

## 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*

DELOITTE & TOUCHE LLP  
Lincoln, Nebraska  
February 18, 2005



*Design by Joannell Mueller*

## Financial Statements

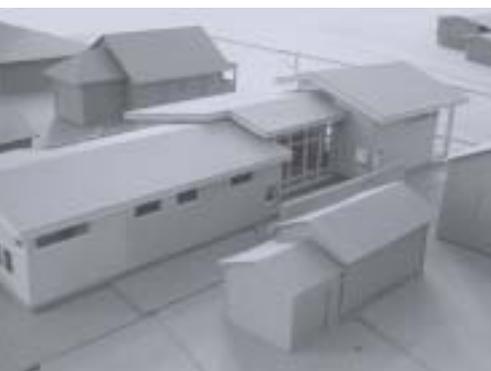
### STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS ARISING FROM CASH TRANSACTIONS DECEMBER 31, 2004 AND 2003

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	<u>\$ 25,242,701</u>	<u>\$ 24,998,075</u>
<b>LIABILITIES AND NET ASSETS</b>		
Unrestricted net assets	\$ 25,242,701	\$ 24,998,075
Total liabilities and net assets	<u>\$ 25,242,701</u>	<u>\$ 24,998,075</u>

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	<u>\$ 652,703</u>	<u>\$ 750,249</u>
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	<u>21,478</u>	<u>13,672</u>
Dividends:		
Common and preferred stocks	–	2,347
Mutual funds	1,345,392	619,473
Total dividends	<u>1,345,392</u>	<u>621,820</u>
Other	<u>12,037</u>	<u>3,523</u>
Total investment income	<u>2,031,610</u>	<u>1,389,264</u>



Jamie Wietfeld's design shown  
in the context of the neighborhood

	2004	2003
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**

	2004	2003
Unrestricted net assets, January 1	\$ 24,998,075	\$ 25,088,105
Income collected (deficiency) over deductions and expenses paid	244,626	(90,030)
Unrestricted net assets, December 31	\$ 25,242,701	\$ 24,998,075

See accompanying notes to cash basis financial statements.



*Jean Vacha's design shown  
in the context of the neighborhood*

## Notes to Cash Basis Financial Statements

YEARS ENDED DECEMBER 31, 2004 AND 2003

### 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.

*Interior perspectives of  
Jean Vacha's presentation*

