

# 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	Public Awareness Targets “Ghost Tax Preparers”	8
Message from the chair	3	Tax Preparer Enforcement	9
Council members	4-5	CTEC approved providers	10-15
Government agency representatives and CTEC administrative staff	5	Independent auditor’s report	16-17
Yearly registrations	6	Financial Statements	18-30
CTEC registered tax preparers by county	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](http://www.ctec.org)



# MESSAGE FROM THE CHAIR

Tough questions were asked. Thoughtful answers were given. The results of CTEC speak for itself. In September, California AB 3143 was signed into law to extend the CTEC program until 2023. It was the third Sunset Review for CTEC since its inception 21 years ago.

New legislative changes will be implemented over the next four years, however, as history has shown, CTEC is always up to the task.

CTEC will continue to partner with the California Franchise Tax Board (FTB) to pursue and penalize unregistered tax preparers, as well as tax preparers who do not sign tax returns. Public awareness will support these endeavors through media relations, advertising and social media campaigns.

The quality of tax education will still be a top priority for the Council who will conduct regular audits on courses submitted by CTEC-approved education providers.

It has been an honor to serve a third term as Chair. We thank the the California State Legislators, our volunteer board members, CTEC administrative staff and, of course, the due diligence of CRTPs who continue to comply with the strict standards of California.

Congratulations to everyone for their hard work and dedication.



*C. Lester Crawford, CRTP*

**New legislative changes will be implemented over the next four years, however, as history has shown, CTEC is always up to the task.**

# 2017 - 2018 Council Members



**C. Lester Crawford**

*Chair*

CTEC Registered Tax Preparer  
Los Angeles, CA



**Susie L. DiMaggio**

*Treasurer*

Appointed by: California  
Society of Enrolled Agents



**Esperanza Escobedo**

*Secretary*

CTEC Registered Tax Preparer  
Soledad, CA



**Tracy Allford**

Appointed by: Liberty Tax  
Service



**Marie Archibeque**

CTEC Registered Tax Preparer,  
Modesto, CA



**Rupinder Bains**

CTEC Registered Tax Preparer,  
Modesto, CA



**Brandon Chanley**

Appointed by: Jackson Hewitt  
Tax Service



**Karen De Vaney**

Appointed by: California  
Society of Tax Consultants, Inc.



**Margaret "Margy" Dunn**

Appointed by: National  
Association of Enrolled Agents



**Ruth Godfrey**

Appointed by: National Society  
of Accountants



**Aaron Gray**

CTEC Registered Tax Preparer  
Long Beach, CA



**Paul Latter**

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

## 2017 - 2018 Council Members



**Susan McMillen**  
CTEC Registered Tax Preparer  
Palm Desert, CA



**Ann Springborn**  
Appointed by: National  
Association of Tax Professionals

## 2017 - 2018 Government Agency Representatives



**Rebecca Landeros**  
Representative, California  
Franchise Tax Board



**Angela Flores**  
Representative, California  
Franchise Tax Board



**Sue Gaston**  
Representative, Internal  
Revenue Service

## 2017 - 2018 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, 2018, CTEC has registered 39,904 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
07/01/15-06/30/16	39,965
07/01/16-06/30/17	39,306
07/01/17 - 06/30/18	39,904



CALIFORNIA TAX EDUCATION COUNCIL (CTEC)

# CTEC REGISTERED TAX PREPARERS (CRTPs)

ON JUNE 30, 2018, THERE WERE 39,904 CRTPs



Alameda	1178	Riverside	2827
Amador	27	Sacramento	1798
Fresno	865	San Bernardino	2735
Imperial	359	San Diego	4401
Kern	1450	San Francisco	755
Kings	170	San Joaquin	674
Los Angeles	13105	San Luis Obispo	145
Madera	102	San Mateo	495
Mariposa	5	Santa Barbara	438
Merced	361	Santa Clara	1328
Monterey	357	Santa Cruz	278
Napa	65	Tulare	361
Nevada	116	Ventura	701
Orange	3906	Yolo	98
Placer	251	Yuba	83
Plumas	13	Out Of State	457
		Total	39,904

# PUBLIC AWARENESS TARGETS “GHOST TAX PREPARERS”

For a second year, CTEC implemented a public awareness campaign to warn taxpayers about tax preparers who do not sign tax returns, also known as “ghost tax preparers.”

During the 2018 tax season, CTEC launched a paid advertising and media relations campaign. Social media videos and posts were also used to spread the word.

CTEC secured 30 media reports from state and national news outlets warning taxpayers about ghost tax preparers. More than 253,000 taxpayers visited the microsite during tax season, an increase from 160,000 visitors in 2017. Since the campaign was first launched in 2017, a total of 143,000 taxpayers have viewed CTEC videos on social media.

CTEC conducted a survey to measure how respondents recalled receiving information about the campaign.

- 33% social media / 9% YouTube
- 28% bus advertisement
- 14% tax preparer
- 8% family/friend
- 13% Google
- 7% ctec.org

The survey focused on 1,000 taxpayers in the Los Angeles market. Questions were conducted in English, Spanish and Mandarin.





## 2017/2018 ENFORCEMENT RESULTS

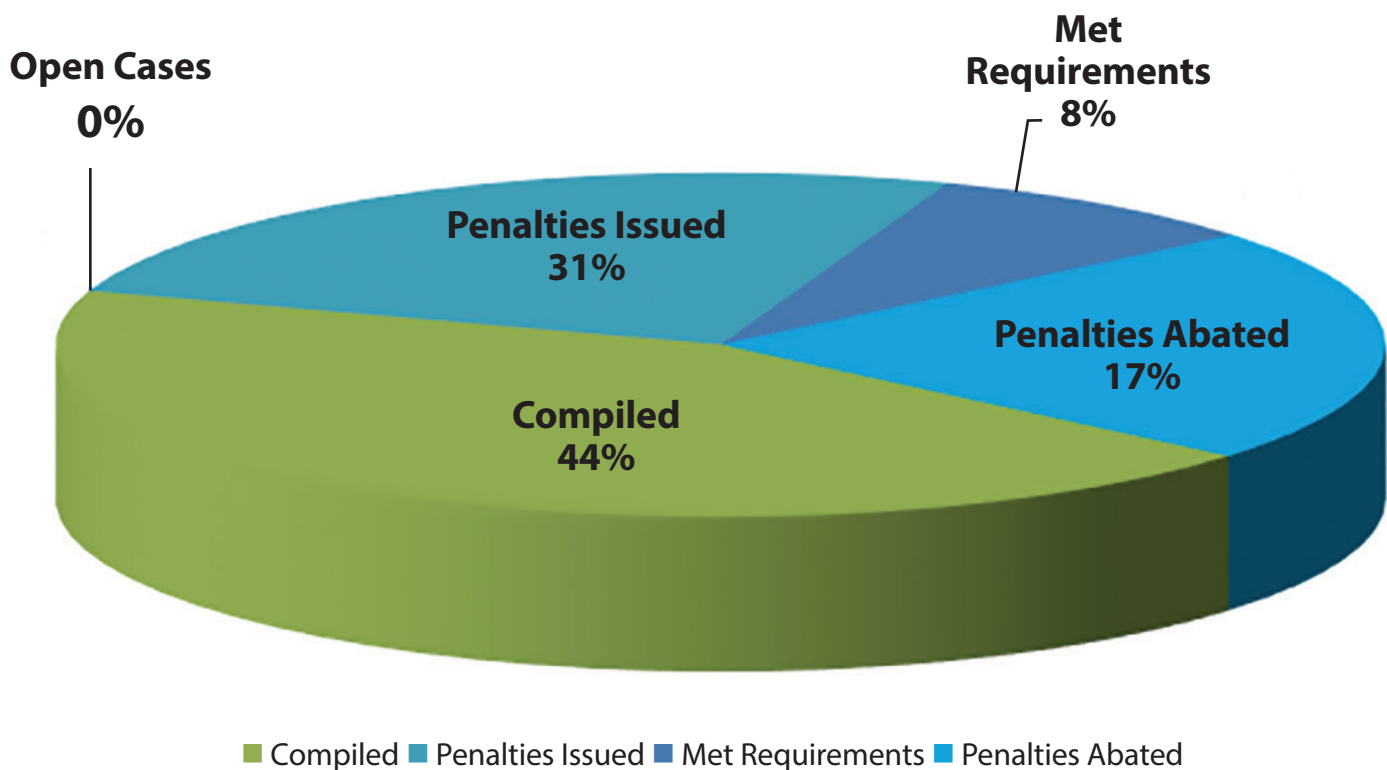
Unregistered tax preparers who are caught preparing, or assisting with preparing, tax returns for a fee will be issued a \$2,500 penalty letter from the Franchise Tax Board (FTB). They have 90 days to register with CTEC before the penalty is enforced.

If a tax preparer does not comply, the \$2,500 penalty is assessed. If a tax preparer

still fails to comply the next year, a \$5,000 penalty will be issued each year until they either register with CTEC or agree to stop preparing tax returns for a fee.

CTEC pays for the entire enforcement program. All penalties collected by FTB are deposited into the state's general fund.

## 2017/2018 Contact Results



# SCHOOLS APPROVED FOR CONTINUING EDUCATION (20 HOURS)

## @ 1ST ATTEMPT

1383 2nd Avenue  
Gold Hill, Or 97525  
877-724-6150  
[www.taxce.com](http://www.taxce.com)  
Instructional Method: C  
CTEC Provider #: 6258

## 1 0 4 0 AND MORE CONTINUING EDUCATION

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

## 1 1 1 ACCELERATED CONTINUING EDUCATION

2653 Bruce B Downs Blvd Suite 108A-Pmb  
190  
Wesley Chapel, FL 33544  
800-605-3538  
[www.mytaxcoursesonline.com](http://www.mytaxcoursesonline.com)  
Instructional Method: C  
CTEC Provider #: 6260

## 101 EDUCATION SERVICES INC.

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

## 3IS TAX SCHOOL

16933 Parthenia St., Suite 202  
Northridge, CA 91343  
855-620-7988  
(Fax) 818-742-6248  
[www.3isschool.com](http://www.3isschool.com)  
Instructional Method: C, S  
CTEC Provider #: 6239

## A & B OFFICE INCOME TAX SCHOOL

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

## AARDVARK TAX ONLINE

67782 E Palm Canyon Dr Ste B104249  
Cathedral City, CA 92234-5433  
877-212-1384  
(Fax) 888-296-2736  
[www.aardvarktax.com/California](http://www.aardvarktax.com/California)  
Instructional Method: C  
CTEC Provider #: 3083

## ACCOUNTANT'S EDUCATION SERVICES/ CPE4U COLORADO

4380 S Syracuse St Ste 110  
Denver, Co 80237  
720-389-5900  
(Fax) 720-708-3246  
[www.aestax.com](http://www.aestax.com)  
Instructional Method: C  
CTEC Provider #: 1066

## AROUND THE BLOCK TAX SERVICES

214 N. Palm Ave.  
Ontario, CA 91762  
909-270-6471  
Instructional Method: C, S  
CTEC Provider #: 3094

## BESTAX & INSURANCE SERVICE

23962 Alessandro Blvd Ste Q  
Moreno Valley, CA 92553  
951-653-2202  
(Fax) 951-653-2473  
[www.bestaxservice.net](http://www.bestaxservice.net)  
Instructional Method: C, S  
CTEC Provider #: 6206

## BRASS TAX PRESENTATIONS

1224 10th Street, Ste 210  
Coronado, CA 92118  
858-487-2553  
(Fax) (619) 435-4657  
[www.brasstax.com](http://www.brasstax.com)  
Instructional Method: C  
CTEC Provider #: 1008

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

1445 E. Los Angeles Avenue  
Simi Valley, CA 93065  
805-584-8734  
(Fax) 805-584-8649  
[www.califnatp.com](http://www.califnatp.com)  
Instructional Method: C  
CTEC Provider #: 2014

## CA SOCIETY OF ENROLLED AGENTS

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

## CAL TAX SCHOOL

PO Box 892033  
Temecula, CA 92589  
877-900-4346  
(Fax) 877-900-4310  
[www.caltaxschool.org](http://www.caltaxschool.org)  
Instructional Method: C  
CTEC Provider #: 3055

## CALIFORNIA CPA EDUCATION FOUNDATION

1710 Gilbreth Road  
Burlingame, CA 94010  
(800) 922-5272  
(Fax) 650-802-6224  
[www.calcpa.org](http://www.calcpa.org)  
Instructional Method: C  
CTEC Provider #: 2099

## CALIFORNIA DEPART- MENT OF TAX AND FEE ADMINISTRATION

450 N Street, Mic 19  
Sacramento, CA 95814  
916-324-2507  
Instructional Method: C  
CTEC Provider #: 3069

## CALIFORNIA SOCIETY OF TAX CONSULTANTS, INC.

65 Enterprise  
Aliso Viejo, CA 92656  
949-715-4192  
(Fax) 949-715-6931  
[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  
(Fax) (714) 777-4267  
[www.californiataxinstitute.com](http://www.californiataxinstitute.com)  
Instructional Method: C, S  
CTEC Provider #: 1022

## CHECKPOINT LEARNING

P.O. Box 115008  
Carrollton, TX 75011-5008  
800-431-9025  
[www.checkpointlearning.com](http://www.checkpointlearning.com)  
Instructional Method: C  
CTEC Provider #: 3039

## CLIENTWHYS, INC.

3300 Irvine Avenue, Suite 100  
Newport Beach, CA 92660  
818-338-8700  
(Fax) 818-743-0551  
[www.clientwhys.com](http://www.clientwhys.com)  
Instructional Method: C  
CTEC Provider #: 1044

## COLLEGE OF SAN MATEO

1700 W. Hillsdale Blvd.  
San Mateo, CA 94402  
650-574-6161  
[www.collegeofsanmateo.edu/Accounting](http://www.collegeofsanmateo.edu/Accounting)  
Instructional Method: C  
CTEC Provider #: 3025

## CPE SOLUTIONS, LLC

1911 N. U.S. Hwy 301, #140  
Tampa, FL 33619  
800-545-7601  
(Fax) 813-662-3563  
[www.cpecredit.com](http://www.cpecredit.com)  
Instructional Method: C  
CTEC Provider #: 3063

## DRAKE SOFTWARE

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

## FAST FORWARD ACADEMY

3670 Maguire Blvd, Ste. 110  
Orlando, FL 32803  
888-798-7277  
(Fax) 407-792-2695  
[www.fastforwardacademy.com](http://www.fastforwardacademy.com)  
Instructional Method: C  
CTEC Provider #: 6209

# SCHOOLS APPROVED FOR CONTINUING EDUCATION (20 HOURS)

## FEDERAL DIRECT TAX SERVICES

11905 Pendleton Pike  
Indianapolis, In 46236  
866-357-2052  
(Fax) 317-252-0360  
[www.federaldirecttax.com](http://www.federaldirecttax.com)  
Instructional Method: C  
CTEC Provider #: 6245

## H & R BLOCK TAX SERVICES, INC.

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

## INTERNAL REVENUE SERVICE TAX FORUMS

1111 Constitution Avenue NW  
Washington, DC 20224  
Instructional Method: C  
CTEC Provider #: 6181

## JENNINGS ADVISORY GROUP, LLC

4403 Hamburg Pike Suite B  
Jeffersonville, IN 47130  
812-466-1040  
(Fax) 866-223-2696  
[www.taxspeaker.com](http://www.taxspeaker.com)  
Instructional Method: C  
CTEC Provider #: 3067

## LIBERTY TAX SERVICE

303 Talmage Rd, Ste. B  
Ukiah, CA 95482  
707-972-7335  
(Fax) 707-462-6016  
[www.libertytax.com](http://www.libertytax.com)  
Instructional Method: C  
CTEC Provider #: 2097

## NATIONAL ASSOCIATION OF TAX PROFESSIONALS

P. O. Box 8002  
Appleton, WI 54912-8002  
800-558-3402  
(Fax) 800-747-0001  
[www.natptax.com](http://www.natptax.com)  
Instructional Method: C  
CTEC Provider #: 1067

## GEAR UP

P.O. Box 115008  
Carrollton, Tx 75011-5008  
800-431-9025  
(Fax) 972-250-2972  
[www.checkpointlearning.com/Gearup](http://www.checkpointlearning.com/Gearup)  
Instructional Method: C  
CTEC Provider #: 1013

## HERA'S INCOME TAX SCHOOL

3705 W Pico Blvd  
Los Angeles, CA 90019  
213-454-0567  
[www.herasincometaxschool.com](http://www.herasincometaxschool.com)  
Instructional Method: C  
CTEC Provider #: 2086

## IRS STAKEHOLDER LIAISON

4330 Watt Avenue  
Sacramento, CA 95821  
916-974-5281  
(Fax) 877-477-8639  
[www.irs.gov/Taxpros](http://www.irs.gov/Taxpros)  
Instructional Method: C  
CTEC Provider #: 1060

## L & R TAX TRAINING SCHOOL

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

## LOS ANGELES HARBOR COLLEGE

1001 W Carson Street Suite P  
Torrance, CA 90502  
310-233-4461  
(Fax) 310-783-0048  
Instructional Method: C  
CTEC Provider #: 3048

## NATIONAL SOCIETY OF PUBLIC ACCOUNTANTS

1330 Braddock Place, Suite 540  
Alexandria, VA 22314  
800-966-6679  
(Fax) 703-549-2512  
[www.nsacct.org](http://www.nsacct.org)  
Instructional Method: C  
CTEC Provider #: 2094

## GLOBAL CPE NETWORK, LLC

3178 S Falkenburg Rd  
Riverview, FL 33578  
800-460-4110  
(Fax) 813-612-4233  
[www.globalcpe.com](http://www.globalcpe.com)  
Instructional Method: C  
CTEC Provider #: 6233

## HISPANIC ASSOCIATION OF PROFESSIONAL SERVICES

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

## IRS STAKEHOLDER PARTNERSHIPS, EDUCATION AND COMMUNICATION (VITA/TCE)

401 West Peachtree Street NW; Stop 54Wi  
Atlanta, GA 30308  
559-454-6221  
[www.irs.gov/App/Vita/](http://www.irs.gov/App/Vita/)  
Instructional Method: C  
CTEC Provider #: 6238

## LAMBERS, INC.

7150 114th Avenue N Suite 200  
Largo, FL 33373  
727-507-9646  
(Fax) 727-507-8380  
[www.lambers.com](http://www.lambers.com)  
Instructional Method: C  
CTEC Provider #: 6231

## MBS TAX & ACCOUNTING

1833 W 8th St Ste 203  
Los Angeles, CA 90057  
213-483-5520  
(Fax) 213-483-3259  
[www.mbstaxandaccounting.com](http://www.mbstaxandaccounting.com)  
Instructional Method: C  
CTEC Provider #: 6212

## NATIONAL SOCIETY OF TAX PROFESSIONALS

11700 NE 95th St, Ste 100  
Vancouver, WA 98682  
360-695-8309  
(Fax) (360) 695-7115  
[www.nsttp.org](http://www.nsttp.org)  
Instructional Method: C  
CTEC Provider #: 2001

## GOLDEN STATE TAX TRAINING INSTITUTE, INC.

PO Box 930  
Prospect Heights, IL 60070  
877-674-9290  
(Fax) 877-674-3472  
[www.gstti.com](http://www.gstti.com)  
Instructional Method: C, S  
CTEC Provider #: 2040

## INTERNAL REVENUE SERVICE

300 N. Los Angeles St, Stop 1053  
Los Angeles, CA 90012  
213-576-4196  
(Fax) 2138946541  
Instructional Method: C  
CTEC Provider #: 1052

## JACKSON HEWITT TAX SERVICE

501 N. Cattleman Road, Suite 300  
Sarasota, FL 34232  
800-234-1040  
[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  
(Fax) 831-424-3218  
[www.latinotaxpro.org](http://www.latinotaxpro.org)  
Instructional Method: C, S  
CTEC Provider #: 2080

## NATIONAL ASSOCIATION OF ENROLLED AGENTS

1730 Rhode Island Avenue N.W.  
Washington, DC 20036  
202-822-6232  
[www.naea.org](http://www.naea.org)  
Instructional Method: C  
CTEC Provider #: 6257

## NATIONAL TAX TRAINING SCHOOL

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

# SCHOOLS APPROVED FOR CONTINUING EDUCATION (20 HOURS)

## **PLATINUM PROFESSIONAL SERVICES, INC.**

3040 Seal Beach Blvd. Suite 300  
Seal Beach, CA 90740  
877-315-1772  
(Fax) 877-317-9412  
[www.platinumprostudies.com](http://www.platinumprostudies.com)  
Instructional Method: C, S  
CTEC Provider #: 2052

## **SAN DIEGO MIRAMAR COLLEGE**

10440 Black Mountain Road  
Attn: M107-P  
San Diego, CA 92126  
619-388-7699  
[www.sdmiramar.edu](http://www.sdmiramar.edu)  
Instructional Method: C  
CTEC Provider #: 6250

## **SURGENT MCCOY CPE, LLC**

237 Lancaster Ave.  
Devon, PA 19333  
800-778-7436  
(Fax) 610-688-3977  
[www.cpenow.com](http://www.cpenow.com)  
Instructional Method: C  
CTEC Provider #: 6217

## **TAX MATERIALS, INC.**

15105 Minnetonka Ind. Rd.,  
Suite 221  
Minnetonka, MN 55345  
952-746-5276  
(Fax) 952-746-5278  
[www.thetaxbook.com](http://www.thetaxbook.com)  
Instructional Method: C  
CTEC Provider #: 6193

## **TAXRESOURCES, INC.**

600 Coolidge Drive, Suite 300  
Folsom, CA 95630  
714-382-7732  
(Fax) 916-904-8499  
[www.taxaudit.com](http://www.taxaudit.com)  
Instructional Method: C  
CTEC Provider #: 3027

## **WEBCE**

12222 Merit Dr, Suite 500  
Dallas, TX 75251  
877-488-9315  
(Fax) 214-570-0213  
[www.webce.com](http://www.webce.com)  
Instructional Method: C  
CTEC Provider #: 6216

## **PROEDTECH LLC**

2222 Sedwick Road  
Durham, NC 27713  
239-280-2300  
(Fax) 800-508-2592  
[www.elifinancial.com](http://www.elifinancial.com)  
Instructional Method: C  
CTEC Provider #: 6251

## **SOUTHERN CALIFORNIA TAX PROFESSIONALS, INC.**

5360 Jackson Dr Ste 118  
La Mesa, CA 91942  
619-698-0508  
(Fax) 619-698-9735  
[www.sctaxpro.org](http://www.sctaxpro.org)  
Instructional Method: C  
CTEC Provider #: 6207

## **TAX COURSE CENTRAL**

31858 Castaic Rd Ste 179  
Castaic, CA 91384  
800-654-1746  
[www.taxcoursecentral.com](http://www.taxcoursecentral.com)  
Instructional Method: C, S  
CTEC Provider #: 1068

## **TAX PRACTICE PRO, INC.**

93 Brookside Ave  
Chester, NY 10918  
800-943-1750  
(Fax) 845-206-0648  
[www.taxpracticepro.com](http://www.taxpracticepro.com)  
Instructional Method: C  
CTEC Provider #: 6248

## **THE INCOME TAX SCHOOL**

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

## **WESTERN CPE**

243 Pegasus Drive  
Bozeman, MT 59718  
800-822-4194  
(Fax) 206-774-1285  
[www.westerncpe.com](http://www.westerncpe.com)  
Instructional Method: C  
CTEC Provider #: 2071

## **PRONTO TAX SCHOOL, INC.**

4501 S. Centinela Ave.  
Los Angeles, CA 90066  
310-422-1283  
[www.prontotaxschool.com](http://www.prontotaxschool.com)  
Instructional Method: C, S  
CTEC Provider #: 6201

## **SPIDELL PUBLISHING**

P.O. Box 61044  
Anaheim, CA 92803  
714-776-7850  
(Fax) 714-776-9906  
[www.caltax.com](http://www.caltax.com)  
Instructional Method: C  
CTEC Provider #: 1019

## **TAX EASE, LLC**

39270 Paseo Padre Pwy #624  
Fremont, CA 94538  
877-829-2667  
(Fax) 510-779-5251  
[www.taxeaseed.com](http://www.taxeaseed.com)  
Instructional Method: C  
CTEC Provider #: 3064

## **TAX SCHOOLS OF AMERICA**

1611 East Main Street  
Russellville, AR 72801  
479-968-4796  
(Fax) 479-968-8012  
[www.taxschoolsofamerica.com](http://www.taxschoolsofamerica.com)  
Instructional Method: C  
CTEC Provider #: 6230

## **THE TAX INSTITUTE**

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

## **WOLTERS KLUWER, CCH CPE LINK**

2700 Lake Cook Road  
Riverwoods, IL 60015  
800-344-3734  
(Fax) (773) 866-3084  
[www.cchgroup.com](http://www.cchgroup.com)  
Instructional Method: C  
CTEC Provider #: 1075

## **RIVERSIDE TAX CONSULTANTS ASSOCIATION**

P.O. Box 5546  
Riverside, CA 92517  
951-369-5088  
(Fax) 951-369-5075  
[www.rtcaweb.org](http://www.rtcaweb.org)  
Instructional Method: C  
CTEC Provider #: 2036

## **SUPER LAB TAX AND ACCOUNTING FIRM**

753 San Simeon Street  
Sunnyvale, CA 94085  
408-738-8382  
Instructional Method: C  
CTEC Provider #: 3061

## **TAX LINK SEMINARS**

2335 W. Foothill Blvd Ste 16  
Upland, CA 91786  
909-621-1982  
(Fax) 909-625-4293  
Instructional Method: C  
CTEC Provider #: 1048

## **TAX TALK TODAY**

4401A Connecticut Avenue, Nw, 170  
Washington, DC 20008  
202-559-9330  
(Fax) 202-559-9333  
[www.taxtalktoday.com](http://www.taxtalktoday.com)  
Instructional Method: C  
CTEC Provider #: 3022

## **THE TAX SCHOOL**

7080 Donlon Way Suite 201  
Dublin, CA 94568  
800-327-1040  
(Fax) 800-426-2345  
[www.thetaxschool.com](http://www.thetaxschool.com)  
Instructional Method: C  
CTEC Provider #: 1003

# SCHOOLS APPROVED FOR QUALIFYING EDUCATION (60 HOURS)

## 101 EDUCATION SERVICES INC.

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

## 315 TAX SCHOOL

16933 Parthenia St., Suite 202  
Northridge, CA 91343  
855-620-7988  
(Fax) 818-742-6248  
[www.315school.com](http://www.315school.com)  
Instructional Method: C, S  
CTEC Provider #: 6239

## A & B OFFICE INCOME TAX SCHOOL

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

## AMERICAN BUSINESS COLLEGE, INC.

7283 Engineer Road, Suite H  
San Diego, CA 92111  
858-836-1420  
(Fax) 858-836-1438  
[www.theaccountingacademy.com](http://www.theaccountingacademy.com)  
Instructional Method: C  
CTEC Provider #: 6252

## AROUND THE BLOCK TAX SERVICES

214 N. Palm Ave.  
Ontario, CA 91762  
909-270-6471  
Instructional Method: C, S  
CTEC Provider #: 3094

## BESTAX & INSURANCE SERVICE

23962 Alessandro Blvd Ste Q  
Moreno Valley, CA 92553  
951-653-2202  
(Fax) 951-653-2473  
[www.bestaxservice.net](http://www.bestaxservice.net)  
Instructional Method: C, S  
CTEC Provider #: 6206

## BLUE MOON TAX SERVICE

2480 Canyon Creek Road  
Escondido, CA 92025  
760-489-2962  
(Fax) 760-294-1131  
[www.bluemoonontax.com](http://www.bluemoonontax.com)  
Instructional Method: C  
CTEC Provider #: 6262

## CABRILLO COLLEGE

6500 Soquel Drive Bela Division  
Aptos, CA 95003  
831-479-6378  
[www.cabrillo.edu](http://www.cabrillo.edu)  
Instructional Method: C  
CTEC Provider #: 2070

## CALIFORNIA SOCIETY OF TAX CONSULTANTS, INC.

65 Enterprise  
Aliso Viejo, CA 92656  
949-715-4192  
(Fax) 949-715-6931  
[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  
(Fax) (714) 777-4267  
[www.californiataxinstitute.com](http://www.californiataxinstitute.com)  
Instructional Method: C, S  
CTEC Provider #: 1022

## CHAFFEY COLLEGE

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

## COLLEGE OF SAN MATEO

1700 W. Hillsdale Blvd.  
San Mateo, CA 94402  
650-574-6161  
[www.collegeofsanmateo.edu/Accounting](http://www.collegeofsanmateo.edu/Accounting)  
Instructional Method: C  
CTEC Provider #: 3025

## COLLEGE OF THE DESERT

43-500 Monterrey Avenue  
Palm Desert, CA 92260  
760-776-7316  
[www.colleofthedesert.edu](http://www.colleofthedesert.edu)  
Instructional Method: C  
CTEC Provider #: 6235

## COMMUNITY 1ST TAX SOLUTIONS

7867 S. Western Avenue  
Los Angeles, CA 90047  
323-752-1040  
Instructional Method: C, S  
CTEC Provider #: 6246

## COMPRO TAX

5349 Crenshaw Blvd., Suite 103  
Los Angeles, CA 90043  
323-292-5812  
(Fax) (323) 292-5816  
[www.comprotax.net](http://www.comprotax.net)  
Instructional Method: C  
CTEC Provider #: 3013

## EVERGREEN VALLEY COLLEGE

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

## EXPRESS TAX SERVICE

1144 S. Western Avenue, #211  
Los Angeles, CA 90006  
323-795-0123  
(Fax) 323-795-0222  
[www.expresstaxschool.com](http://www.expresstaxschool.com)  
Instructional Method: C, S  
CTEC Provider #: 6254

## FOOTHILL COLLEGE

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

## FREEDOM TAX, INC.

9462 Brownsboro Rd #135  
Louisville, KY 40241  
510-564-4064  
(Fax) 502-220-4868  
[www.freedomtaxusa.net](http://www.freedomtaxusa.net)  
Instructional Method: C  
CTEC Provider #: 6266

## GOLDEN STATE TAX TRAINING INSTITUTE, INC.

Po Box 930  
Prospect Heights, IL 60070  
877-674-9290  
(Fax) 877-674-3472  
[www.gstti.com](http://www.gstti.com)  
Instructional Method: C, S  
CTEC Provider #: 2040

## H & R BLOCK TAX SERVICES, INC.

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

## HIGH SPEED TAX SERVICE LLC

3420 W. Slauson Avenue, Suite B  
Los Angeles, CA 90043  
323-607-9010  
(Fax) 323-607-9001  
[www.highspeedtax.com](http://www.highspeedtax.com)  
Instructional Method: C, S  
CTEC Provider #: 6264

## HOANG LE FAST TAX & FINANCIAL PLANNING INC.

98 S. Abel Street  
Milpitas, CA 95035  
510-697-9559  
(Fax) 510-779-5588  
Instructional Method: C  
CTEC Provider #: 6242

## JACKSON HEWITT TAX SERVICE

501 N. Cattlemen Road, Suite 300  
Sarasota, FL 34232  
800-234-1040  
[www.jacksonhewitt.com](http://www.jacksonhewitt.com)  
Instructional Method: C, S  
CTEC Provider #: 1009



# SCHOOLS APPROVED FOR QUALIFYING EDUCATION (60 HOURS)

## L & R TAX TRAINING SCHOOL

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

## LATINO TAX PROFESSIONALS ASSOCIATION

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

## LIBERTY TAX SERVICE

303 Talmage Rd, Ste. B  
Ukiah, CA 95482  
707-972-7335  
(Fax) 707-4626016  
[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  
(Fax) 916-691-7443  
[www.crc.losrios.edu](http://www.crc.losrios.edu)  
Instructional Method: C  
CTEC Provider #: 3006

## MIRA COSTA COLLEGE BUSINESS DEPT.

Business Dept, 1 Barnard Drive  
Oceanside, CA 92056-3899  
760-757-2121 X6488  
(Fax) (760) 795-6488  
[www.miracosta.edu/Instruction/Accounting](http://www.miracosta.edu/Instruction/Accounting)  
Instructional Method: C, S  
CTEC Provider #: 1074

## MT. SAN ANTONIO COLLEGE

1100 North Grand Avenue  
Walnut, CA 91789  
909-274-6795  
(Fax) 909-274-2936  
[www.mtsac.edu](http://www.mtsac.edu)  
Instructional Method: C  
CTEC Provider #: 6256

## NORCO COLLEGE

2001 Third Street  
Norco, CA 92860  
951-372-7194  
(Fax) 951-972-7192  
[www.norcolcollege.edu](http://www.norcolcollege.edu)  
Instructional Method: C  
CTEC Provider #: 6228

## PASADENA CITY COLLEGE

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

## PLATINUM PROFESSIONAL SERVICES, INC.

3040 Seal Beach Blvd. Suite 300  
Seal Beach, CA 90740  
877-315-1772  
(Fax) 877-317-9412  
[www.platinumprostudies.com](http://www.platinumprostudies.com)  
Instructional Method: C, S  
CTEC Provider #: 2052

## PLOVER FINANCIAL

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

## PRONTO TAX SCHOOL, INC.

4501 S. Centinela Ave.  
Los Angeles, CA 90066  
310-422-1283  
[www.prontotaxschool.com](http://www.prontotaxschool.com)  
Instructional Method: C, S  
CTEC Provider #: 6201

## R & V INCOME TAX SERVICES

2998 Mission Street  
San Francisco, CA 94110  
415-933-1104  
[www.randvincometaxservices.com](http://www.randvincometaxservices.com)  
Instructional Method: C, S  
CTEC Provider #: 3073

## REDEEMED BUSINESS & TAX SERVICES

1481 W. 7Th Street #62  
Upland, CA 91786  
562-606-2531  
(Fax) 888-440-1379  
[www.getredeemednow.com](http://www.getredeemednow.com)  
Instructional Method: C, S  
CTEC Provider #: 6249

## REFUND REPUBLIC

983 N La Brea Suite 983  
Inglewood, CA 90302  
844-868-5433  
[www.refundrepublic.com](http://www.refundrepublic.com)  
Instructional Method: C, C,  
CTEC Provider #: 6247

## RIO HONDO COLLEGE

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

10440 Black Mountain Road  
Attn: M107-P  
San Diego, CA 92126  
619-388-7699  
[www.sdmiramar.edu](http://www.sdmiramar.edu)  
Instructional Method: C  
CTEC Provider #: 6250

## SANTA ANA COLLEGE

1530 W. 17Th Street  
Santa Ana, CA 92706  
714-564-6771  
(Fax) 714-564-6133  
[www.sac.edu](http://www.sac.edu)  
Instructional Method: C  
CTEC Provider #: 2019

## SANTA MONICA COLLEGE

1900 Pico Blvd.  
Santa Monica, CA 90405  
310-434-4846  
(Fax) 310-434-3603  
[www.smc.edu/Academicprograms/Businessdepartment/Pages/Tax\\_preparation.aspx](http://www.smc.edu/Academicprograms/Businessdepartment/Pages/Tax_preparation.aspx)  
Instructional Method: C  
CTEC Provider #: 6244

## SKYLINE COLLEGE

3300 College Drive  
San Bruno, CA 94066  
650-738-4201  
(Fax) 650-738-4205  
[www.skylinecollege.edu](http://www.skylinecollege.edu)  
Instructional Method: C  
CTEC Provider #: 6253

## SOUTHWESTERN COMMUNITY COLLEGE DISTRICT

900 Otay Lakes Road  
Chula Vista, CA 91910  
619-482-6376  
(Fax) 619-482-6402  
[www.swccd.edu](http://www.swccd.edu)  
Instructional Method: C  
CTEC Provider #: 6265

## TAX COURSE CENTRAL

31858 Castaic Rd Ste 179  
Castaic, CA 91384  
800-654-1746  
[www.taxcoursecentral.com](http://www.taxcoursecentral.com)  
Instructional Method: C, S  
CTEC Provider #: 1068

## TAX LEGEND SERVICES

1855 West Manchester Ave  
Los Angeles, CA 90047  
310-412-1400  
(Fax) 424-331-5665  
[www.taxlegendonline.com](http://www.taxlegendonline.com)  
Instructional Method: C  
CTEC Provider #: 6240

## THE INCOME TAX SCHOOL

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



# SCHOOLS APPROVED FOR CONTINUING EDUCATION (60 HOURS)

## UNIVERSAL ACCOUNTING CENTER

12441 South 900 East, #120  
Draper, UT 84020  
801-265-3777  
(Fax) 801-265-3798  
[www.universalaccounting.com](http://www.universalaccounting.com)  
Instructional Method: C, S  
CTEC Provider #: 3060

## WOODLAND COMMUNITY COLLEGE

2300 E. Gibson Avenue  
Woodland, CA 95776  
530-661-5714  
[www.wcc.yccd.edu](http://www.wcc.yccd.edu)  
Instructional Method: C  
CTEC Provider #: 6241

## YUBA COMMUNITY COLLEGE

2088 N. Beale Road  
Marysville, CA 95901  
530-741-6908  
(Fax) 530-741-8958  
[www.yccd.edu](http://www.yccd.edu)  
Instructional Method: C  
CTEC Provider #: 2003



# INDEPENDENT AUDITOR'S REPORT



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
California Tax Education Council  
Sacramento, California

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, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial 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 of 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 Council'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 Council'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.

1515 River Park Drive, Suite 150  
Sacramento, CA 95815-4606  
Tel (916) 481-2856  
Fax (916) 488-4428

<http://www.dhscpa.com>

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 California Tax Education Council as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

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 on pages 29-30 are presented for purposes of additional analysis and are 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.

  
DAMORE, HAMRIC & SCHNEIDER, INC.  
Certified Public Accountants

Sacramento, CA

October 31, 2018

# STATEMENTS OF FINANCIAL POSITION

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 2)	\$ 305,695	\$ 179,637
Certificates of Deposit (Note 3)	1,000,000	1,200,000
Prepaid Expenses	<u>942</u>	<u>942</u>
Total Current Assets	<u>\$ 1,306,637</u>	<u>\$ 1,380,579</u>
Equipment, Net (Note 4)	<u>\$ 176,259</u>	<u>\$ 43,252</u>
Total Assets	<u><u>\$ 1,482,896</u></u>	<u><u>\$ 1,423,831</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	<u>\$ 43,956</u>	<u>\$ 108,561</u>
Total Current Liabilities and Total Liabilities	<u>\$ 43,956</u>	<u>\$ 108,561</u>
Net Assets		
Net Assets - Unrestricted	<u>\$ 1,438,940</u>	<u>\$ 1,315,270</u>
Total Liabilities and Net Assets	<u><u>\$ 1,482,896</u></u>	<u><u>\$ 1,423,831</u></u>

The accompanying notes are an integral part of the financial statements.

# STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

## FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Revenues:		
Registration Fees	\$ 1,319,843	\$ 1,297,365
Late Registration Fees	374,550	381,315
Certificates	6,870	7,050
Provider Fees	38,900	28,050
Mailing List	2,750	2,000
Other Income	8,044	340
Interest	<u>14,941</u>	<u>3,362</u>
Total Revenues	<u>\$ 1,765,898</u>	<u>\$ 1,719,482</u>
Expenses:		
Board Activities	\$ 164,203	\$ 152,402
Audit Oversight Committee	5,780	18,003
General and Administrative	122,910	108,865
Communication and Technology	63,187	57,435
Curriculum Provider Committee	104,041	89,612
Budget and Finance Committee	9,996	
Executive Committee	52,593	
Governmental Relations Committee	339,806	252,414
Public Awareness Committee	470,825	385,066
Tax Preparer Committee	<u>308,888</u>	<u>301,992</u>
Total Expenses	<u>\$ 1,642,229</u>	<u>\$ 1,365,789</u>
Increase in Net Assets	\$ 123,670	\$ 353,693
Net Assets, Beginning of Fiscal Year	<u>1,315,270</u>	<u>961,577</u>
Net Assets, End of Fiscal Year	<u>\$ 1,438,940</u>	<u>\$ 1,315,270</u>

The accompanying notes are an integral part of the financial statements.

# STATEMENT OF FUNCTIONAL EXPENSES

## FOR THE YEAR ENDED JUNE 30, 2018

	Board Activities	Audit Oversight Committee	General & Administrative	Communication & Technology	Curriculum Provider Committee	Budget & Finance Committee	Executive Committee	Governmental Relations Committee	Public Awareness Committee	Tax Preparer Committee	Total Expenses
Accounting	\$ —	\$ —	\$ 12,230	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12,230
Advertising & Promotion	—	—	—	—	—	—	—	—	411,232	—	411,232
Audit Review	—	—	—	—	320	—	—	—	—	—	320
Bank Service Charges	—	—	40	—	—	—	—	—	—	—	40
Credit Card Fees	—	—	—	—	—	—	—	—	—	48,066	48,066
Depreciation	—	—	—	—	2,149	—	—	—	4,297	4,297	10,743
Amortization	—	—	—	—	1,250	—	—	—	2,500	2,500	6,250
Enforcement	—	—	—	—	—	—	—	255,464	—	—	255,464
Fees & Licenses	—	—	250	—	—	—	—	—	—	—	250
Insurance	—	—	3,246	—	—	—	—	—	—	—	3,246
Legal	—	—	18,048	—	—	—	—	—	—	—	18,048
Management Fee	82,350	—	82,350	27,450	27,450	—	—	82,350	27,450	219,600	549,000
Meetings & Conferences	38,985	—	—	—	3,075	—	—	—	—	—	42,060
Miscellaneous	—	—	150	—	—	—	—	—	—	—	150
Outside Consultants	—	—	—	2,285	—	—	—	—	—	—	2,285
Postage	—	—	198	—	—	—	—	—	5,959	14,771	20,928
Printing	2,519	5,780	6,398	—	69,797	9,996	52,593	—	11,084	19,654	177,821
Telephone & Fax	—	—	—	—	—	—	—	—	1,719	—	1,719
Travel	—	—	—	—	—	—	—	1,992	6,584	—	8,576
Mileage	2,759	—	—	—	—	—	—	—	—	—	2,759
Airfare	4,273	—	—	—	—	—	—	—	—	—	4,273
Hotel	28,240	—	—	—	—	—	—	—	—	—	28,240
Per Diem	3,500	—	—	—	—	—	—	—	—	—	3,500
Cab	1,133	—	—	—	—	—	—	—	—	—	1,133
Parking	444	—	—	—	—	—	—	—	—	—	444
Web Page	—	—	—	33,452	—	—	—	—	—	—	33,452
Total Expenses	\$ 164,203	\$ 5,780	\$ 122,910	\$ 63,187	\$ 104,041	\$ 9,996	\$ 52,593	\$ 339,806	\$ 470,825	\$ 308,888	\$ 1,642,229



# STATEMENT OF FUNCTIONAL EXPENSES

## FOR THE YEAR ENDED JUNE 30, 2017

	Board Activities	Audit Oversight Committee	General & Administrative	Communication & Technology	Curriculum Provider Committee	Governmental Relations Committee	Public Awareness Committee	Tax Preparer Committee	Total Expenses
Accounting	\$ —	\$ 13,230	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 13,230
Advertising & Promotion	—	—	—	—	—	—	329,781	—	329,781
Audit Review	—	—	—	—	3,748	—	—	—	3,748
Bank Service Charges	—	—	185	—	—	—	—	—	185
Credit Card Fees	—	—	—	—	—	—	—	47,807	47,807
Depreciation	—	—	—	—	4,225	—	8,449	8,449	21,123
Enforcement	—	—	—	—	—	164,602	—	—	164,602
Fees & Licenses	—	—	180	—	—	—	—	—	180
Insurance	—	—	2,807	—	—	—	—	—	2,807
Legal	—	—	17,537	—	—	—	—	—	17,537
Management Fee	82,350	—	82,350	27,450	27,450	82,350	27,450	219,600	549,000
Meetings & Conferences	40,989	—	—	—	1,500	1,032	—	—	43,521
Miscellaneous	—	—	556	—	—	—	—	—	556
Outside Consultants	—	—	—	6,660	52,689	—	—	—	59,349
Postage	—	—	340	—	—	—	4,501	11,000	15,841
Printing	—	4,773	4,910	—	—	—	10,531	15,136	35,350
Telephone & Fax	—	—	—	—	—	—	1,290	—	1,290
Travel	—	—	—	—	—	4,430	3,064	—	7,494
Mileage	3,016	—	—	—	—	—	—	—	3,016
Airfare	3,304	—	—	—	—	—	—	—	3,304
Hotel	17,825	—	—	—	—	—	—	—	17,825
Per Diem	3,000	—	—	—	—	—	—	—	3,000
Cab	572	—	—	—	—	—	—	—	572
Parking	1,346	—	—	—	—	—	—	—	1,346
Web Page	—	—	—	23,325	—	—	—	—	23,325
Total Expenses	\$ 152,402	\$ 18,003	\$ 108,865	\$ 57,435	\$ 89,612	\$ 252,414	\$ 385,066	\$ 301,992	\$ 1,365,789

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

# STATEMENTS OF CASH FLOWS

## FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>Cash Flows from Operating Activities:</u>		
Increase in Net Assets	\$ 123,670	\$ 353,693
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	16,993	21,123
Increase (Decrease) in Accounts Payable	( 64,605)	40,261
Net Cash Provided by Operating Activities	<u>\$ 76,058</u>	<u>\$ 415,077</u>
<u>Cash Flows from Investing Activities:</u>		
Purchase of Equipment	(\$ 150,000)	\$
Proceeds from the Redemption of Certificates of Deposits	1,200,000	650,000
Purchase of Certificates of Deposits	( 1,000,000)	( 1,200,000)
Net Cash Provided (Used) by Investing Activities	<u>\$ 50,000</u>	<u>(\$ 550,000)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 126,058</u>	<u>(\$ 134,923)</u>
Cash and Cash Equivalents, Beginning of Year	<u>\$ 179,637</u>	<u>\$ 314,560</u>
Cash and Cash Equivalents, End of Year	<u>\$ 305,695</u>	<u>\$ 179,637</u>

The accompanying notes are an integral part of the financial statements.

# NOTES TO THE BASIC FINANCIAL STATEMENTS

## FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES:

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 education providers. CTEC registered 39,904 and 39,306 tax preparers in 2018 and 2017, respectively.

Basis of Accounting - The financial statements have been prepared in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions according to three classes of net assets as follows:

*Unrestricted Net Assets* - Net assets that are not subject to donor-imposed stipulations.

*Temporarily Restricted Net Assets* - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of CTEC and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. CTEC had no temporarily restricted net assets at June 30, 2018 or 2017.

*Permanently Restricted Net Assets* - This component of net assets consists of stipulations that certain assets are to be maintained permanently by the recipient. Generally, the donors of these assets permit the recipient to use all or part of the income earned on any related investments for general or specific purposes. CTEC did not have permanently restricted net assets at June 30, 2018 or 2017.

# NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued):

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.

Cash and Cash Equivalents - Cash and cash equivalents include demand deposits and money market accounts.

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.

<u>Description</u>	<u>Estimated Useful Life</u>
Computer Equipment	5 Years
Software Development	7-10 Years

Revenue Recognition - Revenue is recognized when the required fee is received by CTEC.

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued):

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, 2018 and 2017 was \$411,232 and \$329,781, respectively. For the years ended June 30, 2018 and 2017, \$75,000 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, 2018 and 2017, CTEC budgeted enforcement expenses were \$260,000. Actual expenditures for the years ended June 30, 2018 and 2017 were \$255,464 and \$164,602, 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 operated 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.

Reclassifications - Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 financial statement presentation.

Subsequent Events Review - Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued.

# NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

## NOTE 2 CASH AND CONCENTRATIONS OF CREDIT RISK:

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 Organization maintains a cash balance at Wells Fargo Bank. Accounts at the bank are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2018, cash exceeded federally insured limits by \$55,695.

The balance in cash and cash equivalents held by Wells Fargo at June 30 include:

	<u>2018</u>	<u>2017</u>
Bank accounts	\$ 81,634	\$ 140,386
Money market funds	<u>224,061</u>	<u>39,251</u>
Total Cash and Cash Equivalents	<u>\$ 305,695</u>	<u>\$ 179,637</u>

## NOTE 3 CERTIFICATES OF DEPOSITS:

CTEC's certificates of deposit mature as follows for the year ended of June 30, 2018:

<u>Institution</u>	<u>Maturity Date</u>	<u>Amount</u>
<b>ZB NA Interest Bearing</b>	<b>October 31, 2018</b>	\$ 250,000
<b>Synovus Bank GA</b>	<b>January 30, 2019</b>	250,000
<b>BMO Harris Bank NA</b>	<b>January 31, 2019</b>	250,000
<b>State Bank of India</b>	<b>September 24, 2018</b>	250,000
		<u>\$ 1,000,000</u>

CTEC's certificates of deposit matured as follows for the year ended of June 30, 2017:

<u>Institution</u>	<u>Maturity Date</u>	<u>Amount</u>
First Financial Bank	July 16, 2017	\$ 250,000
Bank of Baroda	August 23, 2017	250,000
Safra National Bank	February 1, 2018	250,000
Bank of India NY	February 7, 2018	250,000
Goldman Sachs Bank USA	March 28, 2018	200,000
		<u>\$ 1,200,000</u>



NOTE 3      CERTIFICATES OF DEPOSITS (Continued):

At June 30, 2018 and 2017, certificates of deposit totaled \$1,000,000 and \$1,200,000, respectively, which are insured by the Federal Deposit Insurance Corporation.

NOTE 4      EQUIPMENT:

Equipment as of June 30, 2018 was as follows:

	<u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2018</u>
Computer Equipment	\$ 22,905	\$	\$	\$ 22,905
Software	<u>147,874</u>	<u>150,000</u>		<u>297,874</u>
Total Equipment	<u>170,779</u>	<u>150,000</u>		<u>320,779</u>
Less: Accumulated Depreciation	<u>(127,527)</u>	<u>( 16,993)</u>		<u>( 144,520)</u>
Equipment, net	<u>\$ 43,252</u>	<u>\$ 133,007</u>	<u>\$</u>	<u>\$ 176,259</u>

Depreciation expense for the year ended June 30, 2018 was \$16,993.

Software development costs are related to CTEC's internally developed software and are recorded at cost and depreciated over a 7-10 year period.

Equipment as of June 30, 2017 was as follows:

	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
Computer Equipment	\$ 22,905	\$	\$	\$ 22,905
Software	<u>147,874</u>			<u>147,874</u>
Total Equipment	<u>170,779</u>			<u>170,779</u>
Less: Accumulated Depreciation	<u>( 106,404)</u>	<u>( 21,123)</u>		<u>( 127,527)</u>
Equipment, net	<u>\$ 64,375</u>	<u>( \$ 21,123)</u>	<u>\$</u>	<u>\$ 43,252</u>

Depreciation expense for the year ended June 30, 2017 was \$21,123.

# NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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, 2019. CTEC paid the Management Company \$549,000 for each of the years ended June 30, 2018 and 2017.

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

NOTE 6      CONTINGENCIES:

CTEC was created by the California State Legislature and was reauthorized pursuant to California Business and Professions Code Sections 22250 during 2014. This legislation remains in effect until January 1, 2019. Unless new legislation is enacted before January 1, 2019 to extend this date, this statute will be repealed.

NOTE 7      FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

# SUPPLEMENTAL INFORMATION

*California Tax Education Council*  
*Statement Of Activities And Changes in Net Assets*  
*Budget To Actual*  
**For The Year Ended June 30, 2018**

	Budget	Actual	Variance Over Budget (Under Budget)
<b>REVENUES</b>			
Registration Fees	\$ 1,302,000	\$ 1,319,843	\$ 17,843
Late Registration Fees	363,500	374,550	11,050
Certificates	7,500	6,870	( 630)
Provider Fees	31,000	38,900	7,900
Mailing List	3,500	2,750	( 750)
Other Income	450	8,044	7,594
Interest	1,400	14,941	13,541
<b>TOTAL REVENUES</b>	<u>\$ 1,709,350</u>	<u>\$ 1,765,898</u>	<u>\$ 56,548</u>
<b>EXPENSES</b>			
Board Activities	\$ 159,600	\$ 164,203	\$ 4,603
Audit Oversight Committee	22,500	5,780	( 16,720)
Bylaws Committee			
General and Administrative	136,250	122,910	( 13,340)
Communication and Technology	64,150	63,187	( 963)
Curriculum Provider Committee	137,200	104,041	( 33,159)
Budget and Finance Committee	250	9,996	9,746
Executive Committee	2,750	52,593	49,843
Governmental Relations Committee	421,850	339,806	( 82,044)
Governance Committee			
Public Awareness Committee	476,200	470,825	( 5,375)
Tax Preparer Committee	309,850	308,888	( 962)
<b>TOTAL EXPENSES</b>	<u>\$ 1,730,600</u>	<u>\$ 1,642,229</u>	<u>\$ 88,372</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(\$ 21,250)	\$ 123,670	<u>\$ 144,920</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,382,139</u>	<u>1,315,270</u>	
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 1,360,889</u></u>	<u><u>\$ 1,438,940</u></u>	

# SUPPLEMENTAL INFORMATION (CONTINUED)

*California Tax Education Council*  
*Statement Of Activities And Changes in Net Assets*  
*Budget To Actual*  
**For The Year Ended June 30, 2017**

	Budget	Actual	Variance Over Budget (Under Budget)
REVENUES			
Registration Fees	\$ 1,334,000	\$ 1,297,365	(\$ 36,635)
Late Registration Fees	363,500	381,315	17,815
Certificates	7,500	7,050	( 450)
Provider Fees	31,000	28,050	( 2,950)
Mailing List	3,500	2,000	( 1,500)
Other Income	450	340	( 110)
Interest	1,400	3,362	1,962
TOTAL REVENUES	<u>\$ 1,741,350</u>	<u>\$ 1,719,482</u>	<u>(\$ 21,868)</u>
EXPENSES			
Board Activities	\$ 148,850	\$ 152,402	\$ 3,552
Audit Oversight Committee	22,500	18,003	( 4,497)
General and Administrative	105,750	108,865	3,115
Communication and Technology	58,850	57,435	( 1,415)
Curriculum Provider Committee	172,450	89,612	( 82,838)
Budget and Finance Committee	250		( 250)
Executive Committee	500		( 500)
Governmental Relations Committee	349,850	252,414	( 97,436)
Public Awareness Committee	391,200	385,066	( 6,134)
Tax Preparer Committee	318,850	301,992	( 16,858)
TOTAL EXPENSES	<u>\$ 1,569,050</u>	<u>\$ 1,365,789</u>	<u>(\$ 203,261)</u>
INCREASE IN NET ASSETS	\$ 172,300	\$ 353,693	\$ 181,393
NET ASSETS, BEGINNING OF YEAR	<u>1,209,839</u>	<u>961,577</u>	
NET ASSETS, END OF YEAR	<u><u>\$ 1,382,139</u></u>	<u><u>\$ 1,315,270</u></u>	



