

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

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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

Times are changing and, with it, so is CTEC. The COVID-19 pandemic created new challenges, as well as new opportunities for the Council in order to stay on track and within budget.

Despite the pandemic and new amendments to California Business and Profession Code Section 22251.3 aligning at once, renewals and new applications have shown no signs of slowing down. As of July 1, 2020, new applicants are now undergoing background checks and submitting fingerprint images to CTEC before they can register online.

Working closely with our IT department, the Council implemented new virtual procedures so work could continue uninterrupted during the pandemic. This included having virtual meetings with our board members and education providers, as well as opening the doors to the general public who would not otherwise attend board meetings in-person. The result was higher attendance and lower costs for those who are either a part of CTEC or interested in learning more about the program.

The Council continues to work with the California Franchise Tax Board (FTB) to protect taxpayers from unregistered tax preparers. FTB site visits were limited over the past year, but are expected to get back on track for 2022. Additionally, our Public Awareness Committee is working closely with FTB Public Affairs and the Taxpayer Advocate to produce new podcast episodes in English and Spanish to educate taxpayers about fraud and finding a legal tax professional.

Moving forward, the Council is preparing to schedule regular in-person meetings with virtual options for other attendees as normal protocol.

It has been an honor to serve as Chair over the past year. We thank the California State Legislators, our volunteer board members, CTEC administrative staff and, of course, the due diligence of CTEC Registered Tax Preparers who continue to comply with the strict standards of California.



Brandon Chanley

2020 - 2021 Council Members



Brandon Chanley

Chair

Appointed by: Jackson Hewitt
Tax Service



Ruth Godfrey

Treasurer

Appointed by: National Society
of Accountants



Ann Springborn

Secretary

Appointed by: National
Association of Tax Professionals



Fernando E. Angell III

CTEC Registered Tax Preparer
Downey, CA



C. Lester Crawford

CTEC Registered Tax Preparer
Los Angeles, CA



Ray Davis

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



Karen De Vaney

Appointed by: California
Society of Tax Consultants, Inc.



Susie L. DiMaggio

Appointed by: California
Society of Enrolled Agents



Richard Ernst

Appointed by: Liberty Tax
Service 2019-2021



Esperanza Escobedo

CTEC Registered Tax Preparer
Soledad, CA 2016-2021



Jett Asinas Mercado

CTEC Registered Tax Preparer
Fairfield, CA



Lee Reams, Sr.

Appointed by: National
Association of Enrolled Agents



Yvette Rupp

CTEC Registered Tax Preparer
Fresno, CA



Katie Zollo

CTEC Registered Tax Preparer
Ukiah, CA

2020 - 2021 Government Agency Representatives



Rebecca Landeros
Representative, California
Franchise Tax Board



Angela Flores
Representative, California
Franchise Tax Board



Zachary R. Woodside
Representative, Internal
Revenue Service

2020 - 2021 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, 2021, CTEC has registered 38,464 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
07/01/18 – 06/30/19	39,770
07/01/19 – 06/30/20	39,446
07/01/20 – 06/30/21	38,464

CALIFORNIA TAX EDUCATION COUNCIL (CTEC)

CTEC REGISTERED TAX PREPARERS (CRTPs)

ON JUNE 30, 2021, THERE WERE 38,464 CRTPs



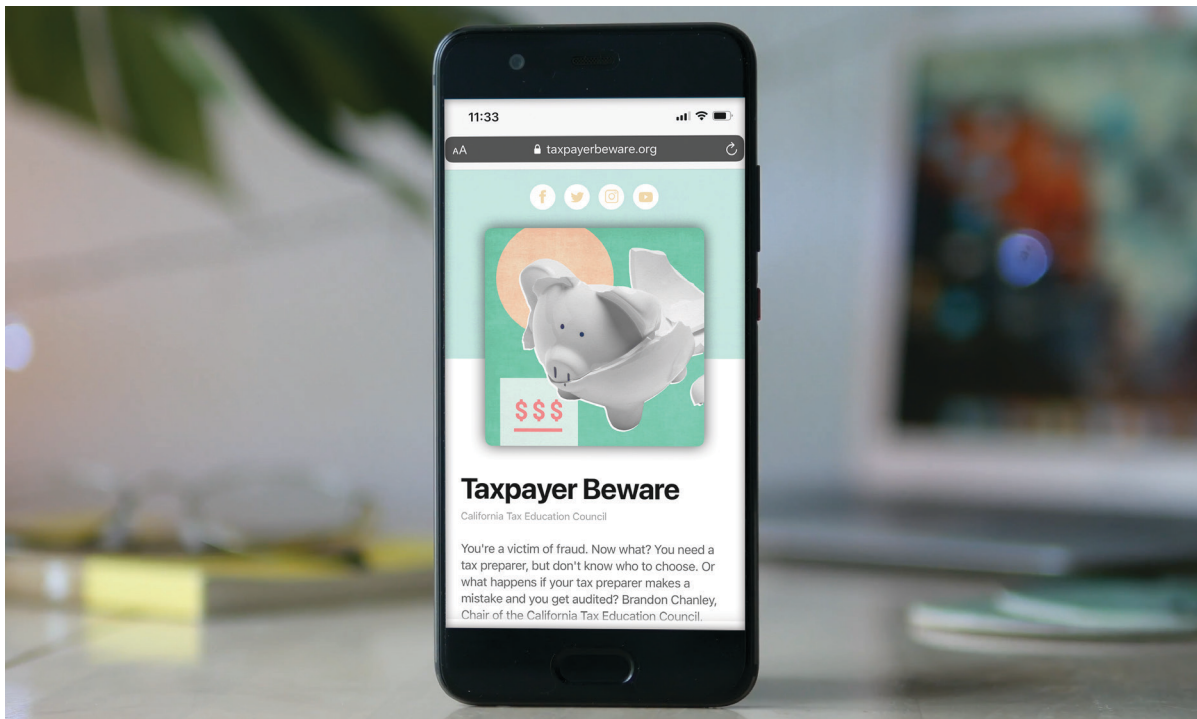
Alameda	1582	Nevada	69
Alpine	1	Orange	3371
Amador	17	Placer	268
Butte	137	Plumas	12
Calaveras	29	Riverside	2596
Colusa	14	Sacramento	1446
Contra Costa	828	San Benito	65
Del Norte	17	San Bernardino	2702
El Dorado	68	San Diego	3035
Fresno	856	San Francisco	444
Glenn	18	San Joaquin	624
Humboldt	53	San Luis Obispo	145
Imperial	279	San Mateo	446
Inyo	5	Santa Barbara	284
Kern	825	Santa Clara	1485
Kings	83	Santa Cruz	234
Lake	43	Shasta	104
Lassen	14	Sierra	2
Los Angeles	11845	Siskiyou	25
Madera	130	Solano	431
Marin	125	Sonoma	375
Mariposa	7	Stanislaus	553
Mendocino	53	Sutter	94
Merced	278	Tehama	41
Modoc	2	Trinity	3
Mono	2	Tulare	384
Monterey	419	Tuolumne	35
Napa	81	Ventura	708
		Yolo	104
		Yuba	53
		Out of State	515
		Total	38,464

PUBLIC AWARENESS LAUNCHES PODCAST

Getting taxpayers engaged through testimonies and storytelling was the focus of the CTEC 2021 public awareness campaign. The new strategy included creating a podcast called, "Taxpayer Beware," to educate taxpayers about how to choose a tax preparer, avoiding fraud, as well as true stories about "ghost" tax preparers. The advertising campaign focused on social media, Google Ads, mobile ads, email marketing and multiple audio platforms. In addition to podcasts and internet outreach, CTEC promoted multiple videos (English and Spanish) on social media and other platforms.

The podcast campaign reached position 35 on Apple Podcast's Business News section for most of March. CTEC received an average listen rate of 97% - 99% for each episode in late April through the extended May 17th filing deadline. Overall, the campaign performed within the top 50% of national podcast averages.

For the 2022 campaign, CTEC will continue producing podcast episodes, including a new Spanish version. Links to the podcasts are provided on CTEC.org or can be downloaded at taxpayerbeware.org



2020/2021 ENFORCEMENT RESULTS

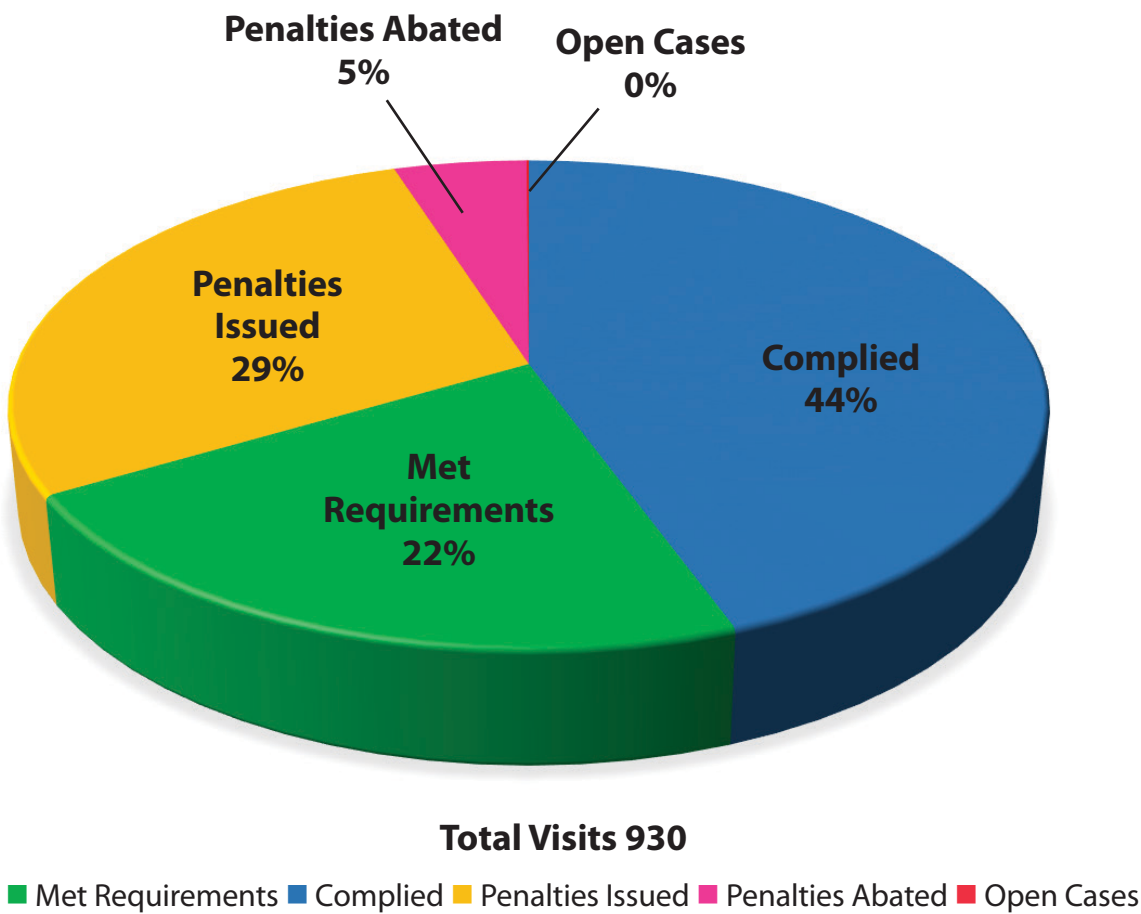
Unregistered tax preparers who are caught preparing, or assisting with preparing, tax returns for a fee will be issued a \$2,500 penalty letter from the Franchise Tax Board (FTB). They have 90 days to register with CTEC before the penalty is enforced.

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.

To report an unregistered tax preparer, visit ctec.org.



SCHOOLS APPROVED FOR CONTINUING EDUCATION (20 HOURS)

@ 1ST ATTEMPT (AT YOUR PACE ONLINE)

1383 2nd Avenue
Gold Hill, OR 97525
(Phone) 877-724-6150
www.taxce.com
CTEC Provider #: 6258

1 0 4 0 AND MORE CONTINUING EDUCATION

2669 Ne Twin Knolls Ste 106
Bend, OR 97701
(Phone) 650-843-9829
(Fax) 541-617-9537
www.taxcoursesonline.com
CTEC Provider #: 6203

1 1 1 ACCELERATED CONTINUING EDUCATION

2653 Bruce B Downs Blvd Suite 108a-Pmb 190
Wesley Chapel, FL 33544
(Phone) 800-605-3538
www.mytaxcoursesonline.com
CTEC Provider #: 6260

101 EDUCATION SERVICES INC.

14100 Madison Ave Ne
Bainbridge Island, WA 98110
(Phone) 800-214-4307
(Fax) 877-674-9290
www.irstaxtraining.com
CTEC Provider #: 6224

3IS TAX SCHOOL

16933 Parthenia St., Suite 202
Northridge, CA 91343
(Phone) 855-620-7988
(Fax) 818-742-6248
www.3isschool.com
CTEC Provider #: 6239

A & B OFFICE, INCOME TAX

Training School
12432 Oxnard St.
North Hollywood, CA 91606
(Phone) 818-505-3537
(Fax) 818-308-8533
www.aboffice.com
CTEC Provider #: 1057

AARDVARK TAX ONLINE

67782 E Palm Canyon Dr
Ste B104249
Cathedral City, CA 92234-5433
(Phone) 877-212-1384
(Fax) 888-296-2736
www.aardvarktaxis.com/California
CTEC Provider #: 3083

ACCOUNTANT'S EDUCATION SERVICES/ CPE4U COLORADO

4380 S Syracuse St Ste 110
Denver, CO 80237
(Phone) 720-389-5900
(Fax) 720-708-3246
www.aestax.com
CTEC Provider #: 1066

ARCOIRIS INCOME TAX INC.

1920 N Tustin St.
Orange, CA 92865
(Phone) 714-998-8986
(Fax) 714-429-2020
CTEC Provider #: 6232

AROUND THE BLOCK TAX SERVICES

214 N. Palm Ave.
Ontario, CA 91762
(Phone) 909-270-6471
CTEC Provider #: 3094

ASTERID GROUP INC. DBA CPE WAREHOUSE

1717 Pennsylvania Ave., NW, Suite 1025
Washington, DC 20005
(Phone) 647-946-2328
<https://www.cpewarehouse.com>
CTEC Provider #: 6282

BESTAX & INSURANCE SERVICE

23962 Alessandro Blvd Ste Q
Moreno Valley, CA 92553
(Phone) 951-653-2202
(Fax) 951-653-2473
www.besttaxservice.net
CTEC Provider #: 6206

BOOKKEEPERS.COM LLC

3011 Sutton Gate Dr., Suite 210
Suwanee, GA 30024
(Phone) 678-926-3223
www.taxbiz.com
CTEC Provider #: 6283

BRASS TAX PRESENTATIONS

1224 10th Street, Ste 210
Coronado, CA 92118
(Phone) 858-487-2553
(Fax) 619-435-4657
www.brasstax.com
CTEC Provider #: 1008

CA CHAPTER-NAT'L ASSN OF TAX PROFESSIONALS

9165 Owari Lane
Riverside, CA 92508
(Phone) 951-534-4501
(Fax) 951-848-9549
www.califnatp.com
CTEC Provider #: 2014

CA SOCIETY OF ENROLLED AGENTS

3200 Ramos Circle
Sacramento, CA 95827-2513
(Phone) 916-366-6646
(Fax) 916-366-6674
www.csea.org
CTEC Provider #: 1001

CAL TAX SCHOOL

PO Box 892033
Temecula, CA 92589
(Phone) 877-900-4346
(Fax) 877-900-4310
www.caltaxschool.org
CTEC Provider #: 3055

CALIFORNIA CPA EDUCATION FOUNDATION

1710 Gilbreth Road
Burlingame, CA 94010
(Phone) 800-922-5272
(Fax) 650-802-6224
www.calcpa.org
CTEC Provider #: 2099

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

450 N Street, Mic 19
Sacramento, CA 95814
(Phone) 916-324-2507
CTEC Provider #: 3069

CALIFORNIA SOCIETY OF TAX CONSULTANTS, INC.

320 Pine Ave, Suite #1050
Long Beach, CA 90802
(Phone) 949-715-4192
(Fax) 949-715-6931
www.cstcsociety.org
CTEC Provider #: 1000

CALIFORNIA TAX COURSES

4859 W. Slauson Ave #406
Los Angeles, CA 90056
(Phone) 888-995-1747
<https://cataxcourses.com/>
CTEC Provider #: 6280

CALIFORNIA TAX INSTITUTE

5281 Laurel View Circle
Yorba Linda, CA 92886
(Phone) 800-995-1747
(Fax) 714-777-4267
www.californiataxinstitute.com
CTEC Provider #: 1022

CE SELF STUDY

11037 Warner Avenue, Suite 147
Fountain Valley, CA 92708
(Phone) 714-248-6678
www.ceselfstudy.com
CTEC Provider #: 6243

CHECKPOINT LEARNING

P.O. Box 115008
Carrollton, TX 75011-5008
(Phone) 800-431-9025
www.checkpointlearning.com
CTEC Provider #: 3039

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(Phone) 818-338-8700
(Fax) 818-743-0551
www.clientwhys.com
CTEC Provider #: 1044

COLLEGE OF SAN MATEO

1700 W. Hillsdale Blvd.
San Mateo, CA 94402
(Phone) 650-574-6161
www.collegeofsanmateo.edu/Accounting
CTEC Provider #: 3025

CPE SOLUTIONS, LLC

5701 E Hillsborough Ave
Suite #2459
Tampa, FL 33610
(Phone) 800-545-7601
(Fax) 813-662-3563
www.cpecredit.com
CTEC Provider #: 3063

DRAKE SOFTWARE

235 East Palmer Street
Franklin, NC 28734
(Phone) 828-524-8020
(Fax) 828-349-5713
www.drakesoftware.com
CTEC Provider #: 3038

FAST FORWARD ACADEMY

3625 Brookside Pkwy Ste 450
Alpharetta, GA 30022
(Phone) 888-798-7277
(Fax) 407-792-2695
www.fastforwardacademy.com
CTEC Provider #: 6209

FEDERAL DIRECT TAX SERVICES

11905 Pendleton Pike
Indianapolis, IN 46236
(Phone) 866-357-2052
(Fax) 317-252-0360
www.federaldirecttax.com
CTEC Provider #: 6245

GATEWAY TAX SERVICE

11200 Crenshaw Blvd
Inglewood, CA 90303
(Phone) 323-757-6900
(Fax) 310-496-0109
www.gatewaytaxservice.com
CTEC Provider #: 3058

GEAR UP

P.O. Box 115008
Carrollton, TX 75011-5008
(Phone) 800-431-9025
(Fax) 972-250-2972
www.checkpointlearning.com/Gearup
CTEC Provider #: 1013

GLOBAL CPE NETWORK, LLC

3178 S Falkenburg Rd
Riverview, FL 33578
(Phone) 800-460-4110
(Fax) 813-612-4233
www.globalcpe.com
CTEC Provider #: 6233

GOLDEN STATE TAX TRAINING INSTITUTE, INC.

14100 Madison Avenue NE
Bainbridge Island, WA 98110
(Phone) 877-674-9290
(Fax) 877-674-3472
www.gstti.com
CTEC Provider #: 2040

H & R BLOCK TAX SERVICES, INC. ONE H&R BLOCK WAY

Kansas City, MO 64105
(Phone) 816-854-4809
<https://hrblock.csod.com/Default.aspx?C=Seminar>
CTEC Provider #: 1040

HERA'S INCOME TAX SCHOOL

3705 W Pico Blvd
Los Angeles, CA 90019
(Phone) 877-300-6837
www.herasincometaxschool.com
CTEC Provider #: 2086

HISPANIC ASSOCIATION OF PROFESSIONAL SERVICES

1152 3rd Avenue
Chula Vista, CA 91911
(Phone) 619-300-1249
(Fax) 619-330-4806
www.haps-Ca.org
CTEC Provider #: 6237

HORIZON PLANNING

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San Diego, CA 92123
(Phone) 858-277-8780
(Fax) 858-277-4052
www.horizonplanning.com
CTEC Provider #: 6281

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

INTERNAL REVENUE SERVICE – TAX FORUM

1111 Consitution Avenue Nw
Washington, DC 20224
CTEC Provider #: 6181

IRS STAKEHOLDER LIAISON

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

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

401 West Peachtree Street
NW Stop 54WI, Atlanta, GA 30308
(Phone) 559-454-6221
www.irs.gov/App/Vita/
CTEC Provider #: 6238

JACKSON HEWITT TAX SERVICE

501 N. Cattlemen Road,
Suite 300
Sarasota, FL 34232
(Phone) 800-234-1040
www.jacksonhewitt.com
CTEC Provider #: 1009

L & R TAX TRAINING SCHOOL

109 West Transit Street
Ontario, CA 91762
(Phone) 909-986-8372
(Fax) 909-986-8375
www.mdproservice.com
CTEC Provider #: 3016

LAMBERS, INC.

2240 Belleair Rd, Suite 225
Clearwater, FL 33764
(Phone) 800-272-0707
(Fax) 727-507-8380
www.lambers.com
CTEC Provider #: 6231

LATIN AMERICAN BUSINESS INSTITUTE

10614 S Federal Hwy
Port St Lucie, FL 34952
(Phone) 772-333-2423
(Fax) 772-800-7246
www.labitax.com
CTEC Provider #: 6269

LATINO TAX PROFESSIONALS ASSOCIATION

1588 Moffett Street Ste. F
Salinas, CA 93905
(Phone) 866-936-2587
(Fax) 831-424-3218
www.latinotaxpro.org
CTEC Provider #: 2080

MY-CPE LLC

1600 Highway 6 South, Suite 250
Sugarland, TX 77478
(Phone) 646-688-5128
www.my-Cpe.com
CTEC Provider #: 6273

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NATIONAL ASSOCIATION OF ENROLLED AGENTS

1730 Rhode Island Avenue N.W.
Washington, DC 20036
(Phone) 202-822-6232
www.naea.org
CTEC Provider #: 6257

NATIONAL ASSOCIATION OF TAX PROFESSIONALS

P. O. Box 8002
Appleton, WI 54912-8002
(Phone) 800-558-3402
(Fax) 800-747-0001
www.natptax.com
CTEC Provider #: 1067

NATIONAL SOCIETY OF PUBLIC ACCOUNTANTS

1330 Braddock Place, Suite 540
Alexandria, VA 22314
(Phone) 800-966-6679
(Fax) 703-549-2512
www.nasacct.org
CTEC Provider #: 2094

NATIONAL SOCIETY OF TAX PROFESSIONALS

11700 NE 95th St, Ste 100
Vancouver, WA 98682
(Phone) 360-695-8309
(Fax) 360-695-7115
www.nsttp.org
CTEC Provider #: 2001

PLATINUM PROFESSIONAL SERVICES, INC.

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Seal Beach, CA 90740
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(Fax) 877-317-9412
www.platinumprostudies.com
CTEC Provider #: 2052

PRONTO TAX SCHOOL, INC.

4501 S. Centinela Ave.
Los Angeles, CA 90066
(Phone) 310-422-1283
www.prontotaxschool.com
CTEC Provider #: 6201

REFUNDS TODAY DBA NATIONAL TAX SCHOOL

225 Chastain Meadows Ct
Kennesaw, GA 30144
(Phone) 260-760-7416
www.nationaltaxschool.net
CTEC Provider #: 3044

RIVERSIDE TAX CONSULTANTS ASSOCIATION

P.O. Box 5546
Riverside, CA 92517
(Phone) 951-369-5088
(Fax) 951-369-5075
www.rtcaweb.org
CTEC Provider #: 2036

SPIDELL PUBLISHING

P.O. Box 61044
Anaheim, CA 92803
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(Fax) 714-776-9906
www.caltax.com
CTEC Provider #: 1019

SUPER LAB TAX AND ACCOUNTING FIRM

753 San Simeon Street
Sunnyvale, CA 94085
(Phone) 408-738-8382
CTEC Provider #: 3061

SURGENT MCCOY CPE, LLC

201 N. King Of Prussia Rd., Suite 370
Radnor, PA 19087
(Phone) 610-994-9606
(Fax) 610-688-3977
www.surgentcpe.com
CTEC Provider #: 6217

TAX EASE, LLC

39270 Paseo Padre Pwy #624
Fremont, CA 94538
(Phone) 512-256-5812
(Fax) 510-779-5251
www.taxeaseed.com
CTEC Provider #: 3064

TAX LINK SEMINARS

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

TAX MATERIALS, INC.

15105 Minnetonka Ind. Rd.,
Suite 221
Minnetonka, MN 55345
(Phone) 952-746-5276
(Fax) 952-746-5278
www.thetaxbook.com
CTEC Provider #: 6193

TAX PRACTICE PRO, INC.

93 Brookside Ave
Chester, NY 10918
(Phone) 800-943-1750
(Fax) 845-206-0648
www.taxpracticepro.com
CTEC Provider #: 6248

TAX SCHOOLS OF AMERICA

1611 East Main Street
Russellville, AR 72801
(Phone) 479-968-4796
(Fax) 479-968-8012
www.taxschoolsofamerica.com
CTEC Provider #: 6230

TAX TALK TODAY

4401a Connecticut Avenue,
NW, 170
Washington, DC 20008
(Phone) 202-559-9330
(Fax) 202-559-9333
www.taxtalktoday.com
CTEC Provider #: 3022

TAXRESOURCES, INC.

600 Coolidge Drive, Suite 300
Folsom, CA 95630
(Phone) 714-382-7732
(Fax) 916-904-8499
www.taxaudit.com
CTEC Provider #: 3027

THE INCOME TAX SCHOOL

201 N. King Of Prussia Rd.,
Suite 370
Radnor, PA 19087
(Phone) 804-204-1040
(Fax) 804-213-4248
www.theincometaxschool.com
CTEC Provider #: 1071

THE TAX SCHOOL

2450 Washington Ave Ste 160
San Leandro, CA 94577
(Phone) 800-327-1040
(Fax) 800-426-2345
www.thetaxschool.com
CTEC Provider #: 1003

WEBCE

12222 Merit Dr, Suite 500
Dallas, TX 75251
(Phone) 877-488-9308
(Fax) 214-570-0213
<https://www.webce.com/cpe/tax-ce/ctec-ce>
CTEC Provider #: 6216

WESTERN CPE

243 Pegasus Drive
Bozeman, MT 59718
(Phone) 800-822-4194
(Fax) 406-585-3144
www.westerncpe.com
CTEC Provider #: 2071

WISEGUIDES

10426 North Florida Avenue
Tampa, FL 33612
(Phone) 978-697-8555
www.wiseguides.com
CTEC Provider #: 6268

WOLTERS KLUWER, CCH CPE LINK

2700 Lake Cook Road
Riverwoods, IL 60015
(Phone) 800-344-3734
(Fax) 773-866-3084
<http://www.cchgroup.com>
CTEC Provider #: 1075

SCHOOLS APPROVED FOR QUALIFYING EDUCATION (60 HOURS)

101 EDUCATION SERVICES INC.

14100 Madison Ave NE
Bainbridge Island, WA 98110
(Phone) 800-214-4307
(Fax) 877-674-9290
www.irstaxtraining.com
CTEC Provider #: 6224

3IS TAX SCHOOL

16933 Parthenia St., Suite 202
Northridge, CA 91343
(Phone) 855-620-7988
(Fax) 818-742-6248
www.3isschool.com
CTEC Provider #: 6239

A & B OFFICE, INCOME TAX TRAINING SCHOOL

12432 Oxnard St.
North Hollywood, CA 91606
(Phone) 818-505-3537
(Fax) 818-308-8533
www.aboffice.com
CTEC Provider #: 1057

AMERICAN BUSINESS COLLEGE, INC.

7283 Engineer Road, Suite H
San Diego, CA 92111
(Phone) 858-836-1420
(Fax) 858-836-1438
www.theaccountingacademy.com
CTEC Provider #: 6252

AROUND THE BLOCK TAX SERVICES

214 N. Palm Ave.
Ontario, CA 91762
(Phone) 909-270-6471
CTEC Provider #: 3094

BESTAX & INSURANCE SERVICE

23962 Alessandro Blvd Ste Q
Moreno Valley, CA 92553
(Phone) 951-653-2202
(Fax) 951-653-2473
www.besttaxservice.net
CTEC Provider #: 6206

BLUE MOON TAX SERVICE

2480 Canyon Creek Road
Escondido, CA 92025
(Phone) 760-489-2962
(Fax) 760-294-1131
www.bluemoonntax.com
CTEC Provider #: 6262

CABRILLO COLLEGE

6500 Soquel Drive Bela Division
Aptos, CA 95003
(Phone) 831-479-6478
www.cabrillo.edu
CTEC Provider #: 2070

CALIFORNIA SOCIETY OF TAX CONSULTANTS, INC.

320 Pine Ave, Suite #1050
Long Beach, CA 90802
(Phone) 949-715-4192
(Fax) 949-715-6931
www.cstcsociety.org
CTEC Provider #: 1000

CALIFORNIA TAX INSTITUTE

5281 Laurel View Circle
Yorba Linda, CA 92886
Phone 800-995-1747
(Fax) 714-777-4267
www.californiataxinstitute.com
CTEC Provider #: 1022

CHAFFEY COLLEGE

5885 Haven Ave.
Rancho Cucamonga, CA 91737
(Phone) 909-652-6846
(Fax) 909-652-6825
www.chaffey.edu
CTEC Provider #: 2046

COLLEGE OF SAN MATEO

1700 W. Hillsdale Blvd.
San Mateo, CA 94402
(Phone) 650-574-6161
www.collegeofsanmateo.edu/Accounting
CTEC Provider #: 3025

EVERGREEN VALLEY COLLEGE

3095 Yerba Buena Road
San Jose, CA 95135
(Phone) 408-274-7900
www.evc.edu
CTEC Provider #: 6182

FEDERAL DIRECT TAX SERVICES

11905 Pendleton Pike
Indianapolis, IN 46236
(Phone) 866-357-2052
(Fax) 317-252-0360
www.federaldirecttax.com
CTEC Provider #: 6245

FOOTHILL COLLEGE

12345 El Monte Road
Los Altos Hills, CA 94022
(Phone) 650-949-7394
(Fax) 650-948-2845
www.foothill.edu
CTEC Provider #: 3043

FREEDOM TAX, INC.

9462 Brownsboro Rd #135
Louisville, KY 40241
(Phone) 510-564-4064
(Fax) 502-220-4868
www.freedomtaxusa.net
CTEC Provider #: 6266

FULLERTON COLLEGE, BUSINESS, CIS & ECONOMIC WORKFORCE DIVISION

321 E. Chapman Ave.
Fullerton, CA 92832
(Phone) 714-992-7201
www.fullcoll.edu
CTEC Provider #: 6267

GATEWAY TAX SERVICE

11200 Crenshaw Blvd
Inglewood, CA 90303
(Phone) 323-757-6900
(Fax) 310-496-0109
www.gatewaytaxservice.com
CTEC Provider #: 3058

GOLD STAR TAX SERVICE LLC

202 N Riverside Ave., Unit H
Rialto, CA 92376
(Phone) 909-258-2899
Goldstartaxservice.com
CTEC Provider #: 6277

GOLDEN STATE TAX TRAINING INSTITUTE, INC.

14100 Madison Avenue Ne
Bainbridge Island, WA 98110
(Phone) 877-674-9290
(Fax) 877-674-3472
www.gstti.com
CTEC Provider #: 2040

H & R BLOCK TAX SERVICES, INC.

One H&R Block Way
Kansas City, MO 64105
(Phone) 816-854-4809
<https://Hrblock.csod.com/Default.aspx?C=Seminar>
CTEC Provider #: 1040

HOANG LE FAST TAX & FINANCIAL PLANNING INC.

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

HORIZON PLANNING

3954 Murphy Canyon Road, D105
San Diego, CA 92123
(Phone) 858-277-8780
(Fax) 858-277-4052
www.horizonplanning.com
CTEC Provider #: 6281

JACKSON HEWITT TAX SERVICE

501 N. Cattlemen Road, Suite 300
Sarasota, FL 34232
(Phone) 800-234-1040
www.jacksonhewitt.com
CTEC Provider #: 1009

SCHOOLS APPROVED FOR QUALIFYING EDUCATION (60 HOURS)

JDMAN TAX SCHOOL

2008 W. Carson St., Ste. 202
Torrance, CA 90501
(Phone) 310-755-1256
(Fax) 424-558-3249
CTEC Provider #: 6278

L & R TAX TRAINING SCHOOL

109 West Transit Street
Ontario, CA 91762
(Phone) 909-986-8372
(Fax) 909-986-8375
www.mdproservice.com
CTEC Provider #: 3016

LATINO TAX PROFESSIONALS ASSOCIATION

1588 Moffett Street Ste. F
Salinas, CA 93905
(Phone) 866-936-2587
(Fax) 831-424-3218
www.latinotaxpro.org
CTEC Provider #: 2080

LIBERTY TAX SERVICE

500 Grapevine Hwy, Suite 402
Hurst, TX 76054
(Phone) 817-796-9430 Ext. 319
www.libertytax.com
CTEC Provider #: 2097

LOS ANGELES VALLEY COLLEGE

5800 Fulton Ave
Valley Glen, CA 91401
(Phone) 818-947-2627
www.lavc.edu
CTEC Provider #: 6274

LOS RIOS COMMUNITY COLLEGE DISTRICT

8401 Center Parkway
Sacramento, CA 95823
(Phone) 916-691-7226
(Fax) 916-691-7443
www.crc.losrios.edu
CTEC Provider #: 3006

MIRA COSTA COLLEGE BUSINESS DEPT.

Business Dept, 1 Barnard Drive
Oceanside, CA 92056-3899
(Phone) 760-757-2121 X6488
(Fax) 760-795-6770
www.miracosta.edu/Instruction/accounting
CTEC Provider #: 1074

MT. SAN ANTONIO COLLEGE

1100 North Grand Avenue
Walnut, CA 91789
(Phone) 909-274-6795
(Fax) 909-274-2936
www.mtsac.edu
CTEC Provider #: 6256

NORCO COLLEGE

2001 Third Street
Norco, CA 92860
(Phone) 951-372-7194
(Fax) 951-972-7192
www.norcollege.edu
CTEC Provider #: 6228

OHLONE COLLEGE

43600 Mission Blvd.
Fremont, CA 94539
(Phone) 510-742-2301
www.ohlone.edu
CTEC Provider #: 6279

PASADENA CITY COLLEGE

1570 E. Colorado Blvd. C121j
Pasadena, CA 91106
(Phone) 626-585-7945
(Fax) 818-242-3620
www.pasadena.edu
CTEC Provider #: 6185

PLATINUM PROFESSIONAL SERVICES, INC.

3040 Seal Beach Blvd. Suite 300
Seal Beach, CA 90740
(Phone) 877-315-1772
(Fax) 877-317-9412
www.platinumprostudies.com
CTEC Provider #: 2052

PRONTO TAX SCHOOL, INC.

4501 S. Centinela Ave.
Los Angeles, CA 90066
(Phone) 310-422-1283
www.prontotaxschool.com
CTEC Provider #: 6201

R & V INCOME TAX SERVICES

2998 Mission Street
San Francisco, CA 94110
(Phone) 415-933-1104
www.randvincometaxservices.com
CTEC Provider #: 3073

REDEEMED BUSINESS & TAX SERVICES

3911 Long Beach Blvd
Long Beach, CA 90807
(Phone) 562-888-9430
(Fax) 888-440-1379
www.getredeemednow.com
CTEC Provider #: 6249

SAN DIEGO MIRAMAR & MESA COMMUNITY COLLEGE

10440 Black Mountain Road
Attn: M107-P
San Diego, CA 92126
(Phone) 619-388-7699
www.sdmiramar.edu
CTEC Provider #: 6250

SANTA ANA COLLEGE

1530 W. 17th Street
Santa Ana, CA 92706
(Phone) 714-564-6771
(Fax) 714-564-6133
www.sac.edu
CTEC Provider #: 2019

SANTA MONICA COLLEGE

1900 Pico Blvd.
Santa Monica, CA 90405
(Phone) 310-434-4846
(Fax) 310-434-3603
http://www.smc.edu/Academicprograms/Businessdepartment/Pages/Tax_preparation.aspx
CTEC Provider #: 6244

SKYLINE COLLEGE

3300 College Drive
San Bruno, CA 94066
(Phone) 650-738-4201
(Fax) 650-738-4205
www.skylinecollege.edu
CTEC Provider #: 6253

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT

900 Otay Lakes Road
Chula Vista, CA 91910
(Phone) 619-482-6376
(Fax) 619-482-6402
www.swccd.edu
CTEC Provider #: 6265

TAXRESOURCES, INC.

600 Coolidge Drive, Suite 300
Folsom, CA 95630
(Phone) 714-382-7732
(Fax) 916-904-8499
www.taxaudit.com
CTEC Provider #: 3027

THE INCOME TAX SCHOOL

201 N. King Of Prussia Rd., Suite 370
Radnor, PA 19087
(Phone) 804-204-1040
(Fax) 804-213-4248
www.theincometaxschool.com
CTEC Provider #: 1071

UNIVERSAL ACCOUNTING CENTER

12441 South 900 East, #120
Draper, UT 84020
(Phone) 801-265-3777
(Fax) 801-265-3798
www.universalaccounting.com
CTEC Provider #: 3060

WEBCE

12222 Merit Dr, Suite 500
Dallas, TX 75251
(Phone) 877-488-9308
(Fax) 214-570-0213
<https://www.webce.com/Cpe/Tax-Ce/CTEC-Ce>
CTEC Provider #: 6216

SCHOOLS APPROVED FOR CONTINUING EDUCATION (60 HOURS)

WOODLAND COMMUNITY COLLEGE

2300 E. Gibson Avenue
Woodland, CA 95776
(Phone) 530-661-5714
www.wcc.yccd.edu
CTEC Provider #: 6241

YUBA COMMUNITY COLLEGE

2088 N. Beale Road
Marysville, CA 95901
(Phone) 530-742-8201
www.yccd.edu
CTEC Provider #: 2003



INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
California Tax Education Council, Inc.
Granite Bay, California

Opinion

We have audited the accompanying financial statements of California Tax Education Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statement of activities and change in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

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, 2021, and the changes in its net assets, its cash flows and its functional expenses, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California Tax Education Council, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about California Tax Education Council, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 California Tax Education Council, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about California Tax Education Council, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

The accompanying supplementary information included in page 31 is presented for purposes of additional analysis and is not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Moore Messina Webb, LLP

Roseville, California

November 1, 2021

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED JUNE 30, 2021

Assets

	2021
Current assets	
Cash and cash equivalents - without restrictions	\$ 401,103
Certificates of deposit	750,000
Prepaid expenses	167
Total current assets	1,151,270
Software and equipment, net	158,878
Total Assets	\$ 1,310,148

Liabilities and Net Assets

Current liabilities	
Accounts payable	\$ 129,093
Sales tax payable	141
Total current liabilities and total liabilities	129,234
Net assets	
Net assets without donor restrictions	1,180,914
Total net assets without donor restrictions	1,180,914
Total Liabilities and Net Assets	\$ 1,310,148

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2021

Revenues	2021
Registration fees	\$ 1,280,037
Late registration fees	356,785
Mailing list	2,421
Provider fees	27,500
Certificates	580
Other income	508
Interest income	7,552
	<hr/>
Total revenues	\$ 1,675,383
	<hr/>
Program and Administrative Expenses	
Program services	
Communication and technology	93,033
Curriculum provider committee	134,838
Executive committee	232
Governmental relations committee	329,387
Public awareness committee	394,501
Tax preparer committee	422,204
Supporting services	
Audit oversight committee	18,632
Board activities	107,089
General and administrative	105,912
	<hr/>
Total program and administrative expenses	\$ 1,605,828
	<hr/>
Change in Net Assets	69,555
Net Assets - Beginning of fiscal year	<hr/> 1,111,359
Net Assets - Ending of fiscal year	<hr/> <hr/> \$ 1,180,914

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

Cash flows from operating activities:

Change in net assets	\$ 69,555
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	32,262
(Increase) decrease in prepaid expenses	775
Increase (decrease) in accounts payable	74,614
Total adjustments	107,651
Net cash provided (used) by operating activities	177,206

Cash flows from investing activities:

Purchase of software and equipment	
Proceeds from the redemption of certificates of deposit	750,000
Purchase of certificates of deposit	(750,000)
Net cash provided (used) by investing activities	-

Cash flow from financing activities:

	-
Net cash provided (used) by investing activities	-
Net increase (decrease) in cash and cash equivalents	177,206

Cash and cash equivalents:

Beginning of year	223,897
End of year	\$ 401,103

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

	Communication & Technology	Curriculum Provider Committee	Executive Committee	Governmental Relations Committee	Public Awareness Committee	Tax Preparer Committee	Audit Oversight Committee	Board Activities	General and Administrative	Total Expenses
Accounting & Auditing	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 13,575	\$ —	\$ —	\$ 13,575
Advertising & Promotion	—	—	—	—	328,793	—	—	—	—	328,793
Amortization	—	2,904	—	—	19,357	10,001	—	—	—	32,262
Audit Review	—	7,000	—	—	—	—	—	—	—	7,000
Bank Service Charges	—	—	—	—	—	—	—	—	43	43
Credit Card Fees	—	—	—	—	—	46,098	—	—	—	46,098
Enforcement	—	—	—	244,337	—	—	—	—	—	244,337
Fees & Licenses	—	—	—	—	—	—	—	—	300	300
Insurance	1,699	—	—	—	—	—	—	—	1,576	3,275
Legal Fees	—	—	—	—	—	—	—	—	13,900	13,900
Management Fee	28,350	28,350	—	85,050	28,350	226,800	—	—	85,050	567,000
Meetings & Conferences	—	—	232	—	—	—	—	12,944	—	13,176
Microsoft Cloud	10,996	—	—	—	—	—	—	—	—	10,996
Miscellaneous	—	—	—	—	—	—	—	—	225	225
Outside Consultants	42,000	96,584	—	—	—	111,702	—	—	—	250,286
Postage	—	—	—	—	4,314	13,758	—	—	254	18,326
Printing	—	—	—	—	12,187	13,845	5,057	—	4,032	35,121
Software Updates	9,988	—	—	—	—	—	—	—	—	9,988
Taxes	—	—	—	—	—	—	—	476	532	1,008
Telephone and Fax	—	—	—	—	1,500	—	—	—	—	1,500
Travel	—	—	—	—	—	—	—	—	—	—
Mileage	—	—	—	—	—	—	—	988	—	988
Airfare	—	—	—	—	—	—	—	576	—	576
Cab	—	—	—	—	—	—	—	182	—	182
Hotel	—	—	—	—	—	—	—	5,319	—	5,319
Parking	—	—	—	—	—	—	—	204	—	204
Per Diem	—	—	—	—	—	—	—	1,350	—	1,350
Total Expenses	\$ 93,033	\$ 134,838	\$ 232	\$ 329,387	\$ 394,501	\$ 422,204	\$ 18,632	\$ 107,089	\$ 105,912	\$ 1,605,828

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. Organization and Significant Accounting Policies

Nature of Business

California Tax Education Council, Inc. ("CTEC or Organization") is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public purposes. The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The specific purpose of CTEC is to lessen the burdens of government by the organization and operation of the "tax education council," the quasi-public body established by California Business and Professions Code, Chapter 14, Tax Preparers, Section 22250-22259. As such, CTEC is responsible for (1) approving those tax curriculum providers who meet its standards and comply with its procedures and (2) issuing certificates of completion and statements of compliance as required under Section 22255 of the California Business and Professions Code.

CTEC registers tax preparers, the second largest segment of tax preparation professionals serving California, following certified public accountants and enrolled agents. Anyone who, for a fee, assists with or prepares a state or federal income tax return, excluding certified public accountants, attorneys, enrolled agents, enrolled actuaries, and certain financial institutions or their employees, must be registered with CTEC. The Organization is also charged with approving providers of tax education and maintaining and distributing to the public a list of those approved providers. CTEC registered 38,464 tax preparers for the year ended June 30, 2021.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Organization's significant revenue streams are as follows (refer to FASB ASC 606 New Accounting Guidance Implementation below):

Registration Fees - Renewal or initial fees collected from CTEC Registered Tax Preparers ("CRTPs"). Registration starts on August 1st of each year and ends October 31st. Extended registration starts on November 1st of the current year and ends January 15th the following year. In order for a CRTP to be registered they must complete 20 hours of continuing education, have a current surety bond, and a valid Preparer Tax Identification Number issued by the Internal Revenue Service.

Net assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

1. Organization and Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Organization considers all short-term demand checking and savings accounts to be cash equivalents. Cash is also invested within an investment brokerage account through Raymond James and Associates, Inc., and is managed by GSR Capital Management. This cash is invested into certificates of deposit with maturities ranging from two months to ten months. The investments are not used for daily operating requirements until needed.

Concentration of Credit Risk

The Organization maintains a checking and high yield savings account at Wells Fargo Bank and a brokerage account with Raymond James and Associates, Inc., which is managed by GSR Capital Management. The balances, at times, may exceed federally insured limits. At June 30, 2021, the organization had funds which exceeded the federally insured deposit liability limit by \$109,272.

Investments

Investments are comprised of certificates of deposit ("CD's") invested through Raymond James and Associates, Inc., and managed by GSR Capital Management. They are recorded at fair value. Interest earned on the investments is reported as revenue.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under Section 23701(f) of the California Revenue and Taxation Code, therefore has made no provision for federal or state income taxes in the accompanying financial statements.

GAAP provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. The Organization has considered its tax positions and believes that all of the positions taken by it on its federal and state exempt tax returns are more likely than not to be sustained upon examination. Generally, the Organization's federal returns for the years ended June 30, 2018 and thereafter and the Organization's California returns for the years ended June 30, 2017 and thereafter remain open to examination by the respective taxing authorities.

Equipment and Computer Software

All equipment and computer software are 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 or amortization) 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 and amortization are provided on the straight-line method over the estimated useful lives of assets as follows; Computer Equipment 5 years; Software Development 7-10 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

1. Organization and Significant Accounting Policies (continued)

Financial Statement Presentation

The Organization has adopted Accounting Standards Update 2016-14 (ASU), issued by the Financial Accounting Standards Board (FASB). This update included a discussion on new standards for "Presentation of Financial Statements of Not-for-Profit Entities (NFP)". The ASU requires a NFP to present on the face of the statement of financial position amounts for two classes of net assets at the end of the period. That is, a NFP will report amounts for *net assets with donor restrictions* and *net assets without donor restrictions*; among many other changes related to having only two classes of net assets and financial reporting. The Organization has adopted this change retrospectively.

FASB ASC 606 New Accounting Guidance Implementation

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs—Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, we refer to the new Topic 606 and Subtopic 340-40 as the "new guidance."

The Organization adopted the requirements of the new guidance as of July 1, 2020, utilizing the full retrospective method of transition.

The Organization has determined that the differences in revenue and cost recognition under the new standard did not have a material impact on account balances at June 30, 2020. Accordingly, no adjustment to beginning net assets was necessary.

Revenue is recognized when the required continuing education is completed, the application for renewal or new application is completed, a surety bond is obtained, and the required fee is received by the Organization.

Accounting Pronouncements Recently Adopted

As of July 1, 2020, the Organization adopted Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820): *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. ASU 2018-13 modified the disclosure requirements on fair value measurements in Topic 820. The amendments in ASU 2018-13 removed disclosures that no longer are considered cost beneficial, modified specific requirements of certain disclosures and added disclosure requirements identified as relevant. The adoption of ASU 2018-13 did not have a significant impact on the Organization's financial statement disclosures.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

1. Organization and Significant Accounting Policies (continued)

Advertising and Public Relations Costs

The Organization expenses advertising and public relations costs on contracts spanning one year or less. These costs are used to inform the public that tax preparers must be registered in the State of California. The Organization uses an advertising and public relations firm for the purpose of informing the public about the requirements. Advertising and public relations cost for the year ended June 30, 2021, amounted to \$328,793.

Enforcement

The Organization 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 year ended June 30, 2021, enforcement expense amounted to \$244,337.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The allocated expenses include Management Fee and Amortization which are allocated on the basis of estimates of time and effort. Other expenses were determined to be directly attributable to a specific category and were not allocated.

Sunset Provision Contingency

Business and Professions Code Section 22259(b), states "This chapter shall remain in effect only until January 1, 2023, and as of that date is repealed." The Governor signed SB 607 on September 28, 2021, extending sunset date to January 1, 2024.

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.

2. Cash and Concentrations of Credit Risk

The Organization considers short-term highly liquid investments to be cash equivalents if they are both readily convertible to cash and have an original maturity of three months or less when purchased.

Cash balances are maintained at Wells Fargo Bank and Raymond James & Associates, Inc. Cash accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. To reduce the concentration of credit risk, individual certificates of deposit are held with various banking institutions with no single certificate exceeding the FDIC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

2. Cash and Concentrations of Credit Risk (continued)

The balance in cash and cash equivalents on June 30, 2021 include:

Demand Deposits	\$ 359,272
Money Market Funds	<u>41,832</u>
Total Cash and Cash Equivalent	<u>\$ 401,103</u>

3. Certificates of Deposits

State Bank of India New York, matures 8/31/2021	\$ 250,000
Safra National Bank New York, matures 2/3/2022	250,000
Goldman Sachs Bank New York, matures 4/21/2022	<u>250,000</u>
	<u>\$ 750,000</u>

4. Equipment and Intangible Assets

Property and equipment at June 30, 2021 consists of the following:

	<u>6/30/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/2021</u>
Computer Equipment	\$ 22,905	\$ -	\$ -	\$ 22,905
Software	<u>378,912</u>	<u>-</u>	<u>-</u>	<u>378,912</u>
Total Equipment	<u>401,817</u>	<u>-</u>	<u>-</u>	<u>401,817</u>
Less: Accumulated Amortization	<u>(210,677)</u>	<u>(32,262)</u>	<u>-</u>	<u>(242,939)</u>
Equipment, net	<u>\$ 191,140</u>	<u>\$ (32,262)</u>	<u>\$ -</u>	<u>\$ 158,878</u>

Amortization is taken over an estimated useful life of five to seven years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

Fair Value Measurements

Fair Value Hierarchy

The Organization groups its assets and liabilities measured at fair value within three levels based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. Valuations within these levels are based upon:

Level 1 – Quoted market prices for identical instruments traded in active exchange markets.

Level 2 – Quoted market prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which significant assumptions are observable or can be corroborated by observable market data.

Level 3 – Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the Organization's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management judgment and estimation which may be significant.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in entirety. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Assets Recorded at Fair Value

There were no changes in the valuation techniques for the year ended June 30, 2021. The Organization is required or permitted to record the following assets at fair value on a recurring basis under other accounting pronouncements. The following table presents information about the Organization's assets and liabilities measured at fair value on a recurring basis:

<u>Description</u>	<u>As of June 30, 2021</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Demand and Money Market	\$ 401,103	\$ 401,103	\$ -	\$ -
Certificate of Deposits	750,000	750,000	-	-
	<u>\$ 1,151,103</u>	<u>\$ 1,151,103</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

5. Management Company

Advocation Strategies, Inc. ("Management Company"), provides management services for the Organization, under an agreement approved by the Board of Directors, budgeted, and renewed each year. The Management Company is paid a flat fee and is responsible for all of the Organization's daily operations. At the July 21, 2020, board meeting the Executive Committee approved an increase in the management contract from \$549,000 to \$567,000, annually, retroactively to July 1, 2020. Payment is made monthly in the amount of \$47,250.

The management fee includes all of the Management Company's employee related costs. The Organization has no employees.

6. Liquidity

As of June 30, 2021, the Organization has no legal or donor restrictions on any financial assets. Because the Organization collects the majority of its revenue between August 1st of any current year and January 15th of the following year, it is anticipated the Organization will use cash on hand and maturities from certificates of deposit to fund general expenses during the period wherein there is no revenue flowing into the Organization. The Organization has no existing debt, other than accounts payable, nor does the Organization have any long-term commitments.

7. Risks and Uncertainties

The COVID-19 pandemic has disrupted business activities across the globe with its impact on business activity, employees and supply chains. The Organization's management and Board of Directors believe that they have taken appropriate action to minimize risks associated with this pandemic. However, the full impact cannot be estimated as of the date of this report.

SUPPLEMENTAL INFORMATION

California Tax Education Council, Inc.
Statement of Activities and Change in Net Assets
Budget to Actual
Year Ended June 30, 2021

	Budget	Actual	Variance Over Budget (Under Budget)
Revenues			
Registration fees	\$ 1,293,963	\$ 1,280,037	\$ (13,926)
Late registration fees	391,765	356,785	(34,980)
Mailing list	2,750	2,421	(329)
Provider fees	23,700	27,500	3,800
Certificates	800	580	(220)
Other income	215	508	293
Interest income	25,877	7,552	(18,325)
Total revenues	<u>\$ 1,739,070</u>	<u>\$ 1,675,383</u>	<u>\$ (63,687)</u>
Program and Administrative Expenses			
Program services			
Communication and technology	\$ 66,500	\$ 93,033	\$ 26,533
Curriculum provider committee	150,450	134,838	(15,612)
Executive committee	26,750	232	(26,518)
Governmental relations committee	412,000	329,387	(82,613)
Public awareness committee	363,300	394,501	31,201
Tax preparer committee	291,000	422,204	131,204
Supporting services			
Audit oversight committee	21,600	18,632	(2,968)
Bylaws committee	250	-	(250)
Budget and finance committee	250	-	(250)
Board activities	120,500	107,089	(13,411)
General and administrative	624,000	105,912	(518,088)
Total program and administrative expenses	<u>\$ 2,076,600</u>	<u>\$ 1,605,828</u>	<u>\$ (470,772)</u>

