

Return of Organization Exempt From Income Tax

2005

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 2005 calendar year, or tax year beginning 7/01, 2005, and ending 6/30, 2006

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

Please use IRS label or print or type. See specific instructions.

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

D Employer Identification Number 93-0896522

E Telephone number

F Accounting method: Cash, Accrual, Other (specify)

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

H and I are not applicable to section 527 organizations

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

H (b) If 'Yes,' enter number of affiliates

H (c) Are all affiliates included? Yes No

(If 'No,' attach a list See instructions)

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

I Group Exemption Number

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

G Web site: www.openadopt.com

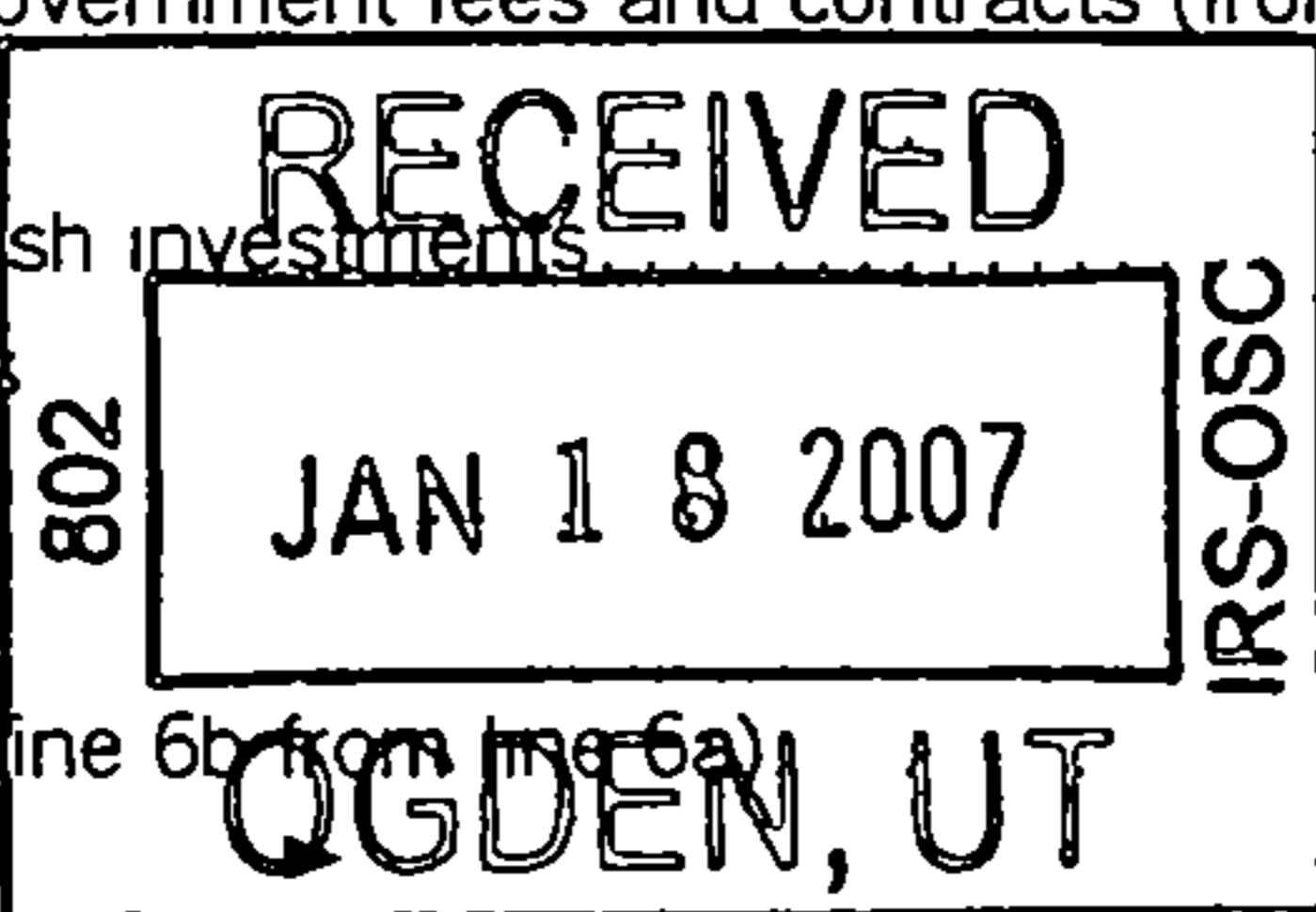
J Organization type (check only one): 501(c) 3

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

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 1,213,660

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

Table with columns for Revenue, Expenses, and Assets. Rows include: 1 Contributions (48,999), 2 Program service revenue (1,143,509), 4 Interest on savings (16,507), 7 Other investment income (4,645), 12 Total revenue (1,213,660), 17 Total expenses (1,074,047), 21 Net assets at end of year (731,841).



SCANNED JAN 29 2007

81-518

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

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	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	74,430.	62,893.	8,560.	2,977.
26 Other salaries and wages	26	517,832.	437,568.	59,551.	20,713.
27 Pension plan contributions	27				
28 Other employee benefits	28	40,792.	34,469.	4,691.	1,632.
29 Payroll taxes	29	52,689.	44,522.	6,059.	2,108.
30 Professional fundraising fees	30				
31 Accounting fees	31	3,018.	2,550.	347.	121.
32 Legal fees	32	6,675.	5,640.	768.	267.
33 Supplies	33				
34 Telephone	34	22,047.	18,630.	2,535.	882.
35 Postage and shipping	35	11,759.	9,936.	1,353.	470.
36 Occupancy	36	66,477.	56,173.	7,645.	2,659.
37 Equipment rental and maintenance	37	4,307.	3,639.	496.	172.
38 Printing and publications	38	14,056.	11,877.	1,617.	562.
39 Travel	39	23,136.	19,550.	2,661.	925.
40 Conferences, conventions, and meetings	40				
41 Interest	41	8,862.	7,488.	1,019.	355.
42 Depreciation, depletion, etc (attach schedule)	42	8,544.	7,220.	982.	342.
43 Other expenses not covered above (itemize)					
a See Statement 2	43a	219,423.	185,415.	25,232.	8,776.
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
44 Total functional expenses Add lines 22 through 43 (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	1,074,047.	907,570.	123,516.	42,961.

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

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

What is the organization's primary exempt purpose? ▶ <u>Promotion of Mediated Adoption.</u> 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) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and 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 \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	907,570.
b ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
c ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
d ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	907,570.

BAA

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	79,477.	45	60,485.
	46 Savings and temporary cash investments	292,222.	46	384,201.
	47a Accounts receivable	47a 35,209.		
	b Less: allowance for doubtful accounts	47b	47c	35,209.
	48a Pledges receivable	48a	48c	
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes & loans receivable (attach sch)	51a		
	b Less allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	13,989.
	54 Investments – securities (attach schedule)	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	54	170,227.
	55a Investments – land, buildings, & equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b	55c	
	56 Investments – other (attach schedule)		56	30,926.
	57a Land, buildings, and equipment: basis	57a 192,908.		
	b Less accumulated depreciation (attach schedule) Statement 3	57b 93,246.	57c	99,662.
	58 Other assets (describe ▶ See Statement 4)		58	6,522.
59 Total assets (must equal line 74). Add lines 45 through 58		59	801,221.	
LIABILITIES	60 Accounts payable and accrued expenses	8,850.	60	11,255.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	16,156.
	65 Other liabilities (describe ▶ See Statement 5)		65	41,969.
	66 Total liabilities. Add lines 60 through 65		66	69,380.
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	592,228.	67	706,423.
	68 Temporarily restricted		68	25,418.
	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).	592,228.	73	731,841.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	764,437.	74	801,221.	

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	N/A
b	Amounts included on line a but not on Part I, line 12:			
	1 Net unrealized gains on investments	b1		
	2 Donated services and use of facilities	b2		
	3 Recoveries of prior year grants	b3		
	4 Other (specify): _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	
d	Amounts included on Part I, line 12, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify): _____	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12). Add lines c and d		e	

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements		a	N/A
b	Amounts included on line a but not on Part I, line 17.			
	1 Donated services and use of facilities	b1		
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify): _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	
d	Amounts included on Part I, line 17, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify): _____	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17). Add lines c and d		e	

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the 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 plans	(E) Expense account and other allowances
See Statement 6		74,430.	0.	0.

Part VI Other Information (continued)		Yes	No
82 a	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
82 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.)		
		N/A	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85 a	501(c)(4), (5), or (6) organizations Were substantially all dues nondeductible by members?		N/A
85 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.		
85 c	Dues, assessments, and similar amounts from members		N/A
85 d	Section 162(e) lobbying and political expenditures		N/A
85 e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		N/A
85 f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		N/A
85 g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
85 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
86 a	501(c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12		N/A
86 b	Gross receipts, included on line 12, for public use of club facilities		N/A
87 a	501(c)(12) organizations Enter: a Gross income from members or shareholders		N/A
87 b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		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
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.		
89 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.
90 a	List the states with which a copy of this return is filed ▶ OR		
90 b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)		14
91 a	The books are in care of ▶ <u>Open Adoption and Family Svcs</u> Telephone number ▶ <u>503-233-9660</u> Located at ▶ <u>5200 SW Macadam Ave, #250 Portland, OR,</u> ZIP + 4 ▶ <u>97239</u>		
91 b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country ▶		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Statements		
91 c	At any time during the calendar year, did the organization maintain an office outside of the United States? If 'Yes,' enter the name of the foreign country ▶		X
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year	N/A	▶ <input type="checkbox"/>
			N/A

Part VII Analysis of Income-Producing Activities (See the 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					1,143,509.
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	16,507.	
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			14	4,645.	
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))				21,152.	1,143,509.
105 Total (add line 104, columns (B), (D), and (E))					1,164,661.

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 the 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 the 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 the 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 Sign Here

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.

[Signature]
Signature of officer

[Date]
Date

Executive Director
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: *[Signature]* Date: 12/24/06

Check if self-employed:

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

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

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 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

2005

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 -- A 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 II -- B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

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

Total number of other contractors receiving over \$50,000 for other 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 ▶ \$ <u>N/A</u></p> <p>(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 style="text-align: center;">See Statement 7</p> <p>a Sale, exchange, or leasing of property?</p>		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e Transfer of any part of its income or assets?		X
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.)		X
b Do you have a section 403(b) annuity plan for your employees?	X	
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		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). Check the box that describes the type of supporting organization. ▶ Type 1 Type 2 Type 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	21,571.	28,013.	15,469.	15,627.	80,680.
16 Membership fees received					0.
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	962,490.	888,515.	1,009,341.	984,341.	3,844,687.
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	10,945.	7,873.	5,830.	6,243.	30,891.
19 Net income from unrelated business activities not included in line 18					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
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					0.
22 Other income Attach a schedule. Do not include gain or (loss) from sale of capital assets See Stmt 8	22,677.	23,438.	4,163.	-27,217.	23,061.
23 Total of lines 15 through 22	1,017,683.	947,839.	1,034,803.	978,994.	3,979,319.
24 Line 23 minus line 17	55,193.	59,324.	25,462.	-5,347.	134,632.
25 Enter 1% of line 23	10,177.	9,478.	10,348.	9,790.	

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 2001 through 2004 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 _____		▶ 26d
	22 _____ 26b _____		▶ 26e
e Public support (line 26c minus line 26d total)			▶ 26f
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:	(2004) _____	(2003) _____	(2002) _____	(2001) _____
	3,515.	2,065.	2,155.	3,364.
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 11b, 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:	(2004) _____	(2003) _____	(2002) _____	(2001) _____
	206,285.	85,616.	139,755.	159,868.
c Add. Amounts from column (e) for lines:	15 _____ 16 _____			
	17 3,844,687. 20 _____	21 _____		
d Add: Line 27a total	11,099.	and line 27b total	591,524.	▶ 27c 3,925,367.
e Public support (line 27c total minus line 27d total)				▶ 27d 602,623.
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)			▶ 27f 3,979,319.	▶ 27e 3,322,744.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				▶ 27g 83.50 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				▶ 27h 0.78 %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, 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)		
37	Total lobbying expenditures to influence a legislative body (direct lobbying)		
38	Total lobbying expenditures (add lines 36 and 37)		
39	Other exempt purpose expenditures		
40	Total exempt purpose expenditures (add lines 38 and 39)		
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 \$225,000 plus 5% of the excess over \$1,500,000 \$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)		
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36		
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38		
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) 2005	(b) 2004	(c) 2003	(d) 2002	(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 (See instructions.)
 (For reporting only by organizations that did not complete Part VI-A)

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:

	Yes	No	Amount
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.)			

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)

See Separate Instructions.

Attach this form to your return.

Name(s) shown on return

Business or activity to which this form relates

Open Adoption & Family Services, Inc.

Mediated Adoption

Identifying number
93-0896522

Part I Election to Expense Certain Property Under Section 179

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

1 Maximum amount. See the instructions for a higher limit for certain businesses	1	105,000
2 Total cost of section 179 property placed in service (see instructions)	2	1,985
3 Threshold cost of section 179 property before reduction in limitation	3	420,000
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 instructions	5	105,000
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 2004 Form 4562	10	0
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	105,000
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 2006. 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.) (See instructions.)

14 Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO ZONE property (other than listed property) placed in service during the tax year (see 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 instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2005	17	3,760
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 2005 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		1,985	7 yrs.	HY	200DB	284
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			39 yrs.	MM	S/L	
			39 yrs.	MM	S/L	

Section C - Assets Placed in Service During 2005 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 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	8,544
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 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 place 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 allowance for certain aircraft, certain prop with a long production period, and qualified NYL or GO Zone prop placed in service during the tax year and used more than 50% in a qualified business use (see inst)										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.

30 Total bus /investment miles driven during the yr (DO NOT include commuting miles)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	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?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
36 Is another vehicle available for personal use?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No

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 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 10 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 2005 tax year (See instructions)					
43 Amortization of costs that began before 2005 tax year					43
44 Total. Add amounts in column (f). See page 12 of instructions for where to report					44

ASSET DEPRECIATION SHORT REPORT

Open Adoption & Family Services, Inc. Jun. 30, 2006

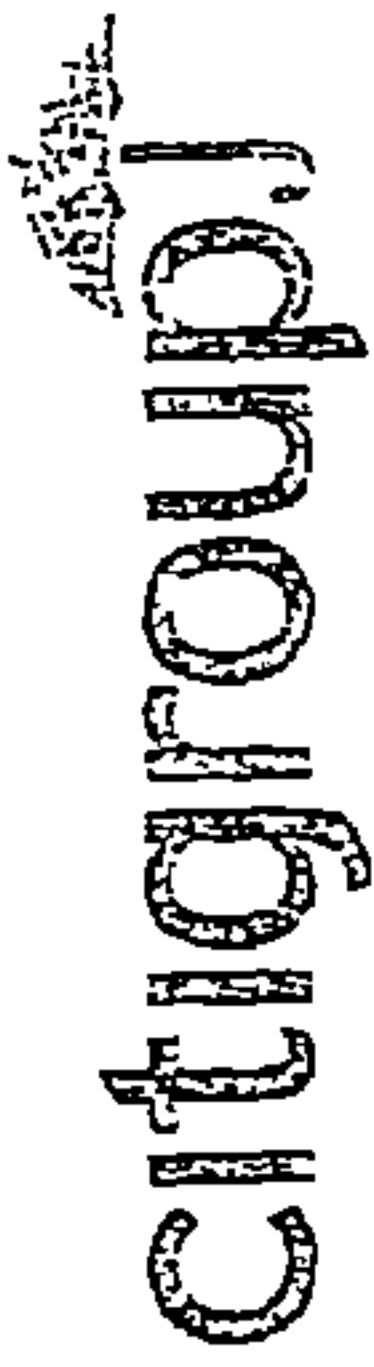
Sorted ASSET A/C#
Method 1-FEDERAL-Std Conv Applied

Range - 1500
Include All assets

Date Acq	Description	Meth/Life	Cost	Section 179	Depr Basis	Includes Section 179		
						Beg A/Depr	Curr Depr	End A/Depr
ASSET A/C#: - EQUIPMENT								
05/30/86	Fully depreciated assets	SL/ 7 00	31,998 84	0 00	31,998 84	31,998 84	0 00	31,998 84
01/01/93	Filing Cabinet	SL/ 5 00	144 57	0 00	144 57	144 57	0 00	144 57
04/30/93	(4) Filing cabinets	SL/ 5 00	484 12	0 00	484 12	484 12	0 00	484 12
09/14/94	Used desk, chair, file cabinet	SL/ 5 00	225 00	0 00	225 00	225 00	0 00	225 00
05/01/95	Konbo Binder	SL/ 3 00	299 99	0 00	299 99	299 99	0 00	299 99
04/01/96	Dark green loveseat	SL/ 5 00	279 00	0 00	279 00	279 00	0 00	279 00
05/01/96	2 white loveseats	SL/ 5 00	298 00	0 00	298 00	298 00	0 00	298 00
10/28/98	Compaq Deskpro EN PII 333 MT	M*200/ 5 00	1,569 99	0 00	1,569 99	1,569 99	0 00	1,569 99
10/28/98	HP Laserjet 4000SE 4MB	M*200/ 5 00	1,254 95	0 00	1,254 95	1,254 95	0 00	1,254 95
04/07/99	Telephone system	M*200/ 7 00	3,610 00	0 00	3,610 00	3,448 91	161 09	3,610 00
06/25/99	Computers for Office	M*200/ 5 00	12,467 00	0 00	12,467 00	12,467 00	0 00	12,467 00
03/07/00	Sharp AR-205 Digital Copier (Eugene	M*200/ 5 00	4,700 00	0 00	4,700 00	4,700 00	0 00	4,700 00
03/21/00	[LKT000001] TRADED 06/01/04 NBV-F 2	M*200/ 5 00	4,700 00	0 00	4,700 00	4,700 00	0 00	4,700 00
02/01/01	Advantage Telephone Systems	M*200/ 7 00	2,510 00	0 00	2,510 00	1,949 96	224 02	2,173 98
02/16/01	Capital One - 3 Dimension L Series	M*200/ 5 00	2,874 00	0 00	2,874 00	2,708 46	165 54	2,874 00
02/16/01	Technical Support on new system	M*200/ 5 00	1,110 00	0 00	1,110 00	1,046 06	63 94	1,110 00
03/21/01	Tech Support on New Sys - Fred Lee	M*200/ 5 00	480 00	0 00	480 00	452 35	27 65	480 00
04/05/01	Tech Support on New Sys - Fred Lee	M*200/ 5 00	870 00	0 00	870 00	819 89	50 11	870 00
04/12/01	Advantage Phone System - addition	M*200/ 7 00	547 50	0 00	547 50	425 34	48 86	474 20
04/23/01	Tech Support on New Sys - Fred Lee	M*200/ 5 00	1,495 00	0 00	1,495 00	1,408 89	86 11	1,495 00
04/24/01	HP Laser Printer - Capital One	M*200/ 5 00	1,996 00	0 00	1,996 00	1,881 03	114 97	1,996 00
05/01/01	Tech Support on New Sys - Fred Lee	M*200/ 5 00	600 00	0 00	600 00	565 44	34 56	600 00
05/10/01	Advantage Telephone - add to phone	M*200/ 7 00	1,015 00	0 00	1,015 00	788 53	90 59	879 12
05/10/01	The Closet Factory-2 custom station	M*200/ 7 00	2,315 00	0 00	2,315 00	1,798 47	206 61	2,005 08
05/16/01	The Closet Factory	M*200/ 7 00	635 00	0 00	635 00	493 31	56 68	549 99
05/16/01	Conference chairs paid by VISA	M*200/ 7 00	817 92	0 00	817 92	635 43	73 00	708 43
06/01/01	Advantage Telephone - add to phone	M*200/ 7 00	577 00	0 00	577 00	448 26	51 50	499 76
06/01/04	[LKA000001] Sharp AR-M 205 Copier (SL/ 5 00	0 00	0 00	0 00	0 00	0 00	0 00
06/08/04	Sharp M550N Digital Copier + - Leas	SL/ 5 00	22,500 00	0 00	22,500 00	6,750 00	4,500 00	11,250 00
12/31/05 A	Advantage Telephone Phone System -	MA200/ 7 00	1,985 00	0 00	1,985 00	0 00	283 57	283 57
Grand totals - EQUIPMENT (30 assets)			104,358 88	0 00	104,358 88	84,041 79	6,238 80	90,280 59
ASSET A/C#: 1-3310 - FURNITURE & FIXTURES								
09/06/01	Stanton Sofa	MA200/ 7 00	549 00	0 00	549 00	377 51	49 00	426 51
Grand totals 1-3310 - FURNITURE & FIXTURES (1 assets)			549 00	0 00	549 00	377 51	49 00	426 51
ASSET A/C#: 1500 - BUILDING								
05/20/05	Eugene Office Building	MACRS/39 00	88,000 00	0 00	88,000 00	282 05	2,256 41	2,538 46
Grand totals 1500 - BUILDING (1 assets)			88,000 00	0 00	88,000 00	282 05	2,256 41	2,538 46
Grand totals for all accounts: (32 assets)			192,907 88	0 00	192,907 88	84,701 35	8,544 21	93,245 56

Codes that may appear next to the date acquired include: A - Addition, D - Disposal, T - Traded, MQ - Mid Quarter Applied

Additional Summary Statistics:	Cost	Curr Yr 179	Prior Yr 179	Depr Basis	Beg A/Depr	Curr Depr	Ending A/Depr	Net Book Val
Grand Totals for All Assets	192,907 88	0 00	0 00	192,907 88	84,701 35	8,544 21	93,245 56	99,662 32
Less: Inactive Assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Disposed Assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Traded Assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Net Totals (Active Assets)	192,907 88	0 00	0 00	192,907 88	84,701 35	8,544 21	93,245 56	99,662 32
Total Additional First Year Depreciation Taken at 30% Rate:				0 00				
Total Additional First Year Depreciation Taken at 50% Rate:				0 00				
Total Additional First Year Depreciation Taken:				0 00				



SMITHBARNEY

Signature Client Financial Management Account June 1 - June 30, 2006

Ref: 00003220 00021220

F06000003220 306181AF01 SELF0022A
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 Advisor

DOUG CROSBY

121 SW MORRISON ST

16TH FLOOR

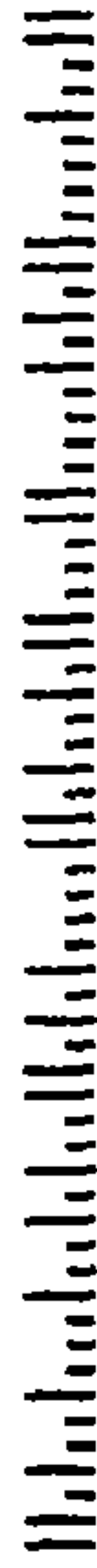
PORTLAND OR 97204

503 243 6918

Email douglas.w.crosby@smithbarney.com

www.smithbarney.com

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Account value	Last period	This period	%
Money fund	\$ 78,705.67	\$ 79,597.41	15.87
Common stocks & options	110,447.20	110,577.00	22.05
Closed end funds	44,550.00	45,012.00	8.98
Accrued interest on bonds/CDS	1,905.71	2,867.34	.57
Mutual funds	14,676.48	14,638.08	2.92
Certificates of deposit	249,024.50	248,753.50	49.61
Total value	\$ 499,309.56	\$ 501,445.33	100.00

Total value (excluding accrued interest)
Portfolio CreditLine Borrowing Power

\$ 497,403.85 \$ 498,577.99 \$ 109,134.00

Cash, money fund, bank deposits	This period	This year
Opening balance	\$ 78,705.67	
Deposits	0.00	75,000.00
Dividends credited	574.35	
Money fund earnings reinvested	317.39	
Closing balance	\$ 79,597.41	

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.

Earnings summary	This period		This year	
	Taxable	Non-taxable	Taxable	Non-taxable
Interest	\$ 0.00	\$ 0.00	\$ 511.39	\$ 0.00
Qualified dividends	267.45	0.00	1,561.85	0.00
Other dividends	306.90	0.00	1,534.50	0.00
Money fund earnings	317.39	0.00	2,954.21	0.00
Total	\$ 891.74	\$ 0.00	\$ 6,561.95	\$ 0.00

Portfolio summary	This period	This year
Beginning total value (excl. accr. int.)	\$ 497,403.85	\$ 414,000.00
Net security deposits/withdrawals	0.00	0.00
Net cash deposits/withdrawals	0.00	75,000.00
Beginning value net of deposits/withdrawals	497,403.85	489,076.20
Total value as of 6/30/2006 (excl. accr. int.)	\$ 498,577.99	\$ 498,577.99
Total return	\$ 1,174.14	\$ 9,501.79

Handwritten notes: 5/20/06 066 W.A.

Ref: 00003220 00021229

OFFER ADOPTION & FAMILY SERVICE Account number

Gain/loss summary

Unrealized gain or (loss) to date | (\$ 4,620.86)

This period This year

PORTFOLIO DETAILS

The values of your holdings are as of 06/30/06.

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)
79,597.41	SB MONEY FUNDS CASH PORT CLA	\$ 79,597.41	\$ 0.00	4.58%	\$ 3,645.56
	Total money fund	\$ 79,597.41		4.58%	\$ 3,645.56

Common stocks & options

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Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
225	ALLSTATE CORP Rating: Citigroup : 1M Argus : 1 Morningstar : 2 S&P : 1	ALL	05/16/01	\$ 9,917.14	\$ 43.20	\$ 54.73	\$ 12,314.25	\$ 2,397.11 LT	2.558%	\$ 315.00
150	ALLTEL CORP DELAWARE Rating: Citigroup : 1M Argus : 1 Morningstar : 2 S&P : 2	AT	05/11/99	9,794.74	64.187	63.83	9,574.50	(220.24) LT	2.412	231.00



Ref: 00003220 00021231

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 Incom (annualized)
15	UNISYS CORP Rating: Citigroup : 2S Morningstar : 2 S&P : 3	UIS		Please provide		\$ 6.28	\$ 94.20	Not available		
19	VISTEON CORP Rating: Citigroup : 2S Morningstar : 3 S&P : 3	VC	05/11/99	381.66	20 763	7.21	136.99	(244.67) LI		
300	WASHINGTON MUTUAL INC Rating: Citigroup : 2M Morningstar : 2 S&P : 2	WM	05/07/01	10,186.27	33,293	45.58	13,674.00	3,487.73 LI	4.475	612.00

Total common stocks and options \$ 110,577.30 \$ 0.00** ST 2.85
 (\$ 3,182.57) LI \$ 3,153.20

Closed end funds

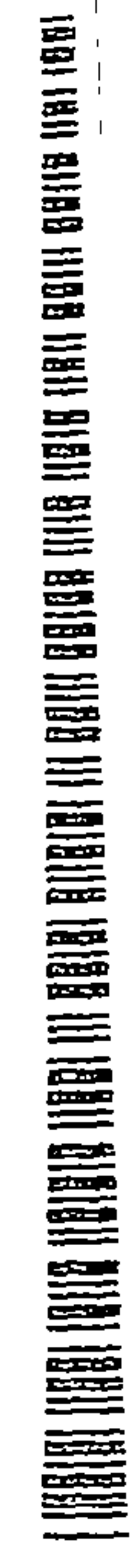
Citigroup Investment Research ratings may be shown for certain closed-end funds. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance. Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. Citigroup Investment Research closed-end fund recommendations include an investment rating and a risk rating. The Investment Rating code (1,2,3) is based upon Citigroup Investment Research'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 Citigroup Investment 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 Incom (annualized)
3,300	NUVEEN QUALITY PFD INCOME FD 2 Taxable bond portfolio Rating: Citigroup : 1M	JPS	09/23/02	\$ 49,500.00	\$ 15.00	\$ 13.64	\$ 45,012.00	(\$ 4,488.00) LI	8.181%	\$ 3,682.80

Total closed end fund taxable bond allocation \$ 45,012.00

Total closed end funds \$ 49,500.00 \$ 0.00 ST 8.18
 (\$ 4,488.00) LI \$ 3,682.80



Ref: 00003220 00021232

OPEN ADOPTION & FAMILY SERVICE Account number

Mutual funds

Certain mutual funds may not be transferable to other broker-dealers. For example, clients can purchase and hold shares of Legg Mason mutual funds in Smith Barney accounts but (with few exceptions) cannot transfer these positions to other firms. For further information, please refer to the fund's Prospectus or call your Financial Advisor

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	05/11/99	\$ 10,000.00	\$ 26.67	\$ 38.12	\$ 14,293.21	\$ 4,293.21	LT		
374 953	Total Purchases		10,000.00	26.67	38.12	14,293.21	4,293.21			
0 618	Reinvestments to date		325.46	37.765	38.12	328.52	3.06	LT		
429	Reinvestments to date		16.41	38.251	38.12	16.35	(.06)	ST		
384	Tax-based Cost vs. Current Value		10,341.87	26.932		14,638.08	4,296.21		.112	16.51
	Total Purchases vs Current Value		10,000.00			14,638.08	4,638.08			
	Fund Value Increase/Decrease						4,638.08			
	Total mutual funds (Tax based)		\$ 10,341.87			\$ 14,938.08	(\$.06)	ST		\$ 16.51
	Total Fund Value Increase/Decrease					\$ 4,296.27	LT			\$ 16.51
							\$ 4,638.08			

Certificates of deposit

Certificates of deposit ("CDs") are insured by the FDIC up to \$100,000 for certain retirement accounts per depository institution (principal and accrued 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 estimated 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 estimated market value 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/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current price/Accrued interest	Current value/ Maturity value	Unrealized Gain/(loss) Original/Adjusted	Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
75,000	NETBANK - GA	02/15/06	\$ 75,000.00	\$ 100.00	99.872	\$ 74,904.00	(\$ 96.00)	4.555	\$ 0.00
	DTD 02/22/06 INT: MATURITY	64109EGM1	\$ 75,000.00	\$ 100.00	\$ 1,196.71	\$ 75,000.00	(\$ 96.00)		(\$ 96.00)
	INT: 04.550% MATY. 08/22/2006								



503
503
10/30/06

Portland
1221 SW Yamhill #100
Portland OR 97205
503-227-6846 Fax 503-274-7771
www.ocf1.org

Eugene
541-431-7099 Fax 541-465-9852
Medford
541-773-8987 Fax 541-245-8796
Bend
541-382-1170 Fax 541-382-1215

A Tradition of Community Caring

To: Ms. Shari Levine
Open Adoption & Family Services
5200 SW Macadam, Suite 250
Portland, OR 97201

For questions about this statement
contact:
Amy Reaney
areaney@ocf1.org
503-944-2115

*We are pleased to provide you with this quarterly statement for your fund.
It is a privilege to partner with you to improve life in Oregon!*

**Open Adoption & Family Services Endowment Fund of The Oregon
Community Foundation**

**Statement of Changes in Fund Balance
April 1, 2006 through June 30, 2006**

BEGINNING FUND BALANCE	<u>\$31,140.34</u>
INVESTMENT RETURNS:	
Interest and dividend income	140.10
Realized gain/(loss) on investments	(49.80)
Unrealized gain/(loss) on investments	(245.26)
Investment management expense	(20.52)
Net investment return	<u>(175.48)</u>
FUND ADDITIONS:	
Contributions	0.00
Grant repayments	0.00
Other income	0.00
Total fund additions	<u>0.00</u>
EXPENSES:	
Grants/scholarships approved	0.00
OCF fees	38.93
Other	0.00
Total expenses	<u>38.93</u>
FUND TRANSFER	<u>0.00</u>
FUND BALANCE AT JUNE 30, 2006	<u><u>\$30,925.93</u></u>

Detailed investment return information for second quarter 2006 will be available on the OCF website
(www.ocf1.org) by August 15th.



Open Adoption and Family Services, Inc.

93-0896522

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

Realized (G)L on sale	\$	2,043.
Unrealized (G)L		<u>2,602.</u>
Total	\$	<u><u>4,645.</u></u>

Statement 2
Form 990, Part II, Line 43
Other Expenses

	(A) Total	(B) Program Services	(C) Management & General	(D) Fundraising
Advertising	117,076.	98,929.	13,464.	4,683.
Background checks	1,783.	1,507.	205.	71.
Bank charges	3,198.	2,702.	368.	128.
Contracted Social Work	13,007.	10,991.	1,496.	520.
Dues and Memberships	7,149.	6,041.	822.	286.
Education	1,260.	1,065.	145.	50.
Employee recruitment	2,229.	1,884.	256.	89.
Hospitality	2,586.	2,185.	298.	103.
Insurance	29,891.	25,258.	3,437.	1,196.
Literature	911.	770.	105.	36.
Miscellaneous	351.	297.	40.	14.
New program for children	7,194.	6,079.	827.	288.
Office supplies	11,351.	9,592.	1,305.	454.
Online services	3,033.	2,563.	349.	121.
Taxes	10,448.	8,829.	1,201.	418.
Technical support	4,417.	3,732.	508.	177.
Utilities	3,039.	2,568.	349.	122.
Workshop	500.	423.	57.	20.
Total	\$ <u>219,423.</u>	\$ <u>185,415.</u>	\$ <u>25,232.</u>	\$ <u>8,776.</u>

Statement 3
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Furniture and Fixtures	\$ 192,908.	\$ 93,246.	\$ 99,662.
Total	\$ <u>192,908.</u>	\$ <u>93,246.</u>	\$ <u>99,662.</u>

Statement 4
Form 990, Part IV, Line 58
Other Assets

Deposits	\$	6,522.
Total	\$	<u><u>6,522.</u></u>

Open Adoption and Family Services, Inc.

93-0896522

Statement 5
Form 990, Part IV, Line 65
Other Liabilities

Accrued payroll	\$ 22,840.
Accrued payroll taxes	3,280.
Accrued vacation	11,423.
Adoptive parent trust funds	5,536.
Prepaid employee benefits	-1,110.
Total	\$ 41,969.

Statement 6
Form 990, Part V-A
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
Carol Merwin 2905 NE 29th Portland, OR 97212	Director 0	\$ 0.	\$ 0.	\$ 0.
Roy Abramowitz, CPA 1211 SW Fifth Ave, Ste 1000 Portland, OR 97204	President 0	0.	0.	0.
Erik Bergman 3 Centerpointe Drive #300 Lake Oswego, OR 97035	Vice President 0	0.	0.	0.
Grayson Dempsey 4549 NE 22nd Avenue Portland, OR 97211	Secretary 0	0.	0.	0.
Melissa Busch 4447 NE 76th Portland, OR 97218	Director 0	0.	0.	0.
Elizabeth Carroll 5329 NE MLK Portland, OR 97211	Director 0	0.	0.	0.
Kathryn Olson 2728 261st Ave. SE Sammamish, WA 98075	Director 0	0.	0.	0.
Michael Cousins 3952 S. Hudson Street Seattle, WA 98118	Director 0	0.	0.	0.
Mark Spaur 519 SW 328th Ct. Federal Way, WA 98023	Director 0	0.	0.	0.

Open Adoption and Family Services, Inc.

93-0896522

Statement 6 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Andrea Hardy 3211 SW Luradel St. Portland, OR 97219	Director 0	\$ 0.	\$ 0.	\$ 0.
Shari Levine, MA 6323 SW Flower Portland, OR 97221	Executive Direc 36	74,430.	0.	0.
Paul Heimowitz 10876 So. Beutel Rd Oregon City, OR 97045	Director 0	0.	0.	0.
Katherine Provancher 4813 SW Orchard Portland, OR 97219	Director 0	0.	0.	0.
	Total	<u>\$ 74,430.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 7
Schedule A, Part III, Line 2
Transactions with Trustees, Directors, Etc.

See Form 990 Part V

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

<u>Description</u>	<u>(a) 2004</u>	<u>(b) 2003</u>	<u>(c) 2002</u>	<u>(d) 2001</u>	<u>(e) Total</u>
Unrealized gain or loss	\$ 22,677.	\$ 23,438.	\$ 10,001.	\$ -13,710.	\$ 42,406.
Realized gain or loss on sale of invest.	0.	0.	-5,838.	-13,507.	-19,345.
Total	<u>\$ 22,677.</u>	<u>\$ 23,438.</u>	<u>\$ 4,163.</u>	<u>\$ -27,217.</u>	<u>\$ 23,061.</u>