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A N N U A L

R E P O R T



C A L I F O R N I A T A X E D U C A T I O N C O U N C I L

STATEMENT OF MISSION

In order to provide for the public benefit, the mission of the California Tax Education Council is to establish professional tax education standards, approve tax education providers who comply with these standards, and facilitate tax preparer compliance.

—CALIFORNIA TAX EDUCATION COUNCIL

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INTRODUCTION

The California Tax Education Council (CTEC) is the organization that registers Tax Preparers, the second largest segment of tax preparation professionals serving California.

Anyone who, for a fee, assists with or prepares a State or Federal income tax return, excluding CPAs, Attorneys and Enrolled Agents or their employees, must be registered with CTEC.

The responsibility for approving tax schools was transferred by the California State Legislature and the Governor from the State Tax Preparer Program to CTEC effective July 1, 1997. The Council is a nonprofit industry association made up of appointees from nonprofit and for-profit organizations which represent tax professionals. Representatives to the Council are appointed as described in Section 22251 of the Tax Preparers Act.

The Council is charged with providing a list of approved curriculum providers, approving providers of tax education, verifying and registering tax preparers who must obtain a bond.

CALIFORNIA TAX EDUCATION COUNCIL

P.O. Box 2890 SACRAMENTO, CA 95812-2890 1-877-850-CTEC (2832)

F U L F I L L I N G O U R M I S S I O N

This was a year of continued growth and expansion of the Council and of CTEC services, proudly accomplished without raising the registration fees of CTEC Registered Preparers (CRTPs). While the Board has changed over time, the Council's commitment to fulfilling our mission has not waived.

Providing more services while keeping registration fees low, (lower, in fact, than they were 10 years ago), was a challenge achieved through several means. First, CTEC registrations, and therefore income is up. Increased registration numbers are partially a result of our extensive efforts to educate preparers about their legal duty to register. Second, we instituted a fee paid by providers of tax education to help cover the cost of reviewing their proposed curriculum. Third, we controlled expenses by increasing the use of high technology to mechanize CTEC functions and carefully scrutinized all other CTEC functions, looking for savings.

Another major success of CTEC is the ease with which the Council has operated through the orderly turnover of CTEC Board members. Less than half of the board assembled when CTEC was created in

1997 still serve. Some new members have been appointed by organizations of tax professionals as envisioned in the original legislation creating CTEC, and others have been appointed via the new process created by last year's change in the Tax Preparers Act. The new process allows CRTPs with appropriate experience (including experience as a CTEC Non Voting Director) to be elected to the Council's Board of Directors.

While the Board composition has changed, the mission has not. And while the mission has not changed, the services provided by CTEC as a part of that mission have improved and increased. Consumers can now find CTEC Registered Preparers online. CRTPs can check their registration status and register online. Providers can report their students online. And the CTEC message, *hire only lawful tax preparers*, is now spread via radio, television, newspapers and posters. All this for a registration fee that has not changed since CTEC began administering the program in 1997.

RUTH H. GODFREY, *Chairman*

2001 - 2002 COUNCIL MEMBERS



RUTH H. GODFREY
Chairman
Appointed by: Inland Society
of Tax Consultants, Inc.



KHORSHED ALAM
Treasurer
Appointed by: Mission Society
of Enrolled Agents



S. ELAINE LYTTLETON
Secretary
Appointed by: CA Society of
Accounting & Tax Professionals



FRANK CABRERA
Appointed by: H & R Block
Tax Services, Inc.



C. LESTER CRAWFORD
CTEC Registered Tax Preparer
Los Angeles



MICHAEL J. KIRBY
Appointed by: Jackson
Hewitt Tax Services



JACQUELINE MARAZZI
Appointed by: National Society
of Tax Practitioners



DONNA G. NANCE
Appointed by: National
Association of Enrolled Agents



DAVID PUGH
CTEC Registered Tax Preparer
Ventura



WILLIAM GEIDEMAN
Appointed by: National
Association of Enrolled Agents



WALTER C. THOMAS
Appointed by: East Bay
Association of Enrolled
Agents, Inc.

2001 - 2002 NON-VOTING DIRECTORS AND STAFF



MARY-BETH LAMUNYON-JONES
CTEC Registered Tax Preparer
Lemoore
Tax Preparer Committee



SHARON MCCORMACK
CTEC Registered Tax Preparer
Sacramento
Curriculum Provider
Standards Committee



STELLA CLAYTER
Representative of the
Internal Revenue Service



DAVID HILL
Representative of the
Franchise Tax Board

2001 - 2002 STAFF MEMBERS



CHARLES L. COLE



CELESTE H. HERITAGE



SARAH E. WEST



REGINA WHITE

CCTEC takes seriously our duty to educate the public about the protections afforded them by the Tax Preparers Act. As part of our continuing efforts to increase knowledge of the law, CCTEC this year expanded our public education campaign to add Central Valley television and CCTEC posters in key locations throughout the state. This added to the existing program of radio advertising, press releases and interviews with journalists.

TELEVISION ADVERTISING

The TV advertisement, produced in English and Spanish, depicted a busy tax preparation office with a voice in the background explaining that people should hire only lawful preparers. Not wanting to give the false impression that CRTPs are the only lawful preparers, we took care to mention each type of legal preparer while emphasizing CCTEC Registered Tax Preparers. The advertisements ran January 14 to February 10 on cable TV in Sacramento, Fresno, Stockton and Bakersfield. Market research directed our ads to the stations CRTP clients were most likely to watch. All in all, the paid TV advertisements ran 1,888 times.

RADIO ADVERTISING

The successful radio campaign continued, moving this year to the Central Valley in order to complement the TV campaign. As in the TV campaign, we targeted the radio buy to stations listened to by people that are more likely to be the clients of CRTPs. Over a four week period the paid radio advertisements ran more than 1,300 times.

PUBLIC SERVICE ANNOUNCEMENTS

This year radio and television stations acknowledged the public benefit of the CCTEC message and responded by playing the advertisements, or special versions thereof, for free as public service announcements. Some of these aired during

radio interviews with CCTEC Board Members. The additional free advertising hugely increased the impact of the CCTEC message during tax season.

INTERVIEWS

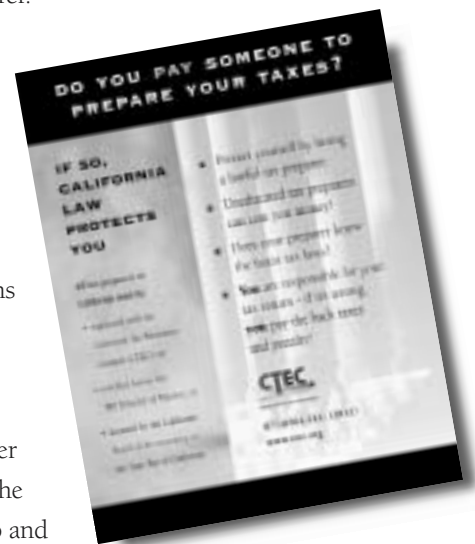
Beyond paying for direct advertising, we continued our tax-season efforts to spread the word via both electronic and print journalists. CCTEC Board Members and other CRTPs gave TV and radio interviews, both in English and Spanish. CCTEC also provided press releases, which included the CCTEC message, to run in newspapers and provided quotes to journalists writing on tax issues.

POSTERS

CCTEC produced a full size color poster that was distributed to libraries, community centers and Franchise Tax Board offices throughout the state. Our intention is that people will see the poster when they are thinking about doing taxes and before they hire an unlawful preparer.

The Tax Preparers Act was enacted to protect tax payers and CCTEC is committed to increasing taxpayers awareness of protections available with the act. During the last several years, CCTEC has advertised in the Greater Los Angeles Area and the Central Valley, on radio and television, and spread the

word with posters in key venues and through print media. CCTEC will continue to use all methods possible to inform consumers about the dangers of illegal preparers and how to identify legal preparers.



PROVIDER COMMUNICATION

One of CTEC's most fundamental duties under the Tax Preparers Act is to review and approve both qualifying and continuing education courses. Legislation enacted in January 2001 gave the sole responsibility for approving tax education schools to CTEC. They recognized that this is the most effective way to ensure that quality tax education is available in California. CTEC expends a significant amount of time, effort, and resources making sure that the education received by CTEC Registered Tax Preparers (CRTPs) is accurate, relevant and up-to-date. CTEC began the process of drafting education standards immediately upon its creation. Periodic reviews of the courses offered by CTEC approved providers ensure those providers continue to meet the education standards required by CTEC. Because of the need to make education available to the widest possible audience, CTEC also created standards for distance-learning classes—i.e. any class presented by means other than instructor-led classroom presentations. As of May 30, 2002, 98 schools were CTEC approved.

CTEC thoroughly reviews all course materials submitted by a prospective provider. If the materials meet CTEC standards, the provider becomes CTEC approved. If, however, the materials are deficient, they are sent back to the applicant, indicating the

deficiencies and outlining how they can be corrected. CTEC this year instituted a curriculum review fee for prospective providers and for those providers going through the periodic review process to help offset the curriculum review cost. Providers are allowed one resubmittal without incurring an additional fee.

This year CTEC also created a Curriculum Provider Standards Taskforce. CTEC approved providers were invited to attend a half-day session to discuss provider issues, concerns they might have regarding those issues and suggestions on how to improve deficiencies within the program. Providers interested in participating were asked to make a two year commitment to participate on the taskforce. The Taskforce is an ongoing forum that will meet at least annually, with communication continuing throughout the year.

While CTEC has many responsibilities and duties, as outlined in the Tax Preparers Act, guaranteeing the quality, consistency and availability of tax education in California is one of the main priorities of the California Tax Education Council. By arming CRTPs with a high quality tax education, CTEC protects consumers from needless and costly errors made by uneducated preparers.

**CALIFORNIA TAX EDUCATION COUNCIL
REGISTERED TAX PREPARERS**



On June 30, 2002, there were 29,943 CRTPs



By Three-Digit Zip Code Area

| | | |
|--------------------|-------------------|---------------------|
| Eureka—78 | San Jose—1489 | Los Angeles—1940 |
| Redding—182 | Salinas—244 | Alhambra—2070 |
| Modoc—45 | Fresno—659 | Inglewood—1855 |
| North Bay—189 | Mojave—442 | Long Beach—1913 |
| Marysville—248 | Bakersfield—657 | Santa Ana—2444 |
| Sacramento—1691 | Santa Barbara—341 | San Bernardino—2254 |
| Oakland—2407 | Oxnard—687 | San Diego—2598 |
| San Francisco—1475 | Van Nuys—2026 | |
| Stockton—1011 | Pasadena—809 | Out of State—183 |

CLICK AND POINT TO FIND A PREPARER



This year CTEC added a feature to the website that allows people to find a CRTP online. People may check to see if their Preparer is registered, get a list of registered Preparers in their area, or if they are a CRTP themselves, check on their registration status.

Mindful of the need to protect privacy, CTEC did not include phone numbers or complete addresses on the list, but did include names, CTEC numbers, cities and zip codes. This new feature of the CTEC website reinforces our efforts to continually provide consumers and CRTPs with the best service possible.



**SCHOOLS APPROVED FOR CONTINUING EDUCATION
(2 0 H O U R S)**

| | | | |
|--|--|--|---|
| A&B Office Income Tax School 2548 W. 7th Street Los Angeles, CA 90057 (213) 365-2109 (213) 383-3267 (Fax) www.Aboffice.com CTEC# 1057 | CA Chapter-Nat'l Assn of Tax Practioners 1121 E. Ohio Avenue Escondido, CA 92025 (760) 480-0155 (760) 480-0279 (Fax) CTEC# 2014 | California Tax Institute* 5281 Laurel View Circle Yorba Linda, CA 92886 (800) 995-1747 (714) 777-4267 (Fax) www.caltaxinstitute.com CTEC# 1022 | D & G Financial Services 12440 E Firestone Boulevard, Suite 309 Lakewood, CA 90650 (562) 925-2467 (562) 925-2467 (Fax) lender2@juno.com CTEC# 1091 |
| Active Professional Inc 9663-B Folsom Blvd Sacramento, CA 95827 (916) 361-0931 CTEC# 1059 | CA CPA Education Foundation 1235 Radio Road 2nd Floor Redwood City, CA 94065 (800) 877-5897 (650) 802-6224 (Fax) www.educationfoundation.org CTEC# 2099 | Cano Educational Services 12809 Philadelphia St Whittier, CA 90601 (562) 693-0210 CTEC# 2069 | Eagle Business Center P.O. Box 1460 Wildomar, CA 92595 (909) 678-9753 (909) 678-6566 (Fax) www.eaglevip.com CTEC# 2009 |
| AES/University of Denver* 1900 Olive Street, F102 Denver, CO 80220 (800) 426-8802 (303) 871-6358 (Fax) www.aes.du.edu CTEC# 1066 | CA Society of Accounting & Tax Professionals 38012 Martha Ave, Ste B Fremont, CA 94536 (510) 791-0455 (510) 791-0620 (Fax) www.beejaytax@email.msm.com CTEC# 1093 | Center for Management Services (SAC STATE) 6000 J Street Sacramento, CA 95819 (916) 278-4433 (916) 278-7690 (Fax) CTEC# 1005 | Fiducial Business Centers, Inc. 10480 Little Patuxent Pkwy. Ste 300 Columbia, MD 21044 (866) 343-8242 (410) 884-6151 (Fax) andrew.martin@fiducial.com CTEC# 2026 |
| American Schools* ** PO Box 5161 Torrance, CA 90510 (310) 544-2090 (310) 377-0511 (Fax) http://morelight.net/american-schools CTEC# 1012 | CA Society of Enrolled Agents 3200 Ramos Circle Sacramento, CA 95827 (916) 366-6646 (916) 366-6674 (Fax) www.csea.org CTEC# 1001 | Chaffey Adult School 211 West Fifth Street Ontario, CA 91762 (909) 983-2010 (909) 983-9916 (Fax) CTEC# 1089 | Financial Tax Planning 2140 Professional Drive Suite 105 Roseville, CA 95661 (916) 791-1447 (916) 791-3444 (Fax) www.evvercfp@ix.netcom.com CTEC# 2073 |
| Beauchamp Tax Service 3772-P Mission Ave Oceanside, CA 92054 (760) 722-4858 (760) 722-4424 (Fax) CTEC# 2076 | CA State University - Hayward 25800 Carlos Bee Blvd. Hayward, CA 94542 (510) 881-2312 (510) 885-4817 (Fax) CTEC# 1054 | Chaffey College 223 W Emporia St. Ontario, CA 91762 (909) 477-2954 (909) 477-2966 (Fax) www.jnix@chaffey.cc.ca.us CTEC# 2046 | Five Star Services 1001 W. Carson, Suite T Torrance, CA 90502 (310) 783-0318 CTEC# 1010 |
| Best in the West Education Foundation 2300 S Jones Blvd. Las Vegas, NV 89146 (702) 255-1772 bert873@aol.com CTEC# 2004 | Cabrillo College 6500 Soquel Drive Bus. Comp. Sc. Div. Aptos, CA 95003 (831) 479-6400 (831) 479-5758 (Fax) www.cabrillo.cc.ca.us CTEC# 2070 | CND Time PO Box 488 Roseville, CA 95678 (916) 974-5352 CTEC# 1061 | G & E Tax Institute 36649 Little Sycamore Street Palmdale, CA 93552 (805) 285-6611 (805) 285-5734 (Fax) CTEC# 1006 |
| Brass Tax Presentations* P. O. Box 28147 San Diego, CA 92198 (858) 487-2553 (858) 487-8245 (Fax) www.brasstax.com CTEC# 1008 | California Educational Studies 2550 West Main Street #105 Alhambra, CA 91801 (626) 457-1879 (626) 457-8852 (Fax) www.educationalstudies.com CTEC# 2089 | Computax Bookkeeping & Business Services PO Box 7943 Riverside, CA 92503 (909) 637-0536 (909) 637-0543 (Fax) www.computax@solution4u.com CTEC# 2084 | Gear Up Tax Seminars* PO Box 23698 Portland, OR 97281 (800) 231-1860 (503) 620-4736 (Fax) www.gearup.com CTEC# 1013 |
| Brown & Ledbetter Seminars P.O. Box 6536 Laguna Niguel, CA 92607 (949) 487-1040 (949) 487-7744 (Fax) www.taxzone.com CTEC# 2024 | | Computerized Systems Company 2729 N. Broadway Los Angeles, CA 90031 (323) 221-1890 CTEC# 1024 | Gleim Publications, Inc.* P.O. Box 12848 Gainesville, FL 32604 (352) 375-0772 (352) 375-6940 (Fax) CTEC# 1055 |

* Correspondence School
** Internet courses offered

- List is valid as of July 19, 2002
- Please contact Providers to see if they are currently registered with CTEC
- Listed Providers are approved for all their California locations

**SCHOOLS APPROVED FOR CONTINUING EDUCATION
(2 0 H O U R S)**

| | | | |
|---|--|---|--|
| <p>Glendale Community College 1500 N. Verdugo Road Glendale, CA 91208 (818) 240-1000 (818) 549-9436 (Fax) www.ckloezem@glendale.cc.ca.us CTEC# 2072</p> | <p>Inland Society of Tax Consultants, Inc. 2140 W. Chapman, #103 Orange, CA 92686 (714) 634-0484 (714) 634-4975 (Fax) www.istcsociety.org CTEC# 1000</p> | <p>Lacerte Educational Services, Inc.** 5601 Headquarters Drive Plano, TX 75024 (800) 765-4040 www.lacerteeducation.com CTEC# 2034</p> | <p>National Center for Professional Education PO Box 560 Zachary, LA 70791 (504) 654-7191 CTEC# 1087</p> |
| <p>Golden City Professional Studies* P.O. Box 7125 Alhambra, CA 91801 (626) 457-8836 (626) 457-8852 (Fax) www.goldtax.com CTEC# 1023</p> | <p>Internal Revenue Service 300 N. Los Angeles St. Stop 1053 Los Angeles, CA 90012 (213) 576-4196 (213) 894-6541 (Fax) CTEC# 1052</p> | <p>Latin American College of Business P.O. Box 227279 Los Angeles, CA 90022 (323) 832-0371 (323) 832-0379 (Fax) CTEC# 1039</p> | <p>National Society of Public Accountants 1010 N Fairfax Street Alexandria, VA 22314 (703) 519-6400 (703) 549-2984 (Fax) www.nsacct.org CTEC# 2094</p> |
| <p>Golden State Tax Training Institute, Inc.* 113 McHenry Road, Suite 190 Buffalo Grove, IL 60089 (847) 459-3300 (847) 459-3904 (Fax) CTEC# 2040</p> | <p>International Career Development Center 6363 Wilshire Blvd, Suite 600 Los Angeles, CA 90048 (323) 655-9100 (323) 655-9191 (Fax) www.iccdc@earthlink.com CTEC# 1035</p> | <p>Lopez Tax Service, Inc. 1024 N. Davis Road Salinas, CA 93907 (831) 758-2512 (831) 758-2545 (Fax) www.taxpro2000.com CTEC# 2080</p> | <p>National Society of Tax Professionals PO Box 2575 Vancouver, WA 98668 (800) 367-8130 (360) 695-7115 (Fax) www.cooket@gunet.georgetown.edu CTEC# 2001</p> |
| <p>H & R Block Tax Services, Inc. 6622 Florin Road Sacramento, CA 95828 (916) 399-0351 (916) 429-2497 (Fax) www.fcabrera@hrblock.com CTEC# 1040</p> | <p>IRS Symposium P.O. Box 9941 Ogden, UT 84409 (801) 629-1051 (801) 929-1237 (Fax) CTEC# 1060</p> | <p>Lorman Business Center PO Box 509 Eau Claire, WI 54702 (715) 833-3940 (715) 833-3944 (Fax) kcampbell@lorman.com CTEC# 2098</p> | <p>National Tax Training School* P.O. Box 382 Monsey, NY 10952 (800) 914-8138 (888) 814-8140 (Fax) www.info@nattax.com CTEC# 1025</p> |
| <p>Hacienda La Puente Adult Education 1600 Pontenova Hacienda Heights, CA 91745 (626) 855-3510 www.hlpusd.kiz.ca.us CTEC# 1081</p> | <p>Jackson Hewitt Tax Services 3639 Midway Drive #B349 San Diego, CA 92210 (800) 234-1040 www.jacksonhewitt.com CTEC# 1009</p> | <p>M E Toms Tax Service 3450 Bonita Road Suite 205 Chula Vista, CA 91910 (619) 585-9961 (619) 585-9967 (Fax) mtoms@netscape.net CTEC# 2091</p> | <p>Network Electronic Tax Service PO Box 1473 Upland, CA 91785 (909) 942-4549 (909) 944-9590 (Fax) CTEC# 1088</p> |
| <p>Hayden Wisdom 220 Hammond Drive Auburn, CA 95603 (530) 888-1040 (530) 887-1065 (Fax) www.taxfax2@aol.com CTEC# 2053</p> | <p>Jeff Ward, EA PhD 3941 Mason Street, Suite 4 San Diego, CA 92110 (619) 725-0935 (619) 725-0937 (Fax) www.jwjw@concentric.net CTEC# 1090</p> | <p>MicroMash* 6402 South Troy Circle Englewood, CO 80111 (800) 272-7277 (303) 649-0344 (Fax) CTEC# 1042</p> | <p>Noelle Allen CPA* 12679 Parsenn Road Truckee, CA 96161 (530) 587-1173 (530) 587-0403 (Fax) www.noellecpa@aol.com CTEC# 2078</p> |
| <p>Heras Income Tax School 1824 West 7th Street Los Angeles, CA 90057 (800) 644-1844 www.herasincometaxschool.com CTEC# 2086</p> | <p>Jordan & Jordan Financial** 32611 North The Old Road Castaic, CA 91384 (661) 257-9620 www.afinancialconquest.com CTEC# 1068</p> | <p>Mt. Diablo Adult Education 1266 San Carlos Ave. Concord, CA 94518 (925) 685-7340 (925) 363-9757 (Fax) CTEC# 2008</p> | <p>Ohlone PO Box 3909 Fremont, CA 94539 (510) 659-6252 (510) 659-6235 (Fax) CTEC# 2030</p> |
| | <p>Krusemark's Tax Service* 1132 18th Avenue Redwood City, CA 94063 (888) 810-4482 (888) 810-4485 (Fax) www.taxcpe.com CTEC# 1021</p> | <p>National Association of Tax Professionals 720 Association Drive Appleton, WI 54914 (920) 749-1040 (920) 749-1062 (Fax) www.natp@natptax.com CTEC# 1067</p> | <p>Olympia Institute 950 Clement Street San Francisco, CA 94118 (415) 221-1218 (415) 831-7388 (Fax) www.olympiaint@aol.com CTEC# 2035</p> |

* Correspondence School
** Internet courses offered

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**SCHOOLS APPROVED FOR CONTINUING EDUCATION
(2 0 H O U R S)**

Orange Coast College
Community Education
P.O. Box 5005
Costa Mesa, CA 92628
(714) 432-5805
(714) 432-5902 (Fax)
comed@lib.occ.cccd.edu
CTEC# 2005

People's Income Tax, Inc.*
1601 Willow Lawn Dr #309
Richmond, VA 23230
(804) 204-1040
(804) 288-8072 (Fax)
www.peopletax.com
CTEC# 1071

Platinum Professional Studies
5075 Warner Ave, Suite E
Huntington Beach, CA
92649
(714) 625-1040
(714) 625-4066 (Fax)
www.platinumprostudies.com
CTEC# 2052

Pooley Seminars
PO Box 15676
Sacramento, CA 95852
(916) 654-8011
(916) 927-4487 (Fax)
www.pooley_r@msn.com
CTEC# 2067

Portland State University
Prof. Dev. Center
PO Box 751
Portland, OR 97207
(503) 725-5834
(503) 725-5585 (Fax)
CTEC# 2023

Practical Tax Preparers Clinic
13575 Calais Drive
Del Mar, CA 92014
(619) 755-1021
CTEC# 1026

Real Tax
15901 Hawthorne Blvd.
Suite 200
Lawndale, CA 90260
(310) 921-3104
(310) 921-3204 (Fax)
www.realtax.com
CTEC# 2077

Riverside Tax Consultants
Association
P.O. Box 7596
Riverside, CA 92513
(909) 689-0475
CTEC# 2036

Riverside Unified School
District
6401 Lincoln Avenue
Riverside, CA 92506
(909) 276-7670
(909) 276-7685 (Fax)
www.rusd.k12.ca.us
CTEC# 1083

San Mateo County AARP
TCE Program
624 30th Avenue
San Mateo, CA 94403
(650) 341-3706
www.donwrvine1@juno.com
CTEC# 2054

Sharpen Up Seminars*
(ImageOne, Inc.)
P.O. Box 3069
Chatsworth, CA 91311
(800) 462-4366
(818) 718-9002 (Fax)
www.sharpenupseminars.com
CTEC# 1044

Society of California
Accountants
2131 Capitol Avenue #101
Sacramento, CA 95816
(916) 443-2057
(916) 443-0486 (Fax)
www.sca@juno.com
CTEC# 1097

Southern State University,
Inc.
16161 Gothard Street
Huntington, CA 92647
(714) 841-1360
(714) 848-7091 (Fax)
CTEC# 2087

Spidell Publishing*
1110 N. Gilbert Street
Anaheim, CA 92801
(714) 776-7850
(714) 776-9906 (Fax)
www.caltax.com
CTEC# 1019

Target Tax
171 Gorrión Ave.
Ventura, CA 93004
(888) 722-5405
(888) 311-5644 (Fax)
www.targettax@targettax.com
CTEC# 1028

Tax Link Seminars
2335 W. Foothill Blvd.
Ste. 16
Upland, CA 91786
(909) 621-1982
(909) 625-4293 (Fax)
CTEC# 1048

Taxtor Educators
P.O. Box 516
Highland, CA 92346
(909) 885-5017
(909) 825-1125 (Fax)
CTEC# 1065

The Phoenix Tax Group*
1243 Alpine Road, Suite 219
Walnut Creek, CA 94596
(800) 879-1099
(925) 932-2085 (Fax)
www.phoenixtax.com
CTEC# 1082

The Tax Company
19401 Vermont Ave.
Suite C 100
Torrance, CA 90502
(800) 359-1004
(310) 366-3303 (Fax)
www.sftornberg@aol.com
CTEC# 2081

The Tax Institute*
424 18th Street
Bakersfield, CA 93301
(661) 861-0635
(661) 633-2119 (Fax)
www.taxcollege.com
CTEC# 1007

The Tax School*
37444 Sycamore Street #21
Newark, CA 94560
(800) 327-1040
(800) 426-2345 (Fax)
taxsch1040@aol.com
CTEC# 1003

THG Enterprises, Inc.
7171 Alvarado Road, Suite
103
La Mesa, CA 91941
(619) 465-7186
(619) 465-7193 (Fax)
www.needtaxhelpnow.com
CTEC# 2079

Thomas Tax Seminars*
1523 Amanda Place
Santa Rosa, CA 95403
(800) 638-3783
(707) 579-2122 (Fax)
www.thomastaxseminars.com
CTEC# 1027

Tri-Community Adult
Education
PO Box 269
Covina, CA 91723
(626) 472-7681
CTEC# 1004

University of California, San
Diego Extension
6925 Lusk Blvd.
San Diego, CA 92121
(858) 882-8010
(858) 882-8017 (Fax)
www.extension.ucsd.edu
CTEC# 2096

Wade & Associates
920 N Garfield Avenue
Suite 12
Alhambra, CA 91801
(310) 672-0290
(323) 678-6511 (Fax)
harvey@pacbell.net
CTEC# 2000

Western CPE* **
20 East Main Street
Bozeman, MT 59715
(406) 556-0115
(406) 556-0210 (Fax)
www.westerncpe.com
CTEC# 2071

Wiseguides, Inc.
4833 Darrow Road
Ste. # 106
Stow, OH 44224
(800) 713-2098
(330) 342-7343 (Fax)
www.wiseguides.com
CTEC# 2012

Zapitax Income Tax School
PO Box 2523
Paradise, CA 95967
(530) 877-5777
(530) 876-8700 (Fax)
www.zapitax.com
CTEC# 2075

* Correspondence School
** Internet courses offered

• List is valid as of July 19, 2002
• Please contact Providers to see if they are currently registered with CTEC
• Listed Providers are approved for all their California locations

**SCHOOLS APPROVED FOR QUALIFYING EDUCATION
(6 0 H O U R S)**

| | | | |
|--|--|---|---|
| A&B Office Income Tax School 2548 W. 7th Street Los Angeles, CA 90057 (213) 365-2109 (213) 383-3267 (Fax) www.Aboffice.com CTEC# 1057 | Chaffey Adult School 211 West Fifth Street Ontario, CA 91762 (909) 983-2010 (909) 983-9916 (Fax) CTEC # 1089 | Golden City Professional Studies* P. O. Box 7125 Alhambra, CA 91801 (626) 457-8836 (626) 457-8852 (Fax) www.goldtax.com CTEC # 1023 | International Career Development Center 6363 Wilshire Blvd, Suite 600 Los Angeles, CA 90048 (323) 655-9100 (323) 655-9191 (Fax) icdc@earthlink.com CTEC # 1035 |
| American Schools* ** P. O. Box 5161 Torrance, CA 90510 (310) 544-2090 (310) 377-0511 (Fax) http://morelight.net/american-schools CTEC # 1012 | Chaffey College 223 W Emporia St. Ontario, CA 91762 (909) 477-2954 (909) 477-2966 (Fax) jnix@chaffey.cc.ca.us CTEC # 2046 | H & R Block Tax Services, Inc. 6622 Florin Road Sacramento, CA 95828 (916) 399-0351 (916) 429-2497 (Fax) fcabrera@hrblock.com CTEC # 1040 | Jackson Hewitt Tax Services 3639 Midway Drive #B349 San Diego, CA 92210 (619) 248-0520 (619) 272-9916 (Fax) www.jacksonhewitt.com CTEC # 1009 |
| Beauchamp Tax Service 3772-P Mission Ave Oceanside, CA 92054 (760) 722-4858 (760) 722-4424 (Fax) CTEC # 2076 | College of the Sequoias 915 South Mooney Blvd Visalia, CA 93277 (559) 730-3933 (559) 730-3984 (Fax) www.sequoias.cc.ca.us CTEC # 2033 | Hacienda La Puente Adult Education 1600 Pontenova Hacienda Heights, CA 91745 (626) 855-3510 www.hlpusd.kiz.ca.us CTEC # 1081 | Jordan & Jordan Financial** 32611 North The Old Road Castaic, CA 91384 (661) 257-9620 www.afinancialconquest.com CTEC # 1068 |
| Cabrillo College 6500 Soquel Drive Bus. Comp. Sc. Div. Aptos, CA 95003 (831) 479-6400 (831) 479-5758 (Fax) www.cabrillo.cc.ca.us CTEC # 2070 | Computax Bookkeeping & Business Services P. O. Box 7943 Riverside, CA 92503 (909) 637-0536 (909) 637-0543 (Fax) computax@solution4u.com CTEC # 2084 | Heald Colleges 670 Howard Street San Francisco, CA 94105 (415) 808-1469 www.heald.edu CTEC # 2086 | Lake Tahoe Community College One College Drive South Lake Tahoe, CA 96150 (530) 541-4660 (530) 541-7852 (Fax) griest@ltcc.cc.ca.us CTEC# 2093 |
| California Tax Institute* 5281 Laurel View Circle Yorba Linda, CA 92886 (800) 995-1747 (714) 777-4267 (Fax) www.caltaxinstitute.com CTEC # 1022 | Curtis Publications, Inc.* P. O. Box 899 Santa Barbara, CA 93102 (805) 966-1560 (805) 966-4477 (Fax) www.main@curtispub.com CTEC # 1043 | Heras Income Tax School 1824 West 7th Street Los Angeles, CA 90057 (213) 483-1032 CTEC # 2086 | Latin American College of Business P. O. Box 227279 Los Angeles, CA 90022 (323) 269-7261 (323) 269-7263 (Fax) CTEC # 1039 |
| Carson Financial Group PO Box 4421 Carson, CA 90749 (310) 604-3601 (310) 604-3605 (Fax) joycereesepfp@hotmail.com CTEC # 2082 | Glendale Community College 1500 N. Verdugo Road Glendale, CA 91208 (818) 240-1000 (818) 549-9436 (Fax) ckloezem@glendale.cc.ca.us CTEC # 2072 | HiTech Tax Systems P. O. Box 91255 Los Angeles, CA 90009 (310) 354-3937 (310) 354-9971 (Fax) cjp_hitbz@yahoo.com CTEC # 2088 | Latino's Immigration & Tax, Inc. 4509 E. Slauson Ave. Suite #C Maywood, CA 90270 (323) 562-4400 (323) 560-3586 (Fax) CTEC# 2095 |
| Central County Regional Occupational Program 1815 South Ritchey Street Santa Ana, CA 92705 (714) 566-8400 (714) 566-8496 (Fax) CTEC# 2092 | Golden City Professional Studies* P. O. Box 7125 Alhambra, CA 91801 (626) 457-8836 (626) 457-8852 (Fax) www.goldtax.com CTEC # 1023 | Inland Society of Tax Consultants, Inc. 2140 W. Chapman, #103 Orange, CA 92686 (714) 634-0484 (714) 634-4975 (Fax) www.istsociety.org CTEC # 1000 | |

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**SCHOOLS APPROVED FOR QUALIFYING EDUCATION
(6 0 H O U R S)**

Liberty Tax Service
4575 Bonney Road #1040
Virginia Beach, VA 23462
(757) 493-8855
(757) 493-0169 (Fax)
www.libertytax.com
CTEC# 2097

Lopez Tax Service, Inc.
1024 N. Davis Road
Salinas, CA 93907
(831) 758-2512
(831) 758-2545 (Fax)
www.taxpro2000.com
CTEC # 2080

M E Toms Tax Service
3450 Bonita Road
Suite 205
Chula Vista, CA 91910
(619) 585-9961
(619) 585-9967 (Fax)
mtoms@netscape.net
CTEC# 2091

Mira Costa College
Business Dept.
One Barnard Drive
Oceanside, CA 92056
(760) 757-2121
(760) 795-6770 (Fax)
www.miracosta.cc.ca.us
CTEC # 1074

Mt. Diablo Adult Education
1266 San Carlos Ave
Concord, CA 94518
(925) 685-7340
(925) 363-9757 (Fax)
CTEC # 2008

Mt. San Jacinto College
28237 La Piedra Road
Menifee, CA 92584
(909) 672-6752
(909) 301-0368 (Fax)
chays@msic.cc.ca.us
CTEC# 3000

National Tax Training
School*
P. O. Box 382
Monsey, NY 10952
(800) 914-8138
(888) 814-8140 (Fax)
info@nattax.com
CTEC # 1025

Network Electronic Tax
Service
P. O. Box 1473
Upland, CA 91785
(909) 942-4549
(909) 944-9590 (Fax)
CTEC # 1088

Olympia Institute
833 Market Street Ste 301
San Francisco, CA 94103
(415) 543-1333
(415) 882-7998 (Fax)
www.olympiainst@aol.com
CTEC # 2035

Palomar Community
College
1140 West Mission
San Marcos, CA 92069
(760) 744-1150
(760) 744-8123 (Fax)
shergord@mailhost2.csusm.edu
CTEC # 2045

People's Income Tax, Inc.*
1601 Willow Lawn Dr
#309
Richmond, VA 23230
(804) 204-1040
(804) 288-8072 (Fax)
www.peopletax.com
CTEC # 1071

Platinum Professional
Studies
5791 Westminster Blvd.
Westminster, CA 92683
(714) 625-1040
(714) 846-1778 (Fax)
CTEC # 2052

San Diego City College
1313 12th Avenue
San Diego, CA 92101
(858) 577-6209
CTEC # 2006

Santa Ana College* **
1530 W. 17th Street
Santa Ana, CA 92706
buddyf@pacbell.net
CTEC # 2019

Southern State University,
Inc.
16161 Gothard Street
Huntington, CA 92647
(714) 841-1360
(714) 848-7091 (Fax)
CTEC # 2087

Thomas Karl Schenerell,
CPA, MS Tax
452 S Leaf Ave
West Covina, CA 91791
(626) 918-4226
(626) 967-1392 (Fax)
www.ikscpa@yahoo.com
CTEC# 2090

Wade & Associates
920 N Garfield Avenue,
Suite 12
Alhambra, CA 91801
(310) 672-0290
(323) 678-6511 (Fax)
harvey@pacbell.net
CTEC# 2000

Yuba Community College
2088 North Beale Road
Marysville, CA 95901
(530) 741-6700
www.yuba.cc.ca.us
CTEC# 2003

Zapitax Income Tax School
PO Box 2523
Paradise, CA 95967
(530) 877-5777
(530) 876-8700 (Fax)
www.zapitax.com
CTEC# 2075

* Correspondence School
** Internet courses offered

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INDEPENDENT AUDITOR'S REPORT

*T*o the BOARD OF DIRECTORS
CALIFORNIA TAX EDUCATION COUNCIL
SACRAMENTO, CALIFORNIA

We have audited the accompanying statement of financial position of the California Tax Education Council (a nonprofit organization) as of June 30, 2002 and 2001, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of CTEC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the California Tax Education Council as of June 30, 2002 and 2001, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on page 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Marcia Fritz & Company

MARCIA FRITZ & COMPANY
Citrus Heights, CA
August 30, 2002

STATEMENT OF FINANCIAL POSITION

As of June 30, 2002 and 2001

| | 2002 | 2001 |
|---|--------------------------|--------------------------|
| Assets | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 171,283 | \$ 117,946 |
| Returned Checks Receivable | 753 | 3,778 |
| Total Current Assets | <u>172,036</u> | <u>121,724</u> |
| Investments | | |
| Certificates of Deposit | 336,497 | 328,460 |
| Total Investments | <u>336,497</u> | <u>328,460</u> |
| Total Assets | <u>\$ 508,533</u> | <u>\$ 450,184</u> |
| Liabilities and Net Assets | | |
| Liabilities: | | |
| Accounts Payable | \$ 78,331 | \$ 79,526 |
| Total Liabilities | <u>78,331</u> | <u>79,526</u> |
| Net Assets - unrestricted | <u>430,202</u> | <u>\$ 370,658</u> |
| Total Liabilities and Net Assets | <u>\$ 508,533</u> | <u>\$ 450,184</u> |

See accompanying notes.

STATEMENT OF ACTIVITIES

For the Years Ended June 30, 2002 and 2001

| | 2002 | 2001 |
|--|-------------|-------------|
| Revenues: | | |
| Registration Fees | \$ 755,524 | \$ 718,425 |
| Late Registration Fees | 63,927 | 57,900 |
| Provider Fees | 12,500 | |
| Mailing List | 3,595 | 6,750 |
| Brochure Income | 347 | 791 |
| Other Income | 1,450 | 3,323 |
| Interest | 8,795 | 24,788 |
| | <hr/> | <hr/> |
| Total Revenues | 846,138 | 811,977 |
| Expenses: | | |
| Curriculum Review | 113,093 | 121,391 |
| Board Activities | | |
| Tax Preparer Services | 13,651 | 12,825 |
| Education and Curriculum | 27,302 | 25,648 |
| General and Administrative | 95,565 | 89,771 |
| | <hr/> | <hr/> |
| Total Board Activities | 136,518 | 128,244 |
| General and Administrative | 121,529 | 140,178 |
| Public Awareness | 284,841 | 354,993 |
| Registration | 130,613 | 115,918 |
| | <hr/> | <hr/> |
| Total Expenses | 786,594 | 860,724 |
| Increase (Decrease) in net assets | 59,544 | (48,747) |
| Net assets beginning | <hr/> | <hr/> |
| | 370,658 | 419,405 |
| Net assets ending | <hr/> <hr/> | <hr/> <hr/> |
| | \$ 430,202 | \$ 370,658 |

See accompanying notes.

STATEMENT OF FUNCTIONAL EXPENSES



For the Years Ended June 30, 2002 and 2001

| | CTEC TAX PREPARER SERVICES | | | EDUCATION AND CURRICULUM | | GENERAL AND ADMINISTRATIVE | | (MEMORANDUM ONLY) | |
|-------------------------|----------------------------|--------------|------------------|--------------------------|------------|----------------------------|--------------------------|-------------------|------------|
| | Board Activities | Registration | Public Awareness | Board Activities | Curriculum | Board Activities | General & Administrative | Total Expenses | Total 2001 |
| Accounting | | | | | | | \$ 5,663 | \$5,663 | \$ 5,214 |
| Advertising & Promotion | | | 113,388 | | | | | 113,388 | 195,717 |
| Bank Service Charges | | | | | | | 1,462 | 1,462 | 327 |
| Credit Card Discounts | | 11,252 | | | | | | 11,252 | 9,332 |
| Returned Items | | | | | | | 3,101 | 3,101 | |
| Fees & Licenses | | | | | | | 525 | 525 | 570 |
| Insurance | | | | | | | 3,090 | 3,090 | 2,990 |
| Legal | | | | | | | 113 | 113 | 908 |
| Management Fee | 9,240 | 92,400 | 92,400 | 18,480 | 92,400 | \$64,680 | 92,400 | 462,000 | 462,000 |
| Meetings, Conferences | 1,240 | | | 2,480 | | 8,680 | 7,878 | 20,278 | 18,491 |
| Miscellaneous | | | | | | | | | 634 |
| Outside Consultants | 250 | | 33,914 | 500 | 20,625 | 1,750 | | 57,039 | 36,985 |
| Postage | | 1,500 | 8,099 | | | 3 | | 9,602 | 16,015 |
| Printing | | 25,461 | 18,573 | | | | 7,229 | 51,263 | 64,401 |
| Telephone/Fax | 5 | | 3,871 | 10 | 68 | 34 | 68 | 4,056 | 4,862 |
| Travel | | | | | | | | | |
| Mileage | 298 | | 30 | 596 | | 2,087 | | 3,011 | 2,711 |
| Airfare | 203 | | 102 | 406 | | 1,428 | | 2,139 | 4,088 |
| Hotel | 1,891 | | 79 | 3,782 | | 13,239 | | 18,991 | 21,527 |
| Per Diem | 408 | | 50 | 816 | | 2,858 | | 4,312 | 4,700 |
| Cab | 42 | | | 84 | | 293 | | 419 | 665 |
| Parking | 55 | | 10 | 110 | | 384 | | 559 | 660 |
| Meals | 4 | | | 8 | | 23 | | 35 | 308 |
| Car Rental | 15 | | | 30 | | 106 | | 151 | 70 |
| Web Page | | | 14,325 | | | | | 14,325 | 7,549 |
| | \$ 13,651 | \$ 130,613 | \$ 284,841 | \$ 27,302 | \$ 113,093 | \$ 95,565 | \$ 121,529 | \$ 786,594 | \$ 860,724 |

See accompanying notes.

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2002 and 2001

| | 2002 | 2001 |
|---|--------------------------|--------------------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets | \$ 59,544 | (48,747) |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Decrease (increase) in receivable | 3,025 | (38) |
| Increase (decrease) in accounts payable | (1,195) | (26,920) |
| Net cash from operating activities | <u>61,374</u> | <u>(75,705)</u> |
| Cash Flows from Investing Activities | | |
| Purchase (redemption) of certificates of deposit | <u>(8,037)</u> | <u>61,261</u> |
| Net cash provided by (used in) investing activities | <u>(8,037)</u> | <u>61,261</u> |
| Net increase (decrease) in cash | 53,337 | (14,444) |
| Cash and cash equivalents: | | |
| Beginning | <u>117,946</u> | <u>132,390</u> |
| Ending | <u><u>\$ 171,283</u></u> | <u><u>\$ 117,946</u></u> |

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2002 and 2001

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES:

Principles of Accounting and Nature of Operations

The accompanying financial statements reflect the operations for the California Tax Education Council (CTEC), which was incorporated on January 14, 1997, and commenced active operations on July 1, 1997. CTEC is a public benefit corporation and use or distribution of its assets is subject to certain restrictions.

The State of California requires that all persons in California who prepare taxes for a fee meet certain education requirements and register annually, with exception to IRS Circular 230 tax preparers. CTEC collects registration fees, verifies that tax preparers have met the education requirements, issues certificates, and approves educational programs. CTEC registered 30,243 tax preparers in 2002 and 28,770 in 2001.

CTEC's operations are managed by an independent contractor (Advocation, Inc. of Sacramento, California), who charges a management fee.

Basis of Accounting

The financial statements have been prepared in accordance with generally accepted accounting principles.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments, composed of certificates of deposit, are valued at fair value. Interest earned is reported as revenue.

Revenue Recognition

Revenue is recognized when required fee is received by CTEC.

Functional Expenses

The Statement of Functional Expenses, although not required for CTEC, is being presented for information purposes. The management fee is allocated to functional expenses based on estimates of time incurred by employees of the management firm, Advocation, Inc.

Income Taxes

CTEC is a nonprofit corporation exempt under Internal Revenue Code Sections 501(c)(3) and related California code sections.

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. The carrying amount of cash and cash equivalents approximates fair value due to the short-term nature of these financial instruments.

2. CONCENTRATION OF RISK

CTEC's funds are deposited in financial institutions insured by the federal depository insurance. CTEC had \$34,268 deposited with US Bank that was not covered by federal depository insurance as of June 30, 2002.

3. BOARD OF DIRECTORS

The California Tax Education Council is governed by a Board of directors who are: Ruth Godfrey, S. Elaine Lyttleton, William Geideman, Khorshed Alam, Frank Cabrera, C. Lester Crawford, Michael Kirby, Jacqueline Marazzi, Donna Nance, David Pugh, Walter Thomas. There are two additional non-voting directors who are Sharon McCormack and Mary-Beth LaMunyon-Jones. The new additions to the Board of Directors included two voting directors at large and two non-voting directors who are California Registered Tax Preparers (CRTP).