



petco
foundation

2011–2012
Annual Report



Dear friends and supporters,

"One is not born into the world to do everything, but to do something," Henry David Thoreau, poet, writer, philosopher and avid animal lover, once said. The Petco Foundation was born in 1999, entrusted with the lofty responsibility to do something good for animals. We took this responsibility seriously, fully realizing the daunting task ahead of us. The Petco Foundation was going to make a world of change in the lives of pets.

From our humble beginnings we have grown to be a large organization with an extensive local reach into communities all over the United States. Partnering with more than 1,200 Petco stores, the Petco Foundation has established relationships with more than 8,000 animal welfare organizations nationwide. We are proud to support those humane groups that are "fighting the good fight" every day to eliminate animal cruelty, neglect and indifference through spay and neuter, adoption and education. These are the groups that can truly make a difference. They may not be large, but what they lack in size, they more than make up for in compassion.

While 2011 was a record year for the Petco Foundation with over \$16.8 million dedicated to helping our charitable partners to make a difference in the lives of animals, the Petco Foundation has never forgotten that it is still all about saving animals—one precious life at a time.

Our success is an acknowledgement of the validity and importance of our mission to raise the quality of life for pets and people who love and need them and the great value of the Petco Foundation to affect the lives of animals everywhere. The truth is that the lifesaving that we have achieved as a national humane leader for the benefit of the animals we love is the result of the hard work and heartfelt dedication of many people. It is our privilege to get to work with talented people on the Petco Foundation staff and Board, as well as the thousands of Petco associates who share both a moral commitment to the lives of animals and an energetic "can-do" spirit about saving those lives.

We have much to be proud of, but much work still to do. With your ongoing support, we will continue to not only "do something," but do something extraordinary.

With heartfelt appreciation,



Charlie R. Piscitello
President, Petco Foundation



Paul E. Jolly
Executive Director, Petco Foundation

The Four Rs

The Petco Foundation embraces a philosophy best summed up by the Four Rs—Reduce, Rescue, Rehabilitate and Rejoice.

Reduce

Each year, millions of loving pets become homeless and enter animal shelters all over the country. When space runs out, the unfortunate truth is they must be euthanized to make more room.

The Petco Foundation sponsors spay and neuter programs in communities across the United States and works to educate pet parents on the importance of spaying or neutering their pets. Since our incorporation in 1999, millions of pets have been spayed or neutered with funding provided by the Petco Foundation.

Examples:

[Animal Rescue League of Boston, MA](#) received a grant of \$36,000 to fund their Spay Waggin' program. This grant subsidized half the costs of over 3,000 spay or neuter surgeries for those pet parents in the greater Boston area who have compelling financial needs.

[Brookhaven Animal Rescue Alliance of Medford, NY](#) received a \$30,000 grant to fund their Feral Cat Project. Feral cat colonies in this region of New York have received subsidized spay and neuter surgeries and medical attention as needed. This program has drastically reduced the intake of cats into local animal shelters.

[Kohala Animal Relocation and Education Service \(KARES\) of Kamuela, HI](#) received a grant of \$10,000 to continue an ongoing previous Petco Foundation program to spay or neuter canines belonging to the 13% of Hawaiians living below the national poverty level.

Rescue

Since its inception in 1999, the Petco Foundation has helped save the lives of millions of homeless animals that were once at risk of being put to death. Through the combined efforts of the Petco Foundation and a nationwide network of more than 8,000 local animal welfare partners, these pets have found loving families and forever homes.

Examples:

[National Animal Welfare Society of Tinley Park, IL](#) received a \$40,000 grant to purchase a van to transport adoptable pets to adoption events, spay and neuter clinics and veterinary appointments.

Petco Foundation partnered with the [Petfinder.com Foundation](#) to fund a subsidized distribution of Hide, Perch & Go boxes to more than 100 rescues and shelters. This \$100,000 program has proven to reduce stress in shelter cats and dramatically increase cat adoptions.

[P.A.W.S. \(Pets Are Worth Saving\) of Florence, AL](#) received a grant of \$10,000 to subsidize all adoption fees for one month. This group experienced a tenfold increase in adoptions.



Rehabilitate

Too many animals are relinquished to shelters because pet parents do not have the knowledge necessary to deal with unwanted behaviors. The Petco Foundation supports proper training and education that helps preserve the human-animal bond so that the public understands pets need not be abandoned due to behavioral issues. We fund numerous groups offering counseling and assistance as well as pre-adoption training and intervention.

Examples:

[Fairfield Area Humane Society of Lancaster, OH](#) received a \$25,000 grant to establish the first off-leash dog park in their community. This park provides enrichment, training programs and increased community involvement in the shelter.

[New Leash on Life of Newhall, CA](#) received an \$18,000 grant for their Project Build for Paws to provide their rescue dogs with training and safe, year-round accessible and stimulating outdoor exercise.

[Cat Adoption Team of Sherwood, OR](#) received a \$15,000 grant to outfit their colony cat room with a happy, healthy and engaging environment to lower stress and prevent diseases.

Rejoice

In addition to our work in saving animals' lives, the Petco Foundation supports educational programs that teach children how to properly care for and treat animals. We support animal-assisted therapy programs that help people recover from illness, injury or abuse—and programs that bring joy to senior citizens in retirement. We also help children with life-threatening illnesses realize their wishes to experience the comfort and healing love that only animals can provide.

Examples:

[The Humane Society of the United States](#) received a \$25,000 grant to fund the year-round delivery of *KIND News* to 1,500 classrooms nationwide. This program provides humane education in an entertaining and informative monthly format, helping to create more compassionate and caring children.

[Canine Support Teams of Menifee, CA](#) received a \$10,000 grant to create a program that pairs youth at risk with a rescue dog. Both complete an intensive 12-week training course. In the end, the human partners have learned about love, compassion, patience and working together as a team. The canine partners benefit as well and become even more adoptable.



Where funding comes from

The Foundation's annual fundraisers—the National Spay and Neuter Drive, Breeds in Need, Pet Cancer Awareness, National Guide Dog Month, Tree of Hope and Spring A Pet—focus on areas of need; including spay and neuter, breed rescue, promoting the human-animal bond, pet cancer research and treatment, guide dog training and adoptions.

Donations are made at Petco stores or online at petcofoundation.org. As always, Petco associates, customers and vendors are the fundraising heroes of our donation drives. Their passion and commitment to making a difference for animals translated into a record-breaking year!



Pet Cancer Awareness: May 2011

Cancer is the leading disease-related killer among dogs and cats, accounting for nearly 50% of these deaths. Donations were raised to fund treatments, education and research.

"A HUGE thank you from the Morris Animal Foundation, scientists and animals for this continuation of our partnership. We look forward to exploring all the ways that we can find the causes, cures and treatments for pet cancer together." – **Morris Foundation of Denver, CO**



National Spay and Neuter Drive: June 2011 • July 2011

Donations help raise awareness about the largest threat facing pet welfare—animal overpopulation. This annual campaign provides much-needed financial assistance to local and national organizations that promote spay and neuter through advocacy, education, affordable surgeries and referrals. Sponsored by Natural Balance.

"We receive calls each day from folks who have unfortunately lost their job or just can't afford to get their dog or cat spayed or neutered. With your donation, OSN will be able to assist more families." – **Operation Spay Neuter, Inc. of Butler, PA**



National Guide Dog Month: August 2011 • September 2011

Petco associates educated customers about how guide dogs enrich and improve the quality of life for an individual with blindness. They encouraged customers to donate to assist guide dog schools around the country to train even more of these valuable companions, changing the lives of the humans they would eventually be partnered with.

"In the past several years that the Petco Foundation has raised funds for Freedom Guide Dogs, we have more than doubled our number of guide dog placements." – **Freedom Guide Dogs of Cassville, NY**



Breeds in Need: October 2011

Due to backyard breeders and puppy mills, every purebred category has unwanted dogs and cats. From the female dog bred repeatedly in a puppy mill to the racing Greyhound retired for lack of speed, many companion animals never experience the security and comfort of a safe, loving home. Our Breeds in Need fundraiser gives these animals a second chance.

"We appreciate your continuing support of our organization and its efforts to place retired racing Greyhounds into loving homes." – **Greyhound Companions of Missouri of St. Louis, MO**



Tree of Hope: November 2011 • December 2011 • January 2012

Every year, up to eight million dogs, cats and other pets are given up to animal shelters across the country. Half of them never get out simply because they can't find new homes. That's four million animal lives needlessly lost every year.

Tree of Hope is the Foundation's largest fundraiser, supporting local shelter groups, spay and neuter programs and disaster relief efforts across the country to rescue animals in harm's way. Funds stay in the communities where they are raised.

"Because many of the cats are older or have medical conditions that make them less adoptable, your generous contribution enables us to provide a safe, comfortable place for them to live out the remainder of their lives." – **Joey's Feline Friends of Kaneohe, HI**



Spring A Pet: February 2012 • March 2012 • April 2012

Spring A Pet celebrates our Think Adoption First philosophy and provides much-needed funding to grassroots animal welfare organizations in their efforts to find forever homes for hundreds of thousands of orphaned animals every year.

"Friends and supporters like you enable us to continue striving to 'stop the hurt' by providing a safe haven for abandoned, injured, lost, neglected or abused animals and placing them in responsible, stable homes." – **Zoi's Animal Rescue of Claremore, OK**





Annual fundraising events

Petco Foundation Gala • March 2012

The Petco Foundation's Fourth Annual Hope Gala was a smashing success. Nearly 800 guests gathered to honor actor Betty White for her lifelong commitment as an advocate of animal welfare, and nearly every guest generously opened their pocketbooks to help donate a record amount of money for a nonprofit organization dear to Betty's heart.

We're very happy to report that the 2012 Gala grossed over \$500,000! Net proceeds, after Gala expenses, went to Actors and Others for Animals, a Los Angeles charity that funds spay and neuter services, emergency medical assistance and much more for homeless pets.

Betty—who recently turned 90 years old—graciously accepted the HOPE Award, which celebrates the spirit of hope through a life dedicated to promoting the human-animal bond. As one of the first entertainers to use her fame to showcase the important role animals play in our lives, Betty remains one of the most admired and inspiring voices on behalf of animals.

Joined by her friends and actor colleagues Doris Roberts, Ed Asner, JoAnne Worley, Cindy Williams and others, Betty received a standing ovation as she accepted her award.

"I've been very fortunate to share my life with some wonderful animals," said Betty. "And when I read the story of the little dog, Hope, for whom this award is named, I felt a kinship with everybody, because animals have been my life, all my life. Ninety years with animals is pretty good stuff."

Thanks Fore Giving • November 2011

Nearly 300 golfers hit the greens at the Rancho Bernardo Inn and Country Club in Rancho Bernardo, CA, for the Eighth Annual Thanks Fore Giving fundraiser. In addition, 86 more participants enjoyed a culinary competition at El Bizcocho at the Rancho Bernardo Inn. Attendees then gathered for a silent auction and dinner.

The event made Foundation history, raising nearly \$1 million in funds that directly supported Petco's charitable partners and animals in need. This is the Foundation's biggest event fundraiser and is supported by many Petco Foundation constituents, including Petco vendors and associates.



"It was great to see so many partners of Petco come out and support the Petco Foundation," said Board President Charlie Piscitello. "The weather was terrific and we raised a lot of money for the Foundation's important work."

Walk.Run.Wag 5k9

The Walk.Run.Wag 5k9 series took place in San Diego, CA; Tempe, AZ and San Antonio, TX and promoted healthy habits for families and their pets, while also supporting animal welfare groups through the Petco Foundation.

We all know that obesity among people and pets is an ongoing issue in the U.S. That's why the 5k9 series endeavored to get the whole family—including the four-legged members—involved in creating healthy habits. Since the series includes a 5k course and a one-mile course, and could be walked or ran with or without a pet, there truly was something for all fitness and age levels.

From competitive runners to family members of all ages, the 5k9 events brought together people from all over the country with one common interest—their

love of animals. There is no better sight than happy people together with happy pets, and our races had plenty of both!

Alongside each race a large expo was held, which included numerous vendors, activities and ways to pamper your pet. From shopping for pet or fitness products to sampling new treats and foods, to complimentary puppy paw massages, attendees found lots to do at the expo for themselves and their four-legged pals.

All proceeds from 5k9 events benefited animal welfare partners in the communities hosting the event.



"We are deeply grateful to the Petco Foundation for your acknowledgement of our work and your goodwill."
- Actors and Others for Animals

Funds in action

The Petco Foundation donated more than \$14 million to benefit companion animals. The majority goes to local community and regional animal welfare efforts and organizations, while the remainder supports disaster relief and national animal welfare programs. Support is focused on other IRS-designated nonprofit groups, government agencies and educational institutions involved in animal welfare in the United States.

Grants

The Petco Foundation offered monetary grants to more than 8,000 local animal welfare organizations nationwide to help with day-to-day operations and special programs.

Adoption Events

Animal welfare groups partner with their local Petco stores and other partners and venues to host adoption events. These events provide easy access for people looking to adopt—an important step in reducing the number of animals in shelters.

Disaster Relief

The Petco Foundation responded to disasters all over the country, using Petco stores as collection and distribution points for relief supplies. Thousands of pets that inundated local animal shelters and rescues during disasters were provided with the necessities to keep them calm and healthy until their pet parents could return home with them.

Spay and Neuter Programs

Pet overpopulation is one of the biggest problems facing companion animals and animal welfare organizations nationwide; nearly four million pets are euthanized each year, simply because they can't find homes. To reduce this number, we provide monetary support for spay and neuter programs.

We Are Family Too Fund

Created in 2008 to provide seed funding to humane groups, this fund helps develop programs such as pet food banks and short-term foster homes that help financially strapped families keep their pets and not surrender them to animal shelters.

Equipment Purchases

Many Petco Foundation Charitable Partners can fulfill their mission to help animals with the purchase of equipment—including vehicles, surgical equipment, enclosures, storage areas or trailers. The Petco Foundation considers these purchases under our Capital Gifts program.

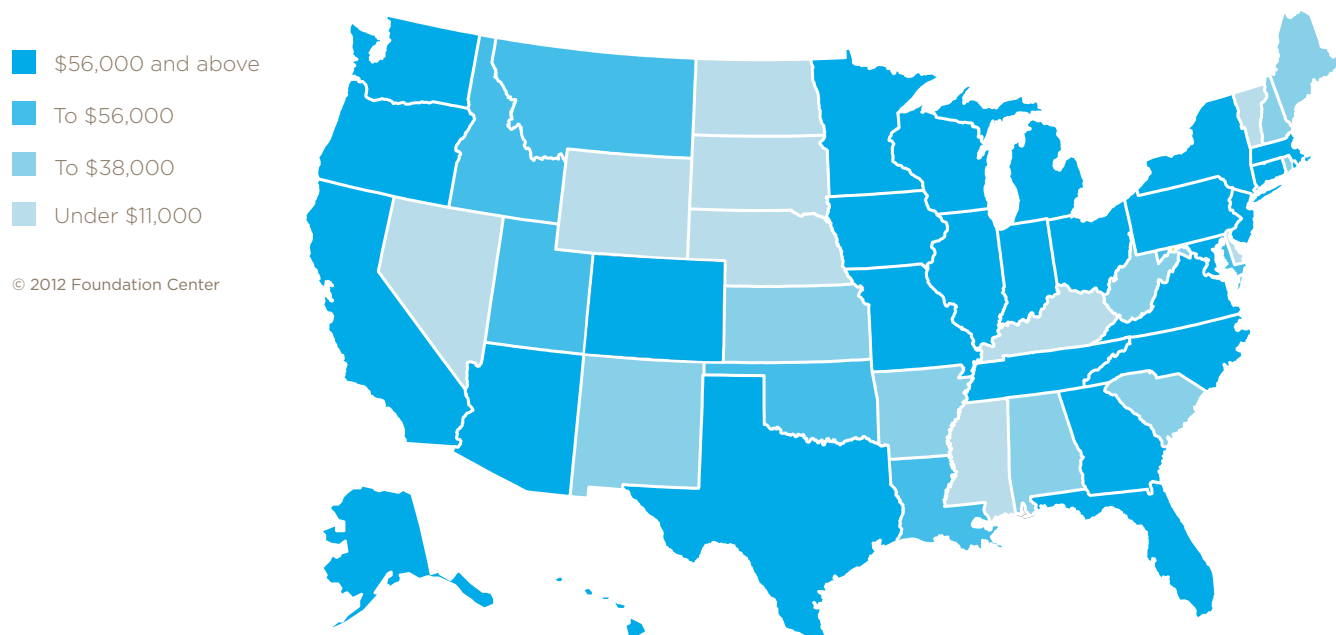
Sponsorships

Fundraising is a major challenge for nonprofit animal welfare groups. The Petco Foundation entertains the possibility of assisting humane groups at various fundraising events by being a sponsor and will work with organizations to make these events their most successful ever.

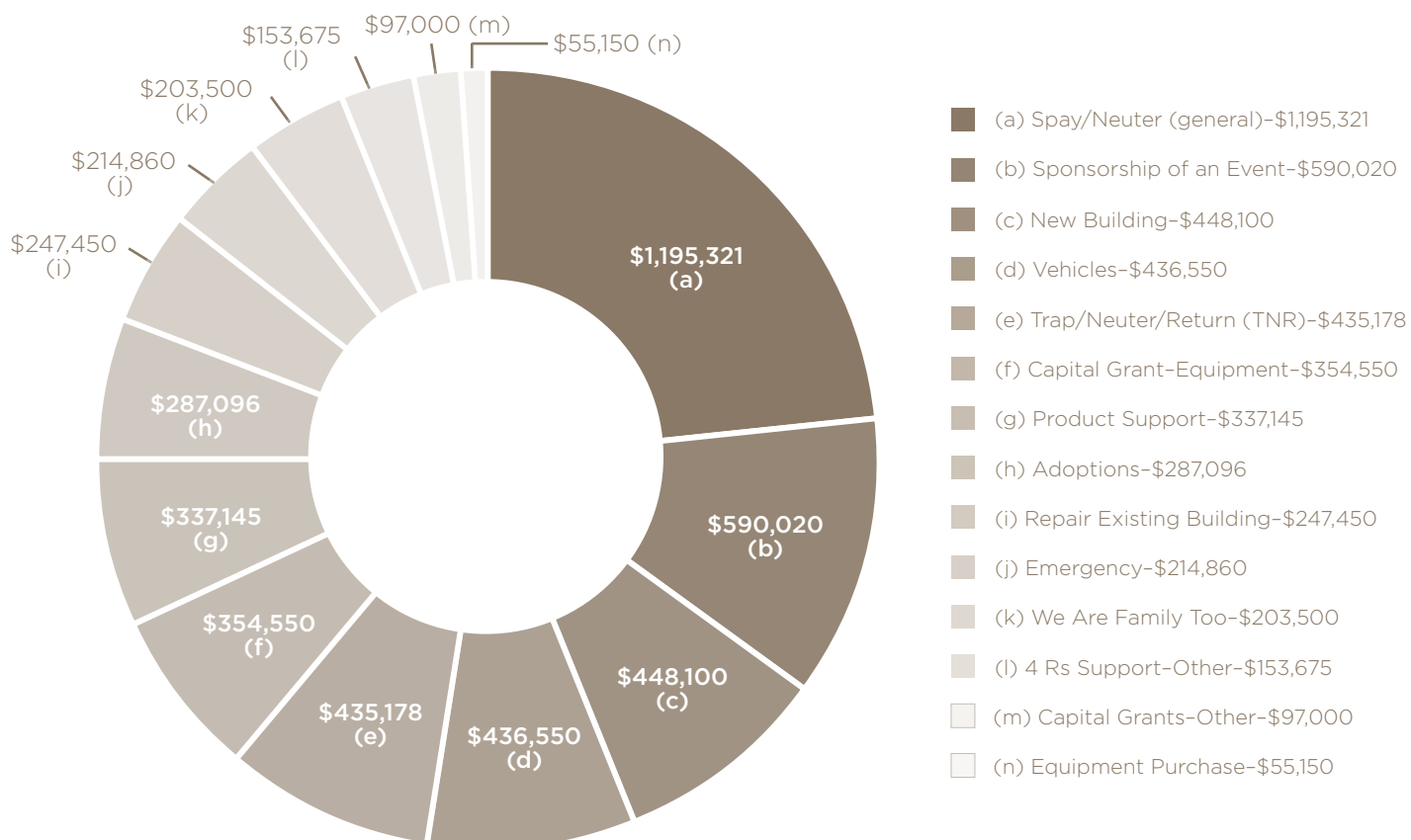


"The many pet families we support are grateful for your continued support. These funds were used to supply much needed food for our pet food pantry in the W.C. Family Resource Center." – *The Time Is Now, Inc. of Lake Geneva, WI*

Grant amounts by state



Grants by support type





Pet Food Bank program

The Pet Food Bank program supports local food banks and families in financial crisis. As animal lovers, we simply refuse to accept that anyone should have to go through the pain of giving up their pet companion because of financial distress.

Special bins in Petco stores across the country serve as collection points for customers to donate pet food or cat litter. Stores then partner with an existing human food bank that has a pet food component, or with an animal welfare group that has its own pet food bank, to donate the food directly to pet parents in the community.

In November 2011, the holiday program again came alive during our second National Food Drive, when nearly 339,000 pounds of dog and cat food were collected and distributed to hundreds of pet food banks nationwide.

The Pet Food Bank program collects an average of 40,000 pounds of food per month, and we've collected more than 1.4 million pounds since this program began.

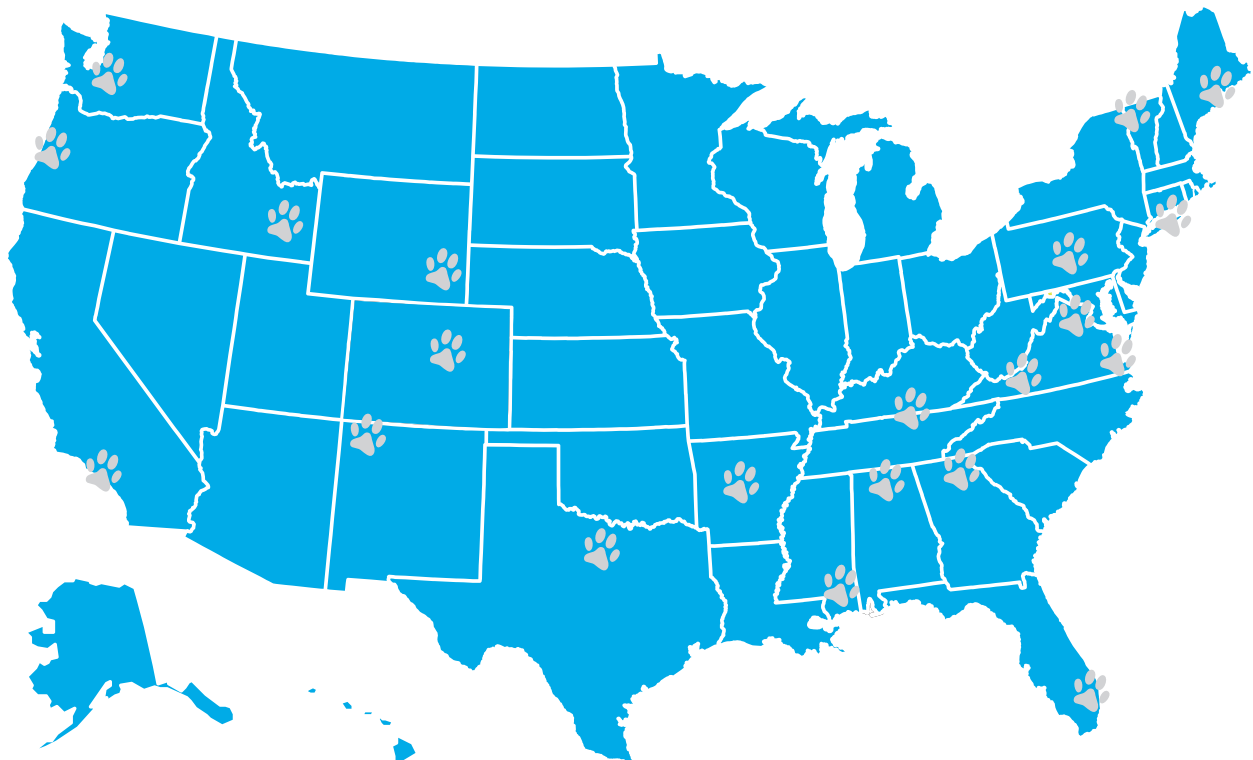
In 2011, the Petco Foundation collected 702,333 pounds of food that was distributed to more than 800 pet food banks throughout the United States.

Adoption Options workshops

The Petco Foundation has partnered with Petfinder.com since 2001 to host creative, informative and entertaining day-long workshops that teach adoption groups how to become even better at what they do. In 2011, we hosted 21 Adoption Options workshops, bringing nationally known speakers to locations that are often missed by the large animal welfare conference schedules. These innovative workshops include a vegetarian breakfast and lunch, raffles and a gift from the Petco Foundation—a commemorative 2011 Adoption Options Tour T-shirt, as well as a day filled with networking and knowledge.

Adoption Options workshops:

Bowling Green, KY	Colorado Springs, CO	Huntsville, AL	Pocatello, ID
Norfolk, VA	Farmington, NM	Long Beach, CA	Harrisburg, PA
Fairfax, VA	Seattle, WA	Athens, GA	New Haven, CT
Roanoke, VA	Newport, OR	Dothan, AL	
Fort Pierce, FL	Middlebury, VT	Dallas, TX	
Cheyenne, WY	Augusta, ME	Little Rock, AR	



155%

increase in revenues over the past five years has enabled us to better assist more than 8,000 animal welfare groups nationwide.

91 cents

of every dollar raised went to help pets and people who love and need them.

Financial position

Year ending April 28, 2012

Assets

Cash and cash equivalents	\$8,011,074
Contributions receivable	\$608,803
Other receivables	\$146,086
Total assets	\$8,765,963

Liabilities and net assets

Liabilities:	
Accounts payable and accrued expenses	\$785,318
Total liabilities	\$785,318
Net assets:	
Unrestricted	\$7,980,645
Total net assets	\$7,980,645
Total liabilities & net assets	\$8,765,963

Cash flow

Year ending April 28, 2012

Cash flow from operating activities

Increase in net assets	\$1,116,364
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in contributions receivable	\$9,871
Decrease in other receivables	\$378,660
Increase in accounts payable and accrued expenses	\$56,399
Net cash provided by operating activities	\$1,561,294
Net increase in cash and cash equivalents	\$1,561,294
Cash and cash equivalents, beginning of year	\$6,449,780
Cash and cash equivalents, end of year	\$8,011,074

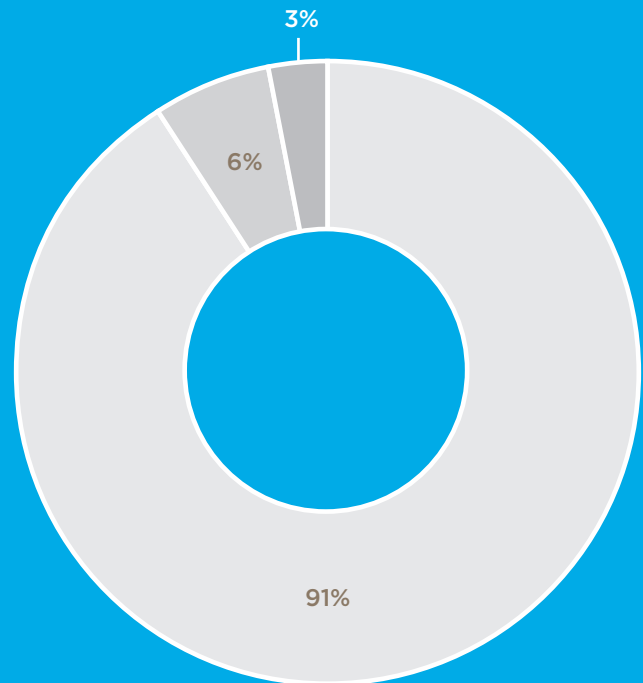
Activities and changes in net assets

Year ending April 28, 2012

2011-2012 Expenses

- The Petco Foundation counts over 8,000 animal welfare groups as Charitable Partners
- Less than 10% is spent on administrative and fundraising costs
- The Petco Foundation received more than 2,000 grant applications in 2011

- Programs—91%
- Administrative and other—6%
- Direct costs of fundraising—3%



Changes in unrestricted net assets

Contributions from fundraising activities:	
Tree of Hope	\$4,258,842
Spring A Pet	\$3,050,537
Breeds in Need	\$1,226,998
POS	\$1,973,680
Other contributions	\$1,135,411
National Spay and Neuter	\$1,106,116
Pet Cancer Awareness	\$845,062
Guide Dog Fundraiser	\$816,594
Special events	\$800,456
Petco Adopt Fund	\$675,149
Calendars	\$385,439
Manager's Choice	\$309,804
Making a Difference	\$207,109
We Are Family Too	\$15,866
Total unrestricted support and revenue	\$16,807,063

Expenditures

Donations	\$14,300,650
Administrative and other	\$976,581
Fundraising	\$413,468
Total expenditures	\$15,690,699
Increase in unrestricted net assets	\$1,116,364
Net assets, beginning of year	\$6,864,281
Net assets, end of year	\$7,980,645

“Please know that every penny of your donation will be used to pay for spay and neuter expenses for people who cannot afford to do it on their own. The people we assist are truly grateful.”

– PUPS—Prevent Unwanted Pets of Cat Spring, TX



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