinson
Ms. Roseann L. Vorce
Mr. Jeff Walker
Ms. Kim Wallace
Mr. Naor Wallach
Ms. Kathleen Wallen
Ms. M Walsh
Ms. Elizabeth Walton
Mr. and Mrs. Joe C. Walton
Mr. and Mrs. John Ward, III
Mr. and Mrs. Jerald P. Warsaw
Ms. Susan Watts
Ms. Jennifer Wekking
Ms. Hilde Wehmann
Ms. Nelda Weikwert
Ms. Erika A. Werne
Ms. Liz Wertz
Mrs. Patricia A. Weymouth
Ms. Suzie Wheeler
Ms. G. Lynnette White
Ms. Patricia M. White
Ms. Shirley White
Ms. Victoria A. White
Mr. P.J. Whitfield
Mr. and Mrs. Paul B. Whitfield
Dr. Lois Wida
Mr. and Mrs. Robert P. Widden
Mr. Scott Wilcox
Mr. and Mrs. Ronald D. Wiley
Ms. Wendla Wilkinson
Ms. Lydia Willett
Mr. and Mrs. Paul Willhauck
Mr. and Mrs. Knox Williams
Mr. and Mrs. Christopher G. Williams
Mr. and Mrs. Victor P Williams
Mr. Teri Wilson
Ms. Lois Wincel
Mr. Scott Wilcox
Ms. Ruth Winston
Ms. Cheryl A. Winters
Ms. Anya Wittenborg
Ms. Margaret Wolfe
Mr. and Mrs. Sanford G. Woodard
Mr. Ric Wynn
Ms. Christina Yohe
Ms. Barbara York
Ms. Carol Zarmerini
Lt. Col. and Mrs. Michael Zembrzuski
Ms. Maria Zenich
Ms. Elizabeth M. Zimmerman
We are indebted to everyone who has contributed to making this decade such a successful one. The Founders program, begun in 1995, is made up of individuals, clubs, corporations and foundations who contribute $10,000 or more to the Foundation. This giving level is cumulative and recognized in perpetuity. The support of these Founders has been instrumental in our efforts to create a healthier future for dogs.

**DIAMOND BENEFACCTOR**
($1,000,000+*)

**CORPORATIONS**
American Kennel Club
Nestlé Purina PetCare Company

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

**CORPORATIONS**
Iams Company

**FOUNDATIONS**
American Boxer Charitable Foundation, Inc.
Chinese Shar-Pei Charitable Trust
Collie Health Foundation
Flat-Coated Retriever Foundation
Golden Retriever Foundation
Health Trust Fund Scottish Terrier Club of America
Orthopedic Foundation for Animals, Inc.

**INDIVIDUALS**
Anonymous
Mr. and Mrs. John A. Studebaker
Mr. and Mrs. David Vogels
The Estate of Dr. Judith M. Musladin

**CHAMPION** ($50,000 to $99,999)

**CLUBS**
Akita Club of America, Inc.
American Bloodhound Club
American Cavalier King Charles Spaniel Club, Inc.
American Miniature Schnauzer Club, Inc.
American Sealyham Terrier Club
American Shih Tzu Club, Inc.
American Spaniel Club, Inc.
American Shetland Sheepdog Club
American Sealyham Terrier Club
American Spaniel Club, Inc.
Atlantic States Briard Club
American Belgian Tervuren Club
American Sealyham Terrier Club
American Shih Tzu Club, Inc.
American Shih Tzu Club, Inc.
Basset Hound Club of America
Belgian Sheepdog Club
Bull Terrier Club of America
Chihuahua Club of America
Clumber Spaniel Club of America
Columbiana County Kennel Club
Del Valle Dog Club of Livermore
Delaware Water Gap Kennel Club
Durham Kennel Club
Durham Kennel Club

**CORPORATIONS**
Canine Chronicle
Triple Crown Dog Training Academy
Veterinary Pet Insurance Company

**FOUNDATIONS**
American German Shepherd Dog Charitable Foundation, Inc.
American Shetland Sheepdog Association Foundation
Bull Terrier Welfare Foundation
Dalmatian Club of America Foundation, Inc.
English Springer Spaniel Field Trial Assc. Foundation
Geraldine R. Dodge Foundation, Inc.
Rottweiler Health Foundation, Inc.
Soft Coated Wheaten Terrier Club of America Endowment Fund
Westie Foundation of America, Inc.

**INDIVIDUALS**
Anonymous
Mrs. M. L. Bromwell
Mr. and Mrs. Richard W. Denman
Mr. Wayne E. Ferguson
Mr. John E. Hoffman
Mr. Robert L. Kelly
Mr. and Mrs. Richard Metcalf
Mrs. Billie McFadden

**MILLENNIUM FOUNDERS**
($25,000 to $49,999)

**CLUBS**
Agility For A Cause
American Belgian Tervuren Club, Inc.
American Bloodhound Club
American Cavalier King Charles Spaniel Club, Inc.
American Belgian Tervuren Club, Inc.
American Bloodhound Club
American Cavalier King Charles Spaniel Club, Inc.

**CORPORATIONS**
Irish Setter Club of America, Inc.
Irish Wolfhound Club of America, Inc.
Keeshond Club of America, Inc.
National Amateur Retriever Club
Portuguese Water Dog Club of America, Inc.
Pug Dog Club of America, Inc.
Rhodesian Ridgeback Club of the United States, Inc.
San Joaquin Kennel Club
Scottish Deerhound Club of America, Inc.
Tennessee Valley Kennel Club, Inc.
Weimaraner Club of America

**CORPORATIONS**
Independent Charities-Federal Campaign
MB-F, Inc.
Pedigree/Kal Kan Foods, Inc.
Versatility In Poodles, Inc.

**FOUNDATIONS**
AKC Companion Animal Recovery
Basenji Health Endowment, Inc.
Brisgel Family Charitable Foundation
Dog Writer’s Educational Trust
Foundation of the Cairn Terrier Club of America
Laura J. Niles Foundation, Inc.
Poodle Club of America Foundation, Inc.
Samoyed Club of America Education & Research Foundation, Inc.
The Max and Victoria Dreyfus Foundation, Inc.
Weimaraner Foundation Fund

**INDIVIDUALS**
Mr. and Mrs. Sheldon B. Adler
Mr. and Mrs. Andre Buckles
Ms. Anita Carroll
Mr. and Mrs. Alexander F. Draper
Ms. Nancy-Carroll Draper
Mrs. Helen C. Greene
Mr. and Mrs. James H. Higgins
Ms. Rhonda E. Hovan

**FOUNDERS** ($10,000-$24,999)

**CLUBS**
American Bullmastiff Association, Inc.
American Bloodhound Club
American Cavalier King Charles Spaniel Club, Inc.
American Miniature Schnauzer Club, Inc.
American Sealyham Terrier Club
American Shih Tzu Club, Inc.
Atlantic States Briard Club
American Belgian Tervuren Club
Belgian Sheepdog Club
Bull Terrier Club of America
Cairn Terrier Club of America
Chattanooga Kennel Club
Chihuahua Club of America, Inc.
Clumber Spaniel Club of America
Columbiana County Kennel Club
Del Valle Dog Club of Livermore
Delaware Water Gap Kennel Club
Duluth Kennel Club
Durham Kennel Club
English Cocker Spaniel Club of America, Inc.
English Setter Association of America, Inc.
Evansville Kennel Club, Inc.
Finger Lakes Kennel Club, Inc.
Flat-Coated Retriever Society of America, Inc.
Forsyth Kennel Club, Inc.
Fort Worth Kennel Club
German Shepherd Dog Club of America, Inc.
Giant Schnauzer Club of America, Inc.
Golden Gate Kennel Club
Gordon Setter Club of America
Great Dane Club of America, Inc.
Great Pyrenees Club of America, Inc.
Great Pyrenees Club of Puget Sound
Greater Swiss Mountain Dog Club of America, Inc.
Harrisburg Kennel Club, Inc.
Havanese Club of America
Heart of America Kennel Club, Inc.
Irish Water Spaniel Club of America, Inc.
Italian Greyhound Club of America, Inc.
Japanese Chin Club of America
Kennel Club of Philadelphia
Kishwaukee Kennel Club, Inc.
Labrador Retriever Club, Inc.
Ladies Dog Club, Inc.
Lehigh Valley Kennel Club, Inc.
Longview Kelso Kennel Club, Inc.
Mahoning Shenango Kennel Club, Inc.
Mastiff Club of America, Inc.
Medallion Rottweiler Club
National Beagle Club of America, Inc.
National Retriever Club, Inc.
New-Pen-Del Newfoundland Club, Inc.
Norwegian Elkhound Association of America
Old Dominion Kennel Club of Northern Virginia, Inc.
Old English Sheepdog Club of America, Inc.
Papillon Club of America, Inc.
Plainfield Kennel Club
Raleigh Kennel Club, Inc.
Rattail Days/Irish Water Spaniel
Saint Bernard Club of America
Saluki Club of America
Saw Mill River Kennel Club
Siberian Husky Club of America, Inc.
Silver Bay Kennel Club of San Diego, Inc.
Somerset Hills Kennel Club, Inc.
South Windsor Kennel Club
Springfield Kennel Club, Inc.
Staffordshire Terrier Club of America
Standard Schnauzer Club of America
Superstition Kennel Club, Inc.
Tampa Bay Kennel Club, Inc.
Texas Kennel Club, Inc.
Tibetan Terrier Club of America, Inc.
Tualatin Kennel Club, Inc.
Vizsla Club of America, Inc.
Wachusett Kennel Club, Inc.
Welsh Terrier Club of America, Inc.
Whidbey Island Kennel Club, Inc.
Windham County Kennel Club, Inc.

CORPORATIONS
Australian Shepherd Health and Genetics Institute, Inc.
Heska Corporation
Merk AgVet Division
PE AgGen, Inc./PEZooegen
Pharmacia & Upjohn Company Retriever Field Trial News
Robbins-Gioia, LLC
VetGen, LLC

FOUNDATIONS
Bulldog Club of America Charitable Health Fund, Inc.
Health and Rescue Foundation of PBNV Club of America
Irish Setter Club of America Foundation, Inc.
Kenneth A. Scott Charitable Trust
Leonberger Health Foundation
Medallion Rottweiler Health Research Charitable Trust Fund
Portuguese Water Dog Foundation, Inc.
R.E.D. Trust, Gary Danford, Trustee
Vizsla Club of America Welfare Foundation, Inc.

INDIVIDUALS
Ms. Ellison M. Armfield
Mr. and Mrs. Lee Arnold
Mr. and Mrs. Kevin M. Brennan
Mr. Terry Burman and Dr. Bonnie Burman
Ms. K. Carol Carlson
Mr. and Mrs. John M. B. O’Connor
Dr. and Mrs. Anthony D. DiNardo
Dr. and Mrs. C. Richard Dorn
Ms. Melissa Floren
Ms. Pam Goldman
Mr. Walter F. Goodman
Mrs. Jacqueline L. Gottlieb
Dr. John and Mrs. Susan Hamil
Mr. and Mrs. Michael Kaehr
Mrs. Amy L. Kell-Green
Mr. and Mrs. Chris Koenitz
Ms. Patricia W. Laurans
Mr. and Mrs. Richard LeFrak
Mr. and Mrs. Cecil Mann
Dr. and Mrs. Asa Mays
Mr. and Mrs. Richard G. Mercier
Mrs. Barbara Miller
Mr. and Mrs. Paul Newman
Mr. Jeffrey G. Pepper
Mr. Donald Fontenelli and Ms. Ruth Pereira
Ms. Margaret Pratt
Mr. and Mrs. Joseph Sanchez
Mr. and Mrs. Bernard Schwartz
Ms. Margo Sensenbrenner
Mr. and Mrs. Marshall B. Simonds
Dr. Harry Smith
Mr. James W. Smith
Mr. and Mrs. Jackson N. Steele
Dr. Robert Tainsh
Mr. and Mrs. Robert C. Tonnancour
Mr. Timothy Ufkes
Mr. Jerry Wolfe
The Estate of Arthur W. Tupper
The Heritage Society is a unique fellowship of individuals who share a deep concern for the health of dogs and 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 and their pledged contributions represent over $7 million for future generations of dogs.
In 1996, the Canine Health Foundation used its resources to fund 26 research and two educational grants. In 2006, the AKC funded 84 grants, 36 general and educational grants and 48 ACORNs. Significant breakthroughs have been made, and now that the canine genome has been sequenced, the possibilities for both canine and human improved health is exciting!
Deborah (DD) DiLalla is the Executive Director of the AKC Canine Health Foundation. Having spent 20 years in for-profit corporations and in government manufacturing, DD draws on her experience and expertise in the day-to-day management of the financials and operations of the organization. She holds a master of business administration from Kent State University and a bachelor of science from Bowling Green State University, both in Ohio. A member of the Association of Fundraising Professionals and the Society of Human Resource Management, she volunteers her time with local causes. She shares her home with Jett, a 4 year old Shetland Sheepdog, Gino, her husband of 25 years, and their three college age children.

Erika Werne is the Director of Canine Research & Education for the AKC Canine Health Foundation. She has been with the Foundation since 1997, working with scientists and clubs to bring them together on research projects. Erika has the distinction of being the first person hired to manage the grants process and as such has raised nearly $4 million in support of CHF-funded research from clubs, individuals and corporate donors. She is also instrumental in planning conferences for both breeders and the scientific community. She earned her masters in international management from the American Graduate School of International Management (Thunderbird) in Phoenix, Arizona, in 1997. Erika currently shares her home with a Rough Collie, Grady. Erika is a member of the Association of Fundraising Professionals and is a volunteer for The Collie Rescue of the Carolinas and Second Chance Pet Adoptions.

Jeff Sossamon is the AKC Canine Health Foundation Director of Development & Communications. He has over nine years of nonprofit consulting and management experience and has been responsible for raising a combined total in excess of $10 million at various nonprofit agencies. Jeff is responsible for annual fund and major gifts efforts, planned giving, print and media communications, and was instrumental in the strategic planning, preparation, and administration of the Double the Dollars for Dogs Endowment Challenge. The campaign was oversubscribed by 20% and contributed more than $1.6 million to the Foundation’s endowment fund. A member of the Association of Fundraising Professionals, Jeff holds a master of business administration from the University of Phoenix and graduated summa cum laude with a bachelor of arts in English from Queens University of Charlotte. Jeff is a Queens Class Reporter and a member of the Alumni Board of Directors. He is the proud dad of a 5 year old, Grayson, and Logan, a Rough Collie.

Rita Gardner is the Travel and Events Coordinator with CHF. Rita worked as a customer service representative with the AKC and took a later position with Special Services and uses these skills and expertise in her current role. She joined the CHF following its move to Raleigh in 2003. Her major areas of responsibility include assisting in the grants and development areas, accounting and finance, serving as a Board liaison, travel arrangements, and customer service. Rita lives with Pudge, an 8 year old Lhasa Apso and has one grown son, Chris.

Erica Kitchen joined CHF as the new Development Associate in December, 2006. Erica was previously a fundraiser at Planned Parenthood of Central North Carolina and CHRIS Kids in Atlanta, Georgia. Erica holds a masters degree in Women’s Studies from Georgia State University and a bachelors degree in Chemistry from Furman University. Erica shares her home with her husband, Brendan, and a Chocolate Lab, Oliver.

Betty Moore should be a familiar face at CHF, having served as a member of the team when the office was located in Aurora, Ohio. Tired of the cold Northern winters, Betty moved to the warmer climes of Raleigh and now serves as the Executive Administrative Assistant. Betty is the proud mother of two sons and seven grandchildren ranging in ages from five to 17.

Brittany Lloyd made the move from CHF Intern to the Staff in 2006. A junior at North Carolina State University, Brittany is studying to be a veterinarian and serves as the Administrative Assistant to the Canine Research and Education Department. An avid Foxhound breeder, Brittany also serves as a Field Trial Judge on local and regional trials.
Why Give to the AKC Canine Health Foundation?

I’m often asked “why should I support the AKC Canine Health Foundation?” – a question that never ceases to amaze me. My response: “because my dog is counting on you.” Fact is, all our dogs are positively affected by the strides and accomplishments our funded researchers are making each and every day. Now, human researchers are building bridges between canine research and human research as well, so not only are our canine friends benefiting, but we are as well.

Let me explain. There are only five sequenced genomes available worldwide: the mouse, rat, chimpanzee, human, and canine. We can all see the correlation between the chimp and the human, and we’re used to hearing about laboratory mice, but did you know that some diseases don’t occur naturally in mice? Cancer, unfortunately, does occur in dogs. And, since we share our environment and 85% of our genetic makeup with our dogs, it’s a fact that “man’s best friend” truly can become our best friend in the fight against disease. When the Chihuahua who shared my home, Buddy, was diagnosed with cancer and looked up at me with those brown eyes that signaled his days were numbered, I made a vow to help make a difference – and that’s why I give.

In just this past year, we’ve seen great improvements in the fight against all sorts of ailments, most of which are outlined in this Report and on our website. However, this research isn’t cheap. We all serve as fundraisers for CHF – from the Board of Directors to the President’s Council, our staff, and our public at large – we all have a vested interest in helping our dogs “live longer, healthier lives.” There are several initiatives including the Canine Comparative Oncology and Genomics Consortium (CCOGC), a Major Gifts Effort that is launching in 2007, and our Annual Fund where you can help financially as well as through your leadership. We also have some fun along the way through our events, so check the calendar and join us at various functions all over the country. Give back to our friends – they’re counting on us.

Jeff Sossamon
Director of Development and Communications
NEW DNA TEST FOR COPPER TOXICOSIS

Copper toxicosis is a hereditary disease in Bedlington Terriers in which failure of the liver to expel dietary copper leads to a build-up of this highly toxic metal, ultimately leading to illness and death. Two copies of the defective gene, one inherited from each parent, must be present for a dog to display clinical signs of the disease. Dogs with one defective gene and one normal gene do not show clinical signs, but can transmit the defective gene to their offspring. A DNA test for copper toxicosis in Bedlington Terriers is now available, the basic science of which was developed as a diagnostic test at the Animal Health Trust with funding from the AKC Canine Health Foundation. Unlike other tests, DNA testing has the potential to pick out carriers as well as affected dogs so that all dogs bearing the defective gene can be identified and the disease gene eventually eradicated from the population.

HUMAN-CANINE LINK FOUND

In 2006, the AKC Canine Health Foundation announced the results of a study linking Rocky Mountain spotted fever in canines and humans. Until recently, no gene sequence data from a naturally occurring case of Rocky Mountain spotted fever in a dog has been available. Now such a genetic marker has been isolated and compared to the genetic markers in humans for the same disease. Results show that the marker in dogs is genetically identical to the human marker for the same disease. "In addition to enhancing our understanding of the most lethal tick-borne infection of dogs and humans in the United States, the funding from the AKC Canine Health Foundation has allowed me to train a veterinary internist who will continue to make research contributions in human and veterinary medicine in the future," says principal investigator, Edward Breitschwerdt, DVM, a researcher at North Carolina State University.
CLOSING IN ON FANCONI SYNDROME

Canine Fanconi syndrome is an inherited, adult-onset kidney disease common among Basenjis. Using an AKC Canine Health Foundation grant, scientists at the Animal Molecular Genetics Laboratory at the University of Missouri succeeded in mapping the locus for the Fanconi syndrome gene marker. Although investigators do not yet know the exact gene mutation responsible for the disease, they do know in which region of a specific chromosome to look. Researchers will continue to narrow the area of research so they can isolate a few of the likely genes responsible. With the results of this research, scientists hope to find the exact genetic marker for Fanconi syndrome in the near future and develop a test Basenji breeders can use to breed healthier dogs and avoid passing on the traits of this devastating disease to succeeding generations.

MERLE GENE ID MAY HELP HUMANS

In 2006, Dr. Keith Murphy’s lab at Texas A&M University announced the findings of a study identifying the genetic cause of merle coat patterning in dogs. Merle is a coloring pattern observed in the coat of domestic dogs and is characterized by patches of diluted pigment. This trait is inherited, and dogs with the condition exhibit a wide range of auditory and ophthalmologic abnormalities. The findings of this study are significant in that they will help breeders identify dogs with the merle patterning marker. Because the abnormalities in this marker are similar to those observed for the human auditory-pigmentation disorder called Waardenburg syndrome, results of the canine study may lead to the isolation of the genetic marker for Waardenburg syndrome in humans.
GENETIC BREAKTHROUGH FOR STANDARD POODLES

Researchers at the University of Missouri, using an AKC Canine Health Foundation sponsored grant, mapped the disease locus and identified the marker for the gene mutation that causes neonatal encephalopathy in Standard Poodle puppies. Neonatal encephalopathy is a brain disease that becomes apparent soon after puppies are born. Affected pups are often weak, uncoordinated, and in many cases exhibit impaired mental capacity. The disease is inherited, and most affected puppies die shortly after birth. The Missouri researchers also developed a DNA test that can distinguish among normal dogs, dogs that carry the disease, and dogs that will die from neonatal encephalopathy; they have made this test available to Standard Poodle owners and breeders. Researchers are now looking at the impact of this study’s findings on the search for similar genetic markers in humans.

GENETIC MARKER FOUND

Researchers at the American College of Veterinary Internal Medicine identified a genetic marker associated with primary hyperparathyroidism (PHPT) in Keeshonden. PHPT is an inherited disease that causes blood calcium levels to rise abnormally due to the growth of a tumor or abnormal function of one or more of the parathyroid glands. The Keeshond is the breed most affected by PHPT; dogs that test positive for the marker are more likely to develop the disease as they get older, even if they are healthy at the time of testing. Current owners will be able to use the new test to identify dogs that test positive for the marker and work with their veterinarians to diagnose the disease in its earliest stages, before complications occur. Breeders will be able to use the new test to make educated breeding decisions that will eliminate PHPT from the breed in the future. The Keeshond Club of America was a cosponsor of the research that led to this breakthrough.
TWIN GALA EVENTS NET $250,000 IN CONTRIBUTIONS

The Canine Health Foundation held fundraising galas on both coasts in 2006. The Gala on the Gulf, held in January 2006 in Tampa, Fla., treated donors to an elegant dinner and asked them to bid on some exceptional works of art and dog-themed jewelry. All proceeds from the silent and live auctions went to benefit canine health initiatives. The second event, dubbed Gala by the Bay, was held in December 2006 in Long Beach, Calif. Donors bid on spa and travel packages with complimentary tickets awarded for events ranging from Westminster to the Kentucky Derby. “The most astounding thing about the two galas held in 2006,” says CHF President Wayne Ferguson, “is that even with having two of these amazing events held in the same year, our contributors and supporters still donated close to $250,000 in net proceeds. They truly were two evenings to remember.”

CANINE CANCER CONFERENCE HIGHLIGHTS COLLABORATION

The Canine Health Foundation works hard to foster collaboration and dialogue among researchers looking into canine diseases. In 2006, CHF hosted its fourth Genes, Dogs, and Cancer conference in Chicago. Prominent researchers on the cutting edge of cancer research converged on the Windy City to discuss their progress in identifying genetic markers for specific diseases and possible avenues to finding new therapies to combat these diseases. Aided by the recently completed genome sequence (funded in part by CHF), researchers vowed to continue their fight against this dreaded family of diseases.

The Distinguished Lecture entitled Genetic Mapping of Cancer Susceptibility Loci was given by Dr. Elaine Ostrander, a CHF-funded researcher and winner of the 2005 Asa Mays, DVM, Excellence in Canine Health Research award. Focusing on the canine-human connection in cancer research, Ostrander presented findings from her recent work on Bernese Mountain Dogs. Data from her research suggests that multiple genes probably play a role in susceptibility to different cancers, but only one major locus appears to control susceptibility within specific breeds. And, because there is such a restricted breeding pool within “Berners,” this breed lends itself particularly well to research.
**YOUNG CANCER INVESTIGATOR’S AWARDS**

The AKC Canine Health Foundation announced the winners of the Young Cancer Investigator’s Awards at the fourth International Canine Cancer Conference held in Chicago in September 2006. The awards, given in memory of Robert L. Kelly, a founding board member of AKC Canine Health Foundation, included a $500 cash prize and a certificate of merit. Dr. Angela Lamerato-Kozicki of University of Wisconsin-Madison was given an award for her presentation, *Canine Hemangiosarcoma Originates From Hematopoietic Precursors with Potential for Endothelial Differentiation*. Ms. Tanya Gustafson of Texas A&M University was given an award for her poster presentation of *Mechanisms of Silencing the Tumor Suppressor Gene Sim-2 in Breast Cancer*.

**ORTHOPEDIC FOUNDATION FOR ANIMALS GIVEN PRESIDENT’S AWARD**

In 2006, the American Kennel Club Canine Health Foundation presented the President’s Award to the Orthopedic Foundation for Animals. This award is in recognition of its years of support of CHF and its mission to provide significant resources for basic and applied health programs with emphasis on canine genetics to improve the quality of life for dogs and their owners. The President’s Award honors those organizations and individuals who help support CHF’s funding of more than $18 million in canine health research at nearly 70 universities and research institutions in nine countries worldwide. The AKC Canine Health Foundation President Wayne Ferguson commented, “For 40 years, the Orthopedic Foundation for Animals has strived to improve the health and wellbeing of companion animals through a reduction in the incidence of genetic diseases. For 10 of those years, OFA, through its unparalleled generosity, has become a strong supporter of the AKC Canine Health Foundation.”

Since 1995, CHF has contributed over $18 million to support canine health research. This has led to breakthroughs in the areas of neuronal ceroid lipofuscinosis (a progressive degenerative disease affecting the brain and spinal cord in American Bulldogs), juvenile cataracts in Boston Terriers, and copper toxicosis (a disease affecting the liver in Bedlington Terriers). Collaborative projects have led to the sequencing of the canine genome, several breed-specific genetic tests for dogs, and a number of successful gene therapy programs.

**Grants & Awards**

In 2006, the AKC Canine Health Foundation gave more than $2.3 million to support nearly 40 new research initiatives, including research into cancer (osteosarcoma, transitional cell carcinoma, melanoma, soft tissue sarcomas, and lymphoma), atrial fibrillation and dilated cardiomyopathy, male infertility, vaccine-associated allergic reactions, dermatomyositis, degenerative myelopathy, and neurodegenerative disorders. Breed-specific projects included research benefiting Beagles, Bernese Mountain Dogs, Boxers, Doberman Pinschers, Golden Retrievers, Greyhounds, Rottweilers, and others. CHF also sponsored a number of educational programs around the country. Detailed abstracts for all projects can be found on the CHF website, www.akcchf.org.
**CHF AWARDED 4-STAR RATING**

In 2006, the AKC Canine Health Foundation continued its tradition of stewardship as was evidenced by the 2006 4-Star Rating from Charity Navigator - the independent accrediting agency responsible for guiding responsible philanthropy. The nonprofit sector consists of over one and a half million charities with only 1,200 receiving the rating — an award bestowed upon those representing fiscal soundness and responsibility.

“This outstanding rating from an independent agency helps to strengthen the confidence and faith our donors place in the Foundation,” commented Stuart Eckmann, treasurer and vice-chair of the Grants Committee. “Our efforts in keeping costs down while stewarding our donors’ contributions are resulting in more efficient and effective research for our dogs and their owners — indeed, we’re humbled by these accolades and are inspired to continue to make a difference in the lives of those we serve.”

**AKC PET HEALTHCARE WINNER**

It all started as a memorial gift made in the name of a good friend. Little did Cornelia Dettmer know that this simple gesture would lead to a year’s worth of complimentary pet health insurance. Ms. Dettmer, a long-time Chinese Shar Pei and English Foxhound breeder from Manchester, Ohio, is the winner of a 12-month Essential Plan from AKC PetHealthcare. The plan was offered as a special incentive (worth $249) to those giving to the Canine Health Foundation, and Dettmer won the prize drawing.

---

**Robert L. Kelly Eulogized**

In 2006, the AKC Canine Health Foundation mourned the loss of their friend and colleague, Robert L. Kelly. Mr. Kelly, age 81, served tirelessly as the Chair of the Grants Committee and Treasurer of CHF and was instrumental in the founding of the organization.

Thirty years ago Mr. Kelly joined the fancy, competing both in conformation and performance events, including Obedience, Tracking, Field Trials and Earth Dog Trials. He and his wife, June, bred many titled Dachshunds in all areas of competition. The success of their first show dog encouraged them to continue and expand their involvement in the fancy. Mr. Kelly proved the versatility of Dachshunds and his love of dogs was inspired by June’s lifelong love of dogs.

As the Land O’Lakes Kennel Club AKC Delegate, Mr. Kelly wrote the standing rule on Delegate Committees, served on various health and legislation committees, and was instrumental in the establishment of AKC DNA testing – he was later elected as a member of the AKC Board of Directors.

Kelly’s experience and knowledge of the sport was a driving force in the direction and management of the Canine Health Foundation and the success it has enjoyed for more than a decade – one of his primary goals was the funding for the completion of the canine genome sequencing project, a target that was reached in December of 2005.

Robert L. Kelly is listed as the first Millennium Founder of the AKC Canine Health Foundation. Mr. Kelly believed strongly in the financial success of the Foundation and supported its longevity through his leadership and commitment to the recently completed endowment campaign. Under his advisement and ever watchful eye the Foundation continued to mature – and the endowment grew from the AKC’s initial million dollar investment in 1995 to the current four million.
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.
Since its inception, the AKC Canine Health Foundation has diligently and responsibly granted over $18 million in funds for canine health initiatives. The CHF has looked for ways to improve its reach to all corners of the globe – ultimately helping our dogs live longer and healthier lives. As a responsible nonprofit, we strive to present our financials precisely and transparently ultimately becoming the definitive resource for our donors to make sound giving decisions.
The American Kennel Club Canine Health Foundation’s year-end financial “snapshot” shows an increase in total assets, thanks in part to increases in our donor advised funds. Increases in assets alone, though, don’t provide the entire financial picture. Our profiles on two online services, Charity Navigator and Guidestar, provide an objective comparison with other similar foundations. Our four-star rating on Charity Navigator, two years in a row, puts us in the top 12% of all foundations.

Even financial comparisons with other foundations don’t provide the entire picture of what our mission is and what we’re doing to fulfill it. Guidestar recently revised their website to include links to other sites profiling foundation activities. For their inaugural effort, they chose the link to AKCCHF’s recent feature on the National Public Radio website, including both NPR’s web story and the streaming audio of the story they ran.

As a Grants Committee member, I’ve seen this committee operate with a heightened awareness of cost containment and cost benefit analysis issues. We’re at the end of our third year of ACORN grants and currently evaluating their return on our investment. Credit here goes to all the active participants on the grants committee – board members, other volunteers, and staff – who discuss our grant applications regularly and are constantly looking for ways to lower costs, improve outcomes, and better serve the canine community.

The ACORN program evaluates small dollar-amount grant proposals with an extremely fast turnaround time. This program allows researchers the opportunity to generate preliminary data for use in applications for larger amounts to other granting agencies. In a sense, our ACORNs serve as seed money for larger grants. In addition, the ACORNs provide new researchers with an incentive to focus on canine research. The added benefit to all of us is that in addition to potentially developing a new form of treatment or finding a new genetic marker, we are also helping create the next generation of canine health researchers.

Stuart Eckmann
Treasurer, Canine Health Foundation
Independent Auditors’ Report

Board of Directors
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, 2006 and 2005 (as restated) 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 audit.

We conducted our audit 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, 2006 and 2005 (as restated) 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.

Raleigh, North Carolina
February 21, 2007
# Statements of Financial Position

**December 31, 2006 & 2005**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2006</th>
<th>2005 (as Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (Note 1)</td>
<td>$863,720</td>
<td>$662,200</td>
</tr>
<tr>
<td>Investments (Notes 1 and 3)</td>
<td>8,561,622</td>
<td>7,277,736</td>
</tr>
<tr>
<td>Investments - operating reserve (Notes 1, 3 and 7)</td>
<td>—</td>
<td>250,000</td>
</tr>
<tr>
<td>Dividends and interest receivable</td>
<td>14,979</td>
<td>15,661</td>
</tr>
<tr>
<td>Contributions receivable (Note 2)</td>
<td>187,628</td>
<td>109,200</td>
</tr>
<tr>
<td>Other receivables</td>
<td>7,112</td>
<td>—</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment, net of accumulated depreciation of $63,890 and $36,903, at Dec. 31, 2006 and 2005 (Note 1)</td>
<td>81,609</td>
<td>85,002</td>
</tr>
<tr>
<td>Charitable remainder annuity trust receivable (Note 1)</td>
<td>88,598</td>
<td>85,096</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$9,805,268</strong></td>
<td><strong>$8,484,895</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$105,578</td>
<td>$96,216</td>
</tr>
<tr>
<td>Grants payable (Notes 1 and 4)</td>
<td>3,162,597</td>
<td>2,898,361</td>
</tr>
<tr>
<td>Deferred contribution income</td>
<td>—</td>
<td>16,904</td>
</tr>
<tr>
<td>Line of credit (Note 5)</td>
<td>131,623</td>
<td>238,813</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>3,399,798</strong></td>
<td><strong>3,250,294</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted (Notes 1 and 7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>626,381</td>
<td>(319,354)</td>
</tr>
<tr>
<td>Board designated</td>
<td>—</td>
<td>250,000</td>
</tr>
<tr>
<td><strong>TOTAL UNRESTRICTED</strong></td>
<td><strong>626,381</strong></td>
<td><strong>(69,354)</strong></td>
</tr>
<tr>
<td>Temporarily restricted (Notes 1 and 6)</td>
<td>3,020,608</td>
<td>2,591,883</td>
</tr>
<tr>
<td>Permanently restricted (Note 1 and 2)</td>
<td>2,758,481</td>
<td>2,712,072</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>6,405,470</strong></td>
<td><strong>5,234,601</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL LIABILITIES AND NET ASSETS</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$9,805,268</strong></td>
<td><strong>$8,484,895</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
## Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2006

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES AND OTHER SUPPORT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$1,197,132</td>
<td>$1,132,211</td>
<td>$46,409</td>
<td>$2,375,752</td>
</tr>
<tr>
<td>Contributions - American Kennel Club, Inc. (Note 8)</td>
<td>1,000,000</td>
<td>—</td>
<td>—</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>346,538</td>
<td>3,502</td>
<td>—</td>
<td>350,040</td>
</tr>
<tr>
<td>Net unrealized and realized investment income</td>
<td>760,260</td>
<td>—</td>
<td>—</td>
<td>760,260</td>
</tr>
<tr>
<td>Corporate sponsored events and conferences (Note 8)</td>
<td>179,807</td>
<td>—</td>
<td>—</td>
<td>179,807</td>
</tr>
<tr>
<td>Administrative support - American Kennel Club, Inc. (Note 8)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>In-kind donation - American Kennel Club, Inc. (Note 8)</td>
<td>141,534</td>
<td>—</td>
<td>—</td>
<td>141,534</td>
</tr>
<tr>
<td>Royalty income</td>
<td>1,690</td>
<td>—</td>
<td>—</td>
<td>1,690</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>9,297</td>
<td>—</td>
<td>—</td>
<td>9,297</td>
</tr>
<tr>
<td><strong>NET ASSETS RELEASED FROM RESTRICTIONS</strong></td>
<td>706,988</td>
<td>(706,988)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>4,343,246</td>
<td>428,725</td>
<td>46,409</td>
<td>4,818,380</td>
</tr>
<tr>
<td><strong>AND OTHER SUPPORT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FUNCTIONAL EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canine research and education</td>
<td>2,782,287</td>
<td>—</td>
<td>—</td>
<td>2,782,287</td>
</tr>
<tr>
<td>Fund raising</td>
<td>376,763</td>
<td>—</td>
<td>—</td>
<td>376,763</td>
</tr>
<tr>
<td>General and administrative</td>
<td>488,461</td>
<td>—</td>
<td>—</td>
<td>488,461</td>
</tr>
<tr>
<td><strong>TOTAL FUNCTIONAL EXPENSES</strong></td>
<td>3,647,511</td>
<td>—</td>
<td>—</td>
<td>3,647,511</td>
</tr>
<tr>
<td><strong>INCREASE IN NET ASSETS</strong></td>
<td>695,735</td>
<td>428,725</td>
<td>46,409</td>
<td>1,170,869</td>
</tr>
<tr>
<td><strong>NET ASSETS - BEGINNING</strong></td>
<td>(69,354)</td>
<td>2,591,883</td>
<td>2,712,072</td>
<td>5,234,601</td>
</tr>
<tr>
<td><strong>NET ASSETS - ENDING</strong></td>
<td>$626,381</td>
<td>$3,020,608</td>
<td>$2,758,481</td>
<td>$6,405,470</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
## Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2005

<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>$ 900,390</td>
<td>$ 773,702</td>
<td>$ 407,471</td>
<td>$ 2,081,563</td>
</tr>
<tr>
<td>Contributions - American Kennel Club, Inc. (Notes 2 and 8)</td>
<td>1,200,000</td>
<td>—</td>
<td>363,223</td>
<td>1,563,223</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>260,579</td>
<td>3,365</td>
<td>—</td>
<td>263,944</td>
</tr>
<tr>
<td>Net unrealized and realized investment income</td>
<td>300,499</td>
<td>—</td>
<td>—</td>
<td>300,499</td>
</tr>
<tr>
<td>Corporate sponsored events and conferences (Note 8)</td>
<td>108,273</td>
<td>960</td>
<td>8,225</td>
<td>117,458</td>
</tr>
<tr>
<td>Administrative support - American Kennel Club, Inc. (Note 8)</td>
<td>15,000</td>
<td>—</td>
<td>—</td>
<td>15,000</td>
</tr>
<tr>
<td>In-kind donation - American Kennel Club, Inc. (Note 8)</td>
<td>145,000</td>
<td>—</td>
<td>—</td>
<td>145,000</td>
</tr>
<tr>
<td>Royalty income</td>
<td>843</td>
<td>—</td>
<td>—</td>
<td>843</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>18,961</td>
<td>—</td>
<td>—</td>
<td>18,961</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS RELEASED FROM RESTRICTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction of program restrictions</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FUNCTIONAL EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canine research and education</td>
</tr>
<tr>
<td>Fund raising</td>
</tr>
<tr>
<td>General and administrative</td>
</tr>
<tr>
<td>TOTAL FUNCTIONAL EXPENSES</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INCREASE (DECREASE) IN NET ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>134,611</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS - BEGINNING</th>
</tr>
</thead>
<tbody>
<tr>
<td>65,257</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS - ENDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(69,354)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
Statement of Functional Expenses
For the Year Ended December 31, 2006

<table>
<thead>
<tr>
<th></th>
<th>Canine Research and Education</th>
<th>Fund Raising</th>
<th>General and Administrative</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants (Note 1)</td>
<td>$ 2,301,293</td>
<td>--</td>
<td>--</td>
<td>$ 2,301,293</td>
</tr>
<tr>
<td>Payroll and related expenses</td>
<td>265,188</td>
<td>84,201</td>
<td>114,377</td>
<td>463,766</td>
</tr>
<tr>
<td>Professional fees</td>
<td>15,476</td>
<td>9,081</td>
<td>137,061</td>
<td>161,618</td>
</tr>
<tr>
<td>Travel</td>
<td>23,498</td>
<td>27,129</td>
<td>11,281</td>
<td>61,908</td>
</tr>
<tr>
<td>Conferences, events, and meetings</td>
<td>44,871</td>
<td>163,966</td>
<td>25,980</td>
<td>234,817</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>11,517</td>
<td>25,155</td>
<td>26,107</td>
<td>62,779</td>
</tr>
<tr>
<td>Telephone</td>
<td>1,093</td>
<td>870</td>
<td>1,686</td>
<td>3,649</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>3,610</td>
<td>6,905</td>
<td>7,652</td>
<td>18,167</td>
</tr>
<tr>
<td>Supplies</td>
<td>7,107</td>
<td>2,448</td>
<td>1,670</td>
<td>11,225</td>
</tr>
<tr>
<td>Equipment rental and repairs</td>
<td>2,480</td>
<td>2,480</td>
<td>3,744</td>
<td>8,704</td>
</tr>
<tr>
<td>Marketing and advertising</td>
<td>17,946</td>
<td>18,309</td>
<td>18,976</td>
<td>55,231</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>5,417</td>
<td>1,913</td>
<td>407</td>
<td>7,737</td>
</tr>
<tr>
<td>Training and education</td>
<td>--</td>
<td>1,391</td>
<td>960</td>
<td>2,351</td>
</tr>
<tr>
<td>New development</td>
<td>--</td>
<td>2,645</td>
<td>5,120</td>
<td>7,765</td>
</tr>
<tr>
<td>Insurance</td>
<td>746</td>
<td>746</td>
<td>10,772</td>
<td>12,264</td>
</tr>
<tr>
<td>Depreciation</td>
<td>--</td>
<td>--</td>
<td>31,271</td>
<td>31,271</td>
</tr>
<tr>
<td>In-kind donation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office space and services (AKC)</td>
<td>81,184</td>
<td>27,684</td>
<td>32,666</td>
<td>141,534</td>
</tr>
<tr>
<td>Program support (corporate donor)</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Interest</td>
<td>--</td>
<td>--</td>
<td>31,118</td>
<td>31,118</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>--</td>
<td>--</td>
<td>8,245</td>
<td>8,245</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>861</td>
<td>1,840</td>
<td>19,368</td>
<td>22,069</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 2,782,287</strong></td>
<td><strong>$ 376,763</strong></td>
<td><strong>$ 488,461</strong></td>
<td><strong>$ 3,647,511</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
Statement of Functional Expenses
For the Year Ended December 31, 2005

<table>
<thead>
<tr>
<th></th>
<th>Canine Research and Education</th>
<th>Fund Raising</th>
<th>General and Administrative</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants (Note 1)</td>
<td>$2,158,129</td>
<td>$—</td>
<td>$—</td>
<td>$2,158,129</td>
</tr>
<tr>
<td>Payroll and related expenses</td>
<td>232,471</td>
<td>58,710</td>
<td>119,465</td>
<td>410,646</td>
</tr>
<tr>
<td>Professional fees</td>
<td>19,915</td>
<td>12,068</td>
<td>225,513</td>
<td>257,496</td>
</tr>
<tr>
<td>Travel</td>
<td>10,566</td>
<td>20,196</td>
<td>11,570</td>
<td>42,332</td>
</tr>
<tr>
<td>Conferences, events, and meetings</td>
<td>11,117</td>
<td>73,504</td>
<td>36,496</td>
<td>121,117</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>12,466</td>
<td>5,997</td>
<td>33,072</td>
<td>51,535</td>
</tr>
<tr>
<td>Telephone</td>
<td>1,115</td>
<td>871</td>
<td>1,917</td>
<td>3,903</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>2,413</td>
<td>1,324</td>
<td>2,986</td>
<td>6,723</td>
</tr>
<tr>
<td>Supplies</td>
<td>1,172</td>
<td>2,754</td>
<td>1,055</td>
<td>4,981</td>
</tr>
<tr>
<td>Equipment rental and repairs</td>
<td>1,812</td>
<td>2,272</td>
<td>2,159</td>
<td>6,243</td>
</tr>
<tr>
<td>Marketing and advertising</td>
<td>9,652</td>
<td>17,214</td>
<td>5,669</td>
<td>32,535</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>866</td>
<td>3,119</td>
<td>321</td>
<td>4,306</td>
</tr>
<tr>
<td>Training and education</td>
<td>5,478</td>
<td>733</td>
<td>411</td>
<td>6,622</td>
</tr>
<tr>
<td>New development</td>
<td>—</td>
<td>45,102</td>
<td>10,894</td>
<td>55,996</td>
</tr>
<tr>
<td>Insurance</td>
<td>698</td>
<td>698</td>
<td>19,496</td>
<td>20,892</td>
</tr>
<tr>
<td>Depreciation</td>
<td>—</td>
<td>—</td>
<td>26,987</td>
<td>26,987</td>
</tr>
<tr>
<td>In-kind donation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office space and services (AKC)</td>
<td>77,982</td>
<td>22,881</td>
<td>44,137</td>
<td>145,000</td>
</tr>
<tr>
<td>Program support (corporate donor)</td>
<td>124,500</td>
<td>—</td>
<td>—</td>
<td>124,500</td>
</tr>
<tr>
<td>Interest</td>
<td>—</td>
<td>—</td>
<td>8,655</td>
<td>8,655</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>3,070</td>
<td>14,702</td>
<td>7,712</td>
<td>25,484</td>
</tr>
</tbody>
</table>

TOTAL $2,673,422 $282,145 $558,515 $3,514,082

The accompanying notes are an integral part of the financial statements.
## Statements of Cash Flow

For the Year Ended December 31, 2006 & 2005

### CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in net assets</td>
<td>$ 1,170,869</td>
<td>$ 992,409</td>
</tr>
<tr>
<td>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>31,271</td>
<td>26,987</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>8,245</td>
<td>—</td>
</tr>
<tr>
<td>Net unrealized and realized investment gains</td>
<td>(760,260)</td>
<td>(300,499)</td>
</tr>
<tr>
<td>Non-cash contribution of securities</td>
<td>(21,763)</td>
<td>(11,967)</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends and interest receivable</td>
<td>682</td>
<td>(9,326)</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>(78,428)</td>
<td>106,843</td>
</tr>
<tr>
<td>Other receivables</td>
<td>(7,112)</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>—</td>
<td>8,298</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>9,362</td>
<td>(857)</td>
</tr>
<tr>
<td>Grants payable</td>
<td>264,236</td>
<td>115,528</td>
</tr>
<tr>
<td>Charitable remainder annuity trust receivable</td>
<td>(3,502)</td>
<td>(3,365)</td>
</tr>
<tr>
<td>Deferred contribution income</td>
<td>(16,904)</td>
<td>(60,427)</td>
</tr>
<tr>
<td>TOTAL ADJUSTMENTS</td>
<td>(574,173)</td>
<td>(128,785)</td>
</tr>
<tr>
<td>NET CASH PROVIDED BY OPERATING ACTIVITIES</td>
<td>596,696</td>
<td>863,624</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of investments</td>
<td>(1,567,406)</td>
<td>(3,313,384)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>1,065,543</td>
<td>2,138,437</td>
</tr>
<tr>
<td>Purchase of furniture and equipment</td>
<td>(36,123)</td>
<td>(25,841)</td>
</tr>
<tr>
<td>NET CASH USED IN INVESTING ACTIVITIES</td>
<td>(537,986)</td>
<td>(1,200,788)</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Release of board designated reserves</td>
<td>250,000</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from line of credit</td>
<td>906,626</td>
<td>238,813</td>
</tr>
<tr>
<td>Purchase of furniture and equipment</td>
<td>(1,013,816)</td>
<td>—</td>
</tr>
<tr>
<td>NET CASH PROVIDED BY INVESTING ACTIVITIES</td>
<td>142,810</td>
<td>238,813</td>
</tr>
</tbody>
</table>

### INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH AND CASH EQUIVALENTS - BEGINNING</td>
<td>662,200</td>
<td>760,551</td>
</tr>
<tr>
<td>CASH AND CASH EQUIVALENTS - ENDING</td>
<td>$ 863,720</td>
<td>$ 662,200</td>
</tr>
</tbody>
</table>

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for interest | $ 31,118 | $ 8,655 |

The accompanying notes are an integral part of the financial statements.
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 Federal 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 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.

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 $88,598 and $85,096 at December 31, 2006 and 2005, 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 in the period received at their fair values. Conditional promises to give are recognized 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, 2006 and 2005, there was $0 and $16,904, respectively, 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.

CONTRIBUTIONS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS
Contributions receivable reflected on the Statements of Financial Position are expected to be received within one year. Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to contributions receivable. The Foundation considers all contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required as of December 31, 2006 and 2005.

FURNITURE, FIXTURES AND EQUIPMENT
Purchased property and equipment are carried at cost and consist primarily of furniture, fixtures and equipment. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method. Depreciation charged to operations was $31,271 and $26,987 in 2006 and 2005, respectively.

GRANTS
Unconditional single or multi-year grants are considered incurred and charged to expense at the time of approval by the Board of Directors. 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. All proposed grants have met the required donor support level at December 31, 2006 and 2005.

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 have 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.

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 benefited.

RECLASSIFICATION
Certain prior year amounts have been reclassified to conform to the current year presentation including the presentation of functional expenses as shown on the Statements of Functional Expenses. These reclassifications resulted in no change to total assets, liabilities, net assets or change in net assets of the Foundation.

NOTE 2 – RESTATEMENT
During 2004 the Foundation initiated an endowment campaign that included a matching fund component. During 2004 and 2005 the Foundation received endowment contributions from donors and accrued matching fund contributions. During 2006, Management determined that the previously reported 2005 matching contributions receivable were overstated by $60,049 and has restated the 2005 financial statements to reflect a $60,049 reduction to permanently restricted contributions and a corresponding reduction in contributions receivable on the Statements of Financial Position. The effect of this restatement was to reduce assets, net assets, and total revenues and other support by $60,049, or approximately 1% of the respective balances, for the year-ended December 31, 2005.
NOTE 3 - 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.

A summary of the Foundation's investments reported at fair value is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds</td>
<td>$ 6,536,031</td>
<td>$ 5,788,918</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>911,661</td>
<td>722,379</td>
</tr>
<tr>
<td>U.S. government obligations</td>
<td>826,852</td>
<td>769,125</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>287,078</td>
<td>247,314</td>
</tr>
<tr>
<td></td>
<td><strong>8,561,622</strong></td>
<td><strong>7,527,736</strong></td>
</tr>
<tr>
<td>Less: Board designated operating reserve</td>
<td>-</td>
<td>(250,000)</td>
</tr>
<tr>
<td></td>
<td><strong>8,561,622</strong></td>
<td><strong>7,277,736</strong></td>
</tr>
</tbody>
</table>

Investment related income was as follows for the years ended December 31:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend and interest income</td>
<td>$ 350,040</td>
<td>$ 263,944</td>
</tr>
<tr>
<td>Realized and unrealized gain-portfolio</td>
<td>760,260</td>
<td>300,499</td>
</tr>
<tr>
<td></td>
<td><strong>$ 1,110,300</strong></td>
<td><strong>$ 564,443</strong></td>
</tr>
</tbody>
</table>

NOTE 4 - GRANTS PAYABLE
Grants payable consist of amounts awarded, but not paid, to canine health researchers. Amounts included in grants payable at December 31, 2006 are scheduled to be disbursed as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$ 2,551,258</td>
</tr>
<tr>
<td>2008</td>
<td>611,339</td>
</tr>
<tr>
<td></td>
<td><strong>$ 3,162,597</strong></td>
</tr>
</tbody>
</table>

NOTE 5 - LINE OF CREDIT
During 2005 and the first six months of 2006, the Foundation had a $400,000 unsecured line of credit with a commercial bank. Interest on the line of credit was the bank’s prime rate plus three-quarter percent per annum. In July 2006, the Foundation paid off and cancelled this line of credit and opened a new $750,000 line of credit with another commercial bank. The new line of credit bears interest at the bank's prime rate (8.25% at December 31, 2006). As of December 31, 2006 and 2005, $131,000 and $238,813, respectively, was owed under these lines of credit. Interest expense totaled $31,118 and $8,655 for 2006 and 2005, respectively.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific canine research</td>
<td>$ 2,932,010</td>
<td>$ 2,506,787</td>
</tr>
<tr>
<td>Annuity trust agreement (for future periods)</td>
<td>88,598</td>
<td>85,096</td>
</tr>
<tr>
<td></td>
<td><strong>$ 3,020,608</strong></td>
<td><strong>$ 2,591,883</strong></td>
</tr>
</tbody>
</table>

Temporarily restricted net assets totaling $706,988 and $429,926 were released during the years ended December 31, 2006 and 2005, respectively, to fund canine health research.

NOTE 7 - BOARD DESIGNATED FUNDS
The Board of Directors approved an executive committee recommendation to establish an operating reserve account in the amount of $250,000 from unrestricted donor contributions. During 2006, the Board of Directors authorized the use of the operating reserve to pay down the Foundation's line of credit.

NOTE 8 - RELATED PARTY TRANSACTIONS
During 2006, the American Kennel Club, Inc. ("the Club") contributed $1,000,000 to the Foundation. During 2005, the Club contributed $1,638,272 to the Foundation consisting of a general contribution of $1,200,000, administrative support of $15,000 and $383,875 of matching endowment contributions.

The Foundation's offices are located within the Club’s operation center in Raleigh, North Carolina. In addition to providing rent-free use of its office space, the Club also provided administrative support services to the Foundation. The total estimated value of these donated items was approximately $142,000 and $145,000 in 2006 and 2005, respectively.

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 - CONCENTRATION OF RISK
The Foundation received contributions from a corporate donor totaling approximately $1,042,000 and $865,000 for the years ended December 31, 2006 and 2005, respectively. Also see Note 8 - Related Party Transactions for contributions from the American Kennel Club, Inc.

NOTE 10 - CONTINGENCIES
During 2003, a former employee of the Foundation filed a civil suit against the Foundation and two of its former officers. In 2005, a jury in Cuyahoga County, OH returned a verdict against the Foundation that was subsequently reduced by the Court. As adjusted, the former employee was awarded $270,187 in compensatory damages, $42,281 in punitive damages, and $210,000 in attorneys’ fees. The Foundation has filed an appeal and intends to vigorously contest the verdict and the resulting award. The plaintiff has also filed an appeal challenging the reduction made by the Court.

Management does not expect the lawsuit will have a material adverse effect on the financial condition of the Foundation. If the verdict stands, management believes that the compensatory damages and attorneys fees will be covered by the Foundation’s insurance carrier. Based upon the foregoing, management does not believe a provision is required and has not recorded a provision in the accompanying financial statements.

During 2006 and 2005, the Foundation incurred legal and professional fees associated with this claim totaling $12,791 and $128,046, respectively, which are included under the caption of Professional Fees on the Statements of Functional Expenses.
There is one unifying passion among our corporate, individual, and nonprofit supporters and club donors – the love and affection for dogs. AKC Canine Health Foundation acknowledges your support and commitment to the detection and treatment of debilitating diseases that afflict our canine companions. Our special thanks to all of you who sat down to a dinner, sacrificed a weekend, held up an auction paddle, bought a raffle ticket, and made CHF part of your annual and planned giving plans.

A resounding thank you!
No one appreciates the very special genius of your conversations as a dog does.

— Christopher Morley
U.S. Author & Journalist