

Return of Organization Exempt From Income Tax

2005

Open to Public Inspection

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

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 Sep 1, 2005, and ending Aug 31, 2006

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: THE GLADNEY CENTER FOR ADOPTION. D Employer Identification Number: 75-0917409. E Telephone number: (817) 922-6000. F Accounting method: Accrual.

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

G Web site: www.gladney.org

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

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

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

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 8,411,682.

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

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, Total. Includes lines 1-21 for revenue, expenses, and net assets.

RECEIVED IN CORRESPONDENCE IRS OSC-532

JUL 18 2007

SCANNED SEP 11 2007

Part I 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 \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (att sch)				
24 Benefits paid to or for members (att sch)				
25 Compensation of officers, directors, etc				
26 Other salaries and wages				
27 Pension plan contributions				
28 Other employee benefits				
29 Payroll taxes				
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies				
34 Telephone				
35 Postage and shipping				
36 Occupancy				
37 Equipment rental and maintenance				
38 Printing and publications				
39 Travel				
40 Conferences, conventions, and meetings				
41 Interest				
42 Depreciation, depletion, etc (attach schedule)	552,232.	438,531.	113,701.	0.
43 Other expenses not covered above (itemize): a see attached schedule	7,480,432.	6,058,227.	1,422,205.	0.
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)	8,032,664.	6,496,758.	1,535,906.	0.

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 \$ _____

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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>ADOPTION AGENCY & MATERNITY HOME</u>	Program Service Expenses
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.)	(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others.)
<p>a DOMESTIC ADOPTION - placed 188 children in forever homes and provided medical, counseling and living assistance to 203 young women experiencing unplanned pregnancies.</p> <p>(Grants and allocations \$ 0.) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	<p>2,647,313.</p>
<p>b INTERNATIONAL ADOPTION - placed 182 children in forever homes from Asia, Africa, Eastern European and Latin American countries.</p> <p>(Grants and allocations \$ 0.) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	<p>1,498,979.</p>
<p>c FAMILY SERVICES - provided pre-adoption training to over 300 families and post-adoption services and training to more than 1000 families.</p> <p>(Grants and allocations \$ 0.) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	<p>481,509.</p>
<p>d CLIENT SERVICES - provides adoption education and outreach to 1000s of individuals through personal presentations, printed literature and our website.</p> <p>(Grants and allocations \$ 0.) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	<p>1,868,957.</p>
<p>e Other program services</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶</p>	<p>6,496,758.</p>

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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)		(B)
		Beginning of year		End of year
ASSETS	45 Cash – non-interest-bearing	638.	45	638.
	46 Savings and temporary cash investments	167,293.	46	352,766.
	47a Accounts receivable	47a 114,671.		
	b Less: allowance for doubtful accounts	47b 0.	559,442.	47c 114,671.
	48a Pledges receivable	48a		48c
	b Less: allowance for doubtful accounts	48b		
	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	175,260.	53	200,780.
	54 Investments – securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
	55a Investments – land, buildings, & equipment, basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b		55c
	56 Investments – other (attach schedule)			56
	57a Land, buildings, and equipment, basis	57a 19,127,841.		
	b Less: accumulated depreciation (attach schedule) L-57 Stmt	57b 3,090,688.	16,275,248.	57c 16,037,153.
	58 Other assets (describe ▶ See Line 58 Stmt)	141,575.	58	134,350.
59 Total assets (must equal line 74) Add lines 45 through 58	17,319,456.	59	16,840,358.	
LIABILITIES	60 Accounts payable and accrued expenses	811,772.	60	1,030,805.
	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)	7,797,789.	64a	7,260,580.
	b Mortgages and other notes payable (attach schedule)	22,798.	64b	14,508.
	65 Other liabilities (describe ▶ See Line 65 Stmt)	968,288.	65	436,638.
66 Total liabilities. Add lines 60 through 65	9,600,647.	66	8,742,531.	
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	7,501,411.	67	7,839,409.
	68 Temporarily restricted	217,398.	68	258,418.
	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)	7,718,809.	73	8,097,827.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	17,319,456.	74	16,840,358.	

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Form 990 (2005)

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	9,822,494.
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): <u>SEE ATTACHED SCHEDULE</u>	b4	1,410,812.	
	Add lines b1 through b4		b	1,410,812.
c	Subtract line b from line a		c	8,411,682.
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	8,411,682.

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

a	Total expenses and losses per audited financial statements		a	9,161,256.
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): <u>SEE ATTACHED SCHEDULE</u>	b4	1,128,592.	
	Add lines b1 through b4		b	1,128,592.
c	Subtract line b from line a		c	8,032,664.
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	8,032,664.

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 ATTACHED SCHEDULE 6300 JOHN RYAN DR FORT WORTH, TX 76132	SEE ATTACHED			

Part VII 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
	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.)		
	82 b		
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
	b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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.		
	c Dues, assessments, and similar amounts from members	85 c	N/A
	d Section 162(e) lobbying and political expenditures	85 d	N/A
	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e	N/A
	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f	N/A
	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 g	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?	85 h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12.	86 a	N/A
	b Gross receipts, included on line 12, for public use of club facilities	86 b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87 a	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.)	87 b	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 ▶ N/A, section 4912 ▶ N/A; section 4955 ▶ N/A		
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		
90 a	List the states with which a copy of this return is filed ▶ <u>NEW YORK</u>		
90 b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)		67
91 a	The books are in care of ▶ <u>J. SCOTT BROWN</u> Telephone number ▶ <u>(817) 922-6000</u> Located at ▶ <u>6300 JOHN RYAN DR, FORT WORTH TX</u> ZIP + 4 ▶ <u>76132-4122</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 ▶ <u>ETHIOPIA</u>	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 ▶ <u>92</u>		

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

	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 DOMESTIC ADOPTION FEES					3,836,277.
b INSURANCE & MEDICAL REIMB					51,827.
c INTERNATIONAL PROGRAM FEES					1,555,986.
d FAMILY SERVICES					49,205.
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	16,744.	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	131,007.	
98 Net rental income or (loss) from pers prop					
99 Other investment income					
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 OTHER INCOME			01	1,185.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				148,936.	5,493,295.
105 Total (add line 104, columns (B), (D), and (E))					5,642,231.

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).
93	SEE ATTACHED SCHEDULE

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

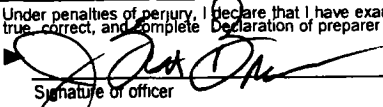
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

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)

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: 

J. SCOTT BROWN - EXECUTIVE VICE PRESIDENT
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: THE GLADNEY CENTER FOR ADOPTION, 6300 JOHN RYAN DR, FORT WORTH, TX 76116

SCHEDULE A
(Form 990 or 990-EZ)

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

OMB No 1545-0047

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

2005

Supplementary Information — (See separate instructions.)

Department of the Treasury
Internal Revenue Service

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

Name of the organization

THE GLADNEY CENTER FOR ADOPTION

Employer identification number

75-0917409

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
J. SCOTT BROWN 6300 JOHN RYAN DR, FT WORTH, TX 76132	EXEC VP OF FINANCE 40	169,751.	20,000.	0.
HEIDI COX 6300 JOHN RYAN DR, FT WORTH, TX 76132	EXEC VP AND GENERAL COUNSEL 40	116,971.	9,100.	0.
GONGZHAN WU 6300 JOHN RYAN DR, FT WORTH, TX 76132	CHINA PROGRAM MANAGER 40	71,489.	20,000.	0.
VICKYE SCHULTZ 6300 JOHN RYAN DR, FT WORTH, TX 76132	VP OF HR AND DOMESTIC ADOPTION 40	106,322.	15,000.	0.
MARSHALL WILLIAMS 6300 JOHN RYAN DR, FT WORTH, TX 76132	VP OF INTERNATIONAL ADOPTION 40	88,204.	6,025.	0.
Total number of other employees paid over \$50,000 ▶	7			

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
JORDAN INTERNATIONAL 11200 Westwind, Eden Prairie, MN 55344	Russian adoption facilitator	87,240.
PETER IRWIN, MD 1700 Oakmont, Suite 207, Ft Worth, 76132	Medical professional services	60,507.
SITESMART INTERACTIVE PO BOX 171721, ARLINGTON, TX 76003	WEB DESIGN AND HOSTING	64,188.
Total number of others receiving over \$50,000 for professional services ▶	None	

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
TRINITY ROOFING 2407 W ARKANSAS LN, ARLINGTON, TX 76013	ROOF INSTALLATION	383,759.
Total number of other contractors receiving over \$50,000 for other services ▶	NONE	

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

Schedule A (Form 990 or 990-EZ) 2005

Part III Statements About Activities (See instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (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
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets?	2e	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)	3a	X
b Do you have a section 403(b) annuity plan for your employees?	3b	X
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3c	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?	4a	X
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) 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)	2,042,561.	2,237,919.	3,596,886.	4,814,636.	12,692,002.
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	5,816,446.	5,286,781.	5,020,584.	4,879,552.	21,003,363.
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	125,843.	83,750.	11,507.	33,312.	254,412.
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	2,445.	1,576.	9,239.	26,073.	39,333.
23 Total of lines 15 through 22	7,987,295.	7,610,026.	8,638,216.	9,753,573.	33,989,110.
24 Line 23 minus line 17	2,170,849.	2,323,245.	3,617,632.	4,874,021.	12,985,747.
25 Enter 1% of line 23	79,873.	76,100.	86,382.	97,536.	
26 Organizations described on lines 10 or 11:	<p>a Enter 2% of amount in column (e), line 24</p> <p>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</p> <p>c Total support for section 509(a)(1) test: Enter line 24, column (e)</p> <p>d Add. Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____</p> <p>e Public support (line 26c minus line 26d total)</p> <p>f Public support percentage (line 26e (numerator) divided by line 26c (denominator))</p>				<p>26a _____</p> <p>26b _____</p> <p>26c _____</p> <p>26d _____</p> <p>26e _____</p> <p>26f _____ %</p>
27 Organizations described on line 12:	<p>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) <u>2,042,561.</u> (2003) <u>2,237,919.</u> (2002) <u>3,596,886.</u> (2001) <u>4,814,636.</u></p> <p>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) <u>0.</u> (2002) _____ (2001) <u>0.</u></p> <p>c Add: Amounts from column (e) for lines: 15 <u>12,692,002.</u> 16 _____ 17 <u>21,003,363.</u> 20 _____ 21 _____</p> <p>d Add: Line 27a total <u>12,692,002.</u> and line 27b total <u>0.</u></p> <p>e Public support (line 27c total minus line 27d total)</p> <p>f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)</p> <p>g Public support percentage (line 27e (numerator) divided by line 27f (denominator))</p> <p>h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</p>				<p>27c <u>33,695,365.</u></p> <p>27d <u>12,692,002.</u></p> <p>27e <u>21,003,363.</u></p> <p>27f <u>33,989,110.</u></p> <p>27g <u>61.79 %</u></p> <p>27h <u>0.75 %</u></p>
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:		
32 a	a Records indicating the racial composition of the student body, faculty, and administrative staff?		
32 b	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
32 c	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
32 d	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		
33 a	a Students' rights or privileges?		
33 b	b Admissions policies?		
33 c	c Employment of faculty or administrative staff?		
33 d	d Scholarships or other financial assistance?		
33 e	e Educational policies?		
33 f	f Use of facilities?		
33 g	g Athletic programs?		
33 h	h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement.)		
34 a	a Does the organization receive any financial aid or assistance from a governmental agency?		
34 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.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.		

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

N/A

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

Limits on Lobbying Expenditures

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

(a)
Affiliated group
totals

(b)
To be completed
for ALL electing
organizations

36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount. Enter the amount from the following table --		
If the amount on line 40 is --	The lobbying nontaxable amount is --	
Not over \$500,000	20% of the amount on line 40	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000	\$1,000,000	
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

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

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 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

(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.

	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.

Form 990, Page 4, Part IV, Lines 57a & 57b

Land, Buildings and Equipment Statement

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
LAND	1,335,252.	0.	1,335,252.
BUILDINGS	15,471,008.	1,657,021.	13,813,987.
FURNITURE & EQUIPMENT	2,177,318.	1,335,844.	841,474.
AUTOMOBILES	144,263.	97,823.	46,440.
Total	<u>19,127,841.</u>	<u>3,090,688.</u>	<u>16,037,153.</u>

Form 990, Page 4, Part IV, Line 58

Other Assets Statement

Line 58 - Other Assets:	Beginning of Year	End of Year
DEBT ISSUANCE COSTS NET OF AMORTIZATION	78,390.	71,165.
PLAZA STATUES	63,185.	63,185.
Total	<u>141,575.</u>	<u>134,350.</u>

Form 990, Page 4, Part IV, Line 65

Other Liabilities Statement

Line 65 - Other Liabilities:	Beginning of Year	End of Year
INTEREST RATE SWAP PAYABLE	675,206.	333,701.
DESIGNATED AND INTERNATIONAL ESCROW DEPOSIT ACCOUNTS	100,707.	102,937.
DEFERRED INSURANCE PROCEEDS	192,375.	0.
Total	<u>968,288.</u>	<u>436,638.</u>

Supporting Statement of:

Form 990 p 4/Line 64a, column (A)

Description	Amount
LOAN FROM CITY OF DAINGERFIELD, TX HEALTH FACILITIES DEVELOPMENT CORP	7,797,789.
Total	<u>7,797,789.</u>

Supporting Statement of:

Form 990 p 4/Line 64b, column (A)

Description	Amount
AUTO LOANS	22,798.
Total	<u>22,798.</u>

Supporting Statement of:

Form 990 p 4/Line 64b, column (B)

Description	Amount
Auto Loans	14,508.
Total	<u>14,508.</u>

Supporting Statement of:

Sch. A, 990 p 3/Line 15-b

Description	Amount
THE GLADNEY FUND	2,158,810.
EDNA GLADNEY HOME ENDOWMENT FUND	31,036.
SPROESSOR WYNN ENDOWMENT FUND	48,073.
Total	<u>2,237,919.</u>

Supporting Statement of:

Sch. A, 990 p 3/Line 15-c

Description	Amount
THE GLADNEY FUND	3,467,899.

Continued

Supporting Statement of:

Sch. A, 990 p 3/Line 15-c

Description	Amount
EDNA GLADNEY HOME ENDOWMENT FUND	39,113.
SPROESSOR WYNN ENDOWMENT FUND	52,989.
OTHERS	36,885.
Total	<u>3,596,886.</u>

Supporting Statement of:

Sch. A, 990 p 3/Line 15-d

Description	Amount
THE GLADNEY FUND	4,678,058.
EDNA GLADNEY HOME ENDOWMENT FUND	43,157.
SPROESSOR WYNN ENDOWMENT FUND	82,291.
OTHERS	11,130.
Total	<u>4,814,636.</u>

THE GLADNEY CENTER FOR ADOPTION

75-0917409
 Supporting Schedule to Form 990
 8/31/2006

Part II, Line 43 - Other Expenses

	(A)	(B)	(C)
	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>
a. Personnel costs	\$3,938,976	\$2,777,202	\$1,161,774
b. Medical Services	141,572	141,406	166
c. Office expenses	180,366	165,507	14,859
d. Utilities and grounds	418,901	367,255	51,646
e. Leases and rentals	191,544	187,495	4,049
f. Insurance expense	312,348	274,485	37,863
g. Other expense	480,395	429,658	50,737
h. Professional fees	1,058,380	644,407	413,973
i. Outreach education	1,093,129	1,070,812	22,317
j. Unrealized <Gain> Loss on interest rate swap	<u>(335,179)</u>	<u>0</u>	<u>(335,179)</u>
	<u>\$7,480,432</u>	<u>\$6,058,227</u>	<u>\$1,422,205</u>

Part IV-A, Line b(4) - Other

Total Revenue reported on the following entities Form 990

The Gladney Fund	75-2414153
Edna Gladney Home Endowment	75-6013896
Sproesser Wynn Endowment	75-6009179

Part IV-B, Line b(4) - Other

Total Expenses reported on the following entities Form 990.

The Gladney Fund	75-2414153
Edna Gladney Home Endowment	75-6013896
Sproesser Wynn Endowment	75-6009179

Part VIII, Line No.

Relationship of Activities to the Accomplishment of Exempt Purposes

93a	Adoptive parents reimburse the center for room, board, medical care and counseling services for the birth mother and help support on-campus health clinic. This furthers exempt purpose of furnishing maternity hospitalization, service, care and assistance to the expectant mothers
93b	Insurance and Medicaid reimbursement for birth mother's prenatal care and obstetrical services. This furthers exempt purpose of furnishing maternity hospitalization, service, care and assistance to the expectant mothers.
93c	Adoptive parents reimburse the center for expenses related to facilitating the adoption of children from foreign countries. This furthers the exempt purpose by providing caring and loving homes for children abandoned and in orphanages in countries outside of the United States.
93d	Adoptive parents, adult adoptees and birth parents reimburse the center for expenses related to adoption registration service, birth parent search fees and post adoption counseling. This furthers exempt purpose by providing continuity in the adoption process through correspondence between the adoptive parents, birth parents and the adult adoptee

THE GLADNEY CENTER FOR ADOPTION

75-0917409
 Supporting Schedule to Form 990
 8/31/2006

Part V - List of Officers, Directors & Trustees
 (A)

<u>Name and Address</u>	<u>(B) Title and Time</u>	<u>(C) Compensation</u>	<u>(D) Benefit Plans</u>	<u>(E) Expense Account</u>
Michael J McMahon 6300 John Ryan Drive Fort Worth, TX 76132-4122	President 40 hr/wk	248,312	20,000	-0-
Phillip Bankhead 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Kenneth Barr 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Kenneth Lockyer 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Jana Moore 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Robert Kolba 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Steve Boma 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Suzanne Banfield 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Robert Jameson 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Meg Henderson 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Joel Eastman 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Tamara Hilliard 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Mark Robertson 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Gary Randle 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Debbie Robinson 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Lyle Mayeaux 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-

THE GLADNEY CENTER FOR ADOPTION

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 Supporting Schedule to Form 990
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Wm David Simmons 6300 John Ryan Drive Fort Worth, TX 76132-4122	Immed Past Chair Part-time	-0-	-0-	-0-
Beverly Yates 6300 John Ryan Drive Fort Worth, TX 76132-4122	Chair Part-time	-0-	-0-	-0-
Dennis Withers 6300 John Ryan Drive Fort Worth, TX 76132-4122	Chair-Elect & Treasurer Part-time	-0-	-0-	-0-
Carl Roland 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Ann Loudon 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Lynn Rossi Scott 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Laura Wheat 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Tanya Henderson 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Jean McClung 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Beth Riggs 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Becky Wilkins 6300 John Ryan Drive Fort Worth, TX 76132-4122	Secretary Part-time	-0-	-0-	-0-
Michael Steadman 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Jeffery Harp 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Diane Delabeno 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-