



DANIELS FUND



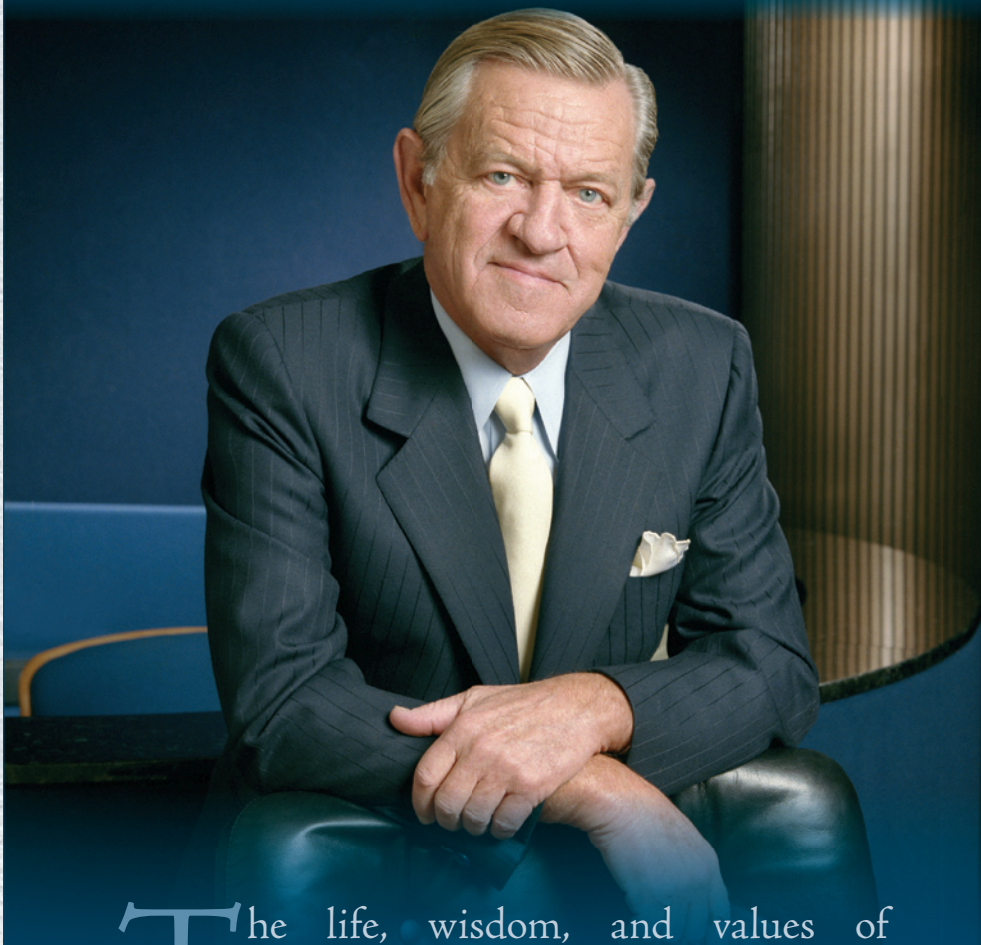
2011 Report to the Community

*Character • Leadership • Service*

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On the cover – A renaissance in quality education in northeast Denver is reflected in the faces of students at Denver School of Science and Technology: Green Valley Ranch



The life, wisdom, and values of our founder, Bill Daniels, will be memorialized in August 2012 in *The Life & Legacy of Bill Daniels*. This book tells Bill's remarkable life story — much of it in his own words — and ties the Daniels Fund's philanthropic activities to his beliefs and experiences. Presented in the foldout are excerpts from the book offering a glimpse of what motivated Bill as he defined how and what his foundation would support.

# Dear Friends,

Bill Daniels helped a tremendous number of people during his lifetime and continues to do so in extraordinary ways through his legacy, the Daniels Fund. Bill was a man of vision. He knew what he wanted and how to get there, and his foundation is no exception. He was specific about the charitable purposes and geographic areas he wanted to support. Each of us at the Daniels Fund is committed to honoring Bill's intent and reflecting his style of compassion, ethics, and integrity in all that we do.

This **2011 Report to the Community** offers a summary of the impact the Daniels Fund is having across Colorado, New Mexico, Utah, and Wyoming. We believe our founder would be proud of all that is being accomplished, and we also



know he would challenge us to accomplish even more in the future.

The **Daniels Fund Grants Program** focuses on funding programs and organizations that achieve significant impact in their communities. The Daniels Fund awarded more than \$35 million in grants in 2011, an increase of more than \$5 million over 2010. While we are not able to fund each grant request we receive, we strive to be compassionate, approachable, and responsive at all times to the nonprofits working in the communities we serve.

In 2011, 263 recipients of the **Daniels Scholarship** were selected and are attending colleges and universities across the United States. Each of these Scholars demonstrates strong character, leadership potential, a willingness to help others, and a desire to become active, contributing members of society. Through the separate and distinct **Daniels Opportunity Scholarship** Program, nontraditional students receive support to help them achieve their education goals. A total of more than \$13 million was provided through both Scholarship programs in 2011.


On the following pages, you can also learn more about:

- The **Daniels Fund Ethics Initiative**, an innovative partnership with seven business schools at universities in our four-state region whose leadership makes ethics a high priority and are delivering principle-based ethics instruction on-campus and into their communities.
- The **Daniels Fund Meeting Space**, a resource offered at no charge to nonprofit organizations engaged in charitable activities benefiting the citizens of Colorado, New Mexico, Utah, or Wyoming.
- Our **Finance and Investment** activities, which have grown the Daniels Fund's asset portfolio through careful, deliberate management while paying out approximately \$50 million in grants and scholarships each year.

We invite you to start by taking a look at excerpts from *The Life & Legacy of Bill Daniels*, a book that will be unveiled in August 2012. It's the result of two years of research and writing to produce the definitive account of Bill Daniels' life, with deep insight into his philanthropic direction for the Daniels Fund.

On behalf of the board of directors and the staff of the Daniels Fund, it is our pleasure to present this review of the exceptional organizations and students we supported in 2011. We hope their stories provide as much inspiration for you as they did for us.

Sincerely,

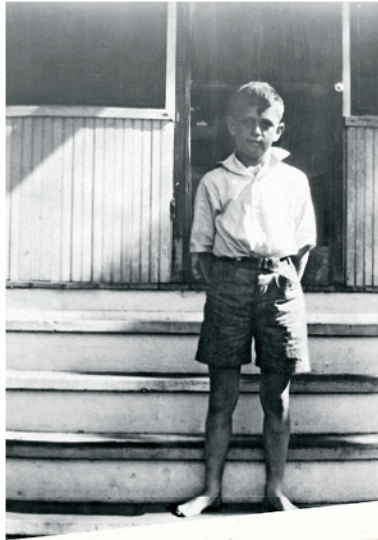
  
Chairman of the Board

  
President and CEO

# Bill Daniels

## His Life & Legacy

Bill, age 9, stands on the porch of his family home



Bill earned his wings just two weeks after Pearl Harbor



Throughout his life, Bill Daniels demonstrated his commitment to helping others and giving back. He gave generously to individuals and to nonprofit organizations. He paid to send young people to college. In addition to sharing his wealth, Bill got involved with those he helped. Perhaps most importantly, he encouraged others to give. Bill outlined his giving priorities in bylaws that will always guide the Daniels Fund, and the areas he wished to fund are clear:

### Scholarships for College

Bill bet on a lot of young men and women. "I enjoy sharing my good fortune with others, most especially young people with talent and drive," he wrote. "It's a good feeling to be able to help students who really need it." Whenever Bill helped individuals go to college, he provided more than financial support; he also mentored them with encouraging words and advice. His requirement that they write him regularly was not just about holding students accountable, but also about keeping informed of potential stumbling blocks he could help them overcome.

### Aging

Bill's care for those in their later years began with his mother. Adele Daniels was the person he admired more than anyone else. As Adele eased into her nineties, Bill understood she didn't want to leave her own home, so he made sure she had everything she needed for safety and comfort. As Bill got older, he had trouble accepting the aging process. "If you want to know what it's like later on in life, you wish you were 40 years younger." He knew aging was no easy journey and saw that it could be physically limiting, socially isolating, and emotionally discouraging. He also knew such challenges could be eased with the right assistance. Bill wanted to help other seniors maintain their dignity and remain independent.

### Alcoholism & Substance Abuse

Alcohol had long been a part of Bill's lifestyle. After all, the iconic story of his career in cable begins with his stop in 1952 for a beer at Murphy's Bar in Denver, where he watched TV for the first time. For the next 30 years, drinking was an integral part of his social life in a business culture where three-martini lunches were the norm.



Adele Daniels, standing center, was the heart of the family. She is pictured with Bill (at left), Jack, and Dorothy (seated), who was developmentally disabled

Eventually, Bill was no longer in control of his drinking. But those who loved him gave him hope, and he entered the Betty Ford Center. “I made up my mind that I had too many things left undone in my life to let alcohol get the best of me.” Bill embraced sobriety and talked openly about his ongoing recovery. Far from embarrassed about his failures, he saw them as opportunities to teach others. For the rest of his life, he encouraged and paid for many individuals to receive treatment for alcoholism, substance abuse, or both. Even strangers received help from Bill if they were serious about getting sober. “I enjoy giving people a second chance and I’m a recovering alcoholic, so I know a little about that.”

### **Amateur Sports**

As a high school junior, Bill had no history of playing organized sports. He was a full head shorter than most of the other guys, and though he was strong, he wasn’t sure he could compete. The coach took one look at Bill Daniels and recruited him for the baseball, basketball, and boxing teams. Bill lettered in football and basketball his first year. As a senior, he led the basketball team to an undefeated season. In later life, Bill credited his coaches for embedding in him the principles that led to his future success: discipline, teamwork, drive, fair play, and commitment. Sports became one of Bill’s lifelong passions and he knew that amateur sports could turn lives around.

### **Disabilities**

Bill felt that people were people first, and should be valued for what they could do, not for what they couldn’t. At the same time, he realized life was not always fair. It was a lesson he learned early, growing up with his sister Dorothy, who was developmentally disabled. The attitude of acceptance and devotion that Bill’s

parents modeled had lasting impact. At a time when society often institutionalized children with disabilities, Dorothy grew up at home with her loving family. Bill began to acknowledge his own disability — severe hearing loss — around age 70. Thanks to the deafening noise he experienced during his fighter-pilot days, function in one ear was reduced to 30%. Then in 1992, he woke to total hearing loss in his other ear. It took a while for Bill to accept his hearing loss, and still longer to seek the help of specialists, a delay which he later regretted.



## Early Childhood Education

It was not unusual for Bill to write a child directly, or to focus on that child's education. He often reminded children of the importance of doing well in school so that they could broaden their options for the future. No matter how young they were, Bill wanted their learning experiences to foster good values and unlimited opportunity. Bill described the need for early childhood education that provides a "healthy, safe, nurturing, and stimulating environment." He realized many families counted on early childhood programs to provide necessary childcare as well as a child's first educational opportunities outside the home. Bill wanted to be sure that early learning experiences put children on a successful path from the start.

## K-12 Education Reform

Bill wanted education to be relevant. He wanted schools to provide knowledge that would prepare young people to be successful in life. He was dismayed by the wide disparity between the skills businesses needed and the skills educational systems were providing. He worried that inadequate education was going to diminish the nation's global competitiveness. Bill was intrigued by efforts to reform public education through vouchers and charter schools. Bill continued to believe in the potential of applying free enterprise principles, like choice and competition, to the educational system.



Bill kept a scribbled check and his graduation medallion from the Betty Ford Center as reminders of his progress as an alcoholic in recovery



Bill wanted to prepare young people to succeed in the free enterprise system

## Ethics & Integrity in Education

Building a reputation of integrity was a lifelong pursuit for Bill. His integrity was not just about keeping promises. It also meant being honest in all circumstances and disclosing all potential conflicts of interest. Part of Bill's formula for success was to make sure that deals were win-win and to care about the people impacted by the transactions. "The numbers are often secondary," he stated. He believed the combined impact of ethical lapses by people in all levels of business and the failure to educate young people on ethics and integrity was a significant threat to the American free enterprise system that he loved so much. In 1994, when the

University of Denver announced it was renaming the business school to the Daniels College of Business in his honor, Bill closed his remarks by saying the most important legacy anyone can leave is "having family, friends, and business associates remember you as an honest person and for helping others. I believe if you live your life in this way, you'll leave this world with a clear conscience and with a smile on your face."

## Homeless & Disadvantaged

Bill knew America offers boundless opportunity, but understood sometimes people need help to get started or get back on track. "Those of us more fortunate than others should continue to support people who are hungry, cold, without shelter, and need a break," he wrote. When Bill was about 10, his father's life insurance business failed. The family had to be resourceful to

survive. These experiences not only contributed to Bill's drive for self-sufficiency but also to his compassion for people going through hard times. Just as his family didn't give in to despair and give up, Bill expected others in need to do their best to help themselves.

Bill loved to support young entrepreneurs

### Youth Development

With money so tight during the Depression, Bill felt the responsibility to help his family as much as he could. "We all worked. We had to survive." These experiences were the building blocks for the traits that came to define his business life: self-esteem and independence, appreciation of free enterprise, understanding the value of money, commitment to hard work and punctuality, and attention to customer service. He grew up fast, but he developed life skills and character just as quickly. Bill's frequent messages to young people encouraged them to be all they could be and to keep moving forward despite seemingly insurmountable obstacles.

### Young Americans Bank

Bill was deeply concerned that young people were not being taught the skills necessary to allow them to prosper in the free enterprise system. He decided the best way to teach these financial skills was to open a bank for kids. The extraordinary result of Bill's vision is Young Americans Bank. "I want our bank to show kids how to conduct everyday banking transactions, to save money, to borrow money, to learn about investment options, and to establish a credit history." Bill believed America's financial system was the best in the world. He wanted young people to understand it in order to benefit from it.



Bill, just before the grand opening of his bank for kids, Young Americans Bank

*The Life & Legacy of Bill Daniels* was co-authored by Jeanne and Andy Archer of Tell Studios.

# Bold Steps

## An education renaissance in Denver's "Far Northeast"

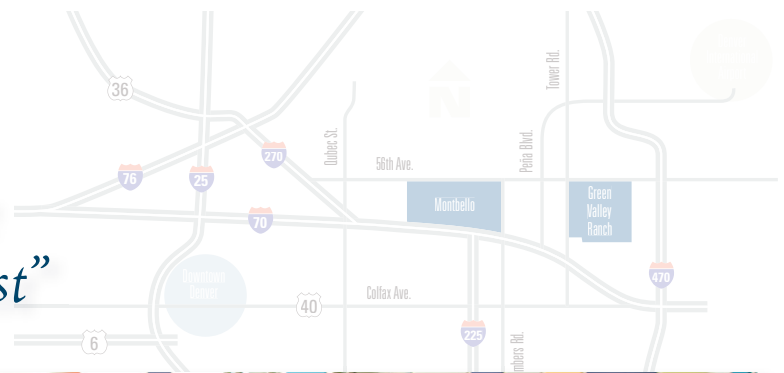
Denver's "Far Northeast", comprised of the Montbello and Green Valley Ranch communities is one of the fastest-growing regions of our city. Census data from 2010 confirms the area has added 34,000 people since 2000, or 76% of Denver's total population growth during that period. This is also one of the most culturally and ethnically diverse regions of Denver. Of its current student population, 86% qualify for free or reduced lunch, 92% are minorities, and 35% are English language learners.

For years, one of the greatest challenges facing the Far Northeast has been its schools. With a longtime ranking as Denver Public Schools' lowest-performing K-12 area, parents began taking their kids elsewhere to learn.

According to Denver Public Schools Foundation president and chief executive officer Kristin Colon, "Student academic performance has been chronically low. While some schools have increased marginally, families in the region continued to send their children across Denver or to other school districts in pursuit of a quality education."

Now families are coming back to the Far Northeast, drawn by the area's bold steps toward quality education, from a massive DPS turnaround effort, to expansion into the area by top-performing charter schools, to cutting-edge resources for all members of the community. The Daniels Fund is providing approximately \$6.5 million in funding to support education reform and youth development efforts in the area.

"A significant number of organizations and foundations have come together to work with DPS to ensure quality education and expanded services for this growing



Students at DSSN: Green Valley Ranch celebrate their academic achievements

**"This is a terrific example of a total community approach. It's a bold, coordinated, collaborative strategy, and the Daniels Fund is proud to be one of the partners."**

community," says Linda Childears, CEO of the Daniels Fund. "This is a terrific example of a total community approach. It's a bold, coordinated, collaborative strategy, and the Daniels Fund is proud to be one of the partners."

### **An aggressive, revolutionary approach**

"Urgent." That's how the Denver Public Schools Board of Education described the situation in the Far Northeast when approving a major turnaround plan in late 2010 — the Denver Summit Schools Network Initiative (DSSN). "It represents one of the first and most comprehensive efforts any district in the country has made to reverse an entire feeder pattern of persistently low-performing schools," says Kristin Colon. "It has the potential to transform public education in Denver and across the United States."



**Among the 3-year turnaround effort's bold steps:**

- Phasing out low-performing schools, and opening smaller schools with a specialized focus
- More and longer days of instruction
- Hiring new school leadership and teaching staff
- Giving students their choice among middle or high school programs
- Instituting daily math tutoring for all students in grades 4, 6 and 9

**A surge in charter school expansion**

In addition to the DPS efforts, a number of high performing charter schools are expanding to the Far Northeast, bringing with them best practices replicated from successful models nationally. During 2010-2011, two new charter schools opened — SOAR Green Valley Ranch and DSST: Green Valley Ranch. By 2012, others will be opened — SOAR at Oakland, KIPP at Noel, and two West Denver Prep schools. The Daniels Fund has provided support for each of these charter schools, with the expectation that each will bring new, high-quality classroom seats to the community.

DSST: Green Valley Ranch Middle School, one of the first charters to open in the area, ended the 2010/2011 school year as the best-performing DPS secondary school. Among the school's 141 students, 56% qualified for the free or reduced lunch program and 74.3% tested at or above CSAP proficiency.



*Quality education has made a welcome return to northeast Denver classrooms*

**For organizations serving the community, this is 'Z Place'**

When it opens in early 2013, Z Place will be home to a number of organizations, all offering services for youth and adults in the community. Once construction is complete, it will be home to West Denver Preparatory charter school, a Boys and Girls Club, an early childhood education program, and a branch of Young Americans Bank, among others.

"Education is a core value of my administration and I am proud of the collaborative and courageous efforts to improve schools for our children in Northeast Denver," says Denver Mayor Michael Hancock. "While these efforts are still new, we are already seeing higher student achievement and increased enrollment. These types of initiatives are helping us deliver a world-class city where *everyone* matters."

**Daniels Fund grants made for Far Northeast initiatives and programs**

School turnaround efforts in the Far Northeast	\$ 1,500,000
DSST – Multi-school expansion	\$ 1,755,000
West Denver Preparatory – Multi-school expansion	\$ 1,060,000
SOAR Schools – Support for existing Green Valley Ranch site and new SOAR Oakland	\$ 175,000
KIPP Colorado – Two new schools, plus expanded grades	\$ 200,000
Foundation for Educational Excellence – Z Place construction	\$ 400,000
Young Americans Education Foundation – New Young Americans Bank branch	\$ 400,000
City Year – Tutoring for area DPS schools	\$ 500,000
Teach for America – Denver expansion	\$ 500,000

# Character Leadership & Service

## *What it means to be a Daniels Scholar*



**H**onoring the sacrifices of her parents, who came to America seeking a better life for their family, is what drives Christina Benitez De Luna to strive for excellence in every facet of her life. “As immigrants, they came to the United States 23 years ago seeking freedom and opportunity,” Christina explains. “They taught us to love this nation, make the most of every opportunity, and help others as much as possible.”

**“In my family there was never a question about if we were going to college, only when and where we would go.”**

Christina grew up in Albuquerque, New Mexico, and attended Armijo Elementary, Ernie Pyle Middle School, and Rio Grande High School. She was blessed with excellent teachers who encouraged and even prodded her to succeed. Their examples inspired her to set the goal of one day becoming a teacher herself.

When she was 17, Christina began volunteering for the New Mexico Teen Pregnancy Center. This gave her the opportunity to support women facing crisis pregnancies, and inform young people about the dangers and consequences of early sexual activity. This was one of the many volunteer activities she pursued while in high school.

### **Life takes a new direction**

Christina vividly remembers a day during junior year when students from the University of New Mexico (UNM) visited her classroom to conduct a workshop on preparing for college. The visitors were Daniels Scholars, and as they spoke, Christina resolved to become one as well.

She completed the rigorous application for the Daniels Scholarship and was interviewed by a three-person team of leaders from her local community. In the final days before her high school graduation in 2008, a packet arrived at Christina’s house from the Daniels Fund. She tore it open and the first word she read was “Congratulations”. She knew her life had been changed forever.

## Scholar Success Program at University of New Mexico

Daniels Scholars attending the University of New Mexico (UNM) form a student support network that sets a high standard for all aspects of campus life. The group is known for its commitment to community service. They also get together just to unwind and have fun.

“We meet up several times a month for activities, community service projects, and social events,” explains Isaac Pacheco, president of the Daniels Scholars group at UNM. “We try to help the newer Scholars by encouraging them and helping them take advantage of campus resources.”

These support networks at UNM and many other campuses are a result of the Daniels Scholar Success Program, an innovative effort designed to create a sense of connectedness between Scholars and their institutions, among each other, and with the Daniels Fund. Schools with three or more Daniels Scholars attending are eligible to apply for funding to operate the program.

Participating schools establish a campus liaison to serve as the primary point of contact for Daniels Fund staff and the primary campus resource for Daniels Scholars. A Scholar Relations Officer from the Daniels Fund is assigned to assist the group.



*Scholar Relations Officer Armando “Mundy” Allen-Burciaga (standing, center right) joined by the community of Daniels Scholars at University of New Mexico*

“Somehow I still would have attended college, but having the Daniels Scholarship meant that I would not only receive necessary financial support, but also that I would be part of a community of Daniels Scholars that share the values that guide my life.”

Christina managed a busy class schedule at UNM, and like all Daniels Scholars, was required to work at least five hours per week. Yet she still found the time to volunteer as a tutor and mentor for students in Albuquerque Public Schools.

“One of the students I mentored began skipping school and failing a number of classes,” she explains. “I made the commitment to tutor her each day after school. There was a big change in her attitude and by the end of the semester, she had three A’s on her report card.”

### Finding support on campus

The Daniels Fund provides funding for campus liaisons to develop support networks on campuses with at least three

Daniels Scholars. This has led to a close-knit community of Daniels Scholars at the University of New Mexico. Christina serves as the group’s vice president.

“We meet regularly, take part in campus activities and community service projects, and generally support one another. We also have a mentoring program that pairs an upperclassman with a freshman to offer additional support.”

Christina will graduate this year with a degree in secondary education. She looks forward to the opportunity to be a positive role model for her students every day in the classroom. She intends to continue helping others in recognition of the gift she received in being named a Daniels Scholar.

“Daniels Scholars are known for character, integrity, and leadership,” says Christina. “It’s also about being caring and compassionate and making the world a better place. Those are the things I most want to do in life.”

# Free & Clear

## Overcoming addiction and rebuilding lives in the Cowboy State



*Joe with Gary Kopsa, director of ministry and outreach for VOA of the Northern Rockies*

*Another day of progress for Life House's new facility, under construction in Sheridan, Wyoming*



Joe began smoking marijuana at age 5. By 30, most of his life had been spent as an addict. He lost more than a decade to prison for multiple felonies committed while on various drugs. Joe tried to quit, but nothing worked. He vowed to give treatment one last try. If he failed this time, he resolved to kill himself rather than return to the violent, chaotic life he had always known.

Joe entered Life House, a spiritually-based substance abuse treatment program operated by Volunteers of America (VOA) in Sheridan, Wyoming. "The overwhelming love that I experienced at Life House changed my life," he explains.

Jeff Holsinger is president and chief executive officer of Volunteers of America of the Northern Rockies. He defines the treatment program as highly structured and demanding, designed to help participants successfully transition back into society. Clients engage in weekly one-to-one counseling sessions and a multitude of group activities. While not a requirement, participation in spiritually-based programs is often an important part of recovery and achieving sobriety.

### A future filled with hope

Having had prior experience as a chef, Joe enjoyed participating in the Kitchen Certificate Program offered by Volunteers of America. He is now executive chef at one of Sheridan's most popular hotels. Joe married the "woman of my dreams" and, with their first child on the way, recently purchased a new home.

Joe's story is similar to many who have completed the program according to Galen Chase, incoming board chair of VOA in Sheridan. "We have 37-40 men in the program at any time. The 90-day residential program serves men 18 and older and empowers those suffering from addiction to take responsibility for their own decisions, actions, and futures."

The program serves clients from across the state and is currently housed in the century-old Sheridan County Hospital. The VOA board launched a capital campaign to construct a new 17,500 square foot facility with upgraded programming and expanded capacity. The Daniels Fund provided a \$500,000 grant to help kick off the campaign. Generous donations from the VOA board and community leaders helped make the campaign a success. Construction will be completed in late 2012.

# Renewing a Reputation

## New Mexico restores its image with ethics and education

“Over the last few years New Mexico has developed a ‘pay-to-play’ reputation. While some of what that refers to may not be illegal, it’s certainly unethical,” says Garrey Carruthers, former Governor of New Mexico and now Dean of the College of Business at New Mexico State University (NMSU). “I think we all understand there’s a cultural issue here that we need to deal with.”

The subject of ethics is getting a lot of attention these days, especially within the communities connected to the Daniels Fund Ethics Initiative. Based on Bill Daniels’ personal commitment to ethics and integrity, the Daniels Fund launched the Initiative in 2010.

Seven universities are partners in the three-year-old program, and they’re making waves and headlines with ethics programs across the Daniels Fund’s four-state region. Contingent upon their performance, each partner school receives a \$250,000 grant annually to implement new ethics instruction and initiatives on their campus and within their community. All are members of the Daniels Fund Ethics Consortium, allowing partners to collaborate and share best practices.

### With ethics, it’s the principle that matters

The primary objective is student learning. “As Bill Daniels had, we want young people to have a better understanding of ethics, specifically principle-based ethics,” says Bo Peretto, who oversees the Initiative as vice president for administration and operations at the Daniels Fund. “All the schools are doing amazing things. Each has defined a niche and has a unique approach.”

NMSU found its niche in public ethics. “In our state we’ve had numerous occasions to witness unethical conduct on the part of public officials and employees,” explains Dean Carruthers. “Since many of our challenges have resulted from the private sector seeking favor from the public sector, I decided to do something about ethics for public employees and the relationship they might have with the business sector.”

With their Daniels Fund ethics grant, Dean Carruthers and NMSU associate professor Dr. Bruce Huhmann set out to develop a course on public ethics. What started as a single class has become a full scale public ethics education program that now reaches county, municipal, and state government employees. Certified Advocate

in Public Ethics (CAPE) classes were introduced in 2011, and the first graduates are expected in January 2013.

Dean Carruthers adds, “We are proud of the demand for ethics training. It has amazed me that just by making ethics classes available, interest in ethics across the campus and the state has increased dramatically.”



*Garrey Carruthers is a champion for ethics at New Mexico State University and the state of New Mexico*

# Lifesaver

## The story of one Scholar, his mentor, and the power of building connections that last

A good mentor can make all the difference in a young life. And for some, a mentor may also be the one to save it.

Derek Patton was born in Pueblo, Colorado, with a defect in his aortic valve. His condition was so serious that he was flown to Memorial Hospital in Colorado Springs and the care of a gifted cardiologist. Dr. Mark Duster, now medical director of Children's Hospital in Colorado Springs, would oversee years of care that significantly repaired Derek's heart.

Derek came to know Dr. Duster not only as a skilled physician, but a caring person dedicated to making life better for each of his patients and their families. This example led to Derek's decision to become a doctor. When

the time was right, he asked Dr. Duster for guidance on choosing schools and classes. "His advice meant the world to me. He became my mentor and continues to offer advice and open opportunities that have already helped me in my career."

### One thing leads to another

Today, Derek shows no outward signs of the early life-and-death struggle he endured. A 2008 Daniels Scholar, he has already graduated from the University of Colorado (CU) and has been accepted to the biomedical science program at the University of Northern Colorado. He plans to earn a master's degree before transferring to the Anschutz Medical Center to complete his training at the University of Colorado Hospital.

*(continues next page)*



*The benefits of mentorship go both ways for Daniels Scholar Derek Patton and Dr. Mark Duster*

## Daniels Scholars stand apart and employers take note

Gaining real-world experience while in college is often key to successfully transitioning to a rewarding career, according to Mark Cornetta, president and general manager of NBC affiliate 9News, and a leader in the Denver business community.

“Students who distinguish themselves by taking leadership roles on campus, volunteering, and seeking out internships have the competitive edge in landing a top position after college,” he explains. “Taking a leadership role tells a prospective employer that you are willing to take on challenges and be accountable for your actions. Volunteering or landing an internship in your chosen field offers a chance to network with professionals, demonstrate your willingness to work hard, and be creative in solving problems.”

9News offers a variety of internship opportunities for young people interested in the news business. Hundreds of applications are submitted for each opening, so candidates must find ways to distinguish themselves.

“A company’s reputation depends on the action of each employee. We are always on the lookout for applicants who demonstrate character and integrity, a good attitude, and a strong work ethic because we know they will be a positive asset.”

Having served as an interviewer for Daniels



9News executive Mark Cornetta sends a clear signal on the importance of internships

Scholarship candidates, Mark says the hallmarks of the program — character, leadership, and service — set Daniels Scholars apart in a competitive employment marketplace.

## Lifesaver *(continued)*

Derek met his wife, Kelly, when both were named to the President’s Leadership Class at CU, a prestigious group of 50 students selected each year to participate in seminars and classes designed to prepare expected future leaders of our state.

Derek continues to be amazed by all that is offered by the Daniels Scholarship program, including benefits for graduated Scholars. He credits the strong community of Daniels Scholars at CU as a source of strength for him during his years on campus. “Daniels Scholars are selected because of their character and potential to help others, so I am not surprised they were the most mature

and professional people I met at CU. This is important because the friends you make in college are either going to help you achieve your goals, or lose sight of them.”

With more than 700 Daniels Scholars having graduated from college and in the workplace, Derek believes the opportunities for new Scholars will continue to grow over time. “Helping the next generation of Daniels Scholars by serving as mentors and helping them find internships is a natural part of what it means to be Daniels Scholar Alumni. As a group, we are committed to being good role models and finding creative ways to make the world a better place.”

# Go Big or Go Home

## A Navy veteran turned college student inspires by knowing what she wants

She was just 17, shy, a tiny 110 pounds, and had never engaged in structured physical activity or sports. Cory Lawrence was not someone you'd expect to pursue a physically grueling job in the military. But her dream had always been to join the U.S. Navy. Now, 10 years later, she's an award-winning Navy veteran who helped to reshape the role of women in the military. She's proof that you can do anything if you set your mind to it.

"Be honest with yourself and be true to what you want to do," Cory says with confidence. That value has guided her through 10 years of honorable service to her country. It prompted her to begin the next stage of her life at age 28 as a student at the University of Colorado Colorado Springs (UCCS), working toward a career in optometry.

Cory is a proud recipient of a Daniels Opportunity Scholarship, a Daniels Fund program that helps non-traditional students achieve their education goals. Returning military personnel are among those eligible to apply for the scholarship.

"Returning military are an important student population at UCCS," explains chancellor Pam Shockley-Zalabak. "The University directly serves a community that is home to major military installations, family of active duty personnel, and a very large and engaged retired military population."

### Something in common

Helping people earn a college degree was a passion for Bill Daniels during his lifetime. Cory and Bill have a few things in common. For example, Bill was never one to back down from a challenge. When Cory was told she could never be a Navy search and rescue swimmer because of her slight frame, she took that as a challenge. "My senior chief told me I was too small and discouraged me from applying, saying that I'd never make it. That made me mad, so I signed myself up. If I didn't make it, at least I tried. And I made it!"

Like Bill, Cory is also a pioneer. She became the first woman in numerous situations during her Navy career. "I didn't have any other females to look up to or take advice from. It didn't really bother me that I was the only female. The pressure was a good thing. I wanted to fit in with the men. I could do the job just the same."

Finally, like Bill, Cory is a true humanitarian and a hero. Cory's bravery earned her a Humanitarian Service medal for rescuing 38 people during the Hurricane Katrina Disaster. She volunteers for the Wounded Warrior Games. Further, she serves as a mentor and role model. "A lot of high school girls contact me about joining the military. I tell them to stay motivated, to stay strong. I say, I'm this tiny, little thing; if I can do it, you can too."



Cory Lawrence at UCCS



On duty: Navy search and rescue swimmer Cory Lawrence



# Slam Dunk

## Youth basketball that teaches character? YMCA has a winner!



*The YMCA Jr. Nuggets Basketball League makes sure every kid knows what it feels like to win*

**W**ork hard, play fair, never give up. All are lessons 14-year-old Justin Lengyel has learned from his participation in the YMCA Jr. Nuggets Basketball League. He credits his coaches for helping him understand that those lessons are equally important “on and off the court”.

His newfound knowledge, and the fact that he likes the way he looks in a Nuggets jersey, have made Justin one of thousands of fans cheering the program across Metro Denver.

The YMCA Jr. Nuggets Basketball League is the largest recreational basketball program in Colorado with more than 8,000 young athletes taking part in one of the five, eight-week sessions offered each year. Teams practice and play weekly against other YMCA teams. There are no tryouts and everyone plays, making it accessible to athletes at all skill levels.

### **Coaches are the key**

“There is a direct link between quality coaches and positive outcomes for youth,” says Jim Hiner, YMCA of

Metro Denver’s president and chief executive officer. “We were not satisfied that some students could not afford to participate, or that the program was not offered in some East Denver and Aurora neighborhoods.”

The Daniels Fund’s Amateur Sports focus is on community-based youth sports programs supported by quality coaches that foster sportsmanship, confidence, discipline, and teamwork.

“That’s what we do,” Jim states. The Daniels Fund made a \$200,000 grant to support the YMCA Jr. Nuggets Basketball program, and extend access to other sports into the Five Points area and Aurora. In addition, part of the funding provides full and partial scholarships to youth whose families are unable to pay the program fees.

Jim Hanna has been coaching basketball for 20 years and he likes what the YMCA stands for. “Everyone gets to play, regardless of skill level. It’s not about winning or losing. We focus on teamwork, discipline, not giving up, and always striving to do better.”

## Daniels Fund Board of Directors



*The Daniels Fund board at the Utah State Capitol building in August 2011.*

*(Back row from left) Francisco Garcia, June Travis, Gayle Greer, James Griesemer, and Brian Deevy*

*(Front row from left) Tom Marinkovich; Daniel Ritchie; Linda Childears, president and CEO; Hank Brown, board chairman; Jim Nicholson, and Tony Acone*

## Utah Stars reunite and remember



*Jerry Howells listens as former Stars Coach Ladell Anderson shares touching memories*

Jerry Howells was among the many business and community leaders at the Utah State Capitol in August 2011 attending a Community Reception hosted by the Daniels Fund board. He has a unique history with Bill Daniels and was looking forward to learning more about Bill's foundation. Jerry had no

idea this reception would lead to a remarkable reunion of old friends roughly two months later.

When Bill Daniels was considering moving the American Basketball Association's Los Angeles Stars to Salt Lake City, he convened a group of business leaders, including Jerry, to determine if Utah could sustain a professional sports franchise.

"People in Utah love sports, so we set out to sell enough season tickets to convince him to bring the team here," recalls Jerry. "It was an important day for our community when Bill announced in 1970 at the Salt Palace that the team would be coming to town."

When Jerry mentioned to Linda Childears, president and CEO of the Daniels Fund, that many Utah Stars players, coaches, and staff still live in Utah, she asked if it would be possible to host a "Stars Reunion" to share memories, and record all of it to preserve the history.

That reunion took place at the Alta Club in Salt Lake City in October 2011. Jerry emceed a program that flowed into the night as sports legends, broadcasters, and former staff reminisced. Guests included Utah Sports Legend and Stars Coach Ladell Anderson (1971-72); Coach Tom Nissalke (1975-76); players Ron "The Ironman" Boone and Dick Nemelka; Utah Jazz VP of Operations Grant Harrison, who got his start in basketball with the Stars; and many others.

The recorded interviews and tributes will be used to further demonstrate Bill Daniels' love of sports and commitment to ethics and integrity. Many recalled the franchise bankruptcy in 1975 when the league disbanded. Free of legal obligation, Bill Daniels returned five years later to repay those who lost money in the bankruptcy, including season ticket holders. Bill was the first inductee in the Utah Sports Legends Hall of Fame as a result of that extraordinary gesture.

# Meeting Space

*Free for nonprofits. Flexible for meetings.  
Fantastic for productivity.*



*Nonprofit organizations benefited from the efforts of more than 31,000 guests using our Meeting Space in 2011*

It's a Thursday afternoon at the Daniels Fund, and the first floor is buzzing with activity. Each of the meeting rooms are filled with people, but none of them work at the Daniels Fund. They are representatives from five nonprofit organizations engaged in two planning retreats, a training session, a Board meeting, and a staff orientation. These nonprofits have accepted our invitation to take advantage of the Daniels Fund's Meeting Space, offered to them at no charge.

In one of the smaller rooms, a group is intently discussing a range of topics: budgets, staff allocation, and student needs. They're from the Colorado League of Charter Schools, here for an offsite planning retreat. They say the central location—great for regional school meetings with participants coming from all directions—is among the reasons they reserve space several times per year. Guests also appreciate the free off-street parking, audio-visual presentation capabilities, wireless internet, and flexible room configurations.

"This is our go-to place offsite. It's wonderful for us. We don't have many resources like this available in the community," says Nora Flood, senior vice president of school services.

Our Meeting Space is available free-of-charge to nonprofit organizations engaged in charitable activities benefiting the citizens of Colorado, New Mexico, Utah,



or Wyoming. Five distinct meeting rooms of various sizes are available. During 2011, nearly 500 unique nonprofits hosted 1,500 meetings attended by over 31,000 guests in our Meeting Space.

"The experience is always great from the minute we walk in," says Joni Malli, also here with the Colorado League of Charter Schools. "We accomplish in an afternoon at the Daniels Fund what would take weeks in our office."

**To reserve Meeting Space, use our online reservation form found at [www.DanielsFund.org/Meeting-Space](http://www.DanielsFund.org/Meeting-Space)**

<b>Hours of operation</b>	Monday – Thursday 7:30 a.m. – 9:00 p.m. Friday 7:30 a.m. – 4:30 p.m. Saturday 7:30 a.m. – 4:30 p.m. (4-hour minimum for Saturday meetings) Closed Sunday & Holidays
<b>Parking</b>	Free off-street parking lot
<b>Capacity</b>	Up to 75, depending on room and configuration
Full details and restrictions available at <a href="http://www.DanielsFund.org/Meeting-Space">www.DanielsFund.org/Meeting-Space</a>	

# Finance & Investments

*The side of our business that makes it possible to continue giving*



*In session: a meeting of the Daniels Fund Investment Committee*

**T**he Daniels Fund is known for providing grants and scholarships, but there's a lesser-known side of our operations that's essential to accomplishing our mission. Most people don't know that the ongoing work of our finance and investment team is what allows us to continue our charitable giving while maintaining, or even growing, our total assets.

Every year, the Daniels Fund pays out approximately \$50 million in grants and scholarships across our four-state region. So, where does that money come from? Do we raise money from the community? Won't we eventually give it all away?

First, it's helpful to understand that we are a private foundation. That means we do not raise money in any way.

The funds for our giving came from a single source: Bill Daniels. Also, as a private foundation, the Daniels Fund is required by law to disburse a certain percentage of its assets every year, which in our case amounts to roughly \$50 million annually.

Now, factor in that one of Bill Daniels' core directives was that his foundation operate "in perpetuity". In other words, forever.

The combined result is an organization expected to live forever while giving away a required percentage of its assets every year. An interesting challenge. Clearly, Bill left a considerable sum — in excess of \$1.1 billion. With nearly \$400 million in total charitable giving over 11 years, simple subtraction doesn't explain current assets

*(continues next page)*



*Discussion holds the attention of Dan Ritchie, chairman of the Investment Committee*



*Daniels Fund chief financial officer, Jeb Dickey*

## *Finance & Investments* (continued)

of \$1.2 billion. By skillfully and cautiously managing our investment portfolio, we have replenished the funds we have disbursed, covered our operating expenses, and even accomplished some growth.

### **An investment strategy of uncompromising standards**

The Daniels Fund takes investing very seriously. A lesser standard of portfolio management invites the risk of fewer dollars being available for grants and scholarships.

“Our fiduciary responsibility is to maintain Bill’s legacy through prudent management of the money he left for charitable purposes,” says Jeb Dickey, chief financial officer of the Daniels Fund. “We take that duty very seriously. That means not taking on too much risk, while at the same time being strategic enough to develop the kinds of returns we need to fund our charitable activities.”

The Daniels Fund ensures prudent management by allocating responsibility among several parties:

- The Investment Committee, comprised of Daniels Fund board members with the skill and experience to make all investment decisions
- An Independent Investment Advisor that presents investment recommendations and supporting research to the Investment Committee
- Around 50 proven Investment Management Firms that partner with us to execute our investment goals

Jeb explains, “Our investment portfolio is highly diversified across multiple asset classes, all with a different risk return profile. We believe active management strategies create opportunities to achieve returns that exceed those typically earned by passive market-based approaches.”

The investment and finance side of our business may be quiet, but it’s what happens there that makes “giving forever” a reality. As Bill Daniels was known to say, “that’s one hell of a return!”

# 2011 Financial Summary

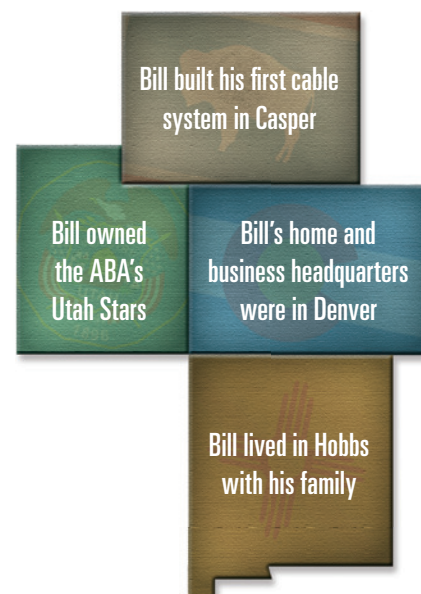
	December 31 (unaudited)	
	2011	2010
<b>ASSETS</b>		
Investments, at market value	\$ 1,193,268,703	\$ 1,215,270,899
Property and equipment, net of depreciation	14,479,752	14,979,365
Other assets	98,151	293,027
	<u>\$ 1,207,846,606</u>	<u>\$ 1,230,543,291</u>

	Years Ended December 31 (unaudited)	
	2011	2010
<b>REVENUES</b>		
Contributions	\$ 4,793,120	\$ -
Investment income	43,548,034	35,332,252
Realized gains (losses) on sale of investments	18,867,658	(277,326)
Unrealized gains (losses) on investments	(32,727,297)	114,947,461
	<u>34,481,515</u>	<u>150,002,387</u>
<b>EXPENSES</b>		
Grants paid	35,143,218	30,287,340
Scholarships paid	13,119,546	13,230,492
Administrative expenses	6,120,212	6,102,254
Investment management expenses	852,415	841,329
Excise and income taxes	1,392,824	(59,480)
Depreciation expense	549,985	537,906
	<u>57,178,200</u>	<u>50,939,841</u>
Change in assets	<u>\$ (22,696,685)</u>	<u>\$ 99,062,546</u>

## 2011 Daniels Fund Tax Return

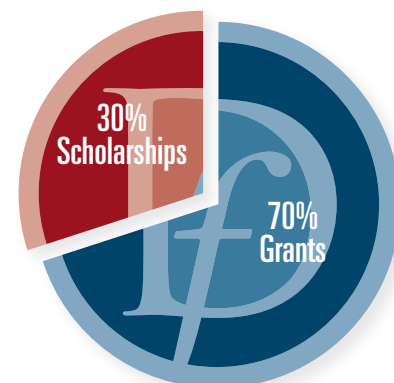
The 2011 Form 990PF and listing of grants are available on the Daniels Fund website at [www.DanielsFund.org/Publications](http://www.DanielsFund.org/Publications)

# Daniels Fund



## How we invest in the community

Percentages established by Bill Daniels



**Daniels Fund Grants Program – 70%**  
10 grant funding areas

**Daniels Scholarship Program – 30%**  
Daniels Scholarships  
Daniels Opportunity Scholarships

# Overview

## Daniels Fund Grants Program

**Total Grants** **\$335,538,386**  
since year 2000

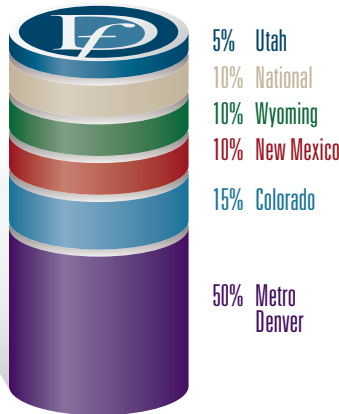
### Total Grants by state since year 2000

Colorado	\$213,115,176
New Mexico	51,728,116
Utah	13,282,482
Wyoming	28,646,002
National Grants	28,766,610

### Total Grants Paid by Program Area:

Aging	\$ 21,386,079
Alcoholism & Substance Abuse	24,280,274
Amateur Sports	16,977,216
Disabilities	13,977,503
Early Childhood Education	24,996,424
K-12 Education Reform	62,631,151
Ethics & Integrity in Education	13,650,458
Homeless & Disadvantaged	62,247,923
Youth Development	66,285,023
Young Americans Bank	18,998,221
Multiple	10,108,114

### GRANT FUNDING ALLOCATIONS

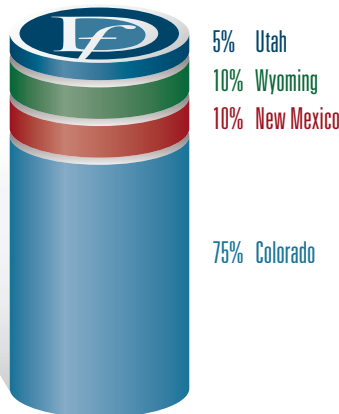


## Daniels Scholarship Program

**Total Scholarships** **\$93,164,518**  
since year 2000

<b>Colorado</b> – Total Paid	\$ 73,967,350
<b>New Mexico</b> – Total Paid	8,001,196
<b>Utah</b> – Total Paid	3,429,245
<b>Wyoming</b> – Total Paid	7,766,727

### SCHOLARSHIP FUNDING ALLOCATIONS



## Total Charitable Allocations (Grants and Scholarships)

**Total Charitable Contributions** **\$428,702,904**  
since year 2000

The Daniels Fund would like to thank our grantees, Daniels Scholars, and community volunteers for providing photos or allowing their images to be used. Our special gratitude to Andrea Sinor, consultant and contributing writer, and to Karen Wilson-Johnson of Wilson/Johnson Creative for photography. Special thanks to Claudia Howells for the photo from the Utah Stars Reunion featured on page 12. The Daniels Fund logo and tagline are trademarks of the Daniels Fund. No portion of this publication may be reproduced without written permission from the Daniels Fund.

## 2011 Daniels Scholars gather for summer orientation



*New Daniels Scholars attending Scholars Heading Into the Future Together (SHIFT) at Johnson & Wales University in Denver gain knowledge and build relationships that will help them succeed in college.*



 DANIELS FUND

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