

# 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

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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 consumers.*

*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 California Department of Consumer Affairs to CTEC effective July 1, 1997. The Council is a nonprofit quasi public benefit corporation 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 California Business & Professions Code.*

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

CALIFORNIA TAX EDUCATION COUNCIL

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

CTEC.ORG



## MESSAGE FROM THE CHAIR

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Each year, the California Tax Education Council (CTEC) takes a time out. We call this time out a Strategic Plan Review. We spend a day, sometimes more, studying our Mission Statement, and reviewing what we have done the past year toward the fulfillment of the promises made in that Statement. We then look at our strengths, weaknesses, opportunities and threats in the future, and revise our Strategic Plan appropriately to respond to them.

Goal 1 of our Strategic Plan is “Ensuring all preparers are registered.” To this end, we are pleased to announce that this year legislation has been passed by the California Legislature and signed by the Governor, authorizing the Franchise Tax Board to impose a penalty of up to \$5,000 against a tax preparer who fails to register with CTEC.

CTEC currently registers more than 36,000 Certified Registered Tax Preparers (CRTPs), and honors their dedication to professionalism, education, integrity and the law. The Council annually enters into a Memorandum of Understanding (MOU) with the Franchise Tax Board, agreeing to pay the expenses of FTB Fraud Unit personnel to travel throughout California during income tax season, identifying non-compliant tax preparers. This new legislation now gives teeth to those visits, and offers a meaningful incentive for non-compliant preparers to become educated and qualified to serve California consumers.

The Council is also making progress toward fulfilling other goals listed in the Strategic Plan. Some of these include:

- Ensuring the public has an understanding of what CTEC is and what it does. We wage a major and expensive advertising campaign each tax season to warn the consumer of non-compliant preparers, and encourage them to seek out qualified tax professionals such as CRTPs.
- Ensuring all providers adhere to the educational standards set by CTEC. We continually monitor and audit the education courses provided by tax schools and organizations. When we occasionally have to deny a provider an approval of their course material, we take considerable heat. But we willingly do this in order for the CRTP to be properly served with quality education.
- Developing and maintaining effective working relationships with CTEC constituents. That means interacting with CRTPs, the FTB, IRS, California consumers, and the California Legislature. Members of the Council attend IRS Forums, meeting with preparers there and at local practitioner liaison meetings, working with the FTB on compliance, and meeting with members of the California Legislature to ensure their understanding of the issues confronting the tax profession.

All this work could not be accomplished without the dedication of the volunteers who serve on the California Tax Education Council, and the support and professionalism of CTEC Registered Tax Preparers.

S. ELAINE LYTTLETON, *Chairwoman*

2004 - 2005 COUNCIL MEMBERS



S. ELAINE LYTTLETON  
*Chairwoman*  
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



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



THOMAS CARTER  
Appointed by:  
California Society of Tax  
Consultants, Inc.



C. LESTER CRAWFORD  
CTEC Registered Tax  
Preparer  
Los Angeles



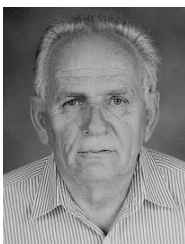
STEVEN DESDIER  
Appointed by:  
National Society of  
Accountants



MICHAEL J. KIRBY  
Appointed by: Jackson  
Hewitt Tax Services



JACQUELINE MARAZZI  
Appointed by: National  
Society  
of Tax Practitioners



DAVID PUGH  
CTEC Registered Tax  
Preparer  
Ventura



WILLIAM REILLY  
Appointed by: California  
Society of Enrolled Agents



JOSEPH SALAZAR  
Appointed by: Mission  
Society of Enrolled Agents  
2003 - 2004



GREGORY H. STEINBIS  
Appointed by: Mission  
Society of Enrolled Agents

**2004 - 2005 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



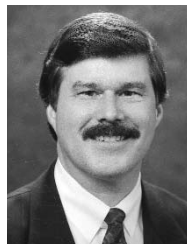
**RUTH MOORE**  
Representative of the  
Franchise Tax Board



**NEKI M. JONES**  
Representative of the  
Internal Revenue Service

**2004 - 2005 STAFF MEMBERS**

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**CHARLES L. COLE**



**CELESTE H. HERITAGE**

# The Numbers Keep Going Up!

When CTEC assumed responsibility for the Tax Preparer Program in July of 1997, approximately 27,000 tax preparers were registered with the Department of Consumer Affairs Tax Preparer Program and were grandfathered into CTEC. As of June 30, 2005, over 36,000 individuals are CTEC Registered Tax Preparers, an increase of over 8,000 preparers in an eight year period.

The following table shows each year's annual registration numbers:

Registration Year	Total Registrations
07/01/97-06/30/98	28,831
07/01/98-06/30/99	29,009
07/01/99-06/30/00	29,773
07/01/00-06/30/01	28,444
07/01/01-06/30/02	29,943
07/01/02-06/30/03	32,093
07/01/03-06/30/04	34,391
07/01/04-06/30/05	36,931

During most years, CTEC's registration numbers increased, with the most significant increases occurring over the last three years.

# Strengthening the Partnership CTEC & FTB

Over the last eight years, the California Tax Education Council (CTEC) and the California Franchise Tax Board (FTB) have worked together through Memorandums of Understanding (MOUs) in an effort to reduce or eliminate the number of non-compliant tax preparers operating in the State of California. During the 2004/2005 California legislative session, a bill, SB 229, was introduced by State Senator Liz Figueroa. This bill gives FTB, beginning January 1, 2006, the ability to levy penalties on individuals who, according to Section 22253 of the California Business & Professions Code, are preparing taxes illegally. The amount of the penalty for the first

failure to register with CTEC is \$2,500. If after 90 days an individual still has not registered with CTEC, the penalty is increased to \$5,000. SB 229 was passed by the Legislature and signed by the Governor.

Given California's current budget constraints, especially with regard to establishing new programs, CTEC agreed to financially subsidize FTB for a portion of the costs associated with the implementation of this new law. This joint effort between CTEC and FTB is an excellent example of how public and private entities can work together to secure the best possible safeguards for California consumers.

# The Non-Compliant Tax Preparer Complaint Form

*In keeping with another of our Strategic Plan Goals (identifying and bringing into compliance unregistered preparers), in January 2005 CTEC added a Non-Compliant Tax Preparer Complaint Form to its website. This is an informal complaint system that allows individuals*

*to make CTEC aware of non-compliant tax preparers. The information on the form comes directly to CTEC for appropriate action. CTEC keeps the identity of the reporting individual anonymous. Just another tool initiated by CTEC to protect California consumers.*





**CALIFORNIA TAX EDUCATION COUNCIL  
REGISTERED TAX PREPARERS**

On June 30, 2005, there were 36,931 CRTPs



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

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**DISTANCE LEARNING COURSES**

**1040 Financial, Inc.**  
2300 Chester Avenue  
Bakersfield, CA 93301  
phone: (661) 334-1002  
fax: (661) 334-1041  
[1040financial.com](http://1040financial.com)  
CTEC provider #: 3007

**A&B Office Income Tax School**  
2548 W. 7th Street  
Los Angeles, CA 90057  
phone: (213) 365-2109  
fax: 310-893-6714  
[aboffice.com](http://aboffice.com)  
CTEC provider #: 1057

**A+ Tax Educators**  
3549 Camino del Rio South Ste. D  
San Diego, CA 92108  
phone: (619) 282-6502  
fax: (619) 374-2902  
[aplustaxeducators.com](http://aplustaxeducators.com)  
CTEC provider #: 3035

**AAARANA Business Enterprises**  
P.O. Box 227279  
Los Angeles, CA 90022  
phone: (323) 832-0371  
fax: (323) 832-0379  
CTEC provider #: 1039

**AES/University of Denver**  
2255 East Evans Avenue Suite 390  
Denver, CO 80208-6239  
phone: (800) 426-8802  
fax: (303) 871-6358  
[aes.du.edu](http://aes.du.edu)  
CTEC provider #: 1066

**Allen Clark Financial Services-Income Tax School**  
5142 Saviers Road  
Oxnard, CA 93033  
phone: (805) 488-0196  
fax: (805) 488-8655  
CTEC provider #: 3009

**American Schools**  
PO Box 5161  
Torrance, CA 90510  
phone: (310) 544-2090  
fax: (310) 377-0511  
[americanschoolsonline.com](http://americanschoolsonline.com)  
CTEC provider #: 1012

**American Tax Institute**  
PO Box 516  
Lawndale, CA 90260-0516  
phone: 1(888) 370-8766  
fax: (310) 370-8766  
[americantax.us](http://americantax.us)  
CTEC provider #: 3024

**APEX Income Tax School**  
12127 Mall Blvd Ste A-211  
Victorville, CA 92392  
phone: (866) 957-1040  
fax: 760-955-6434  
[apex1040.com](http://apex1040.com)  
CTEC provider #: 3040

**Best in the West Education Foundation**  
P. O. Box 94586  
Las Vegas, NV 89193-4586  
phone: (702) 873-8340  
fax: (702) 873-1023  
CTEC provider #: 2004

**Brass Tax Presentations**  
P. O. Box 28147  
San Diego, CA 92198  
phone: (858) 487-2553  
fax: (858) 487-8245  
CTEC provider #: 1008

**Brown & Ledbetter Seminars**  
P.O. Box 223131  
Carmel, CA 93922  
phone: (831) 620-1090  
fax: (831) 620-0975  
[taxzone.com](http://taxzone.com)  
CTEC provider #: 2024

**CA Chapter-Nat'l Assn of Tax Practitioners**  
1121 E. Ohio Avenue  
Escondido, CA 92025  
phone: (760) 480-0155  
fax: (760) 480-0279  
[jmtaxandfinancialservices.com](http://jmtaxandfinancialservices.com)  
CTEC provider #: 2014

**CA CPA Education Foundation**  
1235 Radio Road 2nd Floor  
Redwood City, CA 94065  
phone: (800) 877-5897  
fax: (650) 802-6224  
[educationfoundation.org](http://educationfoundation.org)  
CTEC provider #: 2099

**CA Society of Accounting & Tax Professionals**  
1734 Bluestone Lane  
Monterey Park, CA  
91755-5822  
phone: (800) 894-8995  
fax: (626) 573-1724  
[csatp.org](http://csatp.org)  
CTEC provider #: 1093

**CA Society of Enrolled Agents**  
3200 Ramos Circle  
Sacramento, CA 95827  
phone: (916) 366-6646  
fax: (916) 366-6674  
[csea.org](http://csea.org)  
CTEC provider #: 1001

**Cabrillo College**  
6500 Soquel Drive  
BELA Division  
Aptos, CA 95003  
phone: (831) 662-1914  
fax: (831) 479-5717  
[cabrillo.edu](http://cabrillo.edu)  
CTEC provider #: 2070

**California Educational Studies**  
2550 West Main Street #105  
Alhambra, CA 91801  
phone: (626) 457-1879  
fax: (626) 457-1879  
[educationalstudies.com](http://educationalstudies.com)  
CTEC provider #: 2089

**California Society of Tax Consultants, Inc.**  
2050 W. Chapman, #114  
Orange, CA 92868  
phone: (714) 634-0484  
fax: (714) 634-4975  
[cstcsociety.org](http://cstcsociety.org)  
CTEC provider #: 1000

**California Tax Institute**  
5281 Laurel View Circle  
Yorba Linda, CA 92886  
phone: (800) 995-1747  
fax: (714) 777-4267  
[caltaxinstitute.com](http://caltaxinstitute.com)  
CTEC provider #: 1022

**Cano Educational Services**  
12809 Philadelphia St  
Whittier, CA 90601  
phone: (562) 693-0210  
fax: (562) 693-0351  
CTEC provider #: 2069

**Center for Management Services (SAC STATE)**  
6000 J Street  
Sacramento, CA 95819  
phone: (916) 278-6307  
CTEC provider #: 1005

**CFS Tax Software, Inc.**  
1445 Los Angeles Avenue #214  
Simi Valley, CA 93065  
phone: (800) 343-1157  
fax: (805) 522-1157  
[taxtools.com](http://taxtools.com)  
CTEC provider #: 3034

**Chaffey Adult School**  
211 West Fifth Street  
Ontario, CA 91762  
phone: (909) 983-2010  
fax: (909) 983-9916  
CTEC provider #: 1089

**Chaffey College**  
5885 Haven Ave.  
Rancho Cucamonga, CA 91737  
phone: (909) 941-2698  
fax: (909) 466-2882  
[chaffey.edu](http://chaffey.edu)  
CTEC provider #: 2046

**Char's Income Tax Etc.**  
3201 F Street, Space 130  
Bakersfield, CA 93301  
phone: (661) 324-6205  
fax: (661) 324-6228  
CTEC provider #: 3033

**Compro Tax**  
5349 Crenshaw Blvd.  
Los Angeles, CA 90043  
phone: (323) 292-5812  
fax: (323) 292-5816  
[comprotax.com](http://comprotax.com)  
CTEC provider #: 3013

**Computax Bookkeeping & Business Services**  
PO Box 7943  
Riverside, CA 92503  
phone: (909) 637-0536  
fax: (909) 637-0543  
[computaxpro.com](http://computaxpro.com)  
CTEC provider #: 2084

**Computerized Systems Company**  
2729 N. Broadway Ste 1  
Los Angeles, CA 90031  
phone: (323) 221-1890  
CTEC provider #: 1024

**Drake Software**  
235 East Palmer Street  
Franklin, NC 28734  
phone: (800) 890-9500  
fax: (828) 349-5713  
[drakesoftware.com](http://drakesoftware.com)  
CTEC provider #: 3038

**Edward Jones**  
12555 Manchester Road  
St. Louis, MO 63131-3729  
phone: (314) 515-5791  
fax: (314) 515-5055  
[edwardjones.com](http://edwardjones.com)  
CTEC provider #: 3017

**ExacTax, Inc.**  
2301 W Lincoln Avenue  
Suite 100  
Anaheim, CA 92802  
phone: (800) 352-3638  
fax: (817) 485-9261  
[exactax.com](http://exactax.com)  
CTEC provider #: 3021

**Fiducial Business Centers, Inc.**  
10480 Little Patuxent Pkwy  
Ste 300  
Columbia, MD 21044  
phone: (866) 343-8242  
fax: (410) 884-6151  
CTEC provider #: 2026

**Five Star Services**  
1001 W. Carson, Suite P  
Torrance, CA 90502  
phone: (310) 783-0318  
fax: (310) 783-0048  
CTEC provider #: 1010

**Franchise Tax Board**  
PO Box 1468  
Sacramento, CA 95812  
phone: (916) 845-6180  
fax: (916) 845-5340  
[ftb.ca.gov](http://ftb.ca.gov)  
CTEC provider #: 3020

**G & E Tax Institute**  
36649 Little Sycamore Street  
Palmdale, CA 93552  
phone: (661) 285-6611  
fax: (661) 285-5734  
[g-etaxinstitute.com](http://g-etaxinstitute.com)  
CTEC provider #: 1006

**Gear Up Tax Seminars**  
801 Cherry Street Ste 1300  
Fort Worth, TX 76102  
phone: 800-323-8724  
fax: 817-877-3694  
[gearup.com](http://gearup.com)  
CTEC provider #: 1013

**Gerald Pusateri, EA**  
1225 Travis Blvd., Suite C  
Fairfield, CA 94533  
phone: (707) 426-4396  
fax: (707) 426-4397  
CTEC provider #: 3005

**Glendale Community College**  
1500 N. Verdugo Road  
Glendale, CA 91208  
phone: (818) 240-1000  
fax: (818) 549-9436  
[glendale.edu](http://glendale.edu)  
CTEC provider #: 2072

**Golden City Professional Studies**  
P. O. Box 7125  
Alhambra, CA 91802  
phone: (626) 457-8836  
fax: (626) 457-8852  
[goldtax.com](http://goldtax.com)  
CTEC provider #: 1023

**Golden State Tax Training Institute, Inc.**  
113 McHenry Road, Suite 190  
Buffalo Grove, IL 60089  
phone: (847) 459-3300  
fax: (847) 459-3904  
CTEC provider #: 2040

**H&E Lopez Income Tax Service**  
910 Chester Ave.  
Bakersfield, CA 93301  
phone: (661) 334-1040  
fax: (661) 334-1046  
[handelopez@sbcglobal.net](mailto:handelopez@sbcglobal.net)  
CTEC provider #: 3029

**H & R Block Tax Services, Inc.**  
7604 Pacific Ave., 2nd Fl.  
Stockton, CA 95207  
phone: 209.956.3765  
fax: 209.473.8752  
[hrblock.com](http://hrblock.com)  
CTEC provider #: 1040

**Heras Income Tax School**  
2007 Wilshire Blvd, #911  
Los Angeles, CA 90057  
phone: 1-800-347-9470  
fax: (213) 484-4987  
[HerasIncomeTaxSchool.com](http://HerasIncomeTaxSchool.com)  
CTEC provider #: 2086

**Inglewood Adult School**  
106 E Manchester  
Suite 350  
Inglewood, CA 90301  
phone: (310) 330-5225  
fax: (310) 330-5218  
CTEC provider #: 1085

**Internal Revenue Service**  
1 Civic Center Drive  
Suite 400  
San Marcos, CA 92069  
phone: (760) 220-8305  
fax: (760) 471-5931  
CTEC provider #: 1052

**Intuit (Lacerte)**  
5601 Headquarters Drive  
Plano, TX 75024  
phone: (214) 387-2239  
fax: (214) 387-2910  
[http://lacertesoftware.com/training\\_and\\_cpe/index.cfm](http://lacertesoftware.com/training_and_cpe/index.cfm)  
CTEC provider #: 2034

**Intuit Inc.**  
6220 Greenwich Drive  
San Diego, CA 92122  
phone: (619) 784-1335  
fax: (619) 784-1376  
CTEC provider #: 2027

**IRS TEC**  
24000 Avila Road  
Stop 5300  
Laguna Niguel, CA 92677  
phone: (949) 389-4615  
fax: (949) 389-5007  
[irs.gov/taxpros](http://irs.gov/taxpros)  
CTEC provider #: 1060

**IRS-Reno/Las Vegas Forum**  
**IRS - CL:NP - 1111**  
Constitution Ave., NW  
Washington, DC 20224  
phone: (202) 662-5082  
fax: (202) 927-5253  
[irs.gov](http://irs.gov)  
CTEC provider #: 3004

**Jackson Hewitt Tax Services**  
3 Sylvan Way  
Parsippany, NJ 07054  
phone: (800) 234-1040  
fax: (972) 722-2844  
[jacksonhewitt.com](http://jacksonhewitt.com)  
CTEC provider #: 1009

**Jeff Ward, EA PhD**  
3941 Mason Street, Suite 4  
San Diego, CA 92110  
phone: (619) 725-0935  
fax: (619) 725-0937  
CTEC provider #: 1090

**Jordan & Jordan Financial**  
32611 North The Old Road  
Castaic, CA 91384  
phone: (661) 257-9620  
[AFinancialConquest.com](http://AFinancialConquest.com)  
CTEC provider #: 1068

**L&R Tax Training School**  
109 West Transit Street  
Ontario, CA 91762  
phone: (909) 986-8372  
fax: (909) 986-8375  
[mdproservice.com/taxschool.html](http://mdproservice.com/taxschool.html)  
CTEC provider #: 3016

**Liberty Tax Service**  
10475 Park Meadows Drive  
Ste, 600  
Lone Tree, CO 80124  
phone: 720-279-2502  
fax: 720-279-2501  
[libertytax.com](http://libertytax.com)  
CTEC provider #: 2097

**Lopez Tax Service, Inc.**  
1024 N. Davis Road  
Salinas, CA 93907  
phone: (888) 575-4829  
fax: (831) 758-2545  
[lopeztaxservice.com](http://lopeztaxservice.com)  
CTEC provider #: 2080

**Los Angeles Southwest College**  
1600 West Imperial  
Highway  
Los Angeles, CA  
90047-4899  
phone: (323) 241-5223  
fax: (323) 241-5330  
[jdudley168@sbcglobal.net](mailto:jdudley168@sbcglobal.net)  
CTEC provider #: 3028

**Los Rios Community College District**  
8401 Center Parkway  
Sacramento, CA 95823  
phone: 916-691-7226  
fax: 916-691-1584  
CTEC provider #: 3006

**Mr. Income Tax**  
4333 E. Slauson Avenue  
Suite B  
Maywood, CA 90270  
phone: (323) 560-4500  
fax: (323) 560-4385  
[mrincometax.net](http://mrincometax.net)  
CTEC provider #: 3036

**Mt. Diablo Adult Education**  
1266 San Carlos Ave  
Concord, CA 94518  
phone: (925) 685-7340  
fax: (925) 363-9757  
[mdusd/adulted.com](http://mdusd/adulted.com)  
CTEC provider #: 2008

**Mt. San Jacinto College**  
28237 La Piedra Road  
Menifee, CA 92584  
phone: (951) 672-6752  
fax: (951) 301-0368  
[msjc.edu](http://msjc.edu)  
CTEC provider #: 3000

**National Association of Tax Professionals, Inc.**  
PO Box 8002  
Appleton, WI 54912-8002  
phone: (920) 749-1040  
fax: 1-800-747-0001  
[natptax.com](http://natptax.com)  
CTEC provider #: 1067

**National Center for Professional Education**  
PO Box 560  
Zachary, LA 70791  
phone: (800) 682-2163  
fax: (225) 654-8000  
[NCPESeminars.com](http://NCPESeminars.com)  
CTEC provider #: 1087

**National Society of Public Accountants**  
1010 N Fairfax Street  
Alexandria, VA 22314  
phone: (703) 549-6400  
fax: (703) 549-2984  
[nsacct.org](http://nsacct.org)  
CTEC provider #: 2094

**National Society of Tax Professionals**  
P. O. Box 2575  
Vancouver, WA 98668  
phone: (800) 367-8130  
fax: (360) 695-7115  
[nstop.org](http://nstop.org)  
CTEC provider #: 2001

**National Tax Training School**  
P.O. Box 767  
Mahwah, NJ 7430  
phone: 201-684-0828  
fax: 201-684-0829  
[nattax.com](http://nattax.com)  
CTEC provider #: 1025

**NBI, Inc.**  
PO Box 3067  
Eau Claire, WI 54702  
phone: (715) 835-8525  
fax: (715) 835-1405  
[nbi-sems.com](http://nbi-sems.com)  
CTEC provider #: 3001

**Network Electronic Tax Services**  
PO Box 1473  
Upland, CA 91785-1473  
phone: (909) 949-4339  
fax: (909) 944-2590  
CTEC provider #: 1088

**Orange Coast College Community Education**  
P.O. Box 5005  
Costa Mesa, CA 92628  
phone: (714) 432-5880  
fax: (714) 432-5902  
CTEC provider #: 2005

**People's Income Tax, Inc.**  
1801 Libbie Avenue  
Suite 100  
Richmond, VA 23226-1833  
phone: (804) 204-1040  
fax: (804) 213-4248  
[peoplestax.com](http://peoplestax.com)  
CTEC provider #: 1071

**Platinum Professional Studies**  
3020 Old Ranch Parkway  
Suite 300  
Seal Beach, CA 90740  
phone: (714) 625-1040  
fax: (714) 625-4066  
[platinumprostudies.com](http://platinumprostudies.com)  
CTEC provider #: 2052

**Portland State University Prof. Dev. Center**  
PO Box 751  
Portland, OR 97207  
phone: (503) 725-4853  
fax: (503) 725-5585  
[pdc.pdx.edu/taxpi](http://pdc.pdx.edu/taxpi)  
CTEC provider #: 2023

**Practical Tax Preparers Clinic**  
13575 Calais Drive  
Del Mar, CA 92014  
phone: (858) 755-1021  
CTEC provider #: 1026

**Practitioners Publishing Company (Quickfinder)**  
P. O. Box 966  
Ft. Worth, TX 76109-0966  
phone: (817) 332-3709  
fax: (817) 252-4008  
[ppc.thomson.com](http://ppc.thomson.com)  
CTEC provider #: 3039

**RFG Financial Training**  
1522 E Fourth Street  
Santa Ana, CA 92701  
phone: (800) 515-8893  
fax: (714) 560-8840  
CTEC provider #: 3023

**Riverside Tax Consultants Association**  
P.O. Box 7596  
Riverside, CA 92513  
phone: (951) 243-7788  
fax: (951) 242-3938  
CTEC provider #: 2036

**Riverside Unified School District**  
6735 Magnolia Ave  
Riverside, CA 92506  
phone: (951) 788-7189  
fax: (951) 369-4966  
[rusd.k12.ca.us](http://rusd.k12.ca.us)  
CTEC provider #: 1083

**Royce University of Business & Finance**  
3621 South Harbor Blvd.  
Ste 240  
Santa Ana, CA 92704  
phone: (714) 437-9955  
fax: (714) 437-9950  
[royceuniversity.com](http://royceuniversity.com)  
CTEC provider #: 2087

**San Mateo County Community College District**  
1700 W. Hillsdale Blvd.  
San Mateo, CA 94402  
phone: 650-574-6663  
fax: 650-574-6485  
[collegeofsanmateo.edu/accounting](http://collegeofsanmateo.edu/accounting)  
CTEC provider #: 3025

**Santa Ana College**  
1530 W. 17th Street  
Santa Ana, CA 92706  
phone: 714-564-6762  
fax: 714-564-6133  
[sac.edu](http://sac.edu)  
CTEC provider #: 2019

**Spidell Publishing**  
P. O. Box 61044  
Anaheim, CA 92801  
phone: (714) 776-7850  
fax: (714) 776-9906  
[caltax.com](http://caltax.com)  
CTEC provider #: 1019

**Tax Educators**  
3217 S 2600 E  
Salt Lake City, UT 84109-2735  
phone: 1-866-755-2853  
fax: 1-866-755-2853  
[tax-educators.com](http://tax-educators.com)  
CTEC provider #: 3002

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

**TaxSmart, Inc. (Sharpen Up Seminars)**  
5310 Derry Ave. Suite J  
Agoura Hills, CA 91301  
phone: (818) 338-8700  
fax: (818) 743-0551  
[taxsmartinc.com](http://taxsmartinc.com)  
CTEC provider #: 1044

**Taxtor Educators**  
P.O. Box 516  
Highland, CA 92346  
phone: (909) 885-5017  
fax: (909) 825-1125  
CTEC provider #: 1065

**Taxxperts**  
1710 Broadway  
Sacramento, CA 95818  
phone: (916) 441-6748  
fax: (916) 441-5090  
[tax-xxperts.net](http://tax-xxperts.net)  
CTEC provider #: 3032

**Team Tax Seminars**  
30650 Rancho California Road #406  
Temecula, CA 92591  
phone: (951) 695-1998  
fax: (951) 699-5521  
CTEC provider #: 3037

**The Business Masters, Inc.**  
1040 E Compton Blvd.  
Compton, CA 90221  
phone: (310) 635-7653  
fax: (310) 635-1491  
[thetaxmasters.com](http://thetaxmasters.com)  
CTEC provider #: 3015

**The Phoenix Tax Group**  
1243 Alpine Road Suite 219  
Walnut Creek, CA 94596  
phone: (925) 274-1040  
fax: (925) 932-2085  
[phoenixtax.com](http://phoenixtax.com)  
CTEC provider #: 1082

**The Tax Company**  
19401 Vermont Ave, Suite C 100  
Torrance, CA 90502  
phone: (800) 359-1004  
fax: (310) 366-3355  
[thetaxcompany.us](http://thetaxcompany.us)  
CTEC provider #: 2081

**The Tax Institute**  
424 18th Street  
Bakersfield, CA 93301  
phone: (661) 861-0635  
fax: (661) 633-2119  
[taxcollege.com](http://taxcollege.com)  
CTEC provider #: 1007

**The Tax School**  
37444 Sycamore #21  
Newark, CA 94560  
phone: (510) 796-1188  
fax: (510) 796-1711  
[thetaxschool.com](http://thetaxschool.com)  
CTEC provider #: 1003

**THG Enterprises, Inc.**  
4686-B Mercury Street  
San Diego, CA 92111  
phone: (858) 614-1831  
fax: (858) 614-1832  
[taxsmartamerica.biz](http://taxsmartamerica.biz)  
CTEC provider #: 2079

**Tri-Community Adult Education**  
PO Box 269  
Covina, CA 91723  
phone: (626) 472-7681  
fax: (626) 472-7684  
[cvusd.k12.ca.us/tri-community/tricomhome.htm](http://cvusd.k12.ca.us/tri-community/tricomhome.htm)  
CTEC provider #: 1004

**Wiseguides, Inc.**  
4833 Darrow Rd. Ste.# 105  
Stow, OH 44224  
phone: 330-342-4498  
fax: (330) 342-7343  
[wiseguides.com](http://wiseguides.com)  
CTEC provider #: 2012

**Yuba Community College**  
15880 Dam Road Ext.  
Clearlake, CA 95422  
phone: (707) 995-7919  
fax: (707) 994-3553  
[yuba.cc.ca.us](http://yuba.cc.ca.us)  
CTEC provider #: 2003

**SCHOOLS APPROVED FOR QUALIFYING EDUCATION**

**( 6 0 H O U R S )**

**DISTANCE LEARNING COURSES**

**1040 Financial, Inc.**  
2300 Chester Avenue  
Bakersfield, CA 93301  
phone: (661) 334-1002  
fax: (661) 334-1041  
[1040financial.com](http://1040financial.com)  
CTEC provider #: 3007

**A&B Office Income Tax School**  
2548 W. 7th Street  
Los Angeles, CA 90057  
phone: (213) 365-2109  
fax: 310-893-6714  
[aboffice.com](http://aboffice.com)  
CTEC provider #: 1057

**A+ Tax Educators**  
3549 Camino del Rio South Ste. D  
San Diego, CA 92108  
phone: (619) 282-6502  
fax: (619) 374-2902  
[aplustaxeducators.com](http://aplustaxeducators.com)  
CTEC provider #: 3035

**AAARANA Business Enterprises**  
P.O. Box 227279  
Los Angeles, CA 90022  
phone: (323) 832-0371  
fax: (323) 832-0379  
CTEC provider #: 1039

**Allen Clark Financial Services-Income Tax School**  
5142 Saviers Road  
Oxnard, CA 93033  
phone: (805) 488-0196  
fax: (805) 488-8655  
CTEC provider #: 3009

**American Schools**  
PO Box 5161  
Torrance, CA 90510  
phone: (310) 544-2090  
fax: (310) 377-0511  
[americanschoolsonline.com](http://americanschoolsonline.com)  
CTEC provider #: 1012

**APEX Income Tax School**  
12127 Mall Blvd Ste A-211  
VICTORVILLE, CA 92392  
phone: (866) 957-1040  
fax: 760-955-6434  
[apex1040.com](http://apex1040.com)  
CTEC provider #: 3040

**Azteca Tax Service**  
16540 Harbor Blvd., Suite J  
Fountain Valley, CA 92708  
phone: (714) 839-4976  
fax: (714) 839-1446  
CTEC provider #: 3030

**CA Society of Enrolled Agents**  
3200 Ramos Circle  
Sacramento, CA 95827  
phone: (916) 366-6646  
fax: (916) 366-6674  
[csea.org](http://csea.org)  
CTEC provider #: 1001

**Cabrillo College**  
6500 Soquel Drive  
BELA Division  
Aptos, CA 95003  
phone: (831) 662-1914  
fax: (831) 479-5717  
[cabrillo.edu](http://cabrillo.edu)  
CTEC provider #: 2070

**California Society of Tax Consultants, Inc.**  
2050 W. Chapman, #114  
Orange, CA 92868  
phone: (714) 634-0484  
fax: (714) 634-4975  
[cstcsociety.org](http://cstcsociety.org)  
CTEC provider #: 1000

**California Tax Institute**  
5281 Laurel View Circle  
Yorba Linda, CA 92886  
phone: (800) 995-1747  
fax: (714) 777-4267  
[caltaxinstitute.com](http://caltaxinstitute.com)  
CTEC provider #: 1022

**California Tax Service**  
933 Niles Street  
Bakersfield, CA 93305  
phone: (661) 323-0333  
fax: (661) 323-3655  
CTEC provider #: 3031

**Center for Management Services (SAC STATE)**  
6000 J Street  
Sacramento, CA 95819  
phone: (916) 278-6307  
CTEC provider #: 1005

**Central County Regional Occupational Program**  
1815 South Ritchey Street  
Santa Ana, CA 92705  
phone: (714) 566-8400  
fax: (714) 566-8496  
CTEC provider #: 2092

**Chaffey Adult School**  
211 West Fifth Street  
Ontario, CA 91762  
phone: (909) 983-2010  
fax: (909) 983-9916  
CTEC provider #: 1089

**Chaffey College**  
5885 Haven Ave.  
Rancho Cucamonga, CA 91737  
phone: (909) 941-2698  
fax: (909) 466-2882  
[chaffey.edu](http://chaffey.edu)  
CTEC provider #: 2046

**Char's Income Tax Etc.**  
3201 F Street, Space 130  
Bakersfield, CA 93301  
phone: (661) 324-6205  
fax: (661) 324-6228  
CTEC provider #: 3033

**College of the Sequoias**  
915 South Mooney Blvd  
Visalia, CA 93277  
phone: (559) 730-3936  
fax: (559) 730-3984  
[cos.edu](http://cos.edu)  
CTEC provider #: 2033

**Compro Tax**  
5349 Crenshaw Blvd.  
Los Angeles, CA 90043  
phone: (323) 292-5812  
fax: (323) 292-5816  
[comprotax.com](http://comprotax.com)  
CTEC provider #: 3013

**Computax Bookkeeping & Business Services**  
PO Box 7943  
Riverside, CA 92503  
phone: (909) 637-0536  
fax: (909) 637-0543  
[computaxpro.com](http://computaxpro.com)  
CTEC provider #: 2084

**First Tax Service**  
2690 South White Road, Ste. 65  
San Jose, CA 95148  
phone: (408) 270-8600  
fax: (408) 270-9993  
[firsttaxservice.com](http://firsttaxservice.com)  
CTEC provider #: 3026

**G&E Tax Institute**  
36649 Little Sycamore Street  
Palmdale, CA 93552  
phone: (661) 285-6611  
fax: (661) 285-5734  
[g-etaxinstitute.com](http://g-etaxinstitute.com)  
CTEC provider #: 1006

**Glendale Community College**  
1500 N. Verdugo Road  
Glendale, CA 91208  
phone: (818) 240-1000  
fax: (818) 549-9436  
[glendale.edu](http://glendale.edu)  
CTEC provider #: 2072

**Golden City Professional Studies**  
P. O. Box 7125  
Alhambra, CA 91802  
phone: (626) 457-8836  
fax: (626) 457-8852  
[goldtax.com](http://goldtax.com)  
CTEC provider #: 1023

**H&E Lopez Income Tax Service**  
910 Chester Ave.  
Bakersfield, CA 93301  
phone: (661) 334-1040  
fax: (661) 334-1046  
[handelopez@sbcglobal.net](mailto:handelopez@sbcglobal.net)  
CTEC provider #: 3029

**H&R Block Tax Services, Inc.**  
7604 Pacific Ave., 2nd Fl.  
Stockton, CA 95207  
phone: 209.956.3765  
fax: 209.473.8752  
[hrblock.com](http://hrblock.com)  
CTEC provider #: 1040

**Heald Colleges**  
670 Howard Street  
San Francisco, CA 94105  
phone: (415) 808-1528  
fax: (415) 808-1594  
[heald.edu](http://heald.edu)  
CTEC provider #: 2018

**Heras Income Tax School**  
2007 Wilshire Blvd, #911  
Los Angeles, CA 90057  
phone: 1-800-347-9470  
fax: (213) 484-4987  
[HerasIncomeTaxSchool.com](http://HerasIncomeTaxSchool.com)  
CTEC provider #: 2086

**Inglewood Adult School**  
106 E Manchester, Suite 350  
Inglewood, CA 90301  
phone: (310) 330-5225  
fax: (310) 330-5218  
CTEC provider #: 1085

**International Career Development Center**  
6363 Wilshire Blvd.  
Suite 600  
Los Angeles, CA 90048  
phone: (323) 655-9100  
fax: (323) 655-9191  
[learnercareer.com](http://learnercareer.com)  
CTEC provider #: 1035

**Jackson Hewitt Tax Services**  
3 Sylvan Way  
Parsippany, NJ 07054  
phone: (800) 234-1040  
fax: (972) 722-2844  
[jacksonhewitt.com](http://jacksonhewitt.com)  
CTEC provider #: 1009

**Jordan & Jordan Financial**  
32611 North The Old Road  
Castaic, CA 91384  
phone: (661) 257-9620  
[AFinancialConquest.com](http://AFinancialConquest.com)  
CTEC provider #: 1068

**L&R Tax Training School**  
109 WEST TRANSIT ST  
Ontario, CA 91762  
phone: (909) 986-8372  
fax: (909) 986-8375  
[mdproservice.com/taxschool.html](http://mdproservice.com/taxschool.html)  
CTEC provider #: 3016

**Lau Financial Services, Inc.**  
181 Second Avenue  
Suite 600  
San Mateo, CA 94401  
phone: (650) 344-1700  
fax: (650) 558-9656  
[laufinancial.com](http://laufinancial.com)  
CTEC provider #: 3014

**Law Offices of Phuc Dinh Do**  
1566 Alum Rock Ave  
San Jose, CA 95116  
phone: 408-347-0710  
fax: 408-347-0712  
[lawofficesofphucdinhdo.com](http://lawofficesofphucdinhdo.com)  
CTEC provider #: 3003

**Liberty Tax Service**  
10475 Park Meadows Drive  
Ste, 600  
Lone Tree, CO 80124  
phone: 720-279-2502  
fax: 720-279-2501  
[libertytax.com](http://libertytax.com)  
CTEC provider #: 2097

**Lincoln Education Center**  
11262 Garden Grove Blvd.  
Garden Grove, CA 92843  
phone: (714) 534-4548  
fax: (714) 530-4164  
[ggadulthoodeducation.org](http://ggadulthoodeducation.org)  
CTEC provider #: 3012

**Lopez Tax Service, Inc.**  
1024 N. Davis Road  
Salinas, CA 93907  
phone: (888) 575-4829  
fax: (831) 758-2545  
[lopeztaxservice.com](http://lopeztaxservice.com)  
CTEC provider #: 2080

**Los Rios Community College District**  
8401 Center Parkway  
Sacramento, CA 95823  
phone: 916-691-7226  
fax: 916-691-1584  
CTEC provider #: 3006

**Mira Costa College Business Dept.**  
One Barnard Drive  
Oceanside, CA 92056-3899  
phone: (760) 757-2121 x6388  
fax: (760) 795-6770  
[miracosta.edu/business](http://miracosta.edu/business)  
CTEC provider #: 1074

**Mr. Income Tax**  
4333 E. Slauson Avenue  
Suite B  
Maywood, CA 90270  
phone: (323) 560-4500  
fax: (323) 560-4385  
[mrincometax.net](http://mrincometax.net)  
CTEC provider #: 3036

**Mt. Diablo Adult Education**  
1266 San Carlos Ave  
Concord, CA 94518  
phone: (925) 685-7340  
fax: (925) 363-9757  
[mdusd/adulthood.com](http://mdusd/adulthood.com)  
CTEC provider #: 2008

**Mt. San Jacinto College**  
28237 La Piedra Road  
Menifee, CA 92584  
phone: (951) 672-6752  
fax: (951) 301-0368  
[msjc.edu](http://msjc.edu)  
CTEC provider #: 3000

**National Tax Training School**  
P.O. Box 767  
Mahwah, NJ 7430  
phone: 201-684-0828  
fax: 201-684-0829  
[nattax.com](http://nattax.com)  
CTEC provider #: 1025

**Network Electronic Tax Services**  
PO Box 1473  
Upland, CA 91785-1473  
phone: (909) 949-4339  
fax: (909) 944-2590  
CTEC provider #: 1088

**People's Income Tax, Inc.**  
1801 Libbie Avenue  
Suite 100  
Richmond, VA 23226-1833  
phone: (804) 204-1040  
fax: (804) 213-4248  
[peoplestax.com](http://peoplestax.com)  
CTEC provider #: 1071

**Platinum Professional Studies**  
3020 Old Ranch Parkway  
Suite 300  
Seal Beach, CA 90740  
phone: (714) 625-1040  
fax: (714) 625-4066  
[platinumprostudies.com](http://platinumprostudies.com)  
CTEC provider #: 2052

**RFG Financial Training**  
1522 E Fourth Street  
Santa Ana, CA 92701  
phone: (800) 515-8893  
fax: (714) 560-8840  
CTEC provider #: 3023

**Royce University of Business & Finance**  
3621 South Harbor Blvd.  
Ste 240  
Santa Ana, CA 92704  
phone: (714) 437-9955  
fax: (714) 437-9950  
[royceuniversity.com](http://royceuniversity.com)  
CTEC provider #: 2087

**San Diego City College**  
1313 12th Avenue  
San Diego, CA 92101  
phone: (619) 388-3488  
CTEC provider #: 2006

**Santa Ana College**  
1530 W. 17th Street  
Santa Ana, CA 92706  
phone: 714-564-6762  
fax: 714-564-6133  
[sac.edu](http://sac.edu)  
CTEC provider #: 2019

**Santiago Canyon College**  
8045 E. Chapman Ave  
Orange, CA 92689-4512  
phone: (714) 564-4753  
fax: (714) 288-0586  
[sccollege.edu](http://sccollege.edu)  
CTEC provider #: 2020

**Tax Care Inc.**  
1310 Monument Blvd. #D  
Concord, CA 94520  
phone: (925) 688-1400  
fax: (925) 688-1406  
[taxcare.net](http://taxcare.net)  
CTEC provider #: 3018

**Taxxperts**  
1710 Broadway  
Sacramento, CA 95818  
phone: (916) 441-6748  
fax: (916) 441-5090  
[tax-xperts.net](http://tax-xperts.net)  
CTEC provider #: 3032

**The Business Masters, Inc.**  
1040 E Compton Blvd.  
Compton, CA 90221  
phone: (310) 635-7653  
fax: (310) 635-1491  
[thetaxmasters.com](http://thetaxmasters.com)  
CTEC provider #: 3015

**The Tax Company**  
19401 Vermont Ave.  
Suite C 100  
Torrance, CA 90502  
phone: (800) 359-1004  
fax: (310) 366-3355  
[thetaxcompany.us](http://thetaxcompany.us)  
CTEC provider #: 2081


**Thomas Karl Schenerell, CPA, MS Tax**  
930 N. Citrus Ave  
Covina, CA 91722  
phone: (626) 858-4995  
fax: (626) 858-4996  
CTEC provider #: 2090

**Tri-Community Adult Education**  
PO Box 269  
Covina, CA 91723  
phone: (626) 472-7681  
fax: (626) 472-7684  
[cvusd.k12.ca.us/tri-community/tricomhome.htm](http://cvusd.k12.ca.us/tri-community/tricomhome.htm)  
CTEC provider #: 1004

**Yuba Community College**  
15880 Dam Road Ext.  
Clearlake, CA 95422  
phone: (707) 995-7919  
fax: (707) 994-3553  
[yuba.cc.ca.us](http://yuba.cc.ca.us)  
CTEC provider #: 2003

## INDEPENDENT AUDITOR'S REPORT

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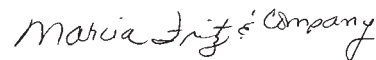
 TO THE BOARD OF DIRECTORS  
CALIFORNIA TAX EDUCATION COUNCIL  
SACRAMENTO, CALIFORNIA

We have audited the accompanying statements of financial position of the California Tax Education Council (a nonprofit organization) as of June 30, 2005 and 2004, 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, 2005 and 2004, 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 20 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  
Citrus Heights, California  
October 6, 2005

## STATEMENT OF FINANCIAL POSITION

As of June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 554,376	\$ 312,272
Returned Checks Receivable	3,367	1,335
Prepaid Expenses	<u>1,496</u>	<u>1,496</u>
Total Current Assets	559,239	315,103
<b>Investments</b>		
Certificates of Deposit	250,810	398,631
<b>Fixed Assets</b>		
Equipment, Net	9,000	13,000
<b>Total Assets</b>	<u><u>\$ 819,049</u></u>	<u><u>\$ 726,734</u></u>
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts Payable	<u>\$ 7,349</u>	<u>\$ 74,412</u>
Total Current Liabilities	7,349	74,412
<b>Net Assets - Unrestricted</b>	<u>811,700</u>	<u>652,322</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 819,049</u></u>	<u><u>\$ 726,734</u></u>

*See accompanying notes to financial statements.*



## STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

*For the Years Ended June 30, 2005 and 2004*

	<u>2005</u>	<u>2004</u>
<b>Revenues:</b>		
Registration Fees	\$ 929,394	\$ 896,550
Late Registration Fees	105,066	75,660
Provider Fees	20,100	16,500
Mailing List	9,003	5,250
Other Income	2,412	2,529
Interest	<u>7,694</u>	<u>3,846</u>
Total Revenues	1,073,669	1,000,335
<b>Expenses:</b>		
Curriculum Review	121,070	114,986
Board Activities		
Tax Preparer Services	12,594	14,093
Education and Curriculum	25,188	28,185
General and Administrative	<u>88,159</u>	<u>98,652</u>
Total Board Activities	125,941	140,930
General and Administrative	115,823	117,023
Public Awareness	352,296	297,198
Registration	<u>199,161</u>	<u>171,754</u>
Total Expenses	<u>914,291</u>	<u>841,891</u>
<b>Increase in Net Assets</b>	159,378	158,444
Net assets beginning	<u>652,322</u>	<u>493,878</u>
Net assets ending	<u><u>\$ 811,700</u></u>	<u><u>\$ 652,322</u></u>

*See accompanying notes to financial statements.*

**STATEMENT OF CASH FLOWS**

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*For the Years Ended June 30, 2005 and 2004*

	2005	2004
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net income	\$ 159,378	\$ 158,444
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	4,000	4,000
Decrease (increase) in accounts receivable	(2,032)	(328)
Decrease (increase) prepaid expenses	-	(21)
Increase (decrease) in accounts payable	(67,064)	13,338
Net cash from operating activities	94,282	175,433
<b>Cash Flows from Investing Activities</b>		
Purchase of certificate of deposit	(6,279)	(2,384)
Maturity of certificates of deposit	154,101	5,000
Net cash provided by (used in) investing activities	147,822	2,616
Net increase (decrease) in cash	242,104	178,049
<b>Cash and Cash Equivalents:</b>		
Beginning	312,272	134,223
Ending	\$ 554,376	\$ 312,272

*See accompanying notes to financial statements.*

## NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2005 and 2004

### 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 36,931 and 34,391 tax preparers in 2005 and 2004, 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.

#### *Reclassification*

Certain reclassifications have been made to the 2004 financial statements to conform to the 2005 presentation.

#### *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:

	2005	2004
Computer Equipment	\$ 20,000	\$ 20,000
Less Accumulated Depreciation	(11,000)	(7,000)
Equipment, Net	<u>\$ 9,000</u>	<u>\$ 13,000</u>

### 3. BOARD OF DIRECTORS

The California Tax Education Council is governed by a Board of Directors who are: S. Elaine Lyttleton, William Geideman, Frank Cabrera, C. Lester Crawford, Michael Kirby, Thomas Carter, Joseph Salazar, Jacqueline Marazzi, David Pugh, Walter Thomas, Steven Desdier, William Reilly and Gregory Steinbis. There are four additional non-voting directors who are John Bishop, Scott Lawrence, Sharon McCormack and MaryBeth LaMunyon-Jones. The four non-voting directors are California Registered Tax Preparers (CRTPs).

**STATEMENT OF FUNCTIONAL EXPENSES**

*For the Year Ended June 30, 2005*

	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 2004
Accounting	\$	\$	\$	\$	\$	\$	\$ 8,255	\$8,255	\$ 11,025
Advertising & Promotion			179,143					179,143	92,043
Bank Service Charges		36					3,019	3,055	2,422
Credit Card Discounts		25,416						25,416	18,019
Depreciation		1,600	1,600		800			4,000	4,000
Enforcement		28,659						28,659	10,456
Fees & Licenses							428	428	25
Insurance							3,400	3,400	3,422
Legal							1,919	1,919	1,202
Management Fee	9,355	93,555	93,555	18,711	93,555	\$65,489	93,555	467,775	462,000
Meetings & Conferences	1,432			2,863		10,021		14,316	18,066
Miscellaneous							153	153	38
Outside Consultants			48,055		16,600			64,655	76,600
Postage		15,758					625	16,383	28,268
Printing		25,617	16,987		1,243		3,012	46,859	50,721
Telephone & Fax	3		4,436	6	116	20		4,581	4,840
Travel									
Mileage	196			393	561	1,376	266	2,792	2,650
Airfare	342			684	5	2,396	773	4,200	4,481
Hotel	702			1,404	1,195	4,914		8,215	13,542
Per Diem	443			885	500	3,097	250	5,175	5,649
Cab	31			61	69	213	62	436	950
Parking	90			181	175	633	106	1,185	792
Other					1,991			1,991	1,937
Web Page		5,760	5,760		2,880			14,400	8,943
Internet Connection		2,760	2,760		1,380			6,900	19,800
	\$ 12,594	\$ 199,161	\$ 352,296	\$ 25,188	\$ 121,070	\$ 88,159	\$ 115,823	\$ 914,291	\$ 841,891