

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If 'Yes,' explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance.....	1 c
d Additions during the year.....	1 d
e Distributions during the year.....	1 e
f Ending balance.....	1 f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If 'Yes,' explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1 a Beginning of year balance.....					
b Contributions.....					
c Net investment earnings, gains, and losses.....					
d Grants or scholarships.....					
e Other expenditures for facilities and programs.....					
f Administrative expenses.....					
g End of year balance.....					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ▶ _____ %
- b Permanent endowment ▶ _____ %
- c Term endowment ▶ _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations.....
- (ii) related organizations.....

	Yes	No
3a(i)		
3a(ii)		
3b		

b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?.....

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1 a Land.....				
b Buildings.....				
c Leasehold improvements.....				
d Equipment.....		92,901.	92,843.	58.
e Other.....				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).).....				58.

Part VII Investments—Other Securities. See Form 990, Part X, line 12. N/A

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990 Part X, column (B) line 12.)		

Part VIII Investments—Program Related. (See Form 990, Part X, line 13) N/A

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13.)		

Part IX Other Assets. (See Form 990, Part X, line 15) N/A

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B), line 15)	

Part X Other Liabilities. (See Form 990, Part X, line 25)

(a) Description of liability	(b) Amount
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25)	

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)		517,721.
2	Total expenses (Form 990, Part IX, column (A), line 25)		664,293.
3	Excess or (deficit) for the year. Subtract line 2 from line 1		-146,572.
4	Net unrealized gains (losses) on investments		466,416.
5	Donated services and use of facilities		
6	Investment expenses		
7	Prior period adjustments		
8	Other (Describe in Part XIV)		
9	Total adjustments (net). Add lines 4 through 8		466,416.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9		319,844.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	984,138.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	466,417.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	466,417.
3	Subtract line 2e from line 1	3	517,721.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	517,721.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	664,293.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	664,293.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	664,293.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2010

**Open To Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organizations answered 'Yes'**
on Form 990, Part IV, lines 29 or 30.
▶ **Attach to Form 990.**

Name of the organization

Polly Klaas Foundation

Employer identification number

68-0314615

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles	X	2,165	1,066,527.	net sales
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution— Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (.....)				
26 Other ▶ (.....)				
27 Other ▶ (.....)				
28 Other ▶ (.....)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If 'Yes,' describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?		X
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	X	
b If 'Yes,' describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2010

Part II Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Part I, Line 32 - Hire and Use of Third Parties

JOHN LEARNED

VEHICLE DONATION PROCESSING CENTER, INC.

626 SOUTH PRIMROSE AVENUE

MONROVIA, CA 91016

THE FOUNDATION HAS CONTRACTED WITH THE ABOVE NAMED INDEPENDENT CONTRACTOR TO OPERATE A VEHICLE DONATION PROGRAM ON ITS BEHALF AS A MEANS TO GENERATE THE FUNDS NECESSARY TO OPERATE THE CHARITABLE ACTIVITIES. DURING THE FISCAL YEAR, THE FOUNDATION RECEIVED \$ 373,721. VDPC receives forty percent of the net auto proceeds less expenses.

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

2010

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

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Form 990, Part III, Line 1 - Organization Mission

The Polly Klaas® Foundation is a national nonprofit founded in 1993 following the abduction and murder of Polly Klaas. The Foundation is committed to the recovery of missing children and the promotion of child abduction prevention programs. It offers a 24/7 hot line 365 days a year, comprehensive child find services with professional caseworkers and prevention/education tools including Child Safety Kits and Internet Safety Kits. It has a growing number of Rapid Response Team e-volunteers across the Nation who actively participate in our efforts to help bring home missing children.

Form 990, Part III, Line 4a - Program Service Accomplishments

Response Department Casework Services

The Polly Klaas® Foundation has assisted over 8,000 families and hundreds of Law Enforcement Agencies in their search for missing and abducted children. Since inception we have seen an overwhelming majority of those children return home safely. The Response Department provides a variety of services for each type of missing child case, all of which are geared toward the recovery and safe return of the child.

*24 Hour Hot line - Staff and volunteers work with families and Law Enforcement Agencies 24 hours a day, 7 days a week.

*National Flyer Distribution - Case-specific flyer distribution anywhere in the nation, within a matter of hours. Decisions about flyer distributions are made as a team effort between the Foundation, the parent and the lead agency in the investigation.

*Local and/or National Media Exposure - Further exposure for a case is achieved by producing and distributing press releases and by doing live or taped radio, television or print interviews. We have assisted families by either working on their

Name of the organization

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Form 990, Part III, Line 4a - Program Service Accomplishments

behalf with the media or by coaching them through the process.

*Intake And Transmission Of Leads And Tips To The Lead Agency - public leads are immediately forwarded to the investigating agency. We have strict policies regarding confidentiality and rely solely on the investigating agency to determine the necessity of follow-up on any lead.

*International Web site Exposure - It has been proven that pictures help in the recovery of missing children. With www.pollyklaas.org receiving over a half a million hits per month, missing child cases gain a remarkable amount of exposure.

*Nationwide Resources - The Foundation has excellent working relationships with other child find agencies, social service agencies and many Law Enforcement professionals across the nation. In addition, we are members of AMECO (Association of Missing & Exploited Children Organizations).

*Family Support And Assistance - Our role in missing child cases involves advising families about what to expect and what steps they need to be taking, providing emotional support, maintaining on-going contact in long term cases, and helping to retain a positive working relationship with Law Enforcement, the media and the community. The Foundation can also assist families after their children return home by providing counseling referrals and extended case management as necessary.

Rapid Response Team eVolunteers

Before the Internet, we were very limited by time and geography. It was not possible to execute an effective nationwide missing child poster volunteer distribution program. In the Spring of 2005, we conducted a survey. A large number of survey respondents told us they wanted to volunteer to distribute missing child posters. In April 2006, we launched the Rapid Response Team eVolunteers, a volunteer program that takes advantage of the Internet.

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Form 990, Part III, Line 4a - Program Service Accomplishments

The RRT is managed completely online. Once a person becomes a member of the Rapid Response Team they are welcomed and provided with all kinds of tools including a volunteer guide. When the Response Department Director decides that a missing child's poster needs distribution, they will go to our online member messaging system. Each volunteer receives an email requesting that a child's poster be distributed; Included in the email is a link to the poster's location on our web site's Master List of Missing Children. The volunteer receives the e-mail with a link to a poster which they can make as many copies as desired. Posters are then distributed within their local community. When a child is found, the caseworker sends an e-mail to the eVolunteers requesting that no more of that child's poster be distributed. The child's information is removed from web site's Master List of Missing Children. Since inception over 4,000 individuals have become members of The Rapid Response Team.

Form 990, Part III, Line 4b - Program Service Accomplishments

Prevention/Education - Child Safety Kits

The Child Safety Kit is our flagship publication and the principal vehicle for mission fulfillment in the areas of Education and Abduction Prevention. The Kit includes 24 pages of positive, encouraging guidance for parents on how to teach their children to stay safe "without scaring your child or yourself."

The empowering message of the Child Safety Kit was initiated in 1994 and is unique to the Polly Klaas® Foundation. Since then it has continued to evolve into one of the most sought after publications in the field of Child Safety Education. By communicating a hopeful message to parents, our Child Safety Kit unblocks the paralyzing fear of stranger abduction, and models ways for parents to teach their children how not to go missing or, if children do get lost or separated, how to ask for help.

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Form 990, Part III, Line 4b - Program Service Accomplishments

Throughout its history, the Foundation has insisted on telling the truth, providing all of the facts about missing children and empowering parents rather than frightening them. Our Child Safety Kit gives parents, educators and Law Enforcement professional's powerful teaching tools that strongly supports family involvement and communication.

In the last quarter of 2004 we decided to offer the Kit to our online members.

The online order form and free consumer goods lists catapulted the Polly Klaas® Foundation into the consciousness of tens of thousands of parents throughout the United States and indeed had an impact throughout the world (about 5% of our online members reside outside the United States). Parents, Law Enforcement professionals, schools and churches across the nation have ordered over 223,000 kits from January 2006 through December 2010.

Form 990, Part III, Line 4c - Program Service Accomplishments

The Foundation has established a national reputation as one of the preeminent child find organizations, dedicating its resources to the safety of all children...everywhere. We have worked with thousands of families to help them find their children and with law enforcement professionals, educators and researchers to develop prevention strategies, educational programs and other resources that empower parents and whole communities to protect children from harm. We have also distinguished ourselves among local, state and national policy makers for our leadership on child safety legislation.

Highlights of our services include:

*Public Affairs - Joining with State and Federal policy makers to promote child safety legislation. In a nationwide effort facilitated by the Polly Klaas®

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Form 990, Part III, Line 4c - Program Service Accomplishments

Foundation, all 50 states now have Amber Alert laws in place. To date, over 400 children have been recovered with Amber Alerts.

*Casework - Parents whose children are missing call our 24/7 hot line or email the Response Department of the Foundation. Since 1993 we have provided comprehensive casework services and have helped over 7500 families bring their children home again.

*Prevention/Education - Thousands of parents throughout the world are teaching their children how to stay safe with abduction prevention materials developed by the Foundation including our free Child Safety Kit and Internet Safety Kit.

*Information and News - Every month tens of thousands of people receive safety information and missing child news through the Foundation's monthly eNews.

*Rapid Response Team eVolunteers - Moms, dads, family members and neighbors throughout the nation who sign up as RRT eVolunteers participate in our efforts to find missing children by receiving official emails with links to missing child posters. They download the posters, print them on their personal computers, and then distribute them within their local communities.

*Master List of Missing Children - neighbor's teachers and health care professionals use the Polly Klaas® Foundation web site to search our master file photos and call in information if there are suspicious circumstances. Many missing children have been found this way

*Fax Blasts - Restaurants and many other businesses throughout the country receive fax blasts with posters of missing children.

Our national presence and reputation for distinguished service has generated a roster of thousands of online members which grows geometrically every day. Our Foundation is one of most sought after by those needing services to find missing

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Form 990, Part III, Line 4c - Program Service Accomplishments

children, and information abduction prevention child safety.

Form 990, Part VI, Line 11b - Form 990 Review Process

Presented to audit committee who reviews and then to the board.

Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts

The Board of Directors and the Audit Committee will review this Policy annually.

Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available

Upon request

Form 990, Part XI, Line 5
Other Changes in Net Assets or Fund Balances

Net Unrealized Gains or Losses on Investments.....	\$	466,416.
Total	\$	<u>466,416.</u>

Polly Klaas Foundation

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FORM 990, PART 1, LINE 8C NET GAIN OR LOSS FROM SALE OF ASSETS OTHER THAN INVENTORY
SCHEDULE A, PART II - COMPENSATION OF INDEPENDENT CONTRACTOR FOR PROFESSIONAL
SERVICES

The Polly Klaas Foundation (PKF) has contracted with an independent contractor to operate an automobile donation program on its behalf as one of PKF's programs to generate funds necessary to carry on its charitable activities. During the past year, PKF had net receipts of \$373,721 from this program.

The automobile program is offered as a method by which individuals, who may otherwise not be willing or able to assist PKF through a direct cash donation, can provide much needed support to PKF by contributing their used vehicles. This property is resold by PKF (through an independent contractor as PKF's agent) and the cash proceeds, net of expenses, are directly used by PKF for PKF's charitable programs. PKF has determined that operating this program internally would divert the specialized personnel and support staff of the organization away from the at-risk children and families' who are the prime beneficiaries of PKF's charitable programs. PKF also realizes that it does not have the resources or operating capacity to conduct this program on its own, therefore this program is operated by a contractor for charitable purposes on PKF's behalf.

The expenses that are associated with the program are fundamentally different from those incurred by a "traditional" direct mail or similar fundraising campaign. This is primarily because of the high costs associated with advertising for donations of property through more expensive mass media such as radio and television advertisements, not to mention the additional costs associated with used vehicles, such as towing, detailing, and selling the donated property. These costs differ from programs in which the charity receives its donations in a readily usable form such as cash.

The internal revenue service has not issued specific guidelines regarding how a charity is to report the revenue and expenses associated with a program like an automobile donation program. PKF has attempted to work within the general reporting instructions for the Form 990 to complete this return. Following is a brief description of the manner in which the revenue and expenses are reported.

PKF has reported the value of these non-cash contributions on Form 990 Part VIII on line 1(g) and included the amount in costs on line 7(b) of Form 990 as the exact amount received by the independent contractor for the resale of the property.

Because the property is sold by PKF (through the contractor) after it is donated, PKF has reported at line 7(c), the gain or loss from the sale of the donated property. Line 7(b) includes the basis of the property equal to the resale amount, plus all expenses related to the acquisition, and processing a sale of the property. The inclusion of these expenses here results in a "reporting loss" at line 7(d), even though the organization receives an actual net cash increase from the program, which substantially benefits the organization to further PKF's charitable programs.

Thus, all expenses associated with the automobile donation program are reflected at Form 990, line 8(c). This amount includes all expenses of the automobile program incurred by the independent professional contractor on behalf of PKF as determined by the contract it has with PKF. In an effort to provide notice regarding all of the expenses associated with the program, the professional contractor's individual expenses for the 2010-2011 fiscal year were as follows:

Cost of sales	\$ 361,002
Professional contractor's fee	186,139
Advertisement	145,665

Total expenses	\$ 692,806
	=====

Polly Klaas Foundation

68-0314615

Balance Sheet
Publicly-traded securities (Form 990) [O]

MUTUAL FUNDS - FIXED INCOME.....	\$	2,124,837.
MUTUAL FUNDS - EQUITY.....		<u>1,417,909.</u>
Total	\$	<u><u>3,542,746.</u></u>

Balance Sheet
Accounts payable and accrued expenses

ACCOUNTS PAYABLE.....	\$	13,994.
ACCRUED VACATION.....		<u>31,012.</u>
Total	\$	<u><u>45,006.</u></u>