

EVERGLADES

C O L L E G E

June 19, 2001

VIA FEDERAL EXPRESS

Internal Revenue Service
Exempt Organizations
Attn: John Jennewein
Room 4508
550 Main Street, Federal Building
Cincinnati, OH 45202

INTERNAL REVENUE SERVICE
CINCINNATI, OH
JUN 20 2001
RECEIVED
TEGE DIVISION

RE: Everglades College, Inc.
Form 1023, Application for Exemption Pursuant to Code Section 501(c)(3)
IRS Letter dated June 7, 2001

Dear Mr. Jennewein:

The following information is being submitted in support of the Application for Exemption and in response to the Internal Revenue Service letter dated June 7, 2001.

Number references are to references in such letter.

1. There is no purchase agreement between the Keisers and Everglades College with respect to the transfer of the College. This was a charitable contribution of the entire educational facility.
2. There was no payment, either cash or deferred, to the Keisers by Everglades College.
3. The assets and liabilities of Everglades College transferred, in toto, by the Keisers to Everglades College are shown on the balance sheet attached as Exhibit 3.
4. There is no management agreement between Everglades Management, Inc. and Everglades College. There is no fee charged to Everglades College by Everglades Management, Inc.
5. Each school is differentiated by its accrediting agency, its governance board and its separate legal structures.

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1500 N.W. 49th Street • Suite 600 • Ft. Lauderdale, Florida 33309
Telephone: (954) 772-2655 • Fax: (954) 772-2085
www.evergladescollege.edu

Everglades College is accredited by the Accrediting Commission of Career Schools and Colleges of Technology

Keiser College is a private, for-profit junior college offering Associate degrees. It is accredited by the Southern Association of Colleges and Schools.

Keiser Career Institute is a diploma granting institution accredited by the Commission of Occupational Education.

Everglades College is a private, not-for-profit, college offering Baccalaureate and Associate degrees. It is accredited by the Accrediting Commission of Career Schools and Colleges of Technology.

6. There is no loan agreement between Keiser College and Everglades College. There are no loan agreements outstanding with Everglades College. Certain services and materials were provided from time to time for the benefit of Everglades College, which are repaid. These services and materials are provided on open account, without loan agreements, and represent short-term obligations, regularly repaid. For example, Keiser College paid for the development of on-line course development for Everglades College as it had expertise and was doing it for itself. Charges for this service have subsequently been repaid by Everglades College.
7. There are no loan or note agreements between Everglades Management, Inc. and Everglades College. Certain services or supplies have been provided on open account and are repaid from time to time. Examples of such services or materials supplied by Everglades Management, Inc. are legal fees, printing expenses, academic registrations, advertising expenses.
8. All paid faculty and staff members and officers of Keiser College, Keiser Career Institute, Keiser Management, Inc. and Everglades College are employees of Oasis Outsourcing, Inc. No Directors are compensated. The following paid staff members of Keiser College, Keiser Career Institute and Keiser Management, Inc. perform services for Everglades College but receive no compensation from Everglades College for such service: Dr. Arthur Keiser, Keiser College President; Carole Fuller, Keiser College Assistant Vice President-Administration; Brian Woods, Keiser College Vice President-Enrollment Management; James Savin, Keiser College Controller; and Dr. Gery Hochanadel, Keiser College Vice President-Academic Affairs. No paid staff members of Everglades perform services for Keiser College, Keiser Career Institute or Keiser Management, Inc.
9. The entire actual newspaper notice published on May 17, 2001 is enclosed.

John Jennewein
Internal Revenue Service
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June 19, 2001

The foregoing is respectfully submitted in support of a request for a favorable determination. Please advise if there are any further questions we may answer or materials we may furnish.

Thank you in advance for your attention to this matter.

Very truly yours,

EVERGLADES COLLEGE, INC.

By:


Susan Ziegelhofer, President


Witness


Witness

Enclosures

Run: 3:42P
03/02/2001EVERGLADES COLLEGE
BALANCE SHEET
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A S S E T S

CURRENT ASSETS:		
CASH		\$67,728.63
ACCOUNTS RECEIVABLE		(47,283.79)
LOANS AND NOTES RECEIVABLE		24,642.82
OTHER CURRENT ASSETS		12,152.16

TOTAL CURRENT ASSETS		\$57,239.82
PROPERTY AND EQUIPMENT:		
PROPERTY AND EQUIPMENT AT COST	\$25,506.92	
ACCUMULATED DEPRECIATION	(10,832.28)	

		\$12,674.64
OTHER ASSETS:		
ORGANIZATIONAL COSTS	\$12,471.80	

		\$12,471.80

TOTAL ASSETS		\$82,386.26

EXHIBIT 3

Run: 3:42P
03/02/2001EVERGLADES COLLEGE
BALANCE SHEET
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LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES		(\$50,951.18)
LOANS PAYABLE		16,208.41
UNEARNED TUITION		57,829.76

TOTAL CURRENT LIABILITIES		\$23,086.99
OTHER LIABILITIES:		

		\$0.00
STOCKHOLDERS' EQUITY:		
COMMON STOCK	51,000.00	
PAID IN CAPITAL	170,000.00	
RETAINED EARNINGS	(99,381.19)	
CURRENT PERIOD PROFIT (LOSS)	(12,319.54)	

		\$59,299.27
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY		

		\$82,386.26

SCHEDULE B

EVERGLADES COLLEGE
 Application for Recognition of Exemption, Section 501(c)(3)
 Part IV Financial Data
 Balance Sheet

<u>Description</u>	<u>8/30/00</u>
<i>(Item 8) Depreciable and depletable assets</i>	
Office Furniture	11,353
Library Equipment	10,618
Computer Equipment	<u>18,564</u>
Less: Accum. Depreciation	<u>(30,135)</u>
Total	<u>10,900</u>

<i>(Item 10) Other assets</i>	
Loan Receivable	1,655
Due from Keiser College	463
Prepaid Expenses	4,345
Accreditation Fees, net	<u>13,606</u>
Total	<u>20,069</u>

<i>(Item 15) Other liabilities</i>	
Sales Tax Payable	134
Income Taxes Payable	5,000
Unearned Tuition	20,748
Due to Everglades Management, Inc.	<u>8,232</u>
Total	<u>34,114</u>

NOTICE OF NON-DISCRIMINATORY POLICY AS TO STUDENTS

Everglades College, Inc. admits students of any race, color, national and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to all students at the school. It does not discriminate on the basis of race, color, national and ethnic origin in administration of its educational policies, admission policies, scholarship and loan programs, and athletic and other school-administered programs.

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