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A N N U A L

R E P O R T



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

Statement of Mission

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

—CALIFORNIA TAX EDUCATION COUNCIL

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INTRODUCTION

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

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

The responsibility for approving tax schools was transferred by the California State Legislature and the Governor from the State Tax Preparer Program to CTEC effective July 1, 1997. The Council is a nonprofit industry association made up of appointees from nonprofit and for-profit providers of tax preparation education. 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)

FULLFILLING OUR MISSION

Effective July 1, 1997, the State of California charged CTEC with setting standards for tax schools, approving schools that meet those standards, and facilitating tax preparation compliance. The legislature expected an efficient, effective and value oriented operation. As we end our second year of operations, I am proud to report that CTEC has:

- implemented the most comprehensive standards for tax schools that California has ever had;
- applied those standards to the review of the curriculum of all qualifying education courses and all new tax schools;
- set a timeline for establishing procedures for reviewing all courses;
- continued to increase the efficiency of tax preparation registration;
- developed a quarterly newsletter for registered tax preparers in which we answer their questions regarding procedures, discuss legal requirements of maintaining a tax practice and communicate what the Council is accomplishing;
- established an acronym by which registered tax preparers can be easily identified—"CRTP";
- created an official registration identification card and window decal to identify CTEC Registered Tax Preparers to the public;
- developed an informational brochure for the public, publicizing the law and the dangers of using preparers not in compliance with the law;

- expanded our cooperative venture with industry and government agencies to increase voluntary compliance with the law;
- provided the public with the assurance that CTEC registration means a trained tax professional.

This was a year of expanding services and planning for the future. The Council and staff regularly extend themselves to achieve these impressive results.

We found that the law creating CTEC, The Tax Preparers Act, needed fine-tuning. And we were pleased to work with the California Legislature on SB 1307 to make the slight but important adjustments necessary to implement the program as all had originally intended.

Tax Preparers are proud to be registered. High standards for new education classes are being enforced, as is the law requiring registration. In addition, CTEC Registered Tax Preparers now have the tools necessary to demonstrate their registration status to consumers, increasing the public awareness of the law.

Finally, we ended the year fiscally sound, with 28,451 CRTPs and 71 approved providers of qualifying and continuing education.

We know each year will bring its own unique challenges and look forward to the opportunity to meet those challenges while continuing to fulfill our mission; applying our professionally developed tax education standards to the tax school approval process, and facilitating increased tax preparer compliance.

RUTH H. GODFREY, *Chairman*

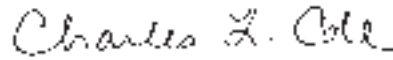
EXCEEDING EXPECTATIONS

CCTEC began administering the program two years ago amid confusion caused by the transfer of authority from the California Department of Consumer Affairs. Today the confusion is gone. CRTPs and Curriculum Providers are more informed about, and in better compliance with, the requirements of the law than ever before.

This year we invested heavily in technology. Renewal applications arrive at the Preparers' address pre-completed. On-line registration, beginning August 1, will make renewal registration easier. The newsletters and web site provide CRTPs with the information they need to meet the requirements of

the law. Equally important, curriculum providers have a clear and rigorous set of guidelines, including an appeals process, that is universally supported.

We are proud to invite you to review this publication and to call us at (877)850-CCTEC with any suggestions or questions.



CHARLES L. COLE, *Administrator*



1998-99 COUNCIL MEMBERS



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



KHORSHEED ALAM
Treasurer
Appointed by: Mission Society
of Enrolled Agents



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



WILLIAM GEIDEMAN
Appointed by: National
Association of Enrolled Agents



MICHAEL U. KIRBY
Appointed by: Jackson
Hewitt, Inc.



JACQUELINE MARAZZI
Appointed by: National Society
of Tax Practitioners



LEE T. REAMS
Appointed by: CA Society
of Enrolled Agents



LUCINDA STOCKWELL
Appointed by: H & R Block
Tax Services, Inc.



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

1998-99 Staff Members



CHARLES L. COLE

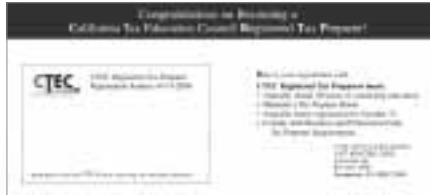


CELESTE H. HERITAGE



SARAH E. WEST

SERVICE TO CTEC REGISTERED TAX PREPARERS



REGISTRATION CARD.

CTEC registration cards were mailed to all 28,451 CRTPs upon renewal of their registration. This wallet card is a handy way to keep track of the important CTEC number, which must be made available to clients, education providers and state regulators; as well as listing the basic requirements of the law.



CERTIFICATE OF COMPLETION AND STATEMENT OF COMPLIANCE.

With our new state of the art technology, CTEC is able to more quickly and accurately process renewal and new applications. With a swipe of the new macro check reader wand the information is electronically entered into the database.



NEWSLETTERS.

To keep CRTPs better informed about the law and the organization that regulates their profession, CTEC began producing a quarterly newsletter, which is distributed to all CRTPs. Issues were distributed in January and June, 1999 and will continue in August and October, 1999.



BROCHURE.

This year CTEC added a new brochure to our inventory, one designed for CRTPs to share with their clients and prospective clients. It outlines the requirements of the law and explains the public's rights with respect to hiring CRTPs. Preparers find it useful to help them educate Californians about the need to hire lawful tax preparers.



LOGO SLICKS.

CTEC distributed to all CRTPs a sheet of CTEC logo slicks to help them share the fact that they are registered.



WINDOW STICKER.

To facilitate easy recognition of current registration and to increase awareness of the need for registration, CTEC distributed to all CRTPs a window sticker with the CTEC logo.



ON-LINE REGISTRATION AND WEB SITE.

Preparers who wish to renew their registration instantaneously may, as of August 1, 1999, do so with our new on-line registration. All it will take is a credit card and access to the Internet. We are continuing to work toward the day when we will be able to offer first time registration on-line. In addition, we have created a web page where newsletters, board meeting notices, the current approved curriculum provider list, applications for registration, the Annual Report, and much more may be found at www.ctec.org.



TOLL FREE PHONE NUMBER.

As part of our efforts to make communication with CTEC as easy as possible for CRTPs, we installed a toll free phone number. Call us at 1 (877) 850-CTEC (2832).

CALIFORNIA TAX EDUCATION COUNCIL REGISTERED TAX PREPARERS

*On June 30, 1999, there were 28,451 CRTPs**



<i>By Three-Digit Zip Code Area</i>		
Eureka—80	San Jose—1352	Los Angeles—1858
Redding—195	Salinas—210	Alhambra—2035
Modoc—40	Fresno—633	Inglewood—1588
North Bay—446	Mojave—372	Long Beach—1906
Marysville—256	Bakersfield—638	Santa Ana—2197
Sacramento—1444	Santa Barbara—445	San Bernardino—2183
Oakland—2192	Oxnard—519	San Diego—2769
San Francisco—1388	Van Nuys—1930	
Stockton—930	Pasadena—770	Out of state—132

** During the 1998-99 year, the CTEC Board directed staff to restrict all individuals to a single CTEC number. The 1998-99 CRTP total above reflects that policy change.*

SERVICE TO PROVIDERS

The California Tax Education Council, in order to fulfill its duties as outlined in the Tax Preparers Act, approved a comprehensive set of standards for both qualifying and continuing education. In 1998 these standards were distributed for review and comments to providers of tax education. During the first half of 1999 the approved standards became effective. The approved standards address the following:

- Course Development
- Course Presentation
- Provider Reporting
- Curriculum Guidelines

In order to maintain an “approved provider” status, the new standards require each curriculum provider to submit course materials to CTEC for review. In order to make the process as easy as possible for curriculum providers, CTEC developed checklists and forms, which were included with the new standards.

To maintain the highest level of educational standards for tax preparers, the curriculum provider review process must be on-going.

CURRICULUM PROVIDER TRAINING WORKSHOPS

In order to help curriculum providers maintain an approved provider status, CTEC established provider training workshops throughout the State. At these workshops, staffed by trained CTEC professionals, curriculum providers receive an outline of the approval process, have questions answered, and receive handouts to further explain the requirements. These workshops help curriculum providers and CTEC as well, by raising issues that were, as yet, undefined or unknown to CTEC.

One of the main goals of the California Tax Education Council is to keep the lines of communication open between the Council and the curriculum providers. To help facilitate that goal, CTEC encourages curriculum providers to use the new toll free phone number, or to log onto our web page. The web page lists all approved providers, and, where available, provides hyperlinks to approved provider web pages and e-mails. CTEC’s future plans include development of a provider newsletter, similar to our quarterly preparer newsletter, which will keep providers up-to-date on relevant issues. With the development of CTEC’s state-of-the-art computer system, future transfer of student information between CTEC and the curriculum provider will be paperless—all happening with the press of a button!

Due to the joint efforts of the California Tax Education Council and curriculum providers throughout the State, great strides have been made to improve the quality of tax education. The Council’s commitment to this on-going effort remains steadfast.

PROVIDERS OF QUALIFYING EDUCATION

Schools approved for Qualifying Education (60 hours)

A&B Office
2532 W. 7th Street
Los Angeles, CA 90057-3802
213-365-2109
213-383-3267 Fax
CTEC #1057

Academy for Tax Preparers
P. O. Box 11445
Santa Ana, CA 92711
714-834-9266
714-972-8238 Fax
CTEC #1046

American Schools*
P. O. Box 2948
Torrance, CA 90509
310-544-2090
310-377-0511 Fax
<http://members.home.net/amschl/>
CTEC #1012

American Tax & Financial
Services, Inc.*
3814 Auburn Blvd Ste. #73
Sacramento, CA 95821
916-484-1144
916-484-0820 Fax
CTEC #1062

California Tax Institute*
5281 Laurel View Circle
Yorba Linda, CA 92886
800-995-1747
714-777-4267 Fax
CTEC #1022

Chaffey Adult School
211 West Fifth Street
Ontario, CA 91762
909-983-2010
909-983-9916 Fax
CTEC #1089

College of the Sequoias
915 South Mooney Blvd
Visalia, CA 93277
(559) 730-3933
(559) 730-3984 Fax
www.sequoias.cc.ca.us
CTEC #2033

Curtis Publications, Inc.*
P.O. Box 899
Santa Barbara, CA 93102
805-966-1560
805-966-4477 Fax
CTEC #1043

G & E Tax Institute
36649 Little Sycamore Street
Palmdale, CA 93552
805-285-6611
805-285-5734 Fax
CTEC #1006

Golden City Professional Studies
PO Box 7125
Alhambra, CA 91801
626-457-8836
626-457-8852 Fax
www.cris.com/~goldtax/goldtax.htm
CTEC # 1023

H & R Block Tax Services, Inc.
6622 Florin Road
Sacramento, CA 95828
925-416-1241
925-416-1926 Fax
fcabrera@hrblock.com
CTEC #1040

Hacienda La Puente Adult
Education
1600 Pontenova
Hacienda Heights, CA 91745
626-855-3510
www.hlpusd.kiz.ca.us
626-855-3528
CTEC #1081

Heald Colleges*
670 Howard Street
San Francisco, CA 94105
415-808-1469
CTEC #2018

Inland Society of Tax
Consultants, Inc.
2140 W. Chapman, #103
Orange, CA 92868
714-634-0484
714-634-4975 Fax
www.istsociety.org
CTEC #1000

International Career Development
Center, Inc.
6363 Wilshire Blvd, Suite 600
Los Angeles, CA 90048
323-655-9100
323-655-9191 Fax
icdc@earthlink.com
CTEC #1035

Jackson Hewitt Tax Services
4475 Mission Blvd #209
San Diego, CA 92109
619-272-1040
619-272-9916 Fax
www.jacksonhewitt.com
CTEC #1009

Latin American College of
Business
P.O. Box 227279
Los Angeles, CA 90022
323-269-7261
323-269-7263 Fax
CTEC #1039

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

National Tax Training School*
P.O. Box 382
Monsey, NY 10952
914-352-3634
914-352-8138 Fax
www.info@nattax.com
CTEC #1025

* Correspondence School
• List is valid as of August 16, 1999.

• Please contact Providers to see if they are currently registered with CTEC.
• Listed Providers are approved for all their California locations.

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

Professional Career Development
Institute
430 Technology Pkwy
Norcross, GA 30092-3406
770-729-8400
770-729-8578 Fax
CTEC #2032

Quyen Huffman & Associates
P.O. Box 51675
Pacific Grove, CA 93950
831-647-9135
831-647-9135 Fax
CTEC #2041

San Diego City College
1313 12th Avenue
San Diego, CA 92101
CTEC #2066

Santa Ana College
1530 W. 17th Street
Santa Ana, CA 92706
714-*564-6764
714-564-6755 fax
Buddyf@pacbell.net
CTEC #2019

Yuba Community College
2088 North Beale Road
Marysville, CA 95901
530-741-6700
CTEC #2003

PROVIDERS OF CONTINUING EDUCATION

Schools approved for Continuing Education (20 hours)

A&B Office
2532 W. 7th Street
Los Angeles, CA 90057
213-365-2109
213-383-3267 Fax
CTEC #1057

Academy for Tax Preparers
P. O. Box 11445
Santa Ana, CA 92711
714-834-9266
714-972-8238 Fax
CTEC #1046

Accounting Professionals*
CPE Institute
4210 West Vickery Blvd
Ft. Worth, TX 76107
817-738-3371
817-731-9204 Fax
www.hawk@cpanews.com
CTEC #1058

Advantage Tax Management
5632 Van Nuys Blvd, Suite 110
Van Nuys, CA 91401
818-994-4206
818-901-9864 Fax
M2eimoses@compuserve.com
CTEC #1072

Affiliated Tax and Business
Service
9028 Mission Blvd
Riverside, CA 92509
909-681-6044
CTEC #1011

American Schools*
P. O. Box 5161
Torrance, CA 90510
310-544-2090
310-377-0511 Fax
<http://members.home.net/amschl/>
CTEC #1012

American Tax & Financial
Services, Inc.
3814 Auburn Blvd Ste. #73
Sacramento, CA 95821
916-484-1144
916-484-0820 Fax
CTEC #1062

Applied School of Taxology
17002 S. Prairie Avenue
Torrance, CA 90504
310-542-6646
310-370-1665
www.cctax.com
CTEC #1051

Bill Newell Continuing Education
Seminar
4631 Torrey Pines Ter.
Medford, OR 97504
541-772-3621
www.mind.net/newell
CTEC #1036

* Correspondence School
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Brass Tax Presentations
P. O. Box 28147
San Diego, CA 92198
619-487-2553
619-487-8245
www.brasstax.com
CTEC #1008

Brown & Ledbetter Seminars
P.O. Box 6536
Laguna Niguel, CA 92607
949-487-1040
949-487-7744 Fax
www.taxzone.com
CTEC #2024

C & C Enterprises
P.O. Box 70247
San Diego, CA 92167
619-279-4447
CTEC #1077

CA Chapter-Nat'l Assn of
Tax Practitioners
1121 E. Ohio Avenue
Escondido, CA 92025-3206
CTEC #2014

CA Society of Enrolled Agents
3200 Ramos Circle
Sacramento, CA 95827-2513
916-366-6646
916-366-6674 Fax
www.csea.org
CTEC #1001

California State University-
Hayward
25800 Carlos Bee Blvd.
Hayward, CA 94542-3012
510-881-2312
510-885-4817
CTEC #1054

California Tax Institute*
5281 Laurel View Circle
Yorba Linda, CA 92886
800-995-1747
714-777-4267 Fax
CTEC #1022

Center for Management Services
6000 J Street
Sacramento, CA 95819-6088
916-278-4433
916-278-7690 Fax
CTEC #1005

Chaffey Adult School
211 West Fifth Street
Ontario, CA 91762
909-983-2010
909-983-9916 Fax
CTEC #1089

Curtis Publications, Inc.*
P.O. Box 899
Santa Barbara, CA 93102
805-966-1560
805-966-4477 Fax
CTEC #1043

D & G Financial Services
6429 Candor Street
Lakewood, CA 90713-1718
562-925-2467
CTEC #1091

Eagle Business Center
PO Box 1460
Wildomar, CA 92595
909-678-9753
909-678-6566 Fax
www.eaglevip.com
CTEC #2009

Exactax
2301 W. Lincoln Ave, Suite 100
Anaheim, CA 92801
714-778-4081
714-778-2571 Fax
www.exactax.com
CTEC #1037

Express Tax Help
11826 183rd Street
Artesia, CA 90701
562-865-3181
562-402-8533 Fax
Ricafra@netzero.com
CTEC #1020

Five Star Services
1001 W. Carson, Suite T
Torrance, CA 90502
310-783-0318
CTEC #1010

G & E Tax Institute
36649 Little Sycamore Street
Palmdale, CA 93552
805-285-6611
805-285-5734 Fax
CTEC #1006

G.C. Tax Institute
1297-B So. Park Victoria Drive
Milpitas, CA 95035
408-945-0813
408-945-1830 Fax
CTEC #1096

Gear Up Tax Seminars,
450 San Antonio Road, Suite 5
Palo Alto, CA 94306
650-494-8545
www.gearup.com
CTEC #1013

Gleim Publications, Inc.
P.O. Box 12848
Gainesville, FL 32604
352-375-0772
352-375-6940 Fax
www.gleim.com
CTEC #1055

Golden City Professional Studies*
PO Box 7125
Alhambra, CA 91801
626-457-8836
626-457-8852 Fax
www.cris.com/~goldtax/goldtax.htm
CTEC # 1023

Golden State Tax Institute, Inc.
113 McHenry Road, Suite 190
Buffalo Grove, IL 60089
847-459-3300
847-459-3904 Fax
CTEC #2040

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Grossmont-Cuyamaca
Community College
8800 Grossmont College Drive
El Cajon, CA 92020
619-644-7653
www.gcccd.cc.ca.us
CTEC #2013

H & R Block Tax Services, Inc.
6622 Florin Road
Sacramento, CA 95828
925-416-1241
925-416-1926 Fax
fcabrera@hrblock.com
CTEC #1040

National Association of Tax
Practitioners
720 Association Drive
Appleton, WI 54914-1483
414-749-1040
414-749-1049
Natp@natptax.com
CTEC #1067

Hacienda La Puente Adult
Education
1600 Pontenova
Hacienda Heights, CA 91745
626-855-3510
626-855-3528
www.hlpusd.kiz.ca.us
CTEC #1081

Heald Colleges*
670 Howard Street
San Francisco, CA 94105
415-808-1469
CTEC #2018

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

Inland Society of Tax
Consultants, Inc.
2140 W. Chapman, #103
Orange, CA 92686
714-634-0484
714-634-4975 Fax
www.istsociety.org
CTEC #1000

Internal Revenue Service
300 N. Los Angeles St, Stop 1053
Los Angeles, CA 90012
213-894-1222
213-894-6541 Fax
CTEC #1052

IRS Symposium
P.O. Box 9941 Mail Stop 4190
Ogden, UT 84409
801-629-1051
801-929-1237
CTEC #1060

Jackson Hewitt Tax Services
4475 Mission Blvd #209
San Diego, CA 92109
619-272-1040
619-272-9916 Fax
www.jacksonhewitt.com
CTEC #1009

Krusemark's Tax Service
1132 18th Avenue
Redwood City, CA 94063-4413
888-810-4482
888-810-4485 Fax
www.taxcpe.com
CTEC #1021

Lacerte Educational Services, Inc.
13155 Noel Road, 22nd Floor
Dallas, TX 75240-5088
800-765-4040
www.lacerteeducation.com
CTEC #2034

Latin American College of
Business
P.O. Box 227279
Los Angeles, CA 90022
323-269-7261
323-269-7263 Fax
CTEC #1039

Lyn Sewell Tax Seminars
8442-2 Langdon Avenue
North Hills, CA 91343
818-894-2034
818-830-7259 Fax
CTEC #1053

MicroMash
6402 South Troy Circle
Englewood, CO 80111-6424
800-272-7277
303-649-0344 Fax
CTEC #1042

National Tax Training School*
P.O. Box 382
Monsey, NY 10952
914-352-3634
914-352-8138 Fax
www.info@nattax.com
CTEC #1025

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

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

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Personalized Tax Service
1453 W. Foothill Blvd
Upland, CA 91786
909-981-5661
909-981-5158 Fax
CTEC #1084

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

Quyen Huffman & Associates
P.O. Box 51675
Pacific Grove, CA 93950
831-647-9135
831-647-9135 Fax
CTEC #2041

Riverside Unified School District
6401 Lincoln Ave
Riverside, CA 92506
909-788-1050
909-276-7685
CTEC #1083

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

School for Tax Professionals
(STPUSA)
P.O. Box 4561
Irvine, CA 92616
714-953-1933
CTEC #1033

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

Target Tax
171 Gorrion Ave
Ventura, CA 93004
888-722-5405
888-311-5644 Fax
Targettax@targettax.com
CTEC #1028

Tax Link Seminars
250 W. First Street, Suite 142
Claremont, CA 91711
909-621-1982
909-625-4293 Fax
CTEC #1048

Taxtor Educators
P.O. Box 516
Highland, CA 92346
909-885-5017
CTEC #1065

The Phoenix Tax Group*
690 Market Street, Suite 1203
San Francisco, CA 94104
415-362-0213
415-362-1126 Fax
www.phoenixtax.com
CTEC #1082

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

Thomas Tax Seminars
4833 Skycrest Way
Santa Rosa, CA 95405
800-638-3783
800-638-3783 Fax
<http://users.ap.net/~tomtax>
CTEC #1027

Traxler & Associates
8907 Warner Ave. Suite 120
Huntington Beach, CA 92647
714-842-3771
714-842-4222 Fax
traxtax@earthlink.net
CTEC #1015

UCLA Extension,
Dept. of Business Management
10995 Le Conte Avenue,
Suite 515
Los Angeles, CA 90024
310-206-7248
310-206-7249 Fax
CTEC #1094

University of Denver
1900 Olive Street, F102
Denver, CO 80220
303-871-6243
303-871-6358 Fax
www.aes.du.edu
CTEC #1066

U.S. Tax Systems, Inc.
P.O. Box 6536
Laguna Niguel, CA 92607
949-487-1040
919-487-7744 Fax
www.taxzone.com
CTEC #2025

Wiseguides, Inc.
4833 Darrow Rd. Ste # 106
Stow, Ohio 44224
330-342-4498
330-342-7343 Fax
www.wiseguides.com
CTEC #2012

Yuba Community College
2088 North Beale Road
Marysville, CA 95901
530-741-6700
CTEC #2003

National Business Institute
PO Box 3712
Eau Claire, WI 54702
715-835-8525
715-835-1405 Fax

* Correspondence School
• List is valid as of August 16, 1999.

• Please contact Providers to see if they are currently registered with CTEC.
• Listed Providers are approved for all their California locations.

INDEPENDENT AUDITOR'S REPORT

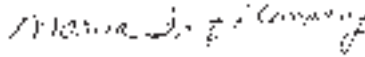
TO THE BOARD OF DIRECTORS
CALIFORNIA TAX EDUCATION COUNCIL
SACRAMENTO, CALIFORNIA

We have audited the accompanying statement of financial position of the California Tax Education Council, (a nonprofit organization) as of June 30, 1999 and 1998, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of CTEC's management. Our responsibility is to express an opinion of these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used

and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the California Tax Education Council as of June 30, 1999 and 1998, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.



MARCIA FRITZ & COMPANY

August 12, 1999

STATEMENT OF FINANCIAL POSITION

As of June 30, 1999 and 1998

	1999	1998
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 135,001	\$ 203,444
Returned Checks Receivable	2,014	
Total Current Assets	137,015	203,444
INVESTMENTS		
Certificates of Deposit	456,053	172,952
Total Investments	456,053	172,952
TOTAL ASSETS	\$ 593,068	\$ 376,396
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	\$ 9,674	
Sales Tax Payable	103	
Total Liabilities	9,777	
Net Assets—unrestricted	583,291	\$ 376,396
TOTAL LIABILITIES AND NET ASSETS	\$ 593,068	\$ 376,396

**STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS**

For the Years Ended June 30, 1999 and 1998

	1999	1998
REVENUES:		
Registration Fees	\$ 720,120	\$ 720,525
Late Registration Fees	55,669	51,628
Mailing List	3,021	4,287
Other Income	2,241	
Interest	21,318	7,208
Total Revenues	802,369	783,648
EXPENSES:		
Accreditation	180,112	39,946
Board Activities		
Membership Services	7,774	5,343
Education and Curriculum	15,547	10,331
General and Administrative	54,431	37,103
Total Board Activities	77,752	52,777
General and Administrative	85,292	92,554
Public Awareness	93,438	5,350
Registration	158,880	216,625
Total Expenses	595,474	407,252
INCREASE (DECREASE) IN NET ASSETS	206,895	376,396
Net assets beginning	376,396	0
Net assets ending	\$ 583,291	\$ 376,396

STATEMENT OF FUNCTIONAL EXPENSES



For the Year Ended June 30, 1999

	CTEC TAX PREPARER SERVICES			EDUCATION AND CURRICULUM		GENERAL AND ADMINISTRATIVE		Total Expenses 1999
	Board Activities	Registration	Public Awareness	Board Activities	Accreditation	Board Activities	General & Administrative	
Accounting							\$ 6,831	\$ 6,831
Advertising & Promotion								
Bank Service Charges							544	544
Returned Items Fees								
Returned Items								
Education, Training								
Fees & Licenses							10	10
Interest								
Insurance							2,905	2,905
Legal							490	490
Management Fee	\$4,069	\$158,508	\$24,150	\$8,138	\$167,583	\$28,484	62,067	453,000
Meetings, Conferences	1,255			2,509	554	8,782		13,099
Miscellaneous			29				109	138
Outside Consultants	400		27,303	800	11,800	2,800		43,103
Postage			13,530			3	2	13,535
Printing			27,580			13	9,847	37,440
Telephone/Fax	185	372	391	370	176	1,295	1,510	4,299
Travel								
Mileage	152			304		1,062		1,518
Airfare	489			977		3,420		4,885
Hotel	658			1,315		4,603		6,575
Per Diem	438			876		3,068		4,382
Cab	28			56		197		281
Parking	54			108		377		539
Car Rental	47			94		328		468
Web Page			455				977	1,432
	\$7,774	\$158,880	\$93,438	\$15,547	\$180,112	\$54,431	\$85,292	\$595,474

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ 206,895	\$ 376,396
Adjustments to reconcile change in net assets to net cash from operating activities:		
(Increase) in receivable	(2,014)	
Increase (Decrease) in accounts payable	9,674	
Increase (Decrease) in sales tax payable	103	
Net cash from operating activities	<u>214,658</u>	<u>376,396</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	<u>(283,101)</u>	<u>(172,952)</u>
Net cash (used in) investing activities	(283,101)	(172,952)
Net increase (decrease) in cash	(68,443)	203,444
CASH AND CASH EQUIVALENTS:		
Beginning	203,444	0
Ending	<u>\$ 135,001</u>	<u>\$ 203,444</u>

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 1999 and 1998

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 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. CTEC collects registration fees, verifies that tax preparers have met the education requirements, issues certificates, and accredits educational programs. CTEC registered 28,329 tax preparers in 1999 and 28,821 in 1998.

CTEC's operations are managed by Advocation, Inc. of Sacramento, California, who is paid a management fee.

Basis of Accounting

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

Use of Estimates

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

Investments

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

Revenue Recognition

Revenue is recognized when cash is received by CTEC.

Functional Expenses

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

Income Taxes

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

Statement of Cash Flows

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.