

2015 Report to the Community



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The Daniels Fund is a private charitable foundation dedicated to making life better for the people of Colorado, New Mexico, Utah, and Wyoming through our Grants Program, Scholarship Program, and Ethics Initiative. We continue the legacy of generosity established by our founder, Bill Daniels, a cable television pioneer known for his compassion for those in need and his unwavering commitment to ethics and integrity.

Daniels Fund Grants Program

We provide grants to support highly effective nonprofit organizations in our four-state region, as well as some programs with national impact. Each year, approximately 70% of our community investments are made through the Daniels Fund Grants Program in funding areas defined by Bill Daniels:

- Aging
- Alcoholism & Substance Abuse
- Amateur Sports
- Disabilities
- Early Childhood Education
- Homeless & Disadvantaged
- K-12 Education Reform
- Youth Development

Daniels Fund Scholarship Program

Our Scholarship Program, which includes the Daniels Scholarship Program and the Boundless Opportunity Scholarship Program, represents approximately 30% of the Daniels Fund's annual charitable spending. The Daniels Scholarship Program provides four-year college scholarships for graduating high school seniors who demonstrate exceptional character, leadership, and a commitment to serving their communities. The Boundless Opportunity Scholarship Program provides college scholarships for non-traditional students of all ages, awarded by select colleges and universities using funds provided by the Daniels Fund.

Daniels Fund Ethics Initiative

The Daniels Fund Ethics Initiative strives to deliver principle-based ethics education, and reinforce the value of ethical business and personal conduct. The Ethics Initiative encompasses three components — the Collegiate Program, the High School Program, and the online Case Bank — each with a specific approach and target audience. Funding for the Ethics Initiative is provided through the Grants Program.



Dear friends,

As our founder Bill Daniels was hard at work crafting plans for the Daniels Fund, he shared a dream that motivated him — someday there would be 1,000 Daniels Scholars in college.

What a testament to Bill's vision that, after only 15 years, more than 1,500 Daniels Scholars are now college graduates.



Milestones like this remind us to stop and reflect on how we as an organization are performing according to the direction and vision of our founder.

In our **Grants Program**, Bill directed us to make life better in the four states he loved. To best accomplish this, we now follow a state-by-state strategic approach that looks at the unique community needs and challenges in each geography. While we're relatively early in this long-term approach, the results so far have been promising.

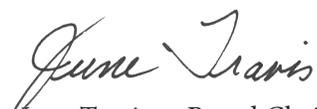
In the **Scholarship Program**, Bill wanted to equip college graduates to become productive and contributing members of society. We're delighted to

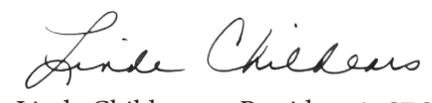
see the many ways Daniels Scholar Alumni are benefiting their communities through character, leadership, and service.

Bill wanted young people to understand the importance of ethics in business and in life, and that's why we created the Daniels Fund Ethics Initiative in 2009. The **Ethics Initiative** has proven so successful that we expanded it in 2015 and look forward to continuing to fuel the ethics movement in our four states.

It's no secret that honoring our donor's direction is at the core of who we are. We've worked hard putting tools and resources in place to help future Daniels Fund board and staff make decisions that reflect Bill's values and intent.

Thank you for being a part of our first 15 years. We're excited about continuing our work together to make an even greater difference in the years to come.


June Travis • Board Chair


Linda Childears • President & CEO

2015

Grants Program

- Completed the second year of our revised New Mexico grantmaking strategy
- Completed the first year of our revised Utah grantmaking strategy
- Evaluated and refined our Metro Denver grantmaking strategy

Scholarship Program

- Worked with more than 325 community leaders who volunteered during the Daniels Scholar interview and selection process in 20 communities throughout our four states
- Continued an emphasis on scholar graduation within our four years of funding
- Established partnerships with 24 colleges and universities to help Daniels Scholars graduate free of education-related debt
- Surpassed 1,500 Daniels Scholar Alumni
- Hosted 281 Daniels Scholar Alumni at a reunion in Denver
- Expanded the Boundless Opportunity Scholarship to support individuals pursuing Early Childhood Education (ECE) certification

Highlights

Ethics Initiative

- Expanded and extended the Ethics Initiative for another five years through 2019
- Completed the fourth annual Daniels Fund Ethics Consortium Case Competition for undergraduate business students
- Hosted the second annual Daniels Fund Ethics Consortium Summit, focusing on “The Future of Ethical Leadership”
- Launched the High School Program, designed to provide an earlier introduction to principle-based ethics
- Launched the Case Bank, an online library of principle-based ethics business cases for use in educational settings

Also worth a mention...

- Held our annual community reception — this year in Santa Fe — hosted by our board of directors
- Completed the multi-year effort to preserve Bill Daniels’ legacy
- Recognized by Volunteers of America with the *Outstanding Foundation* award
- Recognized by United Way of Salt Lake with the *President’s Award for Excellence*



Members of the 2015 Class of Daniels Scholars are honored by community leaders at the New Scholar Celebration, held in Denver in June 2015



Grants

Maximizing impact state-by-state

We continue to evolve the Daniels Fund Grants Program to achieve the greatest impact. With donor intent as our foundation, we pay close attention to unique geographic needs, as well as local and national trends.

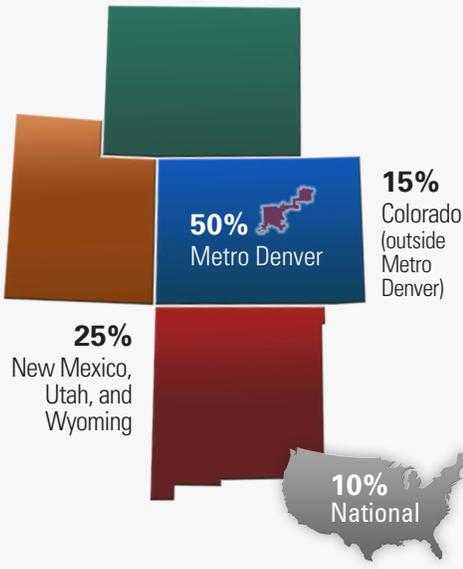
In 2013, we launched a deliberate effort to better understand the challenges and opportunities in Colorado, New Mexico, Utah, and Wyoming. As a result, we began revising our grantmaking strategies

state-by-state to maximize the limited pool of grant funding allocated to each geography.

Within each geography, we strategically invest in portfolios of grants, similar to how an investor manages a portfolio of financial investments. We seek to support a combination of highly effective nonprofit organizations whose work complements each other to achieve overarching objectives in each of our funding areas.

Learn more at DanielsFund.org/Grants

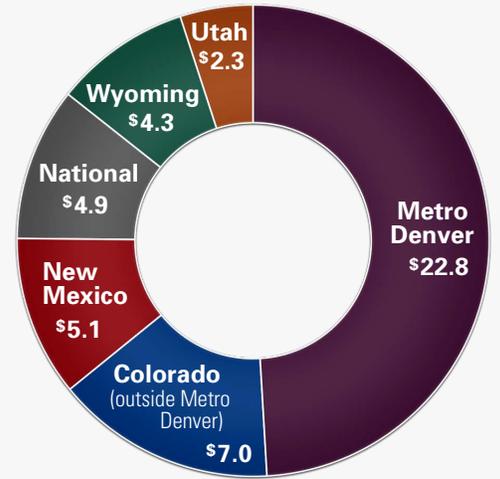
Grant funding allocations by geography



Grant funding areas

- Aging
- Alcoholism & Substance Abuse
- Amateur Sports
- Disabilities
- Early Childhood Education
- Homeless & Disadvantaged
- K-12 Education Reform
- Youth Development

Grants paid in 2015 by geography



(in millions)

State-by-state grantmaking strategies

	2013	2014	2015	2016	2017	2018	2019
			<p>Comprehensive statewide review of New Mexico identified intergenerational poverty as the top community concern.</p> <p>↳ Revised grantmaking to focus primarily on improving education for children and young adults to break the cycle.</p>				
		<p>Comprehensive statewide review of Utah identified unique education needs stemming from the state's diverse immigrant population.</p> <p>↳ Revised grantmaking to focus primarily on two United Way programs that coordinate community support for children and families, from birth to career.</p>					
			<p>Comprehensive review of Metro Denver grantmaking in all funding areas.</p> <p>↳ Fine-tuned strategies and defined more specific objectives.</p>				
				<p>Comprehensive statewide review and community discussions to be completed in Colorado (outside Metro Denver).</p>			
					<p>Comprehensive statewide review and community discussions to be completed in Wyoming.</p>		

Scholarships

Delivering on Bill Daniels' vision

Bill Daniels envisioned helping deserving students become both college graduates and productive members of society. He would be proud of the more than 1,500 Daniels Scholar Alumni making a difference today.

See what they are up to and how they are influencing the world around them:

As professionals



- Daniels Scholar Alumni are employed in, and making their mark on, a vast array of industries
- They are highly sought after by employers for their character, leadership, and service qualities
- They earn approximately 16% more and put twice as much of their income into savings than their college-educated peers

As members of the community



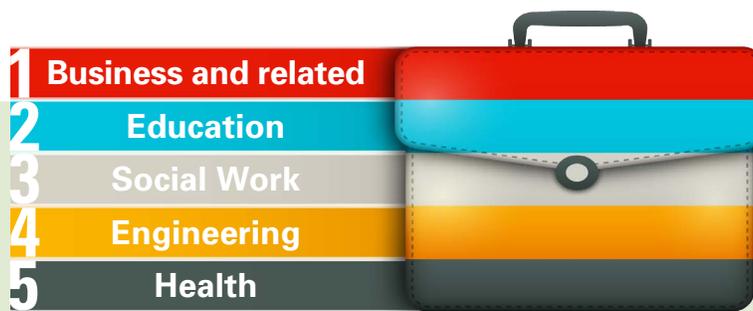
- 70% are registered to vote
- 64% are very engaged in their community
- 32% are interested in running for local elected office
- Daniels Scholars make nearly 75% more charitable contributions than their peers

As leaders



- 83% consider themselves to be a leader
- 54% serve as leaders on work-related committees and activities
- 55% manage other employees
- Daniels Scholars assume volunteer leadership roles 11% more than their peers

Top 5 Daniels Scholar Alumni Careers



Alumni post-graduation results are based on 2013 and 2014 survey data.

Top 5 Alumni Careers are based on data collected during alumni communications.



The 2015 Class of Daniels Scholars

Intentional strategies support progress toward scholarship objectives

We continue to evolve the Daniels Scholarship Program to achieve Bill Daniels' objectives. Our goals are about more than providing financial support to attend college — we are focused on creating productive and contributing citizens.

Progressing toward our graduation goal

Our goal is that 75% of all Daniels Scholars graduate within the four years of funding we provide. We offer tools and support to help them stay on track.

Helping Daniels Scholars graduate debt free

Educational debt often becomes a barrier to graduation, and we strive to help Daniels Scholars graduate without it. Four-year graduation is one way. Another is through partnerships with colleges and universities. After learning that some Daniels Scholars were taking on debt to cover the federally determined family contribution, we formed partnerships with dozens of schools to remove this burden for Daniels Scholars.

Boundless Opportunity Scholarships: 5,000+ non-traditional students creating better lives



The Boundless Opportunity Scholarship first started as a temporary program in 2003. It quickly became permanent after we saw its impact on helping non-traditional students achieve their educational goals and create better lives for themselves and their families. This scholarship remains one of the few funding resources available for non-traditional students.

Since inception:

- \$13.8 million in scholarship grants awarded
- 62 higher education institutions have received grants for scholarships
- 5,128 students awarded scholarships

Learn more at DanielsFund.org/Scholarships

Ethics

Fueling an ethics movement

Ethics and integrity were hallmarks of Bill Daniels' way of living and conducting business.

It is not surprising that when he established the Daniels Fund, he directed support for programs that teach these principles. Yet, 15 years ago when we first started, we received very few requests for ethics funding, despite the clear and urgent need for education in this area. To honor Bill's intent, we created a program from the ground up — the Daniels Fund Ethics Initiative.

What started as a 5-year pilot is now a thriving program that continues to expand and is drawing national attention. An ethics movement is spreading as hundreds of thousands of individuals on university campuses gain relevant experience with principle-based ethics, and those ethical tenets make their way into communities and businesses throughout our four states.

This is exactly the kind of impact Bill wanted to achieve.

Ethics Initiative expansion in 2015:

- Five more years (2015 to 2019).
- Expanded from 8 to 11 schools with the addition of Colorado Mesa University, University of Colorado Denver, and the University of Colorado Law School.
- The new online Case Bank offers an array of ethical business cases for educational purposes.
- The new High School Program seeks to teach ethics to younger students. This 5-year, \$1.5 million project has a potential reach of 250,000 students.
- Our objective remains the same: active engagement of students that reinforces the value of ethical business and personal conduct.

Learn more at DanielsFund.org/Ethics



TOP AND BOTTOM LEFT: 2015 Daniels Fund Ethics Consortium Summit
BOTTOM RIGHT: The winning team from University of New Mexico at the 2015 Daniels Fund Ethics Consortium Case Competition

Bill Daniels' Legacy

Legacy collection completed in 2015

In 2015, we completed a multi-year effort to document and preserve the life and legacy of Bill Daniels. The resulting collection includes a searchable archive containing thousands of Bill Daniels' letters, as well as numerous videos and a book — all of which capture deep knowledge about his intent, values, and principles.

We believe this collection of resources is critical to ensuring our founder's wishes are understood and honored, now and forever.



DANIELS & ASSOCIATES, INC.

2930 EAST THIRD AVENUE
DENVER, COLORADO 80206

Honesty is of utmost importance to any man, and I want to tell you a little story. I moved to Casper, Wyoming in 1952. I had \$2,000 to my name. I opened an insurance agency and struggled for three years working on the insurance company's money, always paying my bills, when one of the insurance companies that I represented went broke. Two weeks after the company took bankruptcy, one of my clients to whom I had sold a liability policy, was sued by the Burlington Railroad for \$12,500, and a judgement entered against my client in the amount of \$11,000. I made a deal with the Burlington Railroad to pay this judgement off at \$500.00 per month, over a 22 month period. I did not have to do this, but I had a strong conviction that I owed this to my insured, who had placed his faith in my handling his insurance business. During this time, the \$500.00 payment was more per month than I was making. I managed, however, through borrowing and juggling of finances to do this.

We digitally catalogued nearly 20,000 letters written by Bill Daniels to help inform Daniels Fund charitable giving.

ABOVE: Bill's words from 1960 show a strong adherence to ethics and integrity early in his business career.

RIGHT: Following a common theme throughout his life, Bill reminded a young person of the importance of education in a letter written two months before his death.

BILL DANIELS

I thank both of you for your nice letter. It's nice to hear from you and my little buddy, Will. At Will's age, he will not absorb the value of a college education, but as he gets older, he will understand how important it is to have young people go to college.

Will, you are my pal. Take advantage of the future out there in front of you. Admission to a good college or university requires good grades. So your old pal, Bill, wants you to know that the better your grades are, the better the university you will enter. One of these days I hope to see you again. Be a good guy and make your family proud.

Board of Directors

A community gathering in Santa Fe



FRONT ROW, LEFT TO RIGHT:

*Tom Marinkovich
Hank Brown
Gayle Greer
Board Chair June Travis
President & CEO Linda Childears
Brian Deevy
Tony Acone*

BACK ROW, LEFT TO RIGHT:

*Francisco Garcia
Jim Griesemer
Jim Nicholson
John Suthers*

In August 2015, the Daniels Fund Board of Directors hosted their annual community reception — this time in Santa Fe, New Mexico. The location rotates among communities within our four states to give board and community members an opportunity to spend time together. Our board members welcomed grantees, community leaders, government officials, and Daniels Scholars to learn more about the region's opportunities and challenges.

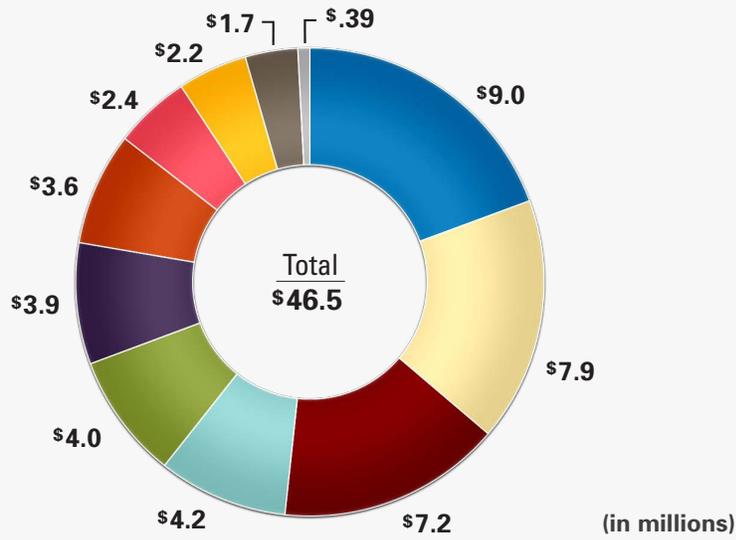
Financial Summary

Our investments in the community

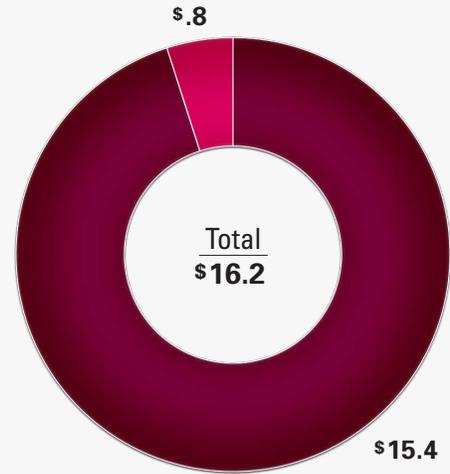
	DECEMBER 31 (UNAUDITED)	
	2015	2014
ASSETS		
Investments, at market value	\$ 1,293,712,207	\$ 1,378,180,506
Property and equipment, net of depreciation	12,956,618	13,302,167
Taxes receivable (payable), net	(419,835)	(390,372)
Other assets	92,461	243,776
Net Assets	<u>\$ 1,306,341,451</u>	<u>\$ 1,391,336,077</u>
REVENUES		
Investment income	\$ 100,660,028	\$ 85,894,363
Realized gains (losses) on sale of investments	38,216,709	3,541,591
Unrealized gains (losses) on investments	(150,958,323)	(13,747,068)
Total Revenues	(12,081,586)	75,688,886
EXPENSES		
Grants paid	46,525,537	47,692,651
Scholarships paid	16,231,603	15,116,289
Administrative expenses	7,525,362	6,641,616
Investment management expenses	970,852	942,007
Excise and income taxes	1,236,177	1,180,521
Depreciation expense	423,509	503,088
Total Expenses	<u>72,913,040</u>	<u>72,076,172</u>
Change in Net Assets	<u>\$ (84,994,626)</u>	<u>\$ 3,612,714</u>

2015

Grants paid
(by funding area)



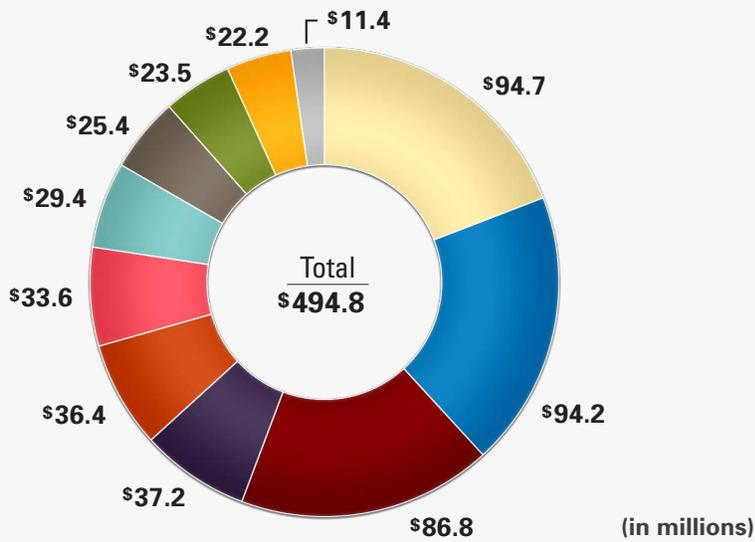
Scholarships paid
(by program)



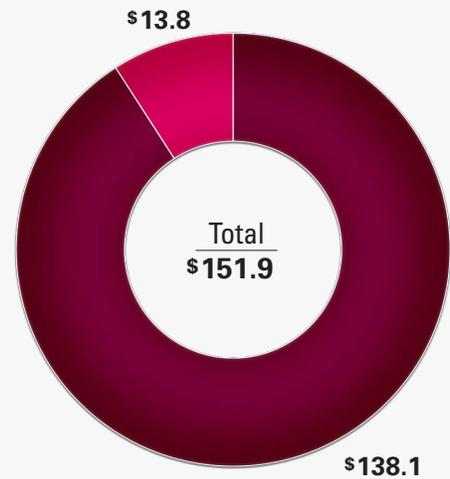
Historical

(2000–2015)

Grants paid
(by funding area)



Scholarships paid
(by program)



- Aging
- Homeless & Disadvantaged
- Alcoholism & Substance Abuse
- K-12 Education Reform
- Amateur Sports
- Youth Development
- Disabilities
- Multiple Funding Areas
- Early Childhood Education
- Support for Young Americans Bank
- Ethics & Integrity in Education

- Daniels Scholarship Program
- Boundless Opportunity Scholarship Program



DANIELS FUND

101 Monroe Street
Denver, Colorado 80206



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