

Return of Organization Exempt from Income Tax

2002

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2002 calendar year, or tax year beginning 7/01, 2002, and ending 6/30, 2003

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

Please use IRS label or print or type See specific instructions

Open Adoption and Family Services, Inc.
 5200 SW Macadam Avenue #250
 Portland, OR 97239

D Employer Identification Number
 93-0896522

E Telephone number

F Accounting method Cash Accrual
 Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations

H (a) Is this a group return for affiliates? Yes No

H (b) If Yes enter number of affiliates

H (c) Are all affiliates included? Yes No (If No, attach a list See instructions)

H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Web site: www.openadopt.com

J Organization type (check only one) 501(c) 3 (insert no) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

I Enter 4 digit GEN

M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **1,104,719**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

1 Contributions, gifts, grants, and similar amounts received				
a Direct public support	1a	13,671		
b Indirect public support	1b	1,798		
c Government contributions (grants)	1c			
d Total (add lines 1a through 1c) (cash \$ 15,469. noncash \$)			1d	15,469.
2 Program service revenue including government fees and contracts (from Part VII, line 93)			2	1,079,257.
3 Membership dues and assessments			3	
4 Interest on savings and temporary cash investments			4	5,830.
5 Dividends and interest from securities			5	
6a Gross rents	6a			
b Less rental expenses	6b			
c Net rental income or (loss) (subtract line 6b from line 6a)			6c	
7 Other investment income (describe)			7	4,163
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
b Less cost or other basis and sales expenses	8a			
c Gain or (loss) (attach schedule)	8b			
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8c		8d	
9 Special events and activities (attach schedule)				
a Gross revenue (not including \$ of contributions reported on line 1a)	9a			
b Less direct expenses other than fundraising expenses	9b			
c Net income or (loss) from special events (subtract line 9b from line 9a)			9c	
10a Gross sales of inventory, less returns and allowances	10a			
b Less cost of goods sold	10b			
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	
11 Other revenue (from Part VII, line 103)			11	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	1,104,719.
13 Program services (from line 44, column (B))			13	801,380.
14 Management and general (from line 44, column (C))			14	109,061
15 Fundraising (from line 44, column (D))			15	37,935
16 Payments to affiliates (attach schedule)			16	
17 Total expenses (add lines 16 and 44, column (A))			17	948,376
18 Excess or (deficit) for the year (subtract line 17 from line 12)			18	156,343
19 Net assets or fund balances at beginning of year (from line 73, column (A))			19	439,741
20 Other changes in net assets or fund balances (attach explanation)			20	
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	596,084

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Part II Statement of Functional Expenses All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (att sch) (cash \$ _____ non cash \$ _____)	22			
23	Specific assistance to individuals (att sch)	23			
24	Benefits paid to or for members (att sch)	24			
25	Compensation of officers, directors, etc.	25	65,485	7,531	2,619
26	Other salaries and wages.	26	451,757	51,952	18,070
27	Pension plan contributions	27			
28	Other employee benefits	28	16,531	1,901	661
29	Payroll taxes	29	44,064	5,067	1,763
30	Professional fundraising fees	30			
31	Accounting fees	31	1,900	218	76
32	Legal fees	32	4,886	562	195
33	Supplies	33			
34	Telephone	34	29,957	3,445	1,198
35	Postage and shipping	35	12,482	1,436	499
36	Occupancy	36	74,865	8,609	2,995
37	Equipment rental and maintenance	37	4,604	530	184
38	Printing and publications	38	15,002	1,725	600
39	Travel	39	20,672	2,377	827
40	Conferences, conventions, and meetings	40			
41	Interest	41	588	68	23
42	Depreciation, depletion, etc (attach schedule)	42	7,466	858	299
43	Other expenses not covered above (itemize)				
a	See Statement 1	43a	198,117	22,782	7,926
b	-----	43b			
c	-----	43c			
d	-----	43d			
e	-----	43e			
44	Total functional expenses (add lines 22-43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	948,376	109,061	37,935

Joint Costs Check if you are following SOP 98 2
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to program services \$ _____, (iii) the amount allocated to management and general \$ _____, and (iv) the amount allocated to fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? ▶ <u>Promotion of Mediated Adoption</u>	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts but optional for others)
a <u>Provided free counseling to pregnant women regarding adoption, placed children in adoptive homes and counseled prospective adoptive parents</u> (Grants and allocations \$ _____)	801,380.
b ----- (Grants and allocations \$ _____)	
c ----- (Grants and allocations \$ _____)	
d ----- (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), program services)	801,380.

Part IV Balance Sheets (See Instructions)

		(A) Beginning of year		(B) End of year	
Note: Where required, attached schedules and amounts within the description column should be for end of-year amounts only					
ASSETS	45 Cash – non interest bearing	102,126	45	166,178.	
	46 Savings and temporary cash investments		46		
	47a Accounts receivable	102,809.			
	b Less allowance for doubtful accounts		47c	102,809.	
	48a Pledges receivable				
	b Less allowance for doubtful accounts		48c		
	49 Grants receivable		49		
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50		
	51a Other notes & loans receivable (attach sch)				
	b Less allowance for doubtful accounts		51c		
	52 Inventories for sale or use		52		
	53 Prepaid expenses and deferred charges	6,158.	53	10,319	
	54 Investments – securities (attach schedule)	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	338,350.	54	348,076
	55a Investments – land, buildings & equipment basis				
b Less accumulated depreciation (attach schedule)		55c			
56 Investments – other (attach schedule)		56			
57a Land, buildings, and equipment basis	85,603.				
b Less accumulated depreciation (attach schedule)	73,820.	19,248	57c	11,783.	
58 Other assets (describe ▶ See Statement 3)	4,498.	58	4,498.		
59 Total assets (add lines 45 through 58) (must equal line 74)	503,273.	59	643,663.		
LIABILITIES	60 Accounts payable and accrued expenses	14,494.	60	33,150	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64a Tax exempt bond liabilities (attach schedule)		64a		
	b Mortgages and other notes payable (attach schedule)		64b		
	65 Other liabilities (describe ▶ See Statement 4)	49,038.	65	14,429.	
66 Total liabilities (add lines 60 through 65)	63,532.	66	47,579.		
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67 Unrestricted	424,553	67	596,084.	
	68 Temporarily restricted	15,188	68		
	69 Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	439,741	73	596,084		
74 Total liabilities and net assets/fund balances (add lines 66 and 73)	503,273.	74	643,663		

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

BAA

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions)		Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return	
a Total revenue, gains, and other support per audited financial statements.	a	N/A	a
b Amounts included on line a but not on line 12, Form 990 (1) Net unrealized gains on investments \$ _____ (2) Donated services and use of facilities \$ _____ (3) Recoveries of prior year grants \$ _____ (4) Other (specify) _____ ----- \$ _____ Add amounts on lines (1) through (4)	b		b
c Line a minus line b	c		c
d Amounts included on line 12, Form 990 but not on line a. (1) Investment expenses not included on line 6b, Form 990. \$ _____ (2) Other (specify) _____ ----- \$ _____ Add amounts on lines (1) and (2)	d		d
e Total revenue per line 12, Form 990 (line c plus line d)	e		e

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
See Statement 5		65,485.	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?
 Yes No

 If 'Yes,' attach schedule - see instructions

Part VI Other Information (See instructions)

Yes No

76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes	77		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?	78b	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	79		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc. to any other exempt or nonexempt organization?	80a		X
81a	Enter direct or indirect political expenditures See line 81 instructions	81a	0	
81b	Did the organization file Form 1120-POL for this year?	81b		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
82b	If 'Yes,' you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	N/A	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85a	501(c)(4), (5), or (6) organizations Were substantially all dues nondeductible by members?	85a	N/A	
85b	Did the organization make only in house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	N/A	
85c	Dues, assessments, and similar amounts from members	85c	N/A	
85d	Section 162(e) lobbying and political expenditures	85d	N/A	
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A	
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A	
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A	
85h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	
86a	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86a	N/A	
86b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A	
87a	501(c)(12) organizations Enter a Gross income from members or shareholders	87a	N/A	
87b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88		X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0</u> , section 4912 <u>0</u> , section 4955 <u>0</u>	89a		
89b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89b		X
	c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0.
	d Enter Amount of tax on line 89c, above, reimbursed by the organization			0.
90a	List the states with which a copy of this return is filed <u>Oregon</u>	90a		
90b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions)	90b	15	
91	The books are in care of <u>Open Adoption and Family Svcs</u> Telephone number <u>503-233-9660</u> Located at <u>5200 SW Macadam Ave, #250 Portland, OR</u> ZIP + 4 <u>97239</u>	91		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <u>92</u>	92	N/A	N/A

Part VII Analysis of Income-Producing Activities (See instructions)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a <u>Counseling and Studie</u>					1,079,257.
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	5,830	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income			18	4,163.	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				9,993.	1,079,257.
105 Total (add line 104, columns (B), (D), and (E))					1,089,250

Note. Line 105 plus line 1d, Part I should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	Prospective adoptive parents receive counseling and screening Birth parents receive counseling both before and after placement Fees are charged for home studies and supervision.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End of year assets
N/A	0			
	0			
	0			
	0			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See instructions)

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

10/6/03
Date

SCHEDULE A
(Form 990 or 990-EZ)

**Organization Exempt Under
Section 501(c)(3)**

OMB No 1545 0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

2002

Supplementary Information — (See separate instructions)

Department of the Treasury
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

Name of the organization

Employer identification number

Open Adoption and Family Services, Inc.

93-0896522

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See instructions List each one If there are none, enter 'None')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
None				

Total number of other employees paid over \$50,000 ▶

0

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions List each one (whether individuals or firms) If there are none, enter 'None')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services ▶

0

Part III Statements About Activities (See instructions)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities. ▶ \$ <u>N/A</u> (Must equal amounts on line 38, Part VI A, or line 1 of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI A. Other organizations checking 'Yes,' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)		X
4 Do you have a section 403(b) annuity plan for your employees?	X	
Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs 'qualify' to receive payments.		

Part IV Reason for Non-Private Foundation Status (See instructions)

The organization is not a private foundation because it is (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(v) (Also complete the **Support Schedule** in Part IV-A)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12 An organization that normally receives (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions - subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) *Use cash method of accounting*

Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	15,627.	25,874.	15,801	49,338.	106,640
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	984,341	860,354	889,710.	592,429	3,326,834
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	6,243	22,665	7,234	11,665.	47,807.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. See Stmt 6.	-27,217.	-304.	32,191	-7,759	-3,089.
23 Total of lines 15 through 22	978,994.	908,589.	944,936	645,673	3,478,192.
24 Line 23 minus line 17	-5,347	48,235	55,226.	53,244.	151,358.
25 Enter 1% of line 23	9,790	9,086	9,449	6,457.	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24 N/A				26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26b
c Total support for section 509(a)(1) test. Enter line 24, column (e).					26c
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____					26d
e Public support (line 26c minus line 26d total)					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f %
27 Organizations described on line 12					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2001) _____ 3,364. (2000) _____ 3,375. (1999) _____ 2,375. (1998) _____ 2,550.					
b For any amount included in line 17 that was received from each person (other than disqualified persons), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2001) _____ 159,868. (2000) _____ 82,550. (1999) _____ 107,863. (1998) _____ 110,513.					
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 3,326,834. 20 _____ 21 _____					27c 3,433,474.
d Add: Line 27a total _____ 11,664. and line 27b total _____ 460,794.					27d 472,458.
e Public support (line 27c total minus line 27d total)					27e 2,961,016.
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) 27f 3,478,192.					
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 85.13 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h 1.37 %
28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement) ----- ----- -----		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement) ----- -----		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement) ----- ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75 50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check **a** if the organization belongs to an affiliated group Check **b** if you checked 'a' and limited control' provisions apply

Limits on Lobbying Expenditures

(The term 'expenditures' means amounts paid or incurred)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table –		
If the amount on line 40 is –		
Not over \$500,000		20% of the amount on line 40
Over \$500,000 but not over \$1,000,000		\$100,000 plus 15% of the excess over \$500,000
Over \$1,000,000 but not over \$1,500,000		\$175,000 plus 10% of the excess over \$1,000,000
Over \$1,500,000 but not over \$17,000,000		\$225,000 plus 5% of the excess over \$1,500,000
Over \$17,000,000		\$1,000,000
The lobbying nontaxable amount is –		
Not over \$500,000		20% of the amount on line 40
Over \$500,000 but not over \$1,000,000		\$100,000 plus 15% of the excess over \$500,000
Over \$1,000,000 but not over \$1,500,000		\$175,000 plus 10% of the excess over \$1,000,000
Over \$1,500,000 but not over \$17,000,000		\$225,000 plus 5% of the excess over \$1,500,000
Over \$17,000,000		\$1,000,000
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36 Enter 0 if line 42 is more than line 36	43	
44 Subtract line 41 from line 38 Enter 0 if line 41 is more than line 38	44	
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720		

4 -Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
 See the instructions for lines 45 through 50)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4 -Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI A) (See instructions)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (add lines c through h.)

Yes	No	Amount

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service

See Separate Instructions

Attach this form to your return

Attachments
Sequence No **67**

Name(s) shown on return

Business or activity to which this form relates

Identifying number

Open Adoption & Family Services, Inc

Part I Election to Expense Certain Tangible Property Under Section 179

NOTE If you have any "listed property", complete Part V before you complete Part I

1 Maximum amount See page 2 of the instructions for a higher limit for certain businesses	1	\$ 24,000
2 Total cost of section 179 property placed in service (see page 2 of the instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	\$ 200,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less enter -0- If married filing separately see page 2 of the instructions	5	24,000
6		
(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property Enter the amount from line 29	7	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2001 Form 4562	10	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	24,000
12 Section 179 expense deduction Add lines 9 and 10 but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2003 Add lines 9 and 10, less line 12	13	

Note Do not use Part II or Part III below for listed property Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do Not Include Listed Property)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see page 3 of the instructions)	14	
15 Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16 Other depreciation (including ACRS) (see page 4 of the instructions)	16	

Part III MACRS Depreciation (Do Not Include Listed Property) (See page 4 of the instructions)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2002	17	7,466
18 If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2002 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property			3 yrs	HY		
b 5-year property			5 yrs	HY		
c 7-year property			7 yrs	HY		
d 10-year property			10 yrs	HY		
e 15-year property			15 yrs	HY		
f 20-year property			20 yrs	HY		
g 25-year property			25 yrs	HY	S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See page 6 of the instructions)

21 Listed Property Enter amount from line 28	21	
22 Total Add amounts from line 12 lines 14 through 17 lines 19 and 20 in column (g) and line 21 Enter here and on the appropriate lines of your return Partnerships and S Corporations - see instructions	22	7,466
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement)

Note For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution. See page 8 of the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?				Yes	No	24b If "Yes," is the evidence written?		Yes	No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation Deduction	(i) Elected section 179 cost	
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see page 7 of the instructions)							25		
26 Property use more than 50% in a qualified business use (See page 7 of the instructions)									
		%							
		%							
		%							
27 Property use 50% or less in a qualified business use (See page 7 of the instructions)									
		%				S/L-			
		%				S/L-			
		%				S/L-			
28 Add amounts in column (h) lines 25 through 27. Enter the total here and on line 21, page 1							28		
29 Add amounts in column (i), line 26. Enter the total here and on line 7, page 1								29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner" or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total bus/investment miles driven during the yr. (DO NOT include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (non commuting miles driven)												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons. (See page 8 of the instructions)

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 9 of the instructions)		

Note If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2002 tax year (See page 9 of the instructions)					
43 Amortization of costs that began before 2002					43
44 Total. Add amounts in column (f). See page 9 of instructions for where to report					44

Client SOPENA

Open Adoption and Family Services, Inc.

93-0896522

9/30/03

02 09PM

Statement 1
Form 990, Part II, Line 43
Other Expenses

	(A) Total	(B) Program Services	(C) Management & General	(D) Fundraising
Advertising	109,236.	92,304	12,562	4,370
Background checks	1,249	1,055	144	50
Bank fees	10,482	8,857	1,206	419.
Contracted services	19,227	16,247	2,211	769
Dues and subscriptions	4,609.	3,895	530	184.
Education and training	2,412.	2,038	277	97.
Employee recruiting	668.	564	77.	27.
Hospitality	2,428.	2,052.	279.	97.
Insurance	14,428.	12,192.	1,659.	577.
Internet access	6,171	5,214.	710.	247
Library	278.	235.	32.	11
Literature	622	526.	71.	25
Miscellaneous	489	413.	56.	20
New program expenses	2,716	2,295.	312.	109
Office supplies	9,532	8,055	1,096	381
Taxes	9,091	7,682.	1,045	364
Utilities	4,479	3,785	515	179.
Total	\$ 198,117	\$ 167,409	\$ 22,782	\$ 7,926.

Statement 2
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Furniture and Fixtures	\$ 85,603.	\$ 73,820	\$ 11,783
Total	\$ 85,603	\$ 73,820	\$ 11,783.

Statement 3
Form 990, Part IV, Line 58
Other Assets

Deposits		\$ 4,498.
Total		\$ 4,498

Statement 4
Form 990, Part IV, Line 65
Other Liabilities

Accrued Payroll	\$ 4,969.
Accrued Vacation	5,036.
Leases Payable	4,424.
Total	\$ 14,429.

Client 5OPENA

Open Adoption and Family Services, Inc.

93-0896522

9/30/03

02 09PM

**Statement 5
Form 990, Part V
List of Officers, Directors, Trustees, and Key Employees**

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Shari Levine, MA 6323 SW Flower Portland, OR 97221	Executive Direc 36	\$ 65,485	\$ 0	\$ 0
Roy Abramowitz, CPA 1211 SW Fifth Ave, Ste 1000 Portland, OR 97204	President None	0	0	0
Erik Bergman 9845 SW 18th Place Portland, OR 97219	Director None	0	0	0
Ann Gregory 8604 SE 15th Ave Portland, OR 97202	Director None	0	0	0
Jennifer Blakley 340 Ridgeway Lake Oswego, OR 97034	Director None	0	0	0
Elisa Wilson 1300 SW 5th Ave., Suite 2300 Portland, OR 97204	Secretary None	0	0	0
Mark Spaur 519 SW 328th Court Federal Way, WA 98023	Director None	0.	0.	0.
Andrea Hardy 4704 NE 31st Ave Portland, OR 97211	Director None	0.	0.	0
Mary McInnis 3333 NE 31st Portland, OR 97212	Director None	0.	0.	0
Paul Heimowitz 10876 So. Beutel Rd Oregon City, OR 97045	Director None	0	0	0
Katherine Provancher 1831 SW Park Ave., #104 Portland, OR 97201	Director None	0	0	0
Astrid Dabbeni 7103 SE Yamhill Portland, OR 97215	Director None	0	0.	0
Total		<u>\$ 65,485.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Client 5OPENA

Open Adoption and Family Services, Inc.

93-0896522

9/30/03

02 09PM

Statement 6
 Schedule A, Part IV-A, Line 22
 Other Income

<u>Description</u>	<u>(a) 2001</u>	<u>(b) 2000</u>	<u>(c) 1999</u>	<u>(d) 1998</u>	<u>(e) Total</u>
Unrealized gain or loss	\$ -13,710.	\$ 0.	\$ 32,191.	\$ -7,759.	\$ 10,722.
Realized gain or loss on sale of invest	-13,507	-304.	0.	0	-13,811.
Total	<u>\$ -27,217</u>	<u>\$ -304</u>	<u>\$ 32,191.</u>	<u>\$ -7,759.</u>	<u>\$ -3,089.</u>



Preferred Client Financial Management Account June 1 - June 29, 2003

Ref 00002639 00018427

881F0313147814000002639 303178AG01 PCAFO039A
OPEN ADOPTION & FAMILY SERVICE
5200 SW MACADAM AVENUE
SUITE 250
PORTLAND OR 97239-3800

Your Broker/Dealer is
CITIGROUP GLOBAL MKTS INC

Copies of this statement
have also been sent to

ROY ABRAMOWITZ

Your Financial Consultant

DOUG CROSBY

121 SW MORRISON ST

16TH FLOOR

PORTLAND OR 97204

503-243 6918

Preferred Client Service Center 800-232-4454

Branch 800 452 0966

Email douglas w crosby@smithbarney.com

TTY/TDD Deaf & Hard of hearing 800-227-4238

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Account value

	Last period	This period	%
Money funds	\$ 145,379.69	\$ 145,933.11	41.93
Accrued money fund dividends	54.30	34.89	01
Common stocks & options	86,607.50	88,540.28	25.44
Closed end funds	52,140.00	52,140.00	14.98
Mutual funds	61,608.18	61,427.22	17.65
Net value	\$ 345,789.67	\$ 348,075.50	100
Portfolio Credit/Line Borrowing Power		\$ 118,744.00	

Earnings summary

	This period	This year	Year taxable
Dividends	\$ 463.34	\$ 2,427.84	\$ 0.00
Accrued dividends received	0.00	11.08	0.00
Money funds earnings	90.08	503.99	0.00
Total	\$ 553.42	\$ 2,942.91	\$ 0.00

Gain/loss summary

	This period	This year
Realized gain or (loss)	\$ 0.00	(\$ 5,837.53)LT
Unrealized gain or (loss)	(17,548.32)	Not applicable

OPEN ADOPTION & FAMILY SERVICE

Cash, Money funds and Bank deposits

	This period	This Year
Opening balance	\$ 145,378 89	
Withdrawals	0 00	
Dividends credited	463 34	-50 00
Money funds earnings reinvested	90 06	
Closing balance	\$ 145,933 11	

A free credit balance in any securities account may be paid to you on demand. Although properly accounted for on our books and records, these funds may be used for our business purposes.

Portfolio summary

	This period	Year-to-date
Opening value of securities	345,789 67	328,133 26
+ Opening cash balance	0 00	0 00
= Opening portfolio balance	345,789 67	328,133 26
Securities deposited/withdrawn net	0 00	0 00
Capital deposited/withdrawn net	0 00	-50 00
Adjusted opening value	345,789 67	328,083 26
Closing value of securities	348,075 50	348,075 50
+ Closing cash balance	0 00	0 00
= Closing portfolio value	348,075 50	348,075 50

Note: Securities deposited/withdrawn net = The value of securities on the day they were debited from or credited to the account as reflected in the "Other security activity" section.

Capital deposited/withdrawn net = Cash withdrawals and deposits, credit card payments, FMA Card activity, checks written, and Money funds/Insured Deposit AccountSM transfers.

Portfolio details The values of your holdings are as of 06/27/03.

Dividend yield is the estimated annual income, assuming the current dividend, divided by the security's market price at the end of the statement period. We do not guarantee the accuracy of prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold. Please note, unrealized gain/(loss) is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Money funds

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend Yield/Anticipated Income (annualized)
145,933 11	SB MONEY FUNDS CASH PORT CL A	\$ 145,933 11	\$ 34 89	83%
Total money funds		\$ 145,933 11	\$ 34 89	\$ 919 37
				.62
				\$ 919 37

Ref 00002639 00018430

OPEN ADOPTION & FAMILY SERVICE

**Common
stocks &
options**
continued

Quantity	Description	Date acquired	Share cost	Current share price	Current value	Unrealized gain/(loss)	Average % Yield/Anticipated Income (annualized)
600	TOLL BROS INC SYMBOL TOL/RATING B+ Research rating 2/H/1	05/16/01	\$ 9,899 94	\$ 29 31	\$ 17,588 00	\$ 7,588 16	LT
15	UNISYS CORP SYMBOL UIS/RATING B- Research rating 2/H/2		Please provide	11 55	173 25	Not available	
19	VISTEON CORP SYMBOL VC	05/11/99	381 66	20 763	131 10	(250 56)	LT 3 478 4 56
300	WASHINGTON MUTUAL INC SYMBOL WM/RATING A- Research rating 2/H/2	05/07/01	10,188 27	33 293	12,462 00	2,275 73	LT 2 888 360 00
Total common stocks and options			\$ 109,657 11		\$ 88,540 28	\$ 0 00	ST (9 21,280 08)* LT \$ 1,442 04

**Closed
end
funds**

The research rating for Standard & Poor's may be shown for certain securities. All research ratings represent the "opinions" of the research provider and should not be construed as representations or guarantees of performance. Your Financial Consultant will be pleased to provide you with further information.

Smith Barney Citigroup's research ratings may be shown for certain securities. The first number of the rating represents the stock's rating relative to the performance over the coming 12-18 months of either the other covered stocks in its industry or the other stocks covered by that Analyst, and the letter after the first number represents the stock's expected risk. The number after the letter represents the opinion of the Analyst of a stock's industry relative to the primary market index appropriate to that global region (such as the S&P 500 in the U.S.) over the next 12-18 months. In some cases, stocks in the same industry but in different global regions may have different industry ratings. Your Financial Consultant will be pleased to provide you with further information or assist in interpreting research ratings. Please refer to the end of this statement for a key describing the values used in research ratings.

Closed end investment companies are grouped below by our portfolio designations. Gain/Loss is provided to assist in tax preparation. It is not intended to calculate investment returns or performance.

Quantity	Description	Date acquired	Share cost	Current share price	Current value	Unrealized gain/(loss)	Average % Yield/Anticipated Income (annualized)
3,300	NUVEEN QUALITY PFD INCOME FD 2 SYMBOL JPS Taxable bond portfolio	09/23/02	\$ 49,500 00	\$ 15 80	\$ 52,140 00	\$ 2,640 00	ST 7 974% \$ 4,158 00
Total closed end fund taxable bond allocation					\$ 52,140 00		
Total closed end funds			\$ 49,500 00		\$ 52,140 00	\$ 2,640 00	ST \$ 7 97 \$ 4,158 00

Ref 00002639 00018431

OPEN ADOPTION & FAMILY SERVICE

Mutual funds

Yield is the current distribution annualized, divided by the fund's net asset value at the end of the statement period. Distributions may consist of income, capital gains or the return of capital. Distributions and current dividend for funds not sponsored by us are based upon information provided by an outside vendor and are not verified by us. "Total Value (Tax Based)" is being provided for information purposes only. "Fund Performance", when shown, is provided to assist you in comparing your total investment, excluding reinvested distributions, with the current value of the fund's shares in your account. "Fund Performance" does not take into account cash distributions.

Number of shares	Description	Date acquired	Cost	Share cost	Current share price	Current value	Unrealized gain/(loss)	Yield/Anticipated income (annualized)
374 953	FRANKLIN SMALL MID CAP GROWTH FUND CLASS A	05/11/99	\$ 10,000.00	\$ 26.67	\$ 25.49	\$ 9,557.55	(\$ 442.45)	LT
374 953	Total Purchases		10,000.00	26.67	25.49	9,557.55	(442.45)	
8 618	Reinvestments to date		325.46	37.765	25.49	219.67	(105.79)	LT
383 571	Total Value (Tax based)		10,325.46	26.919		9,777.22	(548.24)	329 32.21
Fund Performance								
5,000	RUSSELL MULTI MANAGER PRINCIPAL PROTECTED FD CL B	02/26/03	50,000.00	10.00	10.33	51,650.00	1,650.00	ST
Total mutual funds (Tax based)								
			\$ 60,125.46			\$ 61,427.22	\$ 1,650.00	ST
			\$ 365,415.68			\$ 348,040.61	\$ 4,290.00**	ST
							(\$ 21,838.32)**	LT
								\$ 5,551.62

**Unrealized Gain/Loss is only calculated when an original cost basis is available

Transaction details All dates of transactions appearing on this statement are settlement dates

Date	Activity	Description	Amount
Opening money funds balance			
			\$ 145,379.69
06/03/03	AutoInvest	SB MONEY FUNDS CASH PORT CL A	421.34
All transactions are traded at \$1.00 per share			
			Amount
06/03/03	AutoInvest	SB MONEY FUNDS CASH PORT CL A	42.00
MONEY FUNDS EARNINGS REINVESTED (SEE DETAILS UNDER EARNINGS DETAILS)			
Closing balance			\$ 145,933.11

Money funds activity

Date	Description	Comment	Taxable	Non-taxable	Amount
06/02/03	FORD MOTOR COMPANY	CASH DIV ON 262 0000 SHS	\$ 26.20		\$ 26.20
06/02/03	INTEL CORP	CASH DIV ON 375 0000 SHS	7.50		7.50
06/02/03	NUVEEN QUALITY PFD INCOME FD 2	CASH DIV ON 3300 0000 SHS	346.50		346.50
06/02/03	PROTECTIVE LIFE CORP	CASH DIV ON 250 0000 SHS	40.00		40.00

Dividends

The tax status of earnings is reliable to the best of our knowledge. Taxable and non-taxable designations refer to the federal income tax status of your securities, not of your account.

Preferred Client
Financial Management Account
June 1 - June 29, 2003

Ref 00002639 00018432

OPEN ADOPTION & FAMILY SERVICE

Date	Description	Comment	Taxable	Non taxable	Amount
06/02/03	VISTEON CORP	CASH DIV ON 19 0000 SHS	\$ 1 14		\$ 1 14
06/05/03	PFIZER INC	CASH DIV ON 280 0000 SHS	42 00		42 00
Total dividends earned			\$ 483 34	\$ 0 00	\$ 483 34

Dividends
continued

Date	Description	Comment	Taxable	Non taxable	Amount
06/13/03	SB MONEY FUNDS CASH PORT CL A	REINVESTED FOR PERIOD 05/12/03-06/15/03 35 DAYS AVERAGE YIELD 65 %	\$ 90 08		\$ 90 08
Total earnings from money funds			\$ 90 08	\$ 0 00	\$ 90 08

Money funds earnings