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

ASSETS 2004  2003

Cash (including checking, savings and money market accounts) $ 67,252  $ 55,902

Investment securities, at cost:
  Mutual funds (fair value 2004 - $33,483,913 and 2003 - $30,737,791) 24,057,806 23,773,173
  Partnerships and other investments 701,466 704,271
  Program related investments 416,177 464,729

  Total assets $ 25,242,701 $ 24,998,075

LIABILITIES AND NET ASSETS

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


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