Contents

About the Foundation ........ 1
Letter from the President 
& Executive Director ....... 2-3
Grant Program ............ 4-5
To Apply for a Grant ........ 6
Summary of Grants Paid .... 7
Grant Programs .......... 8-12
Auditor’s Report .......... 13
Financial Statement ....... 14-16
About the Artist ........ 17
About the Foundation

Woods Charitable Fund is a private philanthropic foundation created by Frank H. Woods and Nelle Cochrane Woods and their three sons. It was incorporated in Nebraska in 1941 and Frank Woods provided major endowment in 1952 before his death that year. In 1955 the Fund received one-third of the net residuary estate of Nelle C. Woods. Through the years, the family-owned Sahara Enterprises has contributed to foundation assets.

For over fifty years the Fund made grants in Lincoln, Nebraska and Chicago, Illinois. Until the early 1980’s, it operated as a family foundation under the leadership of trustees Frank H. Woods, Jr. and Thomas C. Woods, Jr. Frank Woods from Chicago and Tom Woods from Lincoln had many business and personal ties in both cities. Their deaths in 1980 and 1989 respectively, brought changes which included: expanding the board beyond family members to acknowledge both the benefits of new viewpoints and the fewer family members in the two cities available for board membership; bringing on staff; and introducing more targeted grant programs.

At the end of 1993, Woods Charitable Fund underwent a major restructuring that institutionalized in two separate foundations the different grant programs of the Fund in Chicago and Lincoln. Woods Charitable Fund now operates in Lincoln only and a second foundation, Woods Fund of Chicago, was created by transferring part of the original foundation's assets to the new foundation. Both foundations currently operate with locally representative boards and are able to respond to the issues, opportunities and creative leadership in their respective communities.

The Fund's reports and Treasury Form 990-PF are on file at the Foundation Center in New York City and Washington, D.C. as well as in the office of the Secretary of State in Lincoln, Nebraska.

FOUNDERS

Frank H. Woods (1868 - 1952)
Nelle C. Woods (1870 - 1950)
Thomas C. Woods (1895 - 1958)
Henry C. Woods (1895 - 1968)
Frank H. Woods, Jr. (1905 - 1980)
Letter from the President & Executive Director

“A leader is best when people barely know he exists, not so good when people obey and acclaim him, worse when they despise him...But of a good leader who talks little when his work is done, his aim fulfilled, they will say, ‘We did it ourselves.’”

—Lao-tzu (604-531 B.C.)

Training materials used by the Council on Foundations, teach that in effective grantmaking, “First and foremost...are the persons involved.” Three times a year, when Woods Charitable Fund board members meet to consider grant proposals, one of the criteria used to choose which will receive grants is “Talent: does the proposal allow us to invest in exceptional leadership?”

In the 1997 Woods Charitable Fund, Inc. annual report, we spotlight the leaders of three grantee organizations who have had particular impact in Lincoln by improving opportunities and life outcomes for people in our community. The three are:

- **Lucy Nevels**, executive director of Women in Community Service (WICS) since 1972, who has guided her organization through multiple changes without losing her sense of purpose and vision for WICS and the young women it serves. In addition to her active community life which includes service on various community boards, Lucy has been honored as Nebraska Mother of the Year, La Sertoma’s Woman of the Year and has received the YWCA’s Tribute Award and the National Council of Negro Women’s Certificate for Meritorious Community Service. Lucy points out that “the true essence of leadership is to inspire and challenge people to enrich their lives and be ‘all that they can be.’”

- **Maria Vu**, the first Asian director of the Asian Community and Cultural Center, who taught English in South VietNam and spent a year in a refugee camp before coming to the United States in 1983. Maria completed a bachelor’s degree since arriving in Nebraska and served as a VISTA Volunteer, the Lincoln Police Department’s Community Liaison and as the Asian Community and Cultural Center’s Banking Liaison. She is using her leadership position at the Center “to help others become independent so they will be able to live fulfilled, enriching and productive lives.”

- **Milo Mumbaard**, working to secure equal justice for all as executive director of the Nebraska Appleseed Center for Law in the Public Interest. Milo was a legal aid attorney in Walthill, Nebraska and Texas before becoming director of the Nebraska Center for Legal Services. When federal funding for the Nebraska Center ended, Milo helped found the Nebraska Appleseed Center. He notes that “in today’s shifting environment—with seismic changes to public assistance programs, juvenile justice and health care, to name a few—the people who lead non-
profit organizations have to be nimble just to understand where we are, much less where we need to go."

Look for their comments about leadership which appear throughout the report.
In 1997, the Fund made grants to 42 partner organizations, in part because each was led by the kind of imaginative, resourceful individual whose ideas and approaches inspired the foundation's confidence and enthusiasm. We invite you to review the organizations Woods has supported and learn more about the people who accomplish important efforts in our community and leave us all saying, "We did it ourselves."

Thomas C. Woods, III
President

Pam Baker
Executive Director

DIRECTORS
Thomas C. Woods, III
President, Treasurer
Joel Gajardo
Vice President
Marilyn Johnson-Farr
Marjorie Woods
Thomas D. Potter

OFFICERS
Michael J. Tavlin
Assistant Treasurer

STAFF
Pam Baker
Secretary, Executive Director
Joan Stolle
Administrative Coordinator

*Foundation News, March/April 1974, Lindsley E. Kimball
Woods Charitable Fund, Inc. Grant Program

PURPOSE

Through grants made to eligible organizations, Woods Charitable Fund seeks to strengthen the community by improving opportunities and life outcomes for all people in Lincoln, Nebraska. Woods supports members of the nonprofit sector who are exploring creative alternatives and promoting more just, effective approaches to meet community needs.

The Fund supports a broad range of activities which include but are not limited to the Special Interests described below. We are interested in reviewing plans for pilot projects and innovative programs as well as sustained growth for organizations whose work coincides with the purposes of the foundation. The foundation funds both direct services and policy programs.

The Fund looks forward to opportunities to review proposals joining partners (academic, community, government, business, public service, religious) to explore ways to integrate perspectives and talents toward common goals. We support projects that involve coalition building, public education and advocacy to effect positive social change and improve opportunities for all citizens.

SPECIAL INTERESTS

Children, Youth and Families

A significant cornerstone in community life is the family. Its power to mold and develop mentally healthy, secure, loving members determines Woods' interest in supporting projects to strengthen families and provide opportunities for youth to achieve their full potential. This is a broad category and may include either direct service or policy programs focused on child care, single parenthood, the elderly, family planning, shelter, troubled families as well as others. The areas of youth and family violence have been identified as primary community concerns and the Fund will give special consideration to programs that address those issues.

Education

Our educational systems face the challenge of preparing individuals for a rapidly changing society. Today, more than ever before, education touches the lives of people of all ages—students at all levels, newcomers learning a second language and culture, adults retraining to handle new job responsibilities. The Fund looks forward to opportunities to review proposals from existing educational institutions and from creative new programs to meet the challenge.
Community Development and Housing

To sustain or increase its vitality, a community must consistently nurture its development, particularly as that development impacts lower income citizens. The Fund supports projects that empower less advantaged Lincoln residents to participate in the economic system and that foster community participation and responsibility thus joining people to solve problems and improve opportunities for all. Woods recognizes the growing need in Lincoln for affordable housing and supports programs that expand its availability. Advocacy groups, neighborhood, citizen and community organizations are avenues to promote citizen involvement and strengthen neighborhoods.

The need for individuals to achieve self-sufficiency, including assistance to enable people to earn an adequate income, has also been identified as a primary community concern. The Fund encourages submission of proposals that suggest creative approaches to address this concern.

Arts and Humanities

Visual art, literature, dance, theater and music are cornerstones of a community's aesthetic and ethical being. They can bind people through shared experience and understanding. They stimulate thought, communication and creativity. Woods supports programs in the arts and humanities that will enhance or develop the common aesthetic spirit through education, creation or performance. Programs that connect the arts and humanities with nontraditional participants are of special interest to the Fund.

Please read "To Apply for a Grant" before contacting the Fund.
To Apply for a Grant

FUNDING LIMITATIONS AND RESTRICTIONS

While grants are made primarily in Lincoln, Nebraska, the Fund will consider grant applications from other locations in the context of their impact on Lincoln. While the Fund makes grants in diverse fields, the following areas are not eligible for grant review:

- Individual needs
- Endowments
- Scholarships, Fellowships
- Fundraising benefits or program advertising
- Religious programs
- Capital projects in health care institutions
- Medical and scientific research

Applicants generally should be organizations described in Section 501(c)(3) of the Internal Revenue Code and have a written ruling from the IRS that they also qualify under Section 509(a)(1), (2) or (3) of the Code (publicly supported organizations and their affiliates). Occasionally the Fund considers proposals from 501(c)(3) organizations that are private, operating foundations. In exceptional cases, the Fund will consider fiscal agent and expenditure responsibility grants.

YOU SHOULD KNOW BEFORE APPLYING

- Contact the Fund in writing or by telephone with a summary request and budget information and staff can help you decide whether it is worth your time and expense to proceed with a full proposal.

- Many excellent proposals cannot be funded because there are absolute limits to the number of proposals the Fund can study thoroughly and support.

- The Fund requests a statement describing the multicultural impact that your project or organization may have.

- If your organization receives a grant, you will be asked to sign a grant agreement form requiring written reports (usually at six-month intervals) on use of the grant in relation to the original proposal objectives and program results. A selected number of grantees may be asked to participate in a post-grant evaluation to study program accomplishments in more depth.

TO APPLY FOR A GRANT

First...

Please read the Fund’s guidelines, procedures and timetable.

Second...

Contact the Fund with a 2-page summary request and budget or a phone call to determine if it is worth your time and expense to proceed with a full proposal.

Third...

If the Fund requests a full proposal, please complete a Lincoln/Lancaster County Grantmakers Common Application Form, available from the Woods Charitable Fund office, and together with the requested attachments, submit it according to the timeline to the left.

TIMETABLE

<table>
<thead>
<tr>
<th>SUBMISSION DATES</th>
<th>BOARD MEETING</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1 - 15</td>
<td>June</td>
</tr>
<tr>
<td>June 1 - 15</td>
<td>September</td>
</tr>
<tr>
<td>September 1 - 15</td>
<td>December</td>
</tr>
</tbody>
</table>

Proposals that arrive well before the deadline have a better chance for careful review.
Proposals not clearly within the Fund's priority areas but not clearly ineligible are screened by the Fund's board members. If at least one board member seeks board meeting discussion of the proposal, it can be considered for funding.

Applicants should direct inquiries to:

Pam Baker
Woods Charitable Fund, Inc.
P.O. Box 81309
Lincoln, NE 68501
(402)474-0707

Summary of Grants Paid by Areas of Interest

YEAR ENDED DECEMBER 31, 1997

CHILDREN, YOUTH & FAMILIES ............... $277,985
COMMUNITY DEVELOPMENT
& HOUSING .................................. 39,000
EDUCATION .................................. 64,000
ARTS AND HUMANITIES ....................... 55,000
GENERAL ..................................... 159,500

TOTAL GRANTS PAID ......................... $595,985
Woods Charitable Fund Grant Program

CHILDREN, YOUTH AND FAMILIES

ALCOHOLISM AND DRUG ABUSE COUNCIL OF NEBRASKA ........ $7,500
To pilot the ALL STARS program in five Lincoln community-based youth organizations to prevent and/or delay the onset of substance use among youth ages 10 to 15

ASIAN COMMUNITY AND CULTURAL CENTER ............... 22,500
Fiscal Agent: Lincoln Interfaith Council
Partial funding for staff and operation of the Center which facilitates and sponsors programs and services that benefit the Asian community and the community-at-large, plus professional and/or leadership development training for the new interim executive director

CAPITAL SPORTS FOUNDATION INC. .................... 5,000
Support for the Youth Empowered by Sports (Y.E.S.) program involving low income and at-risk children in soccer activities which emphasize positive mentoring

FAMILY SERVICE ASSOCIATION OF LINCOLN ............. 20,000
For start-up staffing expense at a new Child Development Center located within the Lincoln Medical Education Foundation New Heights Family Resource Center

HISPANIC COMMUNITY CENTER ....................... 20,000
Second payment of a three-year $60,000 grant for the Center which works to enhance the quality of life for the Hispanic residents in Lincoln and develop links between the Hispanic community and the greater community

HOMESTEAD GIRL SCOUT COUNCIL, INC. ................. 5,000
Second payment of a two-year $15,000 grant to continue flexible delivery programs serving girls who, for various socioeconomic reasons, cannot participate in regular Girl Scout troops

LANCASTER COUNTY ................................ 4,500
For a consultant to develop the Lincoln Teen Court project, a peer-to-peer sentencing court for first-time youth offenders

LINCOLN ACTION PROGRAM, INC. ..................... 20,000
To support the Youth Violence Alternatives Project, a comprehensive prevention/intervention program for youth ages 14-17 who are at-risk of anti-social behavior or have been involved with the Juvenile Justice System

LINCOLN LANCASTER COUNTY FAMILY RESOURCE CENTER BOARD .......... 15,000
Renewal funding for Lincoln's family resource centers which bring parenting training and support and family services to neighborhoods
LINCOLN MEDICAL EDUCATION FOUNDATION, INC. 40,000
First payment of a five-year $200,000 grant for the construction and development of the Center for Family Care project which will help low-income families become self-sufficient while developing positive and healthy lifestyles

LINCOLN YWCA 15,000
Final payment of a two-year $35,000 grant continuing support for “Survival Skills,” a comprehensive teen pregnancy prevention program in collaboration with Planned Parenthood of Lincoln

MALONE COMMUNITY CENTER 12,000
To partially fund the “Changing Trends” project to provide mentoring and tutoring of at-risk ethnic minority students to decrease school dropout rates in collaboration with The Good Neighbor Center, Hispanic Community Center and Lincoln/Lancaster Family Resource Centers

PEOPLE FIRST OF NEBRASKA, INC. 10,000
First payment of a two-year $15,000 grant for an organizational analysis to develop a stronger, more effective structure for this statewide grassroots self-advocacy organization for people with developmental disabilities

PEOPLE’S CITY MISSION 20,000
Support for a new staff position to coordinate activities for the Family/Women’s Shelter at this shelter for homeless people

PLANNED PARENTHOOD OF LINCOLN, NEBRASKA, INC. 25,000
Final payment of a three-year $75,000 grant for the purchase and renovation of a second clinical site

PROJECT YOUTH OF LINCOLN, INC. 14,000
First payment of a $36,000 grant for an assistant to the director of Project Youth, an agency providing recreational and constructive discussion activities for children and youth
Funding for professional and/or leadership development training and education for Project Youth’s director 1,000

VOICES FOR CHILDREN IN NEBRASKA 20,000
Renewal support for this statewide organization that advocates for the well-being of children in Nebraska

WOMEN IN COMMUNITY SERVICES, INC. 1,485
For long-range planning technical assistance for group home program serving at-risk adolescent girls

Total Children, Youth and Families $277,985
EDUCATION

LINCOLN CHILDREN'S MUSEUM........................................................................11,500
First payment of a two-year $23,000 grant to partially fund a
membership/marketing staff position and staff support

LINCOLN PUBLIC SCHOOLS.........................................................................5,000
Support to develop curriculum, provide technical assistance to teachers and
strengthen a collaborative effort between the Northeast High School's
SCORE program and the Bryan Community serving youth at-risk of
dropping out of high school

LINCOLN-LANCASER COUNTY HEALTH DEPARTMENT..........................20,000
To implement violence prevention programs in four Lincoln/Lancaster
County elementary schools in partnership with the Lincoln/Lancaster
County Mediation Center, the Family Violence Council and Lincoln
Public Schools

LINCOLN LITERACY COUNCIL....................................................................10,000
To expand the Council's staffing and provide health insurance benefits for
eligible staff

NEBRASKA HUMAN RESOURCES
RESEARCH FOUNDATION, INC.................................................................7,500
First payment of a two-year $15,000 grant to increase cultural diversity
experiences for students at the post-secondary and elementary levels by
utilizing tutoring teams composed of international and traditional
undergraduate students in elementary classrooms

UNIVERSITY OF NEBRASKA FOUNDATION.............................................10,000
To implement “Critical Moments,” a diversity case study project, in an effort
to retain ethnic minority students at the University

Total Education ................................................................. $64,000

ARTS & HUMANITIES

FRIENDS OF MARY RIEPMA ROSS FILM THEATRE INC.........................2,000
To transport the winning film/video makers to Lincoln for the 1997 Great
Plains Film Festival

LINCOLN COMMUNITY PLAYHOUSE.........................................................25,000
Final payment of a two-year $50,000 grant to support "A Time to Act"
capital campaign to recondition and refurbish the Playhouse building

MID-AMERICA ARTS ALLIANCE...............................................................10,000
First payment of a two-year $25,000 planning grant to conduct research and
develop a business plan and curriculum for an “Enterprise Institute” to
prepare nonprofit organizations to create new ways to generate operating
support, including for profit business development
The future for nonprofits, poor Nebraskans and marginal folks is unknown right now...Leaders in the brave new nonprofit and human services world of tomorrow and beyond need a spirit of adventure and invention.”
—Milo Mumgaard

NEBRASKA ARTS COUNCIL .......................................................... 5,000
To support the development and administration of a collaborative “Cultural Trust” campaign of the Nebraska Arts Council and Nebraska Humanities Council

UNIVERSITY OF NEBRASKA ....................................................... 5,000
Second payment of a three-year $15,000 grant for the Young Rep Company, part of Nebraska Repertory Theatre’s Young People’s Outreach Program

THE WAGON TRAIN PROJECT .................................................. 8,500
For technical assistance to develop a comprehensive organizational strategic plan for this performing arts presenting organization targeting nontraditional audiences and innovative community/artist interactions

Total Arts & Humanities ......................................................... $55,500

COMMUNITY DEVELOPMENT & HOUSING

COMMUNITY ORGANIZING INITIATIVE IN NEBRASKA .......... 20,000
_Fiscal Agent: Interchurch Ministries of Nebraska_ Support for the work of an on-site professional organizer in Lincoln and Southeast Nebraska to build institutionally based community organizing initiatives

HABITAT FOR HUMANITY INTERNATIONAL, INC. ............. 4,000
Final payment of a three-year $20,500 grant to support a part-time volunteer coordinator to coordinate those building homes for low-income working families in Lincoln

NEBRASKA ADVOCACY SERVICES, INC. ................................. 10,000
To train a core group of mental health consumers and family advocates in leadership, self-advocacy and networking skills and to develop employment opportunities and support

NEBRASKA COMMUNITY FOUNDATION ................................. 5,000
Support for the Rural & Metropolitan Basic Occupations (RAMBO) program in Lincoln providing recruitment, family and material needs, and pre-employment counseling for single parents and women training for building construction careers

Total Community Development and Housing ................... $39,000
"Leaders are visionary, focused on getting the job done, committed, hardworking, concerned and creative."
—Lucy Nevels

GENERAL

FOLSOM CHILDREN’S ZOO AND BOTANICAL GARDENS  20,000
Third payment of a five-year $100,000 grant toward construction of the Discovery Center, part of the ReZOOvation campaign to revitalize Zoo facilities, exhibits and grounds

FOOD BANK OF LINCOLN, INC.  50,000
Final payment of a two-year $75,000 grant to support the construction of a new facility for the Food Bank which provides emergency food to charities serving the poor and hungry

HOUSES OF HOPE, INC.  5,000
To equip and renovate a lodging facility for homeless male veterans in outpatient substance abuse treatment

THE LINCOLN COMMUNITY FOUNDATION, INC.  50,000
First payment of a two-year $100,000 grant for renovation of the Lincoln Foundation Garden and the Lincoln Center for Community Services Building

LINCOLN LANCASTER MEDIATION CENTER  15,000
To develop and deliver educational programs about collaboration to local nonprofit organizations
To provide technical assistance in the area of collaboration to nonprofit organizations in Lincoln  1,000

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST, INC  10,000
To challenge additional support from attorneys and law firms for operation of this legal reform organization dedicated to furthering the public interest in Nebraska law and finding remedies to systemic injustices

SUNRISE COMMUNICATIONS, INC.  8,500
For a part-time studio engineer to coordinate the production of community talk shows and for studio furnishings, supplies and technical assistance for the news and public affairs director

Total General  $159,500
Total grants paid  $595,985
Independent Auditors’ Report

To the Board of Directors
Woods Charitable Fund, Inc.

We have audited the accompanying statements of assets, liabilities and net assets arising from cash transactions of Woods Charitable Fund, Inc. (the Fund) as of December 31, 1997 and 1996, and the related statements of income collected and expenses paid and changes in unrestricted net assets arising from cash transactions for the years then ended. These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, such financial statements present fairly, in all material respects, the assets, liabilities and net assets arising from cash transactions of Woods Charitable Fund, Inc. at December 31, 1997 and 1996, and its income collected and expenses paid and changes in unrestricted net assets for the years then ended, on the basis of accounting described in Note A.

Our audits were conducted for the purpose of forming an opinion on the basic cash basis financial statements taken as a whole. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of the Fund’s management. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Gloite & Touche LLP

February 12, 1998
Woods Charitable Fund, Inc.

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS ARISING FROM CASH TRANSACTIONS
DECEMBER 31, 1997 and 1996

ASSETS

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash (including savings accounts and money market accounts)</td>
<td>$ 1,905,685</td>
<td>$ 1,497,332</td>
</tr>
<tr>
<td>Investment securities, at cost:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common and preferred stocks</td>
<td>16,542,470</td>
<td>13,763,172</td>
</tr>
<tr>
<td>(fair value—$25,920,000 and $20,797,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program related investments</td>
<td>30,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Total assets</td>
<td>$18,478,155</td>
<td>$15,300,504</td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other liabilities</td>
<td>$ —</td>
<td>$ 317</td>
</tr>
<tr>
<td>Unrestricted net assets (Note E)</td>
<td>18,478,155</td>
<td>15,300,187</td>
</tr>
<tr>
<td>Total liabilities and fund balance</td>
<td>$18,478,155</td>
<td>$15,300,504</td>
</tr>
</tbody>
</table>

See accompanying notes to cash basis financial statements.

STATEMENTS OF INCOME COLLECTED AND EXPENSES PAID
YEARS ENDED DECEMBER 31, 1997 and 1996

Investment income:

Realized gains (losses) from securities transactions:
<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of stocks</td>
<td>$3,711,696</td>
<td>$819,753</td>
</tr>
<tr>
<td>Sales of bonds</td>
<td>—</td>
<td>(17,171)</td>
</tr>
<tr>
<td>Net realized gains on securities transactions</td>
<td>$3,711,696</td>
<td>802,582</td>
</tr>
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Interest:

<table>
<thead>
<tr>
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<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market accounts</td>
<td>63,048</td>
<td>81,586</td>
</tr>
<tr>
<td>U.S. Treasury notes and bills</td>
<td>—</td>
<td>18,253</td>
</tr>
<tr>
<td>Checking accounts, interest bearing</td>
<td>3,344</td>
<td>3,779</td>
</tr>
<tr>
<td>Total interest income</td>
<td>66,392</td>
<td>103,618</td>
</tr>
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Dividends:

<table>
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<tr>
<th></th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common and preferred stock</td>
<td>280,556</td>
<td>261,963</td>
</tr>
<tr>
<td>Total investment income</td>
<td>4,058,644</td>
<td>1,168,163</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>34,692</td>
<td>645</td>
</tr>
<tr>
<td>Total income</td>
<td>$4,093,336</td>
<td>$1,168,808</td>
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</tbody>
</table>
Deductions:
Grants paid .................................................. 595,985 576,750

Expenses paid:
Investment advisory fee ...................................... 153,331 123,682
Salary and related expenses ................................ 108,513 113,547
Conferences and meetings .................................... 20,265 5,681
Legal, audit and financial services ......................... 16,640 16,079
Rental and telephone expense ............................... 847 5,589
Memberships and dues ....................................... 2,860 2,935
Sundry expenses .............................................. 5,721 2,899
Taxes:
Excise tax estimate payment .................................. 10,000 85,484
Foreign tax withheld at source .............................. 1,206 16,820
Total expenses paid ......................................... 319,383 372,716
Total deductions and expenses ............................ 915,368 949,466

EXCESS OF INCOME COLLECTED
OVER DEDUCTIONS AND EXPENSES PAID ............. $3,177,968 $ 219,342

See accompanying notes to cash basis financial statements.

STATEMENTS OF CHANGES IN UNRESTRICTED
NET ASSETS ARISING FROM CASH TRANSACTIONS
YEARS ENDED DECEMBER 31, 1997 and 1996

Unrestricted net assets, January 1 ....................... $15,300,187  $15,080,845
Excess of income collected over expenses paid .......... 3,177,968  219,342
Unrestricted net assets, December 31 .................. $18,478,155 $15,300,187

See accompanying notes to cash basis financial statements.
NOTES TO CASH BASIS FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997 and 1996

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
The financial statements of Woods Charitable Fund, Inc. (the Fund) are prepared on the basis of cash transactions. Accordingly, income is recognized when received and expenses and grants are recognized when paid. Under generally accepted accounting principles, income would be recognized when earned and all expenses would be recognized when incurred.

Investments are carried at cost. The Fund uses the specific identification method for determining cost of securities sold.

B. HISTORICAL INFORMATION
Woods Charitable Fund, Inc. was incorporated in the State of Nebraska on November 7, 1941, as a charitable corporation not for pecuniary gain. On September 15, 1961, the Articles of Incorporation were amended to qualify the Fund under the Nebraska Nonprofit Corporation Act of 1959.

Historically, Woods Charitable Fund, Inc. has operated in Chicago, Illinois and Lincoln, Nebraska, cities of differing sizes and needs. To enhance the efficiency and responsiveness of the charitable programs in each city, a Plan of Reorganization was entered into on October 15, 1993, whereby the administration of the grant-making programs was divided into two separate organizations, each with its own governing board and its own endowment. Woods Charitable Fund, Inc. continues as the Lincoln, Nebraska organization while a new corporation, Woods Fund of Chicago, is operating in Chicago, Illinois.

C. ESTIMATED FAIR VALUE OF THE FUND’S ASSETS
Estimated fair values at December 31, 1997 and 1996 were determined as follows:

Common and preferred stocks at closing prices of national securities exchanges or latest bid quotation.

The estimated total market value of the Fund’s assets, including cash, (excluding program related investments) at December 31, 1997 and 1996 is $27,825,000 and $22,294,000, respectively.

D. FEDERAL EXCISE TAX
The Internal Revenue Service has classified the Fund as a private foundation as defined in Section 509(a) of the Internal Revenue Code. Estimated 1997 federal excise tax liability is $60,000, against which estimated excise tax payments of $10,000 have been made.

E. COMMITMENTS
The Fund is committed to pay grants aggregating $662,000 at December 31, 1997. In addition, the Fund has supplied a stand-by letter of credit of $28,500. Certain of these commitments are contingent upon the fulfillment of specified conditions.
Again, Woods Charitable Fund, Inc. features the work of a local artist on its cover. Believing there are many ways to support the arts, we hope that using this annual report cover to draw attention to visual arts and highlight the work of a community artist is an effective way.

**About the Artist**

Joseph M. Ruffo has been an educator in the visual arts for 32 years. Fourteen of those he's dedicated to working with students at the University of Nebraska–Lincoln where he has served as Professor and Chairman of the Department of Art & Art History since 1984.

Mr. Ruffo's undergraduate Bachelor of Fine Arts degree is from Pratt Institute and he holds a Master of Fine Arts degree from Cranbrook Academy of Art. He was a Fulbright recipient to Brazil in 1963 and began his teaching career in 1965 at the Memphis College of Art. Later he taught at Florida Memorial College in Miami, Florida before assuming Professor and Department Chair positions at Barry University in Miami and then at the University of Northern Iowa.

Joseph M. Ruffo is a studio artist working primarily in printmaking, graphic design and limited edition book design. He has exhibited in a number of venues including one person, group exhibitions and juried competitions. His work is represented in collections throughout the United States and his designs have been implemented by national and international corporations.

Mr. Ruffo's collage, Audubon, featured on the cover of the Woods Charitable Fund's 1997 report, reveals a new turn his work has taken. It encourages us to aspire to new heights and purposes.
Woods Charitable Fund, Inc.
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