

*Making life better...
one individual at a time.*



DANIELS FUND



2005 in Review



Message from OUR CHAIRMAN

Bill Daniels was a man who cared greatly for his country, his community and the direction of society. His commitment to people, especially young people, is reflected in the foundation that bears his name, the Daniels Fund.

Guided by his vision, the Daniels Fund is transforming thousands of lives through scholarships to deserving students and grants to outstanding nonprofits in Colorado, New Mexico, Utah and Wyoming, as well as national programs. The Fund experienced a number of significant milestones and accomplishments during the year:

- In 2005, the Daniels Fund awarded \$44.4 million in grants and scholarships, and surpassed \$141 million in cumulative giving since Bill passed away in the year 2000.
- In April, Hank Brown was named president of the University of Colorado. Hank joined the Daniels Fund as president and CEO on July 1, 2002. He was an effective leader and guided our grants and scholarship programs through a time of remarkable growth. We are honored that he continues to serve on the board of the Fund.
- In May, the Daniels Fund board unanimously approved Linda Childears as the Fund's new president and CEO. She had been a member of the board since it was created in 2000. She previously served as CEO of the Young Americans Bank from the time it was founded by Bill Daniels in 1987. Her leadership at the Fund would have delighted Bill.
- We welcomed three new board members during the year: Tom Marinkovich, former president and chief operating officer for Daniels & Associates; Steve Schuck, one of Bill's friends and business partners; and June Travis, a leader in the cable television industry who first met Bill in 1969.

The Daniels Fund board is comprised of individuals who knew Bill Daniels, share his values, and are committed to honoring his legacy. We are also proud of our associates at the Daniels Fund who are dedicated to honoring his legacy of "Making Life Better ... One Individual at a Time."

Sincerely,



John V. Saeman
Chairman of the Board



Board of Directors

Back left to right:

Hank Brown

Leo J. Hindery, Jr.

John V. Saeman
Chairman of the Board

Bruce Dines

Tom Marinkovich

Front left to right:

Brian Deevy

Diane Denish

Linda Childears
President and CEO

Jim Nicholson

(not pictured)

Steve Schuck

June Travis

Message from OUR PRESIDENT & CEO

Bill Daniels described America as the “greatest nation on earth, where boundless opportunities still exist for each and every one of us.” He established the Young Americans Bank to teach young people how to handle bank accounts and personal finance through hands-on experience so that they would appreciate and prosper in the free-market system.

It was my distinct pleasure to serve as president and CEO of Young Americans Bank from the time of its grand opening in 1987 until becoming president and CEO of Daniels Fund in July 2005. Bill visited the bank frequently to check on operations and offer suggestions for improving customer service. He was simply a remarkable man, and I miss him every day.

I was honored that Bill asked me to serve on the board of the Daniels Fund. In that capacity, I worked closely with Hank Brown during his years as president and CEO and not only admire him, but also consider him a close friend. Hank was a true and loyal friend to Bill Daniels, and he honored that friendship every day during his years of service to the Fund. The University of Colorado is fortunate to have found such an outstanding leader to serve as president, and I am delighted that Hank continues to serve on our board.

Throughout his life, Bill saw opportunity where others did not. This was as true in his approach to business as it was in his philanthropy. Because each of our board members knew Bill personally, they are dedicated to honoring his vision and are helping guide the Daniels Fund through its formative years.

I have been impressed this past year by the depth of talent and commitment exhibited by the dedicated associates at the Daniels Fund. These fine men and women also strive to ensure that this organization’s mission is fulfilled.

But perhaps most of all, I have been humbled by the triumphs of the more than 800 recipients of the Daniels Scholarship, as well as the dedicated service of the nonprofit organizations receiving grants from the Daniels Fund.

These pages display highlights from 2005 through photographs of the people and communities we serve. They are the shining stars and true heroes of the Daniels Fund. After learning more about them, I think you’ll know why our investment in them is so sound, and why Bill Daniels would be so proud of every single one of them.

Sincerely,



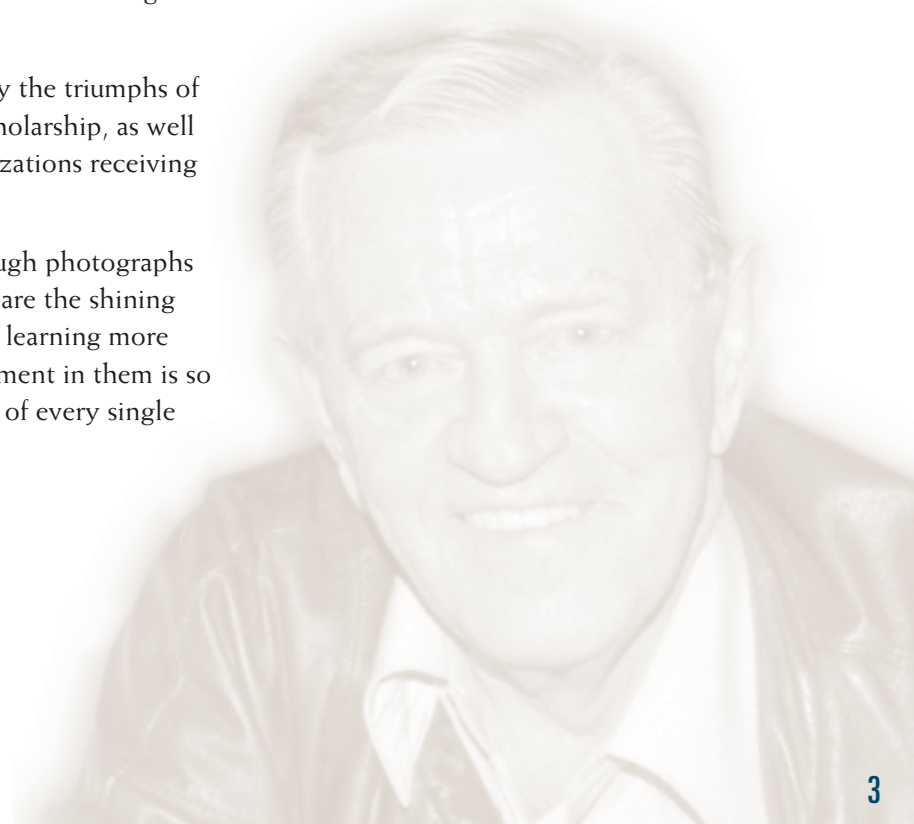
Linda Childears
President and CEO



Linda Childears, president and CEO of the Daniels Fund, with Hank Brown, who served as president and CEO before being named interim president of the University of Colorado. Hank continues to serve as a member of the board of directors of the Daniels Fund.

Table of Contents

Bill Daniels’ Legacy	4
Daniels Fund Grants	6
Daniels Scholarship Program	10
2005 Highlights	12
Headquarters	14
Financial Information	15



BILL DANIELS



To all
who met him,
Bill Daniels
was larger
than life.

He was a patriot, an entrepreneur and a philanthropist who was willing to take tremendous risks in business and people.

Bill loved and respected his parents, Bob and Adele Daniels. He had three siblings: Dorothy, who was developmentally disabled, Bobette, and Jack. His concern for the disabled is traced to his relationship with his sister Dorothy.

When he was nine, the Great Depression hit America and Bill went to work selling newspapers. In 1937, the family moved to Hobbs, New Mexico, where his father ran a statewide insurance business. Both Bill and his brother Jack attended the New Mexico Military Institute in nearby Roswell.



At the Institute, Bill's love for sports led to a connection with coach Babe Godfrey, who helped him channel his youthful aggression. Coach Godfrey taught him self-control, commitment, teamwork, and how to respect others and rely on them to get more done.

After graduation, Bill enrolled in the Navy and was commissioned as a naval aviator shortly after the attack on Pearl Harbor. In World War II, Bill was a decorated aircraft carrier fighter pilot, taking part in the invasion of North Africa, and in the battle for Guadalcanal. After the war, Bill pioneered the cable television industry and eventually operated hundreds of cable TV systems across the country from the Denver headquarters of Daniels & Associates.



Bill loved sports and owned the American Basketball Association's Utah Stars, and the United States Football League's L.A. Express. He was part owner, along with





Jerry Buss and Magic Johnson, of the world-champion L.A. Lakers. He also founded Prime Ticket, one of the first regional sports networks.

Bill loved America, and believed that each of us has a duty to offer help and hope to others. He gave many people second chances in life, but expected them to work hard, act with integrity, and to give back to the community.



Bill recognized the importance of education and with an entrepreneurial style, provided college scholarships to struggling students, at times identifying them through articles in the newspaper. To provide financial education to youth, he founded Young Americans Bank in 1987; and he worked with the University of Denver to incorporate ethics and integrity in the business school, named the Daniels College of Business in 1994.



Bill lived his values by demonstrating a deep personal concern for people in need. He established the Daniels Fund in 1997 to provide college scholarships to deserving students and grants to nonprofit organizations in Colorado, New Mexico, Utah and Wyoming.



Top left: The Sea Air Operations Gallery at the Air and Space Museum at the Smithsonian Institute in Washington, D.C., was dedicated in memory of Bill Daniels in November 2005.

Top Right: Children's Hospital established the Bill Daniels Center for Children's Hearing in July 2005.

Middle Right: Linda Childears discusses the Bill Daniels Distinguished Professorship of Business Ethics with Tom Buchanan, acting president of the University of Wyoming.

Lower Right: Cadets at the New Mexico Military Institute will benefit from programs offered through a grant from Daniels Fund.

Lower Middle: Friends and business associates of Bill Daniels gathered at the Daniels Reunion held at the Daniels Fund in July 2005.



Daniels Fund GRANTS PROGRAM

Bill Daniels was a kind and generous person who had a gift for bringing out the best in people. From corporate executives to those in need, Bill treated all people with the same dignity and respect. He believed that people fortunate enough to succeed in life have a responsibility to help others who may not have had the same advantages.

Bill established the Daniels Fund Grants Program to support nonprofit organizations in Colorado, New Mexico, Utah, and Wyoming, as well as programs with a national impact. And he identified the program areas eligible for grants: Aging, Alcoholism & Substance Abuse, Amateur Sports, Disabilities, Education, Homeless & Disadvantaged, and Youth Development.



Grant Recipients

The Daniels Fund board approved \$44.4 million in grants and scholarships in 2005. A comprehensive listing of 2005 grant recipients is available at www.danielsfund.org.

Colorado

The Children's Hospital in Denver received a grant from the Daniels Fund to establish the Bill Daniels Center for Children's Hearing, through which deaf and hard-of-hearing children in Colorado can receive comprehensive family-centered care.



New Mexico

The New Mexico Military Institute successfully met a multi-year Daniels Fund challenge grant of \$20 million intended to benefit NMMI programs in academics, leadership education and training, and character development. Bill Daniels graduated from the New Mexico Military Institute in 1941 and provided financial support to the institution during his lifetime.

Utah

Some of the deserving nonprofit organizations in Utah receiving funding in 2005 included: Colors of Success, Inc.; Confederated Tribes of the Goshute Reservation; Dixie Care and Share; The Road Home; the Utah State Office of Education Teacher Training Program; Volunteers of America; and many others.



1. CityWILD provides Denver youth opportunities to build leadership skills through outdoor adventures.
2. College of Eastern Utah brings postsecondary education to the Native American population.
3. Family Learning Center provides early childhood education programs to children and families.
4. EyeCare4Kids provided free eye care and vision education to victims of Hurricane Katrina evacuees in Utah.



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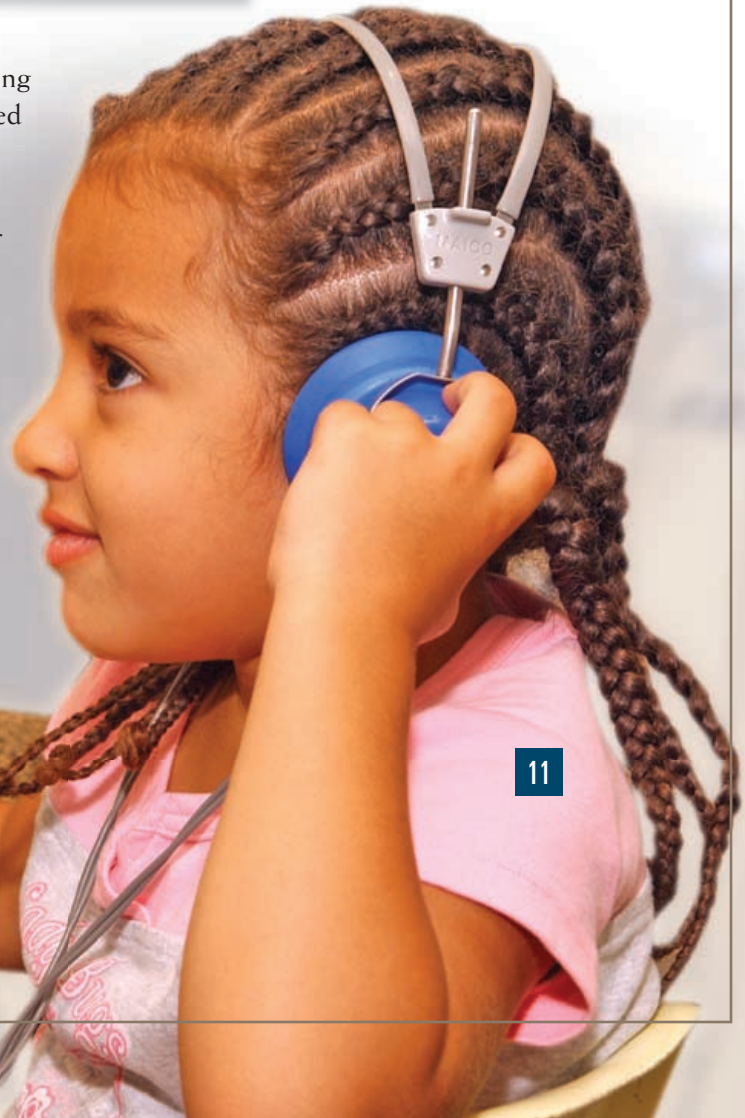
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- 10. Kitchen Angels provides meals to homebound individuals in New Mexico.
- 11. Bill Daniels Center for Children's Hearing at Children's Hospital in Denver provides a variety of services to hearing impaired children and their families.

Wyoming

In July 2005, the Daniels Fund and the University of Wyoming announced the establishment of the Bill Daniels Distinguished Professor of Business Ethics. The program will position the university as a national leader in business ethics through education, partnerships, conferences, and outreach activities.

- 5. Volunteers of America seeks out families and individuals living on the street and provides for their basic needs.
- 6. Gold Crown Foundation technology enrichment program increases technology fluency and critical thinking skills of middle school youth.
- 7. Disabled individuals enjoy outdoor recreation adventures with Common Ground Outdoor Adventures in Utah.
- 8. Blind and visually impaired skiers enjoy a day on the ski slopes in Colorado with Foresight Ski Guides.
- 9. Seniors' Resource Center helps seniors maximize their independence and personal dignity.



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National

The Daniels Fund board approved an emergency grant of \$500,000 to assist with relief efforts following Hurricane Katrina. The grant provided urgent support for those in need following the storm.

Honoring our Founder

The Sea-Air Operations Gallery at the National Air and Space Museum at the Smithsonian Institute in Washington was awarded a \$3 million grant, which resulted in the gallery being named in memory of our founder, Bill Daniels, a decorated fighter pilot who flew in both theaters of World War II. The Gallery, which features numerous educational and interactive exhibits, is one of the most popular venues at the Air and Space Museum.

Young Americans Bank

In 1987, Bill Daniels founded the Young Americans Bank in Denver as the world's only bank designed specifically for young people 21 and under. In the years since, the bank has reached more than 54,400 young people in all 50 states and a dozen foreign countries. In the articles of incorporation of the Daniels Fund, Bill Daniels directed the Fund to provide ongoing support to Young Americans Bank. The nonprofit programs offered through the Young Americans Center for Financial Education are funded solely by community support.

Funding Priorities

Comprehensive information on our Grant Funding Priorities, as well as Review Considerations and the Grant Application Form are available on our website at www.danielsfund.org.



12. Partners in Housing provides transitional housing and services to help families achieve self-sufficiency.
13. Sweetwater County Child Development Center provides early childhood education programs to children and families.
14. Open World Learning offers after-school technology programs to youth in northwest Denver.



Daniels Fund FUNDING AREAS



AGING – Ensuring older adults achieve maximum independence and quality of life. Funding areas include: In-Home Services, Community Engagement, and End of Life/Palliative Care.

ALCOHOLISM & SUBSTANCE ABUSE – Ensuring youth and adults with alcohol and substance abuse challenges achieve stability. Funding areas include: Prevention (emphasis on youth), Treatment, and Supportive/After-Care Services.

AMATEUR SPORTS – Ensuring the opportunity for amateur participation in quality youth sports programs, as well as national and international competition. Funding areas include: Youth Sports, and Competition.

DISABILITIES – Ensuring physically and developmentally disabled individuals and their families achieve maximum independence and quality of life. Funding areas include: Developmental Disabilities, and Physical Disabilities.

EDUCATION –

Early Childhood Education Quality – Impacting the quality of the early childhood education system to ensure quality and school readiness. Funding areas include: Teacher/Leadership Quality, Facility Quality, and Parental Involvement.

K-12 Education Reform – Impacting the quality of K-12 education to ensure increased student achievement. Funding areas include: Reform/School Choice, Parental Involvement, and Teacher/Leadership Quality.

Ethics and Integrity – Impacting the quality of ethics curriculum to foster principle-centered leadership. Funding areas include: K-12 Education, and MBA/Business Programs.

HOMELESS & DISADVANTAGED – Ensuring that homeless individuals and families achieve and maintain self-sufficiency. Funding areas include: Emergency Services, and Transitional Housing with Supportive Services.

YOUTH DEVELOPMENT – Providing the opportunity for youth to develop character and gain the necessary life skills to become successful adults. Funding areas include: Academic & Supplemental Services, Civic Literacy & Community Engagement, Financial Literacy & Entrepreneurship, and Vocational Training



15. Step 13 programs help homeless men struggling with addiction to get on the road to self-sufficiency.

16. Denver Area Boy Scouts help youth grow into mature adults with the help of positive role models.

Daniels Fund SCHOLARSHIP PROGRAM



One of Bill Daniels' top priorities in establishing the Daniels Fund was to provide scholarships to individuals overlooked by other programs, but who have the potential to complete a college education if given a chance and the necessary support.

His goal was not simply to hand out as many scholarships as possible, but to identify and assist dedicated students willing to study hard, act in an ethical manner, and give back to their families and communities.

With more than 800 recipients of the Daniels Scholarship named since the beginning of the program in the year 2000, more than 750 students receiving Daniels Opportunity Scholarships, and four students receiving Daniels Graduate Scholarships, the Daniels Fund is fulfilling Bill Daniels' mission of "Making Life Better ... One Individual at a Time."

Daniels Scholarship

In April 2005, the largest-ever class of Daniels Scholars was announced—220 deserving students from Colorado, New Mexico, Utah and Wyoming.

Community, business and education leaders in each state interviewed candidates to help select the new Daniels Scholars based on such qualities as financial need, academic promise, maturity, leadership and the potential to contribute to their communities.

In June 2005, the new class spent a week together on campus at the University of Colorado at Colorado Springs where they experienced campus life and learned about the responsibilities of being a Daniels Scholar. The "Scholars Heading Into the Future Together" event is designed to help them succeed in college.



Daniels Opportunity Scholarship

Leaders in higher education from across the region gathered in June at the Daniels Fund for the announcement of the Daniels Opportunity Scholarships, a \$1.4 million partnership designed to get scholarship funding into the hands of non-traditional students unable to afford a college education.

Daniels Opportunity Scholarships were distributed to recipient colleges and universities in Colorado, New Mexico, Utah and Wyoming that converted the funding directly into scholarships to support non-traditional students from alternative schools; juvenile justice facilities; youth offender programs; and GED recipients.

Daniels Graduate Scholarship

Three Daniels Graduate Scholarships were awarded in 2005, allowing students to pursue advanced degrees at the University of Denver – Daniels College of Business; the University of Denver – Sturm College of Law; and the Department of History at the University of Northern Colorado.

This scholarship, awarded to graduated Daniels Scholars, covers the cost of tuition and required fees associated with the completion of a masters degree program. Recipients are required to maintain high academic performance, exhibit good conduct, and comply with Daniels Fund requirements.

In 2006, the Daniels Graduate Scholarship program will transition into a Dual-Degree Program designed to allow Daniels Scholars to pursue combined undergraduate and graduate degrees through programs offered at their respective institutions.

For information on the Daniels Fund Scholarship Program, contact the Daniels Fund at 303-393-7220, 1-877-791-4726 (toll free), or visit www.danielsfund.org.



1. Class of 2005 Daniels Scholars from New Mexico
2. Participant at summer program
3. 2005 Daniels Scholars at college orientation
4. New Scholars experience campus life at a summer program at the University of Colorado at Colorado Springs
5. Scholar participates in summer workshop
6. Class of 2005 Daniels Scholars from Wyoming
7. Participants in summer program do community service
8. New Scholars participate in college orientation program
9. Participants in summer program
10. Participants in summer program
11. Participants in summer program
12. Daniels Scholar, Utah

Learn More at:
www.danielsfund.org



2005



January

Daniels Fund announces a projected \$44.4 million in grants and scholarships to be awarded in 2005

March

Daniels Fund distributes \$6.1 million in first quarter grants

Daniels Fund names new board member, Tom Marinkovich

April

Daniels Fund announces 2005 Daniels Scholars, first class in Utah

The Fund's president and CEO, Hank Brown, is named interim president of the University of Colorado effective July 1.

May

Daniels Fund names Linda Childears new president/CEO

June

Daniels Fund Gives \$3 Million to The Children's Hospital of Denver to establish Bill Daniels Center for Children's Hearing

Daniels Fund awards \$1.4 million in scholarships to nontraditional students through Daniels Opportunity Scholarship program

Daniels Fund 2005 HIGHLIGHTS



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- 1-2 Linda Childears and Program Officer Rita McCusker serve at the Father Woody Christmas Party for the Poor.
- 3-4 Mayor John Hickenlooker and former Mayor Wellington Webb were among the leaders at a Daniels Fund community meeting at the Blair Caldwell African American Research Library.
- 5. Announcement of the Daniels Opportunity Scholarships in Wyoming
- 6. The Daniels Fund hosts a community meeting at Centro San Juan Diego in Denver.
- 7. 7News Anchor Anne Trujillo with Daniels Scholars at the community meeting at Centro San Juan Diego.



July

Daniels Fund Gift of \$900,000 launches business ethics program at University of Wyoming

Daniels Fund hosts Daniels Reunion for Bill's friends and former associates

September

Daniels Fund Board approves \$500,000 in Emergency Hurricane Katrina Relief

November

Sea Air Operations Gallery at Smithsonian Honors Naval Aviator and Philanthropist, Bill Daniels

Daniels Fund names two board members, Steve Schuck and June Travis

Daniels Fund supports Father Woody Christmas Party for the Poor

December

Daniels Fund assists in providing "Christmas Cash" assistance to needy families

In 2005, Daniels Fund surpasses \$141 million in cumulative grants and scholarships awarded since the year 2000



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- 8. Daniels Fund associates collected thousands of canned food items for 9Cares/Colorado Shares.
- 9. Daniels Fund provides thousands of holiday turkeys for needy families at the Denver Rescue Mission.
- 10. Denver Police Chief Gerald Whitman and Hank Brown present Akio Clark with a Bill Daniels Neighborhood Hero Award.
- 11. Gov. Bill Owens joins Carrie Besnette, Linda Childears, and John Saeman at the Daniels Reunion.
- 12. Noted Jazz Singer Hazel Miller, center right, who once worked for Bill Daniels, joins friends of Bill at the Daniels Reunion.
- 13. Linda Childears, Program Officer Doug Elliott, and Executive Vice President Jeb Dickey with children and families at the Presbyterian Ear Institute in Albuquerque.
- 14. Former and current Daniels & Associates at the Daniels Reunion.



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Visit the DANIELS FUND HEADQUARTERS

Bill Daniels loved Denver and for more than 30 years he maintained his principle residence and corporate offices within a mile of the site he later selected for the Daniels Fund.

In 2005, some 8,755 people from 167 different groups utilized the meeting space at the Daniels Fund, which is available free-of-charge to nonprofit organizations. The meeting space provides a welcoming and productive environment for charitable organizations benefiting the people of Colorado, New Mexico, Utah or Wyoming.

In 2005, the Daniels Fund was recognized with an Award for Excellence for being a good neighbor to the surrounding neighborhood by maintaining beautiful landscaping and other features of the building.

As an additional convenience for visitors, a new parking lot was dedicated in 2005 at First Avenue and Madison Street, just west of the building. Parking is also available in the underground garage by prior arrangement.

The Daniels Fund is located at 101 Monroe Street in Denver. For more information or to schedule a meeting, please call 303-393-7220 or 1-877-791-4726 (toll free) or visit www.danielsfund.org.



The Daniels Fund would like to thank The Cable Center, Daniels Fund Grantees, James Baca, and Bob Linn for photography.

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Learn More at:
www.danielsfund.org

2005 FINANCIAL INFORMATION

Bill Daniels defined his philanthropic goals for the Daniels Fund in precise terms through its articles of incorporation and bylaws. When he passed away in the year 2000, the bulk of his estate transferred to the Daniels Fund, making it the largest foundation in the Rocky Mountain Region.

Daniels Fund Scholarship Program

Bill stipulated that 30 percent of the Fund's annual distributions be allocated for the Daniels Fund Scholarship Program. He directed that the funding be used for scholarships and other financial assistance to students from the Fund's four-state region in the following approximate percentages: 75% in Colorado; 10% in New Mexico; 10% in Wyoming; and 5% in Utah.

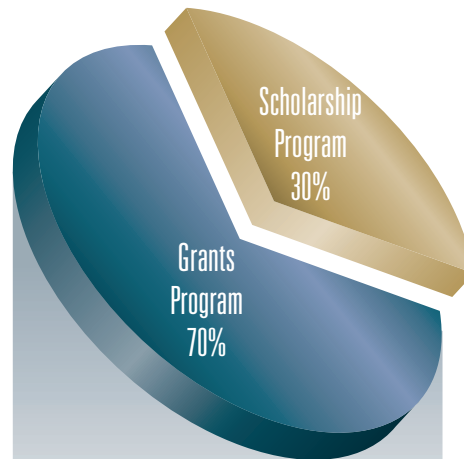
Daniels Fund Grants Program

Bill directed that 70 percent of the Fund's annual distributions be directed to the Daniels Fund Grants Program according to the following allocations: Metro Denver 50%; Colorado 15%; New Mexico 10%; Utah 5%; Wyoming 10%; and National Grants 10%.

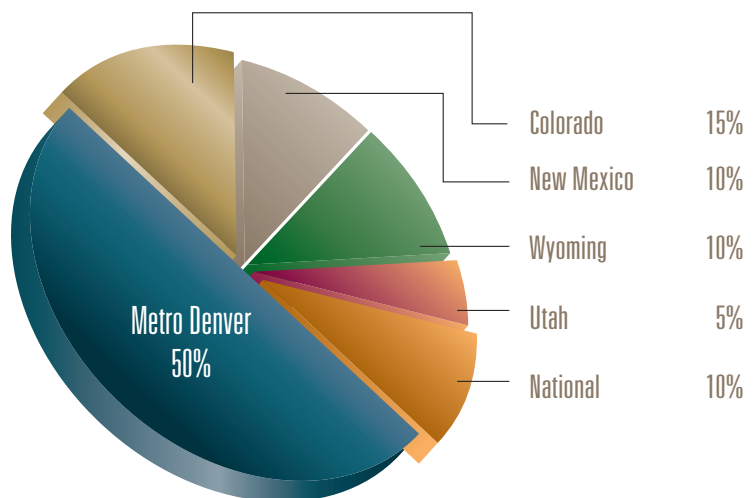
2005 Daniels Fund Financial Statements

The 2005 Form 990PF and listing of grants are available on the Daniels Fund website at www.danielsfund.org/publications

Grants Program /Scholarship Program Comparison



Allocations by State Percentage



Learn More at:
www.danielsfund.org



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