



The passion
to improve lives

The power
of antipoverty resources

The benefits
of a stable community

Denver Asset Building Coalition

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2009 Annual Report

Table of Contents

A Message from the Board of Directors	3
DABC Mission	4
DABC History	4
Lifting households out of poverty	5
Free Tax Preparation	5
Banking Services	5
Savings Bonds	5
Collaborating for success	6
Financial Education Programs	6
Advocacy	6
Reinvesting in the community	7
DABC Low Income Taxpayer Clinic	7
Community Outreach	7
Brendan Grainger Memorial Fund	7
Financial Statement Information	7
DABC Board of Directors	8
Board of Director Meetings	10
DABC Annual Meeting	10



A Message from the Board of Directors

DABC was created to help others become financially self-sufficient. Our free tax sites were productive last year returning over \$5.7 million back to the community including saving taxpayers \$790,400 in tax prep fees by having their taxes prepared for free. This major achievement was only part of our achievements in 2009. Our education programs were increased to help clients understand the rights, responsibilities, and opportunities they have with proper planning and tax return filing. Our Low Income Taxpayer Clinic (LITC) took major steps towards full implementation anticipated during 2010, and provided valuable advice to clients for whom English is a second language.

Our strength is in our volunteers. From our Board of Directors, to the nearly 200 who teach public classes, prepare tax returns, or train others like themselves, our volunteers are the reason the DABC has been successful for so long. While it will continue to be a major factor in our achievements, in 2009 we began to expand our organization and now have 2 full-time employees. Our Executive Director, a formerly part-time position, and Tax Site Operations Manager, new in 2009, are a solid team which will permit our volunteer board to focus on expanded planning and oversight of the organization.

In 2010 we anticipate further expansion. Our LITC program will require specialized volunteers to screen and advise clients on issues with the Internal Revenue Service. Our public education classes will become more frequent to better meet demand, and our tax site program will be expanded to meet more complex tax return needs of the community. The organization will have significant work to complete these tasks and will be relying on our volunteers and donors more than ever.

DABC is only able to support the community in this important way through the generous support of foundations, volunteers, donors, and businesses. We sincerely thank all of these organizations and individuals for their backing as we continue to look forward to another year in our mission to help hard-working families achieve economic success.

Sincerely,



Brian Cotter, President
DABC Board of Directors



DABC Mission

To provide free tax preparation, financial education, and financial services through accessible sites in Denver to help the underserved build for the future and become economically stable.

DABC History

Denver Asset Building Coalition was formed in 2003 to provide free tax preparation and financial education to the low-income community in Denver. Our founders were IRS employees and members of local non-profit organizations who saw a need to enhance the quality and effectiveness of Volunteer Income Tax Assistance (VITA) sites in our city. We began in 2004 managing 14 sites that created an average of 300 returns each. In 2005, we consolidated to 12 sites that created an average of 350 returns each.

We found that our consolidation efforts were particularly effective at increasing the efficiency of our volunteers and the quality of returns prepared at the larger VITA sites. Within these sites, volunteer satisfaction and retention grew. In 2006, DABC further consolidated efforts into 4 sites, the largest of which prepared over 90% of the 1,673 returns prepared that year. Feeling confident in the efficiency and effectiveness of our “Free Tax SuperSite” model, DABC continued to invest in locations where we could leverage the volunteer base most effectively.

In 2007, a strategic planning process resulted in developing education programs and enhanced community outreach and advocacy efforts and the number of returns prepared increased by 63% over the previous year to 2,725. 2009 brought further execution of the strategic plan, preparation of 3,952 tax returns and, hiring of an Executive Director and a Tax Site Operations Manager, developing our Low income Taxpayer Clinic and increased delivery of our education programs.



Lifting

households out of poverty

Free Tax Preparation

DABC uses a network of friendly, accessible sites, committed volunteers and collaborative partners to remove the anxiety of taxes and assist underserved taxpayers. For many, the federal tax refund is the single largest payment received each year. DABC offers free federal and Colorado income tax filing to ensure the underserved population gains all of the refunds and credits to which they are entitled. Yet an estimated 15 percent of eligible taxpayers don't file returns to obtain credits for which they are eligible, like the Earned Income Tax Credit (EITC). A third of the total refund amount we access for clients comes from the EITC. In addition, DABC helps low-income families avoid expensive tax preparation services, refund anticipation loans, and other predatory practices that take away from the value of the EITC and the ability to save. Offering US Savings Bonds and free checking accounts as alternatives at our sites enables clients to responsibly save for their future.

In 2009, DABC prepared 3,952 federal tax returns which represented a 14% increase over 2008. The following summary of statistics represents the impact of our efforts in this area:

- Total Value of Services Provided: \$5,752,144
- Total Returns Prepared (2005-2008): 3,952
- Total Federal Refunds Issued (2005-2008): \$4,692,117



- Total Federal EITC Issued (2004-2007): \$1,846,803
- Total Tax Preparation Fees Saved (2004-2007): \$790,400 (Based on \$200 per return)
- Average Adjusted Gross Income of Customer (all sites): \$19,637

Banking Services

DABC joins with local banks to offer taxpayers immediate enrollment in free checking accounts allowing un-banked taxpayers to obtain the expedited refund delivery that can only come with direct deposit of tax refunds. The program prevents taxpayers from succumbing to refund anticipation loans as it allows refund delivery in 7-10 days instead of weeks for mailed refund delivery. In 2009 DABC had three sites, one at a Wells Fargo bank branch where clients could easily open accounts. US Bank, a long time partner, sent bankers to help clients at our other 2 sites.

In 2009, US Bank opened 157 bank accounts for taxpayers, a 29% increase over 2008. Wells Fargo Bank opened 30 new accounts for clients.

Savings Bonds

For the fifth consecutive year, DABC has joined D2D Fund (www.d2dfund.org) in offering enhanced savings options for taxpayers. What started as splitting refunds into separate bank accounts to encourage savings has moved into splitting the refunds into a bank account and direct conversion to Series I U.S. Savings Bonds. These savings bonds are purchased commission-free with and then mailed directly to the taxpayer from the U.S. Department of Treasury. Saving is essential for our clients with the least resources – it can prevent foreclosure during a period of unemployment or plug the gaps in a college financial aid package.

This program has generated tax-time savings results that convinced the US Department of Treasury to allow taxpayers to purchase US Savings Bonds directly from the tax return beginning in 2010, making responsible, cost-free saving even easier. In 2009, DABC help taxpayers purchase 93 Savings Bonds, a nearly 50% increase over 2008. Nationally, the savings bond pilot program has allowed nearly 5,000 taxpayers with an average income of under \$20,000 to save over \$800,000 directly to U.S. Savings Bonds.

Collaborating for success

Financial Education Programs

DABC continued to expand the presentation of its financial education programs in 2009. The “Tax Dollars & Sense for the Individual Taxpayer” curriculum is designed to increase the tax literacy of low-income taxpayers helping them avoid tax scams and be aware of tax credits. In addition, “Tax Dollars & Sense for the Self-Employed Taxpayer” helps small business owners understand proper record keeping and deductions so their business is prepared for tax preparation.

DABC partnered with various Community Based Organizations to provide the training to their constituency as well as hosting classes at our facility. In 2009, DABC conducted ten training classes to 123 individuals through these organizations:

- Bayaud Enterprises
- City of Denver Human Services
- City of Denver Workforce Development
- Dress for Success
- Emily Griffith Opportunity School ESL and Refugee Program
- Hope Communities
- King Trimble Economic Prosperity Center
- Warren Village



Advocacy

DABC is the Colorado Advocate for the National Community Tax Coalition (NCTC), a coalition of community-based organizations serving low-income taxpayers. As the Colorado Advocate, DABC has worked with the NCTC to try to pass legislation increasing the viability of free tax preparation clinics and VITA sites, and to advocate on behalf of low-income taxpayers at the federal level.

DABC also performs advocacy work on behalf of the Savings Bond Working Group (SBWG). The SBWG is a coalition of national and local organizations who share a belief that U.S. Savings Bonds have a unique and profound role to play in helping working Americans save for their own futures, and that of their children. The Group’s primary goal was to return savings bonds to their place in the federal tax filing process, so that tax filers expecting a refund need only check a handful of boxes

in order to purchase savings bond with their tax refund. In 2009, the SBWG succeeded in their primary goal when President Obama announced in his radio address on September 5 “...We’ll make it easier for people to save their federal tax refunds, which 100 million families receive...You’ll be able to check a box on your tax return to receive your refund as a savings bond.”

In addition, DABC is working locally with other Colorado coalitions and lobbying organizations to advocate for a permanent Colorado EITC. With the suspension of state TABOR refunds until 2010 after the passage of Referenda C and D in 2006, the Colorado EITC was also suspended. DABC and other organizations are hopeful to restore the State Earned Income Tax Credit to #1 TABOR Refund Mechanism which will allow payment of a State EITC when State revenues increase in future years.

Reinvesting in the community



DABC Low Income Taxpayer Clinic

In 2009, planning and implementation of the DABC Low Income Taxpayer Clinic (LITC) continued. The LITC works to educate U.S. residents whose primary language is not English about taxpayer rights and responsibilities, and works with low-income taxpayers to resolve issues with the IRS that are more involved than simply filing a tax return. The clinic is a logical extension of our tax preparation services and requires the recruitment of a pro bono referral panel from qualified tax and legal professionals to handle these more complex tax-related issues.

Community Outreach

In an effort to increase our profile and leadership in economic self-sufficiency in the tax sphere, DABC expanded programs in 2009 to reach out to the community and partner with other organizations. DABC conducted outreach events with the following organizations:

- Bank on Denver
- Denver Community Credit Union
- Dress for Success
- Emily Griffith Opportunity School ESL and Refugee Program
- Making Connections Denver

- Mi Casa Resource Center
- Mile High United Way
- Rocky Mountain MicroFinance Institute
- U.S. Immigration and Customs Enforcement

Brendan Grainger Memorial Fund

During 2009 one of the DABC's strongest and most dedicated volunteers, Brendan Grainger, passed away. In his memory numerous individuals and organizations donated thousands of dollars to help further his memory. The DABC Board of Directors announced that donations made in his memory would be used to develop and implement a program Brendan was eager to see developed. During 2010 the DABC anticipates the implementation of our Complex Tax Return program where volunteers will be trained to prepare more complex tax returns for clients who suffered foreclosure or bankruptcy or who own a small business.

Brendan's life was one of service and DABC was honored to have him as part of our team. It is our hope that we can further his passion even in his absence.

Financial Statement Information

DABC relies on public funding, foundation grants, private donations and community partners for donation of dollars, space, supplies, and equipment to provide our services to the public. In 2009, DABC received \$167,953 in income and spent \$165,579. The following individuals and organizations were responsible for our financial sustainability in 2009:

- Denver Office of Economic Development
- Doorways to Dreams Fund
- Employees contributing to the Combined Federal Campaign
- First Western Trust Bank
- IRS Stakeholder Partnerships, Education and Communication
- IRS Taxpayer Advocate Service
- Making Connections - Denver
- Members of the DABC Board of Directors
- Other individual contributors
- Rose Community Foundation
- US Bank

DABC financial statements for January 1, 2009 through December 31, 2009 are available upon request

DABC Board of Directors

DABC Board of Directors was established in October, 2004. All members must serve a two year term as indicated by the bylaws of the Denver Asset Building Coalition.

Brian Cotter, President

Inspired by the thought of a career in public service, Brian joined the Denver Cadet program, and attended the University of Colorado at Denver. He began volunteering with the IRS VITA program in 1996 as part of his pursuit of bachelors and masters degrees in Accounting.

After the Cadet program, Brian was hired as a police officer with the City and County of Denver where he spent his first 5 years in Northeast Denver, including the Park Hill, Globeville, Whittier and Swansea neighborhoods. Much of his time was spent as a patrol officer responding to calls for service, but he also spent several years as a neighborhood police officer responding to long term community crime issues. Here he had the professional opportunity to work with citizens on an ongoing basis, an expansion of his community experience as a volunteer. In June 2004, Brian was promoted to Detective assigned to the Child Abuse Unit. In 2006, when the opportunity to join the DABC arrived, he was eager to participate. He has been a part of the board for over 4 years, and has already found the experience to be rewarding as the organization expands.

Michael Barber, Vice-President

Mike Barber is a Revenue Agent for the IRS in the Large & Mid-Size Business division, doing examinations of subchapter C Corporations and S

Corporations. Prior to working for the IRS, Mike spent a year and a half working in public accounting, preparing taxes for individuals and small businesses. Before transitioning to accounting, Mike spent several years in corporate marketing and sales, including stints at Ford Motor Company and Qwest.

Aside from vocational pursuits, Mike enjoys traveling, particularly to Mexico and Central America. He is involved with DABC for the second year and likes the outreach aspects of DABC's mission through giving classes. Prior volunteer experience for Mike includes serving as a tutor in ESL for refugees and other students at the Emily Griffith Opportunity School in Denver and teaching a conversational English class at the Universidad de Guanajuato in Guanajuato, GTO, Mexico. Mike has a bachelor's with concentrations in Political Science & History along with a Masters in Business Administration (MBA) & a Masters of Science in Accounting from the University of New Mexico in Albuquerque.

Penny May, Secretary

Penny May is the Director of the Dept. of Excise and Licenses in Denver. She previously served as a Mayoral appointee working on policy and special projects as well as working on City Council issues as the Deputy City Council Liaison. Prior to her appointment, she served as an analyst specialist for Denver Councilman At-Large Doug Linkhart, organizing and coordinating community forums, overseeing the Councilman's office functions, and researching issues. For the six years prior, she served as office manager and assistant director of marketing for Denver-based Empire Construction Services, Inc. No stranger to Denver City government, Penny has also held the previous positions of assistant director for Denver's Office of Telecommunications (1996-7), where she monitored enforcement

and compliance of the City's cable television franchise; City Council legislative analyst (1992-96), analyzing issues, drafting legislation and staffing Council committees, and administrative positions in the Budget and Management Office and for the Manger of Public Works (1990-92). In addition to a diploma from the Dallas Institute of Mortuary Science, Penny May holds a B.A. degree from the University of Colorado, Denver and an MBA from the University of Denver. Penny has been a volunteer with DABC for three years and joined the Board of Directors in 2006. She enjoys travel, painting and spending time with family.

William Vaughn, Treasurer

William Vaughn joined the DABC in 2008 after many years of volunteering with the DABC and other VITA sites. As a Revenue Agent with the IRS, William has a strong background in tax matters and IRS procedure. He holds a masters degree in taxation and recently completed his J.D.

Elli Behr, Member at Large

Elli is an associate at the Integer Group where she supports marketing campaign production for a variety of clients. Elli previously worked at Micro Business Development as a Program Director and was responsible for fundraising, outreach, program development, training, technical assistance, and referrals for the organization. She began her service with MBD in November 2003 as an Americorps VISTA Volunteer. Elli graduated from Gonzaga University in Spokane, Washington

Benjamin Hodges, Member at Large

Benjamin Hodges, Senior Web Analyst for the Tax Exempt and Government Entities Communi-

cations Office, has worked for the Internal Revenue Service for nineteen years. He started with the Customer Service Division as a Customer Service Representative at the toll-free number. After five years, he transferred to the Examination Division as a Compliance Officer, investigating money laundering and conducting fraud intervention. He has more recently worked with the Taxpayer Education programs of the IRS as the Earned Income Tax Credit Coordinator and Taxpayer Education Coordinator for the Rocky Mountain District. His current activities include maintaining all content for TE/GE on the IRS.gov website. Ben's personal activities include founding the Denver Asset Building Coalition (DABC), a local nonprofit that assists low-income families with tax education and related services. In his spare time he enjoys traveling the world, spending time with his family and friends, and attending and supporting cultural events.

Kathleen Sgamma, Member at Large

Kathleen joined the Independent Petroleum Association of Mountain States (IPAMS) in March 2006 and is currently Director of Government of Affairs. She handles public lands, regulatory, and environmental issues in the producing states of the Intermountain West. After serving as a Military Intelligence Officer in the US Army, she worked in Information Technology for eleven years, primarily in project management, systems analysis, and database design and development. She established a joint venture in Germany and the Consulting Practice for a UK subsidiary while working for a Silicon Valley start-up software company. Ms. Sgamma has extensive experience analyzing government processes and designing more efficient methods and technical systems for various government agencies.

She earned a Masters of Information Systems from Virginia Tech and a B.S. in Political Science from the Massachusetts Institute of Technology (MIT).

Alison Mickelson, Member at Large

Ali Mickelson is a Tax Policy Analyst with the Colorado Fiscal Policy Institute, a project of the Colorado Center on Law and Policy. She came to her current position after working primarily in corporate tax consulting. She has a J.D. from the University of Denver College of Law and an LL.M. in Taxation from the University of Denver Graduate Tax Program. Ali has been involved in a variety of initiatives to assist low-income taxpayers, including leadership in the Volunteer Income Tax Assistance (VITA) program and participation in the Low-Income Taxpayer Clinic at the University of Denver. Ali joined the board of the DABC because she has a passion for service and desire to promote permanent self-sufficiency and economic prosperity for all Colorado families.

Angela Schmitz, Member at Large

Angela Schmitz joined the board in 2010 and is an attorney interested in increasing the number of attorney volunteers involved with VITA and other low-income taxpayer programs. Angela has experience working with government entities in several western states, including service as a legislative aide for the Alaska State Legislature, a judicial clerk for the Oregon Court of Appeals, and a hearings officer for an Oregon county. While taking time off from the practice of law to start a family, Angela volunteered with a VITA program for two tax seasons and became excited about the possibilities for increasing attorney involvement. Angela has a long history of non-profit service including work with

several legal services programs in Oregon. Most recently she founded a non-profit coop to provide indoor play space for preschoolers. Angela earned her B.A. in Sociology from Wesleyan University and her J.D. from the University of Oregon School of Law.

Lindsay Wilder, Member at Large

Lindsay Wilder was born and raised in South Florida. After high school, she attended Florida State University and graduated with her Bachelors in Marketing. Lindsay moved to Colorado two years ago in 2008. She is currently a Banking Officer for FirstBank of Lakewood where she is responsible for managing the operations of the branch, underwriting and originating consumer and commercial loans, and building and maintaining customer relationships. Prior to working for FirstBank, she worked for Strategic Financial Partners in Denver, and for Wachovia Bank in Florida. In her free time, Lindsay enjoys traveling, skiing, and spending time with friends and family.

Ron Jackson, Member at Large

Ron is an international business lawyer who worked in a number of global corporations as General Counsel. In his last 3 companies he was also a member of their Executive Management Boards. He was called to the English Bar in 1976. Most recently he has been a volunteer at JeffCo Child Support Enforcement and he is currently a volunteer mediator with JeffCo Mediation Services. Ron was born and educated in the UK and earned a law degree from the University of London. He has lived and worked in Colorado for the past 12 years and enjoys fishing and skiing.

John Conley, Advisory Member (Ex-officio)

John D. Conley is the Deputy Chief Information Officer for the Governor's Office of Information Technology. He started volunteering for DABC in 2006 as a site coordinator and joined the board after a season of preparing taxes. John served as the Board's Secretary before becoming an advisory member. John enjoys working with the clients and helping ensure their taxes are prepared correctly and quickly. John earned a Master's of Public Policy from Denver University and a B.A. of Sociology from the University of Nebraska-Lincoln. In his free time he likes to back country hike, spend time with his family, play softball, and watch NCAA football.

John Russell, Advisory Member (Ex-officio) & Executive Director

John Russell, MBA began his career in marketing and then developed and managed a department for a pre-IPO technology company, managing a team of 12. Following that he was General Manager of a small, private telecommunications company and managed a team of 60 sales professionals. Interested in entrepreneurial ventures, John pursued his Masters in Business Administration from the University of Colorado at Denver's Bard Center for Entrepreneurship. Upon completion of that program and receipt of a merit scholarship, John started a successful retail eBay trading post – a chain of stores in the service business of selling on eBay in the Denver metro area. He grew that business to 6 retail locations over the course of 3 years. While operating that business John had primary responsibility for the day-to-day operations. John sold that business four years ago and it continues to thrive

today. John has been instrumental in developing and evaluating programs for DABC. John has been a volunteer with the DABC since its inception and served for two years as treasurer on the board of directors and in 2009 took on the role of Executive Director. John has an MBA from the University of Colorado at Denver's 11 Month MBA Program and a BA in French from McDaniel College with minors in Spanish and Political Science.

Mark Phillips, Advisory Member (Ex-officio)

Mark Phillips is Treasury Services Officer for Bankers Trust in Des Moines, Iowa. Prior to joining Bankers Trust, Mark was a Private Banker with First Western Trust Bank and a customer service manager with US Bank, assisting with and directing customer relations and working to ensure the very best customer service by the bank. He was also president of the Denver Metro Employee Development Network for the bank and Treasury Management Implementation coordinator, providing an important communication link on behalf of bank clients. Mr. Phillips earned his B.A. from Central College in Iowa, and his A.A. from Ellsworth Community College, also in Iowa. He was student body president at both schools. Mr. Phillips is actively involved in his church.

Jonathan Harrington, Advisory Member (Ex-officio)

Jonathan Harrington joined the DABC Board of Directors in 2006 because of his years of experience volunteering at free tax sites in Boston, and his belief in the mission of DABC. Jon is currently a financial planner serving military clients in New

England and is a member of the Financial Planning Association. Jon earned his Master's of Science in financial planning and a Master's of Science in taxation both from the Elkin B. McCallum Graduate School of Business at Bentley College. He earned his Bachelor's of Science in Economics and Finance from Bentley College. In his free time Jon religiously follows the Boston Red Sox.

Board of Director Meetings

The DABC Board of Directors meets monthly on the second Tuesday of every month with the exception of October (due to the annual meeting). Meetings are open to current DABC Board Members, Officers and by invitation only. All meetings take place at the DABC business office unless otherwise announced.

DABC Annual Meeting

The DABC annual meeting is open to the general public at a location to be announced annually. The meeting takes place each year during the month of October.