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Officers, Directors and Staff

STEPHEN SANDS  Premium Protein Products, LLC
President  Chief Executive Officer

MICHAEL J. TAVLIN  Speedway Motors, Inc.
Vice President  Chief Financial Officer

LYNN ROPER  Merrill Lynch
Treasurer  1st Vice President & Resident Manager

A. EUGENE CRUMP  University of Nebraska
Associate General Counsel

SUSAN UGAI  Attorney at Law

AVERY WOODS  Artist
Community Volunteer

DONNA W. WOODS  Community Volunteer

PAM BAKER  Secretary
Executive Director

JOAN STOLLE  Operations and Information Manager

THOMAS C. WOODS, IV  Program Officer
Woods Charitable Fund, Inc.

Annual Report 2004

1

About the Foundation

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)

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. The resources that made these gifts possible resulted from business interests in the telecommunications and coal industries in Nebraska and Illinois, namely Lincoln Telephone & Telegraph and Sahara Coal Company.

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. in Chicago and Thomas C. Woods, Jr. in Lincoln. Both men 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 local 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.
Letter from the Executive Director

Woods Charitable Fund launched an Affordable Housing Initiative in 2002 - in partnership with Neighborhoods, Inc., Lincoln’s Urban Development Department and the University of Nebraska College of Architecture - with the intention of expanding the availability of affordable housing in the community. This is a five-year initiative and we find ourselves at the mid-point of the planned work. To date, the Affordable Housing Initiative can claim a number of successes, including the work featured throughout this report. Students in the College of Architecture have created designs for placement in the Antelope Valley Project and one has been chosen to be built. By the end of 2005, that house should be completed and ready for occupancy.

In addition, the Initiative’s achievements on behalf of expanding affordable housing include:

> Securing grants for Lincoln from the Nebraska Department of Economic Development totaling $480,000 for housing rehabilitation expenses, down payments, closing costs and translation services for first-time homebuyers and their families and for down payment assistance for purchase of single family homes in Liberty Village, the first new residential construction project in Antelope Valley;

> Beginning development of a neighborhood indicators evaluation for examining the condition of and improvements to Lincoln’s neighborhoods;

> Training neighborhood leaders through the Great Neighborhoods! Training Program;

> Expanding funding pools to help more low income home buyers obtain financial assistance leading to home ownership and housing rehabilitation;

> Acquiring property in Antelope Valley area for development of low and moderate income housing; and

> Expanding neighborhood organizing in Lincoln using the Free to Grow organizing model.

The partnership that’s been created is growing stronger and continues to identify ways to do more using the power of the collective. We’re finding that community organizing is making a difference in targeted neighborhoods, building on the success of Lincoln Action Program’s work with the Free to Grow Project…taking a good thing and making it better by bringing it to more people in Lincoln.
Meanwhile, Woods Charitable Fund is observing the impact of support for organizational capacity in this partnership. Public and nonprofit organizations require staff and resources to do the important work we ask of them. It’s amazing to see what can happen when they have the staff and tools to get these jobs done. Congratulations and thanks to our partners - Neighborhoods, Inc., the City of Lincoln Urban Development Department and UN-L’s College of Architecture - for their dedication and creativity in improving housing opportunities for people in Lincoln.

Thanks are also due to two Woods Charitable Fund directors who have offered their time and wise counsel to the Fund over six years.

> Thanks to Susan Ugai, who served as Vice President of the Board for two years and brought extensive experience in the law, family violence programs and leadership to the Board. Even if we had not watched as she was honored by several nonprofit organizations during the past six years, we knew she was a winner. She faithfully reminded us that multiple experiences and viewpoints must be considered as we evaluate community issues and needs. Both Steve and Susan warmed our meetings and made them lively and their contributions to the Fund’s work will reverberate for years to come.

> Thanks to Steve Sands, who served as President of the Board the past two years, and shared his dedication to equity in business and community with Woods. His energy and belief in others were as significant to the Board’s progress as his incisive questioning of grant proposals and policy. He consistently encouraged us to take the high road and question the status quo, making Fund decisions deeper and richer.

That said, you are invited to read on and review the work that was begun or enhanced in 2004 with Woods Charitable Fund support.

Pam Baker
Executive Director
Grant Program

The Fund looks forward to opportunities to review proposals joining partners (academic, community, government, business, public service, faith based) 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

Human Services

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 Fund will give special consideration to programs and initiatives designed to prevent youth and family violence.

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.

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 at right. 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.
Civic and Community

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 has been identified as a primary community concern. The Fund encourages submission of proposals that suggest creative approaches to helping people escape poverty and become work ready.

Arts and Culture

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.

Focus Area

The Fund will give special consideration to programs and initiatives designed to: (1) support organizations that haven’t traditionally served refugees and immigrants but are trying to integrate them into their client bases and work forces; (2) expand English language education for new Americans; (3) help develop community acceptance and appreciation for new Americans; and (4) extend research and planning concerning immigants and refugees in Lincoln.
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:

- Capital projects in health care institutions
- Environmental programs
- Funding of endowments
- Fundraising benefits or program advertising
- Individual needs
- Medical and scientific research
- Programs for individual schools

- Recreation programs
- Religious programs
- Residential care and medical clinics
- Scholarships, fellowships

College and university proposals are reviewed only if they directly involve faculty and/or students in applied projects of benefit and concern to the community.

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.

Woods does not accept applications from organizations: (1) that have had proposals approved or declined in the preceding 12 months; or (2) that are recipients of active, multi-year grants. This policy does not apply when organizations are involved in collaborative proposals.

What you should know before applying:

- We accept applications only from non-profit organizations that have communicated with us and have been asked to complete an application form.
- Contact the Fund by telephone or by sending a 2-page letter of intent, including budget information, by mail, facsimile or e-mail. Then Woods 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.
- If your organization receives a grant, you will be asked to sign a grant agreement form requiring written reports 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 by telephone or by sending a 2-page letter of intent, including a budget, by mail, facsimile or e-mail 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 or as a Rich Text Format document at www.woodscharitable.org. Together with the requested attachments, submit a single paper copy according to the timetable to the right. Proposals not clearly within the Fund’s priority areas but not clearly ineligible are screened for funding consideration by the Fund’s board members.

The staff at Woods Charitable Fund, Inc. is pleased to consult with applicants at any time during the process to help strengthen their proposals.

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>

In cases of extreme emergency, Woods will consider proposals of $10,000 or less outside the set timetable.

Exterior perspectives from Jamie Wietfeld’s presentation

Applicants should direct inquiries to:

Pam Baker or Tom Woods
Woods Charitable Fund, Inc.
P.O. Box 81309
Lincoln, NE 68501
(402) 436-5971
(402) 436-4128 (Fax)
www.woodscharitable.org
pbaker@woodscharitable.org
or
twoods@woodscharitable.org
Grants Paid in 2004

HUMAN SERVICES

Adoption Links Worldwide, Inc. ................................................................. 10,000
Toward a marketing campaign to recruit adoptive families in Lincoln, Nebraska for infants, toddlers and special
needs children from third-world countries and the United States

Asian Community and Cultural Center .................................................. 15,000
To support development of a five-year sustainability plan for program, finance and management needs of the
Center which promotes the awareness of Asian cultural heritage and facilitates programs that benefit Lincoln’s
Asian community

Cedars Youth Services, Inc.
First payment of a two-year $50,000 grant toward building the Cedars Northbridge Community Center which
will offer public meeting space and programs in early childhood development, job training, English language
learning and health services ................................................................. 25,000
First payment of a two-year $120,000 grant to continue to provide equitable salaries and educational incentives
for teachers in six Cedars childhood development centers, to evaluate the impact on staff retention and to
advocate for an increase in Nebraska Health and Human Services’ child care reimbursement rates ............ 60,000

Center for People in Need, Inc.
Second-year support to develop and expand a website and database facilitating communication between
organizations working with legislative issues affecting low-income and under-represented people .......... 15,000
For general operation of this organization dedicated to addressing socio-economic barriers limiting opportunities
for the success of families and youth† ...................................................... 5,000

City of Lincoln, Department of Parks and Recreation ................................. 17,928
Toward the salary of the Project Coordinator for the new inner-city Youth Involvement Center at Park Middle
School

Cornhusker Place of Lincoln Lancaster County, Inc. ................................. 50,000
Second payment of a $100,000 grant toward expansion and renovation of the Civil Protective Custody Unit
providing safe shelter and services to people brought to the facility under the influence of alcohol and drugs

† Indicates retiring board member grant designation
<table>
<thead>
<tr>
<th>Organization</th>
<th>Grant Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Friendship Home of Lincoln</strong></td>
<td>For general operation of this emergency shelter for women and children who experience domestic violence. 10,000</td>
</tr>
<tr>
<td></td>
<td>For Hestia, a pilot project to support and expand the availability of emergency shelter beds and client services for women and children who experience domestic violence. 30,400</td>
</tr>
<tr>
<td><strong>Girl Scouts-Homestead Council</strong></td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>Salary support for a staff position to launch Studio 2B, a project to build girl and volunteer participation in Girl Scouts</td>
</tr>
<tr>
<td><strong>Good Neighbor Community Center</strong></td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>For the part-time Development Director position to coordinate fundraising, grant writing and public relations activities for the Center which provides clothing and basic needs to low income people</td>
</tr>
<tr>
<td><strong>Home Services for Independent Living, Inc.</strong></td>
<td>10,500</td>
</tr>
<tr>
<td></td>
<td>To provide gap funding for services to elderly clients who wish to live in their own homes as an alternative to assisted living or nursing home care</td>
</tr>
<tr>
<td><strong>Indian Center, Inc.</strong></td>
<td>3,000</td>
</tr>
<tr>
<td></td>
<td>To support strategic planning for the Center and/or for the Indian Center's housing program.</td>
</tr>
<tr>
<td><strong>Lighthouse</strong></td>
<td>10,000</td>
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<tr>
<td></td>
<td>For support of the year-round After-School Program providing ethnically diverse and low-income youth with academic support, evening meals and enrichment and recreational activities during non-school hours.</td>
</tr>
<tr>
<td></td>
<td>For the Capacity Building Initiative project, equally funded by Lincoln Community Foundation and Woods Charitable Fund, Inc., providing support for five local nonprofits, Leadership Lincoln, Lighthouse, Lincoln Community Playhouse, University Place Art Center and Rape-Spouse Abuse Crisis Center, to strengthen their infrastructures and create self-sustaining organizations to better serve the Lincoln community. 16,000</td>
</tr>
<tr>
<td><strong>Lincoln Council on Alcoholism and Drugs, Inc.</strong></td>
<td>15,000</td>
</tr>
<tr>
<td></td>
<td>For staff salaries to expand the outreach of Prime for Life education classes for those convicted of driving under the influence, conducted in Spanish and Vietnamese</td>
</tr>
</tbody>
</table>

1 Indicates retiring board member grant designation
Grants Paid in 2004 (continued)

Lincoln Interfaith Council ................................................................. 25,000
Staffing for Faces of the Middle East and American Citizenship/ Survival English programs

Lincoln Lancaster County Child Guidance Center .................................. 150,000
First payment of a $200,000 grant for purchasing and renovating a new location for the Center’s outpatient treatment facility and administrative offices serving approximately 1100 children and their families each year

Lincoln Medical Education Partnership
Start-up support for Aware, a fee-based training program focusing on violence against women, which is a joint project of Friendship Home, the Rape Spouse Abuse Crisis Center and the Family Violence Council .................................................. 20,000
For general operation of the Family Violence Council† ............................................. 5,000

Malone Community Center ................................................................. 13,000
Partial support for the position of Executive Director for this organization working to improve social and economic conditions for low-income and at-risk children and families

Matt Talbot Kitchen
For general operation of this organization dedicated to empowering Lincoln’s working poor and homeless† ........................................ 2,000
Toward office expansion and additional storage space for this organization’s hunger relief and outreach programs ........................................... 20,000

Mourning Hope ................................................................. 6,000
Salary support for the part-time Center Coordinator position for this community-based grief support network for children, teens and families

OASIS, Inc. ................................................................. 20,000
For the position of Program Specialist, to support OASIS Restorative Justice programming for victims and perpetrators of crime through workshops, support groups and its website

People’s City Mission ................................................................. 25,000
For operating costs of the new Homeless Intervention Services Center

† Indicates retiring board member
grant designation
Planned Parenthood of Nebraska and Council Bluffs, Inc. .......................... 32,911
To expand the service capacity of the culturally responsive education program Promotoras: Latina/o Lay Health Education and to initiate training of key Sudanese men and women to function as lay health educators within their cultural community

Rape-Spouse Abuse Crisis Center, Inc.
Renewal support for technical assistance to implement a comprehensive resource development plan for this agency which serves victims of domestic violence and sexual assault and their families .................. 20,000
Operational support † ................................................................. 10,000
For the Capacity Building Initiative project, equally funded by Lincoln Community Foundation and Woods Charitable Fund, Inc., providing support for five local nonprofits, Leadership Lincoln, Lighthouse, Lincoln Community Playhouse, University Place Art Center and Rape-Spouse Abuse Crisis Center, to strengthen their infrastructures and create self-sustaining organizations to better serve the Lincoln community ................ 16,000

Special Olympics Nebraska, Inc. .................................................. 510
To take SO (Special Olympics) Get Into It, a program designed to educate school aged students about developmental disabilities and differences in people and to instill acceptance of differences, into Lincoln schools

St. Monica’s ................................................................. 10,000
For capital improvements to the group home for the Adolescent Girls Treatment program

UNL-Center on Children, Families and the Law ................................. 9,112
First payment of a two-year $22,612 renewal grant toward the Nebraska Family Impact Seminar which provides state policymakers with non-partisan, solution-based research on family issues

UNL-Department of Educational Psychology ................................. 44,000
Final payment of a three-year $126,000 grant for the Family Potential Center to expand counseling services to low income, culturally diverse and underserved communities, a collaborative project with Lincoln Action Program

VolunteerLinc dba Volunteer Partners ........................................ 2,100
Toward the cost of six cultural center directors attending the course Business Plan Development for Non-profit Organizations

TOTAL HUMAN SERVICES .................................................. $743,461

† Indicates retiring board member grant designation
Grants Paid in 2004 (continued)

CIVIC AND COMMUNITY

Christmas in April® Lincoln, Inc. dba Rebuilding Together, Inc. .......................... $3,750
Second payment of a two-year $7,500 grant for the position of Construction Manager to increase the organization’s building capacity and improve housing conditions for elderly, low-income residents in Lincoln and Lancaster County

Community Development Resources
Second payment of a $30,000 grant for bridge funding to complete the design of a five-year Business and Capitalization Plan and to offer a Finance and Business Training Program for tax-exempt organizations while providing a full service business development program for small and emerging businesses in Lincoln, Nebraska... 15,000
Salary support for the position of Housing Specialist to initiate the provision of short-term housing construction loans ........................................ 33,000

Endow Nebraska .......................................................... 3,000
Renewal support for consultation and study efforts for this organization which seeks to initiate state income tax based incentives for charitable giving in Nebraska

Goodwill Industries Serving Southeast Nebraska, Inc. ................................. 20,000
Toward the half-time Coordinator position for the Workforce Development One Stop Cooperative Computer Lab

Leadership Lincoln, Inc.
To conduct Community Conversation: The Future of Lincoln to gain public input on community issues in partnership with the Lincoln Journal Star, the University of Nebraska’s Public Policy Center and Time Warner... 2,500
For the Capacity Building Initiative project, equally funded by Lincoln Community Foundation and Woods Charitable Fund, Inc., providing support for five local nonprofits, Leadership Lincoln, Lighthouse, Lincoln Community Playhouse, University Place Art Center and Rape-Spouse Abuse Crisis Center, to strengthen their infrastructures and create self-sustaining organizations to better serve the Lincoln community... 16,000

League of Human Dignity, Inc. ........................................... 35,000
A challenge grant to a collaborative oversight group including Lincoln’s Star Transportation System, the League of Human Dignity, Community Services Implementation and Health Partners Initiative to implement a coordinated public-private transportation program for the elderly and persons with disabilities in Lincoln
Lincoln Community Foundation, Inc. fiscal agent for Capacity Building Initiative 7,500
Toward the Capacity Building Initiative project's operating expenses

Lincoln Lancaster Mediation Center 9,000
Second year support toward the salary, benefits and professional development expense of the Executive Director for the Center which provides strategies for collaborative resolution and consensus building

Nebraska Advocacy Services, Inc. 10,000
For technical assistance to contract with a Resource Development Coordinator to create and implement a resource development plan for this organization that advocates for people with disabilities

Nebraska Appleseed Center for Law in the Public Interest, Inc. 10,000
For general operating expenses of this organization dedicated to equal justice for all Nebraskans†

Nebraska Legal Services 25,000
To develop and implement the Lincoln/Lancaster County Housing Initiative to deliver comprehensive legal aid on housing and community development issues to individuals, families and tax exempt organizations in Lincoln

Nebraska State Bar Association Charitable Funds, Inc. 12,090
To develop quality legal representation standards for juveniles in Nebraska, a training protocol and curricula for guardians ad litem and lawyers representing juveniles and an implementation plan to enforce the new standards

Nebraska Sustainable Agriculture Society 15,000
For the part-time position of Co-Director of the Immigrant/Refugee Farmers Initiative to increase food security of immigrant and refugee gardeners in Southeast Nebraska

Neighborhoods, Inc. 150,000
Third partial payment of a five-year $1,000,000 grant to develop and implement a plan to increase affordable housing in Lincoln, a collaborative project with the Lincoln Urban Development Department and University of Nebraska College of Architecture

UNL-Public Policy Center 25,000
Renewal support for Community Services Initiative to continue development and maintenance of the data plan, specifically for the collection of the benchmark data identified in the community coalitions’ action plans

† Indicates retiring board member grant designation
Grants Paid in 2004 (continued)

VolunteerLinc dba Volunteer Partners ........................................ 2,000
For operation of this organization providing a community-wide volunteer resource center and linking volunteers
with community groups that need them†

TOTAL CIVIC AND COMMUNITY ............................................... $393,840

ARTS AND CULTURE

Friends of Arts Are Basic .......................................................... $15,000
For the Multicultural Youth Arts Project, a collaborative project to create and implement cross-cultural art
education opportunities for multicultural at-risk youth currently enrolled in after school programming

Friends of the Haymarket Theatre ............................................... 26,500
Support for the position of Executive Director and for organizational strategic planning consultation for this
organization providing professional theater productions and comprehensive theater training for children and
young adults

Lied Center for Performing Arts, fiscal agent University of Nebraska .................. 7,500
For the Free at 6 initiative, including five free Lied Center performances by Nebraska artists to expand
opportunities for main stage programming and to utilize and serve Lincoln’s diverse artists and audiences

Lincoln Arts Council
To promote arts among youth† .................................................. 3,000
First payment of a two-year $51,000 grant toward staff positions for fund development, marketing, website
management and administrative assistance for this organization that promotes the arts in Lincoln .................. 30,000

† Indicates retiring board member grant designation
Lincoln Community Playhouse
Operational funding for artistic and educational programming and administrative and technical services . . . . . . 25,000

For the Capacity Building Initiative project, equally funded by Lincoln Community Foundation and Woods Charitable Fund, Inc., providing support for five local nonprofits, Leadership Lincoln, Lighthouse, Lincoln Community Playhouse, University Place Art Center and Rape-Spouse Abuse Crisis Center, to strengthen their infrastructures and create self-sustaining organizations to better serve the Lincoln community . . . . . . . . . . . . 16,000

Mid-America Arts Alliance ................................................................................................................................. 10,000
To bring the exhibition Recovered Views: African American Portraits, 1912-1925 to museums in Nebraska and nationwide, sharing a glimpse of early 20th century African American life in Lincoln, Nebraska

Nebraska Art Association ................................................................................................................................. 28,000
Third payment of a three-year $81,500 matching grant for a Development Director at the Sheldon Memorial Art Gallery and Sculpture Garden

UNL-College of Fine and Performing Arts
For a meeting to initiate communication and collaboration between the College of Fine and Performing Arts' and Lincoln Public Schools' administrators and faculty ................................................................. 210
For the opera production Amahl and the Night Visitors, in partnership with Lincoln Public Schools, to familiarize Lincoln youth and the community with the cultural medium of opera .............................................. 6,000

University Place Art Center .............................................................................................................................. 16,000
For the Capacity Building Initiative project, equally funded by Lincoln Community Foundation and Woods Charitable Fund, Inc., providing support for five local nonprofits, Leadership Lincoln, Lighthouse, Lincoln Community Playhouse, University Place Art Center and Rape-Spouse Abuse Crisis Center, to strengthen their infrastructures and create self-sustaining organizations to better serve the Lincoln community

TOTAL ARTS AND CULTURE ....................................................................................................................... $183,210
Grants Paid in 2004 (continued)

EDUCATION

Bright Lights, Inc. ................................................................. 6,000
For a comprehensive redesign of Bright Lights’ website to build capacity for the organization which provides
unique, motivating, hands-on learning opportunities for children and youth beyond the classroom

Folsom Children's Zoo and Botanical Gardens ................................ 10,000
Second year support of staff for Opening Our Gates, an outreach and educational program aimed at attracting
nontraditional visitors, including new Americans, and making their zoo experience culturally comfortable

Foundation for Lincoln Public Schools ...................................... 50,000
Renewal support of the 21st Century Community Learning Center project to develop and provide an integrated
delivery system of educational and supportive services to children, families and neighborhood residents in local
public schools

Lincoln Children's Museum ....................................................... 20,000
First payment of a two-year $45,000 grant toward the full-time Development Director position to support the
Museum which stimulates the adventure of learning for children, youth and adults

Southeast Community College .................................................. 20,000
First payment of a two-year $40,000 grant for the Newcomers Educational Center serving adult English language
learners, developing curriculum for special classes and providing cultural competency workshops for instructors

UNL-Department of Special Education and Communication Disorders ........................................ 10,000
Second payment of a two-year $20,000 grant toward the Great Plains Institute of Reading and Writing project
providing service, training and research for Lincoln area children, adolescents and adults experiencing difficulty
with reading and writing

TOTAL EDUCATION ................................................................. $116,000

TOTAL GRANTS PAID ................................................................. $1,436,511
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, 2004 and 2003, and the related statements of income collected, deductions and expenses paid and of 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Fund’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note A to the financial statements, these financial statements were prepared on the basis of cash transactions, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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, 2004 and 2003, and its income collected, deductions 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 audits of the basic cash basis financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic cash basis financial statements taken as a whole, on the basis of accounting described in Note A.

DELOITTE & TOUCHE LLP
Lincoln, Nebraska
February 18, 2005
Financial Statements

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS ARISING FROM CASH TRANSACTIONS
DECEMBER 31, 2004 AND 2003

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash (including checking, savings and money market accounts)</td>
<td>$ 67,252</td>
<td>$ 55,902</td>
</tr>
<tr>
<td>Investment securities, at cost:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual funds (fair value 2004 - $33,483,913 and 2003 - $30,737,791)</td>
<td>24,057,806</td>
<td>23,773,173</td>
</tr>
<tr>
<td>Partnerships and other investments</td>
<td>701,466</td>
<td>704,271</td>
</tr>
<tr>
<td>Program related investments</td>
<td>416,177</td>
<td>464,729</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 25,242,701</td>
<td>$ 24,998,075</td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

| | 2004       | 2003       |
| Unrestricted net assets | $ 25,242,701 | $ 24,998,075 |
| Total liabilities and net assets | $ 25,242,701 | $ 24,998,075 |

See accompanying notes to cash basis financial statements

STATEMENTS OF INCOME COLLECTED, DEDUCTIONS AND EXPENSES PAID
YEARS ENDED DECEMBER 31, 2004 AND 2003

| | 2004       | 2003       |
| Income collected: |         |            |
| Investment income: |         |            |
| Net realized gains on sale of investments | $ 652,703 | $ 750,249 |
| Interest: |         |            |
| Money market accounts | - | 139 |
| Program related investments, interest bearing | 20,180 | 12,022 |
| Checking accounts, interest bearing | 1,298 | 1,511 |
| Total interest income | 21,478 | 13,672 |
| Dividends: |         |            |
| Common and preferred stocks | - | 2,347 |
| Mutual funds | 1,345,392 | 619,473 |
| Total dividends | 1,345,392 | 621,820 |
| Other | 12,037 | 3,523 |
| Total investment income | 2,031,610 | 1,389,264 |
Deductions:
  Grants paid 1,436,511 1,168,309

Expenses paid:
  Salary and related expenses 252,524 233,689
  Investment advisory fee 26,048 23,191
  Conferences and meetings 3,927 1,687
  Legal, audit and financial services 8,909 8,275
  Office expenses 2,655 6,231
  Memberships and dues 8,450 7,487
  Consultants 1,459 2,358
  Annual report expenses 4,416 7,597
  Other expenses 21,485 20,470
  Taxes:
    Excise tax payments 20,600 -
    Total expenses paid 350,473 310,985
    Total deductions and expenses paid 1,786,984 1,479,294

INCOME COLLECTED (DEFICIENCY) OVER DEDUCTIONS AND EXPENSES PAID $ 244,626 $ (90,030)

See accompanying notes to cash basis financial statements.

STATEMENTS OF CHANGES IN UNRESTRICTED NET ASSETS ARISING FROM CASH TRANSACTIONS YEARS ENDED DECEMBER 31, 2004 AND 2003

<table>
<thead>
<tr>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted net assets, January 1 $ 24,998,075</td>
<td>$ 25,088,105</td>
</tr>
<tr>
<td>Income collected (deficiency) over deductions and expenses paid 244,626</td>
<td>(90,030)</td>
</tr>
<tr>
<td>Unrestricted net assets, December 31 $ 25,242,701</td>
<td>$ 24,998,075</td>
</tr>
</tbody>
</table>

See accompanying notes to cash basis financial statements.
A. BASIS OF PRESENTATION AND 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 accounting principles generally accepted in the United States of America, income would be recognized when earned and all expenses would be recognized when incurred.

Investments are carried at cost. The Fund uses the weighted average method to determine the cost of mutual funds sold and the first-in, first-out method to determine the cost of all other securities sold.

Certain reclassifications have been made to the 2003 balances to conform to the 2004 presentation.

B. ESTIMATED FAIR VALUE OF INVESTMENT SECURITIES

Estimated fair values of publicly traded securities at December 31, 2004 and 2003 were determined from closing prices of national securities exchanges or latest bid quotation.

The Fund held an investment in a private limited partnership interest with a cost of $701,466 and $704,271, for which a fair value was not ascertainable at December 31, 2004 and 2003, respectively.

C. 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. The total estimated 2004 federal excise tax liability is $20,000. The Fund made estimated excise tax payments of $10,600 in 2004 related to 2004. The Fund paid $10,000 in excise tax during 2004 related to 2003.

D. COMMITMENTS

The Fund is committed to pay grants aggregating $963,031 at December 31, 2004. In addition, the Fund has supplied a stand-by letter of credit to YWCA of $28,500 as of December 31, 2004. The Fund is committed to invest an additional $39,640 in a limited partnership interest as of December 31, 2004. Certain of these commitments are contingent upon the fulfillment of specified conditions.
The Need for Affordable Housing

In Lincoln and across the nation, high housing costs have made homeownership an impossible dream for many hard-working people. Since 1999, the average home price for a Neighborhoods, Inc. first-time homebuyer has jumped 44%, while average income has risen only 4%. These startling figures mirror a nationwide trend that has made homeownership increasingly difficult for working people.

Individuals, families, neighborhoods, and communities all suffer when homeownership becomes less affordable. Owning a home stabilizes families and helps build assets, strengthening both social relationships and economic futures.

There are also community benefits. Studies have also shown a correlation between high rates of homeownership and lowered crime rates. And research indicates that people who own their homes are more committed to the community and more invested in their neighborhoods.

The community also reaps economic benefits from homeownership. One study by the Neighborhood Reinvestment Corporation estimated that for every 100 renter families that become homeowners, $5.9 million dollars and 67 jobs are generated for the local economy over a ten-year period.

Those of us who consider Lincoln “The Community of Opportunity” must come to value the role that affordable homeownership plays in that vision. It’s not only good social policy, it is a critical part of any sustainable, successful community economic development strategy.

In 1999, the average price of a Lincoln home purchased by a Neighborhoods, Inc. first-time homebuyer was $72,522 and the average payment was $563. In 2004, the average home price was $104,655 and the payment was $715. In sharp contrast, the average income of a homebuyer in 1999 was $26,487, rising only to $27,950 in 2004.
The Design Build House Project

The project began with a graduate design studio in the fall semester of 2004. Neighborhoods, Inc. identified the site for the project and met with the studio to discuss the parameters of the project's program. From this initial meeting, the twelve students in the studio embarked on a design process that generated 12 individual schemes for the given site. At the end of the semester a panel of judges representing Neighborhoods, Inc. and the College of Architecture selected the design generated by Jamie Wietfeld, a 5th year student in the Master of Architecture Program from Leigh, Nebraska. Jamie’s design was focused on relating to the existing neighborhood, and its porch culture, along with bringing the landscape of the site into the experience of the house. This was successfully managed by extending the house deep into the site and scooping out garden areas from the mass of the house along the way, each with a different relationship to the ground plane.

During second semester, under the tutelage of adjunct faculty member Peter Hind with the architecture firm Studio 951, a new group of students developed construction documents based on Jamie’s initial schematic design along with another student’s, Jean Vacha, from Omaha, Nebraska, also a 5th year student. Revisions were made to refine the scheme to meet Neighborhoods, Inc.’s programmatic and financial requirements. We expect that these drawings will be completed prior to the end of the semester, receive a building permit and get the foundations in the ground in the early spring. The construction of the house will follow in summer of 2005. The plan is for a group of students, working with Neighborhoods, Inc. and the College, to build the house and have it completed by the beginning of August.

Collectively, the Design Build House Project will have involved thirty or more students, two faculty, the staff of Neighborhoods, Inc. and a collection of construction professionals each contributing to the quality of one Lincoln neighborhood. The College plans to make this effort an ongoing activity in the future.

For more information on the Design Build House Project contact:
University of Nebraska-Lincoln
College of Architecture
(402) 472-9233 or Neighborhoods, Inc.
(402) 477-7181
If you wish to make a gift to Woods Charitable Fund, please contact the Executive Director, Pam Baker.