

Return of Organization Exempt from Income Tax

2004

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 2004 calendar year, or tax year beginning 7/01, 2004, and ending 6/30, 2005

- 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

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, 4947(a)(1), 527

K Check here if the organization's gross receipts are normally not more than \$25,000

I Group Exemption Number

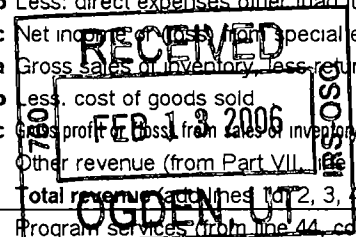
M Check if the organization is not required to attach Schedule B

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 1,024,147.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Table with 21 rows and 3 columns: Description, Amount, and Total. Includes sections for Revenue (lines 1-12) and Expenses (lines 13-17), leading to Net Assets (lines 18-21).

SCANNED FEB 28 2006



EXPENSES

NET ASSETS

P 24

**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 74,431.	62,894.	8,560.	2,977.
26	Other salaries and wages	26 470,777.	397,807.	54,139.	18,831.
27	Pension plan contributions	27			
28	Other employee benefits	28 16,300.	13,774.	1,874.	652.
29	Payroll taxes	29 51,683.	43,672.	5,944.	2,067.
30	Professional fundraising fees	30			
31	Accounting fees	31 1,900.	1,606.	218.	76.
32	Legal fees	32 466.	394.	53.	19.
33	Supplies	33			
34	Telephone	34 25,307.	21,384.	2,911.	1,012.
35	Postage and shipping	35 12,244.	10,346.	1,408.	490.
36	Occupancy	36 75,132.	63,487.	8,640.	3,005.
37	Equipment rental and maintenance	37 3,115.	2,632.	358.	125.
38	Printing and publications	38 11,754.	9,932.	1,352.	470.
39	Travel	39 16,876.	14,260.	1,941.	675.
40	Conferences, conventions, and meetings	40			
41	Interest	41 4,893.	4,135.	562.	196.
42	Depreciation, depletion, etc (attach schedule)	42 7,805.	6,595.	898.	312.
43	Other expenses not covered above (itemize)				
a	See Statement 3	43a 199,295.	168,406.	22,920.	7,969.
b	-----	43b			
c	-----	43c			
d	-----	43d			
e	-----	43e			
44	<b>Total functional expenses</b> (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44 971,978.	821,324.	111,778.	38,876.

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.  
 All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) & (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants & allocations to others)

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 \$ _____)	821,324.
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) **821,324.**

**Part IV Balance Sheets** (See Instructions)

		(A) Beginning of year		(B) End of year
<b>ASSETS</b>	45 Cash – non-interest-bearing	41,770.	45	79,477.
	46 Savings and temporary cash investments	205,316.	46	292,222.
	47 a Accounts receivable	61,949.		
	b Less: allowance for doubtful accounts		47 c	61,949.
	48 a Pledges receivable			
	b Less: allowance for doubtful accounts		48 c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51 a Other notes & loans receivable (attach sch)			
	b Less allowance for doubtful accounts		51 c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	14,603.	53	22,812.
	54 Investments – securities (attach schedule)	225,904.	54	169,949.
	55 a Investments – land, buildings, & equipment: basis			
b Less: accumulated depreciation (attach schedule)		55 c		
56 Investments – other (attach schedule)	24,865.	56	27,280.	
57 a Land, buildings, and equipment: basis	190,923.			
b Less accumulated depreciation (attach schedule)	84,701.	57 c	106,222.	
58 Other assets (describe ▶ See Statement 5)	4,498.	58	4,526.	
59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74).	600,526.	59	764,437.	
<b>LIABILITIES</b>	60 Accounts payable and accrued expenses	11,686.	60	8,850.
	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)	22,500.	64 b	89,806.
	65 Other liabilities (describe ▶ See Statement 6)	25,381.	65	73,553.
66 <b>Total liabilities</b> (add lines 60 through 65)	59,567.	66	172,209.	
<b>NET ASSETS OR FUND BALANCES</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	540,959.	67	592,228.
	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 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21).	540,959.	73	592,228.	
74 <b>Total liabilities and net assets/fund balances</b> (add lines 66 and 73)	600,526.	74	764,437.	

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**

<b>a</b>	Total revenue, gains, and other support per audited financial statements	<b>a</b>	N/A
<b>b</b>	Amounts included on line <b>a</b> 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</b>	
<b>c</b>	Line <b>a</b> minus line <b>b</b>	<b>c</b>	
<b>d</b>	Amounts included on line 12, Form 990 but not on line <b>a</b> :		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	<b>d</b>	
<b>e</b>	Total revenue per line 12, Form 990 (line <b>c</b> plus line <b>d</b> )	<b>e</b>	

<b>a</b>	Total expenses and losses per audited financial statements	<b>a</b>	N/A
<b>b</b>	Amounts included on line <b>a</b> but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4)	<b>b</b>	
<b>c</b>	Line <b>a</b> minus line <b>b</b>	<b>c</b>	
<b>d</b>	Amounts included on line 17, Form 990 but not on line <b>a</b> :		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	<b>d</b>	
<b>e</b>	Total expenses per line 17, Form 990 (line <b>c</b> plus line <b>d</b> )	<b>e</b>	

**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 7		74,431.	0.	0.
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**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		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 <b>Form 990-T</b> 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
	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 <b>Form 1120-POL</b> 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
	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
	b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	<b>501(c)(4), (5), or (6) organizations</b> a Were substantially all dues nondeductible by members?	85a	N/A
	b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A
	c Dues, assessments, and similar amounts from members	85c	N/A
	d Section 162(e) lobbying and political expenditures	85d	N/A
	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
	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?	85h	N/A
86	<b>501(c)(7) organizations</b> Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
	b Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	<b>501(c)(12) organizations</b> Enter: a Gross income from members or shareholders	87a	N/A
	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	88	X
89a	<b>501(c)(3) organizations.</b> 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>		
	b <b>501(c)(3) and 501(c)(4) organizations</b> 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>		
	b Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b	16
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 ▶ <u>92</u>		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 <b>Counseling and Studie</b>					968,954.
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	10,945.	
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	22,677.	
100 Gain or (loss) from sales of assets other than inventory			18	-900.	
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))				32,722.	968,954.
105 <b>Total</b> (add line 104, columns (B), (D), and (E))					1,001,676.

**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%			

**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.

**Please Sign Here**

Signature of officer: [Signature] Date: 2/9/06

Type or print name and title: Executive Director

**Paid Preparer's Use Only**

Preparer's signature: [Signature] Date: 2/9/06 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: Schwindt & Co.  
3407 SW Corbett Avenue  
Portland, OR 97239

Preparer's SSN or PTIN (See General Instruction W): P00001855

EIN: 93-1057961

Phone no: (503) 227-1165

**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

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

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust  
Supplementary Information — (See separate instructions.)

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

OMB No 1545-0047

**2004**

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 -----		
-----		
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-----		
-----		
Total number of others receiving over \$50,000 for professional services ▶	0	

**Part III** Statements About Activities (See instructions.)

	Yes	No
<b>1</b> 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 <b>► \$</b> <u>N/A</u> (Must equal amounts on line 38, Part VI-A, or line i 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.	1	X
<b>2</b> 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.)		
<b>a</b> Sale, exchange, or leasing of property?	2a	X
<b>b</b> Lending of money or other extension of credit?	2b	X
<b>c</b> Furnishing of goods, services, or facilities?	2c	X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
<b>e</b> Transfer of any part of its income or assets?	2e	X
<b>3a</b> 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.)	3a	X
<b>b</b> Do you have a section 403(b) annuity plan for your employees?	3b	X
<b>4a</b> Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a	X
<b>b</b> Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b	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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	28,013.	15,469.	15,627.	25,874.	84,983.
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	888,515.	1,009,341.	984,341.	860,354.	3,742,551.
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	7,873.	5,830.	6,243.	22,665.	42,611.
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	23,438.	4,163.	-27,217.	-304.	80.
23 Total of lines 15 through 22	947,839.	1,034,803.	978,994.	908,589.	3,870,225.
24 Line 23 minus line 17	59,324.	25,462.	-5,347.	48,235.	127,674.
25 Enter 1% of line 23	9,478.	10,348.	9,790.	9,086.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 N/A					
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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					
c Total support for section 509(a)(1) test: Enter line 24, column (e)					
d Add: Amounts from column (e) for lines: 18 _____ 19 _____					
22 _____ 26b _____					
e Public support (line 26c minus line 26d total)					
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					
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:					
(2003) _____ 3,515. (2002) _____ 2,155. (2001) _____ 3,364. (2000) _____ 3,375.					
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:					
(2003) _____ 85,616. (2002) _____ 139,755. (2001) _____ 159,868. (2000) _____ 82,550.					
c Add: Amounts from column (e) for lines: 15 _____ 84,983. 16 _____					
17 _____ 3,742,551. 20 _____ 21 _____					
d Add: Line 27a total _____ 12,409. and line 27b total _____ 467,789.					
e Public support (line 27c total minus line 27d total)					
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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
<b>29</b>	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?		
<b>30</b>	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?		
<b>31</b>	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.)		
	-----		
	-----		
	-----		
<b>32</b>	Does the organization maintain the following:		
<b>a</b>	Records indicating the racial composition of the student body, faculty, and administrative staff?		
<b>b</b>	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
<b>c</b>	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
<b>d</b>	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.)		
	-----		
	-----		
<b>33</b>	Does the organization discriminate by race in any way with respect to:		
<b>a</b>	Students' rights or privileges?		
<b>b</b>	Admissions policies?		
<b>c</b>	Employment of faculty or administrative staff?		
<b>d</b>	Scholarships or other financial assistance?		
<b>e</b>	Educational policies?		
<b>f</b>	Use of facilities?		
<b>g</b>	Athletic programs?		
<b>h</b>	Other extracurricular activities?		
	If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.)		
	-----		
	-----		
<b>34a</b>	Does the organization receive any financial aid or assistance from a governmental agency?		
<b>b</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.		
<b>35</b>	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
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>		
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>		
<b>38</b> Total lobbying expenditures (add lines 36 and 37)	<b>38</b>		
<b>39</b> Other exempt purpose expenditures	<b>39</b>		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>		
<b>41</b> Lobbying nontaxable amount. Enter the amount from the following table –			
<b>If the amount on line 40 is –</b>	<b>The lobbying nontaxable amount is –</b>		
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		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>		
<b>43</b> Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	<b>43</b>		
<b>44</b> Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	<b>44</b>		

**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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots non-taxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> 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.

**2004**

Attachments  
Sequence No **67**

Name(s) shown on return

Business or activity to which this form relates

Identifying number

**Open Adoption & Family Services, Inc.**

**Mediated Adoption**

**93-0896522**

**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	102,000
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	410,000
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 3 of the instructions . . . . .	5	102,000
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 2003 Form 4562 . . . . .	10	0
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) . . . . .	11	102,000
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 . . . . .	12	0
13	Carryover of disallowed deduction to 2005. 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	4,500

**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 2004 . . . . .	17	3,023
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"/> . . . . .	18	

**Section B - Assets Placed in Service During 2004 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	
i Nonresidential real property	05/20/05	88,000	39 yrs	MM	S/L	282
			39 yrs.	MM	S/L	

**Section C - Assets Placed in Service During 2004 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 7 of the instructions.)**

21	Listed Property. Enter amount from line 28 . . . . .	21	
22	<b>Total.</b> 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	7,805
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.)

Table with columns (a) through (i) for depreciation and other information. Includes rows 24a through 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

Table for Section B with columns (a) through (f) for vehicle 1 through 6. Includes rows 30 through 36.

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 10 of the instructions)

Table for Section C with columns Yes and No. Includes rows 37 through 41.

Part VI Amortization

Table for Section VI with columns (a) through (f) for amortization. Includes rows 42 through 44.

Client 5OPENA

Open Adoption and Family Services, Inc.

93-0896522

2/04/06

06:58PM

**Statement 1**  
**Form 990, Part I, Line 7**  
**Other Investment Income**

Realized (G)L on sale	\$	22,781.
Unrealized (G)L		-104.
<b>Total</b>	<b>\$</b>	<b><u>22,677.</u></b>

**Statement 2**  
**Form 990, Part I, Line 8**  
**Net Gain (Loss) from Noninventory Sales**

Other Assets

Description:	Furniture and equipment		
Date Acquired:	Various		
How Acquired:	Purchase		
Date Sold:	6/30/2005		
To Whom Sold:			
Gross Sales Price:	0.		
Cost or Other Basis:	900.		
		Gain (Loss)	-900.

Total Gain (Loss) Other Assets \$ -900.

Total Net Gain (Loss) From Noninventory Sales \$ -900.

**Statement 3**  
**Form 990, Part II, Line 43**  
**Other Expenses**

	(A)	(B)	(C)	(D)
	<u>Total</u>	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>
Advertising	110,983.	93,781.	12,763.	4,439.
Bank fees	6,072.	5,131.	698.	243.
Contracted services	19,838.	16,763.	2,281.	794.
Dues and subscriptions	4,761.	4,023.	548.	190.
Education and training	604.	510.	70.	24.
Employee recruiting	685.	579.	79.	27.
Hospitality	1,936.	1,636.	223.	77.
Insurance	18,764.	15,856.	2,158.	750.
Internet access	5,145.	4,348.	591.	206.
Library	1,057.	893.	122.	42.
Literature	993.	839.	114.	40.
Miscellaneous	3,008.	2,542.	346.	120.
New program expense	938.	793.	108.	37.
Office supplies	10,003.	8,453.	1,150.	400.
Taxes	9,853.	8,326.	1,133.	394.
Utilities	4,655.	3,933.	536.	186.
<b>Total</b>	<b><u>\$ 199,295.</u></b>	<b><u>\$ 168,406.</u></b>	<b><u>\$ 22,920.</u></b>	<b><u>\$ 7,969.</u></b>

Ref 00005481 00038656

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

**Account number**

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

Signature Client Service Center: 866-483-2964  
Branch 800-452-0966  
TTY/TDD Deaf & Hard of hearing 800-227-4238



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Account value	Last period	This period	%
Money fund	\$ 213,401.99	\$ 214,386.65	52.36
Accrued money fund dividends	243.29	278.00	.07
Common stocks & options	109,513.28	109,142.10	26.65
Closed end funds	47,256.00	47,685.00	11.65
Mutual funds	12,738.39	13,121.96	3.20
Certificates of deposit	24,912.50	24,874.00	6.07
<b>Total value</b>	<b>\$ 408,065.45</b>	<b>\$ 409,485.71</b>	<b>100.00</b>
Total value (excluding accrued interest)	\$ 407,822.16	\$ 409,209.71	
Portfolio Credit/Line Borrowing Power		\$ 109,134.00	

Cash, money fund, bank deposits	This period
Opening balance	\$ 213,401.99
Dividends credited	562.85
Money fund earnings reinvested	421.81
Closing balance	\$ 214,386.65

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.)	\$ 407,822.16	\$ 405,903.78
Net security deposits/withdrawals	0.00	0.00
Net cash deposits/withdrawals	0.00	0.00
Beginning value net of deposits/withdrawals	407,822.16	405,903.78
Total Income	984.66	4,487.81
Asset appreciation	402.89	(1,191.88)
Total value as of 6/30/2005(excl. accr. int.)	\$ 409,209.71	\$ 409,209.71
Total return	\$ 1,387.55	\$ 3,305.93

Earnings summary	This period		This year	
	Taxable	Non-taxable	Taxable	Non-taxable
Qualified dividends	\$ 236.15	\$ 0.00	\$ 1,018.86	\$ 0.00
Other dividends	326.70	0.00	1,653.30	0.00
Money fund earnings	421.81	0.00	1,825.65	0.00
<b>Total</b>	<b>\$ 984.66</b>	<b>\$ 0.00</b>	<b>\$ 4,497.81</b>	<b>\$ 0.00</b>



Ref 00005481 00038657

OPEN ADOPTION & FAMILY SERVICE Account number

**Gain/loss summary**

	This period	This year
Realized gain or (loss)	\$ 0.00	\$ 37,603.12 LT (\$ 23.31) ST
Unrealized gain or (loss)	(3,762.72)	Not applicable

**PORTFOLIO DETAILS**

The values of your holdings are as of 06/30/05. Securities purchased or sold are included or excluded in this section as of the trade-date. This section may include securities that have not settled as of this statement closing date. Please see the "Unsettled purchases/sales" section for more information. 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 the 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.

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)
214,386.65	SB MONEY FUNDS CASH PORT CL A	\$ 214,386.65	\$ 276.00	2.58%	\$ 5,531.17
	Total money fund	\$ 214,386.65	\$ 276.00	2.58%	\$ 5,531.17

**Common stocks & options**

Smith Barney and independent, third-party research ratings may be shown for certain securities. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance. Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. Smith Barney's stock recommendations include an Investment rating and 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 Smith Barney's research ratings. Independent, third-party research ratings have been normalized by such third-party providers to a 1 (Buy), 2 (Hold), and 3 (Sell). Smith Barney is not the author of, does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of the independent, third-party research. Except as noted by an asterisk (\*), each independent research provider was selected by an Independent Consultant as required under the Global Research Analyst Settlement.

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
225	ALLSTATE CORP Rating Smith Barney 2L Argus : 1 Morningstar : 2 S&P : 1	ALL	05/16/01	\$ 9,917.14	\$ 43.20	\$ 59.75	\$ 13,443.75	\$ 3,526.61 LT	2.142%	\$ 288.00
150	ALLTEL CORP DELAWARE Rating Smith Barney . 2M Morningstar . 2 S&P . 2	AT	05/11/99	9,784.74	64.187	62.28	9,342.00	(452.74) LT	2.44	228.00

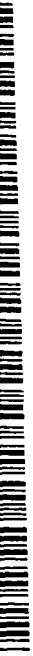


Ref: 00005481 00038658

**OPEN ADOPTION & FAMILY SERVICE Account number**

**Common stocks & options** *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
230	BIOGEN IDEC INC Rating: Smith Barney : 1H Argus : 1 Morningstar : 1 S&P : 2	BIIB	05/12/99	\$ 9,530.00	\$ 41.434	\$ 34.45	\$ 7,923.50	(\$ 1,606.50) LT		
45	ENPRO INDS INC	NPO	05/12/99	400.70	8.904	28.87	1,299.15	898.45 LT		
262	FORD MOTOR COMPANY Rating: Smith Barney : 2H Argus : 1 Morningstar : 2 S&P : 3	F	05/11/99	9,643.98	38.809	10.24	2,682.88	(6,961.10) LT	3.906	104.80
225	GOODRICH CORP Rating: Smith Barney : 3S Morningstar : 2 S&P : 2	GR	05/12/99	9,600.88	42.67	40.96	9,216.00	(384.88) LT	1.953	180.00
375	INTEL CORP Rating: Smith Barney : 1M Argus : 1 Morningstar : 2 S&P : 2	INTC	05/16/01	10,343.75	27.57	26.02	9,757.50	(586.25) LT	1.229	120.00
240	KEYCORP -NEW Rating: Smith Barney : 2M Morningstar : 2 S&P : 3	KEY	05/11/05	8,044.23	32.71	33.15	7,956.00	(88.23) ST	3.921	312.00
245	NATIONAL CITY CORP Rating: Smith Barney : 2M Argus : 2 Morningstar : 1 S&P : 1	NCC	05/11/05	8,578.25	34.19	34.12	8,359.40	(218.85) ST	4.103	343.00
280	PFIZER INC Rating: Smith Barney : 2M Argus : 1 Morningstar : 2 S&P : 2	PFE	05/11/99	9,365.40	33.447	27.58	7,722.40	(1,643.00) LT	2.755	212.80
250	PROTECTIVE LIFE CORP Rating: Smith Barney 2L Morningstar : 2 S&P : 1	PL	05/12/99	9,411.67	36.812	42.22	10,555.00	1,143.33 LT	1.847	195.00



OPEN ADOPTION & FAMILY SERVICE Account number.

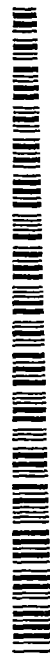
**Common stocks & options** *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
290	US BANCORP DEL NEW Rating: Smith Barney : 2M Argus : 1 Morningstar : 2 S&P : 1	USB	05/11/05	\$ 8,466.70	\$ 28.49	\$ 29.20	\$ 8,468.00	\$ 1.30 ST	4.109%	\$ 348.00
15	UNISYS CORP Rating: Smith Barney : 2S Argus : 3 Morningstar : 2 S&P : 3	UIS			Please provide	6.33	94.95	Not available		
19	VISTEON CORP Rating: S&P* : 2	VC	05/11/99	381.66	20.763	6.03	114.57	(267.09) LT	3.98	4.56
300	WASHINGTON MUTUAL INC Rating: Smith Barney : 2H Argus : 2 Morningstar : 2 S&P : 2	WM	05/07/01	10,186.27	33.293	40.69	12,207.00	2,020.73 LT	4.62	564.00
<b>Total common stocks and options</b>				<b>\$ 13,665.37</b>			<b>\$ 109,142.10</b>	<b>(\$ 305.78) ST</b> <b>(\$ 4,312.44) LT</b>	<b>2.65</b>	<b>\$ 2,900.16</b>

**Closed end funds**

Smith Barney research ratings may be shown for certain closed-end funds. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance. Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. Smith Barney's closed-end fund recommendations include an investment rating and a risk rating. The Investment Rating code (1,2,3) 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	\$ 14.45	\$ 47,685.00	(\$ 1,815.00) LT	7.972%	\$ 3,801.60
<b>Total closed end fund taxable bond allocation</b>				<b>\$ 49,500.00</b>			<b>\$ 47,685.00</b>	<b>\$ 0.00 ST</b> <b>(\$ 1,815.00) LT</b>	<b>7.97</b>	<b>\$ 3,801.60</b>



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**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 11/189, 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	05/11/99	\$ 10,000.00	\$ 26.67	\$ 34.21	\$ 12,827.14	\$ 2,827.14	LT		
374.953	Total Purchases		10,000.00	26.67	34.21	12,827.14	2,827.14			
8.618	Reinvestments to date		325.46	37.765	34.21	294.82	(30.64)	LT		
383.571	Tax-based Cost vs. Current Value		10,325.46	26.819		13,121.96	2,796.50		245	32.21
	Total Purchases vs. Current Value		10,000.00			13,121.96	3,121.96			
	Fund Value Increase/Decrease						3,121.96			
	Total mutual funds (Tax based)		\$ 10,325.46			\$ 13,121.96	\$ 2,796.50	LT	\$ 0.00	\$ 32.21
	Total Fund-Value Increase/Decrease						\$ 2,796.50	LT		\$ 32.21



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**Certificates of deposit**

Pursuant to FDIC rules, certificates of deposit ("CDs") are insured up to a maximum of \$100,000 per depository institution (principal and interest combined) when aggregated with other deposits held in the same insurable capacity at the depository institution. The market value of any CD on this statement is determined using a matrix based on interest rates if a CD cannot be priced using this method, the statement will not reflect a market value for the CD. The market value is only an estimate and may not reflect the actual price you would receive if you were able to sell your CD prior to maturity. Deposit insurance is based on the outstanding principal amount of the CD, or the accreted value in the case of a zero coupon CD, not the estimated market value.

Issuer names followed by a \*C\* indicate that issuer is an affiliate of Citigroup Global Markets Inc.

Amount	Description	Date acquired	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price	Current value/ Maturity value	Unrealized Gain/(loss) Original/Adjusted	Current % Yield/ Anticp Income (annualized)	Ordinary Income/ Capital gain/(loss)
25,000	TREASURY BANK N A VA C/D	05/11/05	\$ 25,000.00	\$ 100.00	99.496	\$ 24,874.00	(\$ 126.00) ST	4.145	\$ 0.00
	DTD 05/19/2005-STEP UP CBLE		\$ 25,000.00	\$ 100.00		\$ 25,000.00	(\$ 126.00) ST	\$ 1,031.25	(\$ 126.00)
	INT: 04 125% MATY: 11/19/2012								
	Accrued interest of \$ 118.66								
	Int paid semi-annually								
	<b>Total certificates of deposit</b>		\$ 25,000.00			\$ 24,874.00	(\$ 126.00) ST	4.14	\$ 0.00
25,000			\$ 25,000.00			\$ 0.00	LT	\$ 1,031.25	(\$ 126.00)
	<b>Total portfolio value</b>		\$ 412,877.48			\$ 409,209.71	(\$ 431.78) ST	3.24	\$ 0.00
						(\$ 3,330.94) LT		\$ 13,296.39	(\$ 126.00)

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

**TRANSACTION DETAILS**

All transactions appearing are based on trade-date.

**Money fund activity**

Date	Activity	Description	Amount
		Operating money fund balance	\$ 213,401.99
06/02/05	Autoinvest	SB MONEY FUNDS CASH PORT CL A	431.65
06/09/05	Autoinvest	SB MONEY FUNDS CASH PORT CL A	53.20

All transactions are traded at \$1.00 per share.

Date	Activity	Description	Amount
06/16/05	Autoinvest	SB MONEY FUNDS CASH PORT CL A	78.00
		MONEY FUND EARNINGS REINVESTED	421.81
		(SEE DETAILS UNDER EARNINGS DETAILS)	
		Closing balance	\$ 214,386.65

**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**

Date	Description	Comment	Amount	Taxable	Non-taxable	Amount
06/01/05	FORD MOTOR COMPANY	CASH DIV ON X/D 04/28/05	262 0000 SHS	\$ 26.20		\$ 26.20
06/01/05	INTEL CORP	CASH DIV ON X/D 05/04/05	375 0000 SHS	30.00		30.00



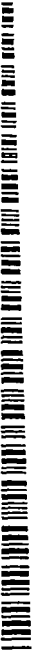
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Qualified dividends		continued		
Date	Description	Comment	Taxable	Non-taxable
06/01/05	PROTECTIVE LIFE CORP	CASH DIV ON 250.0000 SHS X/D 05/18/05	\$ 48.75	\$ 48.75
06/07/05	PFIZER INC	CASH DIV ON 280.0000 SHS X/D 05/11/05	53.20	53.20
06/15/05	KEYCORP -NEW	CASH DIV ON 240.0000 SHS X/D 05/26/05	78.00	78.00
<b>Total qualified dividends earned</b>			<b>\$ 236.15</b>	<b>\$ 236.15</b>

Other dividends			
Date	Description	Taxable	Non-taxable
06/01/05	NUVEEN QUALITY PFD INCOME FD 2	\$ 326.70	\$ 326.70
<b>Total other dividends earned</b>			<b>\$ 326.70</b>

Money fund earnings			
Date	Description	Taxable	Non-taxable
06/10/05	SB MONEY FUNDS CASH PORT CL A	\$ 421.81	\$ 421.81
<b>Total earnings from money fund</b>			<b>\$ 421.81</b>



Ref 00005481 00038663

OPEN ADOPTION & FAMILY SERVICE Account number

**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



Client 5OPENA

Open Adoption and Family Services, Inc.

93-0896522

2/04/06

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

Category	Basis	Accum. Deprec.	Book Value
Furniture and Fixtures	\$ 190,923.	\$ 84,701.	\$ 106,222.
Total	<u>\$ 190,923.</u>	<u>\$ 84,701.</u>	<u>\$ 106,222.</u>

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

Deposits	Total	\$ 4,526.
		<u>\$ 4,526.</u>

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

Accrued Payroll	\$ 60,272.
Accrued Vacation	8,991.
Adoptive parent trust funds	4,290.
Total	<u>\$ 73,553.</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	\$ 74,431.	\$ 0.	\$ 0.
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.

Client SOPENA

Open Adoption and Family Services, Inc.

93-0896522

2/04/06

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**Statement 7 (continued)**  
**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 &amp; DC</u>	<u>Expense Account/ Other</u>
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.
<b>Total</b>		<b>\$ 74,431.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>

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

<u>Description</u>	<u>(a) 2003</u>	<u>(b) 2002</u>	<u>(c) 2001</u>	<u>(d) 2000</u>	<u>(e) Total</u>
Unrealized gain or loss	\$ 23,399.	\$ 10,001.	\$ -13,710.	\$ 0.	\$ 19,690.
Realized gain or loss on sale of invest.	39.	-5,838.	-13,507.	-304.	-19,610.
<b>Total</b>	<b>\$ 23,438.</b>	<b>\$ 4,163.</b>	<b>\$ -27,217.</b>	<b>\$ -304.</b>	<b>\$ 80.</b>