KPMG

AMERICAN KENNEL CLUB
CANINE HEALTH FOUNDATION, INC.

Financial Statements

December 31, 2013 and 2012

(With Independent Auditors' Report Thereon)

AMERICAN KENNEL CLUB
CANINE HEALTH FOUNDATION, INC.

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KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

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

We have audited the accompanying financial statements of the American Kennel Club Canine Health Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses, cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Kennel Club Canine Health Foundation, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

March 10, 2014

AMERICAN KENNEL CLUB
CANINE HEALTH FOUNDATION, INC.

Statements of Financial Position

December 31, 2013 and 2012

Assets		**2013**	**2012**
Cash and cash equivalents	$	4,565,066	3,872,312
Investments (note 2)		8,248,330	7,912,397
Receivable for proceeds from sale of investments		397,959	—
Contributions receivable (note 3)		681,522	22,500
Other receivables		5,608	6,878
Prepaid expenses		81,547	76,627
Fixed assets, net (note 4)		64,968	71,673
Total assets	$	14,045,000	11,962,387
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	64,618	66,731
Grants payable (note 5)		5,138,847	3,212,440
Total liabilities		5,203,465	3,279,171
Net assets (note 6):			
Unrestricted		364,539	1,785,436
Temporarily restricted		5,476,588	3,897,372
Permanently restricted		3,000,408	3,000,408
Total net assets		8,841,535	8,683,216
Total liabilities and net assets	$	14,045,000	11,962,387

See accompanying notes to financial statements.

AMERICAN KENNEL CLUB
CANINE HEALTH FOUNDATION, INC.

Statement of Activities

Year ended December 31, 2013

		2013			
		Unrestricted	**Temporarily restricted**	**Permanently restricted**	**Total**
Revenues and other support:					
Contributions	$	447,171	1,665,345	—	2,112,516
Contributions from related parties (note 8)		1,052,000	728,918	—	1,780,918
Interest and dividend income		20,381	191,898	—	212,279
Net unrealized and realized investment gains		43,787	877,358	—	921,145
Corporate sponsored events and conferences		242,123	—	—	242,123
In-kind donations (note 8)		193,891	—	—	193,891
Miscellaneous income		42,862	—	—	42,862
Net assets released from restrictions (note 7)		1,884,303	(1,884,303)	—	—
Total revenues and other support		3,926,518	1,579,216	—	5,505,734
Expenses:					
Canine research and education		4,550,047	—	—	4,550,047
Fundraising		345,156	—	—	345,156
General and administrative		452,212	—	—	452,212
Total expenses		5,347,415	—	—	5,347,415
(Decrease) increase in net assets		(1,420,897)	1,579,216	—	158,319
Net assets – beginning of year		1,785,436	3,897,372	3,000,408	8,683,216
Net assets – end of year	$	364,539	5,476,588	3,000,408	8,841,535

See accompanying notes to financial statements.

AMERICAN KENNEL CLUB
CANINE HEALTH FOUNDATION, INC.

Statement of Activities

Year ended December 31, 2012

		2012		
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenues and other support:				
Contributions	$ 340,573	766,447	—	1,107,020
Contributions from related parties (note 8)	1,050,000	727,257	—	1,777,257
Interest and dividend income	9,870	211,178	—	221,048
Net unrealized and realized investment gains	1,945	476,426	—	478,371
Corporate sponsored events and conferences	78,858	—	—	78,858
In-kind donations (note 8)	148,089	—	—	148,089
Miscellaneous income	28,518	—	—	28,518
Net assets released from restrictions (note 7)	1,513,354	(1,513,354)	—	—
Total revenues and other support	3,171,207	667,954	—	3,839,161
Expenses:				
Canine research and education	2,620,915	—	—	2,620,915
Fundraising	346,394	—	—	346,394
General and administrative	398,855	—	—	398,855
Total expenses	3,366,164	—	—	3,366,164
(Decrease) increase in net assets	(194,957)	667,954	—	472,997
Net assets – beginning of year	1,980,393	3,229,418	3,000,408	8,210,219
Net assets – end of year	$ 1,785,436	3,897,372	3,000,408	8,683,216

See accompanying notes to financial statements.

AMERICAN KENNEL CLUB
CANINE HEALTH FOUNDATION, INC.

Statement of Functional Expenses

Year ended December 31, 2013

	2013			
	Canine research and education	**Fundraising**	**General and administrative**	**Total expenses**
Grants	$ 3,716,364	—	—	3,716,364
Payroll and related expenses	405,226	110,095	265,300	780,621
Professional and consulting fees	1,675	43,427	47,881	92,983
Staff training and education	—	522	1,354	1,876
Educational communications, programs, and booths	252,146	9,691	—	261,837
Governance and special events	2,039	43,632	8,233	53,904
Printing and publications	21,313	12,974	9,119	43,406
Communication services	116	116	2,983	3,215
Postage and shipping	3,879	10,777	2,419	17,075
Marketing and advertising	—	55,814	—	55,814
Dues, memberships, subscriptions, and registrations	350	600	5,688	6,638
Business travel	3,489	906	8,279	12,674
Software and computer repairs/maintenance	36,631	23,448	11,238	71,317
Insurance	—	—	14,022	14,022
Depreciation	—	—	10,123	10,123
In-kind donations (note 8):				
Office space and services	106,640	31,507	55,744	193,891
Credit card processing and banking fees	—	1,647	8,640	10,287
Office supplies, recycling, and miscellaneous	179	—	1,189	1,368
Total	$ 4,550,047	345,156	452,212	5,347,415

See accompanying notes to financial statements.

AMERICAN KENNEL CLUB
CANINE HEALTH FOUNDATION, INC.

Statement of Functional Expenses

Year ended December 31, 2012

	2012			
	Canine research and education	**Fundraising**	**General and administrative**	**Total expenses**
Grants	$ 1,985,603	—	—	1,985,603
Payroll and related expenses	374,787	102,984	212,621	690,392
Professional and consulting fees	1,452	25,075	53,108	79,635
Staff training and education	2,188	1,776	2,905	6,869
Educational communications, programs, and booths	95,898	18,838	—	114,736
Governance and special events	4,455	43,827	4,773	53,055
Printing and publications	23,839	25,634	9,123	58,596
Communication services	133	—	4,256	4,389
Postage and shipping	4,558	11,011	2,190	17,759
Marketing and advertising	—	67,622	—	67,622
Dues, memberships, subscriptions, and registrations	610	600	7,888	9,098
Business travel	11,991	—	1,754	13,745
Software and computer repairs/maintenance	33,783	21,113	10,312	65,208
Insurance	—	—	12,469	12,469
Depreciation	—	—	21,285	21,285
In-kind donations (note 8):				
Office space and services	81,449	24,065	42,576	148,090
Credit card processing and banking fees	—	3,746	11,319	15,065
Office supplies, recycling, and miscellaneous	169	103	2,276	2,548
Total	$ 2,620,915	346,394	398,855	3,366,164

See accompanying notes to financial statements.

AMERICAN KENNEL CLUB
CANINE HEALTH FOUNDATION, INC.

Statements of Cash Flows

Years ended December 31, 2013 and 2012

		2013	2012
Cash flows from operating activities:			
Increase in net assets	$	158,319	472,997
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation		10,123	21,285
Net unrealized and realized investment (gains) losses		(921,145)	(478,371)
Noncash contribution of securities		(19,320)	(8,686)
Changes in assets and liabilities:			
Contributions receivable		(659,022)	100
Other receivables		1,270	(2,970)
Prepaid expenses		(4,920)	(10,010)
Accounts payable and accrued expenses		(2,113)	(2,876)
Grants payable		1,926,407	178,691
Total adjustments		331,280	(302,837)
Net cash provided by operating activities		489,599	170,160
Cash flows from investing activities:			
Purchase of investments		(421,668)	(645,778)
Proceeds from sale of investments, net of receivables		628,241	67,240
Purchase of fixed assets		(3,418)	—
Net cash provided by (used in) investing activities		203,155	(578,538)
Increase (decrease) in cash and cash equivalents		692,754	(408,378)
Cash and cash equivalents, beginning of year		3,872,312	4,280,690
Cash and cash equivalents, end of year	$	4,565,066	3,872,312

See accompanying notes to financial statements.

(1) Nature of Operations and Summary of Significant Accounting Policies

(a) *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 healthcare by clinical study, laboratory research, and publication.

(b) *Basis of Accounting and Presentation*

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

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time. Temporarily restricted net assets have been restricted by donors for research grant purposes.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that the assets be maintained permanently by the Foundation. The earnings on related investments are temporarily restricted, until appropriated for expenditure. Upon appropriation for expenditure, they become unrestricted.

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

(c) *Use of Estimates*

In preparing financial statements in conformity with U.S. generally accepted accounting principles (GAAP), 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.

(d) *Fair Value*

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. GAAP describes three levels of inputs that may be used to measure fair value:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active and alternative investments redeemable at or near the balance sheet date (within 90 days).

Level 3 inputs are unobservable inputs for the asset or liability and include alternative investments that are not redeemable at or near the balance sheet date.

The Foundation follows the measurement provisions of FASB ASC Subtopic 820-10, *Categorizing Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) within the Fair Value Hierarchy*, to certain investments in alternative investments that do not have readily determinable fair values. This guidance allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent, as reported by the investment managers.

Most investments classified in Levels 2 and 3 consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. Because the net asset value reported by each fund is used as a practical expedient to estimate the fair value of the Foundation's interest therein, its classification in Level 2 or 3 under ASC 820 is based on the Foundation's ability to redeem its interest at or near the date of the statement of financial position. If the interest can be redeemed in the near term, the investment is classified as Level 2. If the interest is not redeemable in the near term, the investment is classified as Level 3. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

(e) Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. At times, cash and cash equivalent balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. Cash and investments in money market funds and shares of registered investment companies are uninsured.

(f) Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

(g) Contributions Receivable and Allowance for Doubtful Accounts

Pledges that represent unconditional promises to give are recognized as contributions – either as unrestricted, temporarily restricted, or permanently restricted – in the period such promises are made by donors. An allowance is recorded for uncollectible contributions receivable based upon management's expectations regarding collection of outstanding promises to give and past collection experience. The Foundation considers all contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established as of December 31, 2013 and 2012.

In contrast to unconditional promises as described above, conditional promises are not recorded until donor conditions are substantially met.

(h) Grants

Unconditional grants are considered incurred and charged to expense at the time of approval by the board of directors.

(i) Income Taxes

The Foundation is exempt from federal income taxes under Internal Revenue Code 501(a) as an organization described in Section 501(c)(3). Accordingly, no provision for income taxes has been made.

The Foundation follows the provisions of ASC 740-10, *Income Taxes – Overall*, relating to uncertainty in income taxes. ASC 740-10 establishes a minimum threshold for financial statement recognition of the benefits of position taken, or expected to be taken, in filing tax returns. It requires the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Foundation's income tax returns to determine whether the tax positions are more likely than not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely than-not threshold are recorded as tax expense. The Foundation has no tax positions requiring accrual under this criteria.

(j) Functional Allocation of Expenses

The costs of providing the various programs and activities of the Foundation have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(k) Subsequent Events

In connection with the preparation of the financial statements, the Foundation considered for disclosure subsequent events that occurred after the statement of financial position date of December 31, 2013 through March 10, 2014, which was the date the financial statements were available to be issued. No subsequent events were noted that required disclosure in the financial statements.

(Continued)

(2) Investments

A summary of the Foundation's investments at December 31, 2013 and 2012, reported at fair value, is as follows:

		2013	2012
Equities	$	20,250	8,655
Mutual funds:			
Large cap equity		2,590,397	1,966,857
Small cap equity		875,305	634,076
International equity		724,263	602,313
Fixed income		338,622	330,089
Specialty strategies		120,808	90,049
Subtotal		4,649,395	3,623,384
Corporate bonds		10,079	10,343
Alternative investments:			
International		1,399,760	1,582,167
Market neutral		1,346,948	1,211,561
Diversified		821,898	1,476,287
Subtotal		3,568,606	4,270,015
Total investments	$	8,248,330	7,912,397

Mutual fund investments are measured at fair value based on quoted market prices. Investments in limited partnerships and offshore limited liability companies, which are described as alternative investments, are stated at net asset value in accordance with ASC 820. The financial statements of the alternative investments are audited annually by independent auditors.

The Foundation's alternative investments are diversified across three basic investment strategies as follows:

International – represents alternative investments in international equities with country and sector exposure that attempts to employ a value approach that emphasizes long-term investment and focuses on the selection of individual securities using a bottom-up, research-driven approach.

Market Neutral – represents alternative investments (fund of funds), which seek to achieve above average performance within the market's benchmark by managing hedge funds as a direct alternative to a traditional fixed income mutual fund portfolio.

Diversified – represents alternative investments (fund of funds), which seek to achieve better than benchmark performance over the long term, while having a variable range of strategies including event-driven strategies, distressed debt, mergers and acquisitions, and value investing.

(Continued)

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

At December 31, 2013 and 2012, the fair value of the Foundation's investments was determined based on the following:

	2013			
	Quoted prices in active markets (Level 1)	**Other observable inputs (Level 2)**	**Unobservable inputs (Level 3)**	**Fair value**
Mutual funds	$ 4,649,395	—	—	4,649,395
Equities	20,250	—	—	20,250
Corporate bonds	—	10,079	—	10,079
Alternative investments	—	3,568,606	—	3,568,606
	$ 4,669,645	3,578,685	—	8,248,330

	2012			
	Quoted prices in active markets (Level 1)	**Other observable inputs (Level 2)**	**Unobservable inputs (Level 3)**	**Fair value**
Mutual funds	$ 3,623,384	—	—	3,623,384
Equities	8,655	—	—	8,655
Corporate bonds	—	10,343	—	10,343
Alternative investments	—	4,270,015	—	4,270,015
	$ 3,632,039	4,280,358	—	7,912,397

(Continued)

The Foundation's alternative investments contain various quarterly and semiannual redemption restrictions with required written notice ranging from 45 to 90 days. The following table summarizes the composition of such investments by the various redemption provisions as of December 31, 2013:

Redemption period		Total amount	International	Market neutral	Diversified
Quarterly	$	2,221,658	1,399,760	—	821,898
Semiannual at year end		1,346,948	—	1,346,948	—
	$	3,568,606	1,399,760	1,346,948	821,898

(3) Contributions Receivable

Contributions receivable are scheduled to be collected as follows at December 31:

		2013	2012
Contributions due in less than one year	$	277,541	22,500
Contributions due in one to five years		403,981	—
Contributions due in more than five years		—	—
	$	681,522	22,500

At December 31, 2013, approximately 98% of the contributions receivable balance pertained to one donor.

(4) Fixed Assets

Fixed assets consist of the following at December 31:

		2013	2012
Computer equipment	$	25,910	24,166
Software		129,782	129,782
Equipment		29,679	28,533
Furniture and fixtures		34,297	34,297
Leasehold improvements		68,134	68,134
Total		287,802	284,912
Accumulated depreciation		(222,834)	(213,239)
Total net of accumulated depreciation	$	64,968	71,673

Fixed assets are carried at cost. Donated fixed assets are recorded at fair value at the date of donation. Depreciation is computed using the straight-line method.

(5) Grants Payable

Grants payable consist of amounts awarded, but not paid, to canine health researchers. Amounts included in grants payable at December 31, 2013 are scheduled to be disbursed as follows:

2014	$	2,460,227
2015		1,661,263
2016		865,766
2017		151,591
	$	5,138,847

(6) Endowment

At the request of its donors, the Foundation has established a permanent operating endowment. The Foundation's donor-restricted endowment funds are subject to the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA provides, among other things, expanded spending flexibility by allowing, subject to a standard of prudence, the institution to spend from an endowment fund without regard to the book value of the corpus of the fund. The original value of all donor-restricted endowed gifts are recorded as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until these amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence described by UPMIFA. Once appropriated for expenditure by the Foundation, the amount is reclassified as unrestricted net assets.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for its programs while seeking to maintain the stability of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that equal the performance of a custom-balanced index (comprising the S&P 500 Index, Russell 2000 Index, MSCI EAFE – Net, and Citigroup 1 Month Treasury Bill Index) while assuming a reasonable level of investment risk.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The Foundation has adopted a spending policy that allows up to 5% of the endowment balance to be appropriated for expenditure in a given year.

(Continued)

A reconciliation of the beginning and ending balance of the Foundation's endowment, in total and by net asset class, is as follows:

	2013			
	Unrestricted	**Temporarily restricted**	**Permanently restricted**	**Total**
Endowment, beginning of year	$ —	277,862	3,000,408	3,278,270
Interest and dividend income	—	77,919	—	77,919
Net unrealized and realized investment income	—	396,893	—	396,893
Appropriation of endowment assets for expenditure	189,490	(189,490)	—	—
Expenditures	(189,490)	—	—	(189,490)
Endowment, end of year	$ —	563,184	3,000,408	3,563,592

	2012			
	Unrestricted	**Temporarily restricted**	**Permanently restricted**	**Total**
Endowment, beginning of year	$ —	149,446	3,000,408	3,149,854
Interest and dividend income	—	85,123	—	85,123
Net unrealized and realized investment income	—	215,834	—	215,834
Appropriation of endowment assets for expenditure	172,541	(172,541)	—	—
Expenditures	(172,541)	—	—	(172,541)
Endowment, end of year	$ —	277,862	3,000,408	3,278,270

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or state law requires the Foundation to retain as a fund of perpetual duration. Future gains to restore the fair value of the donor-restricted endowment funds to the required level shall first be reported as increases in unrestricted net assets to the extent of the deficiency. There was no deficiency of this nature reported as unrestricted net assets as of December 31, 2013 or 2012.

(7) Net Assets Released from Restrictions

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. The amounts released during the year ended December 31 were as follows:

		2013	2012
Purpose restriction:			
Canine research	$	1,690,865	1,339,813
General operations		193,438	173,541
	$	1,884,303	1,513,354

(8) Related Party Transactions and Concentration of Support

The Foundation receives a substantial amount of contributions from the American Kennel Club (the Club) and certain corporate donors. The Club along with certain corporate donors are deemed to be related parties of the Foundation as they have members represented on the Foundation's Board. The Foundation's related parties and the amounts contributed from these related party organizations are summarized as follows for the years ended December 31:

		2013	2012
Related Parties and Concentration of Support:			
American Kennel Club	$	500,000	500,000
Nestle Purina		1,028,918	1,027,257
Zoetis		252,000	250,000
	$	1,780,918	1,777,257

In addition to the above amounts, the Club also provided the Foundation with in-kind donations. In-kind donations consisted of the Club providing rent-free use of its operations office space in Raleigh, NC, and providing administrative support services to the Foundation. The total estimated value of these donated items was $193,891 and $148,089 in 2013 and 2012, respectively.

The Foundation's employees are covered under the Club's pension plan as a related organization. The Foundation made required contributions to this plan, which is administered by the Club, of $60,555 and $13,461 in 2013 and 2012, respectively.

For the 2014 year, the Club made a conditional commitment for a $500,000 contribution based upon specific matching criteria.

(Continued)

In addition to the above amounts, Nestle Purina also contributed $100,000 towards the Foundation's 2013 National Parent Club Canine Health Conference (included in corporate sponsored events and conferences on the 2013 statement of activities).

These related parties accounted for 37.7% and 50.2% of the Foundation's revenues in 2013 and 2012, respectively.