

# 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

I believe we can all concur 2020 was a challenge. For the Council, the COVID-19 pandemic created tough decisions and fast actions to ensure new requirements to the Tax Preparation Act were accomplished by the July 1st deadline. Public Awareness also faced unforeseen challenges to reach taxpayers through the extended July 15th tax filing deadline.

I'm proud to say all was done. On time and within budget.

In keeping compliant with the new requirements to California Business and Profession Code Section 22251.3, new CTEC applicants are now undergoing background checks and submitting fingerprint images to CTEC before they can register. The Council and administrative staff worked endlessly to get systems up and running prior to the stated deadline.

The IT department implemented several changes to the registration system based on recommendations from the Tax Preparer Committee and the Council.

The new process also demanded a change to our in-house new application process. A paralegal, three background reviewers and three hearing officers are now assisting CTEC administrative staff with processing and reviewing new applicants.

The Council continues to work with the legislature to protect taxpayers from unregistered tax preparers. Our Public Awareness Committee works closely with the California Franchise Tax Board to inform the public on how to choose a tax preparer. Thanks to the Council's proactive approach, CTEC's message was extended to reach taxpayers through the July 15th deadline without an increase in budget.

It has been an honor to serve as Chair over the past two years. I am proud of the work the Council has been tasked with and completed during my tenure. Looking forward to continued service on the Council in the coming years.



*Susie DiMaggio, EA*

# 2019 - 2020 Council Members



**Susie L. DiMaggio**

*Chair*

Appointed by: California  
Society of Enrolled Agents



**Esperanza Escobedo**

*Treasurer*

CTEC Registered Tax Preparer  
Soledad, CA



**Karen De Vaney**

*Secretary*

Appointed by: California  
Society of Tax Consultants, Inc.



**Marie Archibeque**

CTEC Registered Tax Preparer,  
Modesto, CA  
2019-2020



**Brandon Chanley**

Appointed by: Jackson Hewitt  
Tax Service



**C. Lester Crawford**

CTEC Registered Tax Preparer  
Los Angeles, CA



**Ray Davis**

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



**Margaret "Margy" Dunn**

Appointed by: National  
Association of Enrolled Agents  
2010-2020



**Richard Ernst**

Appointed by: Liberty Tax  
Service



**Ruth Godfrey**

Appointed by: National Society  
of Accountants



**Aaron Gray**

CTEC Registered Tax Preparer  
Long Beach, CA  
2008-2019



**Cindy Hockenberry**

Appointed by: National  
Association of Tax Professionals  
2019-2020



**Stephen McMillen**

CTEC Registered Tax Preparer,  
Palm Desert, CA  
2019-2020



**Katie Zollo**

CTEC Registered Tax Preparer  
Ukiah, CA



# 2019 - 2020 Government Agency Representatives



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



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



**Sue Gaston**  
Representative, Internal  
Revenue Service

# 2019 - 2020 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, 2020, CTEC has registered 39,446 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 – 06/30/2020	39,446

CALIFORNIA TAX EDUCATION COUNCIL (CTEC)

# CTEC REGISTERED TAX PREPARERS (CRTPs)

ON JUNE 30, 2020, THERE WERE 39,446 CRTPs



Alameda	1305	Nevada	65
Alpine	1	Orange	3307
Amador	16	Placer	256
Butte	137	Plumas	12
Calaveras	27	Riverside	2549
Colusa	14	Sacramento	1907
Contra Costa	903	San Benito	63
Del Norte	17	San Bernardino	2676
El Dorado	67	San Diego	2985
Fresno	978	San Francisco	453
Glenn	18	San Joaquin	617
Humboldt	52	San Luis Obispo	141
Imperial	275	San Mateo	438
Inyo	5	Santa Barbara	275
Kern	996	Santa Clara	1715
Kings	81	Santa Cruz	239
Lake	44	Shasta	102
Lassen	14	Sierra	2
Los Angeles	12425	Siskiyou	25
Madera	130	Solano	416
Marin	126	Sonoma	356
Mariposa	6	Stanislaus	541
Mendocino	52	Sutter	92
Merced	272	Tehama	42
Modoc	2	Trinity	3
Mono	2	Tulare	374
Monterey	406	Tuolumne	36
Napa	78	Ventura	691
		Yolo	103
		Yuba	50
		Out of State	466
		Total	39,446

# PUBLIC AWARENESS CAMPAIGN MAINTAINS MOMENTUM DURING COVID-19

CTEC expanded public awareness efforts to warn California taxpayers about ghost tax preparers during the 2020 tax season. The campaign was an addition to a second campaign focused on educating taxpayers about CTEC, CRTPs and how to find a California approved tax preparer.

In order to reach taxpayers on a larger statewide level, the Council increased its paid 2019/2020 advertising budget based on the following...

- Analytics reports continue to show interest from taxpayers regarding CTEC messages.
- An independent survey conducted by a research firm showed increased awareness over the past two years with a good percentage of taxpayers admitting to having issues with ghost tax preparers.
- A potential ghost tax preparer enforcement partnership with the Franchise Tax Board (FTB).

Outdoor advertisements, radio spots, Internet advertisements and boosted social media posts ran throughout the 2020 tax season in all major California markets, which included more focus on counties FTB identified as having issues with questionable tax preparers.

## COVID-19 Challenges

The CTEC campaign faced unforeseen challenges due to the COVID-19 pandemic. Budget adjustments were made in order to continue awareness through the extended July 15, 2020 tax filing deadline.

This is new territory for empirical research and measurement. It is also difficult to compare 2019 to 2020 public awareness results because the pandemic monopolized the media and minds of taxpayers. Additionally, CTEC had to extend the

advertising budget past its shelf life.

OutFront Media (responsible for most of CTEC's 2020 outdoor advertising) conducted a study and reported an approximate 30% loss in traffic for most of its outdoor advertisements. The only exception was with San Francisco BART, which

## Advertising Survey Results

Due to the increased advertising budget, CTEC hired an outside research firm (this was decided before the pandemic) to measure the results of the campaign. The survey was conducted between March 23 through April 15, 2020 - at the height of the stay at home mandate. During that time, 1,000 taxpayers in Los Angeles were surveyed in English, Spanish and Mandarin.

According to the survey, CTEC awareness decreased by 4% compared to 2019. In comparing it to 2018 results, awareness remained the same. Of those surveyed, most recalled seeing CTEC's message on billboards and bus signs, followed by social media and then radio.

When asked how the pandemic impacted their travels, 6 out of 10 respondents claimed they "rarely" or "never" went out due to the Coronavirus. Of those, 70% were Hispanics, 58% English and 53% were Chinese.

Due to the unusual circumstances of the campaign, the research firm isolated those respondents in its report and found that those who claimed they "rarely" or "never" went out actually had a higher level of CTEC awareness at 22%. In 2019, CTEC awareness was at 19%, which was considered "strong."

The research firm attributed it to heightened levels of social media and radio time at home. According to the report, social media awareness doubled to 57%, YouTube tripled to 47% and radio doubled to 47%.

Based on OutFront Media research and the research firm study, experts concluded that given the situation and awareness not down too much, the results were not "shocking."

experienced an estimated 92% loss in traffic. Space available bonuses were extended multiple times in all markets to make up for lost traffic.

For the 2020 campaign, CTEC spent \$549,531 on outdoor, Internet and social media advertising. Thanks to space available bonuses to make up for lost

**More than 1.8 million taxpayers took action on the 2020 campaign**

traffic, plus negotiated discounts and bonuses, CTEC received more than \$1,347,911 in free advertising. The number of actions taken by taxpayers (this includes video views, clicks, website visits and social media engagement) totaled 1,802,826 - a new record high for public awareness efforts.

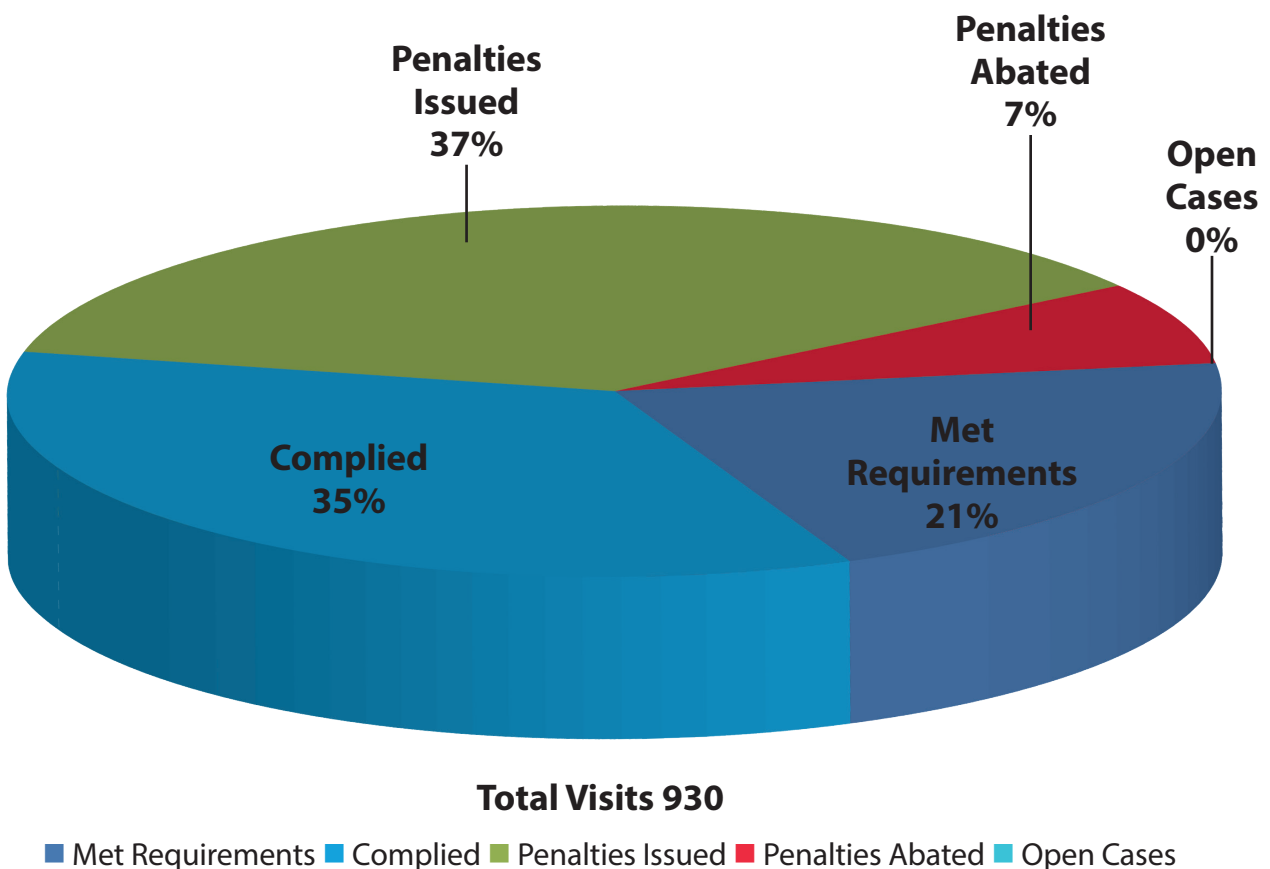
## 2019/2020 ENFORCEMENT RESULTS

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.





# SCHOOLS APPROVED FOR CONTINUING EDUCATION (20 HOURS)

## @ 1ST ATTEMPT

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

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

16933 Parthenia St., Suite 202  
Northridge, CA 91343  
(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.aboffice.com](http://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.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

## 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](http://www.besttaxservice.net)  
CTEC Provider #: 6206

## 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

9165 Owari Lane  
Riverside, CA 92508  
(Phone) 951-534-4501  
(Fax) 951-848-9549  
[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, 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](http://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](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) 800-431-9025  
[www.checkpointlearning.com](http://www.checkpointlearning.com)  
CTEC Provider #: 3039

## CLIENTWHYS, INC.

3300 Irvine Avenue, Suite 208  
Newport Beach, CA 92660  
(Phone) 818-338-8700  
(Fax) 818-743-0551  
[www.clientwhys.com](http://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](http://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](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

# SCHOOLS APPROVED FOR CONTINUING EDUCATION (20 HOURS)

## **FAST FORWARD ACADEMY**

3670 Maguire Blvd, Ste. 110  
Orlando, FL 32803  
(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) 866-357-2052  
(Fax) 317-252-0360  
[www.federaldirecttax.com](http://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](http://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](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

## **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 FORUM**

1111 Constitution 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](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

## **LIBERTY TAX SERVICE**

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

## **MBS TAX & ACCOUNTING**

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

## **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

## **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) 800-682-2163  
(Fax) 225-654-8000  
[ncpeseminars.com](http://ncpeseminars.com)  
CTEC Provider #: 6226

# SCHOOLS APPROVED FOR CONTINUING EDUCATION (20 HOURS)

## NATIONAL SOCIETY OF PUBLIC ACCOUNTANTS

1330 Braddock Place, Suite 540  
Alexandria, VA 22314  
(Phone) 800-966-6679  
(Fax) 703-549-2512  
[www.nsacct.org](http://www.nsacct.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](http://www.nsttp.org)  
CTEC Provider #: 2001

## 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) 260-760-7416  
[www.nationaltaxschool.net](http://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](http://www.rtcaweb.org)  
CTEC Provider #: 2036

## SD TAX SERVICES DBA CALIFORNIA TAX COURSES

4859 W. Slauson Ave #406  
Los Angeles, CA 90056  
(Phone) 844-226-2646  
<https://Cataxcourses.com/>  
CTEC Provider #: 6280

## SPIDELL PUBLISHING

P.O. Box 61044  
Anaheim, CA 92803  
(Phone) 714-776-7850  
(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 EASE, LLC

39270 Paseo Padre Pwy #624  
Fremont, CA 94538  
(Phone) 512-256-5812  
(Fax) 510-779-5251  
[www.taxeaseed.com](http://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](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

## WISEGUIDES

10426 North Florida Avenue  
Tampa, FL 33612  
(Phone) 978-697-8555  
[www.wiseguides.com](http://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](http://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](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.aboffice.com](http://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](http://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.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.

320 Pine Ave, Suite #1050  
Long Beach, CA 90802  
(Phone) 949-715-4192  
(Fax) 949-715-6931  
[www.cstcsociety.org](http://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](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

## 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) 866-357-2052  
(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

## GATEWAY TAX SERVICE

11200 Crenshaw Blvd  
Inglewood, CA 90303  
(Phone) 323-757-6900  
(Fax) 310-496-0109  
[www.gatewaytaxservice.com](http://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](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

## HIGH SPEED TAX SERVICE LLC

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

## 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](http://www.horizonplanning.com)  
CTEC Provider #: 6281

# SCHOOLS APPROVED FOR QUALIFYING EDUCATION (60 HOURS)

## 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

## 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](http://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](http://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](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

8401 Center Parkway  
Sacramento, CA 95823  
(Phone) 916-691-7226  
(Fax) 916-691-7443  
[www.crc.losrios.edu](http://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](http://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](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

## R & V INCOME TAX SERVICES

2998 Mission Street  
San Francisco, CA 94110  
(Phone) 415-933-1104  
[www.randvincometaxservices.com](http://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](http://www.getredeemednow.com)  
CTEC Provider #: 6249

## SAN DIEGO CITY COLLEGE

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

## 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

## 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

## 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



# SCHOOLS APPROVED FOR CONTINUING EDUCATION (60 HOURS)

## 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

## 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

## YUBA COMMUNITY COLLEGE

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



# INDEPENDENT AUDITOR'S REPORT

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the California Tax Education Council (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Tax Education Council as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of activities and changes in net assets – budget to actual on pages 30–31 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

# STATEMENTS OF FINANCIAL POSITION

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 2)	\$ 223,897	\$ 74,251
Certificates of Deposit (Note 3)	750,000	1,250,000
Prepaid Expenses	<u>942</u>	<u>942</u>
Total Current Assets	\$ <u>974,839</u>	\$ <u>1,325,193</u>
Software and Equipment, Net (Note 4)	<u>\$ 191,139</u>	<u>\$ 149,331</u>
Total Assets	<u><u>\$ 1,165,978</u></u>	<u><u>\$ 1,474,524</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	<u>\$ 54,619</u>	<u>\$ 68,287</u>
Total Current Liabilities and Total Liabilities	<u>\$ 54,619</u>	<u>\$ 68,287</u>
Net Assets		
Net Assets without Donor Restrictions	<u>\$ 1,111,359</u>	<u>\$ 1,406,237</u>
Total Liabilities and Net Assets	<u><u>\$ 1,165,978</u></u>	<u><u>\$ 1,474,524</u></u>

# STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
REVENUE		
Registration Fees	\$ 1,305,051	\$ 1,316,007
Late Registration Fees	391,765	389,125
Certificates	870	4,640
Provider Fees	27,100	25,800
Mailing List	3,500	4,250
Other Income	240	384
Interest	27,381	22,778
Total Revenues	\$ 1,755,907	\$ 1,762,984
EXPENSES		
Board Activities	\$ 143,625	\$ 170,360
Audit Oversight Committee	18,951	17,264
General and Administrative	115,422	112,279
Communication and Technology	119,003	64,327
Curriculum Provider Committee	124,932	116,009
Budget and Finance Committee		
Executive Committee	986	18,362
Governmental Relations Committee	341,811	386,641
Public Awareness Committee	875,254	597,817
Tax Preparer Committee	310,800	312,628
Total Expenses	\$ 2,050,785	\$ 1,795,687
CHANGE IN NET ASSETS	(\$ 294,878)	(\$ 32,703)
Net Assets, Beginning of Fiscal Year	1,406,237	1,438,940
Net Assets, End of Fiscal Year	\$ 1,111,359	\$ 1,406,237



# STATEMENT OF FUNCTIONAL EXPENSES

## FOR THE YEAR ENDED JUNE 30, 2020

	Board Activities	Audit Oversight Committee	General & Administrative	Communication & Technology	Curriculum Provider Committee	Budget & Finance Committee	Executive Committee	Governmental Relations Committee	Public Awareness Committee	Tax Preparer Committee	Total Expenses
Accounting	\$ —	\$ 13,912	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 13,912
Advertising & Promotion	—	—	—	—	—	—	—	—	799,841	—	799,841
Amortization	—	—	—	—	2,757	—	—	—	19,910	10,412	33,079
Audit Review	—	—	—	—	4,175	—	—	—	—	—	4,175
Bank Service Charges	—	—	75	—	—	—	—	—	—	—	75
Credit Card Fees	—	—	—	—	—	—	—	—	—	47,409	47,409
Enforcement	—	—	—	—	—	—	—	257,067	—	—	257,067
Fees & Licenses	—	—	150	—	—	—	—	—	—	—	150
Insurance	—	—	3,049	1,698	—	—	—	—	—	—	4,747
Legal	—	—	24,846	—	—	—	—	—	—	—	24,846
Management Fee	82,350	—	82,350	27,450	27,450	—	—	82,350	27,450	219,600	549,000
Meetings & Conferences	40,124	—	—	—	1,000	—	986	—	—	—	42,110
Miscellaneous	—	—	1,658	—	—	—	—	—	—	—	1,658
Outside Consultants	—	—	—	47,855	89,550	—	—	—	—	—	137,405
Postage	—	—	234	—	—	—	—	—	9,055	13,813	23,102
Printing	—	5,039	3,061	—	—	—	—	—	13,349	19,567	41,016
Telephone & Fax	—	—	—	—	—	—	—	—	1,800	—	1,800
Travel	—	—	—	—	—	—	—	2,394	3,849	—	6,243
Mileage	1,627	—	—	—	—	—	—	—	—	—	1,627
Airfare	1,829	—	—	—	—	—	—	—	—	—	1,829
Hotel	14,150	—	—	—	—	—	—	—	—	—	14,150
Per Diem	1,850	—	—	—	—	—	—	—	—	—	1,850
Cab	422	—	—	—	—	—	—	—	—	—	422
Parking	1,273	—	—	—	—	—	—	—	—	—	1,273
Web Page	—	—	—	42,000	—	—	—	—	—	—	42,000
Total Expenses	\$ 143,625	\$ 18,951	\$ 115,422	\$ 119,003	\$ 124,932	\$ 0	\$ 986	\$ 341,811	\$ 875,254	\$ 310,800	\$ 2,050,785

# STATEMENT OF FUNCTIONAL EXPENSES

## FOR THE YEAR ENDED JUNE 30, 2019

	Board Activities	Audit Oversight Committee	General & Administrative	Communication & Technology	Curriculum Provider Committee	Budget & Finance Committee	Executive Committee	Governmental Relations Committee	Public Awareness Committee	Tax Preparer Committee	Total Expenses
Accounting	\$ —	\$ 12,230	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12,230
Advertising & Promotion	—	—	—	—	—	—	—	—	528,968	—	528,968
Amortization	—	—	—	—	2,757	—	—	—	19,910	10,412	33,079
Audit Review	—	—	—	—	9,800	—	—	—	—	—	9,800
Bank Service Charges	—	—	196	—	—	—	—	—	—	—	196
Credit Card Fees	—	—	—	—	—	—	—	—	—	48,216	48,216
Enforcement	—	—	—	—	—	—	—	301,490	—	—	301,490
Fees & Licenses	—	—	150	—	—	—	—	—	—	—	150
Insurance	—	—	3,148	1,674	—	—	—	—	—	—	4,822
Legal	—	—	19,483	—	—	—	—	—	—	—	19,483
Management Fee	82,350	—	82,350	27,450	27,450	—	—	82,350	27,450	219,600	549,000
Meetings & Conferences	49,958	—	—	—	1,500	—	—	—	—	—	51,458
Miscellaneous	—	—	551	—	—	—	—	—	—	—	551
Outside Consultants	—	—	—	7,403	74,502	—	3,362	—	—	—	85,267
Postage	—	—	214	—	—	—	—	—	4,966	13,998	19,178
Printing	—	5,034	6,187	—	—	—	—	—	12,332	20,402	43,955
Sunset Review	—	—	—	—	—	—	15,000	—	—	—	15,000
Telephone & Fax	—	—	—	—	—	—	—	—	255	—	255
Travel	—	—	—	—	—	—	—	2,801	3,936	—	6,737
Mileage	3,944	—	—	—	—	—	—	—	—	—	3,944
Airfare	5,015	—	—	—	—	—	—	—	—	—	5,015
Hotel	22,738	—	—	—	—	—	—	—	—	—	22,738
Per Diem	4,250	—	—	—	—	—	—	—	—	—	4,250
Cab	474	—	—	—	—	—	—	—	—	—	474
Parking	1,631	—	—	—	—	—	—	—	—	—	1,631
Web Page	—	—	—	27,800	—	—	—	—	—	—	27,800
Total Expenses	\$ 170,360	\$ 17,264	\$ 112,279	\$ 64,327	\$ 116,009	\$ 0	\$ 18,362	\$ 386,641	\$ 597,817	\$ 312,628	\$ 1,795,687

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

# STATEMENTS OF CASH FLOWS

## FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	(\$ 294,878)	(\$ 32,703)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Amortization	33,079	33,079
(Decrease)/Increase in Accounts Payable	( 13,668)	24,331
Net Cash (Used)/Provided by Operating Activities	<u>\$ (275,467)</u>	<u>\$ 24,707</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Software and Equipment	(\$ 74,887)	(\$ 6,151)
Proceeds from the Redemption of Certificates of Deposits	1,250,000	1,000,000
Purchase of Certificates of Deposits	( 750,000)	( 1,250,000)
Net Cash Provided/(Used) by Investing Activities	<u>\$ 425,113</u>	<u>\$ 256,151</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>\$ 149,646</u>	<u>\$ 231,444</u>
Cash and Cash Equivalents, Beginning of Year	<u>\$ 74,251</u>	<u>\$ 305,695</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 223,897</u></u>	<u><u>\$ 74,251</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES:

Principles of Accounting and Nature of Operations - The accompanying financial statements reflect the operations for the California Tax Education Council (CTEC), which was incorporated on January 14, 1997, and commenced active operations on July 1, 1997. CTEC is a public benefit corporation and use or distribution of its assets is subject to certain restrictions.

The State of California requires that all persons in California who prepare taxes for a fee meet certain education requirements and register annually, with exception to IRS Circular 230 tax preparers. CTEC collects registration fees, verifies that tax preparers have met the education and bond requirements, issues certificates, and approves education providers. CTEC registered 39,446 and 39,770 tax preparers in 2020 and 2019, respectively.

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

*Net Assets without Donor Restriction* - Net assets that are not subject to donor-imposed stipulations.

*Net Assets with Donor Restrictions* - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of CTEC and/or the passage of time. CTEC had no net assets with donor restrictions at June 30, 2020 or 2019.

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

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

Investments - Investments are comprised of certificates of deposit (CD's) and are recorded at fair value. Interest earned on the CD's is reported as revenue. The investments were managed through GSR Capital Management, Inc. for the year



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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

Investments (Continued) - ended June 30, 2020 and Wells Fargo Bank for the year ended June 30, 2019, who purchased, reinvested, and redeemed the certificates on behalf of CTEC.

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

Depreciation and amortization is provided on the straight-line method over the estimated useful lives of assets as follows.

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

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

Advertising and Promotion Costs - CTEC expenses advertising costs the first time the advertising occurs on a contract spanning less than a year in length. CTEC uses advertising to assure that the public is informed of the requirements for unlicensed tax preparers practicing in California to be registered. Advertising and promotion costs for the years ended June 30, 2020 and 2019 was \$799,841 and \$528,968, respectively. For the years ended June 30, 2020 and 2019, \$75,000 was related to the hiring of an outside public relations firm. These amounts are included in advertising and promotion costs.

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



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued):

For the years ended June 30, 2020 and 2019, CTEC budgeted enforcement expenses were \$340,000 and \$310,000, respectively. Actual expenditures for the years ended June 30, 2020 and 2019 were \$257,067 and \$301,490, respectively.

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

CTEC applies the accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements.

Reclassifications - Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 financial statement presentation.

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

NOTE 2 CASH AND CONCENTRATIONS OF CREDIT RISK:

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

CTEC maintains cash balances at Wells Fargo Bank and Raymond James & Associates, Inc. Cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, money market investment accounts are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000. To reduce the concentration of credit risk, individual certificates of deposit are held with various banking institutions with no single certificate exceeding the FDIC limit.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

## NOTE 2 CASH AND CONCENTRATIONS OF CREDIT RISK (Continued):

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

	<u>2020</u>	<u>2019</u>
Demand Deposits	\$ 189,506	\$ 67,555
Money Market Funds	<u>34,391</u>	<u>6,696</u>
Total Cash and Cash Equivalents	<u>\$ 223,897</u>	<u>\$ 74,251</u>

## NOTE 3 CERTIFICATES OF DEPOSITS:

On June 30, 2020 and 2019, certificates of deposit totaled \$750,000 and \$1,250,000, respectively. They mature as follows for the year ended of June 30, 2020:

<u>Institution</u>	<u>Maturity Date</u>	<u>Amount</u>
Bank of America NA	July 23, 2020	\$ 250,000
Bank of China New York, NY	September 18, 2020	250,000
Morgan Stanley Private Bank	February 12, 2021	250,000
		<u>\$ 750,000</u>

CTEC's certificates of deposit matured as follows for the year ended of June 30, 2019:

<u>Institution</u>	<u>Maturity Date</u>	<u>Amount</u>
Hancock Whitney	July 25, 2019	\$ 250,000
Customers Bank	September 13, 2019	250,000
Morgan Stanley Bank	October 25, 2019	250,000
US Bank Natl Assoc	January 23, 2020	250,000
Fifth Third Bank	March 13, 2020	250,000
		<u>\$ 1,250,000</u>

NOTE 4 SOFTWARE AND EQUIPMENT:

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

Software and equipment as of June 30, 2020 was as follows:

	June 30, 2019	Additions	Deletions	June 30, 2020
Computer Equipment	\$ 22,905	\$	\$	\$ 22,905
Software	304,025	74,887		378,912
Total Equipment	326,930	74,887		401,817
Less: Accumulated Depreciation and Amortization	( 177,599)	( 33,079)		( 210,678)
Software and Equipment, net	\$ 149,331	\$ 41,808	\$	\$ 191,139

Amortization expense for the year ended June 30, 2020 was \$33,079.

Software and equipment as of June 30, 2019 was as follows:

	June 30, 2018	Additions	Deletions	June 30, 2019
Computer Equipment	\$ 22,905	\$	\$	\$ 22,905
Software	297,874	6,151		304,025
Total Equipment	320,779	6,151		326,930
Less: Accumulated Depreciation and Amortization	( 144,520)	( 33,079)		( 177,599)
Software and Equipment, net	\$ 176,259	\$ 26,928	\$	\$ 149,331

Amortization expense for the year ended June 30, 2019 was \$33,079.

NOTE 5 MANAGEMENT COMPANY:

Advocation Strategies Inc. (Management Company) provides management services for CTEC. CTEC pays the Management Company a flat monthly fee



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 5      MANAGEMENT COMPANY (Continued):

under the current contract of \$45,750. CTEC's current contract with the Company expired on June 30, 2019. CTEC's board of directors approved a two-year contract extension through June 30, 2021. CTEC paid the Management Company \$549,000 for each of the years ended June 30, 2020 and 2019.

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

NOTE 6      LIQUIDITY:

As of June 30, 2020, CTEC has no legal or donor restrictions present on any financial assets and will use cash on hand and maturities from certificates of deposits to fund general expenditures within one year. CTEC has no existing debt or other long-term commitments as of June 30, 2020 and has a positive net asset balance of \$1,111,359.

NOTE 7      CONTINGENCIES:

CTEC was created by the California State Legislature and was reauthorized pursuant to California Business and Professions Code Sections 22250 during 2018. This legislation remains in effect until January 1, 2023. Unless new legislation is enacted before January 1, 2023 to extend this date, this statute will be repealed.

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. The operations and business results of the Council could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The Council has not included any contingencies in the financial statement specific to this issue.

NOTE 8      FUNCTIONAL ALLOCATION OF EXPENSES:

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



# SUPPLEMENTAL INFORMATION

*California Tax Education Council*  
*Statement Of Activities And Changes in Net Assets*  
*Budget To Actual*  
**For The Year Ended June 30, 2020**

	Budget	Actual	Variance Over Budget (Under Budget)
<b>REVENUE</b>			
Registration Fees	\$ 1,302,000	\$ 1,305,051	\$ 3,051
Late Registration Fees	363,500	391,765	28,265
Certificates	7,500	870	( 6,630)
Provider Fees	31,000	27,100	( 3,900)
Mailing List	3,500	3,500	
Other Income	450	240	( 210)
Interest	1,400	27,381	25,981
<b>TOTAL REVENUE</b>	<b>\$ 1,709,350</b>	<b>\$ 1,755,907</b>	<b>\$ 46,557</b>
<b>EXPENSES</b>			
Board Activities	\$ 192,850	\$ 143,625	(\$ 49,225)
Audit Oversight Committee	21,600	18,951	( 2,649)
Bylaws Committee	250		( 250)
General and Administrative	140,850	115,422	( 25,428)
Communication and Technology	197,575	119,003	( 78,572)
Curriculum Provider Committee	167,900	124,932	( 42,968)
Budget and Finance Committee	250		( 250)
Executive Committee	250	986	736
Governmental Relations Committee	427,350	341,811	( 85,539)
Governance Committee	26,500		( 26,500)
Public Awareness Committee	866,246	875,254	9,008
Tax Preparer Committee	322,600	310,800	( 11,800)
<b>TOTAL EXPENSES</b>	<b>\$ 2,364,221</b>	<b>\$ 2,050,785</b>	<b>(\$ 313,436)</b>
<b>CHANGE IN NET ASSETS</b>	<b>(\$ 654,871)</b>	<b>(\$ 294,878)</b>	<b>\$ 359,993</b>
Net Assets, Beginning of Fiscal Year	1,136,339	1,406,237	
Net Assets, End of Fiscal Year	<u>\$ 481,468</u>	<u>\$ 1,111,359</u>	

# SUPPLEMENTAL INFORMATION (CONTINUED)

*California Tax Education Council*  
*Statement Of Activities And Changes in Net Assets*  
*Budget To Actual*  
**For The Year Ended June 30, 2019**

	Budget	Actual	Variance Over Budget (Under Budget)
<b>REVENUE</b>			
Registration Fees	\$ 1,302,000	\$ 1,316,007	\$ 14,007
Late Registration Fees	363,500	389,125	25,625
Certificates	7,500	4,640 (	2,860)
Provider Fees	31,000	25,800 (	5,200)
Mailing List	3,500	4,250	750
Other Income	450	384 (	66)
Interest	1,400	22,778	21,378
<b>TOTAL REVENUE</b>	<b>\$ 1,709,350</b>	<b>\$ 1,762,984</b>	<b>\$ 53,634</b>
<b>EXPENSES</b>			
Board Activities	\$ 193,100	\$ 170,360	(\$ 22,740)
Audit Oversight Committee	22,500	17,264 (	5,236)
Bylaws Committee			
General and Administrative	131,350	112,279 (	19,071)
Communication and Technology	72,150	64,327 (	7,823)
Curriculum Provider Committee	137,900	116,009 (	21,891)
Budget and Finance Committee	250	(	250)
Executive Committee	250	18,362	18,112
Governmental Relations Committee	413,350	386,641 (	26,709)
Governance Committee	26,500	(	26,500)
Public Awareness Committee	624,950	597,817 (	27,133)
Tax Preparer Committee	311,600	312,628	1,028
<b>TOTAL EXPENSES</b>	<b>\$ 1,933,900</b>	<b>\$ 1,795,687</b>	<b>(\$ 138,213)</b>
<b>CHANGE IN NET ASSETS</b>	<b>(\$ 224,550)</b>	<b>\$ (32,703)</b>	<b>\$ 191,847</b>
Net Assets, Beginning of Fiscal Year	1,360,889	1,438,940	
Net Assets, End of Fiscal Year	<u>\$ 1,136,339</u>	<u>\$ 1,406,237</u>	

