

Return of Organization Exempt from Income Tax

2003

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 2003 calendar year, or tax year beginning 7/01, 2003, and ending 6/30, 2004

- 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? H(b) If 'Yes,' enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number M Check if the organization is not required to attach Schedule B

G Web site: www.openadopt.com

J Organization type: 501(c) 3

K Check here if the organization's gross receipts are normally not more than \$25,000. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 901,215.

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

SCANNED OCT 18 2004

Table with 21 rows and multiple columns for revenue and expenses. Includes a 'RECEIVED' stamp from OGDEN, UT dated OCT 14 2004.

EXEMPT STATUS

ASSIST

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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	68,191.	7,842.	2,728.
26	Other salaries and wages . .	26	445,010.	51,176.	17,801.
27	Pension plan contributions . .	27			
28	Other employee benefits.	28	17,293.	1,988.	692.
29	Payroll taxes	29	47,684.	5,484.	1,907.
30	Professional fundraising fees	30			
31	Accounting fees	31	2,462.	283.	99.
32	Legal fees	32	2,665.	306.	107.
33	Supplies	33			
34	Telephone	34	29,602.	3,404.	1,184.
35	Postage and shipping	35	11,540.	1,327.	462.
36	Occupancy	36	74,265.	8,540.	2,971.
37	Equipment rental and maintenance	37	4,749.	546.	190.
38	Printing and publications	38	11,755.	1,352.	470.
39	Travel	39	14,688.	1,689.	588.
40	Conferences, conventions, and meetings	40			
41	Interest	41	322.	37.	13.
42	Depreciation, depletion, etc (attach schedule)	42	7,355.	846.	294.
43	Other expenses not covered above (itemize)				
a	See Statement 1	43a	218,759.	25,157.	8,750.
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	956,340.	109,977.	38,256.

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? Promotion of Mediated Adoption.	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 \$ _____)	808,107.
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)	808,107.

Part IV Balance Sheets (See Instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash — non-interest-bearing	166,178.	45	41,770.
	46 Savings and temporary cash investments		46	205,316.
	47 a Accounts receivable	56,185.		
	b Less: allowance for doubtful accounts		47 c	56,185.
	47 b	102,809.		
	48 a Pledges receivable		48 c	
	b Less: allowance for doubtful accounts			
	48 b			
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51 a Other notes & loans receivable (attach sch)	458.		
	b Less: allowance for doubtful accounts		51 c	458.
	51 b			
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	10,319.	53	14,603.
54 Investments — securities (attach schedule) See St 2 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	348,076.	54	225,904.	
55 a Investments — land, buildings, & equipment: basis				
b Less: accumulated depreciation (attach schedule)		55 c		
55 b				
56 Investments — other (attach schedule) See Stmt 3		56	24,865.	
57 a Land, buildings, and equipment: basis	108,103.			
b Less: accumulated depreciation (attach schedule) Statement 4	81,176.	57 c	26,927.	
57 b				
58 Other assets (describe ▶ See Statement 5)	4,498.	58	4,498.	
59 Total assets (add lines 45 through 58) (must equal line 74)	643,663.	59	600,526.	
LIABILITIES	60 Accounts payable and accrued expenses	33,150.	60	11,686.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule)		64 b	
	64 b			
65 Other liabilities (describe ▶ See Statement 6)	14,429.	65	47,881.	
66 Total liabilities (add lines 60 through 65)	47,579.	66	59,567.	
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	596,084.	67	540,959.
	68 Temporarily restricted		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).	596,084.	73	540,959.
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	643,663.	74	600,526.

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 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		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.		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	b If 'Yes,' has it filed a tax return on Form 990-T for this year?	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		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?		X
81a	b If 'Yes,' enter the name of the organization <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	0.
81b	b Did the organization file Form 1120-POL for this year?		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?		X
82b	b 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?	X	
83b	b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85a	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		N/A
85b	b Did the organization make only in-house lobbying expenditures of \$2,000 or less?		N/A
	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.		
85c	c Dues, assessments, and similar amounts from members	85c	N/A
85d	d Section 162(e) lobbying and political expenditures	85d	N/A
85e	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
85f	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
85g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
85h	h 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?		N/A
86a	501(c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
86b	b 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	b 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		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>		
89b	b 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		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>		
90b	Number of employees employed in the pay period that includes March 12, 2003 (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>		
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	92	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 Counseling and Studie					841,891.
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	7,873.	
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	23,438.	
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))				31,311.	841,891.
105 Total (add line 104, columns (B), (D), and (E))					873,202.

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	%			
	%			
	%			
	%			

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)

Please X Scott G. ...
 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.
 Date X 9/28/04

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

2003

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

Open Adoption and Family Services, Inc.

Employer identification number

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
<p>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 ▶ \$ _____ N/A _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p> <p>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.</p>		X
<p>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.)</p> <p>a Sale, exchange, or leasing of property?</p>		X
<p>b Lending of money or other extension of credit?</p>		X
<p>c Furnishing of goods, services, or facilities?</p>		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p> <p style="text-align: right;">See Form 990, Part V</p>	X	
<p>e Transfer of any part of its income or assets?</p>		X
<p>3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)</p>		X
<p>b Do you have a section 403(b) annuity plan for your employees?</p>	X	
<p>4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?</p>		X

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)(iv). (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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	15,469.	15,627.	25,874.	15,801.	72,771.
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	1,009,341.	984,341.	860,354.	889,710.	3,743,746.
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	5,830.	6,243.	22,665.	7,234.	41,972.
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 8	4,163.	-27,217.	-304.	32,191.	8,833.
23 Total of lines 15 through 22	1,034,803.	978,994.	908,589.	944,936.	3,867,322.
24 Line 23 minus line 17	25,462.	-5,347.	48,235.	55,226.	123,576.
25 Enter 1% of line 23	10,348.	9,790.	9,086.	9,449.	

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 1999 through 2002 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:
(2002) 2,155. (2001) 3,364. (2000) 3,375. (1999) 2,375.

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:
(2002) 139,755. (2001) 159,868. (2000) 82,550. (1999) 107,863.

c Add: Amounts from column (e) for lines: 15 72,771. 16 _____
17 3,743,746. 20 _____ 21 _____ ▶ **27c** 3,816,517.

d Add: Line 27a total 11,269. and line 27b total 490,036. ▶ **27d** 501,305.

e Public support (line 27c total minus line 27d total) ▶ **27e** 3,315,212.

f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ▶ **27f** 3,867,322.

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ **27g** 85.72 %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ **27h** 1.09 %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, 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			
Over \$500,000 but not over \$1,000,000			
Over \$1,000,000 but not over \$1,500,000			
Over \$1,500,000 but not over \$17,000,000			
Over \$17,000,000			
The lobbying nontaxable amount is –			
20% of the amount on line 40			
\$100,000 plus 15% of the excess over \$500,000			
\$175,000 plus 10% of the excess over \$1,000,000	41		
\$225,000 plus 5% of the excess over \$1,500,000			
\$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) 2003	(b) 2002	(c) 2001	(d) 2000	(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

Client SOPENA

Open Adoption and Family Services, Inc.

93-0896522

8/26/04

02:07PM

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

	(A) Total	(B) Program Services	(C) Management & General	(D) Fundraising
Advertising	117,247.	99,074.	13,483.	4,690.
Bad debt	134.	113.	16.	5.
Bank fees	14,381.	12,152.	1,654.	575.
Contracted services	20,965.	17,715.	2,411.	839.
Dues and subscriptions	4,504.	3,806.	518.	180.
Education and training	1,402.	1,185.	161.	56.
Employee recruiting	387.	327.	45.	15.
Hospitality	1,589.	1,343.	183.	63.
Insurance	22,898.	19,349.	2,633.	916.
Internet access	5,198.	4,392.	598.	208.
Library	518.	438.	59.	21.
Literature	149.	126.	17.	6.
Miscellaneous	5,650.	4,774.	650.	226.
New program expense	5,422.	4,582.	623.	217.
Office supplies	6,735.	5,691.	775.	269.
Taxes	6,570.	5,552.	755.	263.
Utilities	5,010.	4,233.	576.	201.
Total	<u>\$ 218,759.</u>	<u>\$ 184,852.</u>	<u>\$ 25,157.</u>	<u>\$ 8,750.</u>

Statement 2
Form 990, Part IV, Line 54
Investments - Securities

Corporate Stocks	Valuation Method	Amount
Corporate stocks	Market Value	\$ 116,634.
	Total	<u>\$ 116,634.</u>
Other Publicly Traded Securities	Valuation Method	Amount
Closed end funds	Market Value	45,540.
Mutual funds	Market Value	63,730.
	Total	<u>\$ 109,270.</u>
Total Investments - Securities		<u>\$ 225,904.</u>

Client SOPENA

Open Adoption and Family Services, Inc.

93-0896522

8/26/04

02.07PM

Statement 3
Form 990, Part IV, Line 56
Investments - Other

Description of Investment	Valuation Method	Book Value
Oregon Community Foundation	Market Value	\$ 24,865.
	Total	<u>\$ 24,865.</u>

Statement 4
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Furniture and Fixtures	\$ 108,103.	\$ 81,176.	\$ 26,927.
	Total	<u>\$ 81,176.</u>	<u>\$ 26,927.</u>

Statement 5
Form 990, Part IV, Line 58
Other Assets

Deposits	\$ 4,498.
	Total <u>\$ 4,498.</u>

Statement 6
Form 990, Part IV, Line 65
Other Liabilities

Accrued Payroll	\$ 19,301.
Accrued Vacation	2,802.
Adoptive parent trust funds	3,277.
Leases Payable	22,500.
Rounding	1.
	Total <u>\$ 47,881.</u>

Statement 7
Form 990, Part V
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Shari Levine, MA 6323 SW Flower Portland, OR 97221	Executive Direc 36	\$ 68,191.	\$ 0.	\$ 0.

Client SOPENA

Open Adoption and Family Services, Inc.

93-0896522

8/26/04

02 07PM

Statement 7 (continued)
Form 990, Part V
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Roy Abramowitz, CPA 1211 SW Fifth Ave, Ste 1000 Portland, OR 97204	President None	\$ 0.	\$ 0.	\$ 0.
Erik Bergman 3 Centerpointe Drive #300 Lake Oswego, OR 97035	Vice President None	0.	0.	0.
Grayson Crosby 4549 NE 22nd Avenue Portland, OR 97211	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 Larson 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 1701 SW Columbia #315 Portland, OR 97201	Director None	0.	0.	0.
Astrid Dabbeni 7103 SE Yamhill Portland, OR 97215	Director None	0.	0.	0.
Total		\$ 68,191.	\$ 0.	\$ 0.

Client 5OPENA

Open Adoption and Family Services, Inc.

93-0896522

8/25/04

02 07PM

Statement 8
 Schedule A, Part IV-A, Line 22
 Other Income

Description	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
Unrealized gain or loss	\$ 10,001.	\$ -13,710.	\$ 0.	\$ 32,191.	\$ 28,482.
Realized gain or loss on sale of invest.	-5,838.	-13,507.	-304.	0.	-19,649.
Total	<u>\$ 4,163.</u>	<u>\$ -27,217.</u>	<u>\$ -304.</u>	<u>\$ 32,191.</u>	<u>\$ 8,833.</u>

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
93-0896522

Open Adoption & Family Services, Inc.

Mediated Adoption

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	100,000
2	Total cost of section 179 property placed in service (see page 2 of the instructions)	2	22,500
3	Threshold cost of section 179 property before reduction in limitation	3	400,000
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	100,000
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 2002 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	100,000
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 2004. 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	2,250

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 2003	17	5,105
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 2003 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	7,355
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 2003 tax year (See page 9 of the instructions):					
43 Amortization of costs that began before 2003					43
44 Total. Add amounts in column (f), See page 9 of instructions for where to report					44

Form 4562 - Depreciation and Amortization
Election Not to Claim Additional Depreciation for Specific Classes
Pursuant to IRC 168(k) (2) (C) (iii)

Name as shown on return: Open Adoption & Family Services, Inc.

Taxpayer's ID#: 93-0896522

Year: 2003

Taxpayer makes the following elections pertaining to additional first year depreciation:

Classes	Assets Acquired Prior to 05/06/03	Assets Acquired After to 05/05/03	
	Elect Out	Elect Out	Elect 30% Over 50%
5 year class		YES	

**Preferred Client
Financial Management Account**
June 1 - June 27, 2004

1016A

Account 1

OPEN ADOPTION & FAMILY SERVICE
5200 SW MACADAM AVENUE
SUITE 250
PORTLAND OR 97239-3800

Your Broker/Dealer is
CITIGROUP GLOBAL MKTS INC.
Your Financial Consultant

DOUG CROSBY
121 SW MORRISON ST
16TH FLOOR
PORTLAND OR 97204
503-243-6918
Email: douglas.w.crosby@smithbarney.com
www.smithbarney.com

Preferred Client Service Center 800-232-4454
Branch: 800-452-0966
TTY/TDD Deaf & Hard of hearing 800-227-4236

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Account value	Last period	This period	%	This year
Money fund	\$ 152,310.18	\$ 152,850.16	40.35	
Accrued money fund dividends	30.86	30.45	01	
Common stocks & options	114,836.14	116,633.65	30.79	
Closed end funds	46,662.00	45,540.00	12.02	
Mutual funds	63,178.25	63,729.81	16.82	
Total value	\$ 377,017.43	\$ 378,784.07	100.00	
Total value (excluding accrued interest)	\$ 376,986.57	\$ 378,753.62		
Portfolio CreditLine Borrowing Power		\$ 122,797.00		

Cash, money fund, bank deposits	This period	This year
Opening balance	\$ 152,310.18	
Withdrawals	0.00	(50.00)
Dividends credited	480.19	
Money fund earnings reinvested	59.79	
Closing balance	\$ 152,850.16	

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	This year
Beginning total value (excl. accr int)	\$ 376,986.57	\$ 372,049.39
Net security deposits/withdrawals	0.00	0.00
Net cash deposits/withdrawals	0.00	(50.00)
Beginning value net of deposits/withdrawals	376,986.57	371,999.39
Total income	539.98	2,931.49
Asset appreciation	1,227.07	3,822.74
Total value as of 6/25/2004(excl accr int)	\$ 378,753.62	\$ 378,753.62
Total return	\$ 1,767.05	\$ 6,754.23

Earnings summary	This period		This year	
	Taxable	Non-taxable	Taxable	Non-taxable
Qualified dividends	\$ 133.69	\$ 0.00	\$ 845.47	\$ 0.00
Other dividends	346.50	0.00	1,732.50	0.00
Money fund earnings	59.79	0.00	353.52	0.00
Total	\$ 539.98	\$ 0.00	\$ 2,931.49	\$ 0.00



Ref 00011672 00073652

Account: **OPEN ADOPTION & FAMILY SERVICE** 31

Gain/loss summary	This period	This year
Unrealized gain or (loss)	\$ 5,724.59	Not applicable

PORTFOLIO DETAILS

The values of your holdings are as of 08/25/04.

Dividend yield is the estimated annual income generated by securities in your account, including current dividend, divided by the security's market price at the end of the statement period. Generally, the price of securities in this section are obtained from various quotation services, whose prices are based either on the closing prices, the mean between the bid and asking price, or a matrix based on interest rates for similar securities (pricing may reflect round lot differentials). Where prices are not available from quotation services, we may use such prices which, in our judgment, may best reflect the market prices of the securities. In either case, we do not guarantee the accuracy of such prices. These prices should not be considered firm bids or offers, and may be subject to fluctuations in market conditions. If a more current valuation is necessary, please contact your Financial Consultant.

Please note: unrealized gain/(loss) is being calculated for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Money fund

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
152,850.16	SB MONEY FUNDS CASH PORT CL A	\$ 152,850.16	\$ 30.45	.52%	\$ 794.82
Total money fund		\$ 152,850.16	\$ 30.45	.52%	\$ 794.82

Common stocks & options

The research rating for Standard & Poor's may be shown for certain securities. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance.

Smith Barney Citigroup's research ratings may be shown for certain securities. Smith Barney's stock recommendations include an investment rating and a risk rating. The Investment Rating Code (1, 2 or 3) is a function of Smith Barney's expectation of total return (forecast price appreciation and dividend yield within the next 12 months) and a Risk Rating. The Risk Rating (L, M, H or S) represents the stock's expected risk, taking into account price volatility and fundamental criteria. Please refer to the end of this statement for a guide describing our research ratings.

Quantity	Description	Symbol	Date acquired	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
205	AT&T WIRELESS SERVICES INC Research rating 2/H	AWE	05/11/99	\$ 51.096	\$ 14.34	\$ 2,939.70	(\$ 7,535.09) LT		
225	ALLSTATE CORP RATING: B+ Research rating 1/M	ALL	05/16/01	43.20	45.90	10,327.50	410.36 LT	2.44	252.00
150	ALLTEL CORP DELAWARE RATING: A- Research rating 2/M	AT	05/11/99	64.187	50.25	7,537.50	(2,257.24) LT	2.945	222.00
230	BIOGEN IDEC INC RATING: C Research rating 2/H	BIIB	05/12/99	41.434	62.37	14,345.10	4,815.10 LT		
45	ENPRO INDS INC	NPO	05/12/99	8.904	22.70	1,021.50	620.80 LT		
262	FORD MOTOR COMPANY RATING: B	F	05/11/99	36.809	15.85	4,152.70	(5,491.28) LT	2.523	104.80



**Preferred Client
Financial Management Account**
June 1 - June 27, 2004

Ref 00011672 00073653

OPEN ADOPTION & FAMILY SERVICE Account num

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
225	GOODRICH CORP RATING: B Research rating 3/S	GR	05/12/99	\$ 9,600 88	\$ 42 67	\$ 32.00	\$ 7,200 00	(\$ 2,400 88) LT	2.50%	\$ 180 00
375	INTEL CORP RATING: A Research rating 1/M	INTC	05/16/01	10,343 75	27 57	27.78	10,417 50	73 75 LT	.575	60 00
34	MONSANTO CO NEW Research rating 2/H	MON	05/11/99	606 29	17.894	35 48	1,206 32	600 03 LT	1 634	19 72
280	PFIZER INC RATING: A Research rating 2/M	PFE	05/11/99	9,365 40	33.447	33 82	9,469 60	104 20 LT	2 01	180 40
250	PROTECTIVE LIFE CORP RATING: A Research rating 2/L	PL	05/12/99	9,411 67	36.812	37 59	9,397 50	(14 17) LT	1.862	175 00
600	TOLL BROS INC RATING: B+ Research rating 1/H	TOL	05/16/01	9,999 84	16 325	43 05	25,830 00	15,830 16 LT		
15	UNISYS CORP RATING: B- Research rating 1/H	UIS			Please provide	13.82	207 30	Not available		
19	VISTEON CORP Research rating 1/H	VC	05/11/99	381 66	20.763	11 97	227 43	(154 23) LT	2.005	4.56
300	WASHINGTON MUTUAL INC RATING: A Research rating 2/H	WM	05/07/01	10,186 27	33 293	41 18	12,354 00	2,167.73 LT	4.176	516 00
Total common stocks and options				\$ 109,657.11			\$ 116,533.65	\$ 0.00**ST	1.47	\$ 1,724.48
							\$ 6,769.24**LT			



Ref: 00011672 00073654

OPEN ADOPTION & FAMILY SERVICE Account number

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 are not representations or guarantees of performance.

Smith Barney Citigroup's research ratings may be shown for certain closed-end funds. Smith Barney's closed-end fund recommendations include an investment rating and a risk rating. The Investment Rating Code (1, 2 or 3) is based upon Smith Barney's expectation of the security's performance relative to its peer group of closed-end funds. The Risk Rating (L, M, H or S) represents the fund's expected risk, taking into account the quality and liquidity of the underlying securities, financial leverage and foreign currency exposure. Please refer to the end of this statement for a guide describing our 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	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
3,300	NUVEEN QUALITY PFD INCOME FD 2 Taxable bond portfolio	JPS	09/23/02	\$ 49,500.00	\$ 15.00	\$ 13.80	\$ 45,540.00	(\$ 3,960.00) LT	9.13%	\$ 4,158.00
Total closed end fund taxable bond allocation										
				\$ 49,500.00			\$ 45,540.00	\$ 0.00 ST	9.13	\$ 4,158.00

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. "Tax-Based Cost vs. Current Value" is being provided for information purposes only. "Cash Distributions (since inception)" when shown may not reflect all distributions received in cash due to but not limited to the following investments made prior to 1/1/89, asset transfers, recent activity and certain adjustments made in your account. "Total Purchases vs. Current Value" is provided to assist you in comparing your "Total purchases", excluding reinvested distributions, with the current value of the fund's shares in your account. "Fund Value Increase/Decrease" reflects the difference between your total purchases and the current value of the fund's shares, plus cash distributions since inception.

Number of shares	Description	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Net Value Increase/Decrease	Yield	Anticipated Income (annualized)
374.953	FRANKLIN SMALL MID CAP GROWTH FUND CLASS A	05/11/89	\$ 10,000.00	\$ 26.67	\$ 31.40	\$ 11,773.52	\$ 1,773.52 LT			
374.953	Total Purchases		10,000.00	26.67	31.40	11,773.52	1,773.52			
8.618	Reinvestments to date		325.46	37.765	31.40	270.61	(54.85) LT			
383.571	Tax-based Cost vs Current Value		10,325.46	26.919		12,044.13	1,718.67		.267	32.21
	Total Purchases vs Current Value		10,000.00			12,044.13		2,044.13		
	Fund Value Increase/Decrease							2,044.13		
5,000	RUSSELL MULTI MANAGER PRINCIPAL PROTECTED FD CL B	02/26/03	50,000.00	10.00	10.24	51,200.00	1,200.00 LT			
5,000	Total Purchases		50,000.00	10.00	10.24	51,200.00	1,200.00			
47.43	Reinvestments to date		489.00	10.309	10.24	485.68	(3.32) ST			
5,047.43	Tax-based Cost vs Current Value		50,489.00	10.003		51,685.68	1,196.68			



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OPEN ADOPTION & FAMILY SERVICE Account number

Mutual funds	continued											
Number of shares	Description	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Net Value Increase/Decrease	Yield	Anticipated Income (annualized)		
	RUSSELL MULTI MANAGER											
	PRINCIPAL PROTECTED FD CL B											
	Total Purchases vs Current Value		\$ 50,000.00			\$ 51,685.68		\$ 1,685.68				
	Fund Value Increase/Decrease							1,685.68				
	Total mutual funds (Tax based)		\$ 60,814.46			\$ 63,729.81	(\$ 3,321.51)	.26		\$ 32.21		
	Total Fund Value Increase/Decrease					\$ 2,918.67	1.1			\$ 32.21		
	Total portfolio value		\$ 372,821.73			\$ 378,753.62	(\$ 3,321.51)	1.77		\$ 6,708.51		
						\$ 5,727.91	1.1					

** 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.

Money fund activity		Opening money fund balance	\$ 152,310.18
Date	Activity	Description	Amount
06/02/04	Autoinvest	SB MONEY FUNDS CASH PORT CL A	432.59
All transactions are traded at \$1.00 per share			
		SB MONEY FUNDS CASH PORT CL A	47.60
		MONEY FUND EARNINGS REINVESTED	59.79
		(SEE DETAILS UNDER EARNINGS DETAILS)	
		Closing balance	\$ 152,850.16

EARNINGS DETAILS 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.

Qualified dividends	Description	Comment	Taxable	Non-taxable	Amount
06/01/04	FORD MOTOR COMPANY	CASH DIV ON X/D 04/28/04	\$ 26.20		\$ 26.20
06/01/04	INTEL CORP	CASH DIV ON X/D 05/05/04	15.00		15.00
06/01/04	PROTECTIVE LIFE CORP	CASH DIV ON X/D 05/12/04	43.75		43.75
06/01/04	VISTEON CORP	CASH DIV ON X/D 04/28/04	1.14		1.14
06/04/04	PFIZER INC	CASH DIV ON X/D 05/12/04	47.60		47.60
Total qualified dividends earned			\$ 133.69	\$ 0.00	\$ 133.69



**Preferred Client
Financial Management Account**
June 1 - June 27, 2004

Ref 00011672 00073656

OPEN ADOPTION & FAMILY SERVICE Account number

Other dividends

Date	Description	Comment	Taxable	Non-taxable	Amount
06/01/04	NUVEEN QUALITY PFD INCOME FD 2	CASH DIV ON 3300.0000 SHS X/D 05/12/04	\$ 346.50		\$ 346.50
Total other dividends earned			\$ 346.50	\$ 0.00	\$ 346.50

Money fund earnings

Date	Description	Comment	Taxable	Non-taxable	Amount
06/14/04	SB MONEY FUNDS CASH PORT CL A	REINVESTED FOR PERIOD 05/17/04-06/14/04 20 DAYS AVERAGE YIELD 49 %	\$ 59.79		\$ 59.79
Total earnings from money fund			\$ 59.79	\$ 0.00	\$ 59.79



Ref. 00011672 00073657

OPEN ADOPTION & FAMILY SERVICE Account numb

Guide to Investment Ratings

Stock Ratings

Investment ratings are based upon Smith Barney's expectation of total return (forecast price appreciation plus dividend yield within the next 12 months) and risk rating

Developed Markets (US, UK, Europe, Japan, and Australia/New Zealand)

Code	Rating	Expected Total Return
1	Buy	10% or more for Low-Risk stocks, 15% or more for Medium-Risk stocks, 20% or more for High-Risk stocks, and 35% or more for Speculative stocks
2	Hold	0-10% for Low-Risk stocks, 0-15% for Medium-Risk stocks, 0-20% for High-Risk stocks, and 0-35% for Speculative stocks
3	Sell	Negative total return

Stock Risk

Takes into account price volatility and a select list of fundamental criteria

Code	Rating	Definitions
L	Low	High predictability of financial results and low volatility
M	Medium	Moderate predictability of financial results and volatility
H	High	Low predictability of financial results and high volatility
S	Speculative	Exceptionally low financial predictability, highest risk and volatility

Closed-End Fund Ratings

Investment ratings are a function of Smith Barney's expectation of the fund's total return relative to its peer group, and the ability to provide stable to rising dividends, where applicable.

Code	Rating	Expected Total Return
1	Outperform	Expected to outperform its peer group of closed-end funds, and/or the fund is expected to provide stable to rising dividends, where applicable
2	In-Line	Expected to perform in line with its peer group of closed-end funds, and/or the fund is expected to provide stable dividends, where applicable
3	Underperform	Expected to underperform its peer group of closed-end funds, and/or the fund is expected to provide a declining dividend, where applicable

Closed-End Fund Risk

Takes into account the quality and liquidity of the underlying securities, financial leverage and foreign currency exposure.

Code	Rating	Definitions
L	Low	The fund invests in high quality, liquid securities with little to no financial leverage or foreign currency exposure
M	Medium	Overall, the fund invests in moderate to high quality, liquid securities with reasonable financial leverage and provides primarily United States Dollar currency exposure
H	High	The fund may invest in low quality, less-liquid securities, have exposure to foreign currencies and above average degrees of financial leverage
S	Speculative	The fund invests in low grade, illiquid and/or highly volatile securities, have exposure to foreign currency and may also use high degrees of financial leverage

Message: Make a difference -- consider a charitable giving program through the Smith Barney Charitable Investment Fund (SBCIF) You don't have to wait until year-end or tax season to start giving to your favorite cause Participants in the SBCIF can enjoy countless benefits including immediate tax deductions Contact your Financial Consultant, or visit www.smithbarney.com/giving, to find out how the SBCIF can help you achieve your charitable giving strategy and make your contributions in the Fund go farther

Smith Barney does not provide tax or legal advice Please consult your tax and/or legal advisors for such guidance.

