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R E P O R T**

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

# STATEMENT OF MISSION

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](http://www.ctec.org)





# MESSAGE FROM THE CHAIR

Recovering from the challenges the pandemic posed on Council work continues to be the focus for CTEC. Despite the obstacles, the Council is moving in the right direction and we look forward to presenting the results in our Sunset Review report.

Working closely with our IT department, new applicants continue to undergo background and fingerprint checks for the online registration process. Meetings are now scheduled virtually and in-person as normal protocol, allowing lower costs for the Council, as well as higher attendance for those who are either 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, which were still limited last year due to COVID protocols, are now back on track.

Additionally, our Public Awareness Committee is working closely with FTB Public Affairs and Taxpayer Advocate, IRS and professional tax preparer associations to produce new podcast episodes in English and Spanish, educating taxpayers about fraud and how to find a legal tax professional. The podcasts will also be available in video for 2023.

It has been an honor to serve as Chair over the past two years. 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*

# 2021 - 2022 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



**Jett Asinas Mercado**

CTEC Registered Tax Preparer  
Fairfield, CA  
2020-2021



**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

## 2021 - 2022 Government Agency Representatives



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



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



**Cedric Brown**  
Representative, Internal  
Revenue Service

## 2021 - 2022 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, 2022, CTEC has registered 38,278 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
07/01/21 – 06/30/22	38,278

CALIFORNIA TAX EDUCATION COUNCIL (CTEC)

# CTEC REGISTERED TAX PREPARERS (CRTPs)

ON JUNE 30, 2022, THERE WERE 38,278 CRTPs



Alameda	1151	Nevada	70
Alpine	1	Orange	3457
Amador	18	Placer	272
Butte	139	Plumas	9
Calaveras	37	Riverside	2630
Colusa	14	Sacramento	1429
Contra Costa	829	San Benito	75
Del Norte	18	San Bernardino	2820
El Dorado	73	San Diego	3079
Fresno	876	San Francisco	442
Glenn	19	San Joaquin	635
Humboldt	63	San Luis Obispo	147
Imperial	312	San Mateo	428
Inyo	7	Santa Barbara	276
Kern	837	Santa Clara	1453
Kings	91	Santa Cruz	211
Lake	53	Shasta	104
Lassen	15	Sierra	2
Los Angeles	11678	Siskiyou	28
Madera	135	Solano	416
Marin	118	Sonoma	378
Mariposa	9	Stanislaus	538
Mendocino	53	Sutter	98
Merced	270	Tehama	40
Modoc	3	Trinity	3
Mono	4	Tulare	386
Monterey	424	Tuolumne	31
Napa	84	Ventura	727
		Yolo	114
		Yuba	52
		Out of State	597
		Total	38,278

# PUBLIC AWARENESS CAMPAIGN PROMOTES NEW PODCAST

CTEC expanded its podcast to include a Spanish language version for the 2022 public awareness campaign. The podcast episodes focused on educating taxpayers about how to choose a tax preparer, avoiding fraud, as well as true stories about “ghost” tax preparers. The advertising campaign included promotions on radio, social media, Google Ads, mobile ads, email marketing and multiple audio platforms. In addition to podcasts, radio and internet outreach, CTEC promoted multiple videos (English and Spanish) on social media and other platforms.

Overall, the campaign performed within the top 50% of national podcast averages. One episode ranked within the top 25% of national averages. More than 1.2 million taxpayers took action on the CTEC campaign, which included downloading the podcast, watching videos or clicking on an ad (included banners via iHeartMedia radio stations) or social media post. Links to the podcasts are provided on [CTEC.org](https://CTEC.org) or can be downloaded at [taxpayerbeware.org](https://taxpayerbeware.org) for English and [contribuyentecudese.org](https://contribuyentecudese.org) for Spanish.



# 2021/2022 ENFORCEMENT RESULTS

During the 2021/2022 fiscal year, the Franchise Tax Board Tax Preparer Enforcement Team contacted 1,320 tax preparers.

Of those -

- 66% Complied or met requirements
- 29% were issued penalties
- 5% had penalties abated
- 4 open cases still pending.

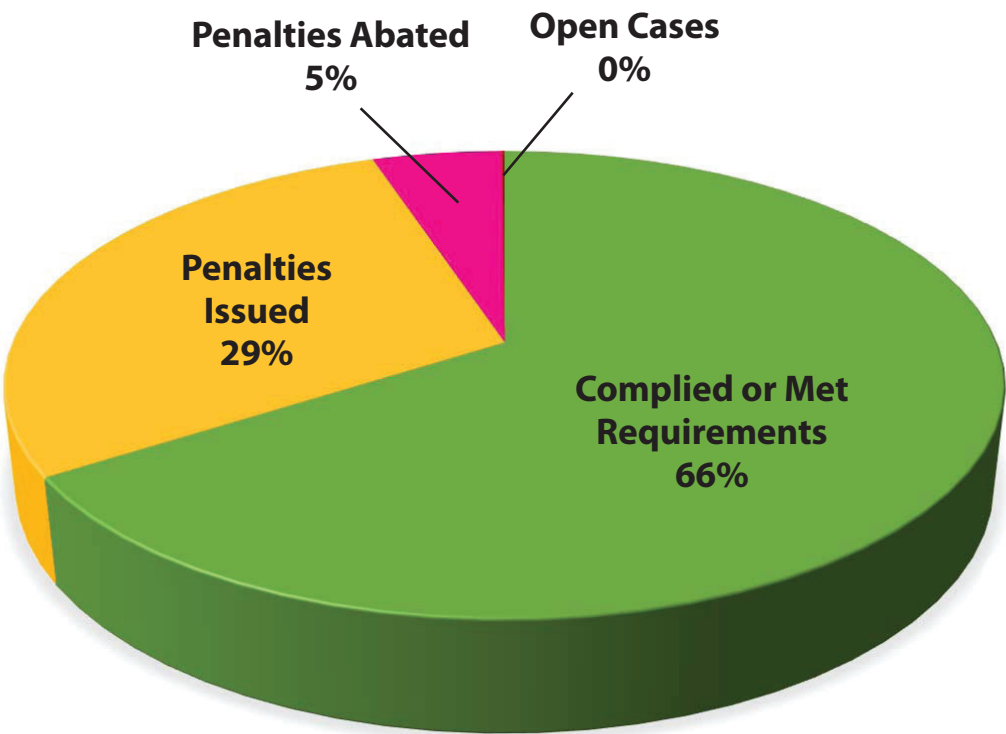
Unregistered tax preparers who are caught preparing, or assisting with preparing, tax returns for a fee will be issued a \$2,500 penalty letter from the Franchise Tax Board (FTB). They have 90

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.

Taxpayers can report unregistered tax preparers at [ctec.org](https://ctec.org).



**Total Visits 930**

■ Complied or Met Requirements ■ Penalties Issued ■ Penalties Abated ■ Open Cases

# 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](http://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](http://www.taxcoursesonline.com)  
CTEC Provider #: 6203

## 1 1 1 ACCELERATED CONTINUING EDUCATION DBA MY TAX COURSES ONLINE

2653 Bruce B Downs Blvd Suite 108a-Pmb 190  
Wesley Chapel, FL 33544  
(Phone) 800-605-3538  
[www.mytaxcoursesonline.com](http://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](http://www.irstaxtraining.com)  
CTEC Provider #: 6224

## 3IS TAX SCHOOL

16756 Blackhawk Street  
Granada Hills, CA 91344  
(Phone) 855-620-7988  
(Fax) 818-742-6248  
[www.3isschool.com](http://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.abeducate.com](http://www.abeducate.com)  
CTEC Provider #: 1057

## AARDVARK TAX ONLINE

67782 E Palm Canyon Dr  
Ste B104249  
Cathedral City, CA 92234-5433  
(Phone) 877-212-1384  
[www.aardvarktax.com/california](http://www.aardvarktax.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](http://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.bestaxservice.net](http://www.bestaxservice.net)  
CTEC Provider #: 6206

## BOOKKEEPERS.COM LLC

3011 Sutton Gate Dr., Suite 210  
Suwanee, GA 30024  
(Phone) 678-926-3223  
[www.taxbiz.com](http://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](http://www.BrassTax.com)  
CTEC Provider #: 1008

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

508 Gibson Drive Ste 240  
Roseville, CA 95678  
(Phone) 916-960-2203  
[www.califnatp.com](http://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](http://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](http://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](http://www.calcpa.org)  
CTEC Provider #: 2099

## CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

450 N Street  
Sacramento, CA 95814  
(Phone) 916-704-6533  
CTEC Provider #: 3069

## CALIFORNIA SOCIETY OF TAX CONSULTANTS, INC.

PO Box 10  
Manhattan Beach, CA 90267  
(Phone) 949-715-4192  
(Fax) 949-715-6931  
[www.cstcsociety.org](http://www.cstcsociety.org)  
CTEC Provider #: 1000

## CALIFORNIA TAX COURSES

4859 W. Slauson Ave #406  
Los Angeles, CA 90056  
(Phone) 888-909-6276  
<https://cataxcourses.com/ctec-courses/ctec-60-hour-course/>  
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](http://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](http://www.ceselfstudy.com)  
CTEC Provider #: 6243

## CHECKPOINT LEARNING

P.O. Box 115008  
Carrollton, TX 75011-5008  
(Phone) 571-329-4709  
[www.checkpointlearning.com](http://www.checkpointlearning.com)  
CTEC Provider #: 3039

# SCHOOLS APPROVED FOR CONTINUING EDUCATION (20 HOURS)

## COLLEGE OF SAN MATEO

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

## COUNTINGWORKS, INC.

2549 Eastbluff Drive #448  
Newport Beach, CA 92660  
(Phone) 818-338-8700  
(Fax) 818-743-0551  
[www.clientwhys.com](http://www.clientwhys.com)  
CTEC Provider #: 1044

## CPE SOLUTIONS, LLC

5701 E Hillsborough Ave  
Suite #2459  
Tampa, FL 33610  
(Phone) 800-545-7601  
(Fax) 813-662-3563  
[www.cpecredit.com](http://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](http://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](http://www.fastforwardacademy.com)  
CTEC Provider #: 6209

## FEDERAL DIRECT TAX SERVICES

11905 Pendleton Pike  
Indianapolis, IN 46236  
(Phone) 317-723-8873  
(Fax) 317-252-0360  
[www.federaldirecttax.com](http://www.federaldirecttax.com)  
CTEC Provider #: 6245

## GEAR UP

P.O. Box 115008  
Carrollton, TX 75011-5008  
(Phone) 571-329-4709  
(Fax) 972-250-2972  
[www.checkpointlearning.com/  
gearup](http://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](http://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](http://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](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](http://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](http://www.haps-ca.org)  
CTEC Provider #: 6237

## HORIZON PLANNING

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

## INTERNAL REVENUE SERVICE

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 FORUMS

1111 Constitution Avenue Nw  
Washington, DC 20224  
(Phone) 202-317-4246  
CTEC Provider #: 6181

## IRS STAKEHOLDER LIAISON

4330 Watt Avenue  
Sacramento, CA 95821  
(Phone) 470-719-6716  
[www.irs.gov/taxpros](http://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/](http://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](http://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](http://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](http://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](http://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](http://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](http://www.my-cpe.com)  
CTEC Provider #: 6273

## NATIONAL ASSOCIATION OF ENROLLED AGENTS

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



# SCHOOLS APPROVED FOR CONTINUING EDUCATION (20 HOURS)

## **NATIONAL ASSOCIATION OF TAX PROFESSIONALS**

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

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

P.O. Box 560  
Zachary, LA 70791  
(Phone) 225-654-0790  
(Fax) 225-654-8000  
[ncpeseminars.com](http://ncpeseminars.com)  
CTEC Provider #: 6226

## **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](http://www.nsttp.org)  
CTEC Provider #: 2001

## **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](http://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](http://www.prontotaxschool.com)  
CTEC Provider #: 6201

## **REFUNDS TODAY DBA NATIONAL TAX SCHOOL**

225 Chastain Meadows Ct  
Kennesaw, GA 30144  
(Phone) 610-657-1232  
[www.Nationaltaxschool.net](http://www.Nationaltaxschool.net)  
CTEC Provider #: 3044

## **RIVERSIDE TAX CONSULTANTS ASSOCIATION**

P.O. Box 5546  
Riverside, CA 92517  
(Phone) 951-924-5421  
(Fax) 951-242-1039  
[www.rtcaweb.org](http://www.rtcaweb.org)  
CTEC Provider #: 2036

## **SPIDELL PUBLISHING**

P.O. Box 61044  
Anaheim, CA 92803  
(Phone) 317-308-0877  
(Fax) 714-776-9906  
[www.caltax.com](http://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](http://www.surgentcpe.com)  
CTEC Provider #: 6217

## **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](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://www.westerncpe.com)  
CTEC Provider #: 2071

## **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](http://www.irstaxtraining.com)  
CTEC Provider #: 6224

## 3IS TAX SCHOOL

16756 Blackhawk Street  
Granada Hills, CA 91344  
(Phone) 855-620-7988  
(Fax) 818-742-6248  
[www.3isschool.com](http://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.abeducate.com](http://www.abeducate.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](http://www.theaccountingacademy.com)  
CTEC Provider #: 6252

## AROUND THE BLOCK TAX SERVICES

214 N. Palm Ave.  
Ontario, CA 91762  
(Phone) 909-458-1910  
CTEC Provider #: 3094

## BESTAX & INSURANCE SERVICE

23962 Alessandro Blvd Ste Q  
Moreno Valley, CA 92553  
(Phone) 951-653-2202  
(Fax) 951-653-2473  
[www.bestaxservice.net](http://www.bestaxservice.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](http://www.bluemoonntax.com)  
CTEC Provider #: 6262

## CABRILLO COLLEGE

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

## CALIFORNIA SOCIETY OF TAX CONSULTANTS, INC.

PO Box 10  
Manhattan Beach, CA 90267  
(Phone) 949-715-4192  
(Fax) 949-715-6931  
[www.cstcsociety.org](http://www.cstcsociety.org)  
CTEC Provider #: 1000

## CALIFORNIA TAX COURSES

4859 W. Slauson Ave #406  
Los Angeles, CA 90056  
(Phone) 888-909-6276  
<https://cataxcourses.com/ctec-courses/ctec-60-hour-course/>  
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](http://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](http://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](http://www.collegeofsanmateo.edu/accounting)  
CTEC Provider #: 3025

## COLLEGE OF THE DESERT

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

## EVERGREEN VALLEY COLLEGE

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

## FEDERAL DIRECT TAX SERVICES

11905 Pendleton Pike  
Indianapolis, IN 46236  
(Phone) 317-723-8873  
(Fax) 317-252-0360  
[www.federaldirecttax.com](http://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](http://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](http://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](http://www.fullcoll.edu)  
CTEC Provider #: 6267

## GOLD STAR TAX SERVICE LLC

202 N Riverside Ave., Unit H  
Rialto, CA 92376  
(Phone) 909-258-2899  
[goldstartaxservice.com](http://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](http://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

## HORIZON PLANNING

3954 Murphy Canyon Road, D105  
San Diego, CA 92123  
(Phone) 858-277-8780  
(Fax) 858-277-4052  
[www.horizonplanning.com](http://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](http://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

## LATINO TAX PROFESSIONALS ASSOCIATION

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

## LIBERTY TAX SERVICE

500 Grapevine Hwy, Suite 402  
Hurst, TX 76054  
(Phone) 800-790-3863  
[www.libertytax.com](http://www.libertytax.com)  
CTEC Provider #: 2097

## LOS ANGELES VALLEY COLLEGE

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

## LOS RIOS COMMUNITY COLLEGE DISTRICT

3855 Freeport Blvd  
Sacramento, CA 95822  
(Phone) 916-588-2660  
[www.scc.losrios.edu](http://www.scc.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](http://www.miracosta.edu/Instruction/Accounting)  
CTEC Provider #: 1074

## MODESTO JUNIOR COLLEGE

435 College Avenue, Founders Hall #100  
Modesto, CA 95350  
(Phone) 209-575-6129  
<https://www.mjc.edu/instruction/bbss/ctec.php>  
CTEC Provider #: 6286

## MORENO VALLEY COLLEGE

16130 Lasselle Street  
Moreno Valley, CA 92551  
(Phone) 951-571-6108  
[www.mvc.edu](http://www.mvc.edu)  
CTEC Provider #: 6290

## MT. SAN ANTONIO COLLEGE

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

## NORCO COLLEGE

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

## OHLONE COLLEGE

43600 Mission Blvd.  
Fremont, CA 94539  
(Phone) 510-742-2301  
[www.ohlone.edu](http://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](http://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](http://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](http://www.prontotaxschool.com)  
CTEC Provider #: 6201

## REDEEMED BUSINESS & TAX SERVICES

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

## RIVERSIDE CITY COLLEGE

4800 Magnolia Avenue  
Riverside, CA 92506  
(Phone) 951-222-8000  
CTEC Provider #: 6289

## SAN DIEGO MIRAMAR & MESA COMMUNITY COLLEGE

10440 Black Mountain Road  
Attn: M107-P  
San Diego, CA 92126  
(Phone) 619-388-7699  
[www.sdmiramar.edu](http://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](http://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](http://www.smc.edu/AcademicPrograms/BusinessDepartment/Pages/Tax_Preparation.aspx)  
CTEC Provider #: 6244

## SIERRA COLLEGE

5100 Sierra College Blvd.  
Rocklin, CA 95677  
(Phone) 916-660-7800  
[www.sierracollege.edu](http://www.sierracollege.edu)  
CTEC Provider #: 6287

## SKYLINE COLLEGE

3300 College Drive  
San Bruno, CA 94066  
(Phone) 650-738-4201  
(Fax) 650-738-4205  
[www.skylinecollege.edu](http://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](http://www.swccd.edu)  
CTEC Provider #: 6265

## 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](http://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](http://www.universalaccounting.com)  
CTEC Provider #: 3060

# SCHOOLS APPROVED FOR CONTINUING EDUCATION (60 HOURS)

**VENETREAS CAVINESS  
DBA VEE'S CONSULTING  
360**

360 N Pacific Coast Highway , Suite 2000  
El Segundo, CA 90245  
(Phone) 833-234-8933  
(Fax) 323-417-4742  
[www.veesconsulting360.com](http://www.veesconsulting360.com)  
CTEC Provider #: 6285

**WOODLAND  
COMMUNITY COLLEGE**

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



# 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, 2022, 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, 2022, 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 Auditors' 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, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 30 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 2, 2022

# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED JUNE 30, 2022

## Assets

	2022
Current assets	
Cash and cash equivalents - without restrictions	\$ 371,260
Certificates of deposit	746,266
Prepaid expenses	191
Total current assets	1,117,717
Property and equipment, net of accumulated depreciation	-
Intangible assets, net of accumulated amortization	124,894
<b>Total Assets</b>	<b>\$ 1,242,611</b>

## Liabilities and Net Assets

Current liabilities	
Accounts payable	\$ 44,955
Income tax payable	786
Sales tax payable	95
Total current liabilities and total liabilities	45,836
Net assets	
Net assets without donor restrictions	1,196,775
Total net assets without donor restrictions	1,196,775
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,242,611</b>

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

# STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

## FOR THE YEAR ENDED JUNE 30, 2022

<b>Revenues</b>	2022
Registration fees	\$ 1,283,647
Late registration fees	361,845
Mailing list	4,500
Provider fees	26,750
Certificates	480
Other income	551
Interest income	724
Investment income (loss)	(5,060)
Total revenues	<u>\$ 1,673,437</u>
<b>Program and Administrative Expenses</b>	
Program services	
Communication and technology	140,795
Curriculum provider committee	121,522
Executive committee	648
Governmental relations committee	325,407
Public awareness committee	390,336
Tax preparer committee	404,204
Supporting services	
Audit oversight committee	16,367
Board activities	143,580
General and administrative	114,717
Total program and administrative expenses	<u>\$ 1,657,576</u>
<b>Change in Net Assets</b>	15,861
<b>Net Assets - Beginning of Fiscal Year</b>	<u>1,180,914</u>
<b>Net Assets - Ending of Fiscal Year</b>	<u><u>\$ 1,196,775</u></u>

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

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

## Cash flows from operating activities:

Change in net assets	\$ 15,861
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	33,984
(Increase) decrease in prepaid expenses	(24)
Increase (decrease) in accounts payable	(84,138)
Increase (decrease) in sales tax payable	(46)
Increase (decrease) in income tax payable	786
Unrealized and realized loss (gain) on investments	5,060
Total adjustments	(44,378)
Net cash provided (used) by operating activities	(28,517)

## Cash flows from investing activities:

Proceeds from the redemption of certificates of deposit	750,000
Purchase of certificates of deposit	(749,882)
Interest accrued on certificates of deposit	(1,444)
Net cash provided (used) by investing activities	(1,326)

## Cash flow from financing activities:

	-
Net cash provided (used) by financing activities	-

Net increase (decrease) in cash and cash equivalents	(29,843)
--	----------

## Cash and cash equivalents:

Beginning of year	401,103
End of year	\$ 371,260

## Supplemental disclosure of cash flow information

Cash paid for income taxes	\$ 462
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The accompanying notes are an integral part of these financial statements.

# 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	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 11,100	\$ —	\$ —	\$ 11,100
Advertising & Promotion	—	—	—	—	239,463	—	—	—	—	239,463
Amortization	—	3,059	—	—	20,390	10,535	—	—	—	33,984
Audit Review	—	11,391	—	—	—	—	—	—	—	11,391
Credit Card Fees	—	—	—	—	—	49,504	—	—	—	49,504
Enforcement	—	—	—	240,357	—	—	—	—	—	240,357
Insurance	1,799	—	—	—	—	—	—	—	1,120	2,919
Management Fee	28,350	28,350	—	85,050	28,350	226,800	—	85,050	85,050	567,000
Meetings & Conferences	—	—	648	—	—	—	—	36,794	—	37,442
Microsoft Cloud	10,506	—	—	—	—	—	—	—	—	10,506
Outside Consultants	42,000	78,722	—	—	100,333	98,715	—	—	—	319,770
Postage	—	—	—	—	—	8,497	—	—	322	8,819
Printing	—	—	—	—	—	10,153	5,267	—	4,926	20,346
Taxes	—	—	—	—	—	—	—	12	1,249	1,261
Telephone and Fax	—	—	—	—	1,800	—	—	—	—	1,800
Travel	—	—	—	—	—	—	—	—	—	—
Mileage	—	—	—	—	—	—	—	2,018	—	2,018
Airfare	—	—	—	—	—	—	—	2,079	—	2,079
Cab	—	—	—	—	—	—	—	137	—	137
Hotel	—	—	—	—	—	—	—	15,226	—	15,226
Parking	—	—	—	—	—	—	—	564	—	564
Per Diem	—	—	—	—	—	—	—	1,700	—	1,700
Website and Database Updates	58,140	—	—	—	—	—	—	—	—	58,140
Total Expenses	\$ 140,795	\$ 121,522	\$ 648	\$ 325,407	\$ 390,336	\$ 404,204	\$ 16,367	\$ 143,580	\$ 114,717	\$ 1,657,576

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

## 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 38,278 tax preparers for the year ended June 30, 2022.

### 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 stream is as follows:

Registration Fees – Renewal or initial fees collected from CTEC Registered Tax Preparers ("CRTPs"). In order to become registered, preparers must successfully complete a 60 hour qualifying education course, have a current surety bond, and a valid Preparer Tax Identification Number issued by the Internal Revenue Service. After they have become registered preparers must annually complete 20 hours of continuing education. Renewal 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.

### 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.

### Cash and Cash Equivalents

The Organization considers all short-term demand checking and savings accounts to be cash equivalents.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED JUNE 30, 2022

### 1. Organization and Significant Accounting Policies (continued)

#### Investments

Excess cash is invested in certificates of deposit ("CD's") with an investment brokerage account through Raymond James and Associates, Inc., and is managed by GSR Capital Management. The investments are scheduled with staggered maturities ranging from four months to one year to meet daily operating requirements as needed throughout the year. The Organization records CD's at cost plus accrued interest and unrealized gains and losses, which approximates market value.

#### 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.

Although the functions and activities of the Organization are generally tax exempt, the Organization receives revenues from the sale of mailing lists of CTEC Registered Tax Preparers. To the extent such "unrelated" activities reflect a net profit, such net profit is reported as "unrelated business income" and is taxed at prevailing corporate tax rates. For the year ended June 30, 2022, the Organization had federal and state income tax expenses for unrelated business income of \$1,108 and \$309, respectively. Penalties for the year ended June 30, 2022 were \$12.

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, 2019 and thereafter and the Organization's California returns for the years ended June 30, 2018 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 7-10 years.

#### Advertising and Public Relations Costs

The Organization expenses advertising and public relations costs on contracts spanning two 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

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

## 1. Organization and Significant Accounting Policies (continued)

of informing the public about the requirements. Advertising and public relations cost for the year ended June 30, 2022, amounted to \$239,463.

### 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, 2022, enforcement expense amounted to \$240,357.

### 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 fees 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 maintains cash accounts which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. To reduce the concentration of credit risk, the Organization purchases individual CD's which are held with various banking institutions with no single certificate exceeding the FDIC liability limit. Account balances may exceed federally insured limits periodically and as CD's mature. At June 30, 2022, the organization had funds which exceeded the FDIC liability limit by \$142,005.

The balance in cash and cash equivalents on June 30, 2022 include:

Demand Deposits	\$ 335,440
Money Market Funds	<u>35,819</u>
Total Cash and Cash Equivalent	<u>\$ 371,259</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED JUNE 30, 2022

### 3. Certificates of Deposits

Bank of Baroda New York, matures 4/25/2023	\$ 248,629
Hingham Institution Massachusetts, matures 7/29/2022	249,845
Safra National Bank New York, matures 2/09/2023	<u>247,792</u>
	<u>\$ 746,266</u>

### 4. Property and Equipment

Property and equipment at June 30, 2022 consisted of the following:

Computer equipment	\$ 22,905
Less accumulated depreciation	<u>(22,905)</u>

Property and equipment, net accumulated depreciation \$ -

For the year ended June 30, 2022, depreciation expense totaled \$0.

### 5. Intangible Assets

Intangible assets at June 30, 2022 consisted of the following:

Computer software	\$ 378,912
Less accumulated amortization	<u>(254,018)</u>

Intangible assets, net accumulated amortization \$ 124,894

For the year ended June 30, 2022, amortization expense totaled \$33,984.

Amortization is taken over an estimated useful life of seven to ten years. Future estimated aggregate amortization expense is as follows:

June 30, 2023	\$ 33,164
June 30, 2024	33,152
June 30, 2025	26,484
June 30, 2026	10,698
June 30, 2027	10,698
Future Years	10,698

Total \$ 124,894

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

## 6. 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, 2022. 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, 2022</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market Fund	\$ 35,819	\$ 35,819	\$ -	\$ -
Certificate of Deposits	<u>746,266</u>	<u>-</u>	<u>746,266</u>	<u>-</u>
	<u>\$ 782,085</u>	<u>\$ 35,819</u>	<u>\$ 746,266</u>	<u>\$ -</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

## 7. 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. 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.

## 8. Liquidity

As of June 30, 2022, the Organization has no legal or donor restrictions on any financial assets. Because the Organization collects the majority of its revenue between August 1<sup>st</sup> of any current year and January 15<sup>th</sup> 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.

# SUPPLEMENTAL INFORMATION

**California Tax Education Council, Inc**  
**Statement of Activities and Change in Net Assets**  
**Budget to Actual**  
**Year Ended June 30, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Over Budget (Under Budget)</b>
<b>Revenues</b>			
Registration fees	\$ 1,367,000	\$ 1,283,647	\$ (83,353)
Late registration fees	368,000	361,845	(6,155)
Mailing list	3,500	4,500	1,000
Provider fees	27,900	26,750	(1,150)
Certificates	500	480	(20)
Other income	400	551	151
Interest income	8,125	724	(7,401)
Investment income (loss)	-	(5,060)	(5,060)
Total revenues	\$ 1,775,425	\$ 1,673,437	\$ (101,988)
<b>Program and Administrative Expenses</b>			
Program services			
Communication and technology	\$ 114,750	\$ 140,795	\$ 26,045
Curriculum provider committee	96,050	121,522	25,472
Executive committee	1,750	648	(1,102)
Governmental relations committee	522,000	325,407	(196,593)
Public awareness committee	350,300	390,336	40,036
Tax preparer committee	204,500	404,204	199,704
Supporting services			
Audit oversight committee	22,250	16,367	(5,883)
Bylaws committee	250	-	(250)
Budget and finance committee	250	-	(250)
Board activities	120,500	143,580	23,080
General and administrative	611,500	114,717	(496,783)
Total program and administrative expenses	\$ 2,044,100	\$ 1,657,576	\$ (386,524)