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**A N N U A L**

**R E P O R T**

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**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

## CONTENTS

INTRODUCTION .....	2	INVESTMENT IN TECHNOLOGY .....	7
MESSAGE FROM THE CHAIR .....	3	SERVING ALL OF CALIFORNIA .....	8
COUNCIL MEMBERS .....	4	TELEVISION AND RADIO CARRIED CTEC'S MESSAGE .....	9
C RTP DIRECTORS, REPRESENTATIVES AND STAFF .....	5	INDEPENDENT AUDITOR'S REPORT .....	15
FTB AND CTEC COOPERATE ON UNREGISTERED PREPARER PROBLEM. ....	6	FINANCIAL STATEMENTS .....	16

## INTRODUCTION

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*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)

WWW.CTEC.ORG

## MESSAGE FROM THE CHAIR

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I was honored to be elected Chair of the California Tax Education Council Board of Directors in December of 2002. I took on the task knowing its challenges, but also its rewards, and intend that my term as Chair continue the tradition of improving CTEC, a tradition set by each of the past CTEC leaders.

One important challenge is to meet the needs of both providers of tax education and of CTEC Registered Tax Preparers (CRTPs). Our success to date is due in large part to the commitment of my fellow board members. They are an extremely diverse group of committed volunteers. Like the preparers and providers they represent, the council is multiracial and multicultural; includes small mom and pop operators and employees of national corporations. And like many CRTPs, several council members, including myself, are immigrants to the United States.

The Council members take their jobs seriously. In fact, they almost always participate in all committee meetings, even committees on which they do not serve. This makes for very long, but very productive, days.

I believe another reason we have succeeded is that we work so hard to get input from the people we serve. We have, for example, created a Provider Taskforce where providers are invited to spend half a day discussing CTEC issues with our provider committee members and staff.

We also spend time and resources working to ensure that CRTPs have input into CTEC. In addition to two questionnaires mailed to all CRTPs during the Sunset Review process two years ago, we also send a questionnaire to everyone who fails to renew their registration, asking why they let it lapse.

Most of our suggestions now arrive via our newly redesigned Web site. People email suggestions, compliments, and, sometimes, criticism. The vast majority, however, are pleased with the way CTEC is performing. Some still use the toll free phone number printed on all CTEC material.

The work is important, the Council committed. I'm eager to get the job done.

S. ELAINE LYTTLETON, *Chairman*

2002 - 2003 COUNCIL MEMBERS

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



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



WILLIAM GEIDEMAN  
*Secretary*  
Appointed by: National  
Association of Enrolled Agents



KHORSHED ALAM  
Appointed by: Mission Society  
of Enrolled Agents



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



C. LESTER CRAWFORD  
CTEC Registered Tax Preparer  
Los Angeles



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



MICHAEL J. KIRBY  
Appointed by: Jackson  
Hewitt Tax Services



JACQUELINE MARAZZI  
Appointed by: National Society  
of Tax Practitioners



DONNA G. NANCE  
Appointed by: California Society  
of Enrolled Agents



DAVID PUGH  
CTEC Registered Tax Preparer  
Ventura

**2002 - 2003 CRTP DIRECTORS, REPRESENTATIVES AND STAFF**

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JOHN BISHOP  
CTEC Registered Tax Preparer  
Oakland



MARYBETH LAMUNYON-JONES  
CTEC Registered Tax Preparer  
Lemoore



SCOTT LAWRENCE  
CTEC Registered Tax Preparer  
Whittier



SHARON MCCORMACK  
CTEC Registered Tax Preparer  
Sacramento



DAVID HILL  
Representative of the  
Franchise Tax Board



NEKI M. JONES  
Representative of the  
Internal Revenue Service

**2002 - 2003 STAFF MEMBERS**

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CHARLES L. COLE



CELESTE H. HERITAGE



SARAH E. WEST



REGINA WHITE

## FTB AND CTEC COOPERATE ON UNREGISTERED PREPARER PROBLEM

CCTEC this year began a collaborative effort with the Franchise Tax Board to help the FTB continue field visits despite the state of California eliminating its field visit budget, and with it CTEC's primary method of finding unregistered tax preparers. CTEC stepped in, contributed money for FTB travel and put the FTB back in the field where they checked on preparer registration status.

From January through March 2003 the FTB made approximately 170 visits to tax preparation offices throughout the state. They found 73% of those visited were CTEC registered, 11% had tax preparation designations other than CRTP (CPA, EA or attorney), 15% were unregistered and 1% fell into various other categories. Among the 15% that were unregistered, 5% have taken the necessary education and are now CTEC Registered Tax Preparers, preparing taxes legally. The remaining were notified of the law and the possibility of prosecution if they continue to prepare taxes illegally.

When in the course of a regular field visit, FTB staff finds an unregistered preparer; the field agent explains the possible law violation and potential fine, then hands the violator a CTEC registration form. The agent encourages the preparer to visit



CTEC's Web site or to call us for more information. The FTB follows up by providing CTEC with the name of the unregistered preparer. The final step is for CTEC to send a letter explaining that they must cease and desist preparing taxes for a fee until they are registered.

CTEC took another big step toward finding the unregistered preparers by creating a function on our Web site titled "Find a Preparer" where anyone can look up the registration status of CTEC preparers. People are encouraged to look up the status of anyone they suspect of preparing illegally and, if appropriate, report them to CTEC.

Solving the unregistered preparer problem is a huge priority for CTEC and CTEC registered preparers. We are continuing to work with the California legislature to find ways to put even more pressure on unlawful preparers.



This year we made a significant investment in a new database, Web site and related computer technology in order to make it easier for CRTPs and providers of tax education to do business with CTEC. CRTPs may now instantly receive confirmation of their registration status, search for education providers or change their personal information. Providers also find the new system for registering their students faster, more accurate, and easily verifiable.

The new system catches preparers who submit false education claims. Because providers submit their class lists to us online rather than via paper trail, the computer matches the education credits submitted by the provider with the education claimed by the CRTP. If they don't match we hold the registration, adding the words "On Hold" to their listing in the Find a Preparer page of the CTEC Web site, until we can verify their education.

The public benefits from the new system because people can instantly verify whether the person they are considering to prepare their taxes is registered. Additionally, the information they are finding is more accurate because CRTPs update their own

address and bonding information changes when it happens.

Providers love the new system, with its immense amount of memory, rapid T1 line response, and user friendly data entry forms. It smoothly and instantly

processes thousands of records without protest.

This huge investment in technology is more than a one-time fix. It is a flexible system that can easily adapt to the potential growth CTEC will encounter in the future.





**CALIFORNIA TAX EDUCATION COUNCIL  
REGISTERED TAX PREPARERS**



*On June 30, 2003, there were 32,093 CRTPs*



*By Three-Digit Zip Code Area*

Eureka—57	San Jose—1464	Los Angeles—2010
Redding—211	Salinas—210	Alhambra—1995
Modoc—42	Fresno—811	Inglewood—1908
North Bay—697	Mojave—432	Long Beach—2064
Marysville—284	Bakersfield—784	Santa Ana—2535
Sacramento—1830	Santa Barbara—410	San Bernardino—2518
Oakland—2573	Oxnard—662	San Diego—2744
San Francisco—1505	Van Nuys—2185	
Stockton—1132	Pasadena—799	Out of State—231

## TELEVISION AND RADIO CARRIED CTEC'S MESSAGE

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The California legislature created the California Tax Education Council because it wanted to protect consumers from unqualified tax preparers. It is therefore part of our mission to make sure the public is aware of the protections afforded to them by the Tax Preparers Act. For several years we have used paid advertising during tax season to spread the word that tax preparers need to be registered and that registration means their preparer has met education and bonding requirements.

This year we augmented our paid advertising with public service announcements on television and radio. We were able to parlay 600 paid commercials on central valley television into 15,000 more free ones. The commercials were seen across the central valley, from Fairfield to Grass Valley, Yuba City to Fresno and all communities in between. The commercials ran on cable stations that included MTV, Comedy Central, Galavision, The Sci FI Channel, TNN, ABC Family and more. We were

able to make the case to the stations that as good corporate citizens they should run the commercial for free as a public service. Convincing stations to give up paid advertising for public service takes tremendous effort and we are proud of our achievement.

Additionally, in Sacramento TV Channels 10 and 31 ran interviews with a member of the Council. In Los Angeles, the highest rated Spanish language TV station, KMEX, ran a 30-minute interview with a CTEC Registered Tax Preparer. Radio stations also interviewed Council members regarding the CTEC message.

CTEC's message is important. We will continue to get the word out using paid and donated television and radio commercials as well as through interviews with journalists and through distribution of CTEC posters and brochures. Most importantly, the more than 32,000 CRTPs spread the message through word of mouth.

**SCHOOLS APPROVED FOR CONTINUING EDUCATION**

**( 2 0 H O U R S )**



**DISTANCE LEARNING COURSES**

A&B Office Income Tax School  
2548 W. 7th Street  
Los Angeles, CA 90057  
phone: (213) 365-2109  
fax: (213) 383-3267  
[aboffice.com](http://aboffice.com)

AES/University of Denver  
2255 East Evans Avenue  
Suite 390, Denver, CO 80208-6239  
phone: (800) 426-8802  
fax: (303) 871-6358  
[www.aes.du.edu](http://www.aes.du.edu)

American Schools  
PO Box 5161  
Torrance, CA 90510  
phone: (310) 544-2090  
fax: (310) 377-0511  
[americanschoolsonline.com](http://americanschoolsonline.com)

Brass Tax Presentations  
P. O. Box 28147  
San Diego, CA 92198  
phone: (858) 487-2553  
fax: (858) 487-8245  
[www.brasstax.com](http://www.brasstax.com)

CA CPA Education Foundation  
1235 Radio Road 2nd Floor  
Redwood City, CA 94065  
phone: (800) 877-5897  
fax: (650) 802-6224  
[www.educationfoundation.org](http://www.educationfoundation.org)

California Educational Studies  
2550 West Main Street #105  
Alhambra, CA 91801  
phone: (626) 457-1879  
fax: (626) 457-1879  
[www.educationalstudies.com](http://www.educationalstudies.com)

California Tax Institute  
5281 Laurel View Circle  
Yorba Linda, CA 92886  
phone: (800) 995-1747  
fax: (714) 777-4267  
[www.caltaxinstitute.com](http://www.caltaxinstitute.com)

Computerized Systems Co.  
2729 N. Broadway  
Los Angeles, CA 90031  
phone: (323) 221-1890

G & E Tax Institute  
36649 Little Sycamore Street  
Palmdale, CA 93552  
phone: (661) 285-6611  
fax: (661) 285-5734  
[www.g-etaxinstitute.com](http://www.g-etaxinstitute.com)

Gear Up Tax Seminars  
PO Box 23698  
Portland, OR 97281  
phone: (503) 624-0121  
fax: (503) 620-4736  
[www.gearup.com](http://www.gearup.com)

Gleim Publications, Inc.  
P.O. Box 12848 University Station  
Gainesville, FL 32604  
phone: 800-874-5346  
fax: 888-375-6940  
[www.gleim.com](http://www.gleim.com)

Golden City Prof. Studies  
2550 W. Main, Suite 105  
P.O. Box 7125  
Alhambra, CA 91801  
phone: (626) 457-8836  
fax: (626) 457-8852  
[www.goldtax.com](http://www.goldtax.com)

Golden State Tax Training Institute, Inc.  
113 McHenry Road, St. 190  
Buffalo Grove, IL 60089  
phone: (847) 459-3300  
fax: (847) 459-3904

Heras Income Tax School  
4664 Melrose Ave  
Los Angeles, CA 90029  
phone: (800) 347-9470  
fax: (323) 644-7500  
[www.HerasIncomeTaxSchool.com](http://www.HerasIncomeTaxSchool.com)

Jordan & Jordan Financial  
32611 North The Old Road  
Castaic, CA 91384  
phone: (323) 549-5436  
fax: (661) 257-9620  
[www.AFinancialConquest.com](http://www.AFinancialConquest.com)

Krusemark's Tax Service  
1132 18th Avenue  
Redwood City, CA 94063  
phone: (888) 810-4482  
fax: (888) 810-4485  
[www.taxcpe.com](http://www.taxcpe.com)

Lacerte Educational Services, Inc.  
5601 Headquarters Drive  
Plano, TX 75024  
phone: (800) 765-4040  
fax: (214) 387-2910  
[http://www.lacertesoftware.com/training\\_and\\_cpe/index.cfm](http://www.lacertesoftware.com/training_and_cpe/index.cfm)

Lopez Tax Service, Inc.  
1024 N. Davis Road  
Salinas, CA 93907  
phone: (831) 758-2512  
fax: (831) 758-2545  
[www.taxpro2000.com](http://www.taxpro2000.com)

National Tax Training School  
P.O. Box 767  
Mahwah, NJ 7430  
phone: (800) 914-8138  
fax: (888) 814-8140  
[www.nattax.com](http://www.nattax.com)

Network Electronic Tax Services  
PO Box 1473  
Upland, CA 91785-1473  
phone: (909) 949-4339  
fax: (909) 944-2590

Platinum Professional Studies  
17067 Roundhill Drive  
Huntington Beach, CA 92649  
phone: (714) 625-1040  
fax: (714) 625-4066  
[www.platinumprostudies.com](http://www.platinumprostudies.com)

Santa Ana College  
1530 W. 17th Street  
Santa Ana, CA 92706  
phone: (714) 564-6762

Sharpen Up Seminars (ImageOne, Inc.)  
P.O. Box 3069  
Chatsworth, CA 91311  
phone: (800) 462-4366  
fax: (818) 718-9002  
[www.sharpenupseminars.com](http://www.sharpenupseminars.com)

Spidell Publishing  
1158 N. Gilbert Street  
Anaheim, CA 92801  
phone: (714) 776-7850  
fax: (714) 776-9906  
[www.caltax.com](http://www.caltax.com)

Target Tax  
171 Gorrion Ave.  
Ventura, CA 93004  
phone: (888) 722-5405  
fax: (888) 311-5644  
[www.targettax.com](http://www.targettax.com)

Tax Educators  
1955 16th Street  
Springfield, OR 97477-2510  
phone: (541) 915-4915  
fax: (916) 848-3548  
[www.tax-educators.com](http://www.tax-educators.com)

**CONTACT COURSES**

1040 Financial, Inc.  
2300 Chester Avenue  
Bakersfield, CA 93301  
phone: (661) 334-1002  
fax: (661) 334-1041  
[mhughes@1040financial.com](mailto:mhughes@1040financial.com)

A&B Office Income Tax School  
2548 W. 7th Street  
Los Angeles, CA 90057  
phone: (213) 365-2109  
fax: (213) 383-3267  
[aboffice.com](http://aboffice.com)

AES/University of Denver  
2255 East Evans Avenue,  
Suite 390, Denver, CO 80208-6239  
phone: (800) 426-8802  
fax: (303) 871-6358  
[www.aes.du.edu](http://www.aes.du.edu)

Allen C Clark, EA  
5142 Saviers Road  
Oxnard, CA 93033  
phone: (805) 488-0196  
fax: (805) 488-8655

American Schools  
PO Box 5161  
Torrance, CA 90510  
phone: (310) 544-2090  
fax: (310) 377-0511  
[americanschoolsonline.com](http://americanschoolsonline.com)

Beauchamp Tax Service/  
Tax Insider  
3870 Mission Ave Suite D-6  
Oceanside, CA 92054-1880  
phone: (760) 722-4858  
fax: (760) 722-4424  
[Taxinsider.com](http://Taxinsider.com)

Best in the West Education Foundation  
2300 S Jones Blvd.  
Las Vegas, NV 89146  
phone: (702) 255-1772  
fax: (702) 873-8340

Brass Tax Presentations  
P. O. Box 28147  
San Diego, CA 92198  
phone: (858) 487-2553  
fax: (858) 487-8245  
[www.brasstax.com](http://www.brasstax.com)

• List is valid as of June 2003 • 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 )**

Brown & Ledbetter Seminars P.O. Box 6536 Laguna Niguel, CA 92607 phone: (949) 487-1040 fax: (949) 487-7744 <a href="http://www.taxzone.com">www.taxzone.com</a>	Chaffey College 5885 Haven Ave. Rancho Cucamonga, CA 91737-3002 phone: (909) 941-2698 fax: (909) 466-2882	Granny Educational Foundation 130 S Market Street #200 Inglewood, CA 90301 phone: (310) 673-4986 fax: (310) 673-7400	Jeff Ward, EA PhD 3941 Mason Street, Suite 4 San Diego, CA 92110 phone: (619) 725-0935 fax: (619) 725-0937
CA Chapter-Nat'l Assn. of Tax Practioners 1121 E. Ohio Avenue Escondido, CA 92025 phone: (760) 480-0155 fax: (760) 480-0279	CTEC Compro Tax 5349 Crenshaw Blvd. Los Angeles, CA 90043 phone: (323) 292-5812 fax: (323) 292-5816 <a href="http://comprotax.com">comprotax.com</a>	H&R Block Tax Services, Inc. 6622 Florin Road Sacramento, CA 95828 phone: (916) 399-0351 fax: (916) 429-2497 <a href="http://www.hrblock.com">www.hrblock.com</a>	Jordan & Jordan Financial 32611 North The Old Road Castaic, CA 91384 phone: (323) 549-5436 fax: (661) 257-9620 <a href="http://www.AFinancialConquest.com">www.AFinancialConquest.com</a>
CA CPA Education Foundation 1235 Radio Road 2nd Floor Redwood City, CA 94065 phone: (800) 877-5897 fax: (650) 802-6224 <a href="http://www.educationfoundation.org">www.educationfoundation.org</a>	Computax Bookkeeping & Business Services PO Box 7943 Riverside, CA 92503 phone: (909) 637-0536 fax: (909) 637-0543 <a href="http://www.computaxpro.com">www.computaxpro.com</a>	Heras Income Tax School 4664 Melrose Ave. Los Angeles, CA 90029 phone: (800) 347-9470 fax: (323) 644-7500 <a href="http://www.HerasIncomeTaxSchool.com">www.HerasIncomeTaxSchool.com</a>	L&R Tax Training School 214 S Euclid Avenue Ontario, CA 91762 phone: (909) 986-8372 fax: (909) 983-8375 <a href="http://www.mdproservice.com">www.mdproservice.com</a>
CA Society of Accounting & Tax Professionals 1734 Bluestone Lane Monterey Park 91755-5822 phone: (800) 894-8995 fax: (626) 573-1724 <a href="http://www.csatp.org">www.csatp.org</a>	Edward Jones 12555 Manchester Road St. Louis, MO 63131-3729 phone: (314) 515-5791 fax: (314) 515-3529 <a href="http://www.edwardjones.com">www.edwardjones.com</a>	Inglewood Adult School 106 E Manchester, Suite 350 Inglewood, CA 90301 phone: (310) 330-5225 fax: (310) 330-5218	Lacerte Educational Services, Inc. 5601 Headquarters Drive Plano, TX 75024 phone: (800) 765-4040 fax: (214) 387-2910 <a href="http://www.lacertesoftware.com/training_and_cpe/index.cfm">http://www.lacertesoftware.com/training_and_cpe/index.cfm</a>
CA Society of Enrolled Agents 3200 Ramos Circle Sacramento, CA 95827 phone: (916) 366-6646 fax: (916) 366-6674 <a href="http://www.csea.org">www.csea.org</a>	Fiducial Business Centers, Inc. 10480 Little Patuxent Pkwy, Ste 300 Columbia, MD 21044 phone: (866) 343-8242 fax: (410) 884-6151	Inland Society of Tax Consultants, Inc. 2140 W. Chapman, #103 Orange, CA 92686 phone: (714) 634-0484 fax: (714) 634-4975 <a href="http://www.istsociety.org">www.istsociety.org</a>	Latin American College of Business P.O. Box 227279 Los Angeles, CA 90022 phone: (323) 832-0371 fax: (323) 832-0379
CA State University - Hayward 25800 Carlos Bee Blvd. Hayward, CA 94542 phone: 5108812312 fax: 5108854817	Five Star Services 1001 W. Carson, Suite T Torrance, CA 90502 phone: (310) 783-0318 fax: (310) 783-0318	Instant Tax Service 1501 16th Street Suite 201 Sacramento, CA 95814 phone: (916) 448-6015 fax: (916) 444-8073	Liberty Tax Service 4575 Bonney Road #1040 Virginia Beach, VA 23462 phone: (757) 493-8855 fax: (757) 493-0169 <a href="http://www.libertytax.com">www.libertytax.com</a>
Cabrillo College 6500 Soquel Drive Bus. Comp. Sc. Division Aptos, CA 95003 phone: (831) 479-6400 fax: (831) 479-5758 <a href="http://www.cabrillo.cc.ca.us">www.cabrillo.cc.ca.us</a>	G & E Tax Institute 36649 Little Sycamore Street, Palmdale, CA 93552 phone: (661) 285-6611 fax: (661) 285-5734 <a href="http://www.g-etaxinstitute.com">www.g-etaxinstitute.com</a>	Internal Revenue Service 300 N. Los Angeles St.# 1053 Los Angeles, CA 90012 phone: (213) 576-4196 fax: (213) 894-6541	Lopez Tax Service, Inc. 1024 N. Davis Road Salinas, CA 93907 phone: (831) 758-2512 fax: (831) 758-2545 <a href="http://www.taxpro2000.com">www.taxpro2000.com</a>
Cano Educational Services 12809 Philadelphia St. Whittier, CA 90601 phone: (562) 693-0210	Gear Up Tax Seminars PO Box 23698 Portland, OR 97281 phone: (503) 624-0121 fax: (503) 620-4736 <a href="http://www.gearup.com">www.gearup.com</a>	IRS TEC 24000 Avila Road, Stop 5300 Laguna Niguel, CA 92677 phone: (949) 389-4615 fax: (949) 389-5078 <a href="http://www.irs.gov/taxpros">www.irs.gov/taxpros</a>	Lorman Business Center PO Box 509 Eau Claire, WI 54702 phone: (715) 833-3940 fax: (715) 833-3944 <a href="http://www.lorman.com">www.lorman.com</a>
Center for Management Services (SAC STATE) 6000 J Street Sacramento, CA 95819 phone: (916) 278-6307	Gerald Pusateri, EA 1225 Travis Blvd., Suite C Fairfield, CA 94533 phone: (707) 426-4396 fax: (707) 426-4397	IRS-Reno/Las Vegas Forum IRS - CL:NP - 1111 Constitution Ave., NW Washington, DC 20224 phone: (202) 662-5082 fax: (202) 927-5253 <a href="http://www.irs.gov">www.irs.gov</a>	Mt. Diablo Adult Education 1266 San Carlos Ave. Concord, CA 94518 phone: (925) 685-7340 fax: (925) 363-9757
Chaffey Adult School 211 West Fifth Street Ontario, CA 91762 phone: (909) 983-2010 fax: (909) 983-9916	Glendale Community College 1500 N. Verdugo Road Glendale, CA 91208 phone: (818) 240-1000 fax: (818) 549-9436 <a href="http://glendale.edu">glendale.edu</a>	Jackson Hewitt Tax Services 7 Sylvan Way Parsippany, NJ 07054 phone: (800) 234-1040 fax: (972) 722-2844 <a href="http://www.jacksonhewitt.com">www.jacksonhewitt.com</a>	National Association of Tax Professionals 720 Association Drive Appleton, WI 54914 phone: (920) 749-1040 fax: (920) 749-1062 <a href="http://www.natptax.com">www.natptax.com</a>

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

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National Center for Professional Education  
PO Box 560  
Zachary, LA 70791  
phone: (504) 654-7191

National Society of Public Accountants  
1010 N Fairfax Street  
Alexandria, VA 22314  
phone: (703) 549-6400  
fax: (703) 549-2984  
[www.nsacct.org](http://www.nsacct.org)

NBI, Inc.  
PO Box 3067  
Eau Claire, WI 54702  
phone: (715) 835-8525  
fax: (715) 835-1405  
[www.nbi-sems.com](http://www.nbi-sems.com)

Network Electronic Tax Services  
PO Box 1473  
Upland, CA 91785-1473  
phone: (909) 949-4339  
fax: (909) 944-2590

Orange Coast College  
Community Education  
P.O. Box 5005  
Costa Mesa, CA 92628  
phone: (714) 432-5880  
fax: (714) 432-5902

Portland State University  
Prof. Dev. Center  
PO Box 751  
Portland, OR 97207  
phone: (503) 725-4853  
fax: (503) 725-5585  
[www.pdc.pdx.edu/taxpi](http://www.pdc.pdx.edu/taxpi)

Practical Tax Preparers Clinic  
13575 Calais Drive  
Del Mar, CA 92014  
phone: (619) 755-1021

Riverside Tax Consultants Association  
P.O. Box 7596  
Riverside, CA 92513  
phone: (909) 243-7788  
fax: (909) 242-3938

Riverside Unified School District  
6401 Lincoln Avenue,  
Riverside, CA 92506  
phone: (909) 276-7670  
fax: (909) 276-7685  
[www.rusd.k12.ca.us](http://www.rusd.k12.ca.us)

Santa Ana College  
1530 W. 17th Street  
Santa Ana, CA 92706  
phone: (714) 564-6762

Sharpen Up Seminars  
(ImageOne, Inc.)  
P.O. Box 3069  
Chatsworth, CA 91311  
phone: (800) 462-4366  
fax: (818) 718-9002  
[www.sharpenupseminars.com](http://www.sharpenupseminars.com)

Southern State University, Inc.  
16161 Gothard Street,  
Huntington Beach, CA  
92647-3603  
phone: (866) 218-5818  
fax: (714) 848-7091  
[www.southernstatesuniversity.com](http://www.southernstatesuniversity.com)

Spidell Publishing  
1158 N. Gilbert Street,  
Anaheim, CA 92801  
phone: (714) 776-7850  
fax: (714) 776-9906  
[www.caltax.com](http://www.caltax.com)

Tax Educators  
1955 16th Street,  
Springfield, OR 97477-2510  
phone: (541) 915-4915  
fax: (916) 848-3548  
[www.tax-educators.com](http://www.tax-educators.com)

Tax Link Seminars  
2335 W. Foothill Blvd Ste 16  
Upland, CA 91786  
phone: (909) 621-1982  
fax: (909) 625-4293

Taxtor Educators  
P.O. Box 516, Highland, CA  
92346  
phone: (909) 885-5017  
fax: (909) 825-1125

The Phoenix Tax Group  
1243 Alpine Road Suite 219  
Walnut Creek, CA 94596  
phone: (800) 879-1099  
fax: (925) 932-2085  
[www.phoenixtax.com](http://www.phoenixtax.com)

The Tax Company  
19401 Vermont Ave Ste C 100  
Torrance, CA 90502  
phone: (800) 359-1004  
fax: (310) 366-3303

THG Enterprises, Inc.  
7171 Alvarado Road, Suite  
103, La Mesa, CA 91941  
phone: (619) 465-7186  
fax: (619) 465-7193  
[www.needtaxhelpnow.com](http://www.needtaxhelpnow.com)

Tri-Community Adult Education  
PO Box 269  
Covina, CA 91723  
phone: (626) 472-7681  
fax: (626) 472-7684  
[www.cvusd.k12.ca.us/tri-com-munity/tricomhome.htm](http://www.cvusd.k12.ca.us/tri-com-munity/tricomhome.htm)

University of California,  
San Diego Extension  
6925 Lusk Blvd.  
San Diego, CA 92121  
phone: (858) 882-8010  
fax: (858) 882-8017  
[www.extension.ucsd.edu](http://www.extension.ucsd.edu)

Western CPE  
20 East Main Street  
Bozeman, MT 59715  
phone: (406) 556-0115  
fax: (406) 556-0210  
[www.westerncpe.com](http://www.westerncpe.com)

Wiseguides, Inc.  
4833 Darrow Rd. Ste.# 106  
Stow, OH 44224  
phone: (800) 713-2098  
fax: (330) 342-7343  
[www.wiseguides.com](http://www.wiseguides.com)

#### INTERNET COURSES

AES/University of Denver  
2255 East Evans Avenue,  
Suite 390  
Denver, CO 80208-6239  
phone: (800) 426-8802  
fax: (303) 871-6358  
[www.aes.du.edu](http://www.aes.du.edu)

American Schools  
PO Box 5161  
Torrance, CA 90510  
phone: (310) 544-2090  
fax: (310) 377-0511  
[americanschoolsonline.com](http://americanschoolsonline.com)

CA Society of Enrolled Agents  
3200 Ramos Circle,  
Sacramento, CA 95827  
phone: (916) 366-6646  
fax: (916) 366-6674  
[www.csea.org](http://www.csea.org)

California Educational Studies  
2550 West Main Street #105  
Alhambra, CA 91801  
phone: (626) 457-1879  
fax: (626) 457-1879  
[www.educationalstudies.com](http://www.educationalstudies.com)

California Tax Institute  
5281 Laurel View Circle  
Yorba Linda, CA 92886  
phone: (800) 995-1747  
fax: (714) 777-4267  
[www.caltaxinstitute.com](http://www.caltaxinstitute.com)

Computerized Systems Company  
2729 N. Broadway, Los Angeles, CA 90031  
phone: (323) 221-1890

Gleim Publications, Inc.  
P.O. Box 12848  
University Station  
Gainesville, FL 32604  
phone: 800-874-5346  
fax: 888-375-6940  
[www.gleim.com](http://www.gleim.com)

Heras Income Tax School  
4664 Melrose Ave.  
Los Angeles, CA 90029  
phone: (800) 347-9470  
fax: (323) 644-7500  
[www.HerasIncomeTaxSchool.com](http://www.HerasIncomeTaxSchool.com)

Jordan & Jordan Financial  
32611 North The Old Road,  
Castaic, CA 91384  
phone: (323) 549-5436 or  
661-257-9620 fax:  
[www.AFinancialConquest.com](http://www.AFinancialConquest.com)

Krusemark's Tax Service  
1132 18th Avenue,  
Redwood City, CA 94063  
phone: (888) 810-4482  
fax: (888) 810-4485  
[www.taxcpe.com](http://www.taxcpe.com)

Lacerte Educational Services, Inc.  
5601 Headquarters Drive,  
Plano, TX 75024  
phone: (800) 765-4040  
fax: (214) 387-2910  
[http://www.lacertesoftware.com/training\\_and\\_cpe/index.cfm](http://www.lacertesoftware.com/training_and_cpe/index.cfm)

Platinum Professional Studies  
17067 Roundhill Drive  
Huntington Beach, CA 92649  
phone: (714) 625-1040  
fax: (714) 625-4066  
[www.platinumprostudies.com](http://www.platinumprostudies.com)

Target Tax  
171 Gorrión Ave.  
Ventura, CA 93004  
phone: (888) 722-5405  
fax: (888) 311-5644  
[www.targettax.com](http://www.targettax.com)

The Phoenix Tax Group  
1243 Alpine Road Suite 219  
Walnut Creek, CA 94596  
phone: (800) 879-1099  
fax: (925) 932-2085  
[www.phoenixtax.com](http://www.phoenixtax.com)

Thomas Tax Seminars  
1523 Amanda Place  
Santa Rosa, CA 95403  
phone: (800) 638-3783  
fax: (707) 579-2122  
[www.thomastaxseminars.com](http://www.thomastaxseminars.com)

Western CPE  
20 East Main Street  
Bozeman, MT 59715  
phone: (406) 556-0115  
fax: (406) 556-0210  
[www.westerncpe.com](http://www.westerncpe.com)

Wiseguides, Inc.  
4833 Darrow Rd. Ste.# 106  
Stow, OH 44224  
phone: (800) 713-2098  
fax: (330) 342-7343  
[www.wiseguides.com](http://www.wiseguides.com)

**SCHOOLS APPROVED FOR QUALIFYING EDUCATION**

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**DISTANCE LEARNING COURSES**

A&B Office Income Tax School  
2548 W. 7th Street  
Los Angeles, CA 90057  
phone: (213) 365-2109  
fax: (213) 383-3267  
[aboffice.com](http://aboffice.com)

American Schools  
PO Box 5161  
Torrance, CA 90510  
phone: (310) 544-2090  
fax: (310) 377-0511  
[americanschoolsonline.com](http://americanschoolsonline.com)

California Tax Institute  
5281 Laurel View Circle  
Yorba Linda, CA 92886  
phone: (800) 995-1747  
fax: (714) 777-4267  
[www.caltaxinstitute.com](http://www.caltaxinstitute.com)

G & E Tax Institute  
36649 Little Sycamore Street  
Palmdale, CA 93552  
phone: (661) 285-6611  
fax: (661) 285-5734  
[www.g-etaxinstitute.com](http://www.g-etaxinstitute.com)

Golden City Prof. Studies  
2550 W. Main, Suite 105  
P.O. Box 7125  
Alhambra, CA 91801  
phone: (626) 457-8836  
fax: (626) 457-8852  
[www.goldtax.com](http://www.goldtax.com)

Heras Income Tax School  
4664 Melrose Ave  
Los Angeles, CA 90029  
phone: (800) 347-9470  
fax: (323) 644-7500  
[www.HerasIncomeTaxSchool.com](http://www.HerasIncomeTaxSchool.com)

Jordan & Jordan Financial  
32611 North The Old Road  
Castaic, CA 91384  
phone: (323) 549-5436  
fax: (661) 257-9620  
[www.AFinancialConquest.com](http://www.AFinancialConquest.com)

Mt. San Jacinto College  
28237 La Piedra Road  
Menifee, CA 92584  
phone: (909) 672-6752  
fax: (909) 301-0368

National Tax Training School  
P.O. Box 767  
Mahwah, NJ 7430  
phone: (800) 914-8138  
fax: (888) 814-8140  
[www.nattax.com](http://www.nattax.com)

Network Electronic Tax Services  
PO Box 1473  
Upland, CA 91785-1473  
phone: (909) 949-4339  
fax: (909) 944-2590

People's Income Tax, Inc.  
1801 Libbie Avenue, Ste. 100  
Richmond, VA 23226-1833  
phone: (804) 204-1040  
fax: (804) 213-4248  
[www.peoplestax.com](http://www.peoplestax.com)

Platinum Professional Studies  
17067 Roundhill Drive  
Huntington Beach, CA 92649  
phone: (714) 625-1040  
fax: (714) 625-4066  
[www.platinumprostudies.com](http://www.platinumprostudies.com)

Santa Ana College  
1530 W. 17th Street  
Santa Ana, CA 92706  
phone: (714) 564-6762

**CONTACT COURSES**

1040 Financial, Inc.  
2300 Chester Avenue  
Bakersfield, CA 93301  
phone: (661) 334-1002  
fax: (661) 334-1041  
[mhughes@1040financial.com](mailto:mhughes@1040financial.com)

Allen C Clark, EA  
5142 Saviers Road  
Oxnard, CA 93033  
phone: (805) 488-0196  
fax: (805) 488-8655

Beauchamp Tax Service/  
Tax Insider  
3870 Mission Ave Suite D-6  
Oceanside, CA 92054-1880  
phone: (760) 722-4858  
fax: (760) 722-4424  
[Taxinsider.com](http://Taxinsider.com)

Cabrillo College  
6500 Soquel Drive Bus.  
Comp. Sc. Division  
Aptos, CA 95003  
phone: (831) 479-6400  
fax: (831) 479-5758  
[www.cabrillo.cc.ca.us](http://www.cabrillo.cc.ca.us)

Cano Educational Services  
12809 Philadelphia St.  
Whittier, CA 90601  
phone: (562) 693-0210

Center for Management Services (SAC STATE)  
6000 J Street  
Sacramento, CA 95819  
phone: (916) 278-6307

Chaffey Adult School  
211 West Fifth Street  
Ontario, CA 91762  
phone: (909) 983-2010  
fax: (909) 983-9916

Chaffey College  
5885 Haven Ave.  
Rancho Cucamonga, CA 91737-3002  
phone: (909) 941-2698  
fax: (909) 466-2882

College of the Sequoias  
915 South Mooney Blvd.  
Visalia, CA 93277  
phone: (559) 730-3739  
fax: (559) 730-3984  
[www.cos.edu](http://www.cos.edu)

Compro Tax  
5349 Crenshaw Blvd.  
Los Angeles, CA 90043  
phone: (323) 292-5812  
fax: (323) 292-5816  
[comprotax.com](http://comprotax.com)

Computax Bookkeeping & Business Services  
PO Box 7943  
Riverside, CA 92503  
phone: (909) 637-0536  
fax: (909) 637-0543  
[www.computaxpro.com](http://www.computaxpro.com)

Cosumnes River College  
8401 Center Parkway  
Sacramento, CA 95823  
phone: (916) 691-7226  
fax: (916) 691-7443

G & E Tax Institute  
36649 Little Sycamore Street, Palmdale, CA 93552  
phone: (661) 285-6611  
fax: (661) 285-5734  
[www.g-etaxinstitute.com](http://www.g-etaxinstitute.com)

Glendale Community College  
1500 N. Verdugo Road  
Glendale, CA 91208  
phone: (818) 240-1000  
fax: (818) 549-9436  
[glendale.edu](http://glendale.edu)

Granny Educational Foundation  
130 S Market Street #200  
Inglewood, CA 90301  
phone: (310) 673-4986  
fax: (310) 673-7400

H&R Block Tax Services, Inc.  
6622 Florin Road  
Sacramento, CA 95828  
phone: (916) 399-0351  
fax: (916) 429-2497  
[www.hrblock.com](http://www.hrblock.com)

Heald Colleges  
670 Howard Street  
San Francisco, CA 94105  
phone: (415) 808-1422  
fax: (415) 808-1594  
[www.heald.edu](http://www.heald.edu)

Heras Income Tax School  
4664 Melrose Ave.  
Los Angeles, CA 90029  
phone: (800) 347-9470  
fax: (323) 644-7500  
[www.HerasIncomeTaxSchool.com](http://www.HerasIncomeTaxSchool.com)

Inglewood Adult School  
106 E Manchester, Suite 350  
Inglewood, CA 90301  
phone: (310) 330-5225  
fax: (310) 330-5218

Inland Society of Tax Consultants, Inc.  
2140 W. Chapman, #103  
Orange, CA 92686  
phone: (714) 634-0484  
fax: (714) 634-4975  
[www.istsociety.org](http://www.istsociety.org)

Instant Tax Service  
1501 16th Street Suite 201  
Sacramento, CA 95814  
phone: (916) 448-6015  
fax: (916) 444-8073

• List is valid as of June 2003 • 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 )**

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International Career  
Development Center  
6363 Wilshire Blvd, Ste. 600  
Los Angeles, CA 90048  
phone: (323) 655-9100  
fax: (323) 655-9191  
[www.learnercareer.com](http://www.learnercareer.com)

Jackson Hewitt Tax Services  
7 Sylvan Way  
Parsippany, NJ 07054  
phone: (800) 234-1040  
fax: (972) 722-2844  
[www.jacksonhewitt.com](http://www.jacksonhewitt.com)

Jordan & Jordan Financial  
32611 North The Old Road  
Castaic, CA 91384  
phone: (323) 549-5436  
fax: (661) 257-9620  
[www.AFinancialConquest.com](http://www.AFinancialConquest.com)

L&R Tax Training School  
214 S Euclid Avenue  
Ontario, CA 91762  
phone: (909) 986-8372  
fax: (909) 983-8375  
[www.mdproservice.com](http://www.mdproservice.com)

Lake Tahoe Community  
College  
One College Drive  
South Lake Tahoe, CA 96150  
phone: (530) 541-4660  
fax: (530) 541-7852

Latin American College of  
Business  
P.O. Box 227279  
Los Angeles, CA 90022  
phone: (323) 832-0371  
fax: (323) 832-0379

Latino's Immigration &  
Tax, Inc.  
4509 E. Slauson Ave. Suite #C  
Maywood, CA 90270  
phone: (323) 562-4400  
fax: (323) 560-3586

Lau Financial Services, Inc.  
181 Second Avenue, Ste. 600  
San Mateo, CA 94401  
phone: (650) 344-1700  
fax: (650) 558-9656

Law Offices of Phuc Dinh Do  
300 S King Road  
San Jose, CA 95116  
phone: (408) 254-9991  
fax: (408) 254-2971

Lincoln Education Center  
11262 Garden Grove Blvd.  
Garden Grove, CA 92843  
phone: (714) 534-4548

Lopez Tax Service, Inc.  
1024 N. Davis Road  
Salinas, CA 93907  
phone: (831) 758-2512  
fax: (831) 758-2545  
[www.taxpro2000.com](http://www.taxpro2000.com)

Mira Costa College Business  
Dept.  
One Barnard Dr.  
Oceanside, CA 92056  
phone: (760) 757-2121  
fax: (760) 795-6770  
[www.miracosta.cc.ca.us](http://www.miracosta.cc.ca.us)

Mt. Diablo Adult Education  
1266 San Carlos Ave.  
Concord, CA 94518  
phone: (925) 685-7340  
fax: (925) 363-9757

Mt. San Jacinto College  
28237 La Piedra Road  
Menifee, CA 92584  
phone: (909) 672-6752  
fax: (909) 301-0368

National Association of Tax  
Professionals  
720 Association Drive  
Appleton, WI 54914  
phone: (920) 749-1040  
fax: (920) 749-1062  
[www.natptax.com](http://www.natptax.com)

Network Electronic Tax  
Services  
PO Box 1473  
Upland, CA 91785-1473  
phone: (909) 949-4339  
fax: (909) 944-2590

San Diego City College  
1313 12th Avenue  
San Diego, CA 92101  
phone: (619) 388-3488

Santa Ana College  
1530 W. 17th Street  
Santa Ana, CA 92706

Southern State University, Inc.  
16161 Gothard Street  
Huntington Beach, CA  
92647-3603  
phone: (866) 218-5818  
fax: (714) 848-7091  
[www.southernstatesuniversity.com](http://www.southernstatesuniversity.com)

Tax Care Inc.  
1310 Monument Blvd. #D,  
Concord, CA 94520  
phone: (925) 688-1400  
fax: (925) 688-1406

The Business Masters, Inc.  
1040 E Compton Blvd.  
Compton, CA 90221  
phone: (310) 635-7653  
fax: (310) 635-1491

THG Enterprises, Inc.  
7171 Alvarado Road, Suite  
103, La Mesa, CA 91941  
phone: (619) 465-7186  
fax: (619) 465-7193  
[www.needtaxhelpnow.com](http://www.needtaxhelpnow.com)

Thomas Karl Schenerell,  
CPA, MS Tax (2090)  
930 N. Citrus Ave, Covina,  
CA 91722  
phone: (626) 858-4995  
fax: (626) 967-1392

Tri-Community Adult  
Education  
PO Box 269  
Covina, CA 91723  
phone: (626) 472-7681  
fax: (626) 472-7684  
[www.cvusd.k12.ca.us/tri-com-munity/tricomhome.htm](http://www.cvusd.k12.ca.us/tri-com-munity/tricomhome.htm)

Yuba Community College  
15880 Dam Road Ext.  
Clearlake, CA 95422  
phone: (707) 995-7919  
fax: (707) 994-3553  
[www.yuba.cc.ca.us](http://www.yuba.cc.ca.us)

#### INTERNET COURSES

American Schools  
PO Box 5161  
Torrance, CA 90510  
phone: (310) 544-2090  
fax: (310) 377-0511  
[americanschoolsonline.com](http://americanschoolsonline.com)

California Tax Institute  
5281 Laurel View Circle  
Yorba Linda, CA 92886  
phone: (800) 995-1747  
fax: (714) 777-4267  
[www.caltaxinstitute.com](http://www.caltaxinstitute.com)

Heras Income Tax School  
4664 Melrose Ave.  
Los Angeles, CA 90029  
phone: (800) 347-9470  
fax: (323) 644-7500  
[www.HerasIncomeTaxSchool.com](http://www.HerasIncomeTaxSchool.com)

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32611 North The Old Road,  
Castaic, CA 91384  
phone: (323) 549-5436 or  
661-257-9620 fax:  
[www.AFinancialConquest.com](http://www.AFinancialConquest.com)

Mt. San Jacinto College  
28237 La Piedra Road  
Menifee, CA 92584  
phone: (909) 672-6752  
fax: (909) 301-0368

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1801 Libbie Avenue, Ste. 100  
Richmond, VA 23226-1833  
phone: (804) 204-1040  
fax: (804) 213-4248  
[www.peoplestax.com](http://www.peoplestax.com)

Platinum Professional  
Studies  
17067 Roundhill Drive  
Huntington Beach, CA 92649  
phone: (714) 625-1040  
fax: (714) 625-4066  
[www.platinumprostudies.com](http://www.platinumprostudies.com)

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of the California Tax Education Council (a nonprofit organization) as of June 30, 2003 and 2002, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of California Tax Education Council's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audits provide 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, 2003 and 2002, 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 audits 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 statement of functional expenses on page 18 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 26, 2003



## STATEMENT OF FINANCIAL POSITION

As of June 30, 2003 and 2002

	2003	2002
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 103,632	\$ 171,283
Returned Checks Receivable	1,007	753
Prepaid Expenses	1,475	-
Total Current Assets	<u>106,114</u>	<u>172,036</u>
<b>Investments</b>		
Certificates of Deposit	431,838	336,497
<b>Fixed Assets</b>		
Equipment, Net	<u>17,000</u>	<u>-</u>
<b>Total Assets</b>	<u><u>554,952</u></u>	<u><u>\$ 508,533</u></u>
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 61,074	\$ 78,331
Total Current Liabilities	<u>61,074</u>	<u>78,331</u>
<b>Net Assets - Unrestricted</b>	<u>493,878</u>	<u>430,202</u>
<b>Total Liabilities and Net Assets</b>	<u><u>554,952</u></u>	<u><u>\$ 508,533</u></u>

See accompanying notes.

## STATEMENT OF ACTIVITIES

*For the Years Ended June 30, 2003 and 2002*

	2003	2002
<b>Revenues:</b>		
Registration Fees	\$ 801,795	\$ 755,524
Late Registration Fees	65,324	63,927
Provider Fees	17,500	12,500
Mailing List	3,750	3,595
Other Income	2,006	1,797
Interest	6,015	8,795
	<hr/>	<hr/>
Total Revenues	896,390	846,138
<b>Expenses:</b>		
Curriculum Review	119,883	113,093
Board Activities		
Tax Preparer Services	13,509	13,651
Education and Curriculum	27,023	27,302
General and Administrative	94,569	95,565
	<hr/>	<hr/>
Total Board Activities	135,101	136,518
General and Administrative	117,144	121,529
Public Awareness	287,147	284,841
Registration	173,439	130,613
	<hr/>	<hr/>
Total Expenses	832,714	786,594
<b>Increase in Net Assets</b>	63,676	59,544
Net Assets Beginning	430,202	370,658
	<hr/>	<hr/>
Net Assets Ending	\$ 493,878	\$ 430,202
	<hr/> <hr/>	<hr/> <hr/>

*See accompanying notes.*

**STATEMENT OF FUNCTIONAL EXPENSES**



*For the Year Ended June 30, 2003*

	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 2002
Accounting							\$ 7,726	\$7,726	\$ 5,663
Advertising & Promotion			89,864					89,864	113,388
Bank Service Charges							2,408	2,408	1,462
Credit Card Discounts		14,281						14,281	11,252
Returned Items									3,101
Depreciation		1,200	1,200		600			3,000	525
Enforcement		8,723						8,723	
Fees & Licenses							820	820	525
Insurance							1,948	1,948	3,090
Legal							2,517	2,517	113
Management Fee	9,240	92,400	92,400	18,480	92,400	\$64,680	92,400	462,000	462,000
Meetings, Conferences	1,197			2,395		8,382		11,974	20,278
Miscellaneous		1,062					295	1,357	
Outside Consultants	250		61,517	500	17,950	1,750		81,967	57,039
Postage		11,532	6,991					18,523	9,602
Printing		27,983	12,076				7,144	47,203	51,263
Telephone/Fax	9		6,673	19		65	773	7,539	4,056
Travel			157					157	
Mileage	242			484		1,691	427	2,844	3,011
Airfare	371			743	632	2,599	217	4,562	2,139
Hotel	1,509			3,019	172	10,564	158	15,422	18,991
Per Diem	507			1,015		3,551	250	5,323	4,312
Cab	61			121		424	2	608	419
Parking	123		11	247		863	59	1,303	559
Meals									35
Car Rental									151
Web Page		13,875	13,875		6,937			34,687	35
Internet Connection		2,383	2,383		1,192			5,958	14,325
	\$ 13,509	\$ 173,439	\$ 287,147	\$ 27,023	\$ 119,883	\$ 94,569	\$ 117,144	\$ 832,714	\$ 787,154

*See accompanying notes.*

## STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2003 and 2002

	2003	2002
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets	\$ 63,676	\$ 59,544
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	3,000	
Decrease (increase) in receivable	(254)	3,025
Decrease (increase) prepaid expense	(1,475)	
Increase (decrease) in accounts payable	(17,257)	(1,195)
Net cash from operating activities	<u>47,690</u>	<u>61,374</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of equipment	(20,000)	
Purchase of certificates of deposit	(95,341)	(8,037)
Net cash provided by (used in) investing activities	<u>(115,341)</u>	<u>(8,037)</u>
Net increase (decrease) in cash	(67,651)	53,337
<b>Cash and Cash Equivalents:</b>		
Beginning	<u>171,283</u>	<u>117,946</u>
Ending	<u>\$ 103,632</u>	<u>\$ 171,283</u>

See accompanying notes.

## NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2003 and 2002

### 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 32,093 and 30,243 tax preparers in 2003 and 2002, respectively.

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.

#### *Fixed Assets*

All fixed assets are recorded at cost. CTEC provides for depreciation using the straight-line method over the estimated useful lives of the assets, which is five years.

#### *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.

#### *Income Taxes*

CTEC is a nonprofit corporation exempt from income tax 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. EQUIPMENT

Equipment is summarized by major classifications as follows:

Computer Equipment	\$ 20,000
Less Accumulated Depreciation	(3,000)
Equipment, Net	<u>\$ 17,000</u>

### 3. 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 on June 30, 2003.

### 4. BOARD OF DIRECTORS

The California Tax Education Council is governed by a Board of directors who are: S. Elaine Lyttleton, William Geideman, Walter C. Thomas, Khorshed Alam, Frank Cabrera, C. Lester Crawford, Ruth Godfrey, Michael Kirby, Jacqueline Marazzi, Donna Nance, David Pugh. There are four additional CRTP directors who are John Bishop, MaryBeth LaMunyon-Jones, Scott Lawrence and Sharon McCormack.