

Return of Organization Exempt from Income Tax

2003

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2003 calendar year, or tax year beginning Sep 1, 2003, and ending Aug 31, 2004

- 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: 501(c) 3

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

- H (a) Is this a group return for affiliates? No. H (b) If 'Yes,' enter number of affiliates. H (c) Are all affiliates included? No. H (d) Is this a separate return filed by an organization covered by a group ruling? No. I Group Exemption Number. M Check if the organization is not required to attach Schedule B.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 7,610,026.

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

Table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues; 4 Interest on savings; 5 Dividends; 6a-6c Rental income; 7 Other investment income; 8a-8d Sales of assets; 9 Special events; 10a-10c Inventory sales; 11 Other revenue; 12 Total revenue; 13-17 Expenses; 18-21 Net Assets.

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.

Table with 5 columns: Description, (A) Total, (B) Program services, (C) Management and general, (D) Fundraising. Rows include items like Grants and allocations, Specific assistance to individuals, Benefits paid to or for members, etc.

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

Table with 2 main columns: Description of program service and Program Service Expenses. Rows include DOMESTIC ADOPTION, INTERNATIONAL ADOPTION, POST ADOPTION, CLIENT SERVICES, and Other program services.

Part IV Balance Sheets (See Instructions)

		(A) Beginning of year		(B) End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.				
ASSETS	45 Cash — non-interest-bearing	538.	45	638.
	46 Savings and temporary cash investments	602,415.	46	696,931.
	47a Accounts receivable	36,063.		
	b Less: allowance for doubtful accounts		47c	36,063.
	48a Pledges receivable		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)		51c	
	b Less: allowance for doubtful accounts		51b	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	121,475.	53	142,914.
	54 Investments — securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55a Investments — land, buildings, & equipment: basis		55c	
	b Less: accumulated depreciation (attach schedule)		55b	
56 Investments — other (attach schedule)		56		
57a Land, buildings, and equipment: basis	18,687,476.			
b Less: accumulated depreciation (attach schedule)	L-57 Stmt 1,984,837.	57b	17,154,090.	
58 Other assets (describe ▶ See Line 58 Stmt)	155,843.	58	148,800.	
59 Total assets (add lines 45 through 58) (must equal line 74)	18,093,989.	59	17,727,985.	
LIABILITIES	60 Accounts payable and accrued expenses	803,915.	60	846,242.
	61 Grants payable		61	
	62 Deferred revenue	8,875.	62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)	8,788,415.	64a	8,306,566.
	b Mortgages and other notes payable (attach schedule)	39,378.	64b	31,088.
	65 Other liabilities (describe ▶ See Line 65 Stmt)	938,508.	65	981,541.
66 Total liabilities (add lines 60 through 65)	10,579,091.	66	10,165,437.	
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	7,328,688.	67	7,355,150.
	68 Temporarily restricted	186,210.	68	207,398.
	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)	7,514,898.	73	7,562,548.
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	18,093,989.	74	17,727,985.

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

BAA

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

a	Total revenue, gains, and other support per audited financial statements	a	10,723,946.
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments		
(2)	Donated services and use of facilities		
(3)	Recoveries of prior year grants		
(4)	Other (specify): SEE ATTACHED SCHED.		
	----- \$ 3,113,920.		
	Add amounts on lines (1) through (4)	b	3,113,920.
c	Line a minus line b	c	7,610,026.
d	Amounts included on line 12, Form 990 but not on line a :		
(1)	Investment expenses not included on line 6b, Form 990		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	7,610,026.

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

a	Total expenses and losses per audited financial statements	a	10,361,272.
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities		
(2)	Prior year adjustments reported on line 20, Form 990		
(3)	Losses reported on line 20, Form 990		
(4)	Other (specify): SEE ATTACHED SCHEDULE		
	----- \$ 2,798,896.		
	Add amounts on lines (1) through (4)	b	2,798,896.
c	Line a minus line b	c	7,562,376.
d	Amounts included on line 17, Form 990 but not on line a :		
(1)	Investment expenses not included on line 6b, Form 990		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	7,562,376.

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

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

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

Part VI Other Information (See instructions.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc, to any other exempt or nonexempt organization?		X
81a	If 'Yes,' enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	0.
81b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
82b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85a	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
85b	b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
85c	c Dues, assessments, and similar amounts from members	85c	
85d	d Section 162(e) lobbying and political expenditures	85d	
85e	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
85f	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
85g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
85h	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86a	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	
86b	b Gross receipts, included on line 12, for public use of club facilities	86b	
87a	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	
87b	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88	X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.		
89b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89b	X
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization		
90a	List the states with which a copy of this return is filed ▶ NEW YORK		
90b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions.)	90b	76
91	The books are in care of ▶ J. SCOTT BROWN Telephone number ▶ (817) 922-6000 Located at ▶ 6300 JOHN RYAN DR, FORT WORTH TX ZIP + 4 ▶ 76132-4122		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92		

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a DOMESTIC ADOPTION FEES					3,806,280.
b INSURANCE & MEDICAL REIMB					52,808.
c INTERNATIONAL PROGRAM FEES					1,405,528.
d POST ADOPTION					22,165.
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	3,509.	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	80,241.	
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	1,576.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				85,326.	5,286,781.
105 Total (add line 104, columns (B), (D), and (E))					5,372,107.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93	SEE ATTACHED SCHEDULE

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

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

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

- a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
- Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Please 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 of officer: *J. Scott Brown* Date: 7/13/05

J. SCOTT BROWN - EXECUTIVE VICE PRESIDENT & CFO

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed:

Firm's name (or yours if self-employed) address, and ZIP + 4: THE GLADNEY CENTER, 6300 JOHN RYAN DR, FORT WORTH TX 76132

EIN: _____ Phone no.: (817) 922-6021

Preparer's SSN or PTIN (see General Instruction W): _____

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

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

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

OMB No. 1545-0047

2003

Name of the organization THE GLADNEY CENTER FOR ADOPTION	Employer identification number 75-0917409
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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	139,810.	16,000.	
HEIDI COX 6300 JOHN RYAN DR, FT WORTH, TX 76132	EXEC VP AND GENERAL COUNSEL 40	111,436.	9,450.	
GONGZHAN WU 6300 JOHN RYAN DR, FT WORTH, TX 76132	CHINA PROGRAM MANAGER 40	81,455.	16,000.	
VICKYE SCHULTZ 6300 JOHN RYAN DR, FT WORTH, TX 76132	VP OF HR AND MATERNITY SERVICE 40	86,287.	6,004.	
MARSHALL WILLIAMS 6300 JOHN RYAN DR, FT WORTH, TX 76132	VP OF DOMESTIC AND INTERNATION 40	84,004.	10,200.	
Total number of other employees paid over \$50,000 ▶	3			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Jordan International 11200 Westwind, Eden Prairie, MN 55344	Russian adoption facilitator	351,500.
Peter Irwin, M.D. 1700 Oakmont, Suite 207, Ft Worth, 76132	Medical professional services	66,518.
Total number of others receiving over \$50,000 for professional services ▶	None	

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.)		X
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.		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e Transfer of any part of its income or assets?		X
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	
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	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.)
- 11 a 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.)
- 11 b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions — subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

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

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

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

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

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

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) ...	3,596,886.	4,814,636.	2,667,648.	1,769,881.	12,849,051.
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	5,020,584.	4,879,552.	5,601,114.	5,483,002.	20,984,252.
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	11,507.	33,312.	166,224.	158,255.	369,298.
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	9,239.	26,073.	16,977.	-8,314.	43,975.
23 Total of lines 15 through 22	8,638,216.	9,753,573.	8,451,963.	7,402,824.	34,246,576.
24 Line 23 minus line 17	3,617,632.	4,874,021.	2,850,849.	1,919,822.	13,262,324.
25 Enter 1% of line 23	86,382.	97,536.	84,520.	74,028.	

26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24	26a	
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts		26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e)		26c	
d Add: Amounts from column (e) for lines:	18 _____ 19 _____	26d	
	22 _____ 26b _____	26d	
e Public support (line 26c minus line 26d total)		26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		26f	%

27 Organizations described on line 12:	a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2002) _____ 3,596,886. (2001) _____ 4,814,636. (2000) _____ 2,667,648. (1999) _____ 1,769,881.	
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2002) _____ 0. (2001) _____ 0. (2000) _____ 0. (1999) _____ 0.		
c Add: Amounts from column (e) for lines:	15 12,849,051. 16 _____	27c 33,833,303.
	17 20,984,252. 20 _____ 21 _____	27d 12,849,051.
d Add: Line 27a total _____ and line 27b total _____		27e 20,984,252.
e Public support (line 27c total minus line 27d total)		27e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)	27f 34,246,576.	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))		27g 61.27 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))		27h 1.08 %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

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

		N/A	
		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
	If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
	If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended?		
	If you answered 'Yes' to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.		

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

N/A

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

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term 'expenditures' means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table —		
	If the amount on line 40 is —		
	Not over \$500,000	20% of the amount on line 40	
	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities
 (For reporting only by organizations that did not complete Part VI-A) (See instructions.)

N/A

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

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No. 1545-0047

2003

Name of organization

THE GLADNEY CENTER FOR ADOPTION

Employer identification number

75-0917409

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

- 501(c)(3) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (**Note:** Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General Rule and a Special Rule – see instructions.)

General Rule –

- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules –

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc, contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2003)

Name of organization

THE GLADNEY CENTER FOR ADOPTION

Employer identification number

75-0917409

Part I Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	THE GLADNEY FUND 6300 JOHN RYAN DR FORT WORTH TX 76132-4122	\$ 2,158,810.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	EDNA GLADNEY HOME ENDOWMENT FUND BANK ONE, NA, 500 THROCKMORTON FORT WORTH TX 76102	\$ 31,036.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	SPROESSOR WYNN ENDOWMENT FUND BANK OF AMERICA, PO BOX 830269 DALLAS TX 75283	\$ 48,073.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Form 990, Page 3, 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	15,276,676.	891,517.	14,385,159.
FURNITURE & EQUIPMENT	1,965,248.	1,037,572.	927,676.
AUTOMOBILES	110,300.	55,748.	54,552.
Total	<u>18,687,476.</u>	<u>1,984,837.</u>	<u>16,702,639.</u>

Form 990, Page 3, Part IV, Line 58

Other Assets Statement

Line 58 - Other Assets:	Beginning of Year	End of Year
DEBT ISSUANCE COSTS NET OF AMORTIZATION	92,658.	85,615.
PLAZA STATUES	63,185.	63,185.
Total	<u>155,843.</u>	<u>148,800.</u>

Form 990, Page 3, Part IV, Line 65

Other Liabilities Statement

Line 65 - Other Liabilities:	Beginning of Year	End of Year
INTEREST RATE SWAP PAYABLE	824,841.	849,626.
DESIGNATED AND INTERNATIONAL ESCROW DEPOSIT ACCOUNTS	113,667.	131,915.
Total	<u>938,508.</u>	<u>981,541.</u>

Supporting Statement of:

Form 990 p 1/Line 1a

Description	Amount
EDNA GLADNEY HOME ENDOWMENT FUND	31,036.
SPROESSOR WYNN ENDOWMENT FUND	48,073.
Total	<u>79,109.</u>

Supporting Statement of:

Form 990 p 1/Line 1b

Description	Amount
THE GLADNEY FUND	2,158,810.
Total	<u>2,158,810.</u>

Supporting Statement of:

Form 990 p 1/Line 6a

Description	Amount
REAL PROPERTY RENTAL	80,241.
Total	<u>80,241.</u>

Supporting Statement of:

Form 990 p 3/Line 64a, column (A)

Description	Amount
LOAN FROM CITY OF DAINGERFIELD, TX HEALTH FACILITIES DEVELOPMENT CORP	8,788,415.
Total	<u>8,788,415.</u>

Supporting Statement of:

Form 990 p 3/Line 64b, column (A)

Description	Amount
Auto Loans	39,378.

Continued

Supporting Statement of:

Form 990 p 3/Line 64b, column (A)

Description	Amount
Total	<u>39,378.</u>

Supporting Statement of:

Form 990 p 3/Line 47a

Description	Amount
ACCOUNTS RECEIVABLE	36,063.
Total	<u>36,063.</u>

Supporting Statement of:

Form 990 p 3/Line 64a, column (B)

Description	Amount
LOAN FROM CITY OF DAINGERFIELD, TX HEALTH FACILITIES DEVELOPMENT CORP	8,306,566.
Total	<u>8,306,566.</u>

Supporting Statement of:

Form 990 p 3/Line 64b, column (B)

Description	Amount
AUTO LOANS	31,088.
Total	<u>31,088.</u>

Supporting Statement of:

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

Description	Amount
THE GLADNEY FUND	3,467,899.
EDNA GLADNEY HOME ENDOWMENT FUND	39,113.
SPROESSOR WYNN ENDOWMENT FUND	52,989.
OTHERS	36,885.

Continued

Supporting Statement of:

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

Description	Amount
Total	<u>3,596,886.</u>

Supporting Statement of:

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

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>

Supporting Statement of:

Sch. A, 990 p 3/Line 27a, Column 3

Description	Amount
THE GLADNEY FUND	2,510,554.
EDNA GLADNEY HOME ENDOWMENT FND	49,479.
SPROESSOR WYNN ENDOWMENT FUND	107,615.
Total	<u>2,667,648.</u>

Supporting Statement of:

Sch. A, 990 p 3/Line 27a, Column 4

Description	Amount
THE GLADNEY FUND	1,624,079.
EDNA GLADNEY HOME ENDOWMENT FUND	46,958.
SPROESSOR WYNN ENDOWMENT FUND	98,844.
Total	<u>1,769,881.</u>

THE GLADNEY CENTER FOR ADOPTION

75-0917409
Supporting Schedule to Form 990
8/31/2004

An automatic extension was filed on January 15, 2005 and an additional extension was filed on April 15, 2005. The approval for the additional extension of the return to July 15, 2005 was received but the approved form could not be located at the time of filing the return.

THE GLADNEY CENTER

75-0917409
 Supporting Schedule to Form 990
 8/31/2004

Part II, Line 43 - Other Expenses

	(A)	(B)	(C)
	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>
a. Personnel costs	\$3,328,759	\$2,296,129	\$1,032,630
b. Medical Services	194,622	\$194,369	253
c. Office expenses	157,114	\$145,710	11,404
d. Utilities and grounds	408,438	\$330,761	77,677
e. Leases and rentals	149,725	\$145,369	4,356
f. Insurance expense	398,480	\$348,961	49,519
g. Other expense	437,670	\$426,261	11,409
h. Professional fees	1,131,119	\$578,989	552,130
i. Outreach education	847,075	\$831,413	15,662
j. Unrealized <Gain> Loss on interest rate swap	(49,986)		(49,986)
	<u>\$7,003,016</u>	<u>\$5,297,962</u>	<u>\$1,705,054</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
75-0917409
Supporting Schedule to Form 990
8/31/2004

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

(A) <u>Name and Address</u>	(B) <u>Title and Time</u>	(C) <u>Compensation</u>	(D) <u>Benefit Plans</u>	(E) <u>Expense Account</u>
Michael J. McMahon 6300 John Ryan Drive Fort Worth, TX 76132-4122	President 40 hr/wk	245,506	16,000	-0-
Phillip Bankhead 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Lindsey Merrill 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-
Sally Dunning 6300 John Ryan Drive Fort Worth, TX 76132-4122	Immediate Past Chairman Part-time	-0-	-0-	-0-
Jana Moore 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Lauren Garofalo Burns 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-
Bonnie Blackman 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-
William Greenhill 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Paula Burford 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-

THE GLADNEY CENTER
75-0917409
Supporting Schedule to Form 990
8/31/2004

Gary Randle 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Mark Hoy 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	Treasurer Part-time	-0-	-0-	-0-
Kimberly Surratt 6300 John Ryan Drive Fort Worth, TX 76132-4122	Director Part-time	-0-	-0-	-0-
Wm. David Simmons 6300 John Ryan Drive Fort Worth, TX 76132-4122	Chairman Part-time	-0-	-0-	-0-
Beverly Yates 6300 John Ryan Drive Fort Worth, TX 76132-4122	Chair-Elect & Secretary Part-time	-0-	-0-	-0-
Dennis Withers 6300 John Ryan Drive Fort Worth, TX 76132-4122	Treasurer Part-time	-0-	-0-	-0-
Howard Katz 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-
Michael Markwardt 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-
Eileen Peterson 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	Director Part-time	-0-	-0-	-0-

THE GLADNEY CENTER
DEPRECIATION EXPENSE REPORT

as of 08/31/2004

SYS No	Ext	In Svc Date	Acquired Value	Dep Meth	P Est T Life	Salvage 168(k)/179	Depreciable Basis	Prev Thru	Prior Accum Depreciation	Depreciation This Run	Current Year to Date	Curr Accum Depreciation Key
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Book: Internal FY: August

Count=	5	-----										
Class:	AU											
			110300.17			0.00	110300.17		35588.89	1446.57	20101.09	55689.98
Less disposals and transfers			0.00			0.00	0.00		0.00			0.00
Net			110300.17			0.00	110300.17		35588.89	1446.57	20101.09	55689.98

Count=	14	-----										
Class:	BD											
			15276676.07			0.00	15276676.07		508426.29	32464.94	382007.96	890434.25
Less disposals and transfers			0.00			0.00	0.00		0.00			0.0
Net			15276676.07			0.00	15276676.07		508426.29	32464.94	382007.96	890434.25

Count=	429	-----										
Class:	FE											
			1965248.38			0.00	1965248.38		881441.75	17462.38	157252.11	1038693.86
Less disposals and transfers			0.00			0.00	0.00		0.00			0.00
Net			1965248.38			0.00	1965248.38		881441.75	17462.38	157252.11	1038693.86

Count=	1	-----										
Class:	LD											
			1335252.24			0.00	1335252.24		0.00	0.00	0.00	0.00
Less disposals and transfers			0.00			0.00	0.00		0.00			0.00
Net			1335252.24			0.00	1335252.24		0.00	0.00	0.00	0.00

Count=	449	-----										
Grand Total												
			18687476.86			0.00	18687476.86		1425456.93	51373.89	559361.16	1984818.09
Less disposals and transfers			0.00			0.00	0.00		0.00			0.0
Net			18687476.86			0.00	18687476.86		1425456.93	51373.89	559361.16	1984818.09

Immaterial Difference

18.91

1984837.00

----- Calculation Assumptions -----

Book Short Years Midquarter Convention Adjustment Convention Include Sec 168(k) Allow & Sec 179