



The passion
to improve lives

The power
of antipoverty resources

The benefits
of a stable community

Juan and Maria learn about their tax return from a DABC volunteer.

Denver Asset Building Coalition

**DA
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2011 Annual Report

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Volunteer Jill Moya discussing a tax return with Site Coordinator Al Habercorn.

Pictures courtesy of Ashley Black Photography.
www.ashleyblackphotography.com



A Message from the Board of Directors

Denver Asset Building Coalition (DABC) was created to help others become financially self-sufficient. Our free tax preparation sites were productive last year returning nearly \$4.4 million to the community including saving taxpayers \$573,000 in tax prep fees by having their taxes prepared for free. This major achievement was only part of our accomplishments in 2011. Our partnership in the collaborative Economic Prosperity Center helped expand the reach and frequency of our programs. Our education programs were enhanced to help clients understand the rights, responsibilities, and opportunities they have with proper planning and tax return filing. Our outreach to underserved communities continued to expand providing advice to small business owners and 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 for DABC's continued success. We continued to invest in volunteer recruitment and retention in 2011 to ensure volunteer success while enhancing the volunteer experience. In addition to our 3 staff members; our Executive Director, our Volunteer & Intake Coordinator and our Seasonal Tax Site Operations Coordinator, we hired a seasonal Asset Building Coach. Together, this team worked to deliver valuable services to nearly 3,000 working families and individuals. Our dedicated volunteer board of directors continues to focus on expanded planning and oversight of the organization.



DABC Volunteers recognized by the Board of Directors for their achievements following the tax season.

Continued work to expand capacity in all of our programs will be a strong focus of the Board going forward. Ensuring the staff can meet the demands and leveraging the impact of volunteers will be our primary means to meet this challenge.

DABC is only able to support the community in this important way through the generous support of individual donors, foundations, volunteers, and businesses. We sincerely thank all of these individuals and organizations for their backing as we continue to look forward to another year striving to achieve 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 (DABC) was formed in 2003 with the mission of providing 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. The founders of DABC included IRS employees, members of local non-profit organizations and community members. These founding members identified a need to ensure low-income tax filers received accurate, efficient and affordable (free) tax preparation services ensuring they receive all tax benefits for which they are eligible.

In 2004, DABC managed 14 sites that generated an average of 300 returns each. In subsequent years, DABC engaged in a consolidation process to effectively leverage volunteers and better manage the quality and efficiency of tax return preparation at growing VITA sites. In 2006, DABC consolidated into 4 sites, with a flagship site at the King Trimble Center in Curtis Park that prepared 91% of the 1,673 returns that year. With its “Free Tax SuperSite” model DABC continues expand capacity at its sites. In 2011, there were 2 locations - one at the Economic Prosperity Center (EPC) at King Trimble and the other in Arapahoe County at the Wells Fargo main branch in Aurora. The consolidation and success of the tax sites has allowed DABC to implement other asset development programs including self-employed taxpayer training and tax preparation, basic taxpayer awareness education, savings bond purchase with tax refunds and assisting to bank the unbanked.

In 2011, we continued to execute our strategic plan focused on expansion and availability of services. We increased our investment in asset building encouraging more clients to receive a portion of their refund as U.S. Savings Bonds. We successfully recruited an Americorps NCCC team for the 2012 tax season that will expand our hours of operation and capacity. Our investments in building capacity resulted in increased volunteer satisfaction, a better taxpayer experience and higher quality service that sets the stage for growth as we move forward.



Mike Garvey discusses asset building opportunities including Savings Bonds and Individual Development Accounts with waiting taxpayers.

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 20 percent of eligible taxpayers don't file returns properly to obtain credits for which they are eligible, like the Earned Income Tax Credit (EITC). Over 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, and other predatory practices that take away from the value of the EITC and the ability to save. Offering U.S. Savings Bonds and free checking accounts as alternatives at our sites enables clients to responsibly save for their future.

In 2011, DABC prepared 2,863 tax returns. The following summary of statistics represents the impact of our efforts in this area:

- Total Value of Services Provided: \$4,340,254
- Total Federal Refunds Issued: \$3,403,348
- Total State Refunds Issued: \$364,306
- Total Federal EITC Issued: \$1,360,362
- Total Tax Preparation Fees Saved: \$573,000



DABC clients Mary Ann Casados and Robert Medina get excited about U.S. Savings Bonds.

Banking Services

DABC joins with local banks to offer taxpayers immediate enrollment in 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 several days instead of weeks for mailed refund delivery. In 2011 DABC had two 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 EPC site.

In 2011, US Bank opened 47 bank accounts for taxpayers. Wells Fargo Bank opened 26 new accounts for clients.

Savings Bonds

For the seventh 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. The savings bonds carry no fees and are 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 fill the gap in a college financial aid package.

This program has generated tax-time savings results that convinced the US Department of Treasury to develop US Savings Bonds purchase directly from the tax form since 2010, making responsible, cost-effective saving even easier. In 2011, DABC enabled 46 taxpayers to receive \$15,600 of their refund in U.S. Savings Bonds. Nationally, the tax time savings bond program allowed tens of thousands of low and moderate income taxpayers to save millions of refund dollars directly to U.S. Savings Bonds.

Collaborating for success

Financial Education Programs

DABC continued to expand the presentation of its financial education programs in 2011. The *Tax Dollars & Sense for the Individual Taxpayer* workshop 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 2011, DABC conducted fourteen workshops educating hundreds of individuals with these organizations:

- City of Denver Workforce Development
- Denver Housing Authority
- Dress for Success
- Economic Prosperity Center at King Trimble
- Warren Village



DABC client Saige Sanchez awaits her tax refund amount.

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 returned savings bonds to their place in the federal tax filing process, allowing refund recipients to receive a portion of their refund – up to \$5,000 – in the form of Savings Bonds.

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 after the passage of Referenda C and D in 2006, the Colorado EITC was also suspended. DABC and other organizations successfully restored 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



Sisters Elizabeth (3) and Jasmin (5) Lomeli share smiles while their mother Virginia has her tax return prepared.

Economic Prosperity Center at King Trimble

DABC is a founding partner in the Economic Prosperity Center at King Trimble – this collaborative where we have operated for 7 years is a community resource center striving to improve the economic status of Denver residents. It is designed to address the shortfall in financial education, wealth building and employment and career advancement services. The EPC believes these three areas provide the building blocks for individuals to invest in themselves and achieve family economic success by learning, earning and saving. The staff resources available at the EPC help DABC promote our services, communicate with clients and expand our outreach in the community.

Community Outreach

In an effort to increase our profile and leadership in economic self-sufficiency in the tax sphere, DABC expanded programs in 2011 to reach out to the community and partner with other organizations. DABC conducted outreach events with the following organizations:

- Bank on Denver
- Dress for Success
- Mile High United Way
- Warren Village
- Wells Fargo Bank
- Emily Griffith Opportunity School
ESL and Refugee Program

Financial Statement Information

DABC relies on individual donations, public funding, foundation grants, and community partners for donation of dollars, space, supplies, and equipment to provide our services to the public. In 2011, DABC received \$210,870 in income and spent \$201,101. The following individuals and organizations were responsible for our financial sustainability in 2011:

- Bank of the West
- The Denver Foundation
- Denver Office of Economic Development
- Employees contributing to the Combined Federal Campaign
- Employees contributing to the Colorado Combined Campaign
- Individual donors
- IRS Stakeholder Partnerships, Education and Communication
- IRS Volunteer Income Tax Assistance Grant Program
- Mile High United Way
- Members of the DABC Board of Directors
- Rose Community Foundation

DABC financial statements for January 1, 2011 through December 31, 2011 are available upon request.

DABC Board of Directors

DABC Board of Directors was established in October, 2004. All members serve a two year term as indicated in the bylaws.

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 during his pursuit of a bachelors and masters degree 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 board of 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.

Angela Schmitz, Vice President

Angela Schmitz joined the board in 2010 and is an attorney licensed in Colorado and Oregon. She started volunteering with VITA programs in 2007. After moving to Denver she discovered DABC and

wanted to contribute beyond tax preparation. She is interested in promoting DABC's work among professional groups in the metro area. Angela earned her B.A. in Sociology from Wesleyan University and her J.D. from the University of Oregon School of Law.

Ron Jackson, Secretary

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.

James Brahaney, Treasurer

James has worked in public and private accounting most recently as an audit manager with Rubin-Brown LLP. James earned his CPA and is licensed in Virginia and Colorado. The mission of DABC speaks to James especially helping people remove their fear of filing taxes.

Greg DiFalco, Member at Large

Greg DiFalco is a management and technology consultant who has helped domestic and international clients solve business and technology problems for over ten years. Over his career he has worked in a variety of industries and solution areas, primarily focusing on helping companies identify ways to

improve their bottom line. In 2010, Greg founded his own consulting firm, Peak Elevation Consulting. Previously, he was a Manager of Consulting Services with Hitachi Consulting. Greg was drawn to DABC by his belief in their mission and his interest to help people become more economically stable. Greg holds a BS in Business Administration from Colorado State University.

Kathleen Sgamma, Member at Large

Kathleen Sgamma is the Director of Government & Public Affairs for Western Energy Alliance. She handles federal legislative, public lands, environmental, and regulatory issues for companies involved in exploration and production of oil and natural gas in the West. Prior to joining the Alliance in 2006, Kathleen spent eleven years in the Information Technology sector, including establishing a joint venture in Germany and managing the European consulting practice for a software vendor, and three years as a Military Intelligence Officer in the US Army. She holds a BS in Political Science/Defense and Arms Control Studies from the Massachusetts Institute of Technology and an MS in Information Technology from Virginia Tech.

Laura Wachter, Member at Large

Laura Wachter is Deputy Manager of Public Safety for the City and County of Denver. Laura joined the City & County of Denver in 2004 drawn to work for local government where one can see the immediate impact of decisions. Laura has a Master's degree in Public Policy from Carnegie Mellon University and enjoys competing in triathlons. Having volunteered with DABC she was drawn to board service when a colleague shared with her the impact she could have supporting the governance of the organization.

Benjamin Hodges, Advisory Member (Ex-officio)

Benjamin Hodges, Program Analyst for the Taxpayer Advocate Service, has worked for the Internal Revenue Service for twenty one 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 administration and governance of the TAS intranet and IRS.gov external 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.

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 brokered the sale of that business 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 Vice President, 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, triathlons, outdoor activities, and family.

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 the Personal Financial Counselor for the National Guard & Reserve in Massachusetts. He is also a member of the Army Reserve's 443rd Civil Affairs Battalion. Jon is actively engaged with community organizations dedicated to assisting individuals with their personal finance including; the Boston Earned Income Tax Credit Coalition, the Boston Alliance for Economic Inclusion and the IRS' Volunteer Income Tax Assistance Program. 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.