



January 19, 2016

Dr. Kristi L. Mollis
President
Everglades University
5002 T-REX Avenue, Suite 100
Boca Raton, FL 33431

Dear Dr. Mollis:

The following actions regarding your institution were taken by the Board of Trustees of the Southern Association of Colleges and Schools Commission on Colleges during its meeting held on December 6, 2015:

The SACSCOC Board of Trustees continued accreditation following the review of a new off-campus instructional site: 5225 Memorial Highway, Tampa. No additional report was requested.

The SACSCOC Board of Trustees reaffirmed accreditation and requested a First Monitoring Report due **September 6, 2016**, addressing the visiting committee's recommendation applicable to the following referenced standard of the *Principles of Accreditation*:

3.3.1.4 (Institutional effectiveness: research), Recommendation 2

This standard expects an institution to identify expected outcomes, assess the extent to which it achieves these outcomes, and provide evidence of improvement based on analysis of the results in research within its mission, if appropriate.

The institution recently revised its mission statement and institutional goals to more accurately reflect the focus of the university, specifically as it relates to scholarly and research activity expected of faculty. The revised goal states that the institution strives to "engage faculty in activities that improve teaching and learning." Regarding this revised goal statement, the institution needs to demonstrate the assessment of these revised outcomes and the use of results to improve effectiveness.

Please submit to your Commission staff member, preferably by email, a **one-page** executive summary of your institution's Quality Enhancement Plan. The summary is due **February 15, 2016**, and should include on the same page the following information: (1) the title of your Quality Enhancement Plan, (2) your institution's name, and (3) the name, title, and email address of an individual who can be contacted regarding its development or implementation. This summary will be posted to the Commission's website as a resource for other institutions undergoing the reaffirmation process.



Dr. Kristi L. Mollis
January 19, 2016
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All institutions are requested to submit an "Impact Report of the Quality Enhancement Plan on Student Learning" as part of their "Fifth-Year Interim Report" due five years before their next reaffirmation review. Institutions will be notified 11 months in advance by the President of the Commission regarding its specific due date. Directions for completion of the report will be included with the notification.

Guidelines for the monitoring report are enclosed. Because it is essential that institutions follow these guidelines, **please make certain that those responsible for preparing the report receive the document.** If there are any questions about the format, **contact the Commission staff member assigned to your institution.** When submitting your report, please send four copies to your Commission staff member.

Please note that Federal regulations and Commission policy stipulate that an institution must demonstrate compliance with all requirements and standards of the *Principles of Accreditation* within two years following SACSCOC Board of Trustees' initial action on the institution. At the end of that two year period, if the institution does not comply with all standards and requirements of the *Principles*, representatives from the institution may be required to appear before the Board, or one of its standing committees, to answer questions as to why the institution should not be removed from membership. If the Board of Trustees determines good cause at that time and the institution has not been on Probation for both years during the two-year monitoring period, the Board may extend the period for coming into compliance for a minimum of six months and a maximum of two years and must place the institution on Probation. An institution may be on Probation for a maximum of two years. If the Board does not determine good cause or if the institution does not come into compliance within the specified period of time while on Probation, the institution must be removed from membership. (See enclosed Commission policy "Sanctions, Denial of Reaffirmation, and Removal from Membership.")

We appreciate your continued support of the activities of SACS Commission on Colleges. If you have questions, please contact the staff member assigned to your institution.

Sincerely,

(b)(6)

Belle S. Wheelan, Ph.D.
President

BSW:ecr

cc: Dr. Cheryl D. Cardell

Enclosures

SACS COC

SOUTHERN ASSOCIATION OF COLLEGES AND SCHOOLS
COMMISSION ON COLLEGES

December 18, 2013

Dr. Kristi L. Mollis
President
Everglades University
5002 T-Rex Avenue, Suite 100
Boca Raton, Florida 33431

Dear Dr. Mollis:

Thank you for your response dated June 28, 2013 regarding the request for audited financial statements for Everglades University for the December 31, 2012 fiscal year. The original request from my office, dated February 7, 2013, for these statements was the result of correspondence from the Department of Education regarding the financial responsibility score for December 31, 2011 of Everglades College (your parent organization).

The audited financial statements you provided were for Everglades College, Inc., d/b/a Keiser University and Everglades University. SACSCOC does not accredit the parent organization, but accredits the individual institutions Keiser University and Everglades University, thus the requested financial statements for Everglades University were not received.

Your institution is in the 2015-B reaffirmation class, which means a compliance certification will be due from Everglades University in September 2014. The audit for the most recently ended fiscal year must accompany that submission; that will be the opinioned audit for Everglades University, as it stands alone, for December 31, 2013 (or the most recently ended fiscal year as of September 2014).

Because of the requirement of SACSCOC to monitor Department of Education correspondence, and because of the concerns regarding Everglades College, Inc., please include audited financial statements for Everglades College for December 31, 2013 in addition to audited financial statements for Everglades University for December 31, 2013, with your compliance certification. Both audits should include management letters. This is in addition to all other required documentation.

If you have questions please feel free to contact me at 404.679.4501, ext. 4574. For other accreditation-related questions please contact Dr. Cheryl Cardell at 404.679.4501, ext. 4529.

Sincerely,

(b)(6)

Ms. Donna Barrett
Director, Institutional Finance

cc: Dr. Cheryl Cardell, Vice President
Ms. Carol Luthman, Director Institutional Support



February 7, 2013

Dr. Kristi L. Mollis
President
Everglades University
5002 T-Rex Avenue, Suite 100
Boca Raton, Florida 33431

Dear Dr. Mollis:

The Commission's policy, "Standing Rules, Commission on Colleges, Executive Council, and the College Delegate Assembly," (available at www.sacscoc.org) stipulates that the Commission give appropriate consideration to significant accreditation-related unsolicited information revealed about an institution between periods of scheduled review.

I am writing you today because correspondence from the U.S. Department of Education dated October 17, 2012, raised questions about Everglade University's ongoing compliance with the *Principles of Accreditation*. The correspondence raised questions about failure to meet the U.S. Department of Education financial responsibility standards in the fiscal year ended December 31, 2011 audited financial statements with a composite score of -0.2.

By now your 2012 audited financial statements should be available. In light of these circumstances, and in accordance with the Commission's policy on handling unsolicited information, please provide your institution's December 31, 2011, and December 31, 2012 financial statement audits, along with accompanying management letters. Please include a copy of your most recent federal awards/financial aid audit.

Please also include audited financial statements, to include management letters, for fiscal years ended 2011 and 2012 for your parent entity, Everglades College Inc.

Please submit your response to this letter no later than March 15, 2013, to:

Donna Barrett,
Director for Institutional Finance
SACSCOC
1866 Southern Lane
Decatur, GA 30033-4097

In accord with SACSCOC policy on the receipt of unsolicited information, the institution's response will be reviewed, and if Commission staff determines that the information is of factual substance and is accreditation related, the information and documentation may be forwarded to the Committees on Compliance and Reports, standing committees of SACSCOC Board of

SACS COC

Dr. Kristi L. Mollis
February 7, 2013
Page Two

Trustees, for formal review. It is also possible that the President of the Commission could authorize a Special Committee to review the institution.

If you have questions, please feel free to contact me at 404.679.4501, ext. 4574. For other accreditation-related questions, please contact Dr. Cheryl Cardell at 404.679.4501 ext. 4529.

Sincerely,

(b)(6)

Ms. Donna Barrett
Director, Institutional Finance

cc: Dr. Cheryl Cardell, Vice President
Carol Luthman, Director, Institutional Support



Boisseau, Felicione & Associates, Inc.
13590 Jog Road, Suite C6
Delray Beach, FL 33446
Telephone: 561-495-5250
Fax: 561-495-5261

October 3, 2014

To the Board of Trustees

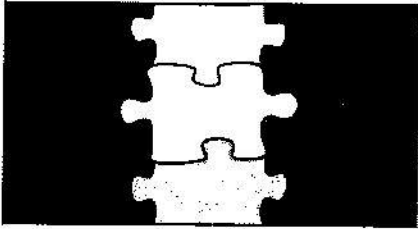
Everglades College Inc.(doing business as Keiser University and Everglades University)

For the year ending December 31, 2013, Boisseau, Felicione & Associates, Inc. did not issue a management letter for Everglades University (a division of Everglades College, Inc.) as there was no significant audit findings.

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EVERGLADES COLLEGE, INC.
SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2013



Boisseau, Felicione & Associates, Inc.
13590 Jog Road, Suite C6
Delray Beach, FL 33446
Telephone: 561-495-5250
Fax: 561-495-5261

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Everglades College, Inc.
Fort Lauderdale, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Everglades College, Inc., which comprise the statement of financial position as of December 31, 2013, and the related statements of revenue, expenses, change in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Everglades College, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on page 7 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of federal awards expenditures and findings and questioned costs, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 26, 2014 on our consideration of Everglades College Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Everglades College Inc.'s internal control over financial reporting and compliance.

(b)(6)

Delray Beach, Florida
September 26, 2014

EVERGLADES COLLEGE, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2013

ASSETS:

| | | |
|--|----|---------------------------|
| Cash and cash equivalents | \$ | 57,605,908 |
| Marketable securities | | 9,360,794 |
| Accounts receivable, net of allowance for doubtful accounts of \$17,494,115 | | 25,880,926 |
| Other receivable | | 180,589 |
| Due from related parties | | 2,316,049 |
| Inventories | | 2,590,215 |
| Prepaid expenses | | 3,457,387 |
| Notes receivable, net of allowance for credit losses of \$11,084,140 | | <u>6,151,574</u> |
| Total Current Assets | | 107,543,442 |
| Property and equipment, net of accumulated depreciation \$40,032,450 | | 10,225,671 |
| Notes receivable - long-term | | 9,780,929 |
| Intangible, net of accumulated amortization of \$32,087,316 | | 251,282,893 |
| Goodwill | | 24,260,963 |
| Other assets | | <u>549,754</u> |
| Total Assets | \$ | <u><u>403,643,653</u></u> |

LIABILITIES:

| | | |
|------------------------------|--|--------------------|
| Accounts payable | | 4,752,040 |
| Accrued expenses | | 19,203,739 |
| Unearned revenue | | 35,263,673 |
| Due to related party | | <u>109,659</u> |
| Total Current Liabilities | | 59,329,111 |
| Accrued expenses - long-term | | 14,058,798 |
| Note payable - related party | | <u>301,912,541</u> |
| Total liabilities | | 375,300,450 |

NET ASSETS - Unrestricted

| | | |
|----------------------------------|----|---------------------------|
| | | <u>28,343,203</u> |
| Total liabilities and net assets | \$ | <u><u>403,643,653</u></u> |

The accompanying notes are an integral part of the financial statements

EVERGLADES COLLEGE, INC.

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS

December 31, 2013

| | | |
|--|----|--------------------------|
| NET REVENUE AND OTHER FINANCIAL SUPPORT | \$ | 345,196,413 |
| OPERATING EXPENSES AND LOSSES | | <u>587,145,286</u> |
| CHANGE IN NET ASSETS - UNRESTRICTED | | <u>(241,948,873)</u> |
| NET ASSETS - UNRESTRICTED beginning of year (Restated) | | <u>270,292,076</u> |
| NET ASSETS - UNRESTRICTED end of year | \$ | <u><u>28,343,203</u></u> |

The accompanying notes are an integral part of the financial statements

EVERGLADES COLLEGE, INC.

STATEMENT OF CASH FLOWS

December 31, 2013

| | |
|---|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Change in unrestricted net assets | \$ (241,948,873) |
| Adjustments to reconcile change in net assets to net cash provided by operations: | |
| Depreciation | 3,749,386 |
| Amortization | 10,349,462 |
| Impairment of intangible assets and goodwill | 250,088,435 |
| Allowance for doubtful accounts - accounts receivable | 269,979 |
| Allowance for doubtful accounts - notes receivable | 6,184,222 |
| Unrealized loss from marketable securities | 47,692 |
| Change in assets and liabilities: | |
| Accounts receivable | (5,716,311) |
| Inventories | 566,626 |
| Prepaid expenses | (990,157) |
| Other receivable | (180,589) |
| Other assets | 17,342 |
| Accounts payable | (1,049,441) |
| Accrued expenses | 6,111,225 |
| Deferred rent | 936,434 |
| Unearned revenue | 1,705,473 |
| Due from related parties | (482,739) |
| Due to related parties | 108,939 |
| Total Adjustments | <u>271,715,978</u> |
| NET CASH FLOWS PROVIDED BY OPERATIONS | <u>29,767,105</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Capital expenditures | (4,038,412) |
| Purchase of marketable securities | (84,133) |
| Acquisition of Nicaragua Campus | (5,000) |
| Payments on notes receivable | 1,085,070 |
| Purchase of notes receivable | (13,246,923) |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | <u>(16,289,398)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | |
| Principal repayments of notes payable - related party | (8,531,326) |
| NET CASH FLOWS USED IN FINANCING ACTIVITIES | <u>(8,531,326)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 4,946,381 |
| CASH AND CASH EQUIVALENTS - beginning of year | <u>52,659,527</u> |
| CASH AND CASH EQUIVALENTS - end of year | \$ <u>57,605,908</u> |
| Supplemental Disclosure of Cash Flow Information: | |
| Cash paid during the year for: | |
| Interest | \$ <u>9,454,648</u> |
| Taxes | \$ <u></u> |
| Supplemental Disclosure of Non Cash Investing and Financing Activities: | |
| Accrued interest compounded to note payable - related party | \$ <u>4,093,413</u> |
| Assets acquired and liabilities assumed pursuant to acquisition: | |
| Tangible assets acquired | \$ <u>252,428</u> |
| Identifiable intangible assets acquired | \$ <u>388,000</u> |
| Goodwill | \$ <u>46,402</u> |
| Liabilities assumed | \$ <u>681,830</u> |

The accompanying notes are an integral part of the financial statements

EVERGLADES COLLEGE, INC.

SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNCTIONAL REVENUE AND EXPENDITURES

YEAR ENDED DECEMBER 31, 2013

| | | |
|---|----|----------------------|
| Unrestricted Revenues and Other Support: | | |
| Tuition | \$ | 293,019,830 |
| Sales and services of educational activities | | 33,983,932 |
| Book store revenues | | 16,797,811 |
| Interest Income | | 1,114,886 |
| Other | | 279,954 |
| Total revenues and support | | <u>345,196,413</u> |
| Unrestricted Expenditures and Losses: | | |
| Educational and general: | | |
| Instruction | | 83,250,530 |
| Academic support | | 65,010,539 |
| Institutional support | | 135,016,972 |
| Public service | | 1,996,931 |
| Operation and maintenance of property and equipment | | 41,111,196 |
| Impairment of intangible assets and goodwill | | 250,088,438 |
| Interest expense | | 10,425,859 |
| Unrealized loss on investment | | 47,691 |
| Other | | 197,130 |
| Total educational and general | | <u>587,145,286</u> |
| Changes in unrestricted net assets | \$ | <u>(241,948,873)</u> |

The accompanying notes are an integral part of the financial statements

EVERGLADES COLLEGE, INC.
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION

Everglades College, Inc. was incorporated under the laws of the state of Florida in 1990. Everglades College, Inc. (the "University") operates two institutions, Keiser University and Everglades University. Keiser University and Everglades University were formed in 2011 and 2000, respectively.

Keiser University offers post-secondary education from the Associates, Baccalaureate, Masters, and Doctorial levels. Keiser University operates out of fourteen campuses in Florida, located in Fort Lauderdale, Melbourne, Tallahassee, Daytona, Sarasota, Lakeland, Miami, Orlando, Jacksonville, West Palm Beach, Port St. Lucie, Pembroke Pines, Tampa, and Fort Myers. In addition, Keiser University operates in Shanghai China, and San Marcos, Nicaragua.

Everglades University offers post-secondary education at the Baccalaureate and Masters level. The University has three campuses: Boca Raton, Sarasota, and Altamonte Springs.

All of the above mentioned locations are accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) Commission on Colleges at 1866 Southern Lane, Decatur, Georgia 30033-4097, phone number 404-679-4500.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 358-205-05, Financial Statements of Not-for-Profit Organizations. Under ASC 358-205-05, the University reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The University only has unrestricted net assets as of and for the year ended December 31, 2013.

Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Included in these estimates are assumptions about collection of financing receivables and useful life of fixed assets, and recoverability of intangible assets and goodwill. Actual results could differ from those estimates.

Additionally, the assumptions that the University uses to determine whether its intangibles assets and goodwill are impaired may change due to economic and regulatory environment and the effect of changes in such assumptions would materially impact management's estimates.

Cash and Cash Equivalents - The University considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

A significant portion of revenue is received from students who participate in government financial aid and assistance programs. Certain cash receipts represents amounts received from the federal and state governments under various student aid grant and loan programs and, such funds are held in separate bank accounts. Once the financial aid authorization and disbursement process for the student has been completed, the funds are transferred to unrestricted accounts, and these funds then become available for use in the University's operations. This authorization and disbursement process that precedes the transfer of funds generally occurs within the period of instruction for which such funds were authorized, which is less than a year.

University's established policy on uncollectible accounts. Interest on note receivable is recognized using the effective interest method. The recognition of interest income is discontinued once the loan is deemed non-performing, which is generally after 120 days of nonactivity. Payments on non-accrued receivables are recognized when paid.

Revenue Recognition – Revenue is derived primarily from programs taught at the University. Tuition revenues and other related fees are considered one unit of accounting for revenue recognition purposes and are recognized on a straight-line basis over the length of the applicable period of instruction. Other revenue such as bookstore sales, are recognized as services are performed or goods are delivered. Unearned revenue represents the portion of payments received but not earned and is reflected as a current liability in the accompanying balance sheet, as such amount represents revenue that the School expects to earn within the next year. Refunds are calculated and paid in accordance with applicable federal, state, and accrediting agency standards and school policy.

Estimates of the University's expected refunds are determined at the onset of each period of instruction, based upon actual experience in previous periods, and monitored and adjusted as necessary within the period. If a student leaves school prior to completing a period of instruction, federal and state regulations and accreditation criteria permit the University to retain only a set percentage of the total tuition received from such student, which varies with, but generally equals or exceeds, the percentage of the term completed by such student. Payment amounts received by the University in excess of such set percentages of tuition are refunded to the student or the appropriate funding source. All refunds are charged against revenue during the applicable period of instruction. The allowance for uncollectible accounts is determined by analyzing the current aging of accounts receivable and historical loss rates on collections of accounts receivable. In addition, management considers projections of future receivable levels and collection loss rates. Provisions required to maintain the allowance at appropriate levels are charged to expense in each period as required. Related reserves with respect to uncollectible accounts and refunds amount to \$17,494,115 at December 31, 2013.

Inventories – Inventory, consisting of books and supplies, is stated at the lower of cost market, calculated on the first-in, first-out method.

Property and equipment - Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the useful lives of the various assets, which is generally three to seven years for equipment, and furniture and fixtures. Leaschold improvements are depreciated ratably over the duration of the appropriate lease.

Income taxes – Everglades College, Inc. is a nonprofit organization that is exempt from federal income tax under Internal Revenue Code Section 501c (3). Accordingly, the University is treated as tax exempt for the purposes of these financial statements.

Advertising Costs – The University incurs advertising costs for newspaper, radio and direct mail purchases. Pursuant to ASC 720-35-25 (Reporting for Advertising Costs), direct response advertising costs are deferred and charged to operations as expense when revenues related to the advertisements are recognized. In general, advertising costs are expensed when the advertising is run since the customer response time for specific advertising generally occurs within a short period of time. The University reflects prepaid direct response advertising for payments made for advertising which will be run in a future period. Advertising costs expensed for the year ended December 31, 2013, amounted to \$56,965,173.

Fair Value of Financial Instruments - The University's financial instruments under Accounting Standards Codification 825-10-50 "Disclosures about Fair Value of Financial Instruments," include cash, accounts receivable and accounts payable, accrued expenses, and due to related party. The University believes that the carrying amounts of these accounts are at a reasonable estimate of their fair value because of the short term nature of such instruments. The carrying value of the notes receivable approximates its fair value based on their rate of return, as underwritten by the bank originating the loan, adjusted for credit losses at each measurement dates carrying value of the note payable to related party approximates its fair value based in the University's incremental borrowing rates ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

- Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data
- Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The Company did not have any Level 2 or Level 3 assets or liabilities as of December 31, 2013, with the exception of certain intangible assets and goodwill, which were valued using level 3 inputs.

Cash equivalents and marketable securities are carried at fair value with changes in fair value recognized in earnings in each respective period. Cash equivalents include money market securities and marketable securities consist of US, state, and local municipal bonds that are considered to be highly liquid and easily tradable as of December 31, 2013. These securities are valued using inputs observable in active markets for identical securities and are therefore classified as Level 1 within the fair value hierarchy.

Business Combination – The University accounts for its business combination under the provisions of Accounting Standards Codification ("ASC") Topic 958-805, Not-for-profit entities - Business Combinations ("ASC 958-805"), which requires that the purchase method of accounting be used for acquisitions by not-for profit entities. Assets acquired and liabilities assumed are recorded at the date of acquisition at their respective fair values. ASC 958-805 also specifies criteria that intangible assets acquired must meet to be recognized and reported apart from goodwill. Goodwill represents the excess purchase price over the fair value of the tangible net assets and intangible assets acquired in a business combination. Acquisition-related expenses are recognized separately from the business combinations and are expensed as incurred.

The estimated fair value of net assets acquired, including the allocation of the fair value to identifiable assets and liabilities and goodwill, was determined using Level 3 inputs in the fair value hierarchy. The estimated fair value of the net assets acquired was determined using the income approach for valuations based on the discounted cash flow method and, in certain circumstances, the cost approach. Under the income approach method, expected future cash flows of the business on a stand-alone basis are discounted back to a present value. The estimated fair value of identifiable intangible assets, consisting of customer relationships, the trade names and non-compete agreements acquired, also were determined using an income approach to valuation based on excess cash flow, relief of royalty and discounted cash flow methods.

The discounted cash flow valuation method requires the use of assumptions, the most significant of which include: future revenue growth, future earnings before interest, taxes, depreciation and amortization, estimated synergies to be achieved by a market participant as a result of the business combination, marginal tax rate, terminal value growth rate, weighted average cost of capital and discount rate.

The cost approach method used to value customer relationships requires the use of assumptions, the most significant of which include the costs the University would have to incur to acquire its customer base: the remaining useful life, expected revenue, survivor curve, earnings before interest and tax margins, marginal tax rate, contributory asset charges, discount rate and tax amortization benefit.

The most significant assumptions under the relief of royalty method used to value tradenames include: estimated remaining useful life, expected revenue, royalty rate, tax rate, discount rate and tax amortization benefit. The discounted cash flow method used to value non-compete agreements includes assumptions such as: expected revenue, term of the non-compete agreements, probability and ability to compete, operating margin, tax rate and discount rate. Management, with the assistance of a third-party valuation specialist, has developed these assumptions on the basis of historical knowledge of the business and projected financial information of the University. These assumptions may vary based on future events, perceptions of different market participants and other factors outside the control of management, and such variations may be significant to estimated values.

Goodwill and Indefinite Lived Intangible Assets - Goodwill was primarily generated through the acquisition made by the University during 2011. As the total consideration paid exceeded the value of the net assets acquired, the University recorded goodwill for the completed acquisition. At the date of acquisition, the University performed a valuation to determine the value of the intangible assets, along with the allocation of assets and liabilities acquired. The goodwill is primarily attributable to the workforce in place.

The University performs its annual impairment test at the reporting unit level.

The University performs the impairment testing at least annually (at December 31) or at other times if it believes that it is more likely than not that there may be an impairment to the carrying value of its goodwill. If it is more likely than not that goodwill impairment exists, the second step of the goodwill impairment test should be performed to measure the amount of impairment loss, if any.

The University considered the results of an income approach and a market approach in determining the fair value of the reportable segment. The University evaluated the forecasted revenue using a discounted cash flow model for its reporting segments. The University also noted no unusual cost factors that would impact operations based on the nature of the working capital requirements of the components comprising the reportable segments. Current operating results, including any losses, are evaluated by the University in the assessment of goodwill and other intangible assets. The estimates and assumptions used in assessing the fair value of the reporting unit and the valuation of the underlying assets and liabilities are inherently subject to significant uncertainties. Key assumptions used in the income approach in evaluating goodwill are forecasts for its reporting unit revenue growth rates along with forecasted discounted free cash flows for its reporting unit. For the market approach, the University used the guideline public company method, under which the fair value of a business is estimated by comparing the subject company to similar companies with publicly traded ownership interests. From these "guideline" companies, valuation multiples are derived and then applied to the appropriate operating statistics of the subject company to arrive at indications of value.

While the University used available information to prepare estimates and to perform impairment evaluations, actual results could differ significantly from these estimates or related projections, resulting in impairment related to recorded goodwill balances. Additionally, adverse conditions in the economy and future volatility in the equity and credit markets could affect the valuation of the University's reporting units. The University can provide no assurances that, if such conditions occur, they will not trigger impairments of goodwill and other intangible assets in future periods.

Events that could cause the risk for impairment to increase are the loss of a major customer or group of customers, the loss of key personnel and changes to current legislation that may impact the University's industry or its customers' industries.

With regard to other long-lived assets and intangible assets with indefinite-lives, the University follows a similar impairment assessment. The University will assess the quantitative factors to determine if an impairment test of the indefinite-lived intangible asset is necessary. If the quantitative assessment reveals that it is more likely than not that the asset is impaired, a calculation of the asset's fair value is made. Fair value is calculated using many factors, which include the future discounted cash flows as well as the estimated fair value of the asset in an arm's-length transaction.

Based on this review, the University determined that there was an impairment of the carrying value of certain intangible assets and goodwill as of December 31, 2013.

Long-lived Assets, Including Definite-Live Intangible Assets

Long-lived assets, other than goodwill and other indefinite-lived intangibles, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through the estimated undiscounted future cash flows derived from such assets.

Definite-lived intangible assets primarily consist of non-compete agreements and customer relationships. For long-lived assets used in operations, impairment losses are only recorded if the asset's carrying amount is not recoverable through its undiscounted, probability-weighted future cash flows. The University measures the impairment loss based on the difference between the carrying amount and the estimated fair value. When impairment exists, the related assets are written down to fair value.

Leases - The University recognizes its operating leases on a straight-line basis, as provided under ASC 840-Leases, which begins when the University takes control of the space leased. Certain lease agreements provide for rent holidays and scheduled rent increases which were not dependent on future events, given each space leased. The differences between periodic payment rent expense and periodic cash rental payments, caused primarily by the recognition of rent expense on a straight-line basis are recorded as deferred rent obligations on the University's balance sheet.

3. CORRECTION OF ERRORS

In June 2014, management determined that it had not recognized certain operating leases on a straight-line basis, as provided under ASC 840 Leases, prior to January 1, 2013. The lease agreements provided for rent holidays and scheduled rent increases which were not dependent on future events and were not representative of a different pattern in which the leased property was physically employed. The proper application of the relevant accounting provision requires an adjustment to the University's previously issued financial statements. The deferred rent liability was understated by \$12,991,590 and the unrestricted net assets were overstated by \$12,991,590 at December 31, 2012. The University's rent expense for was understated by \$1,381,976, which resulted in an overstatement of the change in unrestricted net assets of \$1,381,976 during 2012.

In June 2014, management determined that it had not properly recognized certain delivered items that do not qualify as separate units of accounting for revenue recognition purposes, pursuant to ASC-605-25, Revenue Recognition-Multiple – Element Arrangements. The proper application of the relevant accounting provision requires an adjustment to the University's previously issued financial statements. The unearned revenue was understated by \$1,873,955 and the unrestricted net assets were overstated by \$1,873,955 at December 31, 2012. The University's revenues were overstated by \$8,846, which resulted in an overstatement of the change in unrestricted net assets of \$8,846 during 2012.

The effect of such restatement on the balance of the University's unrestricted net assets at the beginning of the period and on the net change in unrestricted net assets of the immediately preceding period are as follows:

| | <u>As previously reported</u> | <u>Restated</u> |
|---|-----------------------------------|-----------------|
| Net assets at January 1, 2013 | \$ 285,157,621 | \$ 270,292,076 |
| Change in net assets for the year ended December 31, 2012 | \$ 17,310,109 | \$ 15,919,287 |

Based on the aforementioned changes, there was no effect to the Universities' composite score that was reported with the US Department of Education for the December 31, 2012 financial statements.

4. PROPERTY AND EQUIPMENT

Property and equipment expenditures are capitalized based upon their acquisition cost. Capitalization will only be considered if the acquisition cost meets or exceeds the capitalization threshold; which is \$500 for equipment, furniture and fixtures and \$5,000 for leasehold improvements inclusive of material, labor and equipment. Capitalized expenditures also must maintain an estimated useful life of greater than one year or appreciably extend the useful life of an existing asset.

Property and equipment consisted of the following at December 31, 2013:

| | Estimate Lives | | 2013 |
|-----------------------------------|----------------|----|--------------|
| Equipment, furniture and fixtures | 3 to 7 years | \$ | 28,499,060 |
| Leaschold improvements | Lease term | | 21,759,061 |
| | | | 50,258,121 |
| Less: accumulated depreciation | | | (40,032,450) |
| | | \$ | 10,225,671 |

Depreciation expense amounted to \$3,749,386 during 2013.

5. INTANGIBLE ASSETS AND GOODWILL

Substantially all of the University's intangible assets and goodwill were initially recognized pursuant to the acquisition of Keiser University in 2011. During the first quarter of fiscal 2014, the stock price of several of the University's publicly traded competitors decreased significantly to levels where their market capitalization was below their book value, which the University considers an indicator of impairment. Additionally, the University believes that continued regulatory uncertainties, and the potential impact of new regulations on education providers such as the University, have had an industry-wide sustained negative impact on the University's current fair value of certain of its assets. Consequently, the University performed an impairment test on goodwill and other indefinite and definite lived intangible assets at December 31, 2013. The level of the fair value hierarchy used by management was Level 3. The goodwill and intangible assets were re-measured on a non-recurring basis at December 31, 2013. The University's executive management undertook to perform the analysis of the valuation of the intangible assets and hired a third-party independent appraiser to assist them in this analysis. The highest and best use of the intangible assets does not differ from their current or intended use. The University's results of the impairment test did indicate an impairment of the goodwill and certain identifiable intangible assets.

The carrying value of the University intangible assets and goodwill amounted to approximately \$497.3 million and \$28.4 million at December 31, 2013, respectively. The analysis revealed that the fair value of the intangible assets and goodwill amounted to approximately \$251.4 million and \$24.3 million, respectively. This results in an impairment of intangible assets and goodwill amounting to approximately \$245.9 million and \$4.2 million at December 31, 2013, respectively. The impairment, aggregating approximately \$250.1 million, is recognized as an expense in the accompanying financial statements of the University.

The carrying value of identifiable intangible assets impaired as of December 31, 2013 consists of accreditation (both resulting from Title IV eligibility and accreditation) and trademarks.

Accreditation is required for an institution to be eligible to participate in the federal student financial aid programs ("Title IV accreditation"). It is also a distinction given to schools that maintain a certain level of quality organizationally and academically ("Regional accreditation"). The process of obtaining accreditation and access to Title IV funds is a barrier to entry for the industry. The process of applying for accreditation is a time intensive and expensive process, whereby an institution is required to operate without eligibility to Title IV funds for several years. The University used multi period excess earnings method, after adjustment for contributory asset charges to value accreditation. It is derived from discounted cash flows projected from 2014 to 2018. The significant assumptions for the multi period excess earnings method include revenue compound annual growth rates of 9% with a discount rate of 15% and annual contributory asset charges ranging from 18% to 39% of earnings. Using this analysis, at December 31, 2013, the carrying value of Title IV and Regional accreditation exceeded their fair value by \$155.5 million and \$80.0 million, respectively.

Trademarks provide name recognition to an institution and are one of the criteria many students use as they choose which institution they will use for their own benefit. The University used the relief royalty method to value trademarks. Under the relief from royalty method, estimated royalty rates were selected and applied to the revenue stream generated by trade names in order to estimate the potential value of the asset, assuming that trade names would be licensed to a third-party. It is derived from discounted cash flows projected from 2014 to 2018. The significant assumptions for the relief from royalty method include revenue compound annual growth rates of 9%, a

royalty rate of 0.5% with a discount rate of 14%. Using this analysis, at December 31, 2013, the carrying value of the University's trademarks exceeded their fair value by \$10.6 million.

The University determined whether its goodwill was also impaired at December 31, 2013. Under a weighted basis, it used the income approach (discounted cash flows projected from 2014 to 2018-60%) and the market approach (Guideline Public Company Method-40%) to determine the fair value of its assets as Step 1. The fair value of the total assets per Step 1 was less than the carrying value of its assets, as adjusted for impairment. The significant assumptions used under the income approach method include revenue compound annual growth rates of 9% with a discount rate and terminal value of 15%. The significant assumptions used under the market approach was based on the market value of capital invested multiples using the average of the median multiple of revenues and EBITDA (Earnings before interest, tax, depreciation and amortization) of nine benchmark publicly-traded companies as of December 31, 2013. Using this analysis, at December 31, 2013, the carrying value of the goodwill exceeded the implied goodwill by \$4.2 million.

The identifiable intangible assets which were not impaired as of December 31, 2013 consist of curriculum, customer relationships and its web-based domains.

The University used the cost approach to value its curriculum and customer relationships. The significant assumptions used under the cost approach include costs incurred by the University, adjusted for expected margin from market participants of 10%. The University used the income approach to value its web-based domains. It is derived from discounted cash flows projected from 2014 to 2018. The significant assumptions for the income approach include revenue compound annual growth rates of 9% with a discount rate of 15%. The fair value of curriculum, customer relationships and web-based domains exceeded their carrying value at December 31, 2013.

Accordingly, no impairment of such intangible assets were recorded at December 31, 2013.

Intangible assets and goodwill consist of the following at December 31, 2013:

| | Life Range | Amounts |
|--------------------------------------|------------|----------------|
| Non-Compete | 2 Years | \$ 1,276,930 |
| Title IV Accreditation | Indefinite | 125,191,574 |
| Regional Accreditation | Indefinite | 39,534,181 |
| Program Accreditation | Indefinite | 4,481,090 |
| Customer Relationships | 1-7 Years | 72,001,235 |
| Tradenames/marks | Indefinite | 19,333,631 |
| URLs/Domain Names | Indefinite | 21,551,568 |
| Goodwill | Indefinite | 24,260,963 |
| Less: Accumulated Amortization | | (32,087,316) |
| Total Intangible Assets and Goodwill | | \$ 275,543,856 |

Amortization of intangibles expense amounted to \$ 10,349,462, during 2013. The amortization schedule for the next 5 years as of December 31, 2013 is as follows:

| | Amounts |
|-----------|---------------|
| Year 2014 | \$ 10,419,462 |
| Year 2015 | 10,310,462 |
| Year 2016 | 10,230,462 |
| Year 2017 | 10,230,462 |
| Total | \$ 41,190,848 |

6. NOTES RECEIVABLE

The University purchases private loan programs as an investment from third party financial institutions. These programs are established by state chartered banks. The University then purchases all such loans as an investment from each bank on a monthly basis and assume all of the related credit risk. The loans bear interest at market rates. Monthly principal and interest payments are required over the related term of the loan with the option to make interest or minimum monthly payments while in school. The notes receivable amounted to \$27,016,642, at December 31, 2013. A surety company guarantees a portion of the loans, which amounts to \$1,212,129 at December 31, 2013. To offset any potential future losses from investment portfolio, a reserve of \$11,084,140 was established, at December 31, 2013. Any note that is not active over 120 days is 100% reserved as of December 31, 2013.

The following tables detail the credit risk profiles of the notes receivables based on payment activity and provide an aging analysis of past due notes receivable as of December 31, 2013. Loans are considered nonperforming if they are more than 120 days past due.

| | <u>As of December 31, 2013</u> |
|------------------------|--------------------------------|
| Notes Receivable: | |
| Performing | \$15,932,503 |
| Nonperforming | <u>11,084,140</u> |
| Total Notes Receivable | <u>\$27,016,643</u> |

| | 30-59 Days Past Due | 60-89 Days Past Due | 90-119 Days Past Due | Greater Than 120 Days Past Due | Total Past Due | Current | Total Notes Receivable |
|---------------------------------------|------------------------|------------------------|----------------------------|--------------------------------------|----------------|--------------|---------------------------|
| Notes Receivable December 31, 2013 | \$1,820,801 | \$1,169,783 | \$706,743 | \$11,084,140 | \$14,781,464 | \$12,235,179 | \$27,016,643 |

The following table details the notes receivable along with the related allowances for credit losses as of December 31, 2013:

| | <u>As of December 31, 2013</u> |
|------------------------------|--------------------------------|
| Gross Notes Receivable | \$27,016,643 |
| Allowance for Credit Losses: | |
| Balance at Beginning of Year | 2,943,071 |
| Additional Provision | <u>8,141,069</u> |
| Balance at End of Year | <u>11,084,140</u> |
| Net Notes Receivable | <u>\$15,932,503</u> |

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The University's accounts payable and accrued expenses consists of deferred rent obligation of \$13,803,374, trades payable of \$12,560,794, payroll related accruals of \$9,366,266 and various other obligations of \$2,284,142 at December 31, 2013.

8. CONCENTRATION OF CREDIT RISK

Cash and cash equivalents

The University maintains its cash balances at quality financial institutions. These balances always exceed federally insured limits. At December 31, 2013, the University's cash balances exceeded the insured limits by \$56,684,859. Management periodically evaluates the creditworthiness of the financial institutions with which it maintains deposit accounts. The University has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash on deposit.

Accounts and notes receivable

The University extends unsecured credit for tuition to a significant portion of the students who are in attendance at its schools, either directly as accounts receivable or, indirectly, as notes receivable. The University does not require collateral from its students. The accounts receivable and notes receivable are due from the University's existing or former students, who generally reside in the United States. The University maintains reserves for potential credit losses and such losses have been within management's expectations.

A substantial portion of credit extended to students is repaid through the students' participation in various federally funded financial aid programs under Title IV of the Higher Education Act (the "Title IV Programs"). None of the University's former or existing students exceeds more than 10% of the University's accounts receivable or notes receivable.

Source of funds

The University extends credit for tuition to a majority of its students. A substantial portion is repaid through the student's participation in federally funded financial aid programs. Transfers of funds from the financial aid programs to the University are made in accordance with the U.S. Department of Education requirements. The financial aid and assistance programs are subject to political and budgetary considerations. There is no assurance that such funding will be maintained at current levels. Extensive and complex regulations govern the financial assistance programs in which the University's students participate. The University's administration of these programs is periodically reviewed by various regulatory agencies. Any regulatory violation could be the basis for the initiation of potential adverse actions including a suspension, limitation, placement on reimbursement status, or termination proceeding which could have a material adverse effect on the University.

If any of the Company's institutions were to lose its eligibility to participate in federal student financial aid programs, the students at that institution would lose access to funds derived from those programs and would have to seek alternative sources of funds to pay their tuition and fees. Students obtain access to federal student financial aid through a U.S. Department of Education prescribed application and eligibility certification process. Student financial aid funds are generally made available to students at prescribed intervals throughout their predetermined expected length of study. Students typically apply the funds received from the federal financial aid programs to pay their tuition and fees. The transfer of funds is from the financial aid program to the student, who then uses those funds to pay for a portion of the cost of their education. The receipt of financial aid funds reduces the student's amounts due to the University and has no impact on revenue recognition, as the transfer relates to the source of funding for the costs of education which may occur either through Title IV or other funds and resources available to the student.

9. LETTER OF CREDIT

The Department of Education requires the University to post a letter of credit in the amount of \$27,615,232 and be provisionally certified for a period of up to three complete award years. This amount represents 10% of the title IV, HEA program funds received by Everglades University and Keiser University during their most recently completed fiscal year. The portion of this line of credit secured by a personal bank account of Keiser University and Everglades University's, Chancellor, Dr. Arthur Keiser amounts to \$24,522,691 at December 31, 2013.

10. MARKETABLE SECURITIES

The following table summarizes the marketable securities available for sale, and the fair value measurement:

| | Cost | Gross unrealized gains | Gross unrealized losses | Fair value |
|-----------------|-------------|------------------------|-------------------------|-------------|
| Municipal Bonds | \$9,408,486 | \$- | (\$47,692) | \$9,360,794 |
| Total | \$9,408,486 | \$- | (\$47,692) | \$9,360,794 |

| | Level 1 | Level 2 | Level 3 | Total |
|-----------------|-------------|---------|---------|-------------|
| Municipal Bonds | \$9,360,794 | \$- | \$- | \$9,360,794 |
| Totals | \$9,360,794 | \$- | \$- | \$9,360,794 |

11. RETIREMENT PLAN

The University has established a 401(k) retirement plan (the "Plan") for the benefit of its employees. Eligible employees are allowed to contribute, through payroll deductions, up to 15% of pre-tax annual compensation, as defined in the plan. Employer contributions are made at the discretion of the University. The University made contributions to the plan in the amount of \$1,642,881 for the year ending December 31, 2013.

12. RELATED PARTY TRANSACTIONS

a) Due from related parties - Balance due from related parties consists of expenses paid on behalf of affiliated companies, in which are controlled by Keiser University and Everglades University's, Chancellor, Dr. Arthur Keiser. The University advanced Everglades Management Inc. and BAR Education, Inc. \$2,029,617 and \$286,432 as of December 31, 2013, respectively. All amounts due from related parties are due on demand and are non-interest bearing.

b) Due to related parties - Balances owned from related parties consists of expenses paid by affiliated companies on behalf of the University. Keiser University and Everglades University's Chancellor, Dr. Arthur Keiser, controls the affiliated companies. The University owes \$104,856 and \$4,803 to the affiliated companies, Futura Financing, LLC, and Keiser School Inc., respectively, at December 31, 2013. Due to related parties are due on demand and bear no interest.

c) Lease commitment - The University leases building space for the Fort Lauderdale, Pembroke Pines, Melbourne, Daytona, Orlando, Sarasota, Tampa, Fort Myers, Tallahassee, Lakeland and West Palm Beach campuses from affiliates, which are controlled by Keiser University and Everglades University's Chancellor, Dr. Arthur Keiser. The leases require minimum annual payments of \$21,106,885 plus a share of property taxes, maintenance, and operating costs over the lease term.

13. COMMITMENTS AND CONTINGENCIES

The University's leases provides for monthly payments ranging between \$1,254 and \$232,483 and with terms expiring between August 2015 and September 2027.

The minimum rental commitments for the next 5 years as of December 31, 2013 for all non-cancelable operating leases with initial or remaining terms in excess of one year are as follows:

| | |
|--------------|----------------------|
| Year 2014 | \$28,618,910 |
| Year 2015 | 28,233,711 |
| Year 2016 | 26,972,225 |
| Year 2017 | 26,880,498 |
| Year 2018 | 26,949,950 |
| Thereafter | 156,382,899 |
| <u>Total</u> | <u>\$294,038,193</u> |

14. REGULATORY

All U.S. federal financial aid programs are established by Title IV of the Higher Education Act and regulations promulgated thereunder. The U.S. Congress must periodically reauthorize the Higher Education Act and annually determine the funding level for each Title IV program. In 2008, the Higher Education Act was reauthorized through September 30, 2013 by the Higher Education Opportunity Act. Congress has begun Higher Education Act reauthorization hearings and there is currently an automatic one year extension that continues the current authorization through September 30, 2014. Changes to the Higher Education Act, including changes in eligibility and funding for Title IV programs, are likely to occur in connection with this reauthorization, but we cannot predict the scope or substance of any such changes.

These standards employ a ratio methodology under which an institution need only satisfy a single standard - the composite score standard. The ratio methodology takes into account an institution's total financial resources and provides a combined score of the measures of those resources along a common scale (from negative 1.0 to positive 3.0). It allows a relative strength in one measure to mitigate a relative weakness in another measure.

If an institution achieves a composite score of at least 1.5, it is financially responsible without further oversight. If an institution achieves a composite score from 1.0 to 1.4, it is in the "zone", is subject to additional monitoring, and may continue to participate as a financially responsible institution for up to three years. Additional monitoring may require the University to (1) notify the Department of Education, within 10 days of certain changes, such as an adverse accrediting action; (2) file its financial statements earlier than the six month requirement following the close of the fiscal year and (3) subject the University to a cash monitoring payment method.

If an institution achieves a composite score below 1.0, it fails to meet the financial responsibility standards unless it qualifies under the provisions of an alternative standard (i.e., letter of credit equal to 50% of the Title IV program funds expended from the prior fiscal year or equal to at least 10% of the Title IV program funds expended from the prior fiscal year and provisional certification status). The institution may also be placed on the cash monitoring payment method or the reimbursement payment method.

The University applied these regulations to its audited financial statements as of December 31, 2013 has determined that it has not satisfied the new standards as of that date based upon a composite score of -0.40 with an equity ratio of -0.40, a primary reserve ratio of -0.40 and a net income ratio of 0.44 for the year ending 2013. Pursuant to Volume 4 section 4-4 of the Blue Book, approximately \$250.1 million of an impairment of the intangible assets were not included in the calculation.

In order to operate and award degrees, diplomas and certificates and to participate in the Title IV Programs, a school must be licensed or authorized to offer its programs of instruction by the relevant agency of the state in which such school is located. The University is licensed or authorized by the relevant agency of the state in which it is located. In addition, in order to participate in the Title IV Programs, an institution must be accredited by an agency recognized by the Department of Education. The University is accredited by Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) Commission on Colleges.

The Department of Education has required Everglades College, Inc. to post a letter of credit in the amount of \$27,615,232 and be provisionally certified for a period of up to three complete award years. This amount represents 10% of the title IV, HEA program funds received by Everglades University and Keiser University during their most recently completed fiscal year. The \$24,522,691 of this line of credit is secured by a personal bank account of the University's Chancellor, Dr. Arthur Keiser.

15. NOTES PAYABLE

A promissory note bearing interest at 3.48% per annum was issued on January 10, 2011 to the University Chancellor, Dr. Arthur Keiser in the amount of \$300,000,000. Interest only payments were made quarterly for the first year commencing on April 1, 2011. Beginning April 1, 2012 interest shall be paid in cash and the outstanding principal amount shall be paid in forty (40) equal quarterly payments ending on April 1, 2022, except that the amount of payments of interest and principal for any year shall not exceed forty percent (40%) of the net surplus of Everglades College, Inc. for the previous year. Any excess payments are added to the principal balance and extend the maturity date of the note. As of December 31, 2013, the note payable amounted to \$301,912,541. The lender forfeits its rights to collect any of the University's obligations, which would still be outstanding in January 2041. The note is subordinate to all of the University's obligations. Accrued interest of \$4,093,413 compounded to the note payable during 2013.

On January 20, 2011 the University received a \$12,200,000 unsecured advance from Keiser School Inc., a related party by means of common management, for working capital at a rate of 3.48% and payable on demand. On February 4, 2011 the University received an additional \$8,000,000 unsecured advance for working capital at a rate of 3.48% payable on demand. As of December 31, 2012, a balance of \$8,531,327 remains due to Keiser School Inc. On January 15, 2013 the entire amount was paid in full.

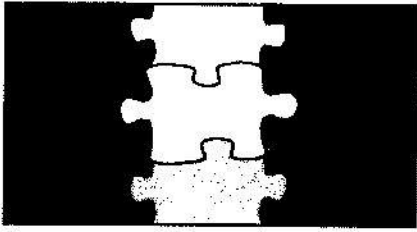
Interest expense associated with the notes payable amounted to \$10,425,859 during 2013. The University made principal repayments under the notes payable amounting to \$8,531,326 during 2013.

16. CONTINGENT LIABILITIES

The University is subject to legal proceedings, claims, and litigation arising in the ordinary course of business. The Universities defends itself vigorously against any such claims. Although the outcome of these matters is currently not determinable, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on its financial position, results of operations, or cash flows.

17. SUBSEQUENT EVENTS

Everglades College, Inc. d/b/a Keiser University and d/b/a Everglades University has evaluated subsequent events through September 26, 2014, which is the date the financial statements were available to be issued, and has concluded that there were no events or transactions that took place which would require adjustment and/or disclosure herein.



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With Government
Auditing Standards

Board of Trustees
Everglades College, Inc.
Fort Lauderdale, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Everglades College, Inc., as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Everglades College, Inc.'s basic financial statements, and have issued our report thereon dated September 26, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Everglades College, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Everglades College, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Everglades College, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Everglades College, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(b)(6)

Delray Beach, Florida
September 26, 2014

EVERGLADES UNIVERSITY

Compliance Report

Corrective Action Plan

Florida Report

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

REPORT ON STATE OF FLORIDA STUDENT
FINANCIAL ASSISTANCE PROGRAMS

For the Academic Year Ended June 30, 2013

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EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

AUDITOR'S INFORMATION SHEET
For the Academic Year Ended June 30, 2013

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY
5002 T-Rex Avenue, Suite 100
Boca Raton, FL 33431

TELEPHONE NUMBER: (954) 776-4476
FACSIMILE NUMBER: (954) 489-2964

PRESIDENT: Ms. Kristi Mollis
CONTACT PERSON AND TITLE: Frederick A. Pfeffer
Director Student Financial Services

LEAD AUDITOR: Marc-Andre Boisseau, CPA
FIRM'S NAME: Boisseau, Felicione & Associates
FIRM'S ADDRESS: 13590 Jog Road, Suite C6
Delray Beach, FL 33446

TELEPHONE NUMBER: (561) 495-5250
FACSIMILE NUMBER: (561) 495-5261

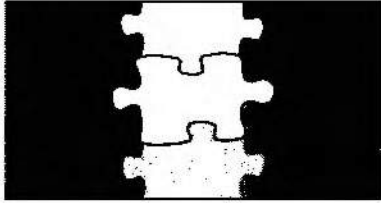
PROGRAMS EXAMINED (CHECK AS APPLICABLE)

| | |
|---|------------------------------|
| Florida Bright Futures Scholarship Program | |
| Florida Medallion Scholars Award | <u> X </u> |
| Florida Gold Seal Vocational Scholars Award | <u> X </u> |
| Florida Resident Access Grant Fund | <u> X </u> |
| Florida Student Assistance Grant Program | <u> X </u> |
| Scholarships for Children and Spouses of Deceased and Disabled Veterans | <u> X </u> |

INSTITUTION'S PRIMARY ACCREDITING ORGANIZATION:
Commission on Colleges of the Southern Association of Colleges and Schools

OTHER ACCREDITING ORGANIZATIONS: Not Applicable

RECORDS FOR THE ACCOUNTING AND ADMINISTRATION OF THE STATE OF FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS ARE LOCATED AT EVERGLADES COLLEGE, INC. d/b/a EVERGLADES UNIVERSITY, 5002 T-REX AVENUE, SUITE 100, BOCA RATON, FL 33431.



Boisseau, Felicione & Associates, Inc.
13590 Jog Road, Suite C6
Delray Beach, FL 33446
Telephone: 561-495-5250
Fax: 561-495-5261

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO STATE OF
FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS

To the Board of Trustees
Everglades College, Inc.
d/b/a Everglades University
Boca Raton, FL

We have audited the compliance of Everglades College, Inc. d/b/a Everglades University with the program requirements described in the State Board of Education Administrative Rules and the audit program guidance provided by the Florida Department of Education, Bureau of Auditing Services, that are applicable to Everglades College, Inc. d/b/a Everglades University's State of Florida Student Financial Assistance Programs which are identified in the accompanying supplemental schedule of expenditures for the academic year ended June 30, 2013. Compliance with the program requirements of the State of Florida Student Financial Assistance Programs is the responsibility of Everglades College, Inc. d/b/a Everglades University's management. Our responsibility is to express an opinion on Everglades College, Inc. d/b/a Everglades University's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit program guidance provided by the Florida Department of Education, Bureau of Auditing Services. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the program occurred. An audit includes examining, on a test basis, evidence about Everglades College, Inc. d/b/a Everglades University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Everglades College, Inc. d/b/a Everglades University's compliance with those requirements.

In our opinion, Everglades College, Inc. d/b/a Everglades University complied, in all material respects, with the requirements referred to above that are applicable to its State of Florida Student Financial Assistance Programs for the academic year ended June 30, 2013.

This report is intended solely for the information of the Board of Trustees, the audit committee, and management of Everglades College, Inc. d/b/a Everglades University, and the Florida Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

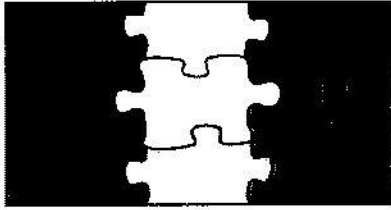
(b)(6)

Delray Beach, FL
September 26, 2014

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

SUPPLEMENTAL SCHEDULE OF EXPENDITURES FOR STATE OF
FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS
For the Academic Year Ended June 30, 2013

| | | | |
|---|--|----|-----------------------|
| FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM | | | |
| FLORIDA MEDALLION SCHOLARS AWARD ("FMS"): | | | |
| Disbursements | | \$ | 16,875 |
| Refunds | | | <u>1,575</u> |
| | | \$ | <u>15,300</u> |
| | | | |
| FLORIDA GOLD SEAL VOCATIONAL SCHOLARS AWARD ("GSV"): | | | |
| Disbursements | | \$ | 675 |
| Refunds | | | <u>0</u> |
| | | \$ | <u>675</u> |
| | | | |
| FLORIDA RESIDENT ACCESS GRANT FUND ("FRAG") | | | |
| Disbursements | | \$ | 781,525 |
| Refunds | | | <u>17,200</u> |
| | | \$ | <u>764,325</u> |
| | | | |
| FLORIDA STUDENT ASSISTANCE GRANT PROGRAM ("FSAG"): | | | |
| Disbursements | | \$ | 42,334 |
| Refunds | | | <u>300</u> |
| | | \$ | <u>42,034</u> |
| | | | |
| SCHOLARSHIPS FOR CHILDREN AND SPOUSES OF DECEASED OR DISABLED VETERANS ("CSDDV") | | | |
| Disbursements | | \$ | 4,976 |
| Refunds | | | <u>0</u> |
| | | \$ | <u>4,976</u> |



Boisseau, Felicione & Associates, Inc.
13590 Jog Road, Suite C6
Delray Beach, FL 33446
Telephone: 561-495-5250
Fax: 561-495-5261

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH STATE OF FLORIDA
STUDENT FINANCIAL ASSISTANCE PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE

To the Board of Trustees
Everglades College, Inc.
d/b/a Everglades University
Boca Raton, FL

COMPLIANCE

We have audited the compliance of Everglades College, Inc. d/b/a Everglades University with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement* that are applicable to the State of Florida Department of Education's Student Financial Assistance Programs for the academic year ended June 30, 2013. Everglades College, Inc. d/b/a Everglades University's Florida Student Financial Assistance Programs are identified in the Summary of Populations, Items Tested, and Findings for State of Florida Student Financial Assistance Programs for the academic year ended June 30, 2013. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of these state programs is the responsibility of Everglades College, Inc. d/b/a Everglades University's management. Our responsibility is to express an opinion on Everglades College, Inc. d/b/a Everglades University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a State of Florida Student Financial Assistance Program occurred. An audit includes examining, on a test basis, evidence about Everglades College, Inc. d/b/a Everglades University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination of Everglades College, Inc. d/b/a Everglades University's compliance with those requirements.

In our opinion, Everglades College, Inc. d/b/a Everglades University complied, in all material respects, with the requirements referred to above that are applicable to each of its State of Florida Student Financial Assistance Programs for the academic year ended June 30, 2013. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

INTERNAL CONTROL OVER COMPLIANCE

The management of Everglades College, Inc. d/b/a Everglades University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to State of Florida Student Financial Assistance Programs. In planning and performing our audit, we considered Everglades College, Inc. d/b/a Everglades University's internal control over compliance with requirements that could have a direct and material effect on a major State of Florida Student Financial Assistance Program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a significant deficiency in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to State of Florida Student Financial Assistance Programs being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and the Florida Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

(b)(6)

Delray Beach, FL
September 26, 2014

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

SUMMARY OF POPULATIONS, ITEMS TESTED, AND FINDINGS
FOR STATE OF FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS
For the Academic Year Ended June 30, 2013

| | Description of Category | Number of Students | Percent of Population | Amount of Awards | Percent of Population |
|--------|-------------------------|--------------------|-----------------------|------------------|-----------------------|
| FMS: | Population | 11 | 100% | \$16,875 | 100% |
| | Tested | 11 | 100% | \$16,875 | 100% |
| | Findings | 0 | 0% | \$0 | 0% |
| GSV: | Population | 1 | 100% | \$675 | 100% |
| | Tested | 1 | 100% | \$675 | 100% |
| | Findings | 0 | 0% | \$0 | 0% |
| FRAG: | Population | 477 | 100% | \$781,525 | 100% |
| | Tested | 53 | 11% | \$103,200 | 13% |
| | Findings | 0 | 0% | \$0 | 0% |
| FSAG: | Population | 123 | 100% | \$42,334 | 100% |
| | Tested | 44 | 36% | \$15,100 | 36% |
| | Findings | 0 | 0% | \$0 | 0% |
| CSDDV: | Population | 1 | 100% | \$4,976 | 100% |
| | Tested | 1 | 100% | \$4,976 | 100% |
| | Findings | 0 | 0% | \$0 | 0% |

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

STATE OF FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS
STATUS OF PRIOR YEAR FINDINGS, RECOMMENDATIONS, AND QUESTIONED COSTS
For the Academic Year Ended June 30, 2012

We are required to report on the actions taken by management to correct the findings noted in prior audit reports.

The status of prior audit findings for the report dated June 26, 2013, covering the Florida Bright Futures Scholarship Program; Florida Medallion Scholars Award, and Florida Gold Seal Vocational Scholars Award; Florida Resident Access Grant Fund; Florida Student Assistance Grant Program; and Scholarships for Children and Spouses of Deceased or Disabled Veterans, performed by RBSM., LLP for the academic year ended June 30, 2012, are as follows:

There were no findings or questioned costs.

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES FOR
STATE OF FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS
For the Academic Year Ended June 30, 2013

BASIS OF PRESENTATIONS

The purpose of the accompanying Supplemental Schedule of Expenditures for Florida Student Financial Assistance Programs is to present, in summary form, student financial assistance activities of Everglades College, Inc. d/b/a Everglades University for the academic year ended June 30, 2013, which have been financed by the State of Florida Department of Education. The administration of each program is the responsibility of the Florida Department of Education's Office of Student Financial Assistance and Everglades College, Inc. d/b/a Everglades University. The following is a brief description of each Florida student financial assistance program administered by the Student Financial Aid Office of Everglades College, Inc. d/b/a Everglades University (the "University").

1. Florida Bright Futures Scholarship Program

The Florida Bright Futures Scholarship Program establishes three lottery-funded scholarships to reward Florida high school graduates for high academic achievement. The Florida Bright Futures Scholarship Program is comprised of three awards but the University only participates in the following two:

- Florida Medallion Scholars Award ("FMS") provides certain qualified, first-time-in-college, full-time, undergraduate students assistance in paying for costs and education. FMS is available only to Florida residents attending eligible colleges and universities located in the State of Florida.
- Florida Gold Seal Vocational Scholars Award ("GSV") provides certain qualified, full-time, undergraduate students, who are enrolled in a vocational or technical program, with assistance in paying for the costs of education. GSV is available only to Florida residents attending eligible colleges and universities located in the State of Florida.

2. Florida Resident Access Grant Fund

The William L. Boyd, IV, Florida Resident Access Grant Fund ("FRAG") Program provides tuition assistance to Florida undergraduate students attending an eligible private, non-profit Florida college or university. FRAG is a decentralized program, and each participating institution determines application procedures, deadlines, and student eligibility.

3. Florida Student Assistance Grant Program

The Florida Student Assistance Grant ("FSAG") Program is a need-based grant program consisting of three separately funded student financial aid programs available to degree-seeking, resident, undergraduate students who demonstrate substantial financial need and are enrolled in participating postsecondary institutions. FSAG is a decentralized program, and each participating institution determines application procedures, deadlines, student eligibility, and award amounts.

- The Florida Public Student Assistance Grant is available to students who attend state universities and public community colleges.
- The Florida Private Student Assistance Grant is available to students who attend eligible private, non-profit, four-year colleges and universities.
- The Florida Postsecondary Student Assistance Grant is available to students who attend eligible degree-granting private colleges and universities not eligible under the Florida Private Student Assistance Grant.

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES FOR
STATE OF FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS
For the Academic Year Ended June 30, 2013

BASIS OF PRESENTATIONS (continued)

4. Scholarships for Children and Spouses of Deceased or Disabled Veterans

The Scholarships for Children and Spouses of Deceased or Disabled Veterans ("CSDDV") provides scholarships for dependent children or unremarried spouses of Florida veterans or servicemembers who died as a result of service-connected injuries, diseases, or disabilities sustained while on active duty or who have been certified by the Florida Department of Veterans Affairs as having service-connected 100% permanent and total disabilities. CSDDV also provides funds for dependent children whose parent is classified as a prisoner of war or missing in action by the Armed Forces of the United States or as civilian personnel captured while serving with the consent or authorization of the United States Government during wartime service. CSDDV provides funding for tuition and registration fees at an eligible post secondary institution or the equivalent at an eligible private post secondary institution in Florida.

AUDITOR INFORMATION SHEET

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY
5002 T-REX AVENUE, SUITE 100
BOCA RATON, FL 33431

| | |
|--|--|
| FISCAL YEAR-END : December 31 st | LEAD AUDITOR : Marc-Andre Boisseau |
| EIN NUMBER(S) : 650216638 | EMAIL ADDRESS : mboisseau@bfagroup.com |
| OPE ID NUMBER(S) : 03108500 | LICENSES : FL – AC35901 |
| DUNS NUMBER(S) : 966362667 | |
| TEL. NO. : (954) 776-4476 | FIRM'S NAME : Boisseau, Felicione & Associates |
| FAX. NO. : (954) 489-2964 | ADDRESS : 13590 Jog Road, Suite C6 Delray Beach, Fl 33446 |
| PRESIDENT : Ms. Kristi Mollis | TEL. NO. : (561) 495-5250 |
| CONTACT PERSON : Frederick A. Pfeiffer | FAX. NO. : (561) 495- 5261 |
| TITLE : Director Student Financial Services | |

Programs Examined:
(Check as Applicable)

| | | |
|-------|--------|----------|
| PELL | 84.063 | <u>X</u> |
| FDLP | 84.268 | <u>X</u> |
| FSEOG | 84.007 | <u>X</u> |
| FWS | 84.033 | <u>X</u> |
| FPL | 84.038 | <u>X</u> |
| ACG | 84.375 | _____ |
| TEACH | 84.379 | _____ |

For the Award Year that ended during the Institution's fiscal year, the percentage of:

| | |
|--|-------------|
| Correspondence courses to total courses: | <u>0.0%</u> |
| Regular students enrolled in correspondence courses: | <u>0.0%</u> |
| Regular students that are incarcerated: | <u>0.0%</u> |
| Regular students enrolled based on ability to benefit: | <u>0.0%</u> |
| For short-term programs: | |
| Completion: | <u>N/A</u> |
| Placement: | <u>N/A</u> |

THE CAMPUSES/LOCATIONS CONSIDERED AS PART OF THIS ENTITY AND COVERED OR EXCLUDED BY THIS EXAMINATION ARE:

| All Locations | >50% of Program Offered @ Site Yes/No | Location On Eligibility Letter Yes/No | Notice to ED Prior to Offering Instruction Yes/No | Date | | CPA Visit | Exclusion Reason |
|--|--|--|--|--------|--------|--------------------------|------------------|
| | | | | Opened | Closed | | |
| Boca Raton, FL | Yes | Yes | Yes | 1995 | N/A | 3/15/2013 | N/A |
| Sarasota, FL | Yes | Yes | Yes | 2003 | N/A | 3/21/2014 | N/A |
| Altamonte Springs, FL | Yes | Yes | Yes | 2006 | N/A | 3/19/2014 | N/A |
| Ft. Lauderdale, FL (Administrative Offices) | N/A | N/A | N/A | 2005 | N/A | 3/24/2014 to 4/3/2014 | N/A |

Institution's Primary Accrediting Organization: Commission on Colleges of the Southern Association of Colleges and Schools

Records for the accounting and administration of the SFA programs are located at:

5002 T-REX Avenue, Suite 100, Boca Raton, FL 33431;
 6001 Lake Osprey Drive, Suite 110, Sarasota, FL 34240;
 887 East Altamonte Drive, Altamonte Springs, FL 32701; and
 1900 West Commercial Boulevard, Ft. Lauderdale, FL 33309

Open bank accounts or unexercised sureties that may contain Federal funds:

Bank Name and Address

TD Bank, N.A.
 P.O. Box 1377
 Lewiston, Maine 04243-1377
 (800) 937-2000
 www.tdbank.com

SERVICER INFORMATION SHEET

Name of Servicer : Educational Funding Resources,
 Inc. ("E.F.R., Inc.")
 Servicer Address : 1601 North Palm Avenue,
 Suite 302
 Pembroke Pines, FL 33026
 Telephone Number : (954) 433-7503
 Fax Number : (954) 433-7631
 President : Michael G. Green
 Contact Person : James L. Cook
 Title : Executive Vice-President

Lead Auditor : Kenneth P. Wood
 Email : ken.wood@tjsdd.com
 License Numbers : GA – CPA018124
 FL – AC0033566
 Firm's Name : TJS Deemer Dana LLP
 Address : 118 Park of Commerce Drive
 P.O. Box 9706
 Savannah, GA 31412
 Telephone Number : (877) 238-1008
 Fax Number : (912) 238-1701

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|-------------------------------------|--------------------------------------|---------------------------------------|---|
| I. Computer operations | | | (1)Each entity maintains their own internal controls. |
| A. Terminal and software security | X ⁽¹⁾ | X ⁽¹⁾ | |
| B. Data integrity | X ⁽¹⁾ | X ⁽¹⁾ | |
| C. System and data backup | X ⁽¹⁾ | X ⁽¹⁾ | |
| D. Disaster recovery plan | X ⁽¹⁾ | X ⁽¹⁾ | |
| II. Cash management | | | |
| A. Drawdowns | X | | |
| B. Authorization vs. expenditures | X | | |
| C. Reconcile G/L to bank | X | | |
| D. Bank account notes federal funds | X | | |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|--|--------------------------------------|---------------------------------------|---|
| III. Financial reports | | | |
| A. FISAP | X ⁽²⁾ | X ⁽²⁾ | (2)E.F.R., Inc. provides all information needed to complete Section III of the FISAP except the bank balances, FCC and ICC, Administrative Cost Allowance, and interest earned on bank balances. The Institution inputs this info onto the FISAP diskette and submits it to ED, or electronically transmits same to ED. |
| B. EDPMTS/EDCAPS | X | | |
| C. Pell IPS | X | | |
| IV. Institutional eligibility | | | |
| A. Participation agreement/ECAR | X | | |
| B. Accreditation status | X | | |
| C. Admissions policy | X | | |
| D. Eligible programs | X | | |
| E. Calculation of institution eligibility ratios | X | | |
| F. Licenses | X | | |
| G. Administrative capability items | X | | |
| V. Student eligibility | | | |
| A. High school diploma or equivalent or ability to benefit | X | | |
| B. Regularly enrolled in eligible program | X | | |
| C. Citizen or permanent resident | X | | |
| D. Satisfactory progress | X | | |
| E. Default/refund status | X | | |
| F. Social security number match requirement | X | | |
| G. Other requirements | X | | |
| VI. Coordination of programs | | | |
| A. Financial aid organization | X | | |
| B. Other information available | X | | |
| C. Needs analysis | X | | |
| D. Professional judgment documentation | X | | |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|---|--------------------------------------|---------------------------------------|--|
| VII. Administration capability | | | |
| A. Student file maintenance | X | | |
| B. Record retention | X | | |
| C. Verification | X | | |
| VIII. Disbursements | | | |
| A. Financial aid transcripts/ NSLDS information | X ⁽³⁾ | X ⁽³⁾ | ⁽³⁾ The Institution is responsible for obtaining FATs. E.F.R., Inc. is responsible for monthly transmission to NSLDS of all Perkins Loan activity information. |
| B. Independent/Dependent status determination | X | | |
| C. Timing and amount of disbursements | X ⁽⁴⁾ | X ⁽⁴⁾ | ⁽⁴⁾ The Institution is responsible for determining refunds and overpayments, or return of Title IV funds. When notified, E.F.R., Inc. will enter the changes on its system. |
| IX. Refunds/Return of Title IV, or overpayments | | | |
| A. Policy | X | | |
| B. Refund calculations | X | | |
| C. Overpayment calculations | X | | |
| D. Disbursement and accounting for refunds/overpayments | X | | |
| X. Institutional disclosure | | | |
| A. Accuracy of institutional data | X | | |
| B. Disclosure to students | X | | |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|---|--------------------------------------|---------------------------------------|--|
| XI. Pell grant | | | |
| A. Types of expenditures allowed | N/A | | |
| B. Program performance | | | |
| 1. Calculation and disbursement of award | | | |
| 2. Timing of payment; cutoff dates for receipts of SARs | | | |
| C. Financial reports | | | |
| XII. Campus-based programs (general) | | | |
| A. Types of expenditures allowed | | | |
| 1. Program expenditures | X | | |
| 2. Administrative cost allowance | X | | |
| B. Program performance | | | |
| 1. Accuracy of FISAP data | X ⁽⁵⁾ | X ⁽⁵⁾ | ⁽⁵⁾ Each entity is responsible for verifying data to ensure accuracy. |
| 2. System of need analysis, etc | X | | |
| XIII. Campus-based programs (Perkins) | | | |
| A. Type of expenditures allowed | X | | |
| B. Matching | X | | |
| C. Program performance | | | |
| 1. Student eligibility | X | | |
| 2. Approved promissory note | X | | |
| 3. Due diligence | X ⁽⁶⁾ | X ⁽⁶⁾ | ⁽⁶⁾ The Institution shares the responsibility to verify the activities of E.F.R., Inc. |
| 4. Repayment records | X ⁽⁷⁾ | X ⁽⁷⁾ | ⁽⁷⁾ E.F.R., Inc. posts receipts, but sends the Institution a copy of the receipt so the Institution can update its records. |
| D. Special compliance requirements | | | |
| 1. Minimum cash balance; cash planning | X | | |
| 2. Treatment of interest earned | | | |
| a. on Perkins loan balance | X ⁽⁸⁾ | X ⁽⁸⁾ | ⁽⁸⁾ E.F.R., Inc. posts receipts, but sends the Institution a copy of the receipt so the Institution can update its records. |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|--|--------------------------------------|---------------------------------------|--|
| XIV. Campus-based programs (FSEOG) A. Eligible expenditures B. Matching C. Selection of students for FSEOG awards | N/A | | |
| XV. Campus-based programs (FWS) A. Types of expenditures and employment allowed 1. Types of employment allowed 2. Types of expenditures allowed B. Matching C. Program performance 1. Selection of students for employment 2. Approval of time sheets and payments to students D. Special compliance requirements 1. JLD and CSJLD programs 2. CSL programs (5% minimum) | N/A | | |
| XVI. Due Diligence Requirements A. Notification of new loans/ disbursements | X | | |
| B. Add new borrowers as loans are made | X ⁽⁹⁾ | X ⁽⁹⁾ | ⁽⁹⁾ The Institution will notify E.F.R., Inc. when new loans are made. E.F.R., Inc. will add each new loan to its system. |
| C. Report all loans to a national credit bureau | | X | |
| D. Track in-school borrowers | X ⁽¹⁰⁾ | X ⁽¹⁰⁾ | ⁽¹⁰⁾ The Institution will verify enrollment listing supplied by E.F.R., Inc. The Institution will notify E.F.R., Inc. if borrowers leave school prior to the issuance of the enrollment verification. |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|--|--------------------------------------|---------------------------------------|---|
| E. Perform Exit Interview for borrowers leaving school | X ⁽¹¹⁾ | X ⁽¹¹⁾ | ⁽¹¹⁾ The Institution will perform Exit Interviews for borrowers that show up for the exit session. E.F.R., Inc. will mail an Exit Interview to the borrowers that do not complete an Exit interview at the school. |
| F. Send Grace Period Notices (3) | | X | |
| G. Provide payment coupons to borrower | | X | |
| H. Post payments to borrower's account | | X | |
| I. Deposit payments into school bank account | | X | |
| J. Reconcile bank account | X ⁽¹²⁾ | X ⁽¹²⁾ | ⁽¹²⁾ E.F.R., Inc. will provide all deposit data to the Institution on a daily basis. The Institution must reconcile the bank statements. |
| K. Telephone borrowers when payments are late | | X | |
| L. Send past due notices | | X | |
| M. Process Deferments, postponements, cancellations, or forbearance requests and send to school for approval | X ⁽¹³⁾ | X ⁽¹³⁾ | ⁽¹³⁾ E.F.R., Inc. will provide forms to borrowers when requested and when returned, E.F.R., Inc. will forward those forms to the Institution for approval or disapproval. The Deferment will be added to the system if approved. |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

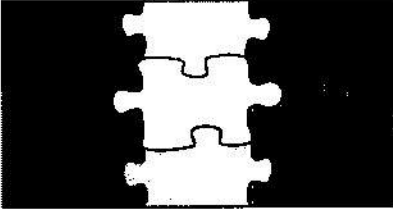
| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|---|--------------------------------------|---------------------------------------|--|
| N. Perform skip tracing | | X | |
| O. Utilize IRS skip tracing service | X ⁽¹⁴⁾ | X ⁽¹⁴⁾ | ⁽¹⁴⁾ E.F.R., Inc. completes a list of borrowers that need to be skip-traced by the IRS. E.F.R., Inc. will forward the list to the Institution for its approval and submission to the IRS. |
| P. Refer defaulted loans to a collection agency | | X | |
| Q. Process bankruptcy filings | | X | |
| R. Determine need for litigation | X ⁽¹⁵⁾ | X ⁽¹⁵⁾ | ⁽¹⁵⁾ E.F.R., Inc. will determine the need for litigation and forward to the Institution for approval before turning the loan over to an attorney. |
| S. Complete consolidation requests | | X | |
| XVII. Reports | | | |
| A. Provide daily payments report | | X | |
| B. Provide change of address reports daily | | X | |
| D. Provide listing of all loans (monthly) | | X | |
| E. Provide an accounting report (monthly) | | X | |
| F. Review quarterly enrollment listings | X ⁽¹⁶⁾ | X ⁽¹⁶⁾ | ⁽¹⁶⁾ E.F.R., Inc. provides its listing of enrolled students and the Institution verifies the information. |
| G. Complete annual FISAP Report Section III | X ⁽¹⁷⁾ | X ⁽¹⁷⁾ | ⁽¹⁷⁾ E.F.R., Inc. completes Section III of the FISAP, as described in III.A., above, and sends it to the Institution for approval and inclusion with the balance of the FISAP. The Institution transmits the FISAP to ED. |
| H. Completes annual Safeguard | | X | |
| I. Report all loans to NSDLS (monthly) | | X | |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|---|--------------------------------------|---------------------------------------|--|
| XVIII. Federal Family Education Loans (FFEL) | | | |
| A. Program performance | | | |
| 1. Determination of eligibility and completion of application | X | | |
| 2. Default reduction measures | X | | |
| 3. Entrance and exit counseling | X | | |
| 4. Loan disbursement | X | | |
| 5. EFT Roster reconciliation | X | | |
| 6. Eligibility for disbursement | X | | |
| B. Status reporting | | | |
| 1. SSCR completion | X | | |
| 2. Change in enrollment status | X | | |
| C. Special compliance requirements | | | |
| 1. Refund policy | X | | |
| 2. Refunds to lenders | X | | |
| XIX. Federal Direct Loan Program (FDLP) | | | |
| A. Program performance | | | |
| 1. Determination of eligibility | X | | |
| 2. Entrance and exit counseling | X | | |
| 3. Exporting and importing electronic files to/from the LOC | X | | |
| 4. Loan disbursement | X | | |
| 5. Monthly data matching including | | | |
| 1. Loan and cash detail records | X | | |
| 2. Summary records | X | | |
| B. FDLP status reporting | | | |
| 1. SSCRs | X | | |
| 2. Change in enrollment status | X | | |

NOTES

1. It is the position of Educational Funding Resources, Inc., hereafter referred to as the "Servicer" that the Institution is responsible for selection, eligibility, and admission of students into its educational programs.
2. The Institution submits Perkins Loan data to the Servicer with a start form, which advises the Servicer of the student's program, loan, or disbursement amount, and expected graduation or exit date.
3. The Servicer will input each borrower's loan information into its computer system. The Institution will keep the Servicer informed when the borrower leaves school.
4. The Servicer will begin the due diligence procedures upon the student's departure from school.
5. The Servicer will complete Section III of the annual FISAP form from the information supplied by the Institution and the data contained on the Servicer's system. Differences will be resolved by the Institution and the Servicer.
6. The Servicer will report all of its files monthly to the National Student Loan Data System ("NSDLS") as required by current regulations.
7. The Servicer will report all borrower accounts to the Institution each month for reconciliation. The Institution must notify the Servicer if there is a discrepancy.



Boisseau, Felicione & Associates, Inc.
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Fax: 561-495-5261

**Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance;
and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

Independent Auditor's Report

To the Board of Trustees
Everglades College, Inc.
d/b/a Everglades University

Report on Compliance for Each Major Federal Program

We have audited Everglades College, Inc. d/b/a Everglades University's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Everglades College, Inc. d/b/a Everglades University's major federal programs for the year ended December 31, 2013. Everglades College, Inc. d/b/a Everglades University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Everglades College, Inc. d/b/a Everglades University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Everglades College, Inc. d/b/a Everglades University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Everglades College, Inc. d/b/a Everglades University's compliance.

Opinion on Each Major Federal Program

In our opinion, Everglades College, Inc. d/b/a Everglades University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of Everglades College, Inc. d/b/a Everglades University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Everglades College, Inc. d/b/a Everglades University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Everglades College, Inc. d/b/a Everglades University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Everglades College, Inc. d/b/a Everglades University as of and for the year ended December 31, 2013, and have issued our report thereon dated September 26, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

(b)(6)

Delray Beach, FL
September 26, 2014

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2013

| <u>Federal Grantor/Pass Through Grantor or Cluster Title</u> | <u>CFDA Number</u> | <u>Federal Expenditures</u> |
|--|------------------------|---------------------------------|
| UNITED STATES DEPARTMENT OF EDUCATION | | |
| Federal Pell Grant Program | 84.063 | \$ 4,092,061 |
| Federal Direct Loan Program | 84.268 | 14,746,687 |
| Federal Supplemental Educational Opportunity Grant Program | 84.007 | 115,250 |
| Federal Work-Study Program | 84.033 | 68,551 |
| Federal Perkins Loan Program | 84.038 | <u>1,490</u> |
| Total expenditures of federal awards | | <u>\$ 19,024,039</u> |

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grants of Everglades College, Inc. d/b/a Everglades University and is presented on the cash basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013

1. The auditor's report expressed an unqualified opinion on the financial statements of Everglades College, Inc. d/b/a Everglades University.
2. No significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Everglades College, Inc. d/b/a Everglades University which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies were disclosed in the internal control over major programs.
5. The auditor's report on compliance for the major federal award programs for Everglades College, Inc. d/b/a Everglades University, expresses an unqualified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133. However, there were three (3) instances noted or included in this report, which are not required to be reported in accordance with Section 510(a) of OMB Circular A-133. See Finding No: 2013-001, Finding No: 2013-002, and Finding No: 2013-003. Schedules A and B are presented There were no findings or questioned costs that required the presentation of Schedule C. Therefore, Schedule C has not been included.
7. The programs listed below are part of a cluster, therefore they are treated and tested as a major program:

| <u>Federal Grantor/Pass through Grantor or Cluster Title</u> | <u>CFDA Number</u> |
|---|--------------------|
| <u>United States Department of Education</u> | |
| Federal Pell Grant Program | 84.063 |
| Federal Direct Loan Program | 84.268 |
| Federal Supplemental Educational Opportunity Grant Program | 84.007 |
| Federal Work-Study Program | 84.033 |
| Federal Perkins Loan Program | 84.038 |

8. The threshold used for distinguishing between Type A and B programs was \$300,000 since Everglades College, Inc. d/b/a Everglades University only participates in one cluster of federal student financial aid programs.
9. Everglades College, Inc. d/b/a Everglades University qualified as a low risk auditee.

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013

Total Population: 1,445

| | <u>Pell</u> | <u>FDLP</u> | <u>FSEOG</u> | <u>FWS</u> | <u>FPL</u> |
|------------------|-------------|--------------|--------------|------------|------------|
| <u>Universe</u> | | | | | |
| <u>Dollars:</u> | \$4,092,061 | \$14,746,687 | \$115,250 | \$68,551 | \$1,490 |
| <u>Students:</u> | 937 | 1,328 | 579 | 12 | 2 |

Enrolled, graduated, or students on an approved LOA: 1,083

| | <u>Pell</u> | <u>FDLP</u> | <u>FSEOG</u> | <u>FWS</u> | <u>FPL</u> |
|------------------|-------------|--------------|--------------|------------|------------|
| <u>Universe</u> | | | | | |
| <u>Dollars:</u> | \$3,237,738 | \$12,124,544 | \$91,650 | \$54,772 | \$990 |
| <u>Students:</u> | 686 | 1,003 | 436 | 9 | 1 |
| <u>Sample</u> | | | | | |
| <u>Dollars:</u> | \$186,028 | \$748,374 | \$4,200 | \$21,153 | \$0 |
| <u>Students:</u> | 40 | 53 | 22 | 2 | 0 |

Total enrolled, graduated, or students on an approved LOA files tested: 53

Withdrawn, dropped, or terminated students: 362 (25.1%)

| | <u>Pell</u> | <u>FDLP</u> | <u>FSEOG</u> | <u>FWS</u> | <u>FPL</u> |
|--------------------------|-------------|-------------|--------------|------------|------------|
| <u>Universe</u> | | | | | |
| <u>Dollars Refunded:</u> | \$297,462 | \$1,023,236 | \$4,150 | \$0 | \$0 |
| <u>Students:</u> | 251 | 325 | 143 | 3 | 1 |
| <u>Sample</u> | | | | | |
| <u>Dollars Refunded:</u> | \$29,175 | \$66,146 | \$300 | \$0 | \$0 |
| <u>Students:</u> | 22 | 24 | 12 | 0 | 1 |

Total withdrew, dropped, or terminated student files tested: 27

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013

Finding No: 2013-001 - FDL PROGRAM – LATE EXIT INTERVIEW

Type - Compliance

Our review of the student files revealed that the Institution sent a late exit interview to one (1) student. The Institution did not notify the third party servicer for Federal Perkins Loans when the student withdrew.

Criteria - 34 CFR 685.304

Effect - Not completing exit interviews increases the likelihood of default.

The threshold of material non-compliance, as determined by the Independent Accountant, is >8 instances of non-compliance.

Cause - It appears that Institutional personnel overlooked this student after the student withdrew from their course of study. However, the Institution provided the auditors with proof that the third party servicer was notified and the exit interview was mailed to the student in question.

Recommendation - The Institution needs to review its policies and procedures for all students who end their enrollments with the Institution. All exit interviews should be conducted in a timely manner in the future.

Institution's

Response - The Institution has reviewed the finding with the auditor and agreed with the recommendations. The University has reviewed the finding and agrees with the auditors. It was an isolated incident. During the review and update to the process the team members responsible were involved in the implementation of the changes to ensure this finding is not repeated.

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013

Finding No: 2013-002 - NSLDS ENROLLMENT REPORTING

Type - Compliance

Our review of the Institution's internal control procedures revealed that the Institution did not correctly report three (3) student's statuses through the NSLDS Enrollment Reporting process. During the audit, the Institution provided the auditors with proof of the correction in NSLDS.

Criteria - 34 CFR 685.309

Effect - The threshold of material non-compliance, as determined by the Independent Accountant, is > 8 instance of non-compliance.

Cause - No cause could be determined.

Recommendation - The Institution needs to review its procedures to ensure that all reporting requirements are completed accurately and in the required time frame.

Institution's

Response - The Institution has reviewed the finding with the auditor and agreed with the recommendations. The University has reviewed the findings and agrees with the auditors. It was an isolated incident. During the review and update to the process of reporting to NSLDS, the team members responsible for updating NSLDS have been involved in the implementation of changes to ensure this finding is not repeated.

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013

Finding No: 2013-003 - GENERAL PROVISIONS – (LATE) CREDIT BALANCE

Type - Compliance

Our review of the student files disclosed that the Institution failed to promptly disburse excess Title IV program funds to one (1) student within the required time frame. The student is still enrolled and the funds were absorbed by subsequent educational expenses.

Criteria - 34 CFR 668.164

Effect - No effect was noted because the student eventually received their credit balance.

| No. of Students: | <u>Universe</u> | <u>Sample</u> | <u>Error Occurrence</u> | <u>Threshold of Material Non-Compliance</u> |
|------------------|-----------------|---------------|-------------------------|---|
| | 1,445 | 80 | 1 | > 8 and |
| PELL: | \$4,092,061 | \$258,581 | | >\$ 120,642 |
| FDLP: | \$14,746,687 | \$920,288 | \$420 | |
| FSEOG: | \$115,250 | \$5,900 | | |
| FWS: | \$68,551 | \$21,153 | | |
| FPL: | \$1,490 | \$500 | | |

Cause - No cause could be determined.

Recommendation - As this appears to be an isolated incident, we make no further recommendation.

Institution's

Response - The Institution has reviewed the finding with the auditor and agreed with the recommendations. The University has reviewed the finding and agrees with the auditors. It was an isolated incident. During the review and update to the process of credit balances the team members were involved in the implementation of changes to ensure this finding is not repeated.

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

AUDITOR'S COMMENTS ON RESOLUTION OF PRIOR AUDIT FINDINGS

The Institution was not required to take any corrective actions as indicated on the prior audit report issued by RBSM LLP on June 26, 2013, covering the Federal Pell Grant, Federal Direct Loan, Federal Supplemental Educational Opportunity Grant, Federal Work-Study, Federal Perkins Loan, and Academic Competitiveness Grant programs for the period ending December 31, 2012.

There were no findings or questioned costs.

EVERGLADES COLLEGE, INC.
d/b/a EVERGLADES UNIVERSITY

AUDITOR'S COMMENTS ON RESOLUTION OF PRIOR AUDIT FINDINGS

We are required to report on the actions taken by management to correct the findings noted in prior audit reports.

The status of prior audit findings for the report dated June 26, 2013, covering the Florida Bright Futures Scholarship Program: Florida Medallion Scholars Award, and Florida Gold Seal Vocational Scholars Award; Florida Resident Access Grant Fund, Florida Student Assistance Grant Fund, and Scholarships for Children and Spouses of Deceased or Disabled Veterans and Servicemembers, performed by RBSM LLP for the academic year ended June 30, 2012, are as follows:

There were no findings or questioned costs.



CORRECTIVE ACTION PLAN

Audit Firm: Boisseau, Felicione & Associates
Audit Period: January 1, 2013 to December 31, 2013

Finding No: 2013-001 - FDL PROGRAM – LATE EXIT INTERVIEWS

A. Comments on Findings and Recommendations:

The Institution has reviewed the finding with the auditor and agreed with the recommendations.

B. Actions Taken or Planned:

The University has reviewed the finding and agrees with the auditors. It was an isolated incident. During the review and update to the process the team members responsible were involved in the implementation of the changes to ensure this finding is not repeated.

Finding No: 2013-002 - NSLDS ENROLLMENT REPORTING

A. Comments on Findings and Recommendations:

The Institution has reviewed the finding with the auditor and agreed with the recommendations.

B. Actions Taken or Planned:

The University has reviewed the finding and agrees with the auditors. It was an isolated incident. During the review and update to the process of reporting to NSLDS, the team members responsible for updating NSLDS have been involved in the implementation of changes to ensure this finding is not repeated.

Finding No: 2013-003 - GENERAL PROVISIONS – (LATE) CREDIT BALANCES

A. Comments on Findings and Recommendations:

The Institution has reviewed the finding with the auditor and agreed with the recommendations.

B. Actions Taken or Planned:

The University has reviewed the finding and agrees with the auditors. It was an isolated incident. During the review and update to the process of credit balances the team members were involved in the implementation of changes to ensure this finding is not repeated.

C. Status of Corrective Actions on Prior Findings:

There were no prior audit findings, therefore, no actions required.

(b)(6)

6/11/14

Frederick A. Pfeffer
Director Student Financial Services

Date

Boca Raton Campus

Main Campus
5003 T-REX Avenue, #100
Boca Raton, FL 33431
tel (561) 912-1271
toll free (888) 772-6077
fax (561) 912-1191

Sarasota Campus

Branch Campus
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Sarasota, FL 34230
tel (941) 907-2262
toll free (866) 907-2262
fax (941) 907-6653

Orlando Campus

Branch Campus
887 East Alhambra Drive
Alhambra Springs, FL 32701
tel (407) 277-0331
toll free (866) 389-1078
fax (407) 482-9801

KEISER UNIVERSITY

Compliance Report

Corrective Action Plan

Florida Report

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY

REPORT ON STATE OF FLORIDA STUDENT
FINANCIAL ASSISTANCE PROGRAMS

For the Academic Year Ended June 30, 2013

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EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY

AUDITOR'S INFORMATION SHEET
For the Academic Year Ended June 30, 2013

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY
1500 NW 49th Street
Ft. Lauderdale, FL 33309

TELEPHONE NUMBER: (954) 776-4476
FACSIMILE NUMBER: (954) 489-2964

CHANCELLOR: Arthur Keiser, Ph.D
CONTACT PERSON AND TITLE: Frederick A. Pfeffer
Associate Vice Chancellor Student Financial Services

LEAD AUDITOR: Marc-Andre Boisseau, CPA
FIRM'S NAME: Boisseau, Felicione & Associates
FIRM'S ADDRESS: 13590 Jog Road, Suite C6
Delray Beach, FL 33446

TELEPHONE NUMBER: (561) 495-5250
FACSIMILE NUMBER: (561) 495-5261

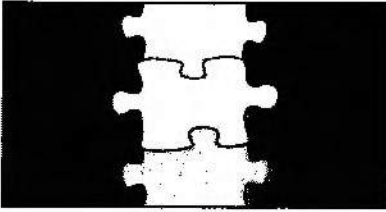
PROGRAMS EXAMINED (CHECK AS APPLICABLE)

| | |
|--|------------------------------|
| Florida Bright Futures Scholarship Program | |
| Florida Academic Scholars Award | <u> X </u> |
| Florida Medallion Scholars Award | <u> X </u> |
| Florida Gold Seal Vocational Scholars Award | <u> X </u> |
| Florida Resident Access Grant | <u> X </u> |
| Florida Student Assistance Grant Program | <u> X </u> |
| Scholarships for Children and Spouses of Deceased or Disabled Veterans | <u> X </u> |

INSTITUTION'S PRIMARY ACCREDITING ORGANIZATION:
Commission on Colleges of the Southern Association of Colleges and Schools

OTHER ACCREDITING ORGANIZATIONS: Not Applicable

RECORDS FOR THE ACCOUNTING AND ADMINISTRATION OF THE STATE OF FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS ARE LOCATED AT EVERGLADES COLLEGE, INC. d/b/a KEISER UNIVERSITY, 1500 NW 49TH STREET, FT. LAUDERDALE, FL 33309.



Boisseau, Felicione & Associates, Inc.
13590 Jog Road, Suite C6
Delray Beach, FL 33446
Telephone: 561-495-5250
Fax: 561-495-5261

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO STATE OF
FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS

To the Board of Trustees
Everglades College, Inc.
d/b/a Keiser University
Ft. Lauderdale, FL

We have audited the compliance of Everglades College, Inc. d/b/a Keiser University with the program requirements described in the State Board of Education Administrative Rules and the audit program guidance provided by the Florida Department of Education, Bureau of Auditing Services, that are applicable to Everglades College, Inc. d/b/a Keiser University's State of Florida Student Financial Assistance Programs which are identified in the accompanying supplemental schedule of expenditures for the academic year ended June 30, 2013. Compliance with the program requirements of the State of Florida Student Financial Assistance Programs is the responsibility of Everglades College, Inc. d/b/a Keiser University's management. Our responsibility is to express an opinion on Everglades College, Inc. d/b/a Keiser University's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit program guidance provided by the Florida Department of Education, Bureau of Auditing Services. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the program occurred. An audit includes examining, on a test basis, evidence about Everglades College, Inc. d/b/a Keiser University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Everglades College, Inc. d/b/a Keiser University's compliance with those requirements.

In our opinion, Everglades College, Inc. d/b/a Keiser University complied, in all material respects, with the requirements referred to above that are applicable to its State of Florida Student Financial Assistance Programs for the academic year ended June 30, 2013.

This report is intended solely for the information of the Board of Trustees, the audit committee, and management of Everglades College, Inc. d/b/a Keiser University, and the Florida Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

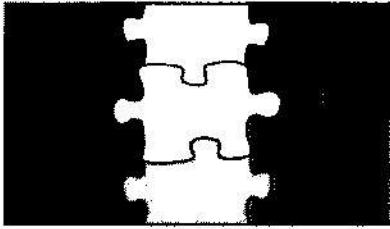
(b)(6)

Delray Beach, FL
September 26, 2014

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY

SUPPLEMENTAL SCHEDULE OF EXPENDITURES FOR STATE OF
FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS
For the Academic Year Ended June 30, 2013

| | | |
|---|----|------------------|
| FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM | | |
| FLORIDA ACADEMIC SCHOLARS AWARD ("FAS"): | | |
| Disbursements | \$ | 17,600 |
| Refunds | | 900 |
| | \$ | <u>16,700</u> |
| | | |
| FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM | | |
| FLORIDA MEDALLION SCHOLARS AWARD ("FMS"): | | |
| Disbursements | \$ | 386,102 |
| Refunds | | 14,477 |
| | \$ | <u>371,625</u> |
| | | |
| FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM | | |
| FLORIDA GOLD SEAL VOCATIONAL SCHOLARS AWARD ("GSV"): | | |
| Disbursements | \$ | 18,601 |
| Refunds | | 600 |
| | \$ | <u>18,001</u> |
| | | |
| FLORIDA RESIDENT ACCESS GRANT ("FRAG") | | |
| Disbursements | \$ | 5,781,503 |
| Refunds | | 133,589 |
| | \$ | <u>5,647,914</u> |
| | | |
| FLORIDA STUDENT ASSISTANCE GRANT PROGRAM ("FSAG"): | | |
| Disbursements | \$ | 1,322,888 |
| Refunds | | 5,614 |
| | \$ | <u>1,317,274</u> |
| | | |
| SCHOLARSHIPS FOR CHILDREN AND SPOUSES OF DECEASED OR DISABLED VETERANS ("CSDDV") | | |
| Disbursements | \$ | 37,942 |
| Refunds | | 0 |
| | \$ | <u>37,942</u> |



Boisseau, Felicione & Associates, Inc.
13590 Jog Road, Suite C6
Delray Beach, FL 33446
Telephone: 561-495-5250
Fax: 561-495-5261

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH STATE OF FLORIDA
STUDENT FINANCIAL ASSISTANCE PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE

To the Board of Trustees
Everglades College, Inc.
d/b/a Keiser University
Ft. Lauderdale, FL

COMPLIANCE

We have audited the compliance of Everglades College, Inc. d/b/a Keiser University with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement* that are applicable to the State of Florida Department of Education's Student Financial Assistance Programs for the academic year ended June 30, 2013. Everglades College, Inc. d/b/a Keiser University's Florida Student Financial Assistance Programs are identified in the Summary of Populations, Items Tested, and Findings for Florida Student Financial Assistance Programs for the academic year ended June 30, 2013. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of these state programs is the responsibility of Everglades College, Inc. d/b/a Keiser University's management. Our responsibility is to express an opinion on Everglades College, Inc. d/b/a Keiser University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a State of Florida Student Financial Assistance program occurred. An audit includes examining, on a test basis, evidence about Everglades College, Inc. d/b/a Keiser University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination of Everglades College, Inc. d/b/a Keiser University's compliance with those requirements.

In our opinion, Everglades College, Inc. d/b/a Keiser University complied, in all material respects, with the requirements referred to above that are applicable to each of its State of Florida Student Financial Assistance Programs for the academic year ended June 30, 2013. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

INTERNAL CONTROL OVER COMPLIANCE

The management of Everglades College, Inc. d/b/a Keiser University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to State of Florida Student Financial Assistance Programs. In planning and performing our audit, we considered Everglades College, Inc. d/b/a Keiser University's internal control over compliance with requirements that could have a direct and material effect on a major State of Florida Student Financial Assistance Program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a significant deficiency in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to State of Florida Student Financial Assistance Programs being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and the Florida Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

(b)(6)

Delray Beach, FL
September 26, 2014

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY

SUMMARY OF POPULATIONS, ITEMS TESTED, AND FINDINGS
FOR STATE OF FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS
For the Academic Year Ended June 30, 2013

| | Description of Category | Number of Students | Percent of Population | Amount of Awards | Percent of Population |
|--------|----------------------------|-----------------------|--------------------------|---------------------|--------------------------|
| FAS: | Population | 9 | 100% | \$17,600 | 100% |
| | Tested | 9 | 100% | \$17,600 | 100% |
| | Findings | 0 | 0% | \$0 | 0% |
| FMS: | Population | 251 | 100% | \$386,102 | 100% |
| | Tested | 53 | 21% | \$94,708 | 25% |
| | Findings | 0 | 0% | \$0 | 0% |
| GSV: | Population | 13 | 100% | \$18,601 | 100% |
| | Tested | 13 | 100% | \$18,601 | 100% |
| | Findings | 0 | 0% | \$0 | 0% |
| FRAG: | Population | 5,661 | 100% | \$5,781,503 | 100% |
| | Tested | 54 | 1% | \$64,944 | 1% |
| | Findings | 0 | 0% | \$0 | 0% |
| FSAG: | Population | 1,643 | 100% | \$1,322,888 | 100% |
| | Tested | 53 | 3% | \$44,400 | 3% |
| | Findings | 0 | 0% | \$0 | 0% |
| CSDDV: | Population | 11 | 100% | \$37,942 | 100% |
| | Tested | 11 | 100% | \$37,942 | 100% |
| | Findings | 0 | 0% | \$0 | 0% |

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY

STATE OF FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS
STATUS OF PRIOR YEAR FINDINGS, RECOMMENDATIONS, AND QUESTIONED COSTS
For the Academic Year Ended June 30, 2012

We are required to report on the actions taken by management to correct the findings noted in prior audit reports.

The status of prior audit findings for the report dated June 26, 2013, covering the Access to Better Learning and Education Grant Program; Florida Bright Futures Scholarship Program: Florida Academic Scholars Award, Florida Medallion Scholars Award, and Florida Gold Seal Vocational Scholars Award; Florida Resident Access Grant Fund; Florida Student Assistance Grant Fund; and Scholarships for Children and Spouses of Deceased or Disabled Veterans and Servicemembers performed by RBSM, LLP for the year ended June 30, 2012, are as follows:

There were no findings or questioned costs.

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY

NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES FOR
STATE OF FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS
For the Academic Year Ended June 30, 2013

BASIS OF PRESENTATIONS

The purpose of the accompanying Supplemental Schedule of Expenditures for Florida Student Financial Assistance Programs is to present, in summary form, student financial assistance activities of Everglades College, Inc. d/b/a Keiser University for the academic year ended June 30, 2013, which have been financed by the State of Florida Department of Education. The administration of each program is the responsibility of the Florida Department of Education's Office of Student Financial Assistance and Everglades College, Inc. d/b/a Keiser University. The following is a brief description of each Florida student financial assistance program administered by the Student Financial Aid Office of Everglades College, Inc. d/b/a Keiser University.

1. Florida Bright Futures Scholarship Program

The Florida Bright Futures Scholarship Program establishes three lottery-funded scholarships to reward Florida high school graduates for high academic achievement. The Florida Bright Futures Scholarship Program is comprised of the following three awards:

- Florida Academic Scholars Award ("FAS") provides certain qualified, first-time-in-college, full-time, undergraduate students with assistance in paying for costs of education. FAS is available only to Florida residents attending eligible colleges and universities located in the State of Florida. (including Academic Top Scholars)
- Florida Medallion Scholars Award ("FMS") provides certain qualified, first-time-in-college, full-time, undergraduate students assistance in paying for costs and education. FMS is available only to Florida residents attending eligible colleges and universities located in the State of Florida.
- Florida Gold Seal Vocational Scholars Award ("GSV") provides certain qualified, full-time, undergraduate students, who are enrolled in a vocational or technical program, with assistance in paying for the costs of education. GSV is available only to Florida residents attending eligible colleges and universities located in the State of Florida.

2. Florida Resident Access Grant Fund

The William L. Boyd, IV, Florida Resident Access Grant Fund ("FRAG") Program provides tuition assistance to Florida undergraduate students attending an eligible private, non-profit Florida college or university. FRAG is a decentralized program, and each participating institution determines application procedures, deadlines, and student eligibility.

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY

NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES FOR
STATE OF FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS
For the Academic Year Ended June 30, 2013

BASIS OF PRESENTATIONS (continued)

3. Florida Student Assistance Grant Program

The Florida Student Assistance Grant ("FSAG") Program is a need-based grant program consisting of three separately funded student financial aid programs available to degree-seeking, resident, undergraduate students who demonstrate substantial financial need and are enrolled in participating postsecondary institutions. FSAG is a decentralized program, and each participating institution determines application procedures, deadlines, student eligibility, and award amounts.

- The Florida Public Student Assistance Grant is available to students who attend state universities and public community colleges.
- The Florida Private Student Assistance Grant is available to students who attend eligible private, non-profit, four-year colleges and universities.
- The Florida Postsecondary Student Assistance grant is available to students who attend eligible degree-granting private colleges and universities not eligible under the Florida Private Student Assistance Grant.

4. Scholarships for Children & Spouses of Deceased or Disabled Veterans

The Scholarships for Children and Spouses of Deceased or Disabled Veterans ("CSDDV") provides scholarships for dependent children or unremarried spouses of Florida veterans or service members who died as a result of service-connected injuries, diseases, or disabilities sustained while on active duty or who have been certified by the Florida Department of Veterans Affairs as having service-connected 100% permanent and total disabilities. CSDDV also provides funds for dependent children whose parent is classified as a prisoner of war or missing in action by the Armed Forces of the United States or as civilian personnel captured while serving with the consent or authorization of the United States Government during wartime service. CSDDV provides funding for tuition and registration fees at an eligible post secondary institution or the equivalent at an eligible private post secondary institution in Florida.

AUDITOR INFORMATION SHEET

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY
FT. LAUDERDALE, FL 33309

FISCAL YEAR-END : December 31st
EIN NUMBER(S) : 650216638
OPE ID NUMBER(S) : 02151900
DUNS NUMBER(S) : 099617847
TEL. NO. : (954) 776-4476
FAX. NO. : (954) 489-2964

LEAD AUDITOR : Marc-Andre Boisseau
EMAIL ADDRESS : mboisseau@bflagroup.com
LICENSES : FL – AC35901

FIRM'S NAME : Boisseau, Felicione &
Associates
ADDRESS : 13590 Jog Road, Suite C6
Delray Beach, Fl 33446

CHANCELLOR : Arthur Keiser, Ph.D

TEL. NO. (561) 495-5250
FAX. NO. (561) 495-5261

CONTACT PERSON : Frederick A. Pfeffer
TITLE : Associate Vice
Chancellor Student
Financial Services

Programs Examined:
(Check as Applicable)

| | | |
|-------|--------|----------|
| PELL | 84.063 | <u>X</u> |
| FDLP | 84.268 | <u>X</u> |
| FSEOG | 84.007 | <u>X</u> |
| FWS | 84.033 | <u>X</u> |
| FPL | 84.038 | <u>X</u> |
| TEACH | 84.379 | _____ |

For the Award Year that ended during the Institution's fiscal year, the percentage of:

| | |
|--|-------------|
| Correspondence courses to total courses: | <u>0.0%</u> |
| Regular students enrolled in correspondence courses: | <u>0.0%</u> |
| Regular students that are incarcerated: | <u>0.0%</u> |
| Regular students enrolled based on ability to benefit: | <u>0.0%</u> |
| For short-term programs: | |
| Completion: | <u>N/A</u> |
| Placement: | <u>N/A</u> |

THE CAMPUSES/LOCATIONS CONSIDERED AS PART OF THIS ENTITY AND COVERED OR EXCLUDED BY THIS EXAMINATION ARE:

| <u>All Locations</u> | <u>>50% of Program Offered @ Site Yes/No</u> | <u>Location On Eligibility Letter Yes/No</u> | <u>Notice to ED Prior to Offering Instruction Yes/No</u> | <u>Date</u> | | | <u>Exclusion Reason</u> |
|---|---|--|--|---------------|---------------|-----------------------|-------------------------|
| | | | | <u>Opened</u> | <u>Closed</u> | <u>CPA Visit</u> | |
| Ft. Lauderdale, FL (Main) | Yes | Yes | Yes | 1977 | N/A | 3/15/2013 | N/A |
| Melbourne, FL | Yes | Yes | Yes | 1989 | N/A | 3/17/2014 | N/A |
| Tallahassee, FL | Yes | Yes | Yes | 1992 | N/A | 4/18/2014 | N/A |
| Sarasota, FL | Yes | Yes | Yes | 1995 | N/A | 3/21/2014 | N/A |
| Daytona Beach, FL | Yes | Yes | Yes | 1995 | N/A | 3/22/2013 | N/A |
| Lakeland, FL | Yes | Yes | Yes | 2000 | N/A | 3/20/2014 | N/A |
| Sarasota, FL (SCTI Fire Academy) | Yes | Yes | Yes | 2001 | N/A | 3/21/2014 | N/A |
| Orlando, FL | Yes | Yes | Yes | 2002 | N/A | 3/19/2014 | N/A |
| Jacksonville, FL | Yes | Yes | Yes | 2003 | N/A | 5/8/2014 | N/A |
| Port St. Lucie, FL | Yes | Yes | Yes | 2004 | N/A | 3/17/2014 | N/A |
| West Palm Beach, FL | Yes | Yes | Yes | 2004 | N/A | 3/17/2014 | N/A |
| Pembroke Pines, FL | Yes | Yes | Yes | 2004 | N/A | 3/5/2013 | N/A |
| Tampa, FL | Yes | Yes | Yes | 2005 | N/A | 3/20/2014 | N/A |
| Port St. Lucie, FL (COG) | Yes | Yes | Yes | 2009 | N/A | 3/17/2014 | N/A |
| Miami, FL | Yes | Yes | Yes | 2001 | N/A | 3/5/2013 | N/A |
| Ft. Myers, FL | Yes | Yes | Yes | 2009 | N/A | 3/20/2013 | N/A |
| San Marcos, Nicaragua | Yes | Yes | Yes | 2013 | N/A | 1/24/2014 | N/A |
| Tallahassee, FL (Additional Classrooms) | Yes | Yes | Yes | 2011 | N/A | 5/8/2014 | N/A |
| Ft. Lauderdale, FL (Administrative Offices) | N/A | N/A | N/A | 2005 | N/A | 3/24/2014 to 4/3/2014 | N/A |

Institution's Primary Accrediting Organization:

Commission on Colleges of the Southern Association of Colleges and Schools

Records for the accounting and administration of the SFA programs are located at:

1500 NW 49th Street, Ft. Lauderdale, FL 33309;
900 South Babcock Street, Melbourne, FL 32901;
1700 Halstead Blvd. Building #2, Tallahassee, FL 32309;
6151 Lake Osprey Drive, Sarasota, FL 34240;
1800 Business Park Boulevard, Daytona Beach, FL 32114;
2400 Interstate Drive, Lakeland, FL 33805;
794 Circus Blvd., Sarasota, FL 34232;
5600 Lake Underhill Road, Orlando, FL 32807;
6430 Southpoint Parkway, Building 100, Jacksonville, FL 32216;
10330 South US 1, Port St. Lucie, FL 34952;
2085 Vista Parkway, West Palm Beach, FL 33411;
1640 SW 145th Avenue, Pembroke Pines, FL 33027;
5225 Memorial Highway, Tampa, FL 33634;
1860 SW Fountainview Boulevard, Port St. Lucie, FL 34986;
2101 NW 117th Ave., Miami, FL 33172;
3800 Colonial Boulevard, Suite 101, Fort Myers, FL 33966;
De Texaco 2C, SUR, San Marcos, Nicaragua;
1276 Metropolitan Boulevard, Tallahassee, FL 32309; and
1900 West Commercial Boulevard, Ft. Lauderdale, FL 33309 (Administrative Offices)

Open bank accounts or unexercised sureties that may contain Federal funds:

Bank Name and Address

TD Bank, N.A.
P.O. Box 1377
Lewiston, Maine 04243-1377
(800) 937-2000
www.tdbank.com

SERVICER INFORMATION SHEET

Name of Servicer : Educational Funding Resources,
 Inc. ("E.F.R., Inc.")
 Servicer Address : 1601 North Palm Avenue,
 Suite 302
 Pembroke Pines, FL 33026
 Telephone Number : (954) 433-7503
 Fax Number : (954) 433-7631
 President : Michael G. Green
 Contact Person : James L. Cook
 Title : Executive Vice-President

Lead Auditor : Kenneth P. Wood
 Email : ken.wood@tjsdd.com
 License Numbers : GA – CPA018124
 FL – AC0033566
 Firm's Name : TJS Deemer Dana LLP
 Address : 118 Park of Commerce Drive
 P.O. Box 9706
 Savannah, GA 31412
 Telephone Number : (877) 238-1008
 Fax Number : (912) 238-1701

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., inc.</u> | <u>Explanation of Divided Responsibility</u> |
|-------------------------------------|--------------------------------------|---------------------------------------|---|
| I. Computer operations | | | ⁽¹⁾ Each entity maintains their own internal controls. |
| A. Terminal and software security | X ⁽¹⁾ | X ⁽¹⁾ | |
| B. Data integrity | X ⁽¹⁾ | X ⁽¹⁾ | |
| C. System and data backup | X ⁽¹⁾ | X ⁽¹⁾ | |
| D. Disaster recovery plan | X ⁽¹⁾ | X ⁽¹⁾ | |
| II. Cash management | | | |
| A. Drawdowns | X | | |
| B. Authorization vs. expenditures | X | | |
| C. Reconcile G/L to bank | X | | |
| D. Bank account notes federal funds | X | | |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|--|--------------------------------------|---------------------------------------|---|
| III. Financial reports | | | |
| A. FISAP | X ⁽²⁾ | X ⁽²⁾ | ⁽²⁾ E.F.R., Inc. provides all information needed to complete Section III of the FISAP except the bank balances, FCC and ICC, Administrative Cost Allowance, and interest earned on bank balances. The Institution inputs this info onto the FISAP diskette and submits it to ED, or electronically transmits same to ED. |
| B. EDPMTS/EDCAPS | X | | |
| C. Pell IPS | X | | |
| IV. Institutional eligibility | | | |
| A. Participation agreement/ECAR | X | | |
| B. Accreditation status | X | | |
| C. Admissions policy | X | | |
| D. Eligible programs | X | | |
| E. Calculation of institution eligibility ratios | X | | |
| F. Licenses | X | | |
| G. Administrative capability items | X | | |
| V. Student eligibility | | | |
| A. High school diploma or equivalent or ability to benefit | X | | |
| B. Regularly enrolled in eligible program | X | | |
| C. Citizen or permanent resident | X | | |
| D. Satisfactory progress | X | | |
| E. Default/refund status | X | | |
| F. Social security number match requirement | X | | |
| G. Other requirements | X | | |
| VI. Coordination of programs | | | |
| A. Financial aid organization | X | | |
| B. Other information available | X | | |
| C. Needs analysis | X | | |
| D. Professional judgment documentation | X | | |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|---|--------------------------------------|---------------------------------------|--|
| VII. Administration capability | | | |
| A. Student file maintenance | X | | |
| B. Record retention | X | | |
| C. Verification | X | | |
| VIII. Disbursements | | | |
| A. Financial aid transcripts/ NSLDS information | X ⁽³⁾ | X ⁽³⁾ | ⁽³⁾ The Institution is responsible for obtaining FATs. E.F.R., Inc. is responsible for monthly transmission to NSLDS of all Perkins Loan activity information. |
| B. Independent/Dependent status determination | X | | |
| C. Timing and amount of disbursements | X ⁽⁴⁾ | X ⁽⁴⁾ | ⁽⁴⁾ The Institution is responsible for determining refunds and overpayments, or return of Title IV funds. When notified, E.F.R., Inc. will enter the changes on its system. |
| IX. Refunds/Return of Title IV, or overpayments | | | |
| A. Policy | X | | |
| B. Refund calculations | X | | |
| C. Overpayment calculations | X | | |
| D. Disbursement and accounting for refunds/overpayments | X | | |
| X. Institutional disclosure | | | |
| A. Accuracy of institutional data | X | | |
| B. Disclosure to students | X | | |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|---|--------------------------------------|---------------------------------------|--|
| XI. Pell grant | | | |
| A. Types of expenditures allowed | N/A | | |
| B. Program performance | | | |
| 1. Calculation and disbursement of award | | | |
| 2. Timing of payment; cutoff dates for receipts of SARs | | | |
| C. Financial reports | | | |
| XII. Campus-based programs (general) | | | |
| A. Types of expenditures allowed | | | |
| 1. Program expenditures | X | | |
| 2. Administrative cost allowance | X | | |
| B. Program performance | | | |
| 1. Accuracy of FISAP data | X ⁽⁵⁾ | X ⁽⁵⁾ | ⁽⁵⁾ Each entity is responsible for verifying data to ensure accuracy. |
| 2. System of need analysis, etc | X | | |
| XIII. Campus-based programs (Perkins) | | | |
| A. Type of expenditures allowed | X | | |
| B. Matching | X | | |
| C. Program performance | | | |
| 1. Student eligibility | X | | |
| 2. Approved promissory note | X | | |
| 3. Due diligence | X ⁽⁶⁾ | X ⁽⁶⁾ | ⁽⁶⁾ The Institution shares the responsibility to verify the activities of E.F.R., Inc. |
| 4. Repayment records | X ⁽⁷⁾ | X ⁽⁷⁾ | ⁽⁷⁾ E.F.R., Inc. posts receipts, but sends the Institution a copy of the receipt so the Institution can update its records. |
| D. Special compliance requirements | | | |
| 1. Minimum cash balance; cash planning | X | | |
| 2. Treatment of interest earned | | | |
| a. on Perkins loan balance | X ⁽⁸⁾ | X ⁽⁸⁾ | ⁽⁸⁾ E.F.R., Inc. posts receipts, but sends the Institution a copy of the receipt so the Institution can update its records. |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|--|--------------------------------------|---------------------------------------|--|
| XIV. Campus-based programs (FSEOG) A. Eligible expenditures B. Matching C. Selection of students for FSEOG awards | N/A | | |
| XV. Campus-based programs (FWS) A. Types of expenditures and employment allowed 1. Types of employment allowed 2. Types of expenditures allowed B. Matching C. Program performance 1. Selection of students for employment 2. Approval of time sheets and payments to students D. Special compliance requirements 1. JLD and CSJLD programs 2. CSL programs (5% minimum) | N/A | | |
| XVI. Due Diligence Requirements A. Notification of new loans/ disbursements | X | | |
| B. Add new borrowers as loans are made | X ⁽⁹⁾ | X ⁽⁹⁾ | ⁽⁹⁾ The Institution will notify E.F.R., Inc. when new loans are made. E.F.R., Inc. will add each new loan to its system. |
| C. Report all loans to a national credit bureau | | X | |
| D. Track in-school borrowers | X ⁽¹⁰⁾ | X ⁽¹⁰⁾ | ⁽¹⁰⁾ The Institution will verify enrollment listing supplied by E.F.R., Inc. The Institution will notify E.F.R., Inc. if borrowers leave school prior to the issuance of the enrollment verification. |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|--|--------------------------------------|---------------------------------------|--|
| E. Perform Exit Interview for borrowers leaving school | X ⁽¹¹⁾ | X ⁽¹¹⁾ | ⁽¹¹⁾ The Institution will perform Exit Interviews for borrowers that show up for the exit session. E.F.R., Inc. will mail an Exit Interview to the borrowers that do not complete an Exit Interview at the school. |
| F. Send Grace Period Notices (3) | | X | |
| G. Provide payment coupons to borrower | | X | |
| H. Post payments to borrower's account | | X | |
| I. Deposit payments into school bank account | | X | |
| J. Reconcile bank account | X ⁽¹²⁾ | X ⁽¹²⁾ | ⁽¹²⁾ E.F.R., Inc. will provide all deposit data to the Institution on a daily basis. The Institution must reconcile the bank statements. |
| K. Telephone borrowers when payments are late | | X | |
| L. Send past due notices | | X | |
| M. Process Deferments, postponements, cancellations, or forbearance requests and send to school for approval | X ⁽¹³⁾ | X ⁽¹³⁾ | ⁽¹³⁾ E.F.R., Inc. will provide forms to borrowers when requested and when returned, E.F.R., Inc. will forward those forms to the Institution for approval or disapproval. The Deferral will be added to the system if approved. |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

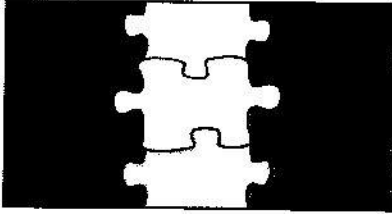
| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|---|--------------------------------------|---------------------------------------|---|
| N. Perform skip tracing | | X | |
| O. Utilize IRS skip tracing service | X ⁽¹⁴⁾ | X ⁽¹⁴⁾ | (14)E.F.R., Inc. completes a list of borrowers that need to be skip-traced by the IRS. E.F.R., Inc. will forward the list to the Institution for its approval and submission to the IRS. |
| P. Refer defaulted loans to a collection agency | | X | |
| Q. Process bankruptcy filings | | X | |
| R. Determine need for litigation | X ⁽¹⁵⁾ | X ⁽¹⁵⁾ | (15)E.F.R., Inc. will determine the need for litigation and forward to the Institution for approval before turning the loan over to an attorney. |
| S. Complete consolidation requests | | X | |
| XVII. Reports | | | |
| A. Provide daily payments report | | X | |
| B. Provide change of address reports daily | | X | |
| D. Provide listing of all loans (monthly) | | X | |
| E. Provide an accounting report (monthly) | | X | |
| F. Review quarterly enrollment listings | X ⁽¹⁶⁾ | X ⁽¹⁶⁾ | (16)E.F.R., Inc. provides its listing of enrolled students and the Institution verifies the information. |
| G. Complete annual FISAP Report Section III | X ⁽¹⁷⁾ | X ⁽¹⁷⁾ | (17) E.F.R., Inc. completes Section III of the FISAP, as described in III.A., above, and sends it to the Institution for approval and inclusion with the balance of the FISAP. The Institution transmits the FISAP to ED. |
| H. Completes annual Safeguard | | X | |
| I. Report all loans to NSDLS (monthly) | | X | |

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS (continued)

| <u>Compliance Requirement</u> | <u>Responsibility of Institution</u> | <u>Responsibility of E.F.R., Inc.</u> | <u>Explanation of Divided Responsibility</u> |
|---|--------------------------------------|---------------------------------------|--|
| XVIII. Federal Family Education Loans (FFEL) | | | |
| A. Program performance | | | |
| 1. Determination of eligibility and completion of application | X | | |
| 2. Default reduction measures | X | | |
| 3. Entrance and exit counseling | X | | |
| 4. Loan disbursement | X | | |
| 5. EFT Roster reconciliation | X | | |
| 6. Eligibility for disbursement | X | | |
| B. Status reporting | | | |
| 1. SSCR completion | X | | |
| 2. Change in enrollment status | X | | |
| C. Special compliance requirements | | | |
| 1. Refund policy | X | | |
| 2. Refunds to lenders | X | | |
| XIX. Federal Direct Loan Program (FDLP) | | | |
| A. Program performance | | | |
| 1. Determination of eligibility | X | | |
| 2. Entrance and exit counseling | X | | |
| 3. Exporting and importing electronic files to/from the LOC | X | | |
| 4. Loan disbursement | X | | |
| 5. Monthly data matching including | | | |
| 1. Loan and cash detail records | X | | |
| 2. Summary records | X | | |
| B. FDLP status reporting | | | |
| 1. SSCRs | X | | |
| 2. Change in enrollment status | X | | |

NOTES

1. It is the position of Educational Funding Resources, Inc., hereafter referred to as the "Servicer" that the Institution is responsible for selection, eligibility, and admission of students into its educational programs.
2. The Institution submits Perkins Loan data to the Servicer with a start form, which advises the Servicer of the student's program, loan, or disbursement amount, and expected graduation or exit date.
3. The Servicer will input each borrower's loan information into its computer system. The Institution will keep the Servicer informed when the borrower leaves school.
4. The Servicer will begin the due diligence procedures upon the student's departure from school.
5. The Servicer will complete Section III of the annual FISAP form from the information supplied by the Institution and the data contained on the Servicer's system. Differences will be resolved by the Institution and the Servicer.
6. The Servicer will report all of its files monthly to the National Student Loan Data System ("NSDLS") as required by current regulations.
7. The Servicer will report all borrower accounts to the Institution each month for reconciliation. The Institution must notify the Servicer if there is a discrepancy.



Boisseau, Felicione & Associates, Inc.
13590 Jog Road, Suite C6
Delray Beach, FL 33446
Telephone: 561-495-5250
Fax: 561-495-5261

**Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance;
and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

Independent Auditor's Report

To the Board of Trustees
Everglades College, Inc.
d/b/a Keiser University

Report on Compliance for Each Major Federal Program

We have audited Everglades College, Inc. d/b/a Keiser University's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Everglades College, Inc. d/b/a Keiser University's major federal programs for the year ended December 31, 2013. Everglades College, Inc. d/b/a Keiser University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Everglades College, Inc. d/b/a Keiser University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Everglades College, Inc. d/b/a Keiser University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Everglades College, Inc. d/b/a Keiser University's compliance.

Opinion on Each Major Federal Program

In our opinion, Everglades College, Inc. d/b/a Keiser University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of Everglades College, Inc. d/b/a Keiser University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Everglades College, Inc. d/b/a Keiser University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Everglades College, Inc. d/b/a Keiser University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Everglades College, Inc. d/b/a Keiser University as of and for the year ended December 31, 2013, and have issued our report thereon dated September 26, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

(b)(6)

Delray Beach, FL
September 26, 2014

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2013

| <u>Federal Grantor/Pass Through Grantor or Cluster Title</u> | <u>CFDA Number</u> | <u>Federal Expenditures</u> |
|--|------------------------|---------------------------------|
| UNITED STATES DEPARTMENT OF EDUCATION | | |
| Federal Pell Grant Program | 84.063 | \$ 66,017,694 |
| Federal Direct Loan Program | 84.268 | 204,827,931 |
| Federal Supplemental Educational Opportunity Grant Program | 84.007 | 1,286,600 |
| Federal Work Study Program | 84.033 | 297,516 |
| Federal Perkins Loan Program | 84.038 | <u>46,519</u> |
| Total federal awards expenditures | | <u>\$ 272,476,260</u> |

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grants of Everglades College, Inc. d/b/a Keiser University and is presented on the cash basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013

1. The auditor's report expressed an unqualified opinion on the financial statements of Everglades College, Inc. d/b/a Keiser University.
2. No significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Everglades College, Inc. d/b/a Keiser University which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies were disclosed in the internal control over major programs.
5. The auditor's report on compliance for the major federal award programs for Everglades College, Inc. d/b/a Keiser University, expresses an unqualified opinion on all major federal programs.
6. There was one (1) audit finding required to be reported in accordance with Section 510(a) of OMB Circular A-133. See Finding No: 2013-002. In addition, two (2) instances of non-compliance were noted and are included in this report, which are not required to be reported in accordance with Section 510(a) of OMB Circular A-133. See Finding No: 2013-001 and Finding No: 2013-003. Schedules A and B are presented. There were no findings or questioned costs that required the presentation of Schedule C. Therefore, Schedule C has not been included.
7. The programs listed below are part of a cluster, therefore they are treated and tested as a major program:

| <u>Federal Grantor/Pass through Grantor or Cluster Title</u> | <u>CFDA Number</u> |
|---|--------------------|
| <u>United States Department of Education</u> | |
| Federal Pell Grant Program | 84.063 |
| Federal Direct Loan Program | 84.268 |
| Federal Supplemental Educational Opportunity Grant Program | 84.007 |
| Federal Work-Study Program | 84.033 |
| Federal Perkins Loan Program | 84.038 |

8. The threshold used for distinguishing between Type A and B programs was \$300,000 since Everglades College, Inc. d/b/a Keiser University only participates in one cluster of federal student financial aid programs.
9. Everglades College, Inc. d/b/a Keiser University qualified as a low risk auditee.

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013

Total Population: 22,525

| | <u>Pell</u> | <u>FDLP</u> | <u>FSEOG</u> | <u>FWS</u> | <u>FPL</u> |
|------------------|--------------|---------------|--------------|------------|------------|
| <u>Universe</u> | | | | | |
| <u>Dollars:</u> | \$66,017,694 | \$204,827,931 | \$1,286,600 | \$297,516 | \$46,519 |
| <u>Students:</u> | 16,168 | 20,687 | 7,943 | 89 | 50 |

Enrolled, graduated, or students on an approved LOA: 15,252

| | <u>Pell</u> | <u>FDLP</u> | <u>FSEOG</u> | <u>FWS</u> | <u>FPL</u> |
|------------------|--------------|---------------|--------------|------------|------------|
| <u>Universe</u> | | | | | |
| <u>Dollars:</u> | \$48,259,866 | \$152,965,881 | \$958,050 | \$265,796 | \$39,519 |
| <u>Students:</u> | 10,728 | 14,168 | 5,614 | 77 | 44 |
| <u>Sample</u> | | | | | |
| <u>Dollars:</u> | \$512,837 | \$1,413,008 | \$10,800 | \$6,679 | \$0 |
| <u>Students:</u> | 109 | 145 | 66 | 1 | 0 |

Total enrolled, graduated, or students on an approved LOA files tested: 152

Withdrew, dropped, or terminated students: 7,273 (32.3%)

| | <u>Pell</u> | <u>FDLP</u> | <u>FSEOG</u> | <u>FWS</u> | <u>FPL</u> |
|--------------------------|-------------|--------------|--------------|------------|------------|
| <u>Universe</u> | | | | | |
| <u>Dollars Refunded:</u> | \$4,607,370 | \$15,633,505 | \$35,742 | \$0 | \$0 |
| <u>Students:</u> | 5,440 | 6,519 | 2,329 | 12 | 6 |
| <u>Sample</u> | | | | | |
| <u>Dollars Refunded:</u> | \$50,666 | \$176,733 | \$400 | \$0 | \$0 |
| <u>Students:</u> | 60 | 71 | 27 | 0 | 0 |

Total withdrew, dropped, or terminated student files tested: 75

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013

Finding No: 2013-001 - FDL PROGRAM – LATE EXIT INTERVIEWS

Type - Compliance

Our review of the student files revealed that the Institution sent late exit interviews to four (4) students. Although late, all exit interviews were mailed to the students in question.

Criteria - 34 CFR 685.304

Effect - Not completing exit interviews increases the likelihood of default.

The threshold of material non-compliance, as determined by the Independent Accountant, is >22 instances of non-compliance.

Cause - It appears that Institutional personnel overlooked these students after they withdrew from their course of study. However, the Institution provided the auditors with proof that the exit interview was mailed to the students in question.

Recommendation - The Institution needs to review its policy and procedures for all students who end their enrollments with the Institution. All exit interviews should be conducted in a timely manner in the future.

Institution's

Response - The Institution has reviewed the finding with the auditor and agreed with the recommendations. The University has reviewed the finding and agrees with the auditors. During the review and update to the process the team members responsible were involved in the implementation of the changes to ensure this finding is not repeated.

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013

Finding No: 2013-002 - FDL PROGRAM -- LOAN LIMITS
Type - Compliance

Our review of the student files revealed that one (1) student was awarded incorrect Federal Direct Loan program amounts. The student was over awarded Subsidized Federal Direct Loan program funds. The student's award exceeded the Subsidized Federal Direct Loan limits by \$3,941. Subsequent to the audit, the Institution refunded the over award.

Criteria - 35 CFR 685.203

Effect - The student received Federal Direct Loan program funds in excess of what the student was eligible to receive

| No. of Students: | <u>Universe</u> | <u>Sample</u> | <u>Error Occurrence</u> | <u>Threshold of Material Non-Compliance</u> |
|------------------|-----------------|---------------|-------------------------|---|
| | 22,525 | 227 | 1 | > 22 and |
| PELL: | \$66,017,694 | \$710,181 | | >\$ 276,096 |
| FDLP: | \$204,827,931 | \$2,029,403 | \$3,941 | |
| FSEOG: | \$1,286,600 | \$14,700 | | |
| FWS: | \$297,516 | \$6,679 | | |
| FPL: | \$46,519 | \$0 | | |

Cause - No cause could be determined.

Recommendation - Subsequent to the audit, the Institution refunded the excess Subsidized Federal Direct Loan program funds for the student. No further recommendations.

Institution's

Response - The Institution has reviewed the finding with the auditor and agreed with the recommendations. The University has reviewed the finding with the auditor and agrees the amount which exceeded the Federal Direct Subsidized Loan limit was reallocated to the Unsubsidized loan. During the review and update to the process the team was involved in the implementation of changes to ensure this is not a repeat finding.

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013

Finding No: 2013-003 - GENERAL PROVISIONS – INELIGIBLE PAYMENT HELD >30 DAYS

Type - Compliance

Our review of the student files revealed two (2) instances in which students withdrew from classes and the Federal Pell Grant program adjustments were refunded, but not within 30 days.

Criteria - 34 CFR 668.21

Effect - Payment of Federal Title IV program funds to students who were ineligible to receive such funds.

| | <u>Universe</u> | <u>Sample</u> | <u>Error Occurrence</u> | <u>Threshold of Material Non-Compliance</u> |
|------------------|-----------------|---------------|-------------------------|---|
| No. of Students: | 22,525 | 227 | 2 | > 22 and |
| PELL: | \$66,017,694 | \$710,181 | \$1,388 | >\$ 276,096 |
| FDLP: | \$204,827,931 | \$2,029,403 | | |
| FSEOG: | \$1,286,600 | \$14,700 | | |
| FWS: | \$297,516 | \$6,679 | | |
| FPL: | \$46,519 | \$0 | | |

Cause - No cause could be determined.

Recommendation - Subsequent to the audit, the Institution returned the ineligible disbursement. Since this appears to be an isolated incident, we make no further recommendation.

Institution's

Response - The Institution has reviewed the finding with the auditor to agree with the recommendation. The University has reviewed the finding with the auditor and agrees the funds were refunded to the Pell Grant program. It was an isolated incident. During the review and update to the process of ensuring no ineligible payments are held >30 days, the team was involved in the implementation of changes to ensure this finding is not repeated.

AUDITOR'S COMMENTS ON RESOLUTION OF PRIOR AUDIT FINDINGS

The Institution has taken corrective actions as indicated on the prior audit report issued by RBSM, LLP on June 26, 2013, covering the Federal Pell Grant, Federal Direct Loan, Federal Supplemental Educational Opportunity Grant, Federal Work-Study, Federal Perkins Loan, Federal Family Educational Loan, and Academic Competitiveness Grant programs for the year ended December 31, 2012.

Finding No: 12-1 - FDL PROGRAM – LOAN REALLOCATION

Our review of the student files revealed that one (1) student received Subsidized Federal Direct Loan program funds that they were not eligible to receive. The student exceeded the 2012/2013 loan limit for Subsidized Federal Direct Loans.

Status - The Institution refunded \$1,000 to the Federal Direct Loan program. This finding is continued in the current audit. See Finding No: 2013-002.

Finding No: 12-2 - FDL PROGRAM – OVER/UNDER AWARD

Our review of the student files revealed that two (2) students were improperly awarded Federal Direct Loan program funds based on their eligibility. One (1) of the students was under awarded Federal Direct Loan program funds and one (1) student was over awarded Federal Direct Loan program funds.

Status - The Institution refunded \$1,150 to the Federal Direct Loan program on behalf of the first student and awarded and disbursed \$1,388 of Institutional funds to the second student. This finding is not continued in the current audit.

Finding No: 12-3 - GENERAL PROVISIONS – CONFLICTING DOCUMENTATION

Our review of the student files revealed that one (1) student had conflicting documentation in their file which was never resolved. The student was processed as a 1/2 time student which was also used in the R2T4 calculation. However, the student changed to <1/2 time status, which caused the Institution to over return Federal Pell Grant and Subsidized Federal Direct Loan program funds and created an under award for this student.

Status - The Institution awarded and disbursed \$72 of Federal Pell Grant program funds and \$1,612 of Federal Direct Loan program funds to the student in question. This finding is no continued in the current audit.

AUDITOR'S COMMENTS ON RESOLUTION OF PRIOR AUDIT FINDINGS

Finding No: 12-4 - GENERAL PROVISIONS – INCORRECT RETURN OF TITLE IV FUNDS

The Institution had a total of seven thousand, one hundred and nineteen (7,119) students who withdrew during the audit period. We tested sixty-one (61) files of those students. It was determined that three (3) Return of Title IV ("R2T4") calculations were not calculated correctly.

Status - The Institution corrected the R2T4 calculations and returned or awarded and disbursed funds as necessary. This finding is not continued in the current audit.

Finding No: 12-5 - FEDERAL PELL GRANT PROGRAM – UNDER AWARD

Our review of the student files revealed that one (1) was under awarded Federal Pell Grant program funds. The student was enrolled as a half-time student. The student withdrew and then returned within 180 days (same payment period) but the Institution never pulled Federal Pell Grant program funds back down.

Status - The Institution awarded and disbursed \$694 of Institutional funds to the student in question. This finding is not continued in the current audit.

Finding No: 12-6 - GENERAL PROVISIONS – VERIFICATION

Our review of the student files disclosed that the Institution did not complete the verification process for one (1) student.

Status - The Institution awarded and disbursed \$225 of Institutional funds to the student in question. This finding is not continued in the current audit.

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY

AUDITOR'S COMMENTS ON RESOLUTION OF PRIOR AUDIT FINDINGS

We are required to report on the actions taken by management to correct the findings noted in prior audit reports.

The status of prior audit findings for the report dated June 26, 2013, covering the Access to Better Learning and Education Grant Program; Florida Bright Futures Scholarship Program: Florida Academic Scholars Award, Florida Medallion Scholars Award, and Florida Gold Seal Vocational Scholars Award; Florida Resident Access Grant, Florida Student Assistance Grant Fund; and Scholarships for Children and Spouses of Deceased or Disabled Veterans and Servicemembers performed by RSBM, LLP for the academic year ended June 30, 2012, are as follows:

There were no findings or questioned costs.

EVERGLADES COLLEGE, INC.
d/b/a KEISER UNIVERSITY
f/k/a AVE MARIA UNIVERSITY, INC.

AUDITOR'S COMMENTS ON RESOLUTION OF PRIOR AUDIT FINDINGS

The Institution was not required to take any corrective actions as indicated on the prior audit report issued by RBSM, LLP, on June 26, 2013, covering the Federal Pell Grant, Federal Direct Loan, Federal Supplemental Educational Opportunity Grant, and Federal Work-Study programs for the year ended June 30, 2012.

There were no findings or questioned costs.

CORRECTIVE ACTION PLAN

Audit Firm: Boisseau, Felicione & Associates
Audit Period: January 1, 2013 to December 31, 2013
OPEID: 021519

Finding No: 2013-001 - FDL PROGRAM – LATE EXIT INTERVIEWS

A. Comments on Findings and Recommendations:

The Institution has reviewed the finding with the auditor and agreed with the recommendations.

B. Actions Taken or Planned:

The University has reviewed the finding and agrees with the auditors. During the review and update to the process the team members responsible were involved in the implementation of the changes to ensure this finding is not repeated.

Finding No: 2013-002 - FDL PROGRAM – LOAN LIMITS

A. Comments on Findings and Recommendations:

The Institution has reviewed the finding with the auditor and agreed with the recommendations.

B. Actions Taken or Planned:

The University has reviewed the finding with the auditor and agrees the amount which exceeded the Federal Direct Subsidized Loan limit was reallocated to the Unsubsidized loan. During the review and update to the process the team was involved in the implementation of changes to ensure this is not a repeat finding.

Finding No: 2013-001 - GENERAL PROVISIONS – INELIGIBLE PAYMENT HELD >30 DAYS

A. Comments on Findings and Recommendations:

The Institution has reviewed the finding with the auditor to agree with the recommendation.

B. Actions Taken or Planned:

The University has reviewed the finding with the auditor and agrees the funds were refunded to the Pell Grant program. It was an isolated incident. During the review and update to the process of ensuring no ineligible payments are held > 30 days, the team was involved in the implementation of changes to ensure this finding is not repeated.

C. Status of Corrective Actions on Prior Findings:

Finding No: 12-1 - FDL PROGRAM – LOAN REALLOCATION

The University has reviewed the finding with the auditor and agrees the amount which exceeded the Federal Direct Subsidized Loan limit was reallocated to the Unsubsidized loan. During the review and update to the process the team was involved in the implementation of changes to ensure this is not a repeat finding.

Finding No: 12-2 - FDL PROGRAM – OVER/UNDER AWARD

The University followed the corrective action plan established.
The finding from the prior year did not continue and is not continued in the current audit.

Finding No: 12-3 - GENERAL PROVISIONS – CONFLICTING DOCUMENTATION

The University followed the corrective action plan established.
The finding from the prior year did not continue and is not continued in the current audit.

Finding No: 12-4 - GENERAL PROVISIONS – INCORRECT RETURN OF TITLE IV FUNDS

The University followed the corrective action plan established.
The finding from the prior year did not continue and is not continued in the current audit.

Finding No: 12-5 - FEDERAL PELL GRANT PROGRAM – UNDER AWARD

The University followed the corrective action plan established.
The finding from the prior year did not continue and is not continued in the current audit.

Finding No: 12-6 - GENERAL PROVISIONS – VERIFICATION

The University followed the corrective action plan established.
The finding from the prior year did not continue and is not continued in the current audit.

(b)(6)

Frederick W. Pfeffer
Associate Vice Chancellor
Student Financial Services

6/11/14
Date



**Southern Association of Colleges and Schools
Commission on Colleges**

**PRELIMINARY REPORT OF THE REAFFIRMATION COMMITTEE
(Revised: January 2012
Edited: July 2014)**

Statement Regarding the Report

The Board of Trustees of the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) is responsible for making the final determination on reaffirmation of accreditation based on the findings contained in this committee report, the institution's response to issues contained in the report, other assessments relevant to the review, and application of the Commission's policies and procedures. Final interpretation of the Principles of Accreditation and final action on the accreditation status of the institution rest with SACSCOC Board of Trustees.

Name of the Institution: Everglades University

Date of the Review: November 4-5, 2014

COC Staff Member: Dr. Cheryl Cardell

Chair of the Committee: Dr. J. Matthew Melton
Dean, College of Arts and Sciences
Lee University

Part I. Overview and Introduction to the Institution

To be completed by the On-site Reaffirmation Committee.

Part II. Assessment of Compliance

*Sections A thru E to be completed by the Off-Site Review Committee and the On-Site Reaffirmation Committee. An asterisk before the standard indicates that it will be reviewed by the On-Site Reaffirmation Committee even if the off-site review determines **Compliance**.*

A. Assessment of Compliance with Section 1: The Principle of Integrity

- 1.1 The institution operates with integrity in all matters. **(Integrity)**

Compliance

The Off-site Committee finds that the institution is operating with integrity in the matters that pertain to this report.

B. Assessment of Compliance with Section 2: Core Requirements

- 2.1 The institution has degree-granting authority from the appropriate government agency or agencies. **(Degree-granting authority)**

Compliance

In Florida, a not-for-profit independent college or university is not subject to a legal governing body as noted in a letter to the institution from the Florida Department of Education dated February 4, 2014. The letter states in part that

Everglades University is a private, not-for-profit college that is located and chartered in the State of Florida. Pursuant to section 1005.06(c), Florida Statutes, '[a]ny institution that is under the jurisdiction of the Department of Education, eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program and that is a nonprofit independent college or university located and chartered in this state and accredited by the Southern Association of Colleges and Schools Commission on Colleges to grant baccalaureate degrees' is not required to obtain licensure. During the 2014 calendar year, Everglades University is included among the 31 independent colleges and universities that fall under the law in Florida. These institutions are exempt from Florida licensure.

Thus, Everglades University is exempt from obtaining licensure provided by Florida Statue 1005.06(1)(c). As an institution accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to award bachelor's and

master's degrees, the institution falls under the category of independent colleges that do not require state licensure.

- 2.2** The institution has a governing board of at least five members that is the legal body with specific authority over the institution. The board is an active policy-making body for the institution and is ultimately responsible for ensuring that the financial resources of the institution are adequate to provide a sound educational program. The board is not controlled by a minority of board members or by organizations or interests separate from it. Both the presiding officer of the board and a majority of other voting members of the board are free of any contractual, employment, or personal or familial financial interest in the institution.

A military institution authorized and operated by the federal government to award degrees has a public board on which both the presiding officer and a majority of the other members are neither civilian employees of the military nor active/retired military. The board has broad and significant influence upon the institution's programs and operations, plays an active role in policy-making, and ensures that the financial resources of the institution are used to provide a sound educational program. The board is not controlled by a minority of board members or by organizations or interests separate from the board except as specified by the authorizing legislation. Both the presiding officer of the board and a majority of other voting board members are free of any contractual, employment, or personal or familial financial interest in the institution.
(Governing board)

Non-Compliance

The Bylaws stipulate that the institution can have up to nine board members. There currently are nine members. There is no information that would indicate that the board members are connected financially, contractually, personally, or through family interests. The institution clearly defines a quorum for the board and it appears there is no issue of minority control.

The institution is part of a holding company that includes Keiser University. The two institutions have the same board. It is not clear how this process functions. In addition, documents found in other sections indicate that Keiser was purchased by the institution. However, the organization chart shows them as separate entities.

As set forth in the Bylaws, the board of trustees has the responsibility for the overall operations of the institution including maintaining the finances of the institution. Examples of the board's responsibilities include financial stability, loans, hiring of a certified public accountant to audit the accounts, approval of the mission statement, long range planning, curricular policies, personnel policies, and hiring the CEO/president. The minutes of the board indicate that these responsibilities have been executed, at least since 2013.

The Off-Site Committee is unclear as to the relationship between the holding company, the governing and the two institutions.

- 2.3 The institution has a chief executive officer whose primary responsibility is to the institution and who is not the presiding officer of the board. *(See the Commission policy "Core Requirement 2.3: Documenting an Alternate Approach.")* **(Chief executive officer)**

Compliance

The Bylaws and organizational chart indicate that the institution's CEO/President is primarily responsible for the operation of the institution. In addition, the job description for the CEO/President also indicates that her responsibilities are focused on the institution. The minutes of two trustee meetings indicate that the president had responsibility for reporting to the board about activities related to her responsibilities.

According to the Bylaws, the president is an ex-officio member of the board and cannot vote or be elected as the chair of the board.

- 2.4 The institution has a clearly defined, comprehensive, and published mission statement that is specific to the institution and appropriate for higher education. The mission addresses teaching and learning and, where applicable, research and public service. **(Institutional mission)**

Compliance

The institution provides a clearly defined mission statement that focuses on teaching and learning accompanied by a philosophy and ten mission driven goals and objectives. The mission statement is comprehensive and the institution provides evidence that the mission statement is published on its website, in its academic catalog, in its faculty manual, its academic manual, its student services manual as well as in classrooms and offices.

- 2.5 The institution engages in ongoing, integrated, and institution-wide research-based planning and evaluation processes that (1) incorporate a systematic review of institutional mission, goals, and outcomes; (2) result in continuing improvement in institutional quality; and (3) demonstrate the institution is effectively accomplishing its mission. **(Institutional effectiveness)**

Compliance

The institution provides evidence that it engages in a broad range of activities on an annual basis in support of planning and evaluation. It provides documentation from its Boca Raton Campus of a February 2014 Institutional Effectiveness Day event in which faculty and staff from that campus reviewed the mission, the campus master plan, and institutional effectiveness for the year. The institution also provides an example for 2013 of a Campus Master Plan summarizing how campus goals are integrated by various campus units to the institution's goals. The summary includes specific objectives, criteria for success, the time frame for completion, the responsible party, and quarterly evidence of data collection and evaluation against criteria. The plan contains examples in which improvement has been achieved as a result of the evaluation process.

The institution has identified ten institutional goals that are driven by the mission statement. Those goals, as the example above illustrates, are integrated at the campus and unit level. The institution provides a narrative summary of how planning and budgeting are integrated although the Off-Site Committee was not able to verify that integration.

The institution identifies and provides evidence that it utilizes a number of internal and external instruments in support of its assessment and evaluation processes. Examples of those instruments include, the Noel-Levitz Student Satisfaction Inventory, Priorities Survey for Online Learners, the ETS Major Field Test, and the ETS Proficiency Profile. At the program individual course level the institution employees pre-testing at the course beginning and post-testing at its conclusion. The institution provides evidence in minutes from meetings of its Program Advisory Council and from its faculty curriculum committees that the data collected by these methods are evaluated and acted upon at the institutional level.

The institution provides a Table of Institutional Effectiveness for 2010-2014 in support of its claim that its planning and evaluation processes are comprehensive and that goals are linked to mission. The institution also provides a table with samples of continuous improvement. The table is well laid out so that the Off-Site Committee can easily track a cycle of assessment-driven improvements for a number of academic and administrative units.

The institution provides evidence that it is effectively accomplishing its mission. The institution proves a table outlining each of its mission components, a periodicity of activity, and supporting documentation to show the connection between a given mission area and a defined activity or instrument.

Based on its review, the Off-Site Committee finds that the institution engages in ongoing, integrated, and institution-wide research-based planning and evaluation processes that include a systematic review of mission, goals and outcomes, result in continuing improvement in institutional quality, and demonstrate that it is effectively accomplishing its mission.

The Off-Site Committee was impressed by the clarity of the institution's narrative, the quality of its tables and illustrations in support of that narrative, the clear linking of documents to particular claims in its narrative.

2.6 The institution is in operation and has students enrolled in degree programs.
(Continuous operation)

Compliance

The institution has been in operation since 1998 and functions this year with an enrollment in excess of 1000 students divided roughly in half between its three physical campus locations and its online presence.

- 2.7.1** The institution offers one or more degree programs based on at least 60 semester credit hours or the equivalent at the associate level; at least 120 semester credit hours or the equivalent at the baccalaureate level; or at least 30 semester credit hours or the equivalent at the post-baccalaureate, graduate, or professional level. If an institution uses a unit other than semester credit hours, it provides an explanation for the equivalency. The institution also provides a justification for all degrees that include fewer than the required number of semester credit hours or its equivalent unit. **(Program length)**

Compliance

The institution outlines in its Catalog 2014-2015 Volume XLVIII that it offers eight (8) Bachelor of Science (BS) degrees and four (4) master's degrees. In the aforementioned catalog (p. 125), it describes its BS degrees include a minimum of 123 semester credit hours and on page 124 its master's a minimum of 36 semester credit hours. Program length is determined by the Everglade's Curriculum Committee and is reviewed by the Curriculum Committee and Program Advisory Committees annually.

- 2.7.2** The institution offers degree programs that embody a coherent course of study that is compatible with its stated mission and is based upon fields of study appropriate to higher education. **(Program content)**

Compliance

The institution has in place program development and monitoring processes that ensure the appropriate levels of complexity at different levels in the programs. Part of the review process includes review by a Program Advisory Committee, with qualified members from the local community. The evidence presented in the catalogs show that the content and structure of the programs are appropriate to higher education.

The institution is a member of the Independent Colleges & Universities of Florida (ICUF), and the articulation agreements with the member institutions (included as evidence) show that the institution offers courses that are equivalent to courses at other SACSCOC accredited institutions at the undergraduate level.

In keeping with its mission, the institution offers innovative programs such as the degrees in Alternative Medicine and Crisis and Disaster Management. These programs are offered in accordance with the principles and standards set by the professional organizations in the discipline.

- *2.7.3** In each undergraduate degree program, the institution requires the successful completion of a general education component at the collegiate level that (1) is a substantial component of each undergraduate degree, (2) ensures breadth of knowledge, and (3) is based on a coherent rationale. For degree completion in associate programs, the component constitutes a minimum of 15 semester hours or the equivalent; for baccalaureate programs, a minimum of 30 semester hours or the equivalent. These credit hours are to be drawn from and include at least one course

from each of the following areas: humanities/fine arts, social/behavioral sciences, and natural science/mathematics. The courses do not narrowly focus on those skills, techniques, and procedures specific to a particular occupation or profession. If an institution uses a unit other than semester credit hours, it provides an explanation for the equivalency. The institution also provides a justification if it allows for fewer than the required number of semester credit hours or its equivalent unit of general education courses. **(General education)**

Compliance

The Everglades University goals and objectives are integral to the University mission: "...to provide quality education to adult learners of diverse backgrounds in a collaborative environment where each individual has the opportunity to achieve personal growth. The University seeks to accomplish its mission by combining small class sizes and innovative programs with traditional academic values. The University supports the academic endeavor through research, scholarly contribution, and service, to deliver graduate and undergraduate programs both on campus and online" (page 6, 2014-2015 Catalog).

Goal #3 is a direct general education goal: "To improve students' written and verbal competencies as well as analytical and technical skills prior to graduation" (page 6, 2014-2015 Catalog). The General Education rationale is also found in the Catalog:

"General education is a component of each Everglades University undergraduate degree program. Everglades University's general education is designed to emphasize the ability to think and read critically, to communicate effectively both in writing and in speech, and to understand quantitative data. Instead of focusing narrowly on skills, techniques and procedures specific to a particular occupation or profession, these courses help students to develop a critical appreciation of both the value and the limitations of methods of inquiry and analysis. General education courses provide an opportunity for students to achieve a collegiate level of literacy in the humanities, the social and behavioral sciences, and the natural sciences and mathematics.

"At Everglades University, general education includes the knowledge, skills, and perspectives that become part of an educational experience of all undergraduates regardless of major. A college education helps students begin a career. It should also help students become well-rounded individuals. Upon completing the general education curriculum, undergraduate students are required to complete the ETS Proficiency Profile" (pages 86-87, 2014-2015 Catalog).

The University offers eight (8) bachelors' degrees, each consisting of 123 semester credit hours; 30 semester credit hours of the 123 total are in general education. Therefore, 24% of the coursework in the bachelors' degree programs is composed of general education. This was substantiated with a review of courses and credits for each program offered as found in the Catalog submitted as evidence.

General education courses include at least one course from each of these areas: English, computers, communications, humanities/fine arts, mathematics, social science, natural science, and behavioral science.

A review of the course descriptions confirms that the courses are college-level and are not narrowly focused on any individual program. Further, Everglades University participates in Florida's Statewide Course Numbering System (SCNS). The major purpose of the SCNS is to facilitate transfer of courses between participating institutions. All public Florida schools and 27 nonpublic institutions participate. Course equivalency is identified by courses with the same prefixes and last three digits. Institutions participating in the SCNS have agreed that like courses are transferable among the members.

Other groups which monitor the curriculum and assure college-level courses include the Program Advisory Committees (PAC), the Curriculum Committee, and the General Education Department. A general education representative attends each PAC meeting. The process includes recommendations which are raised at department meetings. The recommendations are taken to PAC meetings. Department Chairs then submit recommendations and proposals to the Curriculum Committee. The Curriculum Committee reviews and evaluates the proposals and makes recommendations to the Vice President of Academic Affairs, who has the final word. A review of the evidence which included Minutes from a general education department meeting, PAC meeting (Allied Health), and Curriculum Committee meeting, substantiate that the University follows the process described.

- 2.7.4** The institution provides instruction for all course work required for at least one degree program at each level at which it awards degrees. If the institution does not provide instruction for all such course work and (1) makes arrangements for some instruction to be provided by other accredited institutions or entities through contracts or consortia or (2) uses some other alternative approach to meeting this requirement, the alternative approach must be approved by the Commission on Colleges. In both cases, the institution demonstrates that it controls all aspects of its educational program. (*See the Commission policy "Core Requirement 2.7.4: Documenting an Alternate Approach."*)
(Course work for degrees)

Compliance

The institution provides the coursework for the completion of the bachelor's and master's programs, as evidenced by the information presented in the catalog. The catalog clearly shows the coursework required for the programs, and the policies for accepting transfer credits.

- *2.8** The number of full-time faculty members is adequate to support the mission of the institution and to ensure the quality and integrity of each of its academic programs.
(Faculty)

Compliance

The institution defines and explains full-time and part-time faculty members in its *2014-2015 Faculty Manual*, p. 12 as follows:

- "Full-time faculty members are assigned committee membership, student advising responsibilities, curriculum oversight and development, and planning and evaluation activities. They are also expected to attend faculty feedback

and development meetings, participate in scholarly activity, as well as other campus functions, including the annual graduation ceremony and annual Institutional Effectiveness Planning Day.

- Part-time faculty members may not have recurring teaching duties each semester and are not assigned committee membership, student advising responsibilities, curriculum oversight and development, or planning and evaluation activities. They are expected to attend faculty feedback and development meetings, participate in scholarly activity, but are not required to attend other campus functions such as the annual graduation ceremony and annual Institutional Effectiveness Planning Day.”

The institution's full-time faculty members are provided with annual agreements at the beginning of each year as well as an agreement each semester to formalize the requirements and expectations for full-time faculty to participate in committees and other activities involving the oversight and development of curriculum and assessment. In addition, the approximate numbers of courses the faculty member will teach per semester are delineated in the agreement. Adjunct/part-time faculty members are given agreements on a course-by-course basis and are paid accordingly per course. Adjunct faculty members are invited and encouraged to participate in committees and other meetings regarding curriculum and assessment, but are not required to do so.

The institution provides a summary chart of semester credit hours taught by full-time (FT) and part-time (PT) instructors broken down by online and the campuses of Sarasota, Boca Raton, and Orlando. These FT percentages, which range from a low of 64% to a high of 100% in all baccalaureate degrees except those which have begun in Fall 2014 and with the exception of the Crisis & Disaster Management degree for the campuses on which it is not offered (Boca Raton & Orlando). In the master's degrees, the FT percentages range from a low of 76% to a high of 100% in all degrees except the Public Health Administration degree which just began enrolling students in Fall 2014 and in the Entrepreneurship degree which is not offered on the campuses of Boca Raton and Orlando.

- 2.9** The institution, through ownership or formal arrangements or agreements, provides and supports student and faculty access and user privileges to adequate library collections and services and to other learning/information resources consistent with the degrees offered. Collections, resources, and services are sufficient to support all its educational, research, and public service programs. **(Learning resources and services)**

Compliance

The institution has library collections at each campus as well as robust online resources that are well aligned with the curriculum. The institution has a Library Advisory Committee (LAC), which provides input from faculty regarding collections and services. A collection development policy, as approved by the LAC, outlines considerations regarding collections, including electronic resources. Recent assessments from students and faculty confirm that collections are adequate to support the degrees offered. Collections include 120,000 print and AV resources, and 55 databases. All digital content is available online and easily accessible to distance learning students. Resources not available from the institution may be obtained

through interlibrary loan via various resource sharing organizations in Florida. Everglades also has a reciprocal borrowing agreement with Keiser University. The wording of the agreement indicates that it is not intended to provide or replace collections at Everglades, but to enhance available resources to each participating institution.

Hours at each campus library vary from 55 hours/week at Boca Raton to 76 hours a week at Sarasota. These hours appear to be adequate to provide access to physical learning resources, study space and other services. Library services provided are typical, including circulation, course reserves, interlibrary loans, reference and instructional services. Each campus library site provides at least 10 computers for student usage.

- *2.10** The institution provides student support programs, services, and activities consistent with its mission that are intended to promote student learning and enhance the development of its students. **(Student support services)**

Non-Compliance

The institution consists of three campuses and an online division. For winter semester 2014, approximately 61% of students were enrolled in the online division. The institution is 100% commuter, and those students needing counseling, health care, housing, and child care are referred to community organizations and facilities. Student organizations, activities and social programs are coordinated through the Department of Student Services, and are available to seated and online students. All students engage in an orientation process, and support programs and services, including career development, job placement, and tutoring/academic support services are available students.

The institution provided some evidence that it provides student support programs, services and activities for online students. It did not demonstrate, however, how online students' access services offered through Academics, Library Services, Student Services, Registrar's Office, Financial Aid Office, Admissions, Bursar, and the Bookstore. Consequently, it could not be determined if the institution provides student support programs, services, and activities to online students that are consistent with its mission.

- 2.11.1** The institution has a sound financial base and demonstrated financial stability to support the mission of the institution and the scope of its programs and services.

The member institution provides the following financial statements: (1) an institutional audit (or *Standard Review Report* issued in accordance with *Statements on Standards for Accounting and Review Services* issued by the AICPA for those institutions audited as part of a systemwide or statewide audit) and written institutional management letter for the most recent fiscal year prepared by an independent certified public accountant and/or an appropriate governmental auditing agency employing the appropriate audit (or *Standard Review Report*) guide; (2) a statement of financial position of unrestricted net assets, exclusive of plant assets and plant-related debt, which represents the

change in unrestricted net assets attributable to operations for the most recent year; and (3) an annual budget that is preceded by sound planning, is subject to sound fiscal procedures, and is approved by the governing board. **(Financial resources and stability)**

Non-Compliance

The institution received unqualified opinions in all years, and there are no material findings or weaknesses in the reviewed audited financial statements. The total net assets and unrestricted net assets of the institution increased from \$20,821,583 to 27,101,122 in the years 2011 through 2013. The institution is a not for profit institution with no restricted assets. Operation surpluses are reflected in the audited financial statements for all years reviewed. Review of the institutions unrestricted assets exclusive of plant assets and debt indicated an increase over the years. Net cash provided by operating activities was positive in all years reviewed. The Committee was unable to determine sound financial bases of the institution based on consolidated financial statements. In addition, the Off-Site Committee was unable to determine the entity or individual guaranteeing the note for the asset acquisition purchase.

On January 10, 2011 Everglades College, Inc. consummated an asset purchase agreement with Keiser University. Under the asset purchase agreement, Everglades College, Inc. acquired substantially all of the assets and liabilities of Keiser University. As a result of this transaction Everglades College, Inc. reports its financial statements on a consolidated basis. The consolidated composite score for both institutions is less than the minimum 1.5. The composite score for the institution separately is 3.0. Based on the consolidated score the DOE requested a line of credit in the amount of \$27,615,232 and be provisionally certified for a period of up to three complete award years. The amount of \$24,522,691 of this line of credit is secured by a personal bank account of the University's Chancellor. The Off-Site Committee failed to find a copy of the letter for review as indicated in the narrative.

The Off-Site Committee found the documented evidence of budget planning and time line to be insufficient. The Off-Site Committee did not find current annual budget and summary available for review

It is unclear whether Everglades University is liable for the debt as a result of the asset purchase of Kiser University.

- 2.11.2** The institution has adequate physical resources to support the mission of the institution and the scope of its programs and services. **(Physical resources)**

Compliance

The Off-site Committee found documentation of adequate physical resources to support the mission of the institution. Review indicated three facilities constituting more than 100,000 square feet of classrooms, libraries, student lounges, and office space for administration and faculty. The institution leases appropriate facilities to accommodate for growth in areas of student population increases and scope of its programs and services. The Off-Site Committee found photos and floor plans of

facilities to support institutions description. The institution has an implemented master plan and appropriate supporting documents.

Administrative and Student Support Services Satisfaction Surveys indicated satisfaction with institutional facilities for the year 2013. The Off-Site Committee found the result satisfactory with results of the overall atmosphere of each of the campuses falling between 94 and 95 percent.

Institutional narrative describes adequately the scope and purpose of facilities and fiscal history in regards to completed capital projects. Appropriate inventory data was provided for review.

- 2.12** The institution has developed an acceptable Quality Enhancement Plan (QEP) that includes an institutional process for identifying key issues emerging from institutional assessment and focuses on learning outcomes and/or the environment supporting student learning and accomplishing the mission of the institution. **(Quality Enhancement Plan)**

C. Assessment of Compliance with Section 3: Comprehensive Standards

- 3.1.1 The mission statement is current and comprehensive, accurately guides the institution's operations, is periodically reviewed and updated, is approved by the governing board, and is communicated to the institution's constituencies. **(Mission)**.

Non-Compliance

The institution's mission is current, most recently reviewed and approved by the Board of Trustees in June 2014. The mission statement is comprehensive, is included with an institutional philosophy and is supported by ten goals and objectives. An institutional curriculum committee takes responsibility to insure that the curriculum is consistent with the mission and in addition that the mission is a part of its planning process.

The institution states that its mission is periodically reviewed, although it provides board minutes for only June 2014 and evidence of an Institutional Effectiveness Day Mission Review Form from February 2014. The document with those board minutes was undated and no source information was contained in the document.

The institution provides evidence that its mission statement is widely communicated to its constituencies with documentation from its website, catalog, and faculty manual. In its response to CR 2.4, it provided additional evidence of dissemination in its Academic Manual and in its classrooms and offices. The Off-Site Committee did not find evidence of how the mission statement was communicated to staff

- 3.2.1 The governing board of the institution is responsible for the selection and the periodic evaluation of the chief executive officer. **(CEO evaluation/selection)**

Non-Compliance

Article II of the Bylaws states that the board is responsible for appointing and evaluating the CEO/president. The Board of Trustees delegates responsibility for implementing board policy and managing the institution to the president as set forth in the bylaws. The institution stated that the current president was selected in 2002 although there was no documentation supporting the act or date of the appointment.

The board chairman provided a statement that the president was evaluated in 2014. There is also a statement that the presidential evaluation will be supplied during the on-site visit. However, there is not sufficient information to verify periodic evaluation of the president.

- 3.2.2 The legal authority and operating control of the institution are clearly defined for the following areas within the institution's governance structure: **(Governing board control)**

3.2.2.1 the institution's mission

Compliance

The Bylaws and Board Manual state that the board is responsible for the governance of the institution as shown in the following statement:

Except as provided in Article III, the business of the corporation shall be managed and its corporate powers exercised by a Board of Trustees (the "Board"). It shall not be necessary for the members of the Board to be residents of State of Florida.... The Board shall be responsible for the operations of the Institutions including.... The review and approval of policies pertaining to educational, fiscal, and curricular policies, approval of the Institutions' mission statements, long range planning documents, and annual budgets

A page from the June, 2014 minutes are included as an indication that the board controls the mission. It indicates that the board approved the mission statement. There are other minutes provided in the report that also indicate the board is involved with the mission.

3.2.2.2 the fiscal stability of the institution

Compliance

According to the Board's Manual and Bylaws, the institution's board of trustees is responsible for the hiring of a certified public accountant, fiscal policy and review and approval of budgets in a manner that assures that the institution has adequate financial resources to meet its missions. It also is responsible for overall operations of the institution. Three sets of minutes are provided as evidence that the board is actually meeting its responsibilities.

3.2.2.3 institutional policy

Compliance

The powers and duties of the institution's Board of Trustees are set forth in the Board of Trustees Manual. The Board of Trustees Bylaws provides the Board with the primary responsibility and legal authority for approval of the institution's policies.

Examples of the board's authority and actions based on that authority are found in the minutes of the January 11, 2014 Board of Trustees minutes. The board, in the page of the minutes that is provided for January 11, 2014, approved the

- Philosophy and Goals,
- Minutes of several meetings,
- 2014 Annual Budget,
- 2014 Master Plan,
- 2014 updates to the Long Range Strategic Directions,
- Relocation of the Orlando Campus to a larger facility,
- New academic programs, and
- Additions of concentrations to existing programs (undergraduate

and graduate).

In addition, in the September 11, 2013 minutes the board of trustees approved the

- Minutes of the Everglades University Board of Trustees Meeting of May 8, 2013,
- Everglades University Mission Statement,
- Minutes of the Executive Committee Meeting of May 8, 2013,
- Minutes of the Everglades University, Inc. Board of Trustees meeting of May 8, 2013,
- Everglades University Investment Plan,
- Everglades University Salary Scale, and
- Everglades University Organizational Chart.

It appears that the board of trustees has authority to implement institutional policy and has acted on institutional policy.

3.2.3 The governing board has a policy addressing conflict of interest for its members. **(Board conflict of interest)**

Non-Compliance

The Conflict of Interest statement provided in the documentation for this standard does not precisely match the statement that appears in the Bylaws which, like the Code of Ethics Statement, pertains to the institution and Keiser University. The document provided here has been edited to remove mention of Keiser, but the actual Bylaws seem to apply to both, thus raising the question as to whether the document provided here is official.

A code of ethics statement requires that board members follow the Bylaws and Board Manual. One item in the code specifically deals with conflicts and requires that a trustee disclose “....any relationships that could be perceived as conflicts of interest....” Board members sign a statement that acknowledges the board code of ethics and another statement that acknowledges that board members have received and will abide by the Bylaws and the manual. Only eight of the board members signed these two forms.

The Definition of Conflict of Interest contained in the Bylaws supplies a signature form similar to that for the Code of Ethics. The institution neither mentioned the existence of this form in the documentation for this section, nor provided any signed Conflict of Interest statements

3.2.4 The governing board is free from undue influence from political, religious, or other external bodies and protects the institution from such influence. **(External influence)**

Compliance

The institution has two statements in the Board of Trustees Manual and Bylaws that deal with undue influence.

- The independence of the Board of Trustees is crucial to ensure that the Institutions meet the needs of the communities in which they serve. Under no circumstances should any member or minority group of the Board dominate to allow for an agenda that does not reflect the attitude and opinions of the whole. The Board shall be careful not to allow any undue influence from any external pressures that would harm the Institutions. (The term “Institutions” appears since these guidelines apply to both the institution being reviewed and Keiser University.)
- The Board shall remain independent of pressure from political, religious or external bodies

The documentation provided suggests that the Board is an independent body with no external influences.

- 3.2.5** The governing board has a policy whereby members can be dismissed only for appropriate reasons and by a fair process. **(Board dismissal)**

Non-Compliance

According to the Bylaws, a trustee can be removed:

If the Board of Trustees determines that the conduct of a trustee has violated the trustee’s professional or fiduciary responsibilities, Board policy or other governing law, the Board may remove the member from the Board for cause. Any of the trustees may be removed with cause, after a due process hearing before the Board of Trustees by an affirmative vote of at least four of the members of the Board of Trustees at a special meeting of the Board of Trustees called for such purpose.

As noted in 3.2.3, there is a code of ethics which each trustee is supposed to sign and which could serve as the basis for removing a trustee.

The Off-site Committee noted that it does not take a majority of the trustees to remove another trustee. While the institution may have legitimate reasons for making such a provision, the Off-Site Committee could not ascertain upon what basis this practice satisfies the criteria of “a fair process.”

- 3.2.6** There is a clear and appropriate distinction, in writing and practice, between the policy-making functions of the governing board and the responsibility of the administration and faculty to administer and implement policy. **(Board/administration distinction)**

Compliance

The institution provides a clear written statement on the responsibilities of the Board of Trustees. These include, but are not limited to

- Selection and evaluation of the CEO/president,
- Maintaining financial stability (including approval and review of the budget),
- Approval of the mission statement,

- Review and approval of policies, and
- General oversight of the institution.
- Minutes and reviews are provided that show that the board not only has written authority but also has acted on its authority. (See for example, CS 3.2.2.3.)

The Bylaws also provide clear indication of the governance and policy-making role of the President and executive committee:

These officials supervise their staff to ensure the effective operation of the Universities. They are responsible for carrying out the policies and procedures dictated by the Board, which have been officially approved by the quorum of the Board. The Chair of the Board, Vice Chair, and Secretary will operate as an executive committee to act upon special problems requiring immediate action, between meetings of the Board.

A set of minutes shows that the president took an active role in reporting operational issues to the board.

The faculty job description is also provided that lists faculty responsibilities, including the role of committees. Documentation provided in 3.7.5 provides evidence of the activities of the faculty in the implementing policies.

- 3.2.7** The institution has a clearly defined and published organizational structure that delineates responsibility for the administration of policies. (**Organizational structure**)

Compliance

There are three components to this metric. The institution has a well-defined organizational flowchart that is found in the *Everglades University Handbook*. Second, the responsibilities of the Board of Trustees are clearly defined and delineated in the *Everglades University Board of Trustees Manual and Bylaws*. These responsibilities include but are not limited to

- Selection and evaluation of the CEO/president,
- Maintaining financial stability (including approval and review of the budget),
- Approval of the mission statement,
- Review and approval of policies, and
- General oversight of the institution.

Third, the institution also provides a long list of job descriptions for most of the leadership team. There are job descriptions for the President/CEO and the direct reports as shown in the flowchart printed in the *Everglades University Handbook*.

- *3.2.8** The institution has qualified administrative and academic officers with the experience and competence to lead the institution. (**Qualified administrative/academic officers**)

Non-Compliance

The institution provided a chart identifying 63 personnel as its administrative and academic officers. For each, it provided the individual's resume, title, summary of functional responsibilities, educational qualifications, and experience. The institution did not provide job descriptions for the 63 positions listed. Consequently, the Off-Site Committee could not determine if the personnel listed had the appropriate educational credentials, or the appropriate level of experience, to serve in the position.

- 3.2.9** The institution publishes policies regarding appointment, employment, and evaluation of all personnel. **(Personnel appointment)**

Non-Compliance

Policies and practices regarding the appointment, employment, and evaluation of the University's faculty and staff are found in the *Everglades University Employee Handbook* and the *Everglades University Faculty Manual*. Employees sign an Acknowledgement of Receipt for the *Employee Handbook*; faculty sign a receipt for the *Faculty Manual*.

The Campus Vice President and the Campus President are responsible for the recruitment, selection, and advancement of professional staff which includes full-time faculty. The Campus Vice President is responsible for the recruitment, selection, and advancement of staff.

The performance review process is conducted annually and is described in the *Employee Handbook*. The staff evaluation process is similar to the faculty evaluation process. The documentation did not include faculty or staff reviews, thus the Off-site Committee could not determine if reviews actually occur.

- 3.2.10** The institution periodically evaluates the effectiveness of its administrators. **(Administrative staff evaluations)**

Non-Compliance

The institution has a formal performance evaluation policy, and also has processes in place with which to implement that policy. Evaluations are conducted annually, and "Non-routine" evaluations may be performed if deemed necessary by the supervisor. Salary adjustments are tied to the evaluation process. The institution did not provide examples of completed administrator evaluations. The Off-Site Committee could not determine if the institution adheres to its administrator evaluation policy.

- 3.2.11** The institution's chief executive officer has ultimate responsibility for, and exercises appropriate administrative and fiscal control over, the institution's intercollegiate athletics program. **(Control of intercollegiate athletics)**

N/A

The institution does not participate in intercollegiate athletics.

3.2.12 The institution demonstrates that its chief executive officer controls the institution's fund-raising activities. **(Fund-raising activities)**.

N/A

The institution does not participate in fund-raising activities.

3.2.13 For any entity organized separately from the institution and formed primarily for the purpose of supporting the institution or its programs: (1) the legal authority and operating control of the institution is clearly defined with respect to that entity; (2) the relationship of that entity to the institution and the extent of any liability arising out of that relationship is clearly described in a formal, written manner; and (3) the institution demonstrates that (a) the chief executive officer controls any fund-raising activities of that entity or (b) the fund-raising activities of that entity are defined in a formal, written manner which assures that those activities further the mission of the institution. **(Institution-related entities)**

N/A

3.2.14 The institution's policies are clear concerning ownership of materials, compensation, copyright issues, and the use of revenue derived from the creation and production of all intellectual property. These policies apply to students, faculty, and staff. **(Intellectual property rights)**

Non-Compliance

The institution has a policy that specifies the definition, ownership, and use of intellectual property. These policies are disseminated to faculty, staff, and students through the faculty manual, staff handbook, and student catalog respectively. The submitted document includes the faculty grievance policy and procedures, but does not clearly state how the institution resolves issues related to disputes on intellectual property. The institution does not provide any example of implementation of this policy, and does not state that the institution did not have cause to implement the policy.

3.3.1 The institution identifies expected outcomes, assesses the extent to which it achieves these outcomes, and provides evidence of improvement based on analysis of the results in each of the following areas **(Institutional Effectiveness)**:

***3.3.1.1** educational programs, to include student learning outcomes

Non-Compliance

The institution assesses student learning outcomes at the course level and at the programmatic level. For its nine bachelor level programs and its four master's level programs, the institution has identified four learning outcomes. The institution identifies six competency areas for general education. At the course level the institution

conducts pre-testing and post-testing and the institution identifies benchmarks against which to assess improvement. Outcome tables are provided for 2011, 2012, and 2013. The institution provided narrative summaries of a sample of actions taken based on review of results. The Off-Site Committee was not able to tie these narratives of improvements and actions to the institution's summaries of expected outcomes and assessment of the extent to which it achieves those outcomes.

The institution assesses educational programs using capstone course evaluations, ETS Major Field Exams for business majors, the ETS Proficiency Profile for general education as well as employer surveys and graduate surveys. The institution has identified benchmarks for each of the assessment instruments and has provided summary tables for 2011, 2012, and 2013. Examples are provided in the narrative showing selected improvements and actions taken based on review of results. The Off-Site Committee found it difficult to track the narratives of improvement and actions to the three individual year summary tables.

The Off-Site Committee did not find an explanation of the process used in the selection of the sample selected for narrative presentation of improvement and actions.

The institution provides discursive narrative summaries of improvement among its units that are separated from its presentation of benchmarks and assessment of outcomes. Because of the separation of improvements from the summaries in the assessment cycles the Off-Site Committee was not able to verify the extent to which improvements based on analysis of results were achieved

3.3.1.2 administrative support services

Non-Compliance

The institution conducts assessment for its administrative support programs, using several survey instruments, including its Annual Administrative and Student Satisfaction Survey, the Noel-Levitz Student Satisfaction Inventory, and the Noel-Levitz Survey for On-Line Learners.

The institution has defined general benchmarks for each survey outcome and has provided evidence the units at each of its campuses and its on-line programs have assessed in the degree to which those units achieve the outcomes. Evidence of assessment and evaluation is provided for 2011, 2012, and 2013.

The institution provides discursive narrative summaries of improvement among its units that are separated from its presentation of benchmarks and assessment of outcomes, Because of the separation of improvements from the summaries in the assessment cycles the Off-Site Committee was not able to verify the extent to which improvements based on analysis of results were achieved.

3.3.1.3 academic and student support services

Non-Compliance

The institution identified expected outcomes across a number of survey instruments, including both internally generated surveys and Noel-Levitz survey instruments using a general metric of 90% for the Administrative Student Support Survey and the Library Student Satisfaction Survey, scores within one standard deviation of the Noel-Levitz Student Satisfaction Inventory, and a score of 4.8 on a 6.0 scale for the Student End of Course Survey. From each of these surveys, questions were identified specific to each of the units evaluated.

The institution provides evidence that it is assessing those outcomes but the documentation is scattered among the different survey instruments making it difficult to track the achievement for a given unit across all the relevant outcomes.

Each assessment survey instrument has been summarized by the institution and the units to which the survey assessment applied were defined. The Off-Site Committee had difficulty from the narrative summary provided by the institution in understanding what the institution considered to be its academic and student support units. Some of the tables list specific educational support units that were being assessed, for instance educational support services and the library, and referral services, while others refer to activities and events.

The Off-Site Committee found it difficult from the organization of the institution's presentation to track an annual assessment cycle for academic and student support services that was linked in the evidence to a defined outcome, a specified method of assessment, an analysis of results against a benchmark, and with use or interventions tied specifically to that process. Nor was the Off-Site Committee, over the course of an assessment improvement cycle, able to understand where the long narratives of improvements were tied to assessments based on analysis of results. The evidence provided by the institution was not presented in a manner that allowed the Off-Site Committee to track a defined outcome in a specific unit at a given campus across multiple years to analysis of results tied to a specific set of improvements based on interventions and actions based on analysis of those results.

As a result the Off-Site Committee was not able to determine that institution was in compliance with the requirement that the institution provide evidence of improvement based on analysis of the results of its assessment and identification of expected outcomes.

3.3.1.4 research within its mission, if appropriate

Non-Compliance

The institution defines two modes of assessment for research first using a summary of faculty participation in the five research activities the institution has identified, second using a self-assessment by faculty using a Likert scale measure for each of five research activities.

The Off-Site Committee did not find that the institution had identified expected outcomes for the five research activities for the faculty participation mode of assessment or evidence of improvement based on analysis of results.

The Off-Site Committee was not able to determine that the institution assessed the extent to which it achieved outcomes from the faculty self-assessment of research activities for each of the five outcomes.

The Off-Site Committee did not find from the documentation evidence of improvement based on analysis of results for either mode.

3.3.1.5 community/public service within its mission, if appropriate

Non-Compliance

The institution as part of its overall vision defines a community service goal and for that goal identifies an objective with four focus areas. For each of the focus areas, the institution has identified an institutional benchmark in three areas, service hours, charitable donations, and a satisfaction rating. The institutional benchmarks are equally divided among its campuses and each campus under a campus vice president is said to assess its outcomes for community service.

A table, "Community Service Longitudinal Data Chart," provides a summary of outcomes for each focus area and for each of the three measures across 2010, 2011, 2012, and 2013.

In separate narratives the institution provides a summary of changes in 2011, 2012 and 2013 that have resulted from the use of results. In a lengthy narrative the institution summarizes some of the activities that were undertaken to support the institutional community service objective.

The Off-Site Committee finds that the institution has identified expected outcomes and assessed the extent to which it achieves these outcomes in community service for the institution in aggregate. The Off-Site Committee was not able to determine if each campus has separately assessed the community service outcomes in each focus area.

While the institution provides narrative description of changes and use of results at the institution level, the Off-Site Committee was unable to determine how the narrative summaries of change and use were tied to particular assessment cycles.

- 3.3.2** The institution has developed a Quality Enhancement Plan that (1) demonstrates institutional capability for the initiation, implementation, and completion of the QEP; (2) includes broad-based involvement of institutional constituencies in the development and proposed implementation of the QEP; and (3) identifies goals and a plan to assess their achievement. **(Quality Enhancement Plan)**

Compliance
 Non-Compliance

- 3.4.1** The institution demonstrates that each educational program for which academic credit is awarded is approved by the faculty and the administration. **(Academic program approval)**

Non-Compliance

In its *Faculty Manual 2014-2015* (p. 16) Everglades publishes its “Policy for the Role of Faculty and Its Committees.

The *Everglades University Academic Manual* (p. 48) provides the administrative policies, along with Curriculum Committee By-Laws (p.45). The samples of the minutes cited did not give the Off-Site Committee evidence of the utilization of its 5-process for reviewing and approving all for-credit, academic programs.

For example, one page of 10 apparent pages of minutes from the Business Program Advisory Committee, March 25, 2010, in which “proposed changes to programs” were mentioned included no detail about “Ecommerce for Business” and “different tracks/concentrations for the MBA program”. A single example of a Curriculum Committee Approval Form regarding “Additions of Concentrations to MBA Program” approved and signed on April 7, 2014, by the VPAA & the CEO, which is four years after the Program Advisory Committee’s first discussion. Finally, a single example of Board of Trustees Meeting Minutes purported to be from June 11, 2014, evidenced the board’s approval of the addition of Concentrations to MBA program.

In summary, the Off-site Committee was unable to determine to what extent the faculty and the administration are involved in the approval process for educational programs for which academic credit is awarded.

- 3.4.2** The institution’s continuing education, outreach, and service programs are consistent with the institution’s mission. **(Continuing education/service programs)**

Compliance

The institution does not offer continuing education at this time.

The institution has an outreach and service program that is aligned with its mission. The evidence presented includes documentation on how the service programs are implemented, administered, assessed, and improved in a very comprehensive manner. The institution completes not only an audit worksheet that tracks service hours, but also a satisfaction survey that provides information on the outcomes of the service for the recipient community.

- *3.4.3** The institution publishes admissions policies that are consistent with its mission. **(Admissions policies)**

Compliance

The Institution offers degrees at the Bachelor’s and Master’s levels. Criteria for admission into both levels are published on its website and in the catalog, and are related to the institutional mission. Admissions criteria are the same for seated and online students. Additional or unique admissions requirements, such as those for home schooled students or international students, are clearly stated and publicized.

- 3.4.4** The institution publishes policies that include criteria for evaluating, awarding, and accepting credit for transfer, experiential learning, credit by examination, advanced placement, and professional certificates that is consistent with its mission and ensures that course work and learning outcomes are at the collegiate level and comparable to the institution's own degree programs. The institution assumes responsibility for the academic quality of any course work or credit recorded on the institution's transcript. (See Commission policy "Agreements Involving Joint and Dual Academic Awards: Policy and Procedures.") **(Acceptance of academic credit)**

Compliance

The institution accepts transfer credit and advanced placement that meet the requirements of the undergraduate and graduate programs offered at the University. The Catalog includes the transfer of credit policy. The institution will accept up to 90 semester credits of transfer for the bachelor's programs and up to six semester credits for the master's programs. Courses considered for the bachelor's degree must have a grade of "C" or higher (2.0 on a 4.0 scale); courses for the master's must be "B" or higher (3.0 on a 4.0 scale).

Transfer credit from both regionally and non-regionally accredited institutions is considered. Faculty credentials are considered when transfer is requested from non-regionally accredited institutions. Transfer credit is reviewed by Program Director, Registrar, and Dean of Academic Affairs (or designee). All parties sign the Transfer Credit Evaluation (TCE) form. The TCE also serves as the degree audit form. The form clearly identifies which courses were transferred with the Grade of "T."

The institution evaluates transfer credit for prior military training and experience. The process is described in the catalog. The student submits official transcripts for review and credit is awarded based on the ACE recommendations found in the ACE Guide to the Evaluation of Educational Experiences in the Armed Services. Credit is not awarded at the graduate level for FAA certificates and ratings or prior military training and experience.

The institution participates in the Statewide Course Numbering System (SCNS). All Florida public schools and 27 non-public institutions participate in the system. The major purpose of the system is to facilitate the transfer of credit among participating institutions.

- 3.4.5** The institution publishes academic policies that adhere to principles of good educational practice. These policies are disseminated to students, faculty, and other interested parties through publications that accurately represent the programs and services of the institution. **(Academic policies)**

Compliance

The institution publishes its academic and related policies in the EU 2013-14 Catalog 2014-2015, in the Academic Manual 2014-2015, in the Faculty Manual 2014-2015, and on EU website.

The institution has established academic policies that adhere to principles of good educational practice in higher education and accurately represents the programs and services provided through publications disseminated to all interested parties. Everglades University has a policy and procedure for reviewing and approving academic policies and services which appear in university publications, marketing, and media. This review process ensures that all academic policies adhere to principles of good educational practice. Each of the University's academic publications has a review process overseen by the Vice President of Academic Affairs, who is responsible for the publications.

- 3.4.6** The institution employs sound and acceptable practices for determining the amount and level of credit awarded for courses, regardless of format or mode of delivery. **(Practices for awarding credit)**

Non-Compliance

The institution has developed policies and processes to assure the appropriate allocation of credit to courses for its on-campus and online modes of delivery.

The Definition of a Credit Hour is provided in the Catalog and in the *University Administrative Manual*. Suggestions for curriculum changes are typically initiated at the department level, approved by Department Chairs, and sent to the Curriculum Committee for action. The Curriculum Committee entertains requests for curricular changes as evidenced in Minutes for a June 10, 2014, meeting.

Credit hour requirements for each program level are included in the Catalog. The baccalaureate programs are 123 semester credit hours and the master's degrees are 36 semester credit hours. The amount of credit awarded for courses is in the Catalog. For the undergraduate programs, one semester credit hour equals 16 contact hours. For graduate programs, one semester credit hour equals 15 contact hours. One semester hour of lab equals 30 contact hours.

However, while the institution has developed a policy and procedure that defines classroom contact hours for its distance education courses, no evidence was presented to show that they follow their policy.

- 3.4.7** The institution ensures the quality of educational programs and courses offered through consortia relationships or contractual agreements, ensures ongoing **Compliance** with the *Principles* and periodically evaluates the consortial relationship and/or agreement against the mission of the institution. *(See the Commission policy "Agreements Involving Joint and Dual Academic Awards: Policy and Procedures.")* **(Consortia relationships/contractual agreements)**

N/A

The institution does not participate in academic programs or courses offered through consortia relationships or contractual agreements.

- 3.4.8** The institution awards academic credit for course work taken on a noncredit basis only when there is documentation that the noncredit course work is equivalent to a designated credit experience. **(Noncredit to credit)**

Compliance

The institutional Catalog includes its policy for awarding credit for non-credit course work. The institution awards credit from noncredit military training and experience and Federal Aviation Administration (FAA) certificates and ratings taken prior to enrolling. Documentation must be presented and verified by the University Deans of Academic Affairs and the Department Chairs. Credit for course work taken a non-credit basis is not available in the university graduate programs.

Credit is awarded based on the American Council on Education (ACE) recommendations found in the ACE Guide to the Evaluation of Educational Experiences in the Armed Services. Credit is not awarded at the graduate level for FAA certificates and ratings or prior military training and experience.

The institution conducted a review of peer institutions to determine commonly accepted practice in the awarding of undergraduate credit for FAA certifications and ratings. The review was substantiated by the evidence provided and supports the reported practices and policy of Everglades University.

- 3.4.9** The institution provides appropriate academic support services. **(Academic support services)**

Non-Compliance

The institution's academic support services include library services, computer labs, tutoring, advising/counseling, disability support services, information technology support, tutoring centers, international student support, and career services. These support services are available on all three campuses, as well as for online students. Information about academic support services and programs is published in the institution's catalog, as well as electronically on the institution's website.

However, the institution did not document any support services offered to faculty.

- 3.4.10** The institution places primary responsibility for the content, quality, and effectiveness of its curriculum with its faculty. **(Responsibility for curriculum)**

Compliance

The institution's faculty is responsible for curriculum as evidenced from a review of Curriculum Committee Minutes. Three sources of evidence in addition to these minutes also address the faculty role in the curriculum process: The Faculty Manual, the Curriculum Committee By-Laws, and the Assessment Committee By-Laws.

The Assessment Committee By-Laws were included as evidence. The process for assessment and the role of the committee are clearly defined in the By-Laws.

The institution receives external advice for program enhancements through community Program Advisory Councils. A review of minutes from a meeting conducted in 2011 substantiated this. Additional and current minutes would be helpful to determine the extent to which the local community input is used.

- *3.4.11** For each major in a degree program, the institution assigns responsibility for program coordination, as well as for curriculum development and review, to persons academically qualified in the field. In those degree programs for which the institution does not identify a major, this requirement applies to a curricular area or concentration. **(Academic program coordination)**

Compliance

The qualifications and responsibilities of academic coordinators are presented in the evidence, and shows that the institution has in place qualified individuals to lead and monitor the programs. The minutes of meetings presented as evidence shows that the coordinators provide oversight in reviewing the content and delivery of the programs.

- 3.4.12** The institution's use of technology enhances student learning and is appropriate for meeting the objectives of its programs. Students have access to and training in the use of technology. **(Technology use)**

Compliance

The Off-Site Committee reviewed evidence demonstrating how the institution's use of technology enhances student learning and is appropriate for meeting the objectives of the program. Students must complete a computer/technology course as part of their undergraduate degree completion. In addition, there are specific course-based technology classes that are required as part of each degree program. Computer labs on each campus ensure access to the Internet, online resources and the learning management system, Blackboard. The institution provides wireless access for students and faculty at each campus. The IT department provides training to faculty in technology use, as well as a help desk for assistance and support. Blackboard provides support 24/7 to students and faculty. Classrooms are equipped with ceiling mounted projectors or SMARTboards, and computer labs are available for student use.

- 3.5.1** The institution identifies college-level general education competencies and the extent to which students have attained them. **(General education competencies)**

Compliance

General education, which the institution has identified as related to its Quality Enhancement Plan (CR 2.12 & CS 3.3.2) is a component of each institutional undergraduate degree program. The institution's general education curriculum is

designed to emphasize the abilities to read critically, to write clearly, to work with quantitative data, to communicate effectively, and to think critically in the context of the social, behavioral, and natural sciences. These courses do not narrowly focus on those skills, techniques and procedures specific to a particular occupation or profession and are the same for both on-campus and online delivery methods and are published in Everglades University Catalog. They are intended to develop a critical appreciation of both the value and the limitations of methods of inquiry and analysis.

The institution identifies six student learning outcomes or competencies for the undergraduate General Education program. EU employs both direct and indirect measures to assess these general education competencies at various points in the students' programs of study.

- 3.5.2** At least 25 percent of the credit hours required for the degree are earned through instruction offered by the institution awarding the degree. (See the Commission policy "Agreements Involving Joint and Dual Academic Awards: Policy and Procedures.") **(Institutional credits for a degree).**

Compliance

As stated in the institution's 2014-2015 *Catalog*, p. 124, the residency requirement for undergraduate degree programs at the institution is the completion of the last 33 semester hours of credit and is the same for both on-campus and online delivery methods. Completion of the last thirty-three semester hours of credit in the 123-semester-credit-hour undergraduate programs comprises 26.8% of the undergraduate degree program.

The University Deans of Academic Affairs, Program Directors, Registrars and other designees of the academic department monitor the amount of credit earned at the institution with respect to the total number of credits required for the various degrees during Academic Advising meetings and as documented on the Academic Advising form. In addition, the Graduate Clearance form is used to determine if the student has met all the requirements of the degree program for graduation. The form is generated for students approaching the completion of their programs and is signed by each department requiring clearance. The academic department must determine if the students have completed the required number of credit hours to meet the institutional residency requirements. The academic department must also determine if the student has completed all the required courses, earned the total number of credit hours, and achieved the cumulative grade point average necessary to earn a degree from the university.

The Transfer Credit Evaluation (TCE) form is used for entering students to show any transfer credits awarded as well as the names of the institution(s) from which the credits were accepted. The TCE form is also used as a degree audit form in order to determine whether all required course were completed and the residency requirement met. Finally, by changing the student's status to "graduate" on the Status Change form, the academic department member comments on the cumulative grade point average and amount of credits completed to earn the degree.

- 3.5.3** The institution publishes requirements for its undergraduate programs, including its general education components. These requirements conform to commonly accepted standards and practices for degree programs. *(See the Commission policy “The Quality and Integrity of Undergraduate Degrees.”)* **(Undergraduate program requirements)**

Compliance

The institution has a very comprehensive process for reviewing and defining the requirements for each program. This process includes the required alignment of the institution's programs with the requirements of the United States Department of Education's Classification of Instructional Programs (CIP) and the State of Florida Department of Education Statewide Course Numbering System (SCNS). Besides ensuring alignment of program requirements with the specifications of professional organizations in each discipline, the institution has set up a multi-step internal process to review programs; this process includes review by discipline specific faculty and a curriculum review committee. In addition, reviews are completed by a program advisory committee that includes external members.

The requirements for each program are published in the catalog and on the university website.

- 3.5.4** At least 25 percent of the course hours in each major at the baccalaureate level are taught by faculty members holding an appropriate terminal degree—usually the earned doctorate or the equivalent of the terminal degree. **(Terminal degrees of faculty)**

Non-Compliance

From a review of the supporting documents for this standard and the Faculty Roster Form provided in support of standard 3.7.1, the Off-Site Committee has not been able to confirm the institution's compliance with this standard.

The computation leading to the grouped information presented in the tables is not obvious. The compilation of data in the tables does not immediately lend itself to the conclusion that the required number of terminally degreed faculty have been assigned to teach the courses in the undergraduate programs.

- 3.6.1** The institution's post-baccalaureate professional degree programs, and its master's and doctoral degree programs, are progressively more advanced in academic content than its undergraduate programs. **(Post-baccalaureate program rigor)**

Compliance

The institution offers four master's degrees: Master's Degree in Business Administration, Master's Degree in Entrepreneurship, Master's Degree in Public Health Administration, and Master's Degree in Aviation Science. The content is developed by faculty in field. Programs are reviewed internally through the Curriculum Committee.

The University participates in the Statewide Course Numbering System (SCNS). All Florida public schools and 27 non-public institutions participate in the system. The major purpose of the system is to facilitate the transfer of credit among participating institutions. The Everglades University numbering system indicates the level of rigor. Equivalent courses at different institutions are identified by the same prefixes and same last three digits of the course number. The first digit of the course code indicates the level. For example, ENG 102. The “1” indicates that this is a Freshman-level course.

From the review of program sequence, course descriptions and sample syllabi, it appears consistent that foundational knowledge is built at the baccalaureate course level while higher-order thinking, application, analysis, synthesis, and evaluation are required at the graduate levels.

- 3.6.2** The institution structures its graduate curricula (1) to include knowledge of the literature of the discipline and (2) to ensure ongoing student engagement in research and/or appropriate professional practice and training experiences. **(Graduate curriculum)**

Compliance

The graduate syllabi show that courses are developed and structured to provide students with opportunities to complete projects and assignments that require exploration of the literature in the discipline. Use of case studies and projects in the capstone courses provide students with opportunities for applying the concepts and theories that have been learned.

- 3.6.3** At least one-third of credits toward a graduate or a post-baccalaureate professional degree are earned through instruction offered by the institution awarding the degree. *(See the Commission policy “Agreements Involving Joint and Dual Academic Awards: Policy and Procedures.”)* **(Institutional credits for a degree)**

Compliance

The institutional *Catalog* (p. 79) states “the final thirty credits [of the 36 total credits] must be completed at the institution for a Master’s Degree.” Completion of the last thirty semester hours of credit in the 36-semester-credit-hour graduate programs comprise 83.3% of the graduate degree program. This residency policy ensures that at one-third of credits toward a graduate degree are earned through Everglades University.

As described in 3.5.2 above, the University Deans of Academic Affairs, Program Directors, Registrars and other designees of the academic department monitor the amount of credit earned at the institution with respect to the total number of credits required for the various degrees during Academic Advising meetings and as documented on the Academic Advising form. In addition, the Graduate Clearance form is used to determine if the student has met all the requirements of the degree program for graduation. The form is generated for students approaching the completion of their programs and is signed by each department requiring clearance. The academic department must determine if the students have completed the required number of

credit hours to meet the institution's residency requirements. The academic department must also determine if the student has completed all the required courses, earned the total number of credit hours, and achieved the cumulative grade point average necessary to earn a degree from the university.

The Transfer Credit Evaluation (TCE) form is used for entering students to show any transfer credits awarded as well as the names of the institution(s) from which the credits were accepted. The TCE form is also used as a degree audit form in order to determine whether all required course were completed and the residency requirement met. Finally, by changing the student's status to "graduate" on the Status Change form, the academic department member comments on the cumulative grade point average and amount of credits completed to earn the degree.

- 3.6.4** The institution defines and publishes requirements for its graduate and post-graduate professional programs. These requirements conform to commonly accepted standards and practices for degree programs. **(Post-baccalaureate program requirements)**

Compliance

The requirements for the post-baccalaureate programs are published in the institution's Catalog. Each program area includes a program description, admissions requirements, program objectives, programmatic accreditation (if applicable), progression policies, grading criteria, graduation requirements, required courses/hours, and course descriptions. Program requirements are also available on the institution's web site.

- 3.7.1** The institution employs competent faculty members qualified to accomplish the mission and goals of the institution. When determining acceptable qualifications of its faculty, an institution gives primary consideration to the highest earned degree in the discipline. The institution also considers competence, effectiveness, and capacity, including, as appropriate, undergraduate and graduate degrees, related work experiences in the field, professional licensure and certifications, honors and awards, continuous documented excellence in teaching, or other demonstrated competencies and achievements that contribute to effective teaching and student learning outcomes. For all cases, the institution is responsible for justifying and documenting the qualifications of its faculty. (See *Commission guidelines "Faculty Credentials."*) **(Faculty competence)**

Non-Compliance

Faculty members of the institution are selected based on their specific academic, industrial, and experiential backgrounds that will enable the University to meet its program objectives and mission.

The institution has published policies that demonstrate that it does employ faculty members based on the mission and goals of the institution. It also has evidenced policies that determine its criteria for determining competence and qualification for both its faculty instructors at the baccalaureate and master's levels. While stating that it "considers many factors," it goes on to say that at the baccalaureate level "the

minimum degree requirement to be in the field of study or related field,” while asserting “a terminal degree in the field or in a related field” is the minimum degree requirement.

Although the Off-Site Committee had some difficulty in understanding all of the “related field” qualifications of the baccalaureate instructors, the institution seems to follow its stated criteria. However, the institution seems to make much more exception to its own aforementioned minimum-degree policy in regard to its master’s courses.

It is clear to the Off-Site Committee that many, if not most, of Everglades’ programs are of a “unique nature,” and do not by nature lend themselves, especially at the graduate level, to Everglades’ own standard of minimum degree requirements. However, in its policy it does mention “a faculty credentialing rationale statement for its unique programs.” This would have been most helpful Off-Site Committee in better understanding the institution’s bases for its own determination of qualification which were not clearly elaborated on several of the faculty who were instructing in these “unique program courses.” Only one of these particular rationales (from the Aviation Department) was made available to the Off-Site Committee. However, the rosters were often not specific and did not make “a case” for the specific instructor’s qualifications. The Off-Site Committee could not discover that the institution made a case with sufficient detail to discern competence in lieu of academic credential.

The Off-Site Committee has provided a list of faculty members for whom adequate information or clarification regarding faculty credentials and/or qualifications for courses were not evidenced. Note: It would have been helpful to the Off-Site Committee had the institution compiled all of its faculty roster information into a single “Faculty Roster Form,” instead of a form for each program per each campus and per online modality. (see *Request for Justifying and Documenting Qualifications of Faculty*)

- 3.7.2** The institution regularly evaluates the effectiveness of each faculty member in accord with published criteria, regardless of contractual or tenured status. **(Faculty evaluation)**

Non-Compliance

The institution presents evidence of a published policy with defined criteria for evaluation of faculty effectiveness. A number of instruments including chair’s evaluation, pre-post course evaluation, classroom observation worksheet, and course evaluations are used. While a multi-step process has been described, the documentation does not include sufficient examples to confirm the scope and frequency of the evaluations.

- 3.7.3** The institution provides evidence of ongoing professional development of faculty as teachers, scholars, and practitioners. **(Faculty development)**

Compliance

As published in Everglades University (EU) Faculty Manual 2014-2015 (pp. 17-18), the institution encourages and provides support for ongoing professional development of faculty as teachers, scholars, and practitioners in their disciplines.

The institution provides financial assistance through the Professional Development Approval process for professional and educational classes, seminars, scholarly activity, and conventions directly related to the instructional field of individual faculty members, as well as an annual Faculty Research Grant Program for graduate faculty scholarly contribution.

In addition, the institution provides continual in-house training and development through the University online platform in Blackboard, as well as through University personnel, professional groups, organizations, teleconferencing, workshops, and institutional effectiveness workdays.

The University holds an annual faculty convocation and professional development workshop of each year. The institution encourages and supports participation and attendance of faculty members at educational and program-related conferences and meetings of professional organizations and associations (cf., *2014-2015 Faculty Manual*, pp. 19-20).

In January of each year, faculty members are required to complete an Annual Faculty Professional Development Plan/Progress Report (*The Plan*), outlining a faculty member's plan for professional growth and development during the next 12 months. The *Plan* is reviewed by the Program Directors or Deans of Academic Affairs. The faculty member, Program Directors or Dean of Academic Affairs and Vice President of Academic Affairs sign the *Plan*. The *Plan*, at a minimum, must contain evidence that a faculty member is maintaining currency in his/her field as teachers and practitioners. Additionally, the *Plan* must contain planned contributions to the faculty member's field. This includes, but is not limited to, publications, presentations and other related scholarly activities in the faculty member's field, in addition to service to the University and/or community/public service.

- 3.7.4** The institution ensures adequate procedures for safeguarding and protecting academic freedom. (**Academic freedom**)

Compliance

The institution includes its Academic Freedom policy in the Faculty Manual provided to all newly hired faculty, who sign an Acknowledgement of Receipt. Should a faculty member have a grievance, s/he may handle it through the Grievance process that is described in the Manual. To date, a faculty complaint regarding academic freedom has not been filed.

- 3.7.5** The institution publishes policies on the responsibility and authority of faculty in academic and governance matters. (**Faculty role in governance**)

Compliance

The institution clearly delineates the responsibility of the faculty in academic matters, through the faculty manual and other supporting documentation.

- 3.8.1** The institution provides facilities and learning/information resources that are appropriate to support its teaching, research, and service mission. **(Learning/information resources)**

Non-Compliance

The institution provides library facilities at each campus location, with professional and support staffing. Students can interact with a librarian 24/7 through the state-supported “Ask-a-Librarian” chat. Classrooms with ceiling-mounted LCD projectors or SMARTboards along with computer-based flight simulators are available at each campus location.

The Sarasota campus library facility is shared with Keiser University. Based on the documentation provided, it was impossible to determine if spaces and facilities for library and learning resource are adequate. Due to the lack of documentation, the Off-Site Committee was unable to determine compliance.

- 3.8.2** The institution ensures that users have access to regular and timely instruction in the use of the library and other learning/information resources. **(Instruction of library use)**

Compliance

The Off-Site Committee reviewed evidence demonstrating that students have access to instruction in the use of the library and learning resources. The institution provides instruction online, by phone, by live chat (Ask-A-Librarian) and face-to-face. Librarians also meet with groups at orientation, which is required of all incoming students. Following library orientation, students must pass a quiz or receive additional training. In addition to formal orientation and instruction, the institution provides a series of handouts and online tutorials for students needing specific library information. Students also have the option of calling the librarians at Keiser University for assistance in research.

- 3.8.3** The institution provides a sufficient number of qualified staff—with appropriate education or experiences in library and/or other learning/information resources—to accomplish the mission of the institution. **(Qualified staff)**

Non-Compliance

The Off-Site Committee was unable to determine if library staffing was sufficient and appropriately qualified to accomplish the institutional mission. The library staff members who are employees of Everglades University appear to be qualified. However, the institution shares its Sarasota facility with Keiser University, and so relies

on staff from Keiser in some capacity to supplement those from Everglades. The Off-Site Committee was unable to determine how the Keiser staff contributed to the overall library staffing on the Sarasota campus, and no information was provided regarding the credentials of the Keiser staff, or what responsibilities they fulfilled.

- 3.9.1** The institution publishes a clear and appropriate statement of student rights and responsibilities and disseminates the statement to the campus community. **(Student rights)**

Compliance

The institution publishes its statement of student rights and responsibilities in its catalog, which is available electronically and in print copy. The statement clearly outlines the institution's expectation of the student body, possible sanctions for those not adhering to the expectations, and the students' procedural rights and appeal processes. During the admissions process, students receive a URL linking to the university catalog. Students are advised via email when changes to the catalog are made.

- 3.9.2** The institution protects the security, confidentiality, and integrity of its student records and maintains security measures to protect and back up data. **(Student records).**

Compliance

The institution's primary system of student record maintenance and security is through its electronic student information system. Access to this system is restricted through the use of proper credentials, including usernames and passwords, and users are required to complete appropriate training. The system's on-campus, physical records security is protected by fire-proof cabinets and locked doors. The institution's network is protected via a system of firewalls. The system's servers are backed up regularly, both on site and off site. Students have access to their records on the student information system. Access is restricted via unique usernames and passwords.

- 3.9.3** The institution provides a sufficient number of qualified staff—with appropriate education or experience in the student affairs area—to accomplish the mission of the institution. **(Qualified staff)**

Non-Compliance

The institution categorized four Directors of Student Services - three campus directors, and one online director - as its Student Services staff. Resumes for each were provided, as was a generic job description. The job description did not list minimum education or education requirements. Consequently, it could not be determined whether the Directors had the appropriate qualifications for the position.

- 3.10.1** The institution's recent financial history demonstrates financial stability. **(Financial stability)**

Non-Compliance

The institution's FTE have remained steady at approximately 1,100. On a consolidated basis, the entity remains strong in financial ratios and overall financial. The institution's lack of long-term debt has provided a strong financial base. Based on the current ratio the institution has good short term financial strength. As of audited financial statements dated December 31, 2013, the institution has a Primary Reserve Ratio of 149%. The Primary Reserve Ratio has exceeded the Composite Financial Index recommended ratio of 40%.

However, since all the information was based on consolidated financial data, the Off-site Committee was unable to determine the institution as a separate accredited entity has a recent financial history of stability..

- *3.10.2** The institution audits financial aid programs as required by federal and state regulations. **(Financial aid audits)**

Compliance

A review of the institutions 2011 through 2013 annual financial aid audits and reports on internal control over compliance and its operation provided evidence of auditor's unqualified opinions. U.S Department of Education Program Review indicated the institution responded and resolved all findings. The Off-site Committee finds the narrative and supporting documents sufficient

- 3.10.3** The institution exercises appropriate control over all its financial resources. **(Control of finances)**

Non-Compliance

The institution engages in annual audits producing unqualified opinions from outside auditors with management letters provided for review. The Off-Site Committee reviewed evidence of policies and procedures for budgeting, purchasing, and financial services but failed to find supporting internal documentation that the institution follows their policies In addition, the off-site committee could not locate any information on the CFO or the other staff to determine appropriate qualifications to ensure control of finances.

- 3.10.4** The institution maintains financial control over externally funded or sponsored research and programs. **(Control of sponsored research/external funds)**

N/A

The Off-site Committee does not find CS 3.10.4 applicable to Everglades University.

3.11.1 The institution exercises appropriate control over all its physical resources. **(Control of physical resources)**

Non-Compliance

The Off-site Committee failed to find documentation of qualified staff. Records of physical inventory are adequate for compliance however the Off-Site Committee did not find evidence supporting asset disposals. The long range strategic plan includes the plans for completion of projects related to physical resources in items such as paperless project. The institution provides sufficient documentation in regards to safety and security of assets and facilities. The Off-Site Committee could not identify risk management relating to physical resources in regards to monitoring by scheduled and routine maintenance, trainings and documented inspections from staff and outside contractors.

3.11.2 The institution takes reasonable steps to provide a healthy, safe, and secure environment for all members of the campus community. **(Institutional environment)**

Compliance

The Off-site Committee found the institution demonstrates clearly defined health, safety and security plans across all campuses. The institution employs an overall safety plan as outlined in the Operational Protocols as well as each campus has a designated team of managers known as the Campus Response Team (CRT). The CRT hold monthly meetings, attend trainings, share information and determine best practices in responding to emergency situations. Periodic inspections by an outside consultant in the areas of safety and security are found to demonstrate inspection of policy outcomes. Student and Faculty/Staff handbooks address specific areas of safety (1) drug policy and (2) sexual harassment policy. Through the report, the Off-Site Committee was able to confirm the institution provides required training and policies in all areas and supporting documentation via CRT meeting minutes.

***3.11.3** The institution operates and maintains physical facilities, both on and off campus, that appropriately serve the needs of the institution's educational programs, support services, and other mission-related activities. **(Physical facilities)**

Non-Compliance

The institution appears to have sufficient physical facilities across all campuses. As indicated in CR 2.11.2. The institution maintains a strategic master plan for facility usage and evidence of planning was found sufficient in the area. The Off-Site Committee did not find evidence of timely maintenance reports or contracts for review indicating ongoing and routine maintenance by custodial staff or outside contractors other than a fire inspection report.

As discussed in CR 2.11.2, the institution provides adequate documentation of floor plans, area photos of campus facilities physical resources and student satisfaction surveys reporting high levels of satisfaction with physical facilities.

The institution does not provide physical facilities at off campus sites however does offer distance learning. The Off-Site Committee did not find sufficient documentation in the area of distance learning to evaluate the technology infrastructure adequacy.

- 3.12.1** The institution notifies the Commission of changes in accordance with the Commission's substantive change policy and, when required, seeks approval prior to the initiation of changes. (See the Commission policy "Substantive Changes for Accredited Institutions.") **(Substantive change)**

Compliance

The institution has conducted one substantive change since its last reaffirmation of accreditation and is in process on two others. The first pertained to the establishment of a graduate degree in public health administration, conducted July 2014 with a positive response from SACSCOC in the same month. The other two (one in March 2013 and the other August 2014) are notifications of offsite instructional locations. SACSCOC has yet to respond on these.

- 3.13.1** The institution complies with the policies of the Commission on Colleges. **(Policy Compliance)**

***3.13.1. "Accrediting Decisions of Other Agencies"**

Applicable Policy Statement. Any institution seeking or holding accreditation from more than one U.S. Department of Education recognized accrediting body must describe itself in identical terms to each recognized accrediting body with regard to purpose, governance, programs, degrees, diplomas, certificates, personnel, finances, and constituencies, and must keep each institutional accrediting body apprised of any change in its status with one or another accrediting body.

Documentation: The institution should (1) list federally recognized agencies that currently accredit the institution or any of its programs, (2) provide the date of the most recent review by each agency and indicate if negative action was taken by the agency and the reason for such action, (3) provide copies of statements used to describe itself for each of the accrediting bodies, (4) indicate any agency that has terminated accreditation, the date, and the reason for termination, and (5) indicate the date and reason for the institution voluntarily withdrawing accreditation with any of the agencies.

Compliance

The institution is accredited through SACSCOC and does not hold accreditation with any other body. The institution was accredited at one time through the Accrediting Commission of Colleges and Schools (ACCSC) but withdrew voluntarily in 2010. There is therefore no need for the institution to describe itself to other agencies.

3.13.2 “Agreements Involving Joint and Dual Academic Awards: Policy and Procedures”

Applicable Policy Statement. Member institutions are responsible for notifying and providing SACSCOC with signed final copies of agreements governing their collaborative academic arrangements (as defined in this policy). These arrangements must address the requirements set forth in the collaborative academic arrangements policy and procedures. For all such arrangements, SACSCOC-accredited institutions assume responsibility for (1) the integrity of the collaborative academic arrangements, (2) the quality of credits recorded on their transcripts, and (3) **Compliance** with accreditation requirements.

Documentation: The institution should provide evidence that it has reported to the Commission all collaborative academic arrangements (as defined in this policy) that included signed final copies of the agreements. In addition, the institution should integrate into the **Compliance** Certification a discussion and determination of **Compliance** with all standards applicable to the provisions of the agreements.

N/A

*3.13.3 “Complaint Procedures Against the Commission or Its Accredited Institutions”

Applicable Policy Statement. Each institution is required to have in place student complaint policies and procedures that are reasonable, fairly administered, and well-publicized. (See *FR 4.5*). The Commission also requires, in accord with federal regulations, that each institution maintains a record of complaints received by the institution. This record is made available to the Commission upon request. This record will be reviewed and evaluated by the Commission as part of the institution’s decennial evaluation.

Documentation: When addressing this policy statement, the institution should provide information to the Commission describing how the institution maintains its record and also include the following: (1) individuals/offices responsible for the maintenance of the record(s), (2) elements of a complaint review that are included in the record, and (3) where the record(s) is located (centralized or decentralized). The record itself will be reviewed during the on-site evaluation of the institution.

Compliance

The institution provides appropriate policies and procedures for addressing student complaints and grievances. The process through which a student may pursue complaints and grievances is published in the catalog, which is available electronically. Students are informed of changes to these policies and procedures via email. The institution publishes its Student Code of Conduct in the catalog. Students’ rights and responsibilities are delineated in the Code of Conduct, as are the student’s appellate rights. The institution maintains an official log of student complaints/ grievances, and the log of student disciplinary incidents. Examples from the logs were provided.

3.13.4 “Reaffirmation of Accreditation and Subsequent Reports”

***3.13.4.a. Applicable Policy Statement.** An institution includes a review of its distance learning programs in the Compliance Certification.

Documentation: In order to be in compliance with this policy, the institution must have incorporated an assessment of its compliance with standards that apply to its distance and correspondence education programs and courses.

Compliance

The required documents have been submitted. The institution presents documents to show that it has complied with the standards for the online programs it offers.

3.13.4.b. Applicable Policy Statement. If an institution is part of a system or corporate structure, a description of the system operation (or corporate structure) is submitted as part of the Compliance Certification for the decennial review. The description should be designed to help members of the peer review committees understand the mission, governance, and operating procedures of the system and the individual institution's role within that system.

Documentation: The institution should provide a description of the system operation and structure or the corporate structure if this applies.

Non-Compliance

The Off-Site Committee is unable to determine the relationship between the holding company, Keiser University and Everglades University.

3.13.5 “Separate Accreditation for Units of a Member Institution”

***3.13.5.a. Applicable Policy Statement.** All branch campuses related to the parent campus through corporate or administrative control (1) include the name of the parent campus and make it clear that its accreditation is dependent on the continued accreditation of the parent campus and (2) are evaluated during reviews for institutions seeking candidacy, initial membership, or reaffirmation of accreditation. All other extended units under the accreditation of the parent campus are also evaluated during such reviews.

Documentation: For institutions with branch campuses: (1) The name of each branch campus must include the name of the parent campus—the SACSCOC accredited entity. The institution should provide evidence of this for each of its branch campuses. (2) The institution should incorporate the review of its branch campuses, as well as other extended units under the parent campus, into its comprehensive self-assessment and its determination of compliance with the standards, and indicate the procedure for doing so.

Compliance

The institution has a main campus in Boca Raton with branch campuses in Orlando and Sarasota, Florida. The documentation provided fully supports the level of administrative control and review conducted at the branch campuses. The institutional name for the branch campuses is the same as that of the parent institution in all their published materials. The branch campuses are reviewed in the present report. The branch campuses and the parent campus received a visit by a SACSCOC onsite committee pursuant to formal accreditation in July 2010.

3.13.5.b. Applicable Policy Statement. If the Commission on Colleges determines that an extended unit is autonomous to the extent that the control over that unit by the parent or its board is significantly impaired, the Commission may direct that the extended unit seek to become a separately accredited institution. A unit which seeks separate accreditation should bear a different name from that of the parent. A unit which is located in a state or country outside the geographic jurisdiction of the Southern Association of Colleges and Schools and which the Commission determines should be separately accredited or the institution requests to be separately accredited, applies for separate accreditation from the regional accrediting association that accredits colleges in that state or country

Implementation: If, during its review of the institution, the Commission determines that an extended unit is sufficiently autonomous to the extent that the parent campus has little or no control, the Commission will use this policy to recommend separate accreditation of the extended unit. ***No response required by the institution.***

N/A

3.14.1 A member or candidate institution represents its accredited status accurately and publishes the name, address, and telephone number of the Commission in accordance with Commission requirements and federal policy. **(Publication of accreditation status)**

Compliance

The institution accurately publishes the name, address and telephone number of SACSCOC on its institutional website and its catalogs.

D. Assessment of Compliance with Section 4: Federal Requirements

***4.1** The institution evaluates success with respect to student achievement consistent with its mission. Criteria may include: enrollment data; retention, graduation, course completion, and job placement rates; state licensing examinations, student portfolios; or other means of demonstrating achievement of goals. **(Student achievement)**

Non-Compliance

The institution evaluates student success by tracking graduation rates and employment rates.

The institution provides graduation rate measures for the cohort entering in 2007 (62%) and uses as benchmarks graduation rate information for the Florida State University

System (57%) and the average graduation rates for public universities as tracked by the NCES (58.5%).

The institution states that student service directors at each campus track job placement rates against benchmarks in their program assessment plans. While the institution has provided overall institution employment rates for three years (2011, 2012, and 2013), the institution has not provided campus level employment rates.

As a result, the Off-Site Committee has not been able to determine that the institution evaluates job placement against a defined benchmark.

- *4.2** The institution's curriculum is directly related and appropriate to the mission and goals of the institution and the diplomas, certificates, or degrees awarded. **(Program curriculum)**

Compliance

The institution considers its programs to be compatible with its mission because they emphasize traditional academic values and are also innovative. The institution has demonstrated a direct and appropriate relation of its curriculum, including its general education program.

One such innovative program is the B.S in Alternative Medicine, which is one of very few regionally accredited degree programs in complementary and alternative medicine or natural health. In addition, EU's newest addition to the Allied Health Department is the Master's in Public Health Administration. Three additional innovative programs were added in 2011 based on the recommendations related to various industries in South Florida. These programs were two B.S. degrees, one with a major in Alternative and Renewable Energy Management, and the other with a major in Crisis and Disaster Management. Also added in 2011 was a Master of Entrepreneurship degree. Two more innovative bachelor's programs were added in 2014: the B.S. in Land and Energy Management, and in Environmental Policy and Management. Graduates of these programs will be prepared for management careers in entrepreneurship, various types of environmental energy production and management, and crisis and disaster management. Managerial applications for these degrees exist in a variety of industries in the residential, commercial, industrial, and governmental sectors.

Because of the innovation and creativity of its programs, as well as the rigorous curricular oversight and review processes to which its programs are subject, the institution's degree programs embody a coherent course of study and are consistent with its mission to offer innovative programs with traditional academic values.

- *4.3** The institution makes available to students and the public current academic calendars, grading policies, and refund policies. **(Publication of policies)**

Compliance

The institution publishes its academic calendars, grading policies, and refund policies in its general catalog, which is available on its website. These policies are clear and

comprehensive, and are widely publicized through the student portal and individual class syllabi. Students are notified via email of changes.

- *4.4** Program length is appropriate for each of the institution's educational programs. **(Program length)**

Compliance

All of the institution's baccalaureate and master's degree programs are of appropriate length as evidenced by published requirements in its catalog. The institution's specific degree programs are also published in its *Catalog* and include credit hours for each.

- *4.5** The institution has adequate procedures for addressing written student complaints and is responsible for demonstrating that it follows those procedures when resolving student complaints. (See the Commission policy "Complaint Procedures against the Commission or its Accredited Institutions.") **(Student complaints)**

Compliance

The institution provides adequate procedures for addressing written student complaints from students attending its three campuses, and its online division. These procedures are published in the catalog, and incoming students receive URLs directing them to the site explaining the student's right to file a complaint, along with the right to file an appeal if the student disagrees with the initial decision. Students are notified via email when changes to these procedures are made. The institution provided documentation it follows its procedures for seated and online students.

- *4.6** Recruitment materials and presentations accurately represent the institution's practices and policies. **(Recruitment materials)**

Compliance

The institution uses a variety of recruitment and marketing materials, all of which are developed by the Marketing Coordinator, and approved by the Vice President of Academic Affairs and the President. A review of these materials demonstrated they are reflective of the institution's practices and policies.

- *4.7** The institution is in **Compliance** with its program responsibilities under Title IV of the most recent Higher Education Act as amended. (In reviewing the institution's **Compliance** with these program responsibilities, the Commission relies on documentation forwarded to it by the U.S. Department of Education.) **(Title IV program responsibilities)**

Compliance

The Off-Site Committee's review of section 4.7 Title IV program responsibilities confirmed most recent federal/financial aid audit and documentation of correspondence

with the DOE. On January 10, 2011 Everglades College, Inc. consummated an asset purchase agreement with Keiser University. Under the asset purchase agreement, Everglades College, Inc. acquired substantially all of the assets and liabilities of Keiser University. As a result of this transaction, Everglades College, Inc. reports its financial statements on a consolidated basis. The consolidated composite score for both institutions is less than the minimum 1.5. The composite score for Everglades University separately is 3.0. Based on the consolidated score the DOE requested a line of credit in the amount of \$27,615,232 and be provisionally certified for a period of up to three complete award years. The amount of \$24,522.691 of this line of credit is secured by a personal bank account of the University's Chancellor.

***4.8** An institution that offers distance or correspondence education documents each of the following: **(Distance and correspondence education)**

4.8.1 demonstrates that the student who registers in a distance or correspondence education course or program is the same student who participates in and completes the course or program and receives the credit by verifying the identity of a student who participates in class or coursework by using, at the option of the institution, methods such as (a) a secure login and pass code, (b) proctored examinations, or (c) new or other technologies and practices that are effective in verifying student identification.

Compliance

The institution uses a secure login and passcode to verify student identity, demonstrating that the student who registers in a distance education course or program is the same student who participates in and completes the course or program and receives the credit. Its Online Division provides its students, once enrolled, with a secure login and password that is automatically generated through our SIS integration. A unique ID and password is assigned by the University Campus Management System. Once the Auto Enrollment File is generated, a Welcome Letter with Login Instructions is automatically sent by the Online Division to the student's secure Everglades University email account.

Students use their secure password and student ID to login to enter the Learning Management System and into their online classroom. To ensure validity of student performance, the institution also requires that each student signs a certification of coursework at the beginning of each class to verify authenticity.

4.8.2 has a written procedure for protecting the privacy of students enrolled in distance and correspondence education courses or programs.

Compliance

Everglades University does have a written procedure for protecting student privacy on page 109 of its 2014-2015 Everglades University Catalog, Volume XLVIII.

- 4.8.3 has a written procedure distributed at the time of registration or enrollment that notifies students of any projected additional student charges associated with verification of student identity.

Compliance

The institution does not charge additional fees for the authentication of student identify in online courses. Student fees are published in the institutional catalog and via the website. Students sign an Enrollment Agreement electronically at the time of enrollment that notifies them of the Institution's policies regarding student charges for the program. Students also sign a Student Funding Plan document and the Tuition/Fee Disclosures form electronically.

- *4.9 The institution has policies and procedures for determining the credit hours awarded for courses and programs that conform to commonly accepted practices in higher education and to Commission policy. (*See the Commission policy "Credit Hours."*)
(Definition of credit hours)

Compliance

The institution publishes its Definition of a Credit Hour and Credit Hour and Outside Classwork Expectations on pages 15 and 16 of the *OOP/VP-Administrative Policy and Procedure Manual*. The institution operates on a semester system of 16 weeks. The academic year is 32 weeks. For undergraduate programs, one semester credit hour equals 16 clock hours. For graduate programs, one semester credit hour equals 15 clock hours. One semester credit of lab equals 30 clock hours. Credit hours required for each program are indicated in the Catalog. The evidence also included documents entitled "Undergraduate Program Scheduling," and "Graduate Program Scheduling."

Each "standardized course control documents" (syllabus) reviewed have a section entitled "Student Work Outside of Class," which included boiler plate language: "An Everglades University 3 credit course typically requires a minimum of 90 hours work outside of class to include but not limited to: homework, reading, writing, research, etc." The University offers only academic and didactic courses online. Course learning outcomes are identical for both online and on campus delivery; however, no syllabi for online courses were provided.

The institution participates in the Statewide Course Numbering System (SCNS). All Florida public schools and 27 non-public institutions participate in the system. The major purpose of the system is to facilitate the transfer of credit among participating institutions.

Faculty members from all campuses participate in program/course review. Bloom's Taxonomy action verbs are used to create course objectives that build knowledge and skills through appropriate scaffolding of activities and expected outcomes.

E. Additional observations regarding strengths and weaknesses of the institution. (optional).

Preliminary Findings

Part III. Assessment of the Quality Enhancement Plan

To be completed by the On-Site Reaffirmation Committee.

A. Brief description of the institution's Quality Enhancement Plan

B. Analysis of the Acceptability of the Quality Enhancement Plan

1. **An Institutional Process.** *The institution uses an institutional process for identifying key issues emerging from institutional assessment.*
2. **Focus of the Plan.** *The institution identifies a significant issue that (1) focuses on learning outcomes and/or the environment supporting student learning and (2) accomplishes the mission of the institution.*
3. **Institutional Capability for the Initiation, Implementation, and Completion of the Plan.** *The institution provides evidence that it has sufficient resources to initiate, implement, sustain, and complete the QEP.*
4. **Broad-based Involvement of Institutional Constituencies.** *The institution demonstrates the involvement of its constituencies in the development and proposed implementation of the Plan.*
5. **Assessment of the Plan.** *The institution identifies goals and a plan to assess the achievement of those goals.*

C. Analysis and Comments for Strengthening the QEP

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| Part IV. Third-Party Comments |
|--------------------------------------|

To be completed by the On-Site Reaffirmation Committee.

If an institution receives Third-Party Comments, the institution has an opportunity to respond to those comments and the On-Site Reaffirmation Committee reviews the response as part of its comprehensive evaluation of the institution.

The Committee should check one of the following:

___ No Third-Party Comments submitted.

___ Third-Party Comments submitted. (**Address the items below.**)

1. Describe the nature of the Comments and any allegations of **Non-Compliance** that may have been part of the formal Third-Party Comments;

2. Indicate whether the Committee found evidence in support of any allegations of **Non-Compliance**.

*If found to be out of **Compliance**, the Committee should write a recommendation and include it in Part II under the standard cited with a full narrative that describes why the institution was found to be out of **Compliance** and the documentation that supports that determination. In this space, reference the number of the Core Requirement, Comprehensive Standard, or Federal Requirement and the recommendation number cited in Part II.*

*If determined to be in **Compliance**, explain in this space the reasons and refer to the documentation in support of this finding.*

APPENDIX A

| Roster of the Off-Site Reaffirmation Committee | Roster of the On-Site Reaffirmation Committee |
|---|---|
| <p>Dr. Brian J. McAulay - CHAIR President Parker University</p> <p>Mr. Christopher A. Bean Director of Libraries Shenandoah University</p> <p>Dr. Ronald R. Durnford Vice President, Planning, Institutional Research and Assessment Xavier University of Louisiana</p> <p>Dr. Beena George Dean, Cameron School of Business University of Saint Thomas</p> <p>Ms. Donna F. Hurta * Vice President, Finance and Operations Academy of Oriental Medicine Austin</p> <p>Dr. Claude C. Lilly President Presbyterian College</p> <p>Dr. Randall J. Pannell Vice President of Academic Affairs North Greenville University</p> <p>Dr. Kathleen P. Prince Vice President Academic Affairs ECPI University</p> <p>Dr. Russell H. Sharples Vice President of Student Development/ Dean of Students Pfeiffer University</p> <p><u>SACSCOC Staff Coordinators</u> Dr. Barry D. Goldstein Vice President and Dr. Mary P. Kirk Vice President SACS Commission on Colleges</p> | |

(Refer to "Directions for Completion of the Report of the Reaffirmation Committee.")

APPENDIX B

Off-Campus Sites or Distance Learning Programs Reviewed

(Refer to "Directions for Completion of the Report of the Reaffirmation Committee.")

Preliminary Findings

APPENDIX C

**List of Recommendations
Cited in the Report of the Reaffirmation Committee**

(Refer to "Directions for Completion of the Report of the Reaffirmation Committee.")

Preliminary Findings

**Request for Justifying and Documenting
Qualifications of Faculty**

Institution: Everglades University

For each of the faculty members listed below, the committee either found the academic qualification of the faculty member to be inadequate and/or the institution did not adequately justify and document the faculty member's other qualifications to teach the identified course(s). For each case, the committee checked the column appropriate to its findings and provided additional comments if needed to clarify the concern.

The institution is requested to submit additional justification and documentation on the qualifications of each of the faculty member listed. When responding, the institution should use the Commission's "Faculty Roster Form: Qualifications of Full-Time and Part-Time Faculty" and its "Instructions for Reporting the Qualifications of Full-Time and Part-Time Faculty," which can be accessed under the Institutional Resources tab of the Commission website: www.sacscoc.org. Read the instructions carefully and pay close attention to the section "Providing Information that Establishes Qualifications." The completed form, or similar document, should be included as part of the institution's formal response to the Commission.

| 1 | 2 | 3 | 4 | 5 |
|---|--|------------------------------------|--|--|
| Name of Faculty Member | Course(s) in Question | Inadequate Academic Qualifications | Insufficient Justification of Other Qualifications | Comments (if needed) |
| Alternative Medicine-Boca Online | | | | |
| Lieberman, Brett (F) | HSC 2732 Health Science Research Methods,3 (U) | X | X | Not clear if the degree is a research degree |
| Alternative Medicine-Boca | | | | |
| Klosky, Lawrence (F) | HSC 1619 Exercise Science and Sports,3 (U) | X | X | |
| Alternative Medicine-Sarasota | | | | |
| Alach, Susan (F) | HSC 2732 Health Science Research Methods,3 (U) | X | X | A master's degree is not typically adequate for research; additional qualification need than what was provided |
| Davis, Janis (F) | HSC 3187 Traditional Chinese | X | X | Unclear on related contents |

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|-------------------------------------|---|-------------|-------------|--|
| | Medicine,3 (U) | | | of State of Florida Acupuncture License |
| Raggio, Arthur (F) | HSC 3191 Ayurvedic Medicine,3 (U) HSC 4188 Detoxification and Healing,3 (U) | X X | X X | Additional qualification details required |
| Shannon, Kalina (F) | HSC 3127 Feng Shui,3 (U) HSC 3187 Traditional Chinese Medicine,3 (U) | X X | X X | Contents of Bastyr certificate wanting |
| Alternative Medicine-Orlando | | | | |
| Irizzary, Cesar (F) | HSC 4188 Detoxification and Healing,3 (U) HSC 2173 Women's Health,3 (U) | X X | X X | Relevance of academic qualification (D. Chir.) requires explanation for these two courses |
| Keeler, Deirdre (F) | HSC 3186 Introduction to Homeopathy,3 (U) HSC 2173 Women's Health,3 (U) HSC 4188 Detoxification and Healing,3 (U) | X X X | X X X | Explanation of contents of the doctoral agree as related to these courses is needed |
| Aviation-Boca Online | | | | |
| Cullinan, (Patrick) Michael (F) | AVM 6517 Airline Operations and Management,3 (G) | X | X | Detailed case for qualification in this course at graduate-level wanting |
| Donnelly-McLay, Deborah (F) | ASC 3611 Aircraft Engines,3 (U) | X | X | Inadequate academic credential to instruct this course; experience provided is not clearly a qualification for instructing this course |
| Kelleher, Zane (F) | ASC 3611 Aircraft Engines,3 (U) | X | X | Inadequate academic credential to |

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|-----------------------------|--|--------|--------|---|
| | | | | instruct this course; no additional experience or case for qualification provided |
| Percle, Clinton (P) | AVM 6445 Security for the Aviation Industry,3 (G) | X | X | Academic credential does not clearly communicate adequacy to instruct this course; experience provided is not clearly a qualification for instructing this course |
| Schulte, Thomas (F) | ASC 3211 Aviation Meteorology,3 (U) | X | X | Academic credential does not clearly communicate adequacy to instruct this course; no experience or case for qualification provided |
| Webster, Kirk (F) | ASC 4050 Introduction to Space,3 (U) | X | X | Academic credential does not clearly communicate adequacy to instruct this course; no experience or case for qualification provided |
| Aviation-Boca | | | | |
| Donnelly-McLay, Deborah (F) | AVM 6445 Security for the Aviation Industry,3 (G) ASC 3611 Aircraft Engines,3 (U) | X X | X X | Academic credential does not clearly communicate adequacy to instruct these courses; |

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|--------------------------|---|-------------|-------------|---|
| | | | | experience provided is not clearly a qualification for instructing these courses |
| Paluch, Bradley (P) | ASC 2320 Aviation Law and Regulations,3 (U) | X | X | Academic credential does not clearly communicate adequacy to instruct this course; no experience or case for qualification provided |
| Aviation-Sarasota | | | | |
| Apperson, William (F) | AVM 3516 Airline Management,3 (U) ASC 2320 Aviation Law and Regulations,3 (U) AVM 4630 Aviation Labor Relations,3 (U) | X X X | X X X | Academic credential does not clearly communicate adequacy to instruct these courses; no experience or case for qualification provided |
| Audette, Richard (F) | ASC 3211 Aviation Meteorology,3 (U) | X | X | Academic credential does not clearly communicate adequacy to instruct this course; no experience or case for qualification provided |
| Baily, Frank (F) | AVM 6412 Airfield Operations & Management,3 (G) AVM 2410 Airport Management,3 (U) | X X | X X | Academic credential does not clearly communicate adequacy to instruct these courses; experience provided is not clearly a |

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|-------------------------|---|-------------|-------------|---|
| | | | | qualification for instructing these courses |
| Menke, Robert (F) | AVM 6517 Airline Operations & Management,3 (G) | X | X | Academic credential does clearly communicate adequacy to instruct this course; experience provided is not clearly a qualification for instructing this course |
| Aviation-Orlando | | | | |
| Grey, Dane (P) | AVM 4630 Aviation Labor Relations,3 (U) | X | X | Academic credential does not clearly communicate adequacy to instruct this course; no experience or case for qualification provided |
| Torres, Audeliz (F) | ASC 3211 Aviation Meteorology,3 (U) | X | X | Academic credential does not clearly communicate adequacy to instruct this course; experience provided is not clearly a qualification for instructing this course |
| Webster, Kirk (F) | AVM 2120 Air Cargo,3 (U) AVM 3516 Airline Management,3 (U) AVM 4530 Corporate Aviation Operations,3 (U) | X X X | X X X | Academic credential does not clearly communicate adequacy to instruct these courses; experience provided is not |

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|-----------------------------|---|-----------------------|-----------------------|---|
| | | | | clearly a qualification for instructing these courses |
| Business–Boca Online | | | | |
| Deer, Robert (F) | GEB 3934 Critical Thinking in Business,3 (U) | X | X | Academic credential does not clearly communicate adequacy to instruct these courses; experience provided is not clearly a qualification for instructing these courses |
| Reed, William (P) | MAN 5305 Human Resource Management,3 (G) | X | X | Academic credential does not clearly communicate adequacy to instruct this course; no experience or case for qualification provided |
| Sewkarran, Jaichand (F) | MAN 2345 Principles of Supervision,3 (U) MAN 3025 Introduction to Management & Organizational Behavior,3 (U) MAN 3504 Operations Management,3 (U) MAN 3151 Relationship Management,3 (U) MAN 4045 Effective Team Management,3 (U) | X X X X X | X X X X X | Academic credential does not clearly communicate adequacy to instruct these courses; no experience or case for qualification provided |
| Business-Sarasota | | | | |
| Abou-Robieh, Moutaz (F) | GEB 6936 Graduate Business Capstone | X X | X X | Focus of only academic credential |

| | | | | |
|---|--|--------|--------|--|
| | Course,3 (G) GEB 5895 Business Policy & Decision Making,3 (G) | | | relevant to graduate work does not clearly communicate adequacy to instruct these courses; no experience or case for qualification provided |
| Business-Orlando | | | | |
| Crisis and Disaster Management-Boca Online | | | | |
| Crisis and Disaster Management- Sarasota | | | | |
| Gordon, Donette (F) | PAD 4878 Crisis and Disaster Management Capstone Course,3 (U) | X | X | Academic credential does not clearly communicate adequacy to instruct this course; experience provided does not clearly make a case for qualification to instruct this course |
| Construction-Boca Online | | | | |
| Locks, Ira (F) | BCN 3571 Solar Energy and Photovoltaics,3 (U) BCN 4557 Managing an Alternative Energy Project,3 (U) | X X | X X | Academic credential does not clearly communicate adequacy to instruct these courses; experience provided is not clearly a qualification for instructing these courses |
| Construction- | | | | |

| Sarasota | | | | |
|---------------------------------------|---|-------------|-------------|---|
| Boyer, Jeffrey (F) | BCN 3571 Solar Energy and Photovoltaics,3 (U) BCN 4574 Propane and Natural Gas,3 (U) BCN 4573 Wind Energy,3 (U) | X X X | X X X | Academic credential does not clearly communicate adequacy to instruct these courses; experience provided is not clearly a qualification for instructing these courses |
| Construction-Orlando | | | | |
| Gil, Camilo (F) | BCN 4574 Propane and Natural Gas,3 (U) | X | X | Academic credential does not clearly communicate adequacy to instruct this course; experience provided is not clearly a qualification for instructing this course |
| Entrepreneurship – Boca Online | | | | |
| | | | | |
| Entrepreneurship - Sarasota | | | | |
| Rainwater, Barry (F) | CGS 6037 Entrepreneurial Innovation & Technology,3 (G) GEB 6118 New Venture Creation,3 (G) ENT 6006 Entrepreneurship, 3 (G) | X X X | X X X | Academic credential does not clearly communicate adequacy to instruct these courses; experience provided is not clearly a qualification for instructing these courses |
| General Education- Boca Online | | | | |
| | | | | |

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|--|-----------------------|---|---|--|
| General Education- Boca | | | | |
| General Education- Sarasota | | | | |
| Koppel, Aaron (P) | SPC 1017 Speech,3 (U) | X | X | Academic credential does not clearly communicate adequacy to instruct this course; either course detail of degree or a case for qualification needed |
| General Education- Orlando | | | | |
| | | | | |

Form Adopted: January 2007



**Southern Association of Colleges and Schools
Commission on Colleges**

REPORT OF THE REAFFIRMATION COMMITTEE

Statement Regarding the Report

The Board of Trustees of the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) is responsible for making the final determination on reaffirmation of accreditation based on the findings contained in this committee report, the institution's response to issues contained in the report, other assessments relevant to the review, and application of the Commission's policies and procedures. Final interpretation of the Principles of Accreditation and final action on the accreditation status of the institution rest with SACSCOC Board of Trustees.

Name of the Institution: Everglades University

Date of the Review: March 22-26, 2015

COC Staff Member: Dr. Cheryl Cardell

Chair of the Committee: Gerald L. Francis
Executive Vice President
Elon University
Elon, NC 27244

Part I. Overview and Introduction to the Institution

Everglades University established in 1998 is a small, private college of over 1000 students having its home base in Boca Raton, Florida. In addition to a large online program, the University has branch and satellite campuses in Orlando, Sarasota and Tampa. It is a non-residential university.

The university offers Bachelor's and Master's programs in various areas with its largest programs in Alternative Medicine, Aviation and Construction Management. It basically serves non-traditional college students with undergraduates taking a different course each 4 week period while graduate classes are each 8 weeks long.

Everglades University is governed by its trustees, Everglades College Inc, that also governs Keiser University whose main campus is in Fort Lauderdale, Florida.

Part II. Assessment of Compliance

*Sections A thru E to be completed by the Off-Site Review Committee and the On-Site Reaffirmation Committee. An asterisk before the standard indicates that it will be reviewed by the On-Site Reaffirmation Committee even if the off-site review determines **Compliance**.*

A. Assessment of Compliance with Section 1: The Principle of Integrity

1.1 The institution operates with integrity in all matters. **(Integrity)**

The Off-Site Committee finds that the institution is operating with integrity in the matters that pertain to this report.

The On-Site Committee reviewed documents, spoke with faculty, staff, students and trustees about the University's operations and policies and affirmed the off-site Committee's findings that the University is operating with integrity in the matters pertaining to this report.

B. Assessment of Compliance with Section 2: Core Requirements

2.1 The institution has degree-granting authority from the appropriate government agency or agencies. **(Degree-granting authority)**

In Florida, a not-for-profit independent college or university is not subject to a legal governing body as noted in a letter to the institution from the Florida Department of Education dated February 4, 2014. The letter states in part that Everglades University is a private, not-for-profit college that is located and chartered in the State of Florida. Pursuant to section 1005.06(c), Florida Statutes, '[a]ny institution that is under the jurisdiction of the Department of Education, eligible to participate in the William L.

Boyd, IV, Florida Resident Access Grant Program and that is a nonprofit independent college or university located and chartered in this state and accredited by the Southern Association of Colleges and Schools Commission on Colleges to grant baccalaureate degrees' is not required to obtain licensure. During the 2014 calendar year, Everglades University is included among the 31 independent colleges and universities that fall under the law in Florida. These institutions are exempt from Florida licensure.

Thus, Everglades University is exempt from obtaining licensure provided by Florida Statue 1005.06(1)(c). As an institution accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to award bachelor's and master's degrees, the institution falls under the category of independent colleges that do not require state licensure.

- 2.2** The institution has a governing board of at least five members that is the legal body with specific authority over the institution. The board is an active policy-making body for the institution and is ultimately responsible for ensuring that the financial resources of the institution are adequate to provide a sound educational program. The board is not controlled by a minority of board members or by organizations or interests separate from it. Both the presiding officer of the board and a majority of other voting members of the board are free of any contractual, employment, or personal or familial financial interest in the institution.

A military institution authorized and operated by the federal government to award degrees has a public board on which both the presiding officer and a majority of the other members are neither civilian employees of the military nor active/retired military. The board has broad and significant influence upon the institution's programs and operations, plays an active role in policy-making, and ensures that the financial resources of the institution are used to provide a sound educational program. The board is not controlled by a minority of board members or by organizations or interests separate from the board except as specified by the authorizing legislation. Both the presiding officer of the board and a majority of other voting board members are free of any contractual, employment, or personal or familial financial interest in the institution.

(Governing board)

The Bylaws stipulate that the institution can have up to nine board members. There currently are nine members. There is no information that would indicate that the board members are connected financially, contractually, personally, or through family interests. The institution clearly defines a quorum for the board and it appears there is no issue of minority control.

The institution is part of a holding company that includes Keiser University. The two institutions have the same board. It is not clear how this process functions. In addition, documents found in other sections indicate that Keiser was purchased by the institution. However, the organization chart shows them as separate entities.

As set forth in the Bylaws, the board of trustees has the responsibility for the overall operations of the institution including maintaining the finances of the institution. Examples of the board's responsibilities include financial stability, loans, hiring of a certified public accountant to audit the accounts, approval of the mission statement, long range planning, curricular policies, personnel policies, and hiring the

CEO/president. The minutes of the board indicate that these responsibilities have been executed, at least since 2013.

The Off-Site Committee is unclear as to the relationship between the holding company, the governing board and the two institutions.

The On-Site Committee reviewed the concerns of the Off-Site Committee and the further information provided in the Focused Report. In addition, members of the On-Site Committee met with the President, Controller and 7 of the 9 Trustees. Those meetings clarified the governance structure of the institution and answered the concerns of the Off-Site Committee. However, the On-Site Committee also discovered other governance issues during these meetings. Please see 3.2.4 for detailed information.

- 2.3** The institution has a chief executive officer whose primary responsibility is to the institution and who is not the presiding officer of the board. (*See the Commission policy "Core Requirement 2.3: Documenting an Alternate Approach."*) **(Chief executive officer)**

The Bylaws and organizational chart indicate that the institution's CEO/President is primarily responsible for the operation of the institution. In addition, the job description for the CEO/President also indicates that her responsibilities are focused on the institution. The minutes of two trustee meetings indicate that the president had responsibility for reporting to the board about activities related to her responsibilities.

According to the Bylaws, the president is an ex-officio member of the board and cannot vote or be elected as the chair of the board.

- 2.4** The institution has a clearly defined, comprehensive, and published mission statement that is specific to the institution and appropriate for higher education. The mission addresses teaching and learning and, where applicable, research and public service. **(Institutional mission)**

The institution provides a clearly defined mission statement that focuses on teaching and learning accompanied by a philosophy and ten mission driven goals and objectives. The mission statement is comprehensive and the institution provides evidence that the mission statement is published on its website, in its academic catalog, in its faculty manual, its academic manual, its student services manual as well as in classrooms and offices.

- 2.5** The institution engages in ongoing, integrated, and institution-wide research-based planning and evaluation processes that (1) incorporate a systematic review of institutional mission, goals, and outcomes; (2) result in continuing improvement in institutional quality; and (3) demonstrate the institution is effectively accomplishing its mission. **(Institutional effectiveness)**

The institution provides evidence that it engages in a broad range of activities on an annual basis in support of planning and evaluation. It provides documentation from its Boca Raton Campus of a February 2014 Institutional Effectiveness Day event in which faculty and staff from that campus reviewed the mission, the campus master plan, and institutional effectiveness for the year. The institution also provides an example for 2013 of a Campus Master Plan summarizing how campus goals are integrated by various campus units to the institution's goals. The summary includes specific objectives, criteria for success, the time frame for completion, the responsible party, and quarterly evidence of data collection and evaluation against criteria. The plan contains examples in which improvement has been achieved as a result of the evaluation process.

The institution has identified ten institutional goals that are driven by the mission statement. Those goals, as the example above illustrates, are integrated at the campus and unit level. The institution provides a narrative summary of how planning and budgeting are integrated although the Off-Site Committee was not able to verify that integration.

The institution identifies and provides evidence that it utilizes a number of internal and external instruments in support of its assessment and evaluation processes. Examples of those instruments include, the Noel-Levitz Student Satisfaction Inventory, Priorities Survey for Online Learners, the ETS Major Field Test, and the ETS Proficiency Profile. At the program individual course level the institution employees pre-testing at the course beginning and post-testing at its conclusion. The institution provides evidence in minutes from meetings of its Program Advisory Council and from its faculty curriculum committees that the data collected by these methods are evaluated and acted upon at the institutional level.

The institution provides a Table of Institutional Effectiveness for 2010-2014 in support of its claim that its planning and evaluation processes are comprehensive and that goals are linked to mission. The institution also provides a table with samples of continuous improvement. The table is well laid out so that the Off-Site Committee can easily track a cycle of assessment-driven improvements for a number of academic and administrative units.

The institution provides evidence that it is effectively accomplishing its mission. The institution proves a table outlining each of its mission components, a periodicity of activity, and supporting documentation to show the connection between a given mission area and a defined activity or instrument.

Based on its review, the Off-Site Committee finds that the institution engages in ongoing, integrated, and institution-wide research-based planning and evaluation processes that include a systematic review of mission, goals and outcomes, result in continuing improvement in institutional quality, and demonstrate that it is effectively accomplishing its mission.

The Off-Site Committee was impressed by the clarity of the institution's narrative, the quality of its tables and illustrations in support of that narrative, the clear linking of documents to particular claims in its narrative.

2.6 The institution is in operation and has students enrolled in degree programs.
(Continuous operation)

The institution has been in operation since 1998 and functions this year with an enrollment in excess of 1000 students divided roughly in half between its three physical campus locations and its online presence.

2.7.1 The institution offers one or more degree programs based on at least 60 semester credit hours or the equivalent at the associate level; at least 120 semester credit hours or the equivalent at the baccalaureate level; or at least 30 semester credit hours or the equivalent at the post-baccalaureate, graduate, or professional level. If an institution uses a unit other than semester credit hours, it provides an explanation for the equivalency. The institution also provides a justification for all degrees that include fewer than the required number of semester credit hours or its equivalent unit.
(Program length)

The institution outlines in its Catalog 2014-2015 Volume XLVIII that it offers eight (8) Bachelor of Science (BS) degrees and four (4) master's degrees. In the aforementioned catalog (p. 125), it describes its BS degrees include a minimum of 123 semester credit hours and on page 124 its master's a minimum of 36 semester credit hours. Program length is determined by the Everglade's Curriculum Committee and is reviewed by the Curriculum Committee and Program Advisory Committees annually.

2.7.2 The institution offers degree programs that embody a coherent course of study that is compatible with its stated mission and is based upon fields of study appropriate to higher education. **(Program content)**

The institution has in place program development and monitoring processes that ensure the appropriate levels of complexity at different levels in the programs. Part of the review process includes review by a Program Advisory Committee, with qualified members from the local community. The evidence presented in the catalogs show that the content and structure of the programs are appropriate to higher education.

The institution is a member of the Independent Colleges & Universities of Florida (ICUF), and the articulation agreements with the member institutions (included as evidence) show that the institution offers courses that are equivalent to courses at other SACSCOC accredited institutions at the undergraduate level.

In keeping with its mission, the institution offers innovative programs such as the degrees in Alternative Medicine and Crisis and Disaster Management. These programs are offered in accordance with the principles and standards set by the professional organizations in the discipline.

***2.7.3** In each undergraduate degree program, the institution requires the successful completion of a general education component at the collegiate level that (1) is a substantial component of each undergraduate degree, (2) ensures breadth of knowledge, and (3) is based on a coherent rationale. For degree completion in associate programs, the component constitutes a minimum of 15 semester hours or

the equivalent; for baccalaureate programs, a minimum of 30 semester hours or the equivalent. These credit hours are to be drawn from and include at least one course from each of the following areas: humanities/fine arts, social/behavioral sciences, and natural science/mathematics. The courses do not narrowly focus on those skills, techniques, and procedures specific to a particular occupation or profession. If an institution uses a unit other than semester credit hours, it provides an explanation for the equivalency. The institution also provides a justification if it allows for fewer than the required number of semester credit hours or its equivalent unit of general education courses. **(General education)**

The Everglades University goals and objectives are integral to the University mission: "...to provide quality education to adult learners of diverse backgrounds in a collaborative environment where each individual has the opportunity to achieve personal growth. The University seeks to accomplish its mission by combining small class sizes and innovative programs with traditional academic values. The University supports the academic endeavor through research, scholarly contribution, and service, to deliver graduate and undergraduate programs both on campus and online" (page 6, 2014-2015 Catalog).

Goal #3 is a direct general education goal: "To improve students' written and verbal competencies as well as analytical and technical skills prior to graduation" (page 6, 2014-2015 Catalog). The General Education rationale is also found in the Catalog:

"General education is a component of each Everglades University undergraduate degree program. Everglades University's general education is designed to emphasize the ability to think and read critically, to communicate effectively both in writing and in speech, and to understand quantitative data. Instead of focusing narrowly on skills, techniques and procedures specific to a particular occupation or profession, these courses help students to develop a critical appreciation of both the value and the limitations of methods of inquiry and analysis. General education courses provide an opportunity for students to achieve a collegiate level of literacy in the humanities, the social and behavioral sciences, and the natural sciences and mathematics.

"At Everglades University, general education includes the knowledge, skills, and perspectives that become part of an educational experience of all undergraduates regardless of major. A college education helps students begin a career. It should also help students become well-rounded individuals. Upon completing the general education curriculum, undergraduate students are required to complete the ETS Proficiency Profile" (pages 86-87, 2014-2015 Catalog).

The University offers eight (8) bachelors' degrees, each consisting of 123 semester credit hours; 30 semester credit hours of the 123 total are in general education. Therefore, 24% of the coursework in the bachelors' degree programs is composed of general education. This was substantiated with a review of courses and credits for each program offered as found in the Catalog submitted as evidence.

General education courses include at least one course from each of these areas: English, computers, communications, humanities/fine arts, mathematics, social science, natural science, and behavioral science.

A review of the course descriptions confirms that the courses are college-level and are not narrowly focused on any individual program. Further, Everglades University participates in Florida's Statewide Course Numbering System (SCNS). The major purpose of the SCNS is to facilitate transfer of courses between participating institutions. All public Florida schools and 27 nonpublic institutions participate. Course equivalency is identified by courses with the same prefixes and last three digits. Institutions participating in the SCNS have agreed that like courses are transferable among the members.

Other groups which monitor the curriculum and assure college-level courses include the Program Advisory Committees (PAC), the Curriculum Committee, and the General Education Department. A general education representative attends each PAC meeting. The process includes recommendations which are raised at department meetings. The recommendations are taken to PAC meetings. Department Chairs then submit recommendations and proposals to the Curriculum Committee. The Curriculum Committee reviews and evaluates the proposals and makes recommendations to the Vice President of Academic Affairs, who has the final word. A review of the evidence which included Minutes from a general education department meeting, PAC meeting (Allied Health), and Curriculum Committee meeting, substantiate that the University follows the process described.

The On-Site Committee reviewed the University's catalog, course descriptions, curriculum committee meeting minutes, course syllabi for general education courses, had input from the Vice President for Academic Affairs, and affirms the Off-Site Committee findings that Everglades University provides students with a curriculum that meets the Standards for the general education component at the collegiate level.

- 2.7.4** The institution provides instruction for all course work required for at least one degree program at each level at which it awards degrees. If the institution does not provide instruction for all such course work and (1) makes arrangements for some instruction to be provided by other accredited institutions or entities through contracts or consortia or (2) uses some other alternative approach to meeting this requirement, the alternative approach must be approved by the Commission on Colleges. In both cases, the institution demonstrates that it controls all aspects of its educational program. (*See the Commission policy "Core Requirement 2.7.4: Documenting an Alternate Approach."*)
(Course work for degrees)

The institution provides the coursework for the completion of the bachelor's and master's programs, as evidenced by the information presented in the catalog. The catalog clearly shows the coursework required for the programs, and the policies for accepting transfer credits.

- *2.8** The number of full-time faculty members is adequate to support the mission of the institution and to ensure the quality and integrity of each of its academic programs.
(Faculty)

The institution defines and explains full-time and part-time faculty members in its *2014-2015 Faculty Manual*, p. 12 as follows:

- “Full-time faculty members are assigned committee membership, student advising responsibilities, curriculum oversight and development, and planning and evaluation activities. They are also expected to attend faculty feedback and development meetings, participate in scholarly activity, as well as other campus functions, including the annual graduation ceremony and annual Institutional Effectiveness Planning Day.
- Part-time faculty members may not have recurring teaching duties each semester and are not assigned committee membership, student advising responsibilities, curriculum oversight and development, or planning and evaluation activities. They are expected to attend faculty feedback and development meetings, participate in scholarly activity, but are not required to attend other campus functions such as the annual graduation ceremony and annual Institutional Effectiveness Planning Day.”

The institution’s full-time faculty members are provided with annual agreements at the beginning of each year as well as an agreement each semester to formalize the requirements and expectations for full-time faculty to participate in committees and other activities involving the oversight and development of curriculum and assessment. In addition, the approximate numbers of courses the faculty member will teach per semester are delineated in the agreement. Adjunct/part-time faculty members are given agreements on a course-by-course basis and are paid accordingly per course. Adjunct faculty members are invited and encouraged to participate in committees and other meetings regarding curriculum and assessment, but are not required to do so.

The institution provides a summary chart of semester credit hours taught by full-time (FT) and part-time (PT) instructors broken down by online and the campuses of Sarasota, Boca Raton, and Orlando. These FT percentages, which range from a low of 64% to a high of 100% in all baccalaureate degrees except those which have begun in Fall 2014 and with the exception of the Crisis & Disaster Management degree for the campuses on which it is not offered (Boca Raton & Orlando). In the master’s degrees, the FT percentages range from a low of 76% to a high of 100% in all degrees except the Public Health Administration degree which just began enrolling students in Fall 2014 and in the Entrepreneurship degree which is not offered on the campuses of Boca Raton and Orlando.

The On-Site Committee reviewed course staffing levels provided by the institution and conducted interviews with the Vice President of Academic Affairs and Vice Presidents of the Sarasota Campus and Tampa Site. The On-Site Committee affirms the findings of the Off-Site Committee.

- 2.9** The institution, through ownership or formal arrangements or agreements, provides and supports student and faculty access and user privileges to adequate library collections and services and to other learning/information resources consistent with the degrees offered. Collections, resources, and services are sufficient to support all its educational, research, and public service programs. **(Learning resources and services)**

The institution has library collections at each campus as well as robust online resources that are well aligned with the curriculum. The institution has a Library Advisory Committee (LAC), which provides input from faculty regarding collections and services. A collection development policy, as approved by the LAC, outlines considerations regarding collections, including electronic resources. Recent assessments from students and faculty confirm that collections are adequate to support the degrees offered. Collections include 120,000 print and AV resources, and 55 databases. All digital content is available online and easily accessible to distance learning students. Resources not available from the institution may be obtained through interlibrary loan via various resource sharing organizations in Florida. Everglades also has a reciprocal borrowing agreement with Keiser University. The wording of the agreement indicates that it is not intended to provide or replace collections at Everglades, but to enhance available resources to each participating institution.

Hours at each campus library vary from 55 hours/week at Boca Raton to 76 hours a week at Sarasota. These hours appear to be adequate to provide access to physical learning resources, study space and other services. Library services provided are typical, including circulation, course reserves, interlibrary loans, reference and instructional services. Each campus library site provides at least 10 computers for student usage.

- *2.10** The institution provides student support programs, services, and activities consistent with its mission that are intended to promote student learning and enhance the development of its students. **(Student support services)**

The institution consists of three campuses and an online division. For winter semester 2014, approximately 61% of students were enrolled in the online division. The institution is 100% commuter, and those students needing counseling, health care, housing, and child care are referred to community organizations and facilities. Student organizations, activities and social programs are coordinated through the Department of Student Services, and are available to seated and online students. All students engage in an orientation process, and support programs and services, including career development, job placement, and tutoring/academic support services are available students.

The institution provided some evidence that it provides student support programs, services and activities for online students. It did not demonstrate, however, how online students' access services offered through Academics, Library Services, Student Services, Registrar's Office, Financial Aid Office, Admissions, Bursar, and the Bookstore. Consequently, it could not be determined if the institution provides student support programs, services, and activities to online students that are consistent with its mission.

Through documentation and interviews with the Vice President for the Online Division, Dean of Academic Affairs, Director of Teaching and Learning, the Director of Student Services and numerous students, the On-Site Committee was able to confirm that Everglades University provides student support programs, services, and activities to its students on the Boca Raton campus, Orlando, Sarasota and Tampa. These programs

and services are provided through the Center for Teaching & Learning, Library Services, Career Services, Student Services, Registrar's Office, Financial Aid Office, Admissions, Bursar, Orientation, and the Bookstore. These services are consistent with the institutional mission. Furthermore, the On-Site Reaffirmation Committee determined through interviews and documentation that the Online Division of the Boca Raton campus provides access to these same services for its online students through email, telephone, mobile devices, mail, 24 hour help desk, EU Student Portal, Everglades University Live conferencing, Blackboard Platform, Broadleaf System, EU's online library, the College Central Website, and the Everglades University website.

2.11.1 The institution has a sound financial base and demonstrated financial stability to support the mission of the institution and the scope of its programs and services.

The member institution provides the following financial statements: (1) an institutional audit (or *Standard Review Report* issued in accordance with *Statements on Standards for Accounting and Review Services* issued by the AICPA for those institutions audited as part of a system wide or statewide audit) and written institutional management letter for the most recent fiscal year prepared by an independent certified public accountant and/or an appropriate governmental auditing agency employing the appropriate audit (or *Standard Review Report*) guide; (2) a statement of financial position of unrestricted net assets, exclusive of plant assets and plant-related debt, which represents the change in unrestricted net assets attributable to operations for the most recent year; and (3) an annual budget that is preceded by sound planning, is subject to sound fiscal procedures, and is approved by the governing board. **(Financial resources and stability)**

The institution received unqualified opinions in all years, and there are no material findings or weaknesses in the reviewed audited financial statements. The total net assets and unrestricted net assets of the institution increased from \$20,821,583 to 27,101,122 in the years 2011 through 2013. The institution is a not for profit institution with no restricted assets. Operation surpluses are reflected in the audited financial statements for all years reviewed. Review of the institutions unrestricted assets exclusive of plant assets and debt indicated an increase over the years. Net cash provided by operating activities was positive in all years reviewed. The Committee was unable to determine sound financial bases of the institution based on consolidated financial statements. In addition, the Off-Site Committee was unable to determine the entity or individual guaranteeing the note for the asset acquisition purchase.

On January 10, 2011 Everglades College, Inc. consummated an asset purchase agreement with Keiser University. Under the asset purchase agreement, Everglades College, Inc. acquired substantially all of the assets and liabilities of Keiser University. As a result of this transaction Everglades College, Inc. reports its financial statements on a consolidated basis. The consolidated composite score for both institutions is less than the minimum 1.5. The composite score for the institution separately is 3.0. Based on the consolidated score the DOE requested a line of credit in the amount of \$27,615,232 and be provisionally certified for a period of up to three complete award years. The amount of \$24,522,691 of this line of credit is secured by a personal bank account of the University's Chancellor. The Off-Site Committee failed to find a copy of the letter for review as indicated in the narrative.

The Off-Site Committee found the documented evidence of budget planning and time line to be insufficient. The Off-Site Committee did not find current annual budget and summary available for review

It is unclear whether Everglades University is liable for the debt as a result of the asset purchase of Keiser University.

The On-Site Committee reviewed the institution's audited financial statement for 2013, which received an unqualified opinion by the auditor, and compiled audit reports for 2012 and 2011. However, the audits for the Everglades College Inc. were unqualified for the years 2011 through 2013. There are no material findings or weaknesses in the management letters. The 2013 audited financial statement for Everglades University is separate from the audited financial statements of the corporation, Everglades College Inc. Total net assets (which are unrestricted net assets) of the institution increased from \$20,821,583 to \$26,948,536 in the years 2011 through 2013, with 2013 total revenue of \$24,504,020. The institution has no restricted assets or endowment. Unrestricted assets exclusive of plant assets and debt are positive and increased over the three year period. The operating surplus for 2013 was \$3,218,575 and there were operating surpluses for years 2012 and 2011, as well. Net cash provided by operating activities was \$2,896,943 for 2013 and was also positive in years 2012 and 2011.

On January 10, 2011 Everglades College, Inc. consummated an asset purchase agreement with Keiser University. Everglades College Inc. is the "maker" of the note and The Keiser School, Inc. is the "holder" of the note. Under the asset purchase agreement, Everglades College, Inc. acquired substantially all of the assets and liabilities of Keiser University. As a result of this transaction Everglades College, Inc. reports its financial statements and IRS FORM 990 on a consolidated basis. The 2013 audited financial statement for Everglades College, Inc. reports a note payable of \$301,912,541 as of December 31, 2013. The corporation Everglades College, Inc. is the legal entity responsible for payments on the note, considering the consolidated operating surpluses of both Everglades University and Keiser University. Payments on the note are "conditional" in that the payments do not exceed 40% of the prior year's annual surplus for the consolidated corporation and are subordinated to all other corporate obligations, which provide protection for the institution regarding debt service obligations by the corporation.

The consolidated Department of Education composite financial score for both Everglades University and Keiser University (a single legal entity along with Everglades College Inc.) is less than the minimum 1.5. The composite financial score for Everglades University as a separate institution is 3.0. However, based on the consolidated score the DOE requested a letter of credit in the amount of \$27,615,232 and provisional certification for a period of up to three complete award years. The On-Site Reaffirmation Committee reviewed the two letters of credit, with \$24,522,691 identified with Keiser University and \$3,092,541 identified with Everglades University.

The institutional annual budget is developed by the various campus vice presidents and deans in cooperation with the President and CFO and is based upon institutional plans. The President presents the budget to the Board of Trustees for approval. The On-Site Committee reviewed the annual budget and monthly report comparing "budget to actual," which are provided to the various administrators.

2.11.2 The institution has adequate physical resources to support the mission of the institution and the scope of its programs and services. **(Physical resources)**

The Off-site Committee found documentation of adequate physical resources to support the mission of the institution. Review indicated three facilities constituting more than 100,000 square feet of classrooms, libraries, student lounges, and office space for administration and faculty. The institution leases appropriate facilities to accommodate for growth in areas of student population increases and scope of its programs and services. The Off-Site Committee found photos and floor plans of facilities to support institutions description. The institution has an implemented master plan and appropriate supporting documents.

Administrative and Student Support Services Satisfaction Surveys indicated satisfaction with institutional facilities for the year 2013. The Off-Site Committee found the result satisfactory with results of the overall atmosphere of each of the campuses falling between 94 and 95 percent.

Institutional narrative describes adequately the scope and purpose of facilities and fiscal history in regards to completed capital projects. Appropriate inventory data was provided for review.

2.12 The institution has developed an acceptable Quality Enhancement Plan (QEP) that includes an institutional process for identifying key issues emerging from institutional assessment and focuses on learning outcomes and/or the environment supporting student learning and accomplishing the mission of the institution. **(Quality Enhancement Plan)**

The institution developed an acceptable QEP. See Part III for additional information.

C. Assessment of Compliance with Section 3: Comprehensive Standards

- 3.1.1 The mission statement is current and comprehensive, accurately guides the institution's operations, is periodically reviewed and updated, is approved by the governing board, and is communicated to the institution's constituencies. **(Mission)**.

The institution's mission is current, most recently reviewed and approved by the Board of Trustees in June 2014. The mission statement is comprehensive, is included with an institutional philosophy and is supported by ten goals and objectives. An institutional curriculum committee takes responsibility to insure that the curriculum is consistent with the mission and in addition that the mission is a part of its planning process.

The institution states that its mission is periodically reviewed, although it provides board minutes for only June 2014 and evidence of an Institutional Effectiveness Day Mission Review Form from February 2014. The document with those board minutes was undated and no source information was contained in the document.

The institution provides evidence that its mission statement is widely communicated to its constituencies with documentation from its website, catalog, and faculty manual. In its response to CR 2.4, it provided additional evidence of dissemination in its Academic Manual and in its classrooms and offices. The Off-Site Committee did not find evidence of how the mission statement was communicated to staff.

The mission statement of the university is very prominently displayed on all campuses, as verified by the On-Site Committee, as well as in all appropriate written and electronic documents. These materials have appropriate documentation of dates and process indicating that the mission statement is periodically reviewed and amended. Additional documents have been provided that indicate that staff (as well as all other segments of the university community) have had the mission statement disseminated to them accordingly.

- 3.2.1 The governing board of the institution is responsible for the selection and the periodic evaluation of the chief executive officer. **(CEO evaluation/selection)**

Article II of the Bylaws states that the board is responsible for appointing and evaluating the CEO/president. The Board of Trustees delegates responsibility for implementing board policy and managing the institution to the president as set forth in the bylaws. The institution stated that the current president was selected in 2002 although there was no documentation supporting the act or date of the appointment.

The board chairman provided a statement that the president was evaluated in 2014. There is also a statement that the presidential evaluation will be supplied during the on-site visit. However, there is not sufficient information to verify periodic evaluation of the president.

Further documentation referenced in the Focused Report and presented to the On-Site Committee indicates that the current president was appointed as President of Everglades University on February 2, 2002. Documentation submitted to the U.S.

Department of Education on March 6, 2002 named her as the President of Everglades University.

3.2.2 The legal authority and operating control of the institution are clearly defined for the following areas within the institution's governance structure: **(Governing board control)**

3.2.2.1 the institution's mission

The Bylaws and Board Manual state that the board is responsible for the governance of the institution as shown in the following statement:

Except as provided in Article III, the business of the corporation shall be managed and its corporate powers exercised by a Board of Trustees (the "Board"). It shall not be necessary for the members of the Board to be residents of State of Florida....
The Board shall be responsible for the operations of the Institutions including....
The review and approval of policies pertaining to educational, fiscal, and curricular policies, approval of the Institutions' mission statements, long range planning documents, and annual budgets

A page from the June, 2014 minutes are included as an indication that the board controls the mission. It indicates that the board approved the mission statement. There are other minutes provided in the report that also indicate the board is involved with the mission.

3.2.2.2 the fiscal stability of the institution

According to the Board's Manual and Bylaws, the institution's board of trustees is responsible for the hiring of a certified public accountant, fiscal policy and review and approval of budgets in a manner that assures that the institution has adequate financial resources to meet its missions. It also is responsible for overall operations of the institution. Three sets of minutes are provided as evidence that the board is actually meeting its responsibilities.

3.2.2.3 institutional policy

The powers and duties of the institution's Board of Trustees are set forth in the Board of Trustees Manual. The Board of Trustees Bylaws provides the Board with the primary responsibility and legal authority for approval of the institution's policies.

Examples of the board's authority and actions based on that authority are found in the minutes of the January 11, 2014 Board of Trustees minutes. The board, in the page of the minutes that is provided for January 11, 2014, approved the

- Philosophy and Goals,
- Minutes of several meetings,

- 2014 Annual Budget,
- 2014 Master Plan,
- 2014 updates to the Long Range Strategic Directions,
- Relocation of the Orlando Campus to a larger facility,
- New academic programs, and
- Additions of concentrations to existing programs (undergraduate and graduate).

In addition, in the September 11, 2013 minutes the board of trustees approved the

- Minutes of the Everglades University Board of Trustees Meeting of May 8, 2013,
- Everglades University Mission Statement,
- Minutes of the Executive Committee Meeting of May 8, 2013,
- Minutes of the Everglades University, Inc. Board of Trustees meeting of May 8, 2013,
- Everglades University Investment Plan,
- Everglades University Salary Scale, and
- Everglades University Organizational Chart.

It appears that the board of trustees has authority to implement institutional policy and has acted on institutional policy.

3.2.3 The governing board has a policy addressing conflict of interest for its members. **(Board conflict of interest)**

The Conflict of Interest statement provided in the documentation for this standard does not precisely match the statement that appears in the Bylaws which, like the Code of Ethics Statement, pertains to the institution and Keiser University. The document provided here has been edited to remove mention of Keiser, but the actual Bylaws seem to apply to both, thus raising the question as to whether the document provided here is official.

A code of ethics statement requires that board members follow the Bylaws and Board Manual. One item in the code specifically deals with conflicts and requires that a trustee disclose “...any relationships that could be perceived as conflicts of interest....” Board members sign a statement that acknowledges the board code of ethics and another statement that acknowledges that board members have received and will abide by the Bylaws and the manual. Only eight of the board members signed these two forms.

The Definition of Conflict of Interest contained in the Bylaws supplies a signature form similar to that for the Code of Ethics. The institution neither mentioned the existence of this form in the documentation for this section, nor provided any signed Conflict of Interest statements.

The On-Site Committee reviewed information in the Focused Report indicating that the Board of Trustees signed documentation in 2009, 2014 and 2015 that they received, read and accepted the ECI Code of Ethics and Conflict of Interest Policy. While on

campus, the On-Site Committee reviewed those signed documents and verified their acceptance.

3.2.4 The governing board is free from undue influence from political, religious, or other external bodies and protects the institution from such influence. **(External influence)**

The institution has two statements in the Board of Trustees Manual and Bylaws that deal with undue influence.

- The independence of the Board of Trustees is crucial to ensure that the Institutions meet the needs of the communities in which they serve. Under no circumstances should any member or minority group of the Board dominate to allow for an agenda that does not reflect the attitude and opinions of the whole. The Board shall be careful not to allow any undue influence from any external pressures that would harm the Institutions. (The term "Institutions" appears since these guidelines apply to both the institution being reviewed and Keiser University.)
- The Board shall remain independent of pressure from political, religious or external bodies

The documentation provided suggests that the Board is an independent body with no external influences.

The governance structure of Everglades University as documented in materials provided in the Focused Report to the On-Site Committee indicate that Everglades College, Inc. (ECI), owns two separately accredited and managed universities (Everglades U. and Keiser U.). Further, that ECI, EU and KU are governed by one coterminous nine member Board of Trustees. It is unclear to the On-Site Committee how this governance structure protects the institution (EU) from undue external influence from external bodies, namely the interests of ECI and KU.

While the On-Site Committee was on campus, it became an issue that there is an inconsistency in the interpretation of the documentation provided by EU regarding significant debt owed by ECI. The documentation indicates that repayment is due by ECI if there are total net positive change in financial position for all three entities, then 40% of that total net surplus would be called as debt payment to ECI annually. However, in the On-Site Committee meeting with members of the ECI/EU/KU Board (seven of the nine members present) it was stated clearly that combined board considers and treats the entire debt as Keiser University debt.

Given that the same nine member board is responsible for the financial control and stewardship of all three entities, it is unclear how the Everglades University board can demonstrate that it is free from undue influence from external organizations or interests. However, there is no evidence to date that the board has taken any action that would be considered contrary to the best interests of Everglades University. But the current governance structure does not ensure such protection for Everglades University.

Recommendation 1: The Committee recommends that the Everglades University Board (which also functions as the ECI and Keiser University Board) demonstrate that it is free from undue influence from other interests.

- 3.2.5** The governing board has a policy whereby members can be dismissed only for appropriate reasons and by a fair process. **(Board dismissal)**

According to the Bylaws, a trustee can be removed:

If the Board of Trustees determines that the conduct of a trustee has violated the trustee's professional or fiduciary responsibilities, Board policy or other governing law, the Board may remove the member from the Board for cause. Any of the trustees may be removed with cause, after a due process hearing before the Board of Trustees by an affirmative vote of at least four of the members of the Board of Trustees at a special meeting of the Board of Trustees called for such purpose.

As noted in 3.2.3, there is a code of ethics which each trustee is supposed to sign and which could serve as the basis for removing a trustee.

The Off-Site Committee noted that it does not take a majority of the trustees to remove another trustee. While the institution may have legitimate reasons for making such a provision, the Off-Site Committee could not ascertain upon what basis this practice satisfies the criteria of "a fair process."

In the Focused Report, EU indicated that it has revised the Bylaws and Board Manual of ECI to specify the grounds by which a trustee could be removed from the Board. The revision calls for a special meeting of the board by a majority vote. The On-Site Committee reviewed the revised bylaws with duly executed signatures dated June 11, 2014 (provided by the Executive Assistant to the President) and verified their content.

- 3.2.6** There is a clear and appropriate distinction, in writing and practice, between the policy-making functions of the governing board and the responsibility of the administration and faculty to administer and implement policy. **(Board/administration distinction)**

The institution provides a clear written statement on the responsibilities of the Board of Trustees. These include, but are not limited to

- Selection and evaluation of the CEO/president,
- Maintaining financial stability (including approval and review of the budget),
- Approval of the mission statement,
- Review and approval of policies, and
- General oversight of the institution.
- Minutes and reviews are provided that show that the board not only has written authority but also has acted on its authority. (See for example, CS 3.2.2.3.)

The Bylaws also provide clear indication of the governance and policy-making role of the President and executive committee:

These officials supervise their staff to ensure the effective operation of the Universities. They are responsible for carrying out the policies and procedures dictated by the Board, which have been officially approved by the quorum of the Board. The Chair of the Board, Vice Chair, and Secretary will operate as an executive committee to act upon special problems requiring immediate action, between meetings of the Board.

A set of minutes shows that the president took an active role in reporting operational issues to the board.

The faculty job description is also provided that lists faculty responsibilities, including the role of committees. Documentation provided in 3.7.5 provides evidence of the activities of the faculty in the implementing policies.

3.2.7 The institution has a clearly defined and published organizational structure that delineates responsibility for the administration of policies. **(Organizational structure)**

There are three components to this metric. The institution has a well-defined organizational flowchart that is found in the *Everglades University Handbook*. Second, the responsibilities of the Board of Trustees are clearly defined and delineated in the *Everglades University Board of Trustees Manual and Bylaws*. These responsibilities include but are not limited to

- Selection and evaluation of the CEO/president,
- Maintaining financial stability (including approval and review of the budget),
- Approval of the mission statement,
- Review and approval of policies, and
- General oversight of the institution.

Third, the institution also provides a long list of job descriptions for most of the leadership team. There are job descriptions for the President/CEO and the direct reports as shown in the flowchart printed in the *Everglades University Handbook*.

***3.2.8** The institution has qualified administrative and academic officers with the experience and competence to lead the institution. **(Qualified administrative/academic officers)**

The institution provided a chart identifying 63 personnel as its administrative and academic officers. For each, it provided the individual's resume, title, summary of functional responsibilities, educational qualifications, and experience. The institution did not provide job descriptions for the 63 positions listed. Consequently, the Off-Site Committee could not determine if the personnel listed had the appropriate educational credentials, or the appropriate level of experience, to serve in the position.

The Focused Report provided additional information on the incumbent, job description, education, credentials, and experience of 63 employees. A review of that data indicates that the clear majority are qualified to hold the position indicated, with some additional detailed review required for faculty positions. Given the innovative and emergent nature of many of the EU programs, the credentials of the administrators,

faculty and staff include (more than usually found at traditional institutions) education and credentials from non-traditional and online institutions, but which is appropriate for the mission of EU. Credentials and resumes for a number of administrative positions in finance, human resources, information technology and related services are not provided by EU employees, but rather provided under contract with Keiser University. The On-Site Committee verified original transcripts and complete personnel files of various administrative and academic management staff provided by the VP of Academic Affairs as well as the contracted CFO and Controller provided by the President. While the CFO does not hold a master's degree nor a CPA certificate, the incumbent has extensive high level financial experience demonstrating appropriate competency. All personnel files included original transcripts and were complete and in good order.

3.2.9 The institution publishes policies regarding appointment, employment, and evaluation of all personnel. **(Personnel appointment)**

Policies and practices regarding the appointment, employment, and evaluation of the University's faculty and staff are found in the *Everglades University Employee Handbook* and the *Everglades University Faculty Manual*. Employees sign an Acknowledgement of Receipt for the *Employee Handbook*; faculty sign a receipt for the *Faculty Manual*.

The Campus Vice President and the Campus President are responsible for the recruitment, selection, and advancement of professional staff which includes full-time faculty. The Campus Vice President is responsible for the recruitment, selection, and advancement of staff.

The performance review process is conducted annually and is described in the *Employee Handbook*. The staff evaluation process is similar to the faculty evaluation process. The documentation did not include faculty or staff reviews, thus the Off-site Committee could not determine if reviews actually occur.

Review of the EU Employee Handbook and the Employee Review Tracking Sheet by the On-Site Committee confirmed the institution publishes and follows its policies regarding appointment, employment, and evaluation of all personnel. The institution provided evidence of published policies and procedures related to personnel evaluation. Redacted samples of the evaluation process of a number of administrators, faculty and staff for the Boca Raton campus, Online Division, the Orlando campus and the Sarasota campus were also reviewed. In addition, all faculty & staff reviews were made available for the On-Site Committee and a sampling of these documents were inspected. The On-Site Committee confirmed written evaluations for faculty & staff over several evaluation cycles for the Boca Raton and Sarasota campuses as well as verbal confirmation from faculty stating that annual reviews were conducted for every year of employment.

3.2.10 The institution periodically evaluates the effectiveness of its administrators. **(Administrative staff evaluations)**

The institution has a formal performance evaluation policy, and also has processes in place with which to implement that policy. Evaluations are conducted annually, and “Non-routine” evaluations may be performed if deemed necessary by the supervisor. Salary adjustments are tied to the evaluation process. The institution did not provide examples of completed administrator evaluations. The Off-Site Committee could not determine if the institution adheres to its administrator evaluation policy.

The On-Site Committee reviewed a three year representative sample of the administrative/staff personnel evaluations. These documents were inspected for expected dates, as well as supervisor and employee signatures. Evaluation content along with the dates and signatures examined on these representative samples demonstrate that the process for the annual evaluation of personnel is consistently implemented as described in institutional policies.

- 3.2.11** The institution’s chief executive officer has ultimate responsibility for, and exercises appropriate administrative and fiscal control over, the institution’s intercollegiate athletics program. **(Control of intercollegiate athletics)**

N/A

The institution does not participate in intercollegiate athletics.

- 3.2.12** The institution demonstrates that its chief executive officer controls the institution’s fund-raising activities. **(Fund-raising activities)**

N/A

The institution does not participate in fund-raising activities.

- 3.2.13** For any entity organized separately from the institution and formed primarily for the purpose of supporting the institution or its programs: (1) the legal authority and operating control of the institution is clearly defined with respect to that entity; (2) the relationship of that entity to the institution and the extent of any liability arising out of that relationship is clearly described in a formal, written manner; and (3) the institution demonstrates that (a) the chief executive officer controls any fund-raising activities of that entity or (b) the fund-raising activities of that entity are defined in a formal, written manner which assures that those activities further the mission of the institution. **(Institution-related entities)**

N/A

- 3.2.14** The institution’s policies are clear concerning ownership of materials, compensation, copyright issues, and the use of revenue derived from the creation and production of all intellectual property. These policies apply to students, faculty, and staff. **(Intellectual property rights)**

The institution has a policy that specifies the definition, ownership, and use of intellectual property. These policies are disseminated to faculty, staff, and students through the faculty manual, staff handbook, and student catalog respectively. The submitted document includes the faculty grievance policy and procedures, but does not clearly state how the institution resolves issues related to disputes on intellectual property. The institution does not provide any example of implementation of this policy, and does not state that the institution did not have cause to implement the policy.

The On-Site Committee found that Everglades University has a clear policy regarding ownership of materials, compensation, copyright issues, and the use of revenue derived from the creation and production of all intellectual property which applies to students, faculty and staff. The policies are published and disseminated to all through the catalog, the faculty manual, and the employee handbook. The institution has clear grievance policies for students, faculty, and staff to deal with those found in breach of institution policies. The arbitration policy in the employee handbook would cover faculty and staff complaints of intellectual property violation against the institution. The procedures for dealing with general student complaints would support similar student complaints.

3.3.1 The institution identifies expected outcomes, assesses the extent to which it achieves these outcomes, and provides evidence of improvement based on analysis of the results in each of the following areas (**Institutional Effectiveness**):

***3.3.1.1** educational programs, to include student learning outcomes

The institution assesses student learning outcomes at the course level and at the programmatic level. For its nine bachelor level programs and its four master's level programs, the institution has identified four learning outcomes. The institution identifies six competency areas for general education. At the course level the institution conducts pre-testing and post-testing and the institution identifies benchmarks against which to assess improvement. Outcome tables are provide for 2011, 2012, and 2013. The institution provided narrative summaries of a sample of actions taken based on review of results. The Off-Site Committee was not able to tie these narratives of improvements and actions to the institution's summaries of expected outcomes and assessment of the extent to which it achieves those outcomes.

The institution assesses educational programs using capstone course evaluations, ETS Major Field Exams for business majors, the ETS Proficiency Profile for general education as well as employer surveys and graduate surveys. The institution has identified benchmarks for each of the assessment instruments and has provided summary tables for 2011, 2012, and 2013. Examples are provided in the narrative showing selected improvements and actions taken based on review of results. The Off-Site Committee found it difficult to track the narratives of improvement and actions to the three individual year summary tables.

The Off-Site Committee did not find an explanation of the process used in the selection of the sample selected for narrative presentation of improvement and actions.

The institution provides discursive narrative summaries of improvement among its units that are separated from its presentation of benchmarks and assessment of outcomes. Because of the separation of improvements from the summaries in the assessment cycles the Off-Site Committee was not able to verify the extent to which improvements based on analysis of results were achieved.

The Office of Institutional Effectiveness surveys employers of recent graduates, other graduates, faculty and staff and applies those results to learning outcomes for each program. These results of indirect assessment, as well as pre-post test results for every course, are published in the Record Book. Direct assessment methods are used by the various departments to assess program outcomes. A final capstone course and project and a locally developed comprehensive exam are used by all academic programs for assessment. Business is also using a standardized test, the MFT, and beginning 2015, they began using the Summative Assessment Exam from Peregrine for MBA program assessment. The institution provided details on use of assessment results to improve for the largest four programs. The On-Site Committee reviewed capstone syllabi and comprehensive exams and results for all programs. In addition, faculty and program directors were able to describe the way they developed assessment measures and worked together to use the results to improve student performance.

3.3.1.2 administrative support services

The institution conducts assessment for its administrative support programs, using several survey instruments, including its Annual Administrative and Student Satisfaction Survey, the Noel-Levitz Student Satisfaction Inventory, and the Noel-Levitz Survey for On-Line Learners.

The institution has defined general benchmarks for each survey outcome and has provided evidence the units at each of its campuses and its on-line programs have assessed in the degree to which those units achieve the outcomes. Evidence of assessment and evaluation is provided for 2011, 2012, and 2013.

The institution provides discursive narrative summaries of improvement among its units that are separated from its presentation of benchmarks and assessment of outcomes, Because of the separation of improvements from the summaries in the assessment cycles the Off-Site Committee was not able to verify the extent to which improvements based on analysis of results were achieved.

The On-Site Committee found Annual assessment reports in the Record Book. Administrative support services areas reported expected outcomes. These outcomes are heavily weighted toward student satisfaction and most have target levels, called benchmarks. The assessment measures used include the annual Administrative Support Services Satisfaction Survey, activity reports, and two national instruments, the Noel Levitz Student Satisfaction Survey and the Noel Levitz Priority Survey for Online Learners. The VP of a branch campus and administrators at the main campus were able to demonstrate use of assessment results to improve services to students.

3.3.1.3 academic and student support services

The institution identified expected outcomes across a number of survey instruments, including both internally generated surveys and Noel-Levitz survey instruments using a general metric of 90% for the Administrative Student Support Survey and the Library Student Satisfaction Survey, scores within one standard deviation of the Noel-Levitz Student Satisfaction Inventory, and a score of 4.8 on a 6.0 scale for the Student End of Course Survey. From each of these surveys, questions were identified specific to each of the units evaluated.

The institution provides evidence that it is assessing those outcomes but the documentation is scattered among the different survey instruments making it difficult to track the achievement for a given unit across all the relevant outcomes.

Each assessment survey instrument has been summarized by the institution and the units to which the survey assessment applied were defined. The Off-Site Committee had difficulty from the narrative summary provided by the institution in understanding what the institution considered to be its academic and student support units. Some of the tables list specific educational support units that were being assessed, for instance educational support services and the library, and referral services, while others refer to activities and events.

The Off-Site Committee found it difficult from the organization of the institution's presentation to track an annual assessment cycle for academic and student support services that was linked in the evidence to a defined outcome, a specified method of assessment, an analysis of results against a benchmark, and with use or interventions tied specifically to that process. Nor was the Off-Site Committee, over the course of an assessment improvement cycle, able to understand where the long narratives of improvements were tied to assessments based on analysis of results. The evidence provided by the institution was not presented in a manner that allowed the Off-Site Committee to track a defined outcome in a specific unit at a given campus across multiple years to analysis of results tied to a specific set of improvements based on interventions and actions based on analysis of those results.

As a result the Off-Site Committee was not able to determine that institution was in compliance with the requirement that the institution provide evidence of improvement based on analysis of the results of its assessment and identification of expected outcomes.

The institution clarified for the On-Site Committee its definition of Academic and Student Support units and provided straightforward expected outcomes and assessment results. The Record Book documents annual statements of outcomes and assessment reports for academic and student support units. Among the assessment methods used are the Noel Levitz Student Satisfaction Survey, both residential and online student versions, the locally-produced Annual Academics, Advising, and Library Survey, and the end of course survey. Most outcomes have benchmarks. The units document using assessment results to improve services.

3.3.1.4 research within its mission, if appropriate

The institution defines two modes of assessment for research first using a summary of faculty participation in the five research activities the institution has identified, second

using a self-assessment by faculty using a Likert scale measure for each of five research activities.

The Off-Site Committee did not find that the institution had identified expected outcomes for the five research activities for the faculty participation mode of assessment or evidence of improvement based on analysis of results.

The Off-Site Committee was not able to determine that the institution assessed the extent to which it achieved outcomes from the faculty self-assessment of research activities for each of the five outcomes.

The Off-Site Committee did not find from the documentation evidence of improvement based on analysis of results for either mode.

The On-Site Committee noted that the institution lists “research to improve teaching and learning” as Goal 9 in its list of institutional objectives in the Academic Catalog. The mission statement states that “The University supports the academic endeavor through research, scholarly contribution, and service...” Officials at the campus explained that the research and service parts were added to the mission statement at the request of SACSCOC at the time of the initial affirmation of the institution in 2010. The actual expectations of faculty are detailed in a document called “Research Guide Document for Faculty.” This document lists activities such as attending workshops and professional conferences, observing teaching, and attending academic department meetings. The On-Site Committee considers such activities to be supportive of professional development but not “scholarly contributions” as widely understood in academia.

Recommendation 2: The Committee recommends that the institution develop expected outcomes of faculty research that represent scholarly contribution as stated in mission language, that the institution assesses the extent to which those outcomes are achieved, and that the institution provides evidence of improvement based on analysis of those results.

3.3.1.5 community/public service within its mission, if appropriate

The institution as part of its overall vision defines a community service goal and for that goal identifies an objective with four focus areas. For each of the focus areas, the institution has identified an institutional benchmark in three areas, service hours, charitable donations, and a satisfaction rating. The institutional benchmarks are equally divided among its campuses and each campus under a campus vice president is said to assess its outcomes for community service.

A table, “Community Service Longitudinal Data Chart,” provides a summary of outcomes for each focus area and for each of the three measures across 2010, 2011, 2012, and 2013.

In separate narratives the institution provides a summary of changes in 2011, 2012 and 2013 that have resulted from the use of results. In a lengthy narrative the institution summarizes some of the activities that were undertaken to support the institutional community service objective.

The Off-Site Committee finds that the institution has identified expected outcomes and assessed the extent to which it achieves these outcomes in community service for the institution in aggregate. The Off-Site Committee was not able to determine if each campus has separately assessed the community service outcomes in each focus area.

While the institution provides narrative description of changes and use of results at the institution level, the Off-Site Committee was unable to determine how the narrative summaries of change and use were tied to particular assessment cycles.

The On-Site Committee found that activities are tracked through an annual Service Audit Worksheet that is broken down by focus area. Benchmarks are hours provided and money contributed, both of which are rising. Even though it met the benchmarks from 2011-2013, the institution reports a variety of annual initiatives to respond to suggestions of the Assessment Committee and improve community service. Results are not specifically tied to various localities. While it is difficult to match initiatives to specific assessment results, the institution does demonstrate the determination to improve in relation to its institutional goal and benchmarks.

- 3.3.2** The institution has developed a Quality Enhancement Plan that (1) demonstrates institutional capability for the initiation, implementation, and completion of the QEP; (2) includes broad-based involvement of institutional constituencies in the development and proposed implementation of the QEP; and (3) identifies goals and a plan to assess their achievement. **(Quality Enhancement Plan)**

The institution did not satisfactorily address component c of this standard.

Recommendation 3: The Committee recommends that the institution provide additional documentation regarding topic selection, strategies, budget, demonstrating institutional capability for the initiation, implementation, and completion of the QEP.

See Part III for additional information.

- 3.4.1** The institution demonstrates that each educational program for which academic credit is awarded is approved by the faculty and the administration. **(Academic program approval)**

In its *Faculty Manual 2014-2015* (p. 16) Everglades publishes its “Policy for the Role of Faculty and Its Committees.

The *Everglades University Academic Manual* (p. 48) provides the administrative policies, along with Curriculum Committee By-Laws (p.45). The samples of the minutes cited did not give the Off-Site Committee evidence of the utilization of its 5-process for reviewing and approving all for-credit, academic programs.

For example, one page of 10 apparent pages of minutes from the Business Program Advisory Committee, March 25, 2010, in which “proposed changes to programs” were mentioned included no detail about “Ecommerce for Business” and “different tracks/concentrations for the MBA program”. A single example of a Curriculum Committee Approval Form regarding “Additions of Concentrations to MBA Program”

approved and signed on April 7, 2014, by the VPAA & the CEO, which is four years after the Program Advisory Committee's first discussion. Finally, a single example of Board of Trustees Meeting Minutes purported to be from June 11, 2014, evidenced the board's approval of the addition of Concentrations to MBA program.

In summary, the Off-Site Committee was unable to determine to what extent the faculty and the administration are involved in the approval process for educational programs for which academic credit is awarded.

The On-Site Committee reviewed minutes of meetings by discipline faculty, Program Advisory Councils, the Curriculum Committee, and the Board of Trustees. Interviews were conducted with the Vice President of Academic Affairs and with Program Directors and Faculty at main and branch campuses and the online division. The evidence supports the institution's declaration that it follows its stated multi-step procedure for faculty and administrative approval for academic programs.

3.4.2 The institution's continuing education, outreach, and service programs are consistent with the institution's mission. **(Continuing education/service programs)**

The institution does not offer continuing education at this time.

The institution has an outreach and service program that is aligned with its mission. The evidence presented includes documentation on how the service programs are implemented, administered, assessed, and improved in a very comprehensive manner. The institution completes not only an audit worksheet that tracks service hours, but also a satisfaction survey that provides information on the outcomes of the service for the recipient community.

***3.4.3** The institution publishes admissions policies that are consistent with its mission. **(Admissions policies)**

The Institution offers degrees at the Bachelor's and Master's levels. Criteria for admission into both levels are published on its website and in the catalog, and are related to the institutional mission. Admissions criteria are the same for seated and online students. Additional or unique admissions requirements, such as those for home schooled students or international students, are clearly stated and publicized.

The On-Site Committee reviewed undergraduate and graduate policies on the institutional website and in the catalog, met with marketing staff and affirmed the findings of the Off-Site Committee regarding the University's publishing of admission policies.

3.4.4 The institution publishes policies that include criteria for evaluating, awarding, and accepting credit for transfer, experiential learning, credit by examination, advanced placement, and professional certificates that is consistent with its mission and ensures that course work and learning outcomes are at the collegiate level and comparable to the institution's own degree programs. The institution assumes responsibility for the academic quality of any course work or credit recorded on the institution's transcript.

(See Commission policy “Agreements Involving Joint and Dual Academic Awards: Policy and Procedures.”) **(Acceptance of academic credit)**

The institution accepts transfer credit and advanced placement that meet the requirements of the undergraduate and graduate programs offered at the University. The Catalog includes the transfer of credit policy. The institution will accept up to 90 semester credits of transfer for the bachelor’s programs and up to six semester credits for the master’s programs. Courses considered for the bachelor’s degree must have a grade of “C” or higher (2.0 on a 4.0 scale); courses for the master’s must be “B” or higher (3.0 on a 4.0 scale).

Transfer credit from both regionally and non-regionally accredited institutions is considered. Faculty credentials are considered when transfer is requested from non-regionally accredited institutions. Transfer credit is reviewed by Program Director, Registrar, and Dean of Academic Affairs (or designee). All parties sign the Transfer Credit Evaluation (TCE) form. The TCE also serves as the degree audit form. The form clearly identifies which courses were transferred with the Grade of “T.”

The institution evaluates transfer credit for prior military training and experience. The process is described in the catalog. The student submits official transcripts for review and credit is awarded based on the ACE recommendations found in the ACE Guide to the Evaluation of Educational Experiences in the Armed Services. Credit is not awarded at the graduate level for FAA certificates and ratings or prior military training and experience.

The institution participates in the Statewide Course Numbering System (SCNS). All Florida public schools and 27 non-public institutions participate in the system. The major purpose of the system is to facilitate the transfer of credit among participating institutions.

- 3.4.5** The institution publishes academic policies that adhere to principles of good educational practice. These policies are disseminated to students, faculty, and other interested parties through publications that accurately represent the programs and services of the institution. **(Academic policies)**

The institution publishes its academic and related policies in the *EU 2013-14 Catalog 2014-2015*, in the *Academic Manual 2014-2015*, in the *Faculty Manual 2014-2015*, and on EU website.

The institution has established academic policies that adhere to principles of good educational practice in higher education and accurately represents the programs and services provided through publications disseminated to all interested parties. Everglades University has a policy and procedure for reviewing and approving academic policies and services which appear in university publications, marketing, and media. This review process ensures that all academic policies adhere to principles of good educational practice. Each of the University’s academic publications has a review process overseen by the Vice President of Academic Affairs, who is responsible for the publications.

3.4.6 The institution employs sound and acceptable practices for determining the amount and level of credit awarded for courses, regardless of format or mode of delivery. **(Practices for awarding credit)**

The institution has developed policies and processes to assure the appropriate allocation of credit to courses for its on-campus and online modes of delivery.

The Definition of a Credit Hour is provided in the Catalog and in the *University Administrative Manual*. Suggestions for curriculum changes are typically initiated at the department level, approved by Department Chairs, and sent to the Curriculum Committee for action. The Curriculum Committee entertains requests for curricular changes as evidenced in Minutes for a June 10, 2014, meeting.

Credit hour requirements for each program level are included in the Catalog. The baccalaureate programs are 123 semester credit hours and the master's degrees are 36 semester credit hours. The amount of credit awarded for courses is in the Catalog. For the undergraduate programs, one semester credit hour equals 16 contact hours. For graduate programs, one semester credit hour equals 15 contact hours. One semester hour of lab equals 30 contact hours.

However, while the institution has developed a policy and procedure that defines classroom contact hours for its distance education courses, no evidence was presented to show that they follow their policy.

The On-Site Committee found that the institution has developed policies and processes to ensure that the University employs acceptable practices for allocating credit to courses for its on-campus and online courses. The University defines the amount of credit awarded for courses in its Catalog. For undergraduate courses, one semester credit hour equals 16 clock hours. For graduate programs, one semester credit hour equals 15 clock hours of classroom contact. The University utilizes the same course objectives, course topics, and textbook for both on-campus and online students.

The University has adopted the CSU Curriculum Guidelines to Determining Credit Hours for Online Courses developed by Charleston Southern University. Course evaluation strategies and methodologies (such as reading, viewing instructional videos, Podcasts, completing projects or problems, pre-test/post-tests, writing assignments and taking exams) are identified in the Master Control document for each course and clock hours are identified for each course evaluation strategy. Faculty utilize the Master Control Documents to develop individual course syllabi for both campus-based and on-line courses to ensure consistency of course content and classroom contact hours.

The On-Site Committee reviewed information provided by the University in its Focused Report, reviewed Course Control Documents, on-line course syllabi and held conversations with faculty and Academic Deans and found that the University does follow its policy and procedures for defining classroom contact hours for on-line courses.

3.4.7 The institution ensures the quality of educational programs and courses offered through consortia relationships or contractual agreements, ensures ongoing **Compliance** with the *Principles* and periodically evaluates the consortial relationship

and/or agreement against the mission of the institution. (See the Commission policy "Agreements Involving Joint and Dual Academic Awards: Policy and Procedures.")
(Consortia relationships/contractual agreements)

N/A

The institution does not participate in academic programs or courses offered through consortia relationships or contractual agreements.

- 3.4.8** The institution awards academic credit for course work taken on a noncredit basis only when there is documentation that the noncredit course work is equivalent to a designated credit experience. **(Noncredit to credit)**

The institutional Catalog includes its policy for awarding credit for non-credit course work. The institution awards credit from noncredit military training and experience and Federal Aviation Administration (FAA) certificates and ratings taken prior to enrolling. Documentation must be presented and verified by the University Deans of Academic Affairs and the Department Chairs. Credit for course work taken a non-credit basis is not available in the university graduate programs.

Credit is awarded based on the American Council on Education (ACE) recommendations found in the ACE Guide to the Evaluation of Educational Experiences in the Armed Services. Credit is not awarded at the graduate level for FAA certificates and ratings or prior military training and experience.

The institution conducted a review of peer institutions to determine commonly accepted practice in the awarding of undergraduate credit for FAA certifications and ratings. The review was substantiated by the evidence provided and supports the reported practices and policy of Everglades University.

- 3.4.9** The institution provides appropriate academic support services. **(Academic support services)**

The institution's academic support services include library services, computer labs, tutoring, advising/counseling, disability support services, information technology support, tutoring centers, international student support, and career services. These support services are available on all three campuses, as well as for online students. Information about academic support services and programs is published in the institution's catalog, as well as electronically on the institution's website.

However, the institution did not document any support services offered to faculty.

The On-Site Committee reviewed documentation and interviewed faculty to determine that the institution provides academic support services for faculty through the following: new faculty orientation, faculty convocation, the Center for Teaching and Learning, training & development, educational assistance and tuition reimbursement, library collection and support services, faculty research grant program, professional development funding, and technical support for the learning management system. These services are provided to faculty on all three campuses, as well as for on-line faculty and align appropriately with the institutional mission.

3.4.10 The institution places primary responsibility for the content, quality, and effectiveness of its curriculum with its faculty. **(Responsibility for curriculum)**

The institution's faculty is responsible for curriculum as evidenced from a review of Curriculum Committee Minutes. Three sources of evidence in addition to these minutes also address the faculty role in the curriculum process: The Faculty Manual, the Curriculum Committee By-Laws, and the Assessment Committee By-Laws.

The Assessment Committee By-Laws were included as evidence. The process for assessment and the role of the committee are clearly defined in the By-Laws.

The institution receives external advice for program enhancements through community Program Advisory Councils. A review of minutes from a meeting conducted in 2011 substantiated this. Additional and current minutes would be helpful to determine the extent to which the local community input is used.

***3.4.11** For each major in a degree program, the institution assigns responsibility for program coordination, as well as for curriculum development and review, to persons academically qualified in the field. In those degree programs for which the institution does not identify a major, this requirement applies to a curricular area or concentration. **(Academic program coordination)**

The qualifications and responsibilities of academic coordinators are presented in the evidence, and shows that the institution has in place qualified individuals to lead and monitor the programs. The minutes of meetings presented as evidence shows that the coordinators provide oversight in reviewing the content and delivery of the programs.

The On-Site Committee reviewed documentation provided by the University including the CVs of the Program Directors and Associate Deans, master course control documents and minutes of curriculum committee and PAC meetings. In addition, the Committee interviewed the Vice President of Academic Affairs and the Dean of Academic Affairs regarding the Program Director's qualifications and responsibilities. Meetings were also held with several Program Directors including the Program Director and Associate Dean of the Online Division, the Lead Program Director for Aviation and Lead Program Director for Boca Raton and Online Divisions to determine their responsibilities for program coordination. The On-Site Committee affirms the Off-Site Committee's findings that the responsibility for program coordination and curriculum development and review is assigned to a Program Director/Associate Dean who is academically qualified in that field. Program oversight and coordination is consistent across all campuses regardless of delivery method.

3.4.12 The institution's use of technology enhances student learning and is appropriate for meeting the objectives of its programs. Students have access to and training in the use of technology. **(Technology use)**

The Off-Site Committee reviewed evidence demonstrating how the institution's use of technology enhances student learning and is appropriate for meeting the objectives of the program. Students must complete a computer/technology course as part of their undergraduate degree completion. In addition, there are specific course-based technology classes that are required as part of each degree program. Computer labs on each campus ensure access to the Internet, online resources and the learning management system, Blackboard. The institution provides wireless access for students and faculty at each campus. The IT department provides training to faculty in technology use, as well as a help desk for assistance and support. Blackboard provides support 24/7 to students and faculty. Classrooms are equipped with ceiling mounted projectors or SMARTboards, and computer labs are available for student use.

3.5.1 The institution identifies college-level general education competencies and the extent to which students have attained them. **(General education competencies)**

General education, which the institution has identified as related to its Quality Enhancement Plan (CR 2.12 & CS 3.3.2) is a component of each institutional undergraduate degree program. The institution's general education curriculum is designed to emphasize the abilities to read critically, to write clearly, to work with quantitative data, to communicate effectively, and to think critically in the context of the social, behavioral, and natural sciences. These courses do not narrowly focus on those skills, techniques and procedures specific to a particular occupation or profession and are the same for both on-campus and online delivery methods and are published in Everglades University Catalog. They are intended to develop a critical appreciation of both the value and the limitations of methods of inquiry and analysis.

The institution identifies six student learning outcomes or competencies for the undergraduate General Education program. EU employs both direct and indirect measures to assess these general education competencies at various points in the students' programs of study.

3.5.2 At least 25 percent of the credit hours required for the degree are earned through instruction offered by the institution awarding the degree. *(See the Commission policy "Agreements Involving Joint and Dual Academic Awards: Policy and Procedures.")* **(Institutional credits for a degree).**

As stated in the institution's 2014-2015 *Catalog*, p. 124, the residency requirement for undergraduate degree programs at the institution is the completion of the last 33 semester hours of credit and is the same for both on-campus and online delivery methods. Completion of the last thirty-three semester hours of credit in the 123-semester-credit-hour undergraduate programs comprises 26.8% of the undergraduate degree program.

The University Deans of Academic Affairs, Program Directors, Registrars and other designees of the academic department monitor the amount of credit earned at the institution with respect to the total number of credits required for the various degrees during Academic Advising meetings and as documented on the Academic Advising form. In addition, the Graduate Clearance form is used to determine if the student has met all the requirements of the degree program for graduation. The form is generated

for students approaching the completion of their programs and is signed by each department requiring clearance. The academic department must determine if the students have completed the required number of credit hours to meet the institutional residency requirements. The academic department must also determine if the student has completed all the required courses, earned the total number of credit hours, and achieved the cumulative grade point average necessary to earn a degree from the university.

The Transfer Credit Evaluation (TCE) form is used for entering students to show any transfer credits awarded as well as the names of the institution(s) from which the credits were accepted. The TCE form is also used as a degree audit form in order to determine whether all required course were completed and the residency requirement met. Finally, by changing the student's status to "graduate" on the Status Change form, the academic department member comments on the cumulative grade point average and amount of credits completed to earn the degree.

- 3.5.3** The institution publishes requirements for its undergraduate programs, including its general education components. These requirements conform to commonly accepted standards and practices for degree programs. (*See the Commission policy "The Quality and Integrity of Undergraduate Degrees."*) **(Undergraduate program requirements)**

The institution has a very comprehensive process for reviewing and defining the requirements for each program. This process includes the required alignment of the institution's programs with the requirements of the United States Department of Education's Classification of Instructional Programs (CIP) and the State of Florida Department of Education Statewide Course Numbering System (SCNS). Besides ensuring alignment of program requirements with the specifications of professional organizations in each discipline, the institution has set up a multi-step internal process to review programs; this process includes review by discipline specific faculty and a curriculum review committee. In addition, reviews are completed by a program advisory committee that includes external members.

The requirements for each program are published in the catalog and on the university website.

- 3.5.4** At least 25 percent of the course hours in each major at the baccalaureate level are taught by faculty members holding an appropriate terminal degree—usually the earned doctorate or the equivalent of the terminal degree. **(Terminal degrees of faculty)**

From a review of the supporting documents for this standard and the Faculty Roster Form provided in support of standard 3.7.1, the Off-Site Committee has not been able to confirm the institution's compliance with this standard.

The computation leading to the grouped information presented in the tables is not obvious. The compilation of data in the tables does not immediately lend itself to the conclusion that the required number of terminally degreed faculty have been assigned to teach the courses in the undergraduate programs.

The On-Site Committee reviewed resumes/curriculum vitae of faculty, courses taught and information solicited from five other SACS-COC accredited colleges and universities that offer programs similar to those offered by Everglades University. The Committee also conducted interviews with program directors, faculty and students at the main campus, two off-campus sites and the online division. The results affirmed that the Doctor of Chiropractic and Doctor of Naturopathy degrees were appropriate terminal degrees for the programs in alternative medicine. Responses from SACS-COC accredited colleges and universities offering degree programs in aviation support the institution's declaration that, due to the relative scarcity of doctoral programs in that discipline, the master's degree is the appropriate terminal degree for teaching aviation. The University does assign at least 25% of course hours in each major at the baccalaureate level to faculty members holding an appropriate terminal degree.

- 3.6.1** The institution's post-baccalaureate professional degree programs, and its master's and doctoral degree programs, are progressively more advanced in academic content than its undergraduate programs. **(Post-baccalaureate program rigor)**

The institution offers four master's degrees: Master's Degree in Business Administration, Master's Degree in Entrepreneurship, Master's Degree in Public Health Administration, and Master's Degree in Aviation Science. The content is developed by faculty in field. Programs are reviewed internally through the Curriculum Committee.

The University participates in the Statewide Course Numbering System (SCNS). All Florida public schools and 27 non-public institutions participate in the system. The major purpose of the system is to facilitate the transfer of credit among participating institutions. The Everglades University numbering system indicates the level of rigor. Equivalent courses at different institutions are identified by the same prefixes and same last three digits of the course number. The first digit of the course code indicates the level. For example, ENG 102. The "1" indicates that this is a Freshman-level course.

From the review of program sequence, course descriptions and sample syllabi, it appears consistent that foundational knowledge is built at the baccalaureate course level while higher-order thinking, application, analysis, synthesis, and evaluation are required at the graduate levels.

- 3.6.2** The institution structures its graduate curricula (1) to include knowledge of the literature of the discipline and (2) to ensure ongoing student engagement in research and/or appropriate professional practice and training experiences. **(Graduate curriculum)**

The graduate syllabi show that courses are developed and structured to provide students with opportunities to complete projects and assignments that require exploration of the literature in the discipline. Use of case studies and projects in the capstone courses provide students with opportunities for applying the concepts and theories that have been learned.

- 3.6.3** At least one-third of credits toward a graduate or a post-baccalaureate professional degree are earned through instruction offered by the institution awarding the degree.

(See the Commission policy "Agreements Involving Joint and Dual Academic Awards: Policy and Procedures.") **(Institutional credits for a degree)**

The institutional *Catalog* (p. 79) states "the final thirty credits [of the 36 total credits] must be completed at the institution for a Master's Degree." Completion of the last thirty semester hours of credit in the 36-semester-credit-hour graduate programs comprise 83.3% of the graduate degree program. This residency policy ensures that at one-third of credits toward a graduate degree are earned through Everglades University.

As described in 3.5.2 above, the University Deans of Academic Affairs, Program Directors, Registrars and other designees of the academic department monitor the amount of credit earned at the institution with respect to the total number of credits required for the various degrees during Academic Advising meetings and as documented on the Academic Advising form. In addition, the Graduate Clearance form is used to determine if the student has met all the requirements of the degree program for graduation. The form is generated for students approaching the completion of their programs and is signed by each department requiring clearance. The academic department must determine if the students have completed the required number of credit hours to meet the institution's residency requirements. The academic department must also determine if the student has completed all the required courses, earned the total number of credit hours, and achieved the cumulative grade point average necessary to earn a degree from the university.

The Transfer Credit Evaluation (TCE) form is used for entering students to show any transfer credits awarded as well as the names of the institution(s) from which the credits were accepted. The TCE form is also used as a degree audit form in order to determine whether all required course were completed and the residency requirement met. Finally, by changing the student's status to "graduate" on the Status Change form, the academic department member comments on the cumulative grade point average and amount of credits completed to earn the degree.

- 3.6.4** The institution defines and publishes requirements for its graduate and post-graduate professional programs. These requirements conform to commonly accepted standards and practices for degree programs. **(Post-baccalaureate program requirements)**

The requirements for the post-baccalaureate programs are published in the institution's *Catalog*. Each program area includes a program description, admissions requirements, program objectives, programmatic accreditation (if applicable), progression policies, grading criteria, graduation requirements, required courses/hours, and course descriptions. Program requirements are also available on the institution's web site.

- 3.7.1** The institution employs competent faculty members qualified to accomplish the mission and goals of the institution. When determining acceptable qualifications of its faculty, an institution gives primary consideration to the highest earned degree in the discipline. The institution also considers competence, effectiveness, and capacity, including, as appropriate, undergraduate and graduate degrees, related work experiences in the field, professional licensure and certifications, honors and awards, continuous documented excellence in teaching, or other demonstrated competencies and

achievements that contribute to effective teaching and student learning outcomes. For all cases, the institution is responsible for justifying and documenting the qualifications of its faculty. (See *Commission guidelines "Faculty Credentials."*) **(Faculty competence)**

Faculty members of the institution are selected based on their specific academic, industrial, and experiential backgrounds that will enable the University to meet its program objectives and mission.

The institution has published policies that demonstrate that it does employ faculty members based on the mission and goals of the institution. It also has evidenced policies that determine its criteria for determining competence and qualification for both its faculty instructors at the baccalaureate and master's levels. While stating that it "considers many factors," it goes on to say that at the baccalaureate level "the minimum degree requirement to be in the field of study or related field," while asserting "a terminal degree in the field or in a related field" is the minimum degree requirement.

Although the Off-Site Committee had some difficulty in understanding all of the "related field" qualifications of the baccalaureate instructors, the institution seems to follow its stated criteria. However, the institution seems to make much more exception to its own aforementioned minimum-degree policy in regard to its master's courses.

It is clear to the Off-Site Committee that many, if not most, of Everglades' programs are of a "unique nature," and do not by nature lend themselves, especially at the graduate level, to Everglades' own standard of minimum degree requirements. However, in its policy it does mention "a faculty credentialing rationale statement for its unique programs." This would have been most helpful Off-Site Committee in better understanding the institution's bases for its own determination of qualification which were not clearly elaborated on several of the faculty who were instructing in these "unique program courses." Only one of these particular rationales (from the Aviation Department) was made available to the Off-Site Committee. However, the rosters were often not specific and did not make "a case" for the specific instructor's qualifications. The Off-Site Committee could not discover that the institution made a case with sufficient detail to discern competence in lieu of academic credential.

The Off-Site Committee has provided a list of faculty members for whom adequate information or clarification regarding faculty credentials and/or qualifications for courses were not evidenced. Note: It would have been helpful to the Off-Site Committee had the institution compiled all of its faculty roster information into a single "Faculty Roster Form," instead of a form for each program per each campus and per online modality. (see *Request for Justifying and Documenting Qualifications of Faculty*)

The On-Site Committee reviewed course control documents, course syllabi, selected online courses and resumes/curriculum vitae of faculty and additional information provided by the Academic Affairs Office. The existing documentation did not establish that the faculty listed possessed either the academic degrees, concentration of advanced course work, related work experience in the field, professional licensure or certifications that would establish the competency to teach the specific courses listed. (see *Request for Justifying and Documenting Qualifications of Faculty*)

Recommendation 4: The Committee recommends that the institution provide further documentation establishing that the faculty members listed possess the proper advanced training or experience--specific to the course being taught--that would establish the qualifications and competency to teach a credit-bearing university course on that subject.

3.7.2 The institution regularly evaluates the effectiveness of each faculty member in accord with published criteria, regardless of contractual or tenured status. **(Faculty evaluation)**

The institution presents evidence of a published policy with defined criteria for evaluation of faculty effectiveness. A number of instruments including chair's evaluation, pre-post course evaluation, classroom observation worksheet, and course evaluations are used. While a multi-step process has been described, the documentation does not include sufficient examples to confirm the scope and frequency of the evaluations.

The On-Site Committee reviewed examples of completed annual evaluation forms, online and face-to-face classroom observations, teaching improvement plans and professional development plans and conducted interviews with the Vice President of Academic Affairs, the Director of the Center for Teaching and Learning, The Dean of Academic Affairs for the Online Division, Program Directors for all subject areas and over 25 faculty members from the three on-campus sites and the online division. Faculty attests to the fact that they receive a classroom observation each semester and have received an annual review and professional development plan each year that they have been with the University. If areas for teaching improvement are identified, a written teaching improvement plan is devised between the faculty member and his or her academic supervisor. The evidence affirms that the institution regularly evaluates the effectiveness of all faculty members in accord with published criteria.

3.7.3 The institution provides evidence of ongoing professional development of faculty as teachers, scholars, and practitioners. **(Faculty development)**

As published in Everglades University (EU) Faculty Manual 2014-2015 (pp. 17-18), the institution encourages and provides support for ongoing professional development of faculty as teachers, scholars, and practitioners in their disciplines.

The institution provides financial assistance through the Professional Development Approval process for professional and educational classes, seminars, scholarly activity, and conventions directly related to the instructional field of individual faculty members, as well as an annual Faculty Research Grant Program for graduate faculty scholarly contribution.

In addition, the institution provides continual in-house training and development through the University online platform in Blackboard, as well as through University personnel, professional groups, organizations, teleconferencing, workshops, and institutional effectiveness workdays.

The University holds an annual faculty convocation and professional development workshop of each year. The institution encourages and supports participation and attendance of faculty members at educational and program-related conferences and meetings of professional organizations and associations (cf., *2014-2015 Faculty Manual*, pp. 19-20).

In January of each year, faculty members are required to complete an Annual Faculty Professional Development Plan/Progress Report (The *Plan*), outlining a faculty member's plan for professional growth and development during the next 12 months. The *Plan* is reviewed by the Program Directors or Deans of Academic Affairs. The faculty member, Program Directors or Dean of Academic Affairs and Vice President of Academic Affairs sign the *Plan*. The *Plan*, at a minimum, must contain evidence that a faculty member is maintaining currency in his/her field as teachers and practitioners. Additionally, the *Plan* must contain planned contributions to the faculty member's field. This includes, but is not limited to, publications, presentations and other related scholarly activities in the faculty member's field, in addition to service to the University and/or community/public service.

3.7.4 The institution ensures adequate procedures for safeguarding and protecting academic freedom. **(Academic freedom)**

The institution includes its Academic Freedom policy in the Faculty Manual provided to all newly hired faculty, who sign an Acknowledgement of Receipt. Should a faculty member have a grievance, s/he may handle it through the Grievance process that is described in the Manual. To date, a faculty complaint regarding academic freedom has not been filed.

3.7.5 The institution publishes policies on the responsibility and authority of faculty in academic and governance matters. **(Faculty role in governance)**

The institution clearly delineates the responsibility of the faculty in academic matters, through the faculty manual and other supporting documentation.

3.8.1 The institution provides facilities and learning/information resources that are appropriate to support its teaching, research, and service mission. **(Learning/information resources)**

The institution provides library facilities at each campus location, with professional and support staffing. Students can interact with a librarian 24/7 through the state-supported "Ask-a-Librarian" chat. Classrooms with ceiling-mounted LCD projectors or SMARTboards along with computer-based flight simulators are available at each campus location.

The Sarasota campus library facility is shared with Keiser University. Based on the documentation provided, it was impossible to determine if spaces and facilities for library and learning resource are adequate. Due to the lack of documentation, the Off-Site Committee was unable to determine compliance.

The On-Site Committee found that the institution provides appropriate facilities and learning/information resources at each of their campus locations. The libraries at each location are similarly equipped. Professional librarians support each campus. Computer labs and appropriate classroom technology are provided on each campus as well. The library at the Sarasota campus, jointly run with Keiser University is adequate for the needs of that campus – as evidenced by observation and enthusiastic student feedback.

3.8.2 The institution ensures that users have access to regular and timely instruction in the use of the library and other learning/information resources. **(Instruction of library use)**

The Off-Site Committee reviewed evidence demonstrating that students have access to instruction in the use of the library and learning resources. The institution provides instruction online, by phone, by live chat (Ask-A-Librarian) and face-to-face. Librarians also meet with groups at orientation, which is required of all incoming students. Following library orientation, students must pass a quiz or receive additional training. In addition to formal orientation and instruction, the institution provides a series of handouts and online tutorials for students needing specific library information. Students also have the option of calling the librarians at Keiser University for assistance in research.

3.8.3 The institution provides a sufficient number of qualified staff—with appropriate education or experiences in library and/or other learning/information resources—to accomplish the mission of the institution. **(Qualified staff)**

The Off-Site Committee was unable to determine if library staffing was sufficient and appropriately qualified to accomplish the institutional mission. The library staff members who are employees of Everglades University appear to be qualified. However, the institution shares its Sarasota facility with Keiser University, and so relies on staff from Keiser in some capacity to supplement those from Everglades. The Off-Site Committee was unable to determine how the Keiser staff contributed to the overall library staffing on the Sarasota campus, and no information was provided regarding the credentials of the Keiser staff, or what responsibilities they fulfilled.

The On-Site Committee found that the library staff of the Sarasota campus library, including the Keiser University librarians, is appropriately credentialed to support the mission of Everglades University. Everglades University has a sufficient number of qualified librarians and library staff to support library services for their online students as well as the Boca Raton, Sarasota and Orlando campuses.

3.9.1 The institution publishes a clear and appropriate statement of student rights and responsibilities and disseminates the statement to the campus community. **(Student rights)**

The institution publishes its statement of student rights and responsibilities in its catalog, which is available electronically and in print copy. The statement clearly outlines the institution's expectation of the student body, possible sanctions for those not adhering to the expectations, and the students' procedural rights and appeal processes. During the admissions process, students receive a URL linking to the university catalog. Students are advised via email when changes to the catalog are made.

3.9.2 The institution protects the security, confidentiality, and integrity of its student records and maintains security measures to protect and back up data. **(Student records)**.

The institution's primary system of student record maintenance and security is through its electronic student information system. Access to this system is restricted through the use of proper credentials, including usernames and passwords, and users are required to complete appropriate training. The system's on-campus, physical records security is protected by fire-proof cabinets and locked doors. The institution's network is protected via a system of firewalls. The system's servers are backed up regularly, both on site and off site. Students have access to their records on the student information system. Access is restricted via unique usernames and passwords.

3.9.3 The institution provides a sufficient number of qualified staff—with appropriate education or experience in the student affairs area—to accomplish the mission of the institution. **(Qualified staff)**

The institution categorized four Directors of Student Services - three campus directors, and one online director - as its Student Services staff. Resumes for each were provided, as was a generic job description. The job description did not list minimum education or education requirements. Consequently, it could not be determined whether the Directors had the appropriate qualifications for the position.

The On-Site Committee reviewed the qualifications and education for staff in the area of student affairs. Based on campus interviews with the Vice President for the Online Division and Dean of Academic Affairs, documentation of job descriptions provided by the institution which included the title, responsibilities, academic qualifications, education and professional experience expected for student services staff, the institution has demonstrated that the four Director of Student Services are appropriately qualified in terms of both education and experience.

3.10.1 The institution's recent financial history demonstrates financial stability. **(Financial stability)**

The institution's FTE have remained steady at approximately 1,100. On a consolidated basis, the entity remains strong in financial ratios and overall financial. The institution's lack of long-term debt has provided a strong financial base. Based on the current ratio the institution has good short term financial strength. As of audited financial statements dated December 31, 2013, the institution has a Primary Reserve Ratio of 149%. The

Primary Reserve Ratio has exceeded the Composite Financial Index recommended ratio of 40%.

However, since all the information was based on consolidated financial data, the Off-site Committee was unable to determine the institution as a separate accredited entity has a recent financial history of stability.

The On-Site Committee reviewed the finances of Everglades University, including audited financial statement, separately from the finances of the corporation Everglades College, Inc. As shown in the table below for the past three years, enrollment has been stable at around 1100 students, total revenue has increased by 4.4%, and unrestricted net assets have increased by 29.4%. The Department of Education Composite Financial Score for the institution (Everglades University only) is 3.0, which is satisfactory but compares with the composite financial score of less than 1.5 (unsatisfactory) for the consolidated corporation (Everglades College, Inc.) and requires the institution and corporation to provide letters of credit to the Department of Education. The Current Ratio (assets available within one year compared with liabilities due within one year) is between 4.49 and 8.22 representing strength of cash flow.

| Everglades University | | | | |
|-------------------------|------------|------------|------------|--|
| Year | 2011 | 2012 | 2013 | |
| Enrollment | 1109 | 1104 | 1081 | |
| Total Revenue | 23,463,120 | 24,227,928 | 24,504,020 | |
| Total Expenses | 17,653,123 | 20,220,289 | 21,285,445 | |
| Change in Net Assets | 5,809,997 | 4,007,639 | 3,218,575 | |
| Unrestricted Net Assets | 20,821,583 | 23,729,958 | 26,948,536 | |
| Dept of Ed CFI | 3.0 | 3.0 | 3.0 | |
| Current Ratio | 8.22 | 4.49 | 6.39 | |

In the three years of finances reviewed by the On-Site Committee, years 2013, 2012, and 2011, institutional finances were positive operating surpluses and an increasing net asset position. The institution has no endowment and no long term debt.

On January 10, 2011 Everglades College, Inc. consummated an asset purchase agreement with Keiser University. Under the asset purchase agreement, Everglades College, Inc. acquired substantially all of the assets and liabilities of Keiser University. As a result of this transaction Everglades College, Inc. reports its financial statements and IRS FORM 990 on a consolidated basis. The 2013 audited financial statement for Everglades College, Inc. reports a note payable of \$301,912,541 as of December 31, 2013. The corporation Everglades College, Inc. is the legal entity responsible for payments on the note, considering the consolidated operating surpluses of both Everglades University and Keiser University. Payments on the note are "conditional" in that the payments do not exceed 40% of the prior year's annual surplus for the consolidated corporation and are subordinated to all other corporate obligations, which

provide protection for the institution regarding debt service obligations by the corporation.

The institution has a “shared services” agreement with Keiser University in which Keiser University provides services to the institution for purchasing, payables, collections, accounting, information technology, legal and other consulting services as needed. These shared services include the administrative responsibilities of Chief Financial Officer and Controller. The CFO has nine years of service at the institution, 30 years in finance and an accounting degree. The Controller has served three years as Controller with the institution, 12 years in accounting with the institution, 25 years in finance and a Master’s degree in accounting.

***3.10.2** The institution audits financial aid programs as required by federal and state regulations. **(Financial aid audits)**

A review of the institutions 2011 through 2013 annual financial aid audits and reports on internal control over compliance and its operation provided evidence of auditor’s unqualified opinions. U.S Department of Education Program Review indicated the institution responded and resolved all findings. The Off-site Committee finds the narrative and supporting documents sufficient.

The On-Site Committee reviewed the institutions 2011 through 2013 annual OMB Circular A-133 financial aid audits, reports on internal control over compliance and operations which were accompanied by unqualified auditor’s opinions, communication with the Department of Education Program Review indicating that all findings have been resolved, audits of Florida State financial aid programs, and conducted an interview with the Chief Financial Officer and Controller in support of the institution’s case for compliance. Accordingly, the On-Site Committee affirms the findings of the Off-Site Committee that the institution audits financial aid programs as required by federal and state regulations.

3.10.3 The institution exercises appropriate control over all its financial resources. **(Control of finances)**

The institution engages in annual audits producing unqualified opinions from outside auditors with management letters provided for review. The Off-Site Committee reviewed evidence of policies and procedures for budgeting, purchasing, and financial services but failed to find supporting internal documentation that the institution follows their policies. In addition, the Off-Site Committee could not locate any information on the CFO or the other staff to determine appropriate qualifications to ensure control of finances.

The On-Site Committee reviewed the various means by which the institution exercises control over its financial resources. The institution engages in annual audits by external auditors accompanied by unqualified opinions and management letters. There were no internal control findings which were considered material weaknesses.

Policies and procedures for budgeting, purchasing, and financial services are stated in the Administrative Policy and Procedure Manual. Inventory records of fixed assets,

computer hardware/software and bookstore inventory are maintained and reconciled with accounting records. Obsolete inventory is disposed according to procedures in the Administrative Policy and Procedure Manual. Purchases are handled through the Purchasing Department as defined by the Administrative Policy and Purchasing Manual.

The institution has a “shared services” agreement with Keiser University in which Keiser University provides services to the institution for purchasing, payables, collections, accounting, information technology, legal and other consulting services as needed. These shared services include the administrative responsibilities of Chief Financial Officer and Controller. The CFO has nine years of service at the institution, 30 years in finance and an accounting degree. The Controller has served three years as Controller with the institution, 12 years in accounting with the institution, 25 years in finance and a Master’s degree in accounting.

Since the institution is a commuter campus with leased facilities, campus facilities are maintained by campus staff and contracts with outside vendors. Facility and liability insurance is provided along with annual reviews of coverage.

3.10.4 The institution maintains financial control over externally funded or sponsored research and programs. **(Control of sponsored research/external funds)**

N/A

The Off-Site Committee does not find CS 3.10.4 applicable to Everglades University.

3.11.1 The institution exercises appropriate control over all its physical resources. **(Control of physical resources)**

The Off-Site Committee failed to find documentation of qualified staff. Records of physical inventory are adequate for compliance however the Off-Site Committee did not find evidence supporting asset disposals. The long range strategic plan includes the plans for completion of projects related to physical resources in items such as paperless project. The institution provides sufficient documentation in regards to safety and security of assets and facilities. The Off-Site Committee could not identify risk management relating to physical resources in regards to monitoring by scheduled and routine maintenance, trainings and documented inspections from staff and outside contractors.

The On-Site Committee reviewed physical resource controls, including security of financial data and fixed asset verification. The Accounting Department, supervised by the CFO and Controller, prepares monthly physical inventory reconciliations and tracks fixed asset information in order to maintain appropriate control over the University’s physical resources. Asset disposals are handled according to the Administrative Policy and Procedure Manual.

Since each campus facility is leased, daily and routine facility maintenance is provided by contract with the building leasing company, along with additional contracts for fire inspection, pest control, security, grounds, waste disposal, and information security. Each campus vice president provides regular and on-going oversight of facility

oversight and interface with the various external vendors providing facility-related services.

Risk management associated with physical facilities is provided through a program of facility and liability insurance, along with annual reviews of coverage, and security personnel being physically present on each campus. The Committee observed significant security personnel in operation at each facility visited.

3.11.2 The institution takes reasonable steps to provide a healthy, safe, and secure environment for all members of the campus community. **(Institutional environment)**

The Off-Site Committee found the institution demonstrates clearly defined health, safety and security plans across all campuses. The institution employs an overall safety plan as outlined in the Operational Protocols as well as each campus has a designated team of managers known as the Campus Response Team (CRT). The CRT hold monthly meetings, attend trainings, share information and determine best practices in responding to emergency situations. Periodic inspections by an outside consultant in the areas of safety and security are found to demonstrate inspection of policy outcomes. Student and Faculty/Staff handbooks address specific areas of safety (1) drug policy and (2) sexual harassment policy. Through the report, the Off-Site Committee was able to confirm the institution provides required training and policies in all areas and supporting documentation via CRT meeting minutes.

***3.11.3** The institution operates and maintains physical facilities, both on and off campus, that appropriately serve the needs of the institution's educational programs, support services, and other mission-related activities. **(Physical facilities)**

The institution appears to have sufficient physical facilities across all campuses. As indicated in CR 2.11.2. The institution maintains a strategic master plan for facility usage and evidence of planning was found sufficient in the area. The Off-Site Committee did not find evidence of timely maintenance reports or contracts for review indicating ongoing and routine maintenance by custodial staff or outside contractors other than a fire inspection report.

As discussed in CR 2.11.2, the institution provides adequate documentation of floor plans, area photos of campus facilities physical resources and student satisfaction surveys reporting high levels of satisfaction with physical facilities.

The institution does not provide physical facilities at off campus sites however does offer distance learning. The Off-Site Committee did not find sufficient documentation in the area of distance learning to evaluate the technology infrastructure adequacy.

The On-Site Committee reviewed documentation of physical resources supporting the mission of the institution. The institution leases facilities at the main Boca Raton campus plus three off-campus sites, totaling more than 100,000 square feet of classrooms, libraries, student lounges, and office space for administration and faculty.

As institutional needs change, the institution leases appropriate facilities to accommodate for growth in student population and scope of its programs and services, as indicated by changing the facility location at the Orlando campus. The institution provided records of completed capital projects that are integrated with and supported by institutional plans. The Committee observed the various physical facilities to be appropriate, physically secure and well maintained.

Ongoing, daily and routine facility maintenance is provided by contract with building leasing companies, along with additional contracts for fire inspection, pest control, security, grounds, waste disposal, and information security. Additional contracts provide eCommerce for admissions and financial aid processes, document management, and image technology. Each campus vice president provides regular and on-going oversight of facility oversight and interface with the various external vendors providing facility-related services.

The institution maintains technology infrastructure appropriate for the various campuses and the on-line program. The University student information system and website are located in a Category 5 Data Center in Allen, Texas. The learning management system is contracted with and hosted by Blackboard. A helpdesk is provided 24/7 for all students and faculty. An instructional design team is available for students and faculty for assistance in on-line course development and operation. The library provides multiple electronic services for all students and faculty. Administrative and Student Support Services Satisfaction Surveys indicated satisfaction with institutional facilities for the year 2013, as evidenced by student satisfactions ratings for each of the campuses falling between 94 and 95 percent.

- 3.12.1** The institution notifies the Commission of changes in accordance with the Commission's substantive change policy and, when required, seeks approval prior to the initiation of changes. *(See the Commission policy "Substantive Changes for Accredited Institutions.")* **(Substantive change)**

The institution has conducted one substantive change since its last reaffirmation of accreditation and is in process on two others. The first pertained to the establishment of a graduate degree in public health administration, conducted July 2014 with a positive response from SACSCOC in the same month. The other two (one in March 2013 and the other August 2014) are notifications of offsite instructional locations. SACSCOC has yet to respond on these.

As part of the On-Site Committee's works a Substantive Change Committee visited the Tampa site (see Substantive Change Committee Report) and the University confirmed that the Jacksonville site prospectus had been officially withdrawn per a SACSCOC letter of June 12, 2013.

- 3.13.1** The institution complies with the policies of the Commission on Colleges. **(Policy Compliance)**

***3.13.1. "Accrediting Decisions of Other Agencies"**

Applicable Policy Statement. Any institution seeking or holding accreditation from more than one U.S. Department of Education recognized accrediting body must describe itself in identical terms to each recognized accrediting body with regard to purpose, governance, programs, degrees, diplomas, certificates, personnel, finances, and constituencies, and must keep each institutional accrediting body apprised of any change in its status with one or another accrediting body.

Documentation: The institution should (1) list federally recognized agencies that currently accredit the institution or any of its programs, (2) provide the date of the most recent review by each agency and indicate if negative action was taken by the agency and the reason for such action, (3) provide copies of statements used to describe itself for each of the accrediting bodies, (4) indicate any agency that has terminated accreditation, the date, and the reason for termination, and (5) indicate the date and reason for the institution voluntarily withdrawing accreditation with any of the agencies.

The institution is accredited through SACSCOC and does not hold accreditation with any other body. The institution was accredited at one time through the Accrediting Commission of Colleges and Schools (ACCSC) but withdrew voluntarily in 2010. There is therefore no need for the institution to describe itself to other agencies.

The On-Site Committee reviewed documents and conducted interviews that supported the institution's case for compliance and affirms the findings of the Off-Site Committee.

3.13.2 “Agreements Involving Joint and Dual Academic Awards: Policy and Procedures”

Applicable Policy Statement. Member institutions are responsible for notifying and providing SACSCOC with signed final copies of agreements governing their collaborative academic arrangements (as defined in this policy). These arrangements must address the requirements set forth in the collaborative academic arrangements policy and procedures. For all such arrangements, SACSCOC-accredited institutions assume responsibility for (1) the integrity of the collaborative academic arrangements, (2) the quality of credits recorded on their transcripts, and (3) **Compliance** with accreditation requirements.

Documentation: The institution should provide evidence that it has reported to the Commission all collaborative academic arrangements (as defined in this policy) that included signed final copies of the agreements. In addition, the institution should integrate into the **Compliance** Certification a discussion and determination of **Compliance** with all standards applicable to the provisions of the agreements.

N/A

***3.13.3 “Complaint Procedures Against the Commission or Its Accredited Institutions”**

Applicable Policy Statement. Each institution is required to have in place student complaint policies and procedures that are reasonable, fairly administered, and well-publicized. (See *FR 4.5*). The Commission also requires, in accord with federal regulations, that each institution maintains a record of complaints received by the institution. This record is made available to the Commission upon request. This record

will be reviewed and evaluated by the Commission as part of the institution's decennial evaluation.

Documentation: When addressing this policy statement, the institution should provide information to the Commission describing how the institution maintains its record and also include the following: (1) individuals/offices responsible for the maintenance of the record(s), (2) elements of a complaint review that are included in the record, and (3) where the record(s) is located (centralized or decentralized). The record itself will be reviewed during the on-site evaluation of the institution.

The institution provides appropriate policies and procedures for addressing student complaints and grievances. The process through which a student may pursue complaints and grievances is published in the catalog, which is available electronically. Students are informed of changes to these policies and procedures via email. The institution publishes its Student Code of Conduct in the catalog. Students' rights and responsibilities are delineated in the Code of Conduct, as are the student's appellate rights. The institution maintains an official log of student complaints/ grievances, and the log of student disciplinary incidents. Examples from the logs were provided.

The On-Site Committee reviewed documents and conducted interviews that supported the institution's case for compliance and affirms the findings of the Off-Site Committee.

3.13.4 "Reaffirmation of Accreditation and Subsequent Reports"

***3.13.4.a. Applicable Policy Statement.** An institution includes a review of its distance learning programs in the Compliance Certification.

Documentation: In order to be in compliance with this policy, the institution must have incorporated an assessment of its compliance with standards that apply to its distance and correspondence education programs and courses.

The required documents have been submitted. The institution presents documents to show that it has complied with the standards for the online programs it offers.

The On-Site Committee reviewed information from the Everglades University Catalog and conducted interviews with the Vice President of Academic Affairs, Vice President of the Online Division, Dean of Academic Affairs for the Online Division, Associate Deans/Program Directors for the Online Division, online teaching faculty and online students in support of the institution's case for compliance and affirms the findings of the Off-Site Committee.

3.13.4.b. Applicable Policy Statement. If an institution is part of a system or corporate structure, a description of the system operation (or corporate structure) is submitted as part of the Compliance Certification for the decennial review. The description should be designed to help members of the peer review committees understand the mission, governance, and operating procedures of the system and the individual institution's role within that system.

Documentation: The institution should provide a description of the system operation and structure or the corporate structure if this applies.

The Off-Site Committee is unable to determine the relationship between the holding company, Keiser University and Everglades University.

The On-Site Committee reviewed the concerns of the Off-Site Committee and the further information provided in the focused report. In addition, members of the On-Site Committee met with the President, Controller and 7 of the 9 Trustees. Those meetings clarified the governance structure of the institution and answered the concerns of the Off-Site Committee.

However, the On-Site Committee also discovered other governance issues during those meetings. Please see 3.2.4 detailed information.

3.13.5 “Separate Accreditation for Units of a Member Institution”

***3.13.5.a. Applicable Policy Statement.** All branch campuses related to the parent campus through corporate or administrative control (1) include the name of the parent campus and make it clear that its accreditation is dependent on the continued accreditation of the parent campus and (2) are evaluated during reviews for institutions seeking candidacy, initial membership, or reaffirmation of accreditation. All other extended units under the accreditation of the parent campus are also evaluated during such reviews.

Documentation: For institutions with branch campuses: (1) The name of each branch campus must include the name of the parent campus—the SACSCOC accredited entity. The institution should provide evidence of this for each of its branch campuses. (2) The institution should incorporate the review of its branch campuses, as well as other extended units under the parent campus, into its comprehensive self-assessment and its determination of compliance with the standards, and indicate the procedure for doing so.

The institution has a main campus in Boca Raton with branch campuses in Orlando and Sarasota, Florida. The documentation provided fully supports the level of administrative control and review conducted at the branch campuses. The institutional name for the branch campuses is the same as that of the parent institution in all their published materials. The branch campuses are reviewed in the present report. The branch campuses and the parent campus received a visit by a SACSCOC onsite committee pursuant to formal accreditation in July 2010.

The On-Site Committee reviewed documents and conducted interviews that supported the institution’s case for compliance and affirms the findings of the Off-Site Committee.

3.13.5.b. Applicable Policy Statement. If the Commission on Colleges determines that an extended unit is autonomous to the extent that the control over that unit by the parent or its board is significantly impaired, the Commission may direct that the

extended unit seek to become a separately accredited institution. A unit which seeks separate accreditation should bear a different name from that of the parent. A unit which is located in a state or country outside the geographic jurisdiction of the Southern Association of Colleges and Schools and which the Commission determines should be separately accredited or the institution requests to be separately accredited, applies for separate accreditation from the regional accrediting association that accredits colleges in that state or country

Implementation: If, during its review of the institution, the Commission determines that an extended unit is sufficiently autonomous to the extent that the parent campus has little or no control, the Commission will use this policy to recommend separate accreditation of the extended unit. **No response required by the institution.**

N/A

- 3.14.1** A member or candidate institution represents its accredited status accurately and publishes the name, address, and telephone number of the Commission in accordance with Commission requirements and federal policy. **(Publication of accreditation status)**

The institution accurately publishes the name, address and telephone number of SACSCOC on its institutional website and its catalogs.

D. Assessment of Compliance with Section 4: Federal Requirements

- *4.1** The institution evaluates success with respect to student achievement consistent with its mission. Criteria may include: enrollment data; retention, graduation, course completion, and job placement rates; state licensing examinations, student portfolios; or other means of demonstrating achievement of goals. **(Student achievement)**

The institution evaluates student success by tracking graduation rates and employment rates.

The institution provides graduation rate measures for the cohort entering in 2007 (62%) and uses as benchmarks graduation rate information for the Florida State University System (57%) and the average graduation rates for public universities as tracked by the NCES (58.5%).

The institution states that student service directors at each campus track job placement rates against benchmarks in their program assessment plans. While the institution has provided overall institution employment rates for three years (2011, 2012, and 2013), the institution has not provided campus level employment rates.

As a result, the Off-Site Committee has not been able to determine that the institution evaluates job placement against a defined benchmark.

The On-Site Committee determined that the University does provide campus level employment rates. The University provided additional information that broke results down by the online division as well as the Orlando and Sarasota campuses for 2011

through 2014. It also provided details on the way it collects the information. It also demonstrates that it does relate results on each campus and online program to institutional benchmarks for employment following graduation and employment in the field.

***4.2** The institution's curriculum is directly related and appropriate to the mission and goals of the institution and the diplomas, certificates, or degrees awarded. **(Program curriculum)**

The institution considers its programs to be compatible with its mission because they emphasize traditional academic values and are also innovative. The institution has demonstrated a direct and appropriate relation of its curriculum, including its general education program.

One such innovative program is the B.S in Alternative Medicine, which is one of very few regionally accredited degree programs in complementary and alternative medicine or natural health. In addition, EU's newest addition to the Allied Health Department is the Master's in Public Health Administration. Three additional innovative programs were added in 2011 based on the recommendations related to various industries in South Florida. These programs were two B.S. degrees, one with a major in Alternative and Renewable Energy Management, and the other with a major in Crisis and Disaster Management. Also added in 2011 was a Master of Entrepreneurship degree. Two more innovative bachelor's programs were added in 2014: the B.S. in Land and Energy Management, and in Environmental Policy and Management. Graduates of these programs will be prepared for management careers in entrepreneurship, various types of environmental energy production and management, and crisis and disaster management. Managerial applications for these degrees exist in a variety of industries in the residential, commercial, industrial, and governmental sectors.

Because of the innovation and creativity of its programs, as well as the rigorous curricular oversight and review processes to which its programs are subject, the institution's degree programs embody a coherent course of study and are consistent with its mission to offer innovative programs with traditional academic values.

The On-Site Reaffirmation Committee reviewed information from the Everglades University Catalog and conducted interviews with the Vice President of Academic Affairs, Program Chairs and members of the faculty in support of the institution's case for compliance and affirms the findings of the Off-Site Reaffirmation Committee.

***4.3** The institution makes available to students and the public current academic calendars, grading policies, and refund policies. **(Publication of policies)**

The institution publishes its academic calendars, grading policies, and refund policies in its general catalog, which is available on its website. These policies are clear and comprehensive, and are widely publicized through the student portal and individual class syllabi. Students are notified via email of changes.

The On-Site Committee reviewed the institutional website and its catalog for current calendars, grading and refund policies; discussed these materials with the Vice President of Academic Affairs; and affirmed the findings of the Off-Site Committee.

***4.4** Program length is appropriate for each of the institution's educational programs. **(Program length)**

All of the institution's baccalaureate and master's degree programs are of appropriate length as evidenced by published requirements in its catalog. The institution's specific degree programs are also published in its *Catalog* and include credit hours for each.

The On-Site Committee reviewed the University's Reaffirmation document, Focused Report, catalog, website and Curriculum Committee and PAC Committee minutes, reviewed input from the Vice President for Academic Affairs, and affirms the Off-Site Committee's findings that all of the institutions bachelor's and master's degree programs are of appropriate length. The institution publishes the specific credit hour requirements for each degree offered in the University's catalog and on its website.

***4.5** The institution has adequate procedures for addressing written student complaints and is responsible for demonstrating that it follows those procedures when resolving student complaints. *(See the Commission policy "Complaint Procedures against the Commission or its Accredited Institutions.")* **(Student complaints)**

The institution provides adequate procedures for addressing written student complaints from students attending its three campuses, and its online division. These procedures are published in the catalog, and incoming students receive URLs directing them to the site explaining the student's right to file a complaint, along with the right to file an appeal if the student disagrees with the initial decision. Students are notified via email when changes to these procedures are made. The institution provided documentation it follows its procedures for seated and online students.

The On-Site Committee reviewed the catalog and student life materials, and conducted interviews with the Vice President for the Online Division, the Vice President for Academic Affairs, the Dean of Academic Affairs, and students in support of the institution's case for compliance and affirms the findings of the Off-Site Committee.

***4.6** Recruitment materials and presentations accurately represent the institution's practices and policies. **(Recruitment materials)**

The institution uses a variety of recruitment and marketing materials, all of which are developed by the Marketing Coordinator, and approved by the Vice President of Academic Affairs and the President. A review of these materials demonstrated they are reflective of the institution's practices and policies.

The On-Site Committee reviewed documents that were made available at the Boca Raton and Orlando campuses by the admissions offices accordingly. On-site interviews and discussions were held at Orlando with the Campus Vice President and Dean of Academics. In addition, students were interviewed in a group setting at Orlando with specific questions on their recruitment experience and their satisfaction with their actual experience. At the Boca Raton campus, a breadth of recruiting material was

made available by the Dean of Admissions with discussion with the Vice President for Academic Affairs and Associate Vice President for Academic Affairs and Director of the QEP. In addition, the On-Site Committee reviewed the recruiting materials available at the Everglades University website, including the Admissions PDF materials.

On-site review of these materials along with the interviews noted above affirmed the findings of the Off-Site Committee.

- *4.7** The institution is in **Compliance** with its program responsibilities under Title IV of the most recent Higher Education Act as amended. (In reviewing the institution's **Compliance** with these program responsibilities, the Commission relies on documentation forwarded to it by the U.S. Department of Education.) **(Title IV program responsibilities)**

The Off-Site Committee's review of section 4.7 Title IV program responsibilities confirmed most recent federal/financial aid audit and documentation of correspondence with the DOE. On January 10, 2011 Everglades College, Inc. consummated an asset purchase agreement with Keiser University. Under the asset purchase agreement, Everglades College, Inc. acquired substantially all of the assets and liabilities of Keiser University. As a result of this transaction, Everglades College, Inc. reports its financial statements on a consolidated basis. The consolidated composite score for both institutions is less than the minimum 1.5. The composite score for Everglades University separately is 3.0. Based on the consolidated score the DOE requested a line of credit in the amount of \$27,615,232 and be provisionally certified for a period of up to three complete award years. The amount of \$24,522,691 of this line of credit is secured by a personal bank account of the University's Chancellor.

The On-Site Committee reviewed the institutions 2011 through 2013 annual OMB Circular A-133 financial aid audits, reports on internal control over compliance and operations which were accompanied by unqualified auditor's opinions, communication with the Department of Education Program Review indicating that all findings have been resolved, communication associated with required letters of credit for the Department of Education, and conducted interviews with the Chief Financial Officer and Controller in support of the institution's case for compliance and affirms the findings of the Off-Site Committee that the institution is in compliance with its program responsibilities under Title IV of the most recent Higher Education Act as amended.

- *4.8** An institution that offers distance or correspondence education documents each of the following: **(Distance and correspondence education)**

4.8.1 demonstrates that the student who registers in a distance or correspondence education course or program is the same student who participates in and completes the course or program and receives the credit by verifying the identity of a student who participates in class or coursework by using, at the option of the institution, methods such as (a) a secure login and pass code, (b) proctored examinations, or (c) new or other technologies and practices that are effective in verifying student identification.

The institution uses a secure login and passcode to verify student identity, demonstrating that the student who registers in a distance education course or program is the same student who participates in and completes the course or program and receives the credit. Its Online Division provides its students, once enrolled, with a secure login and password that is automatically generated through our SIS integration. A unique ID and password is assigned by the University Campus Management System. Once the Auto Enrollment File is generated, a Welcome Letter with Login Instructions is automatically sent by the Online Division to the student's secure Everglades University email account.

Students use their secure password and student ID to login to enter the Learning Management System and into their online classroom. To ensure validity of student performance, the institution also requires that each student signs a certification of coursework at the beginning of each class to verify authenticity.

The On-Site Committee reviewed written information provided to online students, examined the online orientation course taken by new online students and conducted interviews with the Vice President, Academic Dean and technical staff of the University's Online Division in support of the institution's case for compliance and affirms the findings of the Off-Site Committee.

- 4.8.2** has a written procedure for protecting the privacy of students enrolled in distance and correspondence education courses or programs.

Everglades University does have a written procedure for protecting student privacy on page 109 of its 2014-2015 Everglades University Catalog, Volume XLVIII.

The On-Site Committee reviewed written information provided to online students, examined the online orientation course taken by new online students and conducted interviews with the Vice President, Academic Dean and technical staff of the University's Online Division in support of the institution's case for compliance and affirms the findings of the Off-Site Committee.

- 4.8.3** has a written procedure distributed at the time of registration or enrollment that notifies students of any projected additional student charges associated with verification of student identity.

The institution does not charge additional fees for the authentication of student identify in online courses. Student fees are published in the institutional catalog and via the website. Students sign an Enrollment Agreement electronically at the time of enrollment that notifies them of the Institution's policies regarding student charges for the program. Students also sign a Student Funding Plan document and the Tuition/Fee Disclosures form electronically.

The On-Site Committee reviewed the Everglades University Catalog and tuition and fee documentation. Everglades University does not charge additional tuition or fees associated with the verification of student identity, so this Federal Requirement is not applicable.

- *4.9** The institution has policies and procedures for determining the credit hours awarded for courses and programs that conform to commonly accepted practices in higher education and to Commission policy. (See the Commission policy "Credit Hours.") **(Definition of credit hours)**

The institution publishes its Definition of a Credit Hour and Credit Hour and Outside Classwork Expectations on pages 15 and 16 of the *OOP/VP-Administrative Policy and Procedure Manual*. The institution operates on a semester system of 16 weeks. The academic year is 32 weeks. For undergraduate programs, one semester credit hour equals 16 clock hours. For graduate programs, one semester credit hour equals 15 clock hours. One semester credit of lab equals 30 clock hours. Credit hours required for each program are indicated in the Catalog. The evidence also included documents entitled "Undergraduate Program Scheduling," and "Graduate Program Scheduling."

Each "standardized course control documents" (syllabus) reviewed have a section entitled "Student Work Outside of Class," which included boiler plate language: "An Everglades University 3 credit course typically requires a minimum of 90 hours work outside of class to include but not limited to: homework, reading, writing, research, etc." The University offers only academic and didactic courses online. Course learning outcomes are identical for both online and on campus delivery; however, no syllabi for online courses were provided.

The institution participates in the Statewide Course Numbering System (SCNS). All Florida public schools and 27 non-public institutions participate in the system. The major purpose of the system is to facilitate the transfer of credit among participating institutions.

Faculty members from all campuses participate in program/course review. Bloom's Taxonomy action verbs are used to create course objectives that build knowledge and skills through appropriate scaffolding of activities and expected outcomes.

From supporting documentation and interviews with faculty and the UPAA, the On-Site Committee affirms the findings of the Off-Site Committee.

E. Additional observations regarding strengths and weaknesses of the institution. (optional).

Part III. Assessment of the Quality Enhancement Plan

To be completed by the On-Site Reaffirmation Committee.

A. Brief description of the institution's Quality Enhancement Plan

The QEP of Everglades University focuses on improving student's ability to write in the academic and professional contexts of their major fields of study by using a networked system of faculty development along with learning and tutoring services. The *Writing for the Major* (WFM) QEP seeks to address five student learning outcomes: (1) demonstration of an understanding of major theoretical perspectives in the student's major field of study; (2) logical organization and clear expression at the document, paragraph, and sentence level; (3) application of research skills to find appropriate information, use that information purposefully to support the response's main idea, and demonstrate conventions and styles of documentation appropriate to the discipline; (4) demonstration of knowledge and application of mechanics, spelling, and word choice expected by the academic conventions of the discipline; and (5) utilization of and satisfaction with learning and tutoring support services.

Additionally, Everglades University faculty will go through professional development designed to better equip them to: (1) employ strategies that support student writing in major courses; (2) utilize rubrics as an assessment tool; (3) incorporate transaction writing and writing to learn in the major courses; and (4) implement writing assignments specific to the major they teach

To achieve and adequately assess these learning outcomes, the QEP calls for the embedding of Writing for the Major (WFM) assignments that are tied to each program learning outcome within the respective majors.

The institution has provided a justification of the need for this QEP based on internal data, evidence of broad based involvement of stakeholders, and staffing and budget needed to address the total program.

B. Analysis of the Acceptability of the Quality Enhancement Plan

1. ***An Institutional Process.*** *The institution uses an institutional process for identifying key issues emerging from institutional assessment.*

The Institution has developed a Quality Enhancement Plan (QEP) that addresses a key issue emerging from the examination of institutional data and was developed through the intentional solicitation of input from university stakeholders.

In 2012, the Everglades University Department of Institutional Effectiveness (IE) prepared preliminary research on the purpose of the QEP and the expectation of how a QEP should impact student learning. At the fall 2013 faculty convocation, EU faculty members were given the opportunity for input into the topic selection process. At the following Institutional Effectiveness Day (2014), the Gen Ed faculty discussed potential topics and proposals. The Department of IE continued to review internal and external student assessment data utilizing the assessments instruments already in place including: (1) graduate surveys; (2) employer surveys; (3) course pretests and posttests; and (4) ETS Proficiency Profile scores. This

review of the data consistently identified a need for the improvement of student writing skills. The focus on writing as a QEP topic was further informed by an examination of literature concerning writing in the workplace, writing for the major, and faculty support. Through this examination of direct and indirect data along with the review of pertinent literature, the institution established a direct relationship between the QEP topic and institutional needs.

The Vice President of Academic Affairs appointed a QEP Leadership Team with the charge to recruit from a broad based of stakeholders a QEP Committee with the responsibility of supporting, guiding, and maintaining the QEP throughout the planning and implementation process. The QEP Committee consists of faculty, staff, students, employers of EU graduates, and Program Advisory Committee members. The QEP Committee continued the thorough examination of assessment data as well as well as the solicitation of input from the University community.

After conducting a survey of the faculty in the spring of 2014, the Writing for the Major (WFM) topic was selected and was presented to the Board of Trustees the following June. The QEP Leadership Team as well as the QEP Committee continued to work with a variety of constituents as the final document was developed, refined, and piloted.

2. ***Focus of the Plan.*** *The institution identifies a significant issue that (1) focuses on learning outcomes and/or the environment supporting student learning and (2) accomplishes the mission of the institution.*

The institution has developed a Quality Enhancement Plan (QEP) that focuses on outcomes related to student learning and which have a direct relationship to the institution's mission. The first sentence of the stated mission of Everglades University is to "provide quality education to adult learners of diverse backgrounds in a collaborative environment where each individual has the opportunity to achieve personal growth." EU's mission is further articulated into ten "Goals and Objectives." The first three are especially significant for the QEP: (1) to continually change, improve, and ensure the effectiveness of the University's programs in preparing students for successful careers; (2) to engage and maintain a competent, qualified faculty that possesses current technical and professional knowledge and experience, engages in ongoing professional development, and had the ability to convey this knowledge to students; and (3) to improve student's written and verbal competencies as well as analytical and intellectual skills prior to graduation.

The following desired student outcomes of the Writing for the Major (WFM) QEP are clearly linked to goals 1 and 3: (1) demonstration of an understanding of major theoretical perspectives in the student's major field of study; (2) logical organization and clear expression at the document, paragraph, and sentence level; (3) application of research skills to find appropriate information, use that information purposefully to support the response's main idea, and demonstrate conventions and styles of documentation appropriate to the discipline; (4) demonstration of knowledge and application of mechanics, spelling, and word choice expected by the academic conventions of the discipline; and (5) utilization of and satisfaction with learning and tutoring support services.

Additionally, the expected outcomes for EU faculty including the ability to: (1) employ strategies that support student writing in major courses; (2) utilize rubrics as an assessment

tool; (3) incorporate transaction writing and writing to learn in the major courses; and (4) implement writing assignments specific to the major they teach, are linked to goal 2.

3. **Institutional Capability for the Initiation, Implementation, and Completion of the Plan.** *The institution provides evidence that it has sufficient resources to initiate, implement, sustain, and complete the QEP.*

The institution has made the commitment that the QEP will be sufficiently and fully funded and resourced. The President and CFO indicated to members of the on-site committee that a new position has been created and filled (with new financial resources) to replace the Associate Dean who has been re-assigned to the primary role of QEP Director. They further stated that the intent is that the clear majority of resource requirement for the QEP will be made with new financial resources. The VPAA indicated to members of the on-site committee that to date, the estimate was that additional cost to implement the QEP was to date funded with a majority of new financial and related resources.

The Committee did not find adequate documentation regarding several aspects of the QEP. For example, the QEP consistently refers to “strategies” to be used by faculty to support student writing in their major courses, yet there is little to inform the Committee as to what strategies will actually be employed. Additionally, the Committee did not see relevant minutes that showed approval of a detailed budget and a commitment to support future expansion of the QEP. The QEP Leadership Team administered several surveys in the topic selection process. The Committee did not find detailed results of these surveys including number of respondents, response rate, and procedural details of and strategy for the administration.

Recommendation 3: The Committee recommends that the institution provide additional documentation regarding topic selection, strategies, budget, demonstrating institutional capability for the initiation, implementation, and completion of the QEP.

4. **Broad-based Involvement of Institutional Constituencies.** *The institution demonstrates the involvement of its constituencies in the development and proposed implementation of the Plan.*

The development of the QEP topic for Everglades University involved a broad array of faculty, staff, students, alumni, administrators and employers. Initial faculty discussion of assessment data and student achievement focused on the examination of student performance & competency in writing and math skills. After further review of institutional data evidenced from several assessment cycle supported faculty concerns in the area of writing as demonstrated by a recent decline in performance measures.

In the final phase of selection, 91% of Everglades University students, staff, faculty, alumni and employers surveyed agreed that the University should proceed with a QEP that focused on writing in the major.

Following selection of the topic, the QEP leadership team has enlisted broad participation and support campus wide to support the next phase of planning and implementation through the QEP committee. The QEP committee consists of faculty, staff, and student representatives. The QEP has also identified the following campus committees and departments: Center for Teaching & Learning, program advisory committee, Institutional Effectiveness, Student

Government and the library which will also play a vital role in the QEP project. Campus interviews with students and staff confirm that the institution has done an excellent job of soliciting buy-in not only for the project but for its ultimate benefit to learning outcomes and to the professional preparation of Everglade graduates.

Collectively, the process of topic discussion & discovery, the selection of "Writing for the Major" QEP project and the establishment of the organizational structure and plan demonstrate broad-based participation of the Everglades University community in development the plan.

5. **Assessment of the Plan.** *The institution identifies goals and a plan to assess the achievement of those goals.*

The Institution has articulated a clear goal for the QEP. It has developed two learning outcomes; one of which is further defined by four characteristics that are required in successful writing for the major. There are also five formative objectives pertaining to the faculty. The Institution has identified an assessment plan for the outcomes and faculty objectives.

C. Analysis and Comments for Strengthening the QEP

Additional Comments on the Quality of the plan

Strengths:

The Institution has selected a QEP Leadership Team representing a broad range of expertise and University stakeholders. This team has, in turn, recruited a QEP Committee consisting of administration, faculty, Program Advisory Committee members and students. The QEP appears to have broad-based support from across the University community. The Institution has created momentum and enthusiasm in designing the QEP and has a plan in place for this momentum to carry on into full implementation.

The importance of the Institution's QEP topic is not only supported by external and internal data, but is particularly well-suited to accomplishing the Institution's mission. Student's interviewed by the visiting committee expressed an awareness of the importance of written communication skills, not only to their general education, but also to their future employment. Students were particularly pleased with the emphasis on utilizing the language and mechanics of their particular field of study.

The Institution is currently piloting the WFM QEP in one program goal of one major. The plan follows a logical sequence of implementation allowing for flexibility regarding future training, support, and assessment as data becomes available for analysis.

Additional Comments:

The ETS Proficiency Profile is a useful tool although it doesn't specifically get at writing in the major. The Institution should consider two administrations at the beginning and end of the student's enrollment, possibly sampling students for efficiency. The criterion-referenced proficiency levels in writing might be particularly useful for the benchmark. Those levels are proficient, marginal, and most proficient. The criteria are well-stated and clear, and ETS has

norms for freshmen and seniors. The Institution posits three administrations of rubrics, at the beginning, middle, and end of the major studies. This is an excellent design. That would provide a very robust assessment. There is a danger of the halo effect when using rubrics. The Institution should monitor scores on the four goal area of the rubric to make sure they are accurately discriminating rather than simply reflecting an overall assessment of the quality of the paper being marked.

Given the professional mission of the majors, targeting the audience effectively and use of technology, seem to be relevant elements of assessment. More clarification of the rubric should be considered. In particular, the difference between “competent” and “masterful” should be evaluated. Evaluators may not be able to reliably make such a fine distinction. The QEP Committee should consider using the “Masterful” level to relate to the effectiveness and forcefulness of the written presentation as it reflects the special characteristics of the major. Again, thinking of professional communications for EU students, what would make a Masters in Aviation Science presentation really stand out to his or her supervisors, as opposed to be accepted as competent?

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| Part IV. Third-Party Comments |
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To be completed by the On-Site Reaffirmation Committee.

If an institution receives Third-Party Comments, the institution has an opportunity to respond to those comments and the On-Site Reaffirmation Committee reviews the response as part of its comprehensive evaluation of the institution.

The Committee should check one of the following:

No Third-Party Comments submitted.

Third-Party Comments submitted. (**Address the items below.**)

1. Describe the nature of the Comments and any allegations of **Non-Compliance** that may have been part of the formal Third-Party Comments;

2. Indicate whether the Committee found evidence in support of any allegations of **Non-Compliance**.

*If found to be out of **Compliance**, the Committee should write a recommendation and include it in Part II under the standard cited with a full narrative that describes why the institution was found to be out of **Compliance** and the documentation that supports that determination. In this space, reference the number of the Core Requirement, Comprehensive Standard, or Federal Requirement and the recommendation number cited in Part II.*

*If determined to be in **Compliance**, explain in this space the reasons and refer to the documentation in support of this finding.*

APPENDIX A

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| <p>Everglades University On-Site Reaffirmation Committee March 23-26, 2015</p> <p>Dr. Gerald L. Francis – Chair Executive Vice President Elon University</p> <p>Dr. Lewis D. Askegaard Dean Institutional Research Associate Dean of the College/Reg. Mary Baldwin College</p> <p>Dr. Lonnie Burnett* Associate Vice President for Academic Affairs and Professor of History University of Mobile</p> <p>Dr. Lawrence D. Czarda President Greensboro College</p> <p>Ms. Laura B. Davidson Dean of Library Information Services Meredith College</p> <p>Dr. Charlie D. Fiskeaux Vice President for Business Affairs and Treasurer Asbury University</p> <p>Ms. Kimberly B. Leousis Vice President for Enrollment Service Campus Life & Athletics University of Mobile</p> <p>Dr. Anthony A. Pina Dean of Online Studies Sullivan University</p> <p>Dr. Victoria L. Sitter Professor of Business Milligan College</p> <p><u>COC Observer:</u> Dr. Bob Dunston University of the Cumberlands</p> | <p>Roster of the Off-Site Reaffirmation Committee</p> <p>Dr. Brian J. McAulay - CHAIR President Parker University</p> <p>Mr. Christopher A. Bean Director of Libraries Shenandoah University</p> <p>Dr. Ronald R. Durnford Vice President, Planning, Institutional Research and Assessment Xavier University of Louisiana</p> <p>Dr. Beena George Dean, Cameron School of Business University of Saint Thomas</p> <p>Ms. Donna F. Hurta * Vice President, Finance and Operations Academy of Oriental Medicine Austin</p> <p>Dr. Claude C. Lilly President Presbyterian College</p> <p>Dr. Randall J. Pannell Vice President of Academic Affairs North Greenville University</p> <p>Dr. Kathleen P. Prince Vice President Academic Affairs ECPI University</p> <p>Dr. Russell H. Sharples Vice President of Student Development/ Dean of Students Pfeiffer University</p> <p><u>SACSCOC Staff Coordinators</u> Dr. Barry D. Goldstein Vice President and Dr. Mary P. Kirk Vice President SACS Commission on Colleges</p> |
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Substantive Change Team:

Dr. Gerald L. Francis
Executive Vice President
Elon University

Ms. Laura B. Davidson
Dean of Information Services
Meredith College

Dr. Anthony A. Pina
Dean of Online Studies
Sullivan University

Dr. Victoria L. Sitter
Professor of Business
Milligan College

COC Staff Representative

Dr. Cheryl D. Cardell
Vice President
Commission on Colleges

APPENDIX B

Off-Campus Sites or Distance Learning Programs Reviewed

1. Orlando Branch Campus of Everglades University

Two members of the Visiting Committee visited the Orlando Campus of Everglades University on a school day. They toured the entire campus and had the opportunity to meet with full and part-time faculty, administration and staff, and students. The campus comprises the ground floor of a three story office building in an attractive neighborhood. There is ample parking and the area is well-lighted. Signage is clear. The other tenants of the building are a local branch of the IRS on the second floor and a regional branch of the FBI on the third floor. The branch campus comprises 28,800 square feet. There are four classrooms with full A-V connections that each accommodate classes of around 25 and a large tiered lecture room that could accommodate around 50. There are two small annexes to the classrooms housing specialized equipment to support the alternative medicine program. The campus is bright, clean, and welcoming. The walls are hung with plaques and pictures celebrating student achievements, the university mission and advertisements of the QEP.

There are currently 120 students, seven full-time faculty, and a large office with seven desks for use by adjuncts. Full time administrative staff includes the campus VP, Academic Dean, registrar, financial aid director, admissions director, IT specialist, and Dean of Students. There is a receptionist and an administrative assistant. Full time armed security guards are present at all hours that the campus is occupied, from 8:00 am to 10:00 pm six days a week. Various services, such as IT and security, are contracted.

There is a full time librarian and a small library and computer lab. The library has a small paper book collection supplemented by extensive access to specialized databases to support learning. The students report that the librarian is responsive to their requests for inter-library loans and other specialized learning needs. There is no food service, but three vending machines are available and there are informal lounges for faculty and for students. The Orlando branch campus has been in existence for thirteen years, but it just moved to the current location five months ago to accommodate current and future growth.

The Orlando branch is directed by a campus VP. She hires faculty and staff and has line control over the budget. All hires are ultimately subject to final approval by the university president, to whom the campus VP reports. The faculty report to the Academic Dean of the campus, who reports to the VPAA of the university. Assessment of effectiveness is centralized in the main campus of the institution which is in Boca Raton. The main office supervises the distribution of pre and post course evaluations, employer surveys, and surveys of students, faculty, and staff. Results are given back to the campus personnel on a regular basis. The full-time faculty at the campus also have advisory boards made up of employers in the area with whom they meet to review the curriculum and success of graduates. The faculty serve on the university-wide assessment committee and the curriculum committee. These two committees evaluate results and determine what actions should be taken to address shortfalls in the academic outcomes. The academic and student support administration also has benchmarks to meet and are regularly compared to those benchmarks.

The campus VP and faculty report that there is a high degree of give and take with the main campus and the other branch campus and that they feel like equal partners in the life of the

university. They described the value of interactions with colleagues at the administrative and academic levels. The campus teaches all of the college's academic programs at both the bachelors and masters level. These programs are various specialties within the broad areas of business, construction management, aviation administration, and alternative health care. Instruction is year round. Students take one course per month, taught in morning, afternoon, and evening blocks. This system is designed to be most convenient to working adults, who comprise nearly all of their students. The students report satisfaction with advising and instruction and find the one month system to be flexible and congenial to their busy lives.

2. Sarasota Branch Campus of Everglades University

Four members of the SACSCOC Reaffirmation Team visited the Sarasota Campus on March 23, 2015. The Campus is located within a single facility at 6001 Lake Osprey Drive. The University leases the first and third floors of this building while its neighbor Keiser University leases the second floor. Keiser University is located next door to Everglades in an identical building. The two Universities share a common library space located in Keiser's building.

The Everglades facility is clean, well kept, and houses ample classroom space, computer labs, faculty offices, a library, a bookstore and administrative office space. During the visit we met with the Dean of Academics, the campus VP, other administrators, approximately 11 faculty, and a group of 12-15 students.

The students, all older than the traditional age college student, were very supportive of the University administration and faculty, and were very pleased with their educational experience. Students loved their non-traditional majors, the University's calendar that allows them to take one course per month, and the University's commitment to their success. Student support services were well integrated into the student experience. Students spoke appreciatively of their experience with campus support staff, including orientation, library assistance, workshops in academic and career skills, tutoring, and job search support. Conversations with student support staff also suggested that they are actively engaged in ensuring student success.

The Committee interviewed the VP of the Sarasota Campus, the University VP of Academic Affairs and faculty members and found that the Sarasota campus utilizes learning outcomes at the program and course level that are consistent with the outcomes used at the University's main campus.

The faculty were very positive when reflecting on administrative support for their work, the students they work with, and their overall work environment.

Overall, the Committee found the Sarasota Campus as a vibrant and healthy operation.

APPENDIX C

List of Recommendations Cited in the Report of the Reaffirmation Committee

C.S. 3.2.4 (External Influence). Recommendation 1: The Committee recommends that the Everglades University Board (which also functions as the ECI and Keiser University Board) demonstrate that it is free from undue influence from other interests.

C.S. 3.3.1.4 (Institutional effectiveness – research). Recommendation 2: The Committee recommends that the institution develop expected outcomes of faculty research that represent scholarly contribution as stated in mission language, that the institution assesses the extent to which those outcomes are achieved, and that the institution provides evidence of improvement based on analysis of those results.

C.S. 3.3.2 (QEP – institutional capability). Recommendation 3: The Committee recommends that the institution provide additional documentation regarding topic selection, strategies, budget, demonstrating institutional capability for the initiation, implementation, and completion of the QEP.

C.S. 3.7.1 (Faculty Competence). Recommendation 4: The Committee recommends that the institution provide further documentation establishing that the faculty members listed in the attached table possess the proper advanced training or experience--specific to the course being taught--that would establish the qualifications and competency to teach a credit-bearing university course on that subject.

Request for Justifying and Documenting Qualifications of Faculty

Institution: Everglades University On-Site Committee

For each of the faculty members listed below, the committee either found the academic qualification of the faculty member to be inadequate and/or the institution did not adequately justify and document the faculty member's other qualifications to teach the identified course(s). For each case, the committee checked the column appropriate to its findings and provided additional comments if needed to clarify the concern.

The institution is requested to submit additional justification and documentation on the qualifications of each of the faculty member listed. When responding, the institution should use the Commission's "Faculty Roster Form: Qualifications of Full-Time and Part-Time Faculty" and its "Instructions for Reporting the Qualifications of Full-Time and Part-Time Faculty," which can be accessed under the Institutional Resources tab of the Commission website: www.sacscoc.org. Read the instructions carefully and pay close attention to the section "Providing Information that Establishes Qualifications." The completed form, or similar document, should be included as part of the institution's formal response to the Commission.

| 1 | 2 | 3 | 4 | 5 |
|-------------------------|--|------------------------------------|--|----------------------|
| Name of Faculty Member | Course(s) in Question | Inadequate Academic Qualifications | Insufficient Justification of Other Qualifications | Comments (if needed) |
| Apperson, William | ASC 2320 Aviation Law and Regulations AVM 4630 Aviation Labor Relations | | | |
| Audette, Richard | ASC 3211 Aviation Meteorology | | | |
| Donnelly-McLay, Deborah | ASC 3611 Aircraft Engines | | | |
| Grey, Dane | AVM 4630 Aviation Labor Relations | | | |
| Klosky, Lawrence | HSC 1619 Exercise Science and Sports | | | |
| Paluch, Bradley | ASC 2320 Aviation Law and Regulations | | | |

Form Adopted: January 2007