

## STATEMENT OF MISSION

The California Tax Education Council (CTEC) will continue to establish professional tax education standards, approve tax education providers who comply with these standards, and facilitate tax preparer compliance for the benefit of California taxpayers.

— CALIFORNIA TAX EDUCATION COUNCIL

## CONTENTS

INTRODUCTION.....	2	HISTORY.....	8
MESSAGE FROM THE CHAIR .....	3	ENFORCEMENT PURSUES MORE PENALTIES .....	9-10
COUNCIL MEMBERS .....	4-5	CTEC APPROVED PROVIDERS .....	11-16
GOVERNMENT AGENCY REPRESENTATIVES AND CTEC ADMINISTRATIVE STAFF .....	5	INDEPENDENT AUDITOR'S REPORT .....	17
YEARLY REGISTRATIONS .....	6	FINANCIAL STATEMENTS .....	18-27
CTEC REGISTERED TAX PREPARERS BY COUNTIES.....	7		

## INTRODUCTION

---

*The California Tax Education Council (CTEC) is the organization that registers non-exempt paid 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 CTEC Registered Tax Preparers, as well as 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)

WWW.CTEC.ORG



## MESSAGE FROM THE CHAIR

---

Questions regarding the competency of unlicensed tax preparers and how to deal with fraud continue to be the focus of national media coverage each tax season.

Fortunately, the California State Legislature had the foresight to address these two issues 18 years ago when it formed the California Tax Education Council (CTEC). The mission? To ensure unlicensed tax preparers preparing tax returns for a fee in California are registered, bonded and educated on tax laws.

We are proud to report that CTEC registered more than 40,000 tax preparers this year. Anyone who is caught preparing tax returns without a legal designation will face penalties from our enforcement partner, the California Franchise Tax Board.

A major component of the registration process for CTEC Registered Tax Preparers (CRTPs) is education in the field of taxation. With this in mind, the mission of CTEC has always focused on one task: Establish quality tax education standards as a protection for California taxpayers.

It may be one task, but it requires many layers of responsibility and enforcement of those responsibilities. We believe that by taking a more proactive approach to monitoring tax education courses and CRTPs, the CTEC program can achieve that mission to its fullest potential.

Although approved education providers are required to submit courses for review every three years, the Council believes that is no longer

sufficient. It is why the Council is now calling for audits on questionable tax education courses that are brought to CTEC's attention in addition to more frequent reviews of the tax courses with high sales to CRTPs.

Additionally, the Council has been working to develop stricter policies and procedures for education providers who are not performing up to par. After all, if CTEC Registered Tax Preparers (CRTPs) are not receiving quality education on a consistent basis, how can they provide quality tax preparation to California taxpayers?

But at the same time, is it enough? The Council understands that tax education and registration requirements cannot guarantee ethical professionals.

Thanks to the recent passage of California Senate Bill 484, CTEC is also taking new steps to revoke or suspend registrations from CRTPs who are guilty of professional misconduct.

Of course, none of this could have been accomplished without the support of California State Legislators, our volunteer board members, CTEC administrative staff and the due diligence of CRTPs who, as a majority, continue to comply with the strict standards of California.

It has been an honor to serve as Council Chair this past year.

*Margaret Dunn, Chair*

\*Enrolled agents are licensed by US Dept. of Treasury (IRS). Attorneys and CPAs are licensed by individual states. Attorneys, EAs and CPAs are exempt from CTEC registration requirements.

## 2014 - 2015 COUNCIL MEMBERS

---



**MARGARET "MARGY" DUNN**

*Chair*

Appointed by: National Association  
of Enrolled Agents



**AARON GRAY**

*Treasurer*

CTEC Registered Tax Preparer  
Long Beach, CA



**SUSAN McMILLEN**

*Secretary*

CTEC Registered Tax Preparer  
Palm Desert, CA



**JOHN BISHOP**

CTEC Registered Tax Preparer  
Oakland, CA



**BRANDON CHANLEY**

Appointed by: Jackson Hewitt Tax  
Service



**C. LESTER CRAWFORD**

CTEC Registered Tax Preparer  
Los Angeles, CA



**KAREN DE VANEY**

Appointed by: California Society of  
Tax Consultants, Inc.



**SUSIE L. DiMAGGIO**

Appointed by: California Society of  
Enrolled Agents



**RUTH GODFREY**

Appointed by: National Society of  
Accountants



**MARYBETH LAMUNYON-JONES**

CTEC Registered Tax Preparer  
Hanford, CA



**PAUL LATTER**

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

## 2014 - 2015 COUNCIL MEMBERS

---



**HEATHER SMITH**  
Appointed by:  
Liberty Tax Service



**ANN SPRINGBORN**  
Appointed by: National Association  
of Tax Professionals



**KATIE TAE**  
CTEC Registered Tax Preparer  
Gardena, CA



**GRETA ZEIMETZ**  
Appointed by: National Association  
of Tax Professionals 2012-2015

## 2014 - 2015 GOVERNMENT AGENCY REPRESENTATIVES

---



**ARMON MCCONNELL**  
Representative of the  
California Franchise Tax  
Board



**JENNIFER ROUSSEL**  
Representative of the  
California Franchise  
Tax Board



**AMY SMITH**  
Representative of the  
Internal Revenue Service

## 2014 - 2015 CTEC ADMINISTRATIVE STAFF

---



**TABITHA BOLKISH**



**CELESTE H. HERITAGE**



## YEARLY REGISTRATIONS

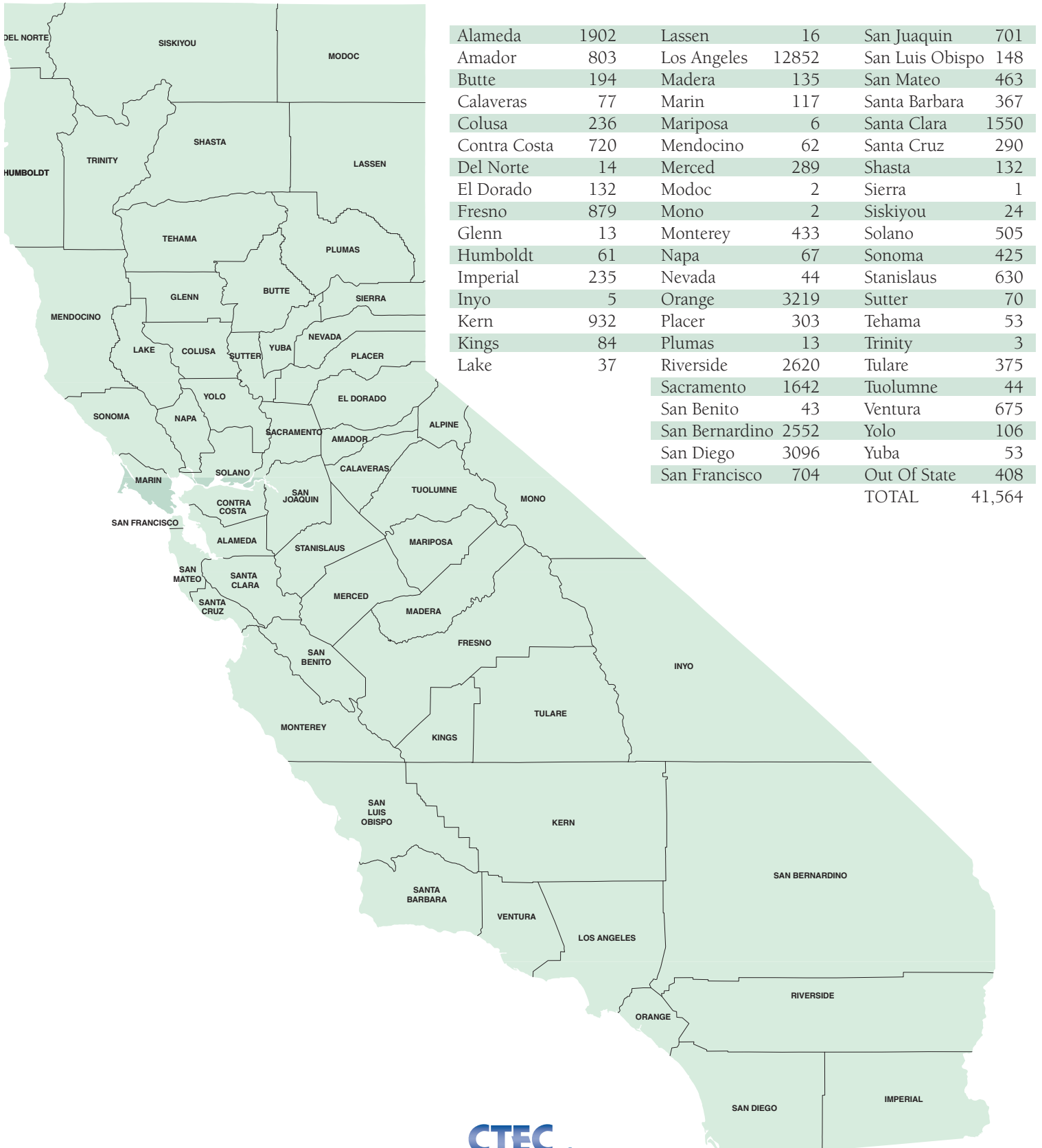
IN January 1997 when CTEC took over the former Tax Preparer Program from the California Department of Consumer Affairs, there were approximately 27,000 registered tax preparers in California. As of June 30, 2015, CTEC has registered 41,564 preparers. The following table shows each year's annual registration 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
07/01/05-06/30/06	39,226
07/01/06-06/30/07	40,565
07/01/07-06/30/08	41,881
07/01/08-06/30/09	44,888
07/01/09-06/30/10	44,147
07/01/10-06/30/11	43,674
07/01/11-06/30/12	41,934
07/01/12-06/30/13	38,481
07/01/13-06/30/14	39,201
07/01/14-06/30/15	41,564

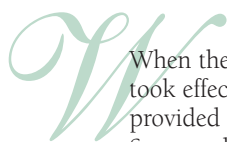
# CALIFORNIA TAX EDUCATION COUNCIL (CTEC) REGISTERED TAX PREPARERS BY COUNTY



*On June 30, 2015, there were 41,564 CRTP's*



## HISTORY OF CTEC



When the California Tax Education Council (CTEC) took effect in 1997, the California State Legislature provided specific duties for the council to perform:  
Set tax education standards, approve education

providers who meet those standards and oversee the registration of nonexempt tax preparers as a protection to California taxpayers.

### CTEC HISTORIC TIMELINE:

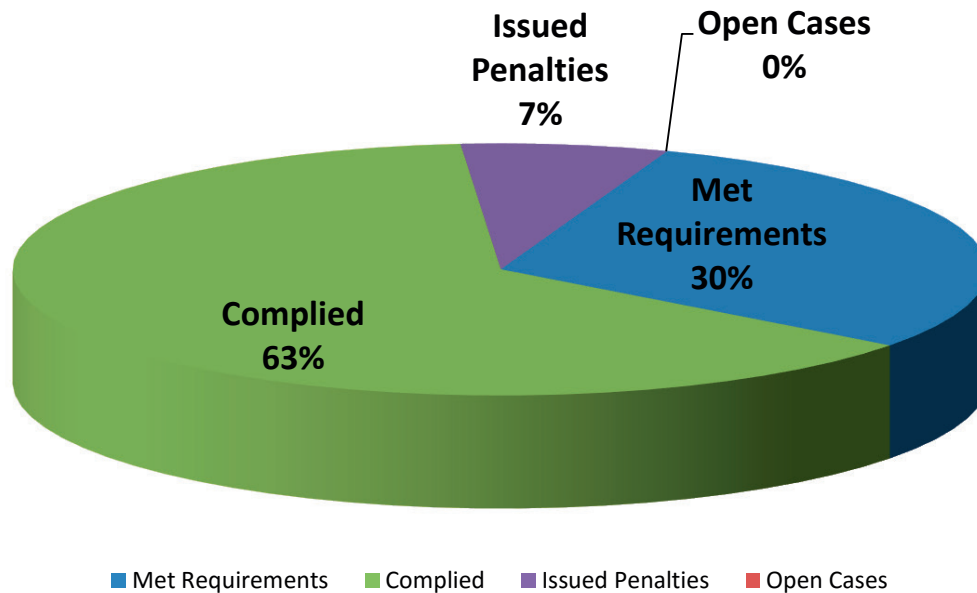
1996	1996 — Governor signs bill in a “grand experiment” to privatize its government-run tax preparer program. The test? To help the state save money and ensure better efficiency by turning the program over to the tax preparer industry.
1997	1997 — CTEC officially takes over the program from the Department of Consumer Affairs. The records given to CTEC? A shoebox with one disk inside containing an outdated list of registered tax preparers. CTEC did not –nor has it ever received— any funding from the state.
1998	
1999	1997 — CTEC reduces the tax preparer registration fee from \$40 to \$25 and cuts the total annual budget in half.
2000	1997 — CTEC creates the most comprehensive standards for tax schools California has ever had.
2001	1997 — CTEC establishes the most qualified team of curriculum reviewers for tax schools California has ever experienced.
2002	1999 — CTEC establishes the acronym (CRTP) so registered tax preparers can be easily identified.
2003	2001 — CTEC creates an online registration system so CRTPs can renew their registration more efficiently.
2004	2002 — California Senate Bill 136 takes effect to reauthorize and extend the CTEC program for at least seven years. The bill passed after the California State Legislature reviewed CTEC’s performance. An additional bill, SB 724, also takes effect to give CTEC the sole authority to approve providers of tax education.
2005	2005 — CTEC establishes an online reporting system for education providers to help enhance efficiency and accuracy.
2006	2005 — California Senate Bill 1543 takes effect to give the California Franchise Tax Board (FTB) authority to pursue and penalize unregistered tax preparers. CTEC agrees to reimburse the state for its enforcement expenses and that all penalties collected by FTB be deposited into the state’s general fund.
2007	2006 — FTB estimates number of unregistered preparers drops from 10,000 to less than 5,000 statewide.
2008	2007 — CTEC registers more than 40,000 tax preparers statewide, a historic number of registrants.
2009	2008 — California Senate Bill 797 takes effect to better define who qualifies as “assisting with” tax preparers.
2010	2008 — CTEC is up for its performance review by the California State Legislature. Based on CTEC’s performance to date, the State Legislature decides to postpone the review to 2014.
2011	2009 — CTEC testifies before the IRS on how California has managed the registration of tax preparers.
2012	2010 — IRS announces its plan to regulate tax preparers on a federal level. The plan mirrors what California requires of its tax preparers.
2013	2012 — California Senate Bill 944 takes effect to conform CTEC federal continuing education requirements to the IRS’ so CRTPs are not forced to complete “double” education requirements.
2014	2014 — California Senate Bill 484 takes effect to give CTEC the legislative authority to deny, suspend or revoke registrations from its tax preparers.
	2014 — CTEC passes its second Sunset Review. California Senate Bill 1243 takes effect, which allows the CTEC program to continue for six more years before another Sunset Review is required.



## ENFORCEMENT PURSUES MORE PENALTIES

The Franchise Tax Board (FTB) Tax Preparer Enforcement Team identified 2,443 tax preparers statewide in need of possible contact. Of those preparers, it was determined that 1,310 were actually in need of contact. All of these preparers were contacted and either met requirements as a new exempt preparer, complied after contact was made or received a penalty. Penalties were issued to 255 tax preparers who failed to come into compliance after contact was made and they received either a \$2,500 or \$5,000 penalty. The \$2,500 penalties were issued to preparers who had a 90-day grace period and still did not come into compliance. The \$5,000 penalties were issued to preparers who had previous penalties and continued to file returns not coming into compliance. All penalties collected by FTB are deposited into the state's general fund. CTEC and FTB continue to partner together to protect California taxpayers by enforcing tax preparer compliance.

### 2015 Results



Current Breakdown:

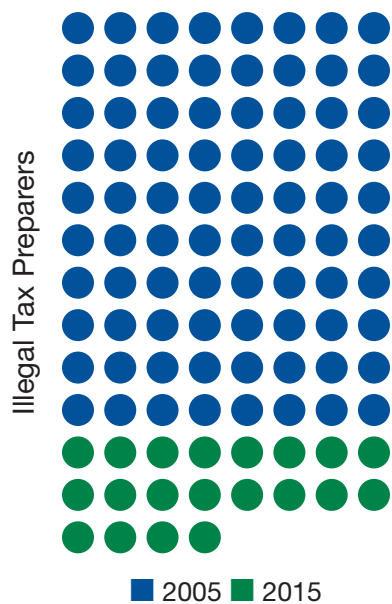
- **Complied**
- **Penalties Issued**
- **Met Requirements** Exempt of CTEC Registration
- **Open Cases**

## ENFORCEMENT “HOT SPOTS”

### IN CALIFORNIA...



## ENFORCEMENT HISTORY



California Senate Bill 1543 took effect in 2005, which gave the Franchise Tax Board (FTB) authority to pursue and penalize illegal tax preparers.

Before the legislation, FTB estimated 10,000–20,000 tax preparers were doing business illegally statewide. As of 2015, that number has dropped to an estimated 4,000–5,000!

Tax preparers caught doing business without a legal designation will be issued a \$2,500 penalty for the first offense. If they still fail to comply the next year, a \$5,000 penalty will be issued.

**5,000**  
**ILLEGAL TAX PREPARERS**  
**STATEWIDE AS OF 2015**

## SCHOOLS APPROVED FOR CONTINUING EDUCATION (20 HOURS)



### 101 EDUCATION SERVICES INC.

9 S. Elmhurst Drive, #943  
Prospect Heights, IL 60070  
(800) 214-4307  
(877) 674-9290 (Fax)  
[www.irstaxtraining.com](http://www.irstaxtraining.com)  
Instructional Method: C, S  
CTEC Provider #: 6224

### 1 0 4 0 AND MORE CONTINUING EDUCATION

2669 NE Twin Knolls Suite 106  
Bend, OR 97701  
(650) 843-9829  
(541) 617-9537 (Fax)  
[www.taxcoursesonline.com](http://www.taxcoursesonline.com)  
Instructional Method: S  
CTEC Provider #: 6203

### 1040 FINANCIAL INC.

3509 Adanac Court  
Bakersfield, CA 93309  
(888) 342-1040  
(661) 836-8000 (Fax)  
[www.1040financial.com](http://www.1040financial.com)  
Instructional Method: C  
CTEC Provider #: 3007

### A & B OFFICE INCOME TAX SCHOOL

12432 Oxnard St.  
North Hollywood, CA 91606  
(818) 505-3537  
(818) 308-8533 (Fax)  
[www.aboffice.com](http://www.aboffice.com)  
Instructional Method: C, S  
CTEC Provider #: 1057

### AARDVARK TAX ONLINE

67782 E. Palm Canyon Drive,  
Suite B104249  
Cathedral City, CA 92234  
(877) 212-1384  
(888) 296-2736 (Fax)  
[www.aardvarktax.com/california](http://www.aardvarktax.com/california)  
Instructional Method: S  
CTEC Provider #: 3083

### ACCOUNTANT'S EDUCATION SVS.

4380 S. Syracuse Street, Suite  
110  
Denver, CO 80237  
(720) 389-5900  
(720) 708-3246 (Fax)  
[www.aestax.com](http://www.aestax.com)  
Instructional Method: C, S

### APLUSCPE A SERVICE OF WEBCE

12222 Merit DR.  
Dallas, TX 75251  
(877) 488-9315  
(214) 570-0213 (Fax)  
[www.apluscpe.com](http://www.apluscpe.com)  
Instructional Method: S  
CTEC Provider #: 6216

### ARCOIRIS INCOME TAX INC.

1920 N Tustin Street  
ORANGE, CA 92865  
(714) 998-3568  
(714) 429-2020 (Fax)  
Instructional Method: C  
CTEC Provider #: 6232

### AROUND THE BLOCK TAX SERVICES

609 N. Lemon Street #5  
Ontario, CA 91764  
(909) 270-6471  
(909) 984-4006 (Fax)  
[aroundtheblocktaxservice.com](http://aroundtheblocktaxservice.com)  
Instructional Method: C  
CTEC Provider #: 3094

### BESTAX & INSURANCE SERVICE

24905 Sunnymead Blvd. Ste. E  
Moreno Valley, CA 92553  
(951) 247-1004  
(951) 247-3578 (Fax)  
Instructional Method: C  
CTEC Provider #: 6206

### BRASS TAX PRESENTATIONS

P.O. BOX 28147  
San Diego, CA 92198  
(858) 487-2553  
(858) 487-8245 (Fax)  
[www.brasstax.com](http://www.brasstax.com)  
Instructional Method: C, S  
CTEC Provider #: 1008

### CA CHAPTER-NAT'L ASSN OF TAX PROFESSIONALS

1400 Easton Drive, Suite 150  
Bakersfield, CA 93309  
(661) 327-4814  
(661) 327-2626 (Fax)  
Instructional Method: C  
CTEC Provider #: 2014

### CA CPA EDUCATION FOUNDATION

1800 Gateway Drive, Suite 200  
San Mateo, CA 94404  
(800) 922-5272  
(650) 802-6224 (Fax)  
[www.calcpa.org](http://www.calcpa.org)  
Instructional Method: C, S  
CTEC Provider #: 2099

### CA SOCIETY OF ENROLLED AGENTS

3200 Ramos Circle  
Sacramento, CA 95827-2513  
(916) 366-6646  
(916) 366-6674 (Fax)  
[www.csea.org](http://www.csea.org)  
Instructional Method: C  
CTEC Provider #: 1001

### CAL TAX SCHOOL

P. O. Box 892033  
Temecula, CA 92589  
(877) 778-1753  
(951) 639-6045 (Fax)  
[www.caltaxschool.org](http://www.caltaxschool.org)  
Instructional Method: C, S  
CTEC Provider #: 3055

### CALIFORNIA SOCIETY OF TAX CONSULTANTS INC.

12419 Lewis Street Ste. #106  
Garden Grove, CA 92840  
(714) 750-2782  
(714) 750-2722 (Fax)  
[www.cstcsociety.org](http://www.cstcsociety.org)  
Instructional Method: C, S  
CTEC Provider #: 1000

### CALIFORNIA TAX INSTITUTE

5281 Laurel View Circle  
Yorba Linda, CA 92886  
(800) 995-1747  
(714) 777-4267 (Fax)  
[www.californiataxinstitute.com](http://www.californiataxinstitute.com)  
Instructional Method: S  
CTEC Provider #: 1022

### CHAFFEY COLLEGE

5885 Haven Ave.  
Rancho Cucamonga, CA 91737  
(909) 652-6846  
(909) 652-6825 (Fax)  
[www.chaffey.edu](http://www.chaffey.edu)  
Instructional Method: C, S  
CTEC Provider #: 2046

### CHECKPOINT LEARNING

P.O. BOX 115008  
Carrollton, TX 75011-5088  
(800) 431-9025  
[www.checkpointlearning.com](http://www.checkpointlearning.com)  
Instructional Method: C, S  
CTEC Provider #: 3039

### CLIENTWHYS INC.

19200 Von Karman, Suite 600  
Irvine, CA 92612  
(818) 338-8700  
(818) 743-0551 (Fax)  
[www.clientwhys.com](http://www.clientwhys.com)  
Instructional Method: C, S  
CTEC Provider #: 1044

### COLLEGE OF SAN MATEO AND SKYLINE COLLEGE

1700 W. Hillsdale Blvd.  
San Mateo, CA 94402  
(650) 574-6663  
[www.collegeofsanmateo.edu](http://www.collegeofsanmateo.edu)  
Instructional Method: C  
CTEC Provider #: 3025

### CPE LINK

4340 Stevens Creek Blvd. Ste.  
160  
San Jose, CA 95129  
(800) 616-3822  
(888) 853-0665 (Fax)  
[www.cpelink.com](http://www.cpelink.com)  
Instructional Method: C, S  
CTEC Provider #: 6218

### CPE SOLUTIONS, LLC

1911 N. U.S. Hwy 301 #140  
Tampa, FL 33619  
(800) 545-7601  
(813) 662-3563 (Fax)  
[www.cpecredit.com](http://www.cpecredit.com)  
Instructional Method: S  
CTEC Provider #: 2084

### DRAKE SOFTWARE

235 East Palmer Street  
Franklin, NC 28734  
(828) 524-8020  
(828) 349-5713 (Fax)  
[www.drakesoftware.com](http://www.drakesoftware.com)  
Instructional Method: C, S  
CTEC Provider #: 3038

## SCHOOLS APPROVED FOR CONTINUING EDUCATION (20 HOURS)

### **FAST FORWARD ACADEMY**

3670 Maguire Blvd, Ste. 350  
Orlando, FL 32803  
(888) 798-7277  
(407) 792-2695 (Fax)  
<http://fastforwardacademy.com>  
Instructional Method: C, S  
CTEC Provider #: 6209

### **FINANCIAL EDUCATION RESOURCES (FER CPE) A Division Of International Career Development Center**

11859 Wilshire Blvd., Suite 600  
Los Angeles, CA 90025  
(310) 482-6996  
(310) 482-3788 (Fax)  
[www.fercpe.com](http://www.fercpe.com)  
Instructional Method: C, S  
CTEC Provider #: 1035

### **FRANCHISE TAX BOARD**

PO BOX 1468  
Sacramento, CA  
(916) 845-0353  
(916) 845-5340 (Fax)  
Instructional Method: C  
CTEC Provider #: 3020

### **FULLER TAX PREPARER TRAINING, LLC**

P.O. BOX 254  
Farmington, UT 84025  
(801) 872-3518  
[www.fullered.com](http://www.fullered.com)  
Instructional Method: S  
CTEC Provider #: 6227

### **GATEWAY TAX SERVICE**

11200 Crenshaw Blvd.  
Inglewood, CA 90303  
(323) 757-6900  
(310) 496-0109 (Fax)  
[www.gatewaytaxservice.com](http://www.gatewaytaxservice.com)  
Instructional Method: C, S  
CTEC Provider #: 3058

### **GEAR UP**

P.O. BOX 115008  
Carrollton, TX 75011-5088  
(800) 431-9025  
[www.checkpointlearning.com](http://www.checkpointlearning.com)  
Instructional Method: C, S  
CTEC Provider #: 1013

### **GLOBAL CPE NETWORK, INC.**

1775 S. Kings Avenue  
Brandon, FL 33511  
(800) 460-4110  
(813) 785-0721 (Fax)  
[www.cpe.biz](http://www.cpe.biz)  
Instructional Method: C, S  
CTEC Provider #: 6233

### **GOLDEN STATE TAX TRAINING INSTITUTE INC.**

PO BOX 930  
Prospect Heights, IL 60070  
(877) 674-9290  
(877) 674-9290 (Fax)  
[www.gstti.com](http://www.gstti.com)  
Instructional Method: C, S  
CTEC Provider #: 2040

### **H & R BLOCK TAX SERVICES INC.**

7604 Pacific Avenue 2nd Floor  
Stockton, CA 95207  
(916) 529-9106  
(916) 218-6261 (Fax)  
[www.hrblock.com](http://www.hrblock.com)  
Instructional Method: C, S  
CTEC Provider #: 1040

### **HERAS INCOME TAX SCHOOL**

3966 W. 6TH STREET  
Los Angeles, CA 90020  
(877) 300-6837  
[www.herasincometaxschool.com](http://www.herasincometaxschool.com)  
Instructional Method: C, S  
CTEC Provider #: 2086

### **HISPANIC ASSOCIATION OF PROFESSIONAL SERVICES (H.A.P.S)**

1152 3rd Avenue  
Chula Vista, CA 91911  
(619) 300-1249  
(619) 330-4806 (Fax)  
[www.haps-ca.org](http://www.haps-ca.org)  
Instructional Method: C  
CTEC Provider #: 6237

### **INTERNAL REVENUE SERVICE**

300 N. Los Angeles St Stop  
1053  
Los Angeles, CA 90012  
(213) 576-4196  
(213) 894-6541 (Fax)  
Instructional Method: C  
CTEC Provider #: 1052

### **IRS TEC**

290 N. D Street  
San Bernardino, CA 92401  
(909) 388-8234  
(909) 388-8203 (Fax)  
[www.irs.gov/taxpros](http://www.irs.gov/taxpros)  
Instructional Method: C  
CTEC Provider #: 1060

### **JACKSON HEWITT TAX SERVICES**

501 N. Cattlemen Road, Suite  
300  
Sarasota, FL 34232  
(757) 427-0755  
[www.jacksonhewitt.com](http://www.jacksonhewitt.com)  
Instructional Method: C, S  
CTEC Provider #: 1009

### **L & R TAX TRAINING SCHOOL**

109 West Transit Street  
Ontario, CA 91762  
(909) 986-8372  
(909) 986-8375 (Fax)  
[www.mdproservice.com](http://www.mdproservice.com)  
Instructional Method: C  
CTEC Provider #: 3016

### **LAMBERS, INC.**

7150 114TH Avenue N, Suite  
200  
Largo, FL 33373  
(800) 845-8569  
(727) 507-8380 (Fax)  
[www.LAMBERS.com](http://www.LAMBERS.com)  
Instructional Method: S  
CTEC Provider #: 6231

### **LATINO TAX PROFESSIONALS ASSOCIATION**

1588 Moffett Street Ste. F  
Salinas, CA 93905  
(866) 936-2587  
(831) 424-3218 (Fax)  
[www.latinotaxpro.org](http://www.latinotaxpro.org)  
Instructional Method: C, S  
CTEC Provider #: 2080

### **LIBERTY TAX SERVICE**

1716 Corporate Landing  
Parkway  
Virginia Beach, VA 23454  
(757) 493-8855  
(800) 880-6432 (Fax)  
[www.libertytax.com](http://www.libertytax.com)  
Instructional Method: C  
CTEC Provider #: 2097

### **LOS ANGELES HARBOR COLLEGE**

1001 W. Carson Street, Suite P  
Torrance, CA 90502  
(310) 783-0318  
(310) 783-0048 (Fax)  
Instructional Method: C, S  
CTEC Provider #: 3048

### **LOS RIOS COMMUNITY COLLEGE DISTRICT**

8401 Center Parkway  
Sacramento, CA 95823  
(916) 691-7226  
(916) 691-7443 (Fax)  
[www.crc.losrios.edu](http://www.crc.losrios.edu)  
Instructional Method: C  
CTEC Provider #: 3006

### **MBS TAX & ACCOUNTING**

P.O. BOX 34720  
Los Angeles, CA 90034  
(213) 483-5520  
(213) 483-3259 (Fax)  
[www.mbstaxandaccounting.com](http://www.mbstaxandaccounting.com)  
Instructional Method: C  
CTEC Provider #: 6212

### **MIRA COSTA COLLEGE BUSINESS DEPT.**

Business Dept. 1 Barnard Drive  
Oceanside, CA 92056-3899  
(760) 757-2121 Ext. 6488  
(760) 795-6770 (Fax)  
[www.miracosta.edu/instruction](http://www.miracosta.edu/instruction)  
Instructional Method: C  
CTEC Provider #: 1074

### **NATIONAL ASSOCIATION OF TAX PROFESSIONALS (NATP)**

P. O. BOX 8002  
Appleton, WI 54912-8002  
(920) 968-7171  
(920) 968-7471 (Fax)  
[www.natptax.com](http://www.natptax.com)  
Instructional Method: C, S  
CTEC Provider #: 1067

### **NATIONAL CENTER FOR PROFESSIONAL EDUCATION, INC. (NCPE)**

P.O. BOX 560  
ZACHARY, LA 70791  
(800) 682-2163  
(225) 654-8000 (Fax)  
[www.NCPESEMINARS.com](http://www.NCPESEMINARS.com)  
Instructional Method: C  
CTEC Provider #: 6226

## SCHOOLS APPROVED FOR CONTINUING EDUCATION (20 HOURS)

<b>NATIONAL POLYTECHNIC COLLEGE INC.</b> 6630 Telegraph Road Commerce, CA 90040 (323) 728-9636 (323) 728-0952 (Fax) <a href="http://www.npcollege.edu">www.npcollege.edu</a> Instructional Method: C CTEC Provider #: 6202	<b>NATIONAL SOCIETY OF PUBLIC ACCOUNTANTS</b> 1010 N. Fairfax Street Alexandria, VA 22314 (800) 966-6679 (703) 549-2512 (Fax) <a href="http://www.nsacct.org">www.nsacct.org</a> Instructional Method: C, S CTEC Provider #: 2094	<b>NATIONAL SOCIETY OF TAX PROFESSIONALS</b> 11700 NE 95TH Street, Suite 100 Vancouver, WA 98682 (360) 695-8309 (360) 695-7115 (Fax) <a href="http://www.nsttp.org">www.nsttp.org</a> Instructional Method: C CTEC Provider #: 2001	<b>NATIONAL TAX TRAINING SCHOOL</b> P.O. BOX 767 Mahwah, NJ 07430 (201) 684-0828 (201) 684-0829 (Fax) <a href="http://www.nattax.com">www.nattax.com</a> Instructional Method: S CTEC Provider #: 1025
<b>NBI INC.</b> PO BOX 3067 Eau Claire, WI 54702 (715) 835-8525 (715) 835-1405 (Fax) <a href="http://www.nbi-sems.com">www.nbi-sems.com</a> Instructional Method: C CTEC Provider #: 3001	<b>PLATINUM PROFESSIONAL STUDIES</b> 12340 Seal Beach Blvd. Ste. 271B Seal Beach, CA 90740 (877) 315-1772 (877) 315-2725 (Fax) <a href="http://www.platinumprostudies.com">www.platinumprostudies.com</a> Instructional Method: S CTEC Provider #: 2052	<b>PRONTO INCOME TAX OF CALIFORNIA INC.</b> 4501 S. Centinela, Ave. Los Angeles, CA 90066 (310) 577-7530 (310) 823-3529 (Fax) <a href="http://www.renewctec.com">www.renewctec.com</a> Instructional Method: C, S CTEC Provider #: 6201	<b>REFUNDS TODAY</b> 10430 Pioneer Blvd. Ste. 2 Santa Fe Springs, CA 90670 (323) 261-0240 (323) 261-4224 (Fax) <a href="http://www.refundstoday.com">www.refundstoday.com</a> Instructional Method: C CTEC Provider #: 3044
<b>RIVERSIDE TAX CONSULTANTS ASSOCIATION</b> P.O. BOX 5546 Riverside, CA 92517 (909) 827-9664 (909) 783-3225 (Fax) <a href="http://www.rtcaweb.org">www.rtcaweb.org</a> Instructional Method: C CTEC Provider #: 2036	<b>SANTA ANA COLLEGE</b> 1530 W. 17th Street Santa Ana, CA 92706 (714) 564-6762 (714) 564-6133 (Fax) <a href="http://rsced.blackboard.com">rsced.blackboard.com</a> Instructional Method: C, S CTEC Provider #: 2019	<b>SOUTHERN CALIFORNIA TAX PROFESSIONALS INC.</b> 5360 Jackson Drive Ste. 118 La Mesa, CA 91942 (619) 698-0508 (619) 698-9735 (Fax) <a href="http://sctaxpro.org">sctaxpro.org</a> Instructional Method: C CTEC Provider #: 6207	<b>SPIDELL PUBLISHING</b> 1134 N. Gilbert St. Anaheim, CA 92801 (714) 776-7850 (714) 776-9906 (Fax) <a href="http://www.caltax.com">www.caltax.com</a> Instructional Method: C, S CTEC Provider #: 1019
<b>STATE OF CALIFORNIA BOARD OF EQUALIZATION</b> 450 N. Street Room 1902 Sacramento, CA (916) 445-4081 (916) 324-2087 (Fax) Instructional Method: C CTEC Provider #: 3069	<b>SUPER LAB TAX AND ACCOUNTING FIRM</b> 753 San Simeon Street Sunnyvale, CA 94085 (408) 738-8382 (408) 738-8382 (Fax) <a href="http://www.super-tax.com">www.super-tax.com</a> Instructional Method: C, S CTEC Provider #: 3061	<b>TAX CENTERS OF AMERICA, INC.</b> 1611 East Main Street Russellville, AR 72801 (479) 968-4796 (479) 968-8012 (Fax) <a href="http://www.taxschoolsofamerica.com">www.taxschoolsofamerica.com</a> Instructional Method: C, S CTEC Provider #: 6230	<b>TAX EASE LLC</b> 39270 Paseo Padre Pwy #624 Fremont, CA 94538 (877) 829-2667 (510) 779-5251 (Fax) <a href="http://www.taxeaseed.com">www.taxeaseed.com</a> Instructional Method: S CTEC Provider #: 3064
<b>TAX LINK SEMINARS</b> 2335 W. Foothill Blvd Ste. 16 Upland, CA 91786 (909) 621-1982 (909) 625-4293 (Fax) Instructional Method: C, S CTEC Provider #: 1048	<b>TAX MATERIALS INC.</b> 15105 Minnetonka Ind. Rd. Ste. 221 Minnetonka, MN 55345 (952) 746-5276 Ext. 104 (952) 746-5278 (Fax) <a href="http://www.thetaxbook.com">www.thetaxbook.com</a> Instructional Method: S CTEC Provider #: 6193	<b>TAXRESOURCES INC.</b> 7803 Madison Avenue Ste. A-100 Citrus Heights, CA 95610 (800) 398-9695 (916) 966-5417 (Fax) <a href="http://www.taxaudit.com">www.taxaudit.com</a> Instructional Method: C, S CTEC Provider #: 3027	<b>TAX TALK TODAY</b> 10319 Westlake Drive #146 Bethesda, MD 20817 (202) 559-9330 (202) 559-9333 (Fax) <a href="http://www.taxtalktoday.com">www.taxtalktoday.com</a> Instructional Method: S CTEC Provider #: 3022
<b>THE INCOME TAX SCHOOL</b> 10120 West Broad Street Ste. A Glen Allen, VA 23060 (804) 204-1040 (804) 213-4248 (Fax) <a href="http://www.theincometaxschool.com">www.theincometaxschool.com</a> Instructional Method: C, S CTEC Provider #: 1071	<b>THE TAX INSTITUTE</b> 424 18th Street Bakersfield, CA 93301 (661) 861-0635 (661) 633-2119 (Fax) <a href="http://www.taxcollege.com">www.taxcollege.com</a> Instructional Method: S CTEC Provider #: 1007	<b>THE TAX SCHOOL</b> P.O. BOX 525 Newark, CA 94560 (510) 796-1188 (510) 796-1711 (Fax) <a href="http://www.thetaxschool.com">www.thetaxschool.com</a> Instructional Method: S CTEC Provider #: 1003	<b>THE TAX UNIVERSITY</b> 935 2nd Street SE Suite B Charlottesville, VA 22902 (434) 566-0875 (434) 220-4706 (Fax) <a href="http://www.onlinetaxuniversity.com">www.onlinetaxuniversity.com</a> Instructional Method: C, S CTEC Provider #: 6219



## SCHOOLS APPROVED FOR CONTINUING EDUCATION (20 HOURS)

### WESTERN CPE

243 Pegasus Drive  
Bozeman, MT 59718  
(406) 556-0115  
(206) 774-1285 (Fax)  
[www.westerncpe.com](http://www.westerncpe.com)  
Instructional Method: C, S  
CTEC Provider #: 2071

### WOLTERS KLUWER, CCH

4025 W. Peterson Ave.  
Chicago, IL 60646  
(773) 866-3643  
(773) 866-3084 (Fax)  
<http://www.cchgroup.com>  
Instructional Method: C, S  
CTEC Provider #: 1075

### YUBA COMMUNITY COLLEGE

2088 N. Beale Road  
Marysville, CA 95901  
(530) 741-6908  
(530) 634-7706 (Fax)  
[www.yccd.edu](http://www.yccd.edu)  
Instructional Method: C  
CTEC Provider #: 2003



## SCHOOLS APPROVED FOR QUALIFYING EDUCATION (60 HOURS)



### 101 EDUCATION SERVICES INC.

9 S. Elmhurst Drive, #943  
Prospect Heights, IL 60070  
(800) 214-4307  
(877) 674-9290 (Fax)  
[www.irstaxtraining.com](http://www.irstaxtraining.com)  
Instructional Method: C, S  
CTEC Provider #: 6224

### 1040 FINANCIAL INC.

3509 Adanac Court  
Bakersfield, CA 93309  
(888) 342-1040  
(661) 836.8000 (Fax)  
[www.1040financial.com](http://www.1040financial.com)  
Instructional Method: C  
CTEC Provider #: 3007

### A & B OFFICE INCOME TAX SCHOOL

12432 Oxnard St.  
North Hollywood, CA 91606  
(818) 505-3537  
(818) 308-8533 (Fax)  
[www.aboffice.com](http://www.aboffice.com)  
Instructional Method: C, S  
CTEC Provider #: 1057

### AROUND THE BLOCK TAX SERVICES

609 N. Lemon Street #5  
Ontario, CA 91764  
(909) 270-6471  
(909) 984-4006 (Fax)  
[aroundtheblocktaxservice.com](http://aroundtheblocktaxservice.com)  
Instructional Method: C  
CTEC Provider #: 3094

### BESTAX & INSURANCE SERVICE

24905 Sunnymead Blvd. Ste. E  
Moreno Valley, CA 92553  
(951) 247-1004  
(951) 247-3578 (Fax)  
Instructional Method: C  
CTEC Provider #: 6206

### CA SOCIETY OF ENROLLED AGENTS

3200 Ramos Circle  
Sacramento, CA 95827-2513  
(916) 366-6646  
(916) 366-6674 (Fax)  
[www.csea.org](http://www.csea.org)  
Instructional Method: C  
CTEC Provider #: 1001

### CALIFORNIA INCOME TAX LEARNING CENTER

2212 Fenton Parkway #214  
San Diego, CA 92108  
(888) 230-4233  
(818) 705-5930 (Fax)  
[www.caitlc@gmail.com](mailto:www.caitlc@gmail.com)  
Instructional Method: C  
CTEC Provider #: 6236

### CALIFORNIA SOCIETY OF TAX CONSULTANTS INC.

12419 Lewis Street Ste. #106  
Garden Grove, CA 92840  
(714) 750-2782  
(714) 750-2722 (Fax)  
[www.cstcsociety.org](http://www.cstcsociety.org)  
Instructional Method: C  
CTEC Provider #: 1000

### CALIFORNIA TAX INSTITUTE

5281 Laurel View Circle  
Yorba Linda, CA 92886  
(800) 995-1747  
(714) 777-4267 (Fax)  
[www.californiataxinstitute.com](http://www.californiataxinstitute.com)  
Instructional Method: C  
CTEC Provider #: 1022

### CHAFFEY COLLEGE

5885 Haven Ave.  
Rancho Cucamonga, CA 91737  
(909) 652-6846  
(909) 652-6825 (Fax)  
[www.chaffey.edu](http://www.chaffey.edu)  
Instructional Method: C, S  
CTEC Provider #: 2046

### COLLEGE OF SAN MATEO AND SKYLINE COLLEGE

1700 W. Hillsdale Blvd.  
San Mateo, CA 94402  
(650) 574-6663  
[www.collegeofsanmateo.edu](http://www.collegeofsanmateo.edu)  
Instructional Method: C  
CTEC Provider #: 3025

### COMPUTAX

PO BOX 7943  
Riverside, CA 92513  
(951) 505-3382  
(866) 720-3925 (Fax)  
[www.computaxpro.com](http://www.computaxpro.com)  
Instructional Method: C  
CTEC Provider #: 2084

### EVERGREEN VALLEY COLLEGE

3095 Yerba Buena Road  
San Jose, CA 95135  
(408) 274-7900 Ext. 6668  
[www.evc.edu](http://www.evc.edu)  
Instructional Method: C  
CTEC Provider #: 6182

### FINANCIAL EDUCATION RESOURCES (FER CPE)

**A Division Of Intl Career Devcenter**  
11859 Wilshire Blvd., Suite 600  
Los Angeles, CA 90025  
(310) 482-6996  
(310) 482-3788 (Fax)  
[www.fercpe.com](http://www.fercpe.com)  
Instructional Method: C, S  
CTEC Provider #: 1035

### FOOTHILL COLLEGE

12345 El Monte Road  
Los Altos Hills, CA 94022  
(650) 949-7394  
(650) 948-2845 (Fax)  
[www.foothill.edu](http://www.foothill.edu)  
Instructional Method: C  
CTEC Provider #: 3043

### GATEWAY TAX SERVICE

11200 Crenshaw Blvd.  
Inglewood, CA 90303  
(323) 757-6900  
(310) 496-0109 (Fax)  
Instructional Method: C, S  
CTEC Provider #: 3058

### GOLDEN STATE TAX TRAINING INSTITUTE INC.

PO BOX 930  
Prospect Heights, IL 60070  
(877) 674-9290  
(877) 674-9290 (Fax)  
[www.gstti.com](http://www.gstti.com)  
Instructional Method: C, S  
CTEC Provider #: 2040

### H & R BLOCK TAX SERVICES INC.

7604 Pacific Avenue 2nd Floor  
Stockton, CA 95207  
(209) 956-3765  
(916) 218-6261 (Fax)  
[www.hrblock.com](http://www.hrblock.com)  
Instructional Method: C, S  
CTEC Provider #: 1040

### HEALD COLLEGES

1340 Treat Blvd., Suite 325  
Walnut Creek, CA 94597  
(925) 951-1743  
[www.heald.edu](http://www.heald.edu)  
Instructional Method: C, S  
CTEC Provider #: 2018

### IRVINE VALLEY COLLEGE DEPT OF BUSINESS SCIENCES

5500 Irvine Center Drive  
Irvine, CA 92618  
(949) 451-5532  
(949) 451-5775 (Fax)  
[www.irc.edu](http://www.irc.edu)  
Instructional Method: C  
CTEC Provider #: 6189

### JACKSON HEWITT TAX SERVICES

3 Sylvan Way 3rd Floor  
Parsippany, NJ 07054  
(973) 630-0652  
(973) 630-0650 (Fax)  
[www.jacksonhewitt.com](http://www.jacksonhewitt.com)  
Instructional Method: C, S  
CTEC Provider #: 1009

### LATINO TAX PROFESSIONALS ASSOCIATION

1588 Moffett Street Ste. F  
Salinas, CA 93905  
(866) 936-2587  
(831) 424-3218 (Fax)  
[www.latinotaxpro.org](http://www.latinotaxpro.org)  
Instructional Method: C  
CTEC Provider #: 2080

### LIBERTY TAX SERVICE

1716 Corporate Landing Parkway  
Virginia Beach, VA 23454  
(757) 493-8855  
(800) 880-6432 (Fax)  
[www.libertytax.com](http://www.libertytax.com)  
Instructional Method: C  
CTEC Provider #: 2097

### LOS RIOS COMMUNITY COLLEGE DISTRICT

8401 Center Parkway  
Sacramento, CA 95823  
(916) 691-7226  
(916) 691-7443 (Fax)  
[www.crc.losrios.edu](http://www.crc.losrios.edu)  
Instructional Method: C  
CTEC Provider #: 3006

## SCHOOLS APPROVED FOR QUALIFYING EDUCATION (60 HOURS)

### **MBS TAX & ACCOUNTING**

P.O. BOX 34720  
Los Angeles, CA 90034  
(213) 483-5520  
(213) 483-3259 (Fax)  
[www.mbstaxandaccounting.com](http://www.mbstaxandaccounting.com)  
Instructional Method: C  
CTEC Provider #: 6212

### **MIRA COSTA COLLEGE BUSINESS DEPT.**

Business Dept. 1 Barnard Drive  
Oceanside, CA 92056-3899  
(760) 757-2121 Ext. 6488  
(760) 795-6770 (Fax)  
[www.miracosta.edu/instruction/](http://www.miracosta.edu/instruction/)  
Instructional Method: C  
CTEC Provider #: 1074

### **MKG ENTERPRISES CORP**

909 E. Belmont  
Fresno, CA 93701  
(866) 599-4470  
(609) 277-8181 (Fax)  
[www.mkgtax.com](http://www.mkgtax.com)  
Instructional Method: C, S  
CTEC Provider #: 6234

### **NATIONAL POLYTECHNIC COLLEGE**

6630 Telegraph Road  
Commerce, CA 90040  
(323) 728-9636  
(323) 728-0952 (Fax)  
[www.npcollege.edu](http://www.npcollege.edu)  
Instructional Method: C  
CTEC Provider #: 6202

### **NATIONAL TAX TRAINING SCHOOL**

P.O. BOX 767  
Mahwah, NJ 7430  
(201) 684-0828  
(201) 684-0829 (Fax)  
[www.nattax.com](http://www.nattax.com)  
Instructional Method: C  
CTEC Provider #: 1025

### **NORCO COLLEGE**

2001 Third Street  
Norco, CA 92860  
(951) 372-7194  
(951) 972-7192 (Fax)  
Instructional Method: C  
CTEC Provider #: 6228

### **PASADENA CITY COLLEGE**

1570 E. Colorado Blvd.  
Pasadena, CA 91106  
(626) 585-7704  
(626) 585-7704 (Fax)  
[www.pasadena.edu](http://www.pasadena.edu)  
Instructional Method: C  
CTEC Provider #: 6185

### **PLATINUM PROFESSIONAL STUDIES**

12340 Seal Beach Blvd. Ste. 271B  
Seal Beach, CA 90740  
(877) 315-1772  
(877) 315-2725 (Fax)  
[www.platinumprostudies.com](http://www.platinumprostudies.com)  
Instructional Method: C, S  
CTEC Provider #: 2052

### **PRONTO INCOME TAX OF CA INC**

208 E. Carson Street #103  
Carson, CA 90745  
(310) 422-1283  
(310) 549-0379 (Fax)  
[www.prontotaxclass.com](http://www.prontotaxclass.com)  
Instructional Method: C  
CTEC Provider #: 6201

### **R & V INCOME TAX SERVICES**

2998 Mission Street  
San Francisco, CA 94110  
(415) 933-1104  
(415) 824-2943 (Fax)  
Instructional Method: C, S  
CTEC Provider #: 3073

### **REFUNDS TODAY**

10430 Pioneer Blvd. Ste. 2  
Santa Fe Springs, CA 90670  
(323) 261-0240  
(323) 261-4224 (Fax)  
[www.refundstoday.com](http://www.refundstoday.com)  
Instructional Method: C  
CTEC Provider #: 3044

### **RIO HONDO COLLEGE**

3600 Workman Mill Road  
Whittier, CA 90601  
(562) 463-7358  
(562) 463-4650 (Fax)  
[www.riohondo.edu](http://www.riohondo.edu)  
Instructional Method: C  
CTEC Provider #: 6210

### **SAN DIEGO CITY COLLEGE**

1313 Park Blvd.  
San Diego, CA 92101  
(619) 388-3488  
[www.sdccd.edu](http://www.sdccd.edu)  
Instructional Method: C  
CTEC Provider #: 2006

### **SAN DIEGO MESA COLLEGE**

12927 Pomerado Road  
Poway, CA 92064  
(858) 679-8661  
(858) 762-4603 (Fax)  
[www.sdmesa.edu](http://www.sdmesa.edu)  
Instructional Method: C  
CTEC Provider #: 3053

### **SANTA ANA COLLEGE**

1530 W. 17th Street  
Santa Ana, CA 92706  
(714) 564-6762  
(714) 564-6133 (Fax)  
[rscdd.blackboard.com](http://rscdd.blackboard.com)  
Instructional Method: C  
CTEC Provider #: 2019

### **SEAL SERVICES INC.**

3270 E. Belmont Avenue  
Fresno, CA 93702  
(559) 266-6555  
(559) 485-5384 (Fax)  
Instructional Method: C  
CTEC Provider #: 6215

### **THE INCOME TAX SCHOOL**

10120 West Broad Street Ste. A  
Glen Allen, VA 23060  
(804) 204-1040  
(804) 213-4248 (Fax)  
[www.theincometaxschool.com](http://www.theincometaxschool.com)  
Instructional Method: C  
CTEC Provider #: 1071

### **THE TAX INSTITUTE**

424 18th Street  
Bakersfield, CA 93301  
(661) 861-0635  
(661) 633-2119 (Fax)  
[www.taxcollege.com](http://www.taxcollege.com)  
Instructional Method: C  
CTEC Provider #: 1007

### **UNIVERSAL ACCOUNTING CENTER**

5288 South Commerce Drive  
Salt Lake City, UT 84107  
(801) 265-3777  
(801) 265-3798 (Fax)  
[www.universalaccounting.com](http://www.universalaccounting.com)  
Instructional Method: C  
CTEC Provider #: 3060

### **YUBA COMMUNITY COLLEGE**

2088 N. Beale Road  
Marysville, CA 95901  
(530) 741-6908  
(530) 634-7706 (Fax)  
[www.yccd.edu](http://www.yccd.edu)  
Instructional Method: C  
CTEC Provider #: 2003

# INDEPENDENT AUDITOR'S REPORT



a professional accountancy corporation

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

## Report on the Financial Statements

We have audited the accompanying financial statements of the California Tax Education Council, a nonprofit organization, which comprise the statements of financial position as of June 30, 2015, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The financial statements of California Tax Education Council as of June 30, 2014, were audited by another auditor whose report dated October 21, 2014 expressed a unqualified opinion on those statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 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, 2015, and the changes in its net asset, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of activities and changes in net assets - budget to actual page 27 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink that reads 'Russell CPAs'.

Russell CPAs  
Sacramento, California  
September 29, 2015

## STATEMENTS OF FINANCIAL POSITION

June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents (Note 2)	\$ 207,709	\$ 431,960
Certificates of Deposit (Note 3)	400,000	-
Prepaid Expenses	<u>942</u>	<u>988</u>
<b>Total Current Assets</b>	<u>608,651</u>	<u>432,948</u>
<b>Equipment</b> (Note 4)		
Equipment	22,905	22,905
Software	142,050	142,050
Less: Accumulated Depreciation	<u>(85,243)</u>	<u>(64,148)</u>
<b>Total Equipment</b>	<u>79,712</u>	<u>100,807</u>
<b>TOTAL ASSETS</b>	<u>\$ 688,363</u>	<u>\$ 533,755</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ <u>80,829</u>	\$ <u>160,098</u>
<b>Total Current Liabilities</b>	<u>80,829</u>	<u>160,098</u>
<b>Net Assets</b>		
Net Assets - Unrestricted	<u>607,534</u>	<u>373,657</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 688,363</u>	<u>\$ 533,755</u>



## STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

*For the years ended June 30, 2015 and 2014*

	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>		
Registration Fees	\$ 1,344,247	\$ 989,325
Late Registration Fees	343,145	325,160
Certificates	7,950	5,260
Provider Fees	19,950	18,275
Mailing List	1,750	2,000
Other Income	74	525
Interest	<u>626</u>	<u>1,641</u>
<b>TOTAL REVENUES</b>	<u>1,717,742</u>	<u>1,342,186</u>
<b>EXPENSES</b>		
Board Activities	122,048	127,089
Audit Oversight Committee	17,768	17,404
General and Administrative	95,064	89,327
Communication and Technology	56,923	47,868
Curriculum Provider Committee	150,197	137,942
Budget and Finance Committee	-	-
Executive Committee	-	-
Governmental Relations Committee	313,182	392,615
Public Awareness Committee	363,078	349,457
Tax Preparer Committee	<u>365,605</u>	<u>336,064</u>
<b>TOTAL EXPENSES</b>	<u>1,483,865</u>	<u>1,497,766</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>233,877</u>	<u>(155,580)</u>
<b>NET ASSETS BEGINNING OF YEAR</b>	<u>373,657</u>	<u>529,237</u>
<b>NET ASSETS END OF YEAR</b>	<u>\$ 607,534</u>	<u>\$ 373,657</u>

## STATEMENT OF FUNCTIONAL EXPENSES



*For the year ended June 30, 2015*

	Board Activities	Audit Oversight Committee	General & Admini- strative	Communi- cation & Technology	Curriculum Provider Committee	Budget & Finance Committee	Executive Committee	Governmental Relations Committee	Public Awareness Committee	Tax Preparer Committee	Total Expenses
Accounting	\$ —	\$ 13,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 13,000
Advertising & Promotion	—	—	—	—	—	—	—	—	298,999	—	298,999
Audit Review	—	—	—	—	14,620	—	—	—	—	—	14,620
Bank Service Charges	—	—	929	—	—	—	—	—	—	—	929
Credit Card Fees	—	—	—	—	—	—	—	—	—	95,863	95,863
Depreciation	—	—	—	—	4,219	—	—	—	8,438	8,438	21,095
Enforcement	—	—	—	—	—	—	—	227,870	—	—	227,870
Fees & Licenses	—	—	170	—	—	—	—	—	—	—	170
Insurance	—	—	2,607	—	—	—	—	—	—	—	2,607
Legal	—	—	9,860	—	—	—	—	—	—	—	9,860
Management Fee	81,000	—	81,000	27,000	27,000	—	—	81,000	27,000	216,000	540,000
Meetings & Conferences	17,752	—	—	—	3,513	—	—	1,199	—	—	22,464
Miscellaneous	—	—	—	—	—	—	—	—	—	—	—
Outside Consultants	—	—	—	5,748	100,845	—	—	—	—	—	106,593
Postage	—	—	498	—	—	—	—	—	—	25,000	25,498
Printing	—	4,768	—	—	—	—	—	—	28,641	18,801	52,210
Telephone & Fax	—	—	—	—	—	—	—	—	—	1,503	1,503
Travel	—	—	—	—	—	—	—	3,113	—	—	3,113
Mileage	3,934	—	—	—	—	—	—	—	—	—	3,934
Airfare	2,376	—	—	—	—	—	—	—	—	—	2,376
Hotel	12,236	—	—	—	—	—	—	—	—	—	12,236
Per Diem	3,200	—	—	—	—	—	—	—	—	—	3,200
Cab	582	—	—	—	—	—	—	—	—	—	582
Parking	968	—	—	—	—	—	—	—	—	—	968
Web Page	—	—	—	24,175	—	—	—	—	—	—	24,175
<b>Total Expenses</b>	<b>\$ 122,048</b>	<b>\$ 17,768</b>	<b>\$ 95,064</b>	<b>\$ 56,923</b>	<b>\$ 150,197</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 313,182</b>	<b>\$ 363,078</b>	<b>\$ 365,605</b>	<b>\$1,483,865</b>

## STATEMENT OF FUNCTIONAL EXPENSES



*For the year ended June 30, 2014*

	Board Activities	Audit Oversight Committee	General & Admini- strative	Communi- cation & Technology	Curriculum Provider Committee	Budget & Finance Committee	Executive Committee	Governmental Relations Committee	Public Awareness Committee	Tax Preparer Committee	Total Expenses
Accounting	\$ —	\$ 13,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 13,000
Advertising & Promotion	—	—	—	—	—	—	—	—	285,647	—	285,647
Audit Review	—	—	—	—	18,511	—	—	—	—	—	18,511
Bank Service Charges	—	—	501	—	—	—	—	—	—	—	501
Credit Card Fees	—	—	—	—	—	—	—	—	—	70,112	70,112
Depreciation	—	—	—	—	2,424	—	—	—	4,848	4,847	12,119
Enforcement	—	—	—	—	—	—	—	200,329	—	—	200,329
Fees & Licenses	—	—	150	—	—	—	—	—	—	—	150
Insurance	—	—	2,010	—	—	—	—	—	—	—	2,010
Legal	—	—	5,198	—	—	—	—	—	—	—	5,198
Management Fee	81,000	—	81,000	27,000	27,000	—	—	81,000	27,000	216,000	540,000
Meetings & Conferences	17,765	—	—	—	4,489	—	—	1,667	—	—	23,921
Miscellaneous	—	—	—	—	—	—	—	—	—	—	—
Outside Consultants	—	—	—	6,064	85,518	—	—	106,477	—	—	198,059
Postage	—	—	468	—	—	—	—	—	—	24,803	25,271
Printing	—	4,404	—	—	—	—	—	—	31,962	17,073	53,439
Telephone & Fax	—	—	—	—	—	—	—	—	—	3,229	3,229
Travel	—	—	—	—	—	—	—	3,142	—	—	3,142
Mileage	3,770	—	—	—	—	—	—	—	—	—	3,770
Airfare	1,209	—	—	—	—	—	—	—	—	—	1,209
Hotel	19,426	—	—	—	—	—	—	—	—	—	19,426
Per Diem	2,850	—	—	—	—	—	—	—	—	—	2,850
Cab	200	—	—	—	—	—	—	—	—	—	200
Parking	869	—	—	—	—	—	—	—	—	—	869
Web Page	—	—	—	14,804	—	—	—	—	—	—	14,804
<b>Total Expenses</b>	<b>\$ 127,089</b>	<b>\$ 17,404</b>	<b>\$ 89,327</b>	<b>\$ 47,868</b>	<b>\$ 137,942</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 392,615</b>	<b>\$ 349,457</b>	<b>\$ 336,064</b>	<b>\$1,497,766</b>

*The accompanying notes to the financial statements are an integral part of this statement.*

## STATEMENTS OF CASH FLOWS

*For the years ended June 30, 2015 and 2014*

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 233,877	\$ (155,580)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	21,095	12,119
Decrease (increase) in prepaid expense	46	-
Increase (decrease) in accounts payable	(79,269)	134,076
Increase (decrease) in sales tax payable	<u>-</u>	<u>-</u>
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<u>175,749</u>	<u>(9,385)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from the redemption of certificates of deposits	-	400,000
Purchase of certificates of deposits	<u>(400,000)</u>	<u>-</u>
<b>NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>	<u>(400,000)</u>	<u>400,000</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Purchase of computer equipment	<u>-</u>	<u>(68,550)</u>
<b>NET CASH PROVIDED BY (USED FOR) CAPITAL FINANCING ACTIVITIES</b>	<u>-</u>	<u>(68,550)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<u>(224,251)</u>	<u>322,065</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>431,960</u>	<u>109,895</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 207,709</u>	<u>\$ 431,960</u>

## NOTES TO THE BASIC FINANCIAL STATEMENTS



*For the years ended June 30, 2015 and 2014*

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING 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 and bond requirements, issues certificates, and approves educational programs. CTEC registered 41,564 and 39,201 tax preparers in 2015 and 2014, respectively.

#### 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 amount 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. Although all of the investments are managed through Wells Fargo Bank, who purchases, reinvests and redeems the certificates on behalf of CTEC, the individual certificates of deposits are held with various banking institutions and no single certificate exceeds the federally insured balance at any one banking institution. There is, therefore, no concentration of credit risk present.

#### Equipment

All equipment is recorded at historical cost if purchased or constructed. Donated assets are valued at estimated fair value on the date received. CTEC capitalizes equipment with a cost of over \$500 and an estimated life of one year or more. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the statement of financial position in the year of sale or retirement, and the resulting gain or loss is recognized on the statement of activities and changes in net assets. Depreciation is provided on the straight-line method over the estimated useful lives of assets as follows:

Description	Estimated Useful Life
Computer Equipment	5 Years
Software Development	7 Years



## NOTES TO THE BASIC FINANCIAL STATEMENTS



*For the years ended June 30, 2015 and 2014*

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Revenue Recognition**

Revenue is recognized when required fee is received by CTEC.

#### **Advertising and Promotion Costs**

CTEC expenses advertising costs the first time the advertising occurs on a contract spanning less than a year in length. CTEC uses advertising to assure that the public is informed of the requirements for unlicensed tax preparers practicing in California to be registered. Advertising and promotion costs for the years ended June 30, 2015 and 2014 was \$298,999 and \$285,647, respectively. For the years ended June 30, 2015 and 2014 \$72,000 and \$72,000 was related to the hiring of an outside public relations firm, these amounts are included in advertising and promotion costs.

#### **Enforcement**

CTEC contracts with the State of California, Franchise Tax Board (FTB) for reimbursement of expenses incurred by the FTB's Fraud and Discovery Section while educating and enforcing the provisions of the Business and Professions Code Section 22250-22259 relating to the registration of tax preparers and California Revenue and Taxation Code 19167(d) and (e).

For the years ended June 30, 2015 and 2014 CTEC budgeted enforcement expenses at \$260,000 and \$260,000 respectively. Actual expenditures for the years ended June 30, 2015 and 2014 were \$227,870 and \$200,329 respectively.

#### **Income Taxes**

CTEC is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Section 501(c)(3) of the code provides for the exemption of organizations that organize and operate exclusively for religious, charitable, scientific, literary or education purposes and whose net earnings do not inure to the benefit of any private shareholder or individual. The State of California recognizes this exemption.

CTEC applies the accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements. With some exceptions, CTEC is no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to 2010.

### **NOTE 2: CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include bank accounts as well as certificates of deposit purchased with a maturity of three months or less. Interest income on the certificates of deposit is recorded as income when earned. At June 30, 2015, cash and cash equivalents included \$73,996 held in commercial banks of which \$250,000 was insured by the Federal Deposit Insurance Corporation. At June 30, 2014, cash and cash equivalents included \$63,902 held in commercial banks of which \$250,000 was insured by the Federal Deposit Insurance Corporation.

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

For the years ended June 30, 2015 and 2014

### NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

CTEC considers short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and had an original maturity of three months or less when purchased. The balance in cash and cash equivalents at June 30 include:

	<u>2015</u>	<u>2014</u>
Bank accounts	\$ 73,996	\$ 63,902
Money market funds	<u>133,713</u>	<u>368,058</u>
<b>Total Cash and Cash Equivalents</b>	<b><u>\$ 207,709</u></b>	<b><u>\$ 431,960</u></b>

### NOTE 3: CERTIFICATES OF DEPOSITS

CTEC's certificates of deposit mature as follows for the year ended of June 30, 2015:

	<b>Institution</b>	<b>Maturity Date</b>
\$ 250,000	Beal Bank	October 7, 2015
<u>150,000</u>	State Bank India	March 28, 2016
<b><u>\$ 400,000</u></b>		

As of June 30, 2014 CTEC had no funds held in certificates of deposit.

At June 30, 2015, certificates of deposit included \$400,000 held in commercial banks of which \$400,000 was insured by the Federal Deposit Insurance Corporation.

### NOTE 4: EQUIPMENT

Equipment as of June 30, 2015 was as follows:

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Computer Equipment	\$ 22,905	\$ -	\$ -	\$ 22,905
Software	<u>142,050</u>	<u>-</u>	<u>-</u>	<u>142,050</u>
<b>Total Equipment</b>	<b><u>164,955</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>164,955</u></b>
Less: Accumulated Depreciation	<u>(64,148)</u>	<u>(21,095)</u>	<u>-</u>	<u>(85,243)</u>
<b>Equipment, net</b>	<b><u>\$ 100,807</u></b>	<b><u>\$ (21,095)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 79,712</u></b>

Depreciation expense for the year ended June 30, 2015 was \$21,095.

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

*For the years ended June 30, 2015 and 2014*

### NOTE 4: EQUIPMENT(Continued)

Equipment as of June 30, 2014 was as follows:

	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
Computer Equipment	\$ 22,905	\$ -	\$ -	\$ 22,905
Software	<u>73,500</u>	<u>68,550</u>	<u>-</u>	<u>142,050</u>
<b>Total Equipment</b>	<u>96,405</u>	<u>68,550</u>	<u>-</u>	<u>164,955</u>
Less: Accumulated Depreciation	<u>(52,029)</u>	<u>(12,119)</u>	<u>-</u>	<u>(64,148)</u>
<b>Equipment, net</b>	<u>\$ 44,376</u>	<u>\$ 56,431</u>	<u>\$ -</u>	<u>\$ 100,807</u>

Depreciation expense for the year ended June 30, 2014 was \$12,119.

Software development costs are related to CTEC's internally developed software and are recorded at cost and depreciated over a 7 year period.

### NOTE 5: MANAGEMENT COMPANY

Advocation Strategies Inc. (Management Company) provides management services for CTEC. CTEC pays the Management Company a flat monthly fee under the current contract of \$45,750. CTEC's current contract with the Management Company expires June 30, 2017. CTEC paid the Management Company \$540,000 and \$540,000 for the years ended June 30, 2015 and 2014 respectively.

The Management Company's fee covers all their employee and employee related costs. CTEC has no employees.

### NOTE 6: SUBSEQUENT EVENTS

CTEC has entered into a two year contract effective July 1, 2014 through June 30, 2016 for enforcement services provided by the FTB. The amount budgeted for this period is \$310,000 per year for a contract total of \$620,000.

CTEC has evaluated subsequent events through September 29, 2015, the date which the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2015 that require recognition or disclosure in such financial statements.

## SUPPLEMENTAL INFORMATION

California Tax Education Council  
Statement Of Activities And Changes in Net Assets  
Budget To Actual  
*For The Year Ended June 30, 2015*

	Budget	Actual	Variance Over Budget (Under Budget)
<b>REVENUES</b>			
Registration Fees	\$ 983,000	\$ 1,344,247	\$ 361,247
Late Registration Fees	325,000	343,145	18,145
Certificates	4,750	7,950	3,200
Provider Fees	16,000	19,950	3,950
Mailing List	1,750	1,750	-
Other Income	450	74	(376)
Interest	1,000	626	(374)
<b>TOTAL REVENUES</b>	<u>1,331,950</u>	<u>1,717,742</u>	<u>385,792</u>
<b>EXPENSES</b>			
Board Activities	143,500	122,048	(21,452)
Audit Oversight Committee	20,500	17,768	(2,732)
General and Administrative	77,054	95,064	18,010
Communication and Technology	57,400	56,923	(477)
Curriculum Provider Committee	231,719	150,197	(81,522)
Budget and Finance Committee	500	-	(500)
Executive Committee	500	-	(500)
Governmental Relations Committee	349,500	313,182	(36,318)
Public Awareness Committee	373,938	363,078	(10,860)
Tax Preparer Committee	358,189	365,605	7,416
<b>TOTAL EXPENSES</b>	<u>1,612,800</u>	<u>1,483,865</u>	<u>(128,935)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>(280,850)</u>	<u>233,877</u>	<u>514,727</u>
<b>NET ASSETS BEGINNING OF YEAR</b>	<u>373,657</u>	<u>373,657</u>	
<b>NET ASSETS END OF YEAR</b>	<u>\$ 92,807</u>	<u>\$ 607,534</u>	

*For The Year Ended June 30, 2014*

	Budget	Actual	Variance Over Budget (Under Budget)
<b>REVENUES</b>			
Registration Fees	\$ 983,000	\$ 989,325	\$ 6,325
Late Registration Fees	325,000	325,160	160
Certificates	4,750	5,260	510
Provider Fees	16,000	18,275	2,275
Mailing List	1,750	2,000	250
Other Income	450	525	75
Interest	1,000	1,641	641
<b>TOTAL REVENUES</b>	<u>1,331,950</u>	<u>1,342,186</u>	<u>10,236</u>
<b>EXPENSES</b>			
Board Activities	143,500	127,089	(16,411)
Audit Oversight Committee	20,500	17,404	(3,096)
General and Administrative	77,054	89,327	12,273
Communication and Technology	57,400	47,868	(9,532)
Curriculum Provider Committee	231,719	137,942	(93,777)
Budget and Finance Committee	500	-	(500)
Executive Committee	500	-	(500)
Governmental Relations Committee	349,500	392,615	43,115
Public Awareness Committee	373,938	349,457	(24,481)
Tax Preparer Committee	358,189	336,064	(22,125)
<b>TOTAL EXPENSES</b>	<u>1,612,800</u>	<u>1,497,766</u>	<u>(115,034)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>(280,850)</u>	<u>(155,580)</u>	<u>125,270</u>
<b>NET ASSETS BEGINNING OF YEAR</b>	<u>529,237</u>	<u>529,237</u>	
<b>NET ASSETS END OF YEAR</b>	<u>\$ 248,387</u>	<u>\$ 373,657</u>	

