

*The State of the Sector*

# Nonprofit Organizations

in

# Alachua County, Florida

KBT & Associates  
Jacksonville, Florida  
September 2012

# Introduction

In the heart of North Central Florida, Alachua County is a largely rural county of abundant natural beauty anchored by the City of Gainesville, home of the University of Florida. Though it is neither a place of great wealth nor great size, it can boast of a robust and well-rounded community of nonprofits that play an important role in the region's social and economic life.

While many factors may contribute to the unique character of Alachua County's nonprofit sector, two stand out.

As home to the University of Florida, Alachua County has become home to dozens of nonprofit entities that are directly and indirectly related to the University, from alumni associations to booster clubs, foundations to auxiliaries, faculty groups to research associations. In fact, at least 13% of all Alachua County nonprofits are connected to the University in some way.

In addition, the University undoubtedly influences the presence of other nonprofits, particularly professional associations that locate in Gainesville because of proximity to the University. Compared with other communities studied, Alachua County has an unusually high proportion of nonprofits that work in the field of adult/professional education and associations.

Alachua County's nonprofit sector is also influenced by the county's geography. The City of Gainesville is the largest municipality in the long arc of Florida between Orlando and Tallahassee and serves as a regional hub, just off of Interstate 75. Many nonprofits serving the surrounding rural areas are located in Alachua County. At least two dozen of Alachua County's nonprofits are organizations that serve an area considerably broader than Alachua County.

For the residents of Alachua County, this robust nonprofit sector brings multiple benefits.

The nonprofits in the sector provide an array of services that improve the quality of life for all of the county's citizens, either directly or indirectly. Organizations that help the needy, improve education and nurture a vibrant arts community create lasting benefits that make Alachua County a more desirable place to live, work and raise families.

These nonprofits also have a significant economic impact, providing the equivalent of 20% of all jobs in the county and generating an annual payroll in excess of \$1 billion. They also provide meaningful activities for roughly 26,000 volunteers, whose contributed labor has an estimated value of almost \$10 million a year.

Alachua County's nonprofits face their share of challenges -- particularly financial challenges in the wake of the Great Recession. In that regard, they are like their brethren in most other communities. But the strong presence of the University is likely to be a stabilizing force over the long-term, helping Alachua's nonprofit sector to weather challenging times and continue to be a force in the community.

# Key Facts & Findings

## ***Alachua County's Nonprofits***

<i>Number of Nonprofits (present in any year 2008-2010)</i>	340
<i>Number of Nonprofits 2010</i>	305
<i>Total Nonprofit Revenues 2010</i>	\$2.8 billion
<i>Change in Value of Nonprofit Assets 2008-2010</i>	-12%
<i>% Operating in the Red 2010 (expenses in excess of revenues)</i>	43%
<i>Number of Nonprofit Employees 2010</i>	23,458
<i>Annual Nonprofit Payroll 2010</i>	\$1.1 billion
<i>Number of Nonprofit Volunteers 2010</i>	26,236

## ***Alachua County***

<i>Population 2010</i>	247,336
<i>Population Change, 2000-2010</i>	+13%
<i>College Student Population<sup>1</sup> (2010 est.)</i>	50,000-55,000
<i>Change in population 65 and older, 2000-2010</i>	+ 31%
<i>Median Household Income 2010</i>	\$40,644
<i>Unemployment Rate (December 2010)</i>	7.9%
<i>Individuals Living Below Poverty Level 2010</i>	23.6% <sup>2</sup>

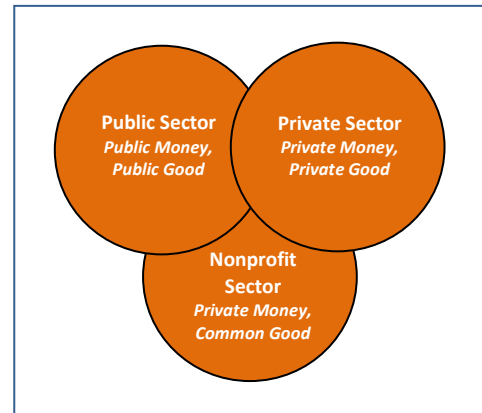
Sources: Internal Revenue Service; U.S. Census

# How Do We Know What We Know?

In communities across the United States, civic life is viewed in terms of three sectors – the public sector (government), the private sector (for-profit entities) and the nonprofit sector. Each sector relies on a unique set of resources deployed for different purposes.

The nonprofit sector includes many different types of organizations and entities:

- Public Charities -- the most widely recognized type of nonprofit, these often are referred to by their IRS classification -- 501(c)(3) organizations. Typically, contributions to these organizations are tax-deductible for the donor.
- Private Grantmaking Foundations and Family Foundations -- these are private philanthropies that do not raise funds from the public; they are funded by a single donor or family of donors.
- Churches, synagogues, mosques and other organized communities of faith.



Each of these entities follows specific rules set by the Internal Revenue Service, which determines its tax-exempt status as well as the deductibility of its contributions.

**In this study, we examine only those public charities classified as 501(c)(3) by the IRS.** These are the service-providing workhorses of the community, and those for whom the most data is available on a regular basis.

This study does not include private or family foundations, which file a unique set of reports with the IRS.

It also does not include churches, synagogues, mosques and other organized communities of faith. These entities are not required to file informational tax returns with the IRS, thus there is no data available. In addition, some nonprofits legally position themselves under the umbrella of a church or synagogue – for example, a private grade school operated by a church -- and thus avoid filing requirements.

**Virtually everything reported about nonprofits in this study is based on what Alachua County nonprofit organizations report about themselves.**

Public charity nonprofit organizations are required to file an informational tax return -- Form 990 -- annually with the IRS.<sup>3</sup> (Organizations that fail to file for three years may have their tax-exempt status revoked.) For this study, we reviewed every tax return filed by 501(c)(3) organizations based in Alachua County that had revenues of at least \$25,000 in any year during the study period (2008-2011).

Because organizations operate on different fiscal years and file their tax returns at varying times during the year, the number of identifiable nonprofits changes from day to day. The tax returns for this

study were pulled in August 2012 and reflect the Alachua County-based nonprofits that had filed tax returns with the IRS as of that time.

Tax returns are accessed through Guidestar, which is the recognized public repository for nonprofit tax returns and data.

## Acknowledgments

This study was made possible through the generous support of the Nonprofit Center of North Central Florida.

The report was produced by KBT & Associates, Jacksonville, Florida, with analysis by Mary Kress Littlepage. The data was assembled by the Department of Social Science, Jacksonville University, Jacksonville, Florida, under the direction of Dr. Raymond K. Oldakowski.

# Alachua County's Nonprofits

On the north side of NW 34th Street in Gainesville sits Gator Tales Restaurant and Sports Bar. Across the street sits the North Central Florida YMCA. Two businesses, each of which employs people and provides services to the community, and each of which must generate enough income to cover its expenses if it hopes to stay in business.

The two businesses are different, however, and the difference has nothing to do with whether or not they "make a profit."

Gator Tales is a for-profit business. It has to make enough money to cover its expenses today and anticipate future needs. It is owned by individuals -- either owner-operators or investors -- who hope to experience "private inurement," a fancy way of saying "make money on their investment."

The North Central Florida YMCA, however, is a nonprofit organization. It also has to make enough money to cover its expenses and anticipate future needs. But it has no owner-operator or investors looking for "private inurement." In fact, private inurement is expressly prohibited under the tax exemption it was granted by the Internal Revenue Service.

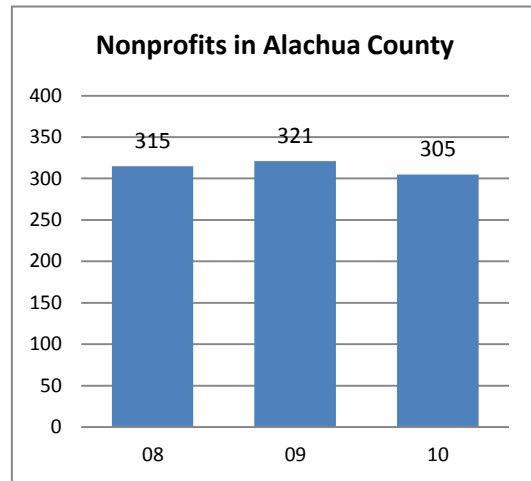
The North Central Florida YMCA -- like all nonprofits -- is "owned" by the community. The community invests in it through contributions, grants, fees for service and government support (either through direct contributions, contracts for services or other means). And the community is the primary beneficiary of its success -- or victim should it fail.

For that reason, the affairs of nonprofit organizations are generally public, so the community investors can watch their investments. And for that same reason, it behooves communities to periodically take stock of their portfolio of nonprofit organizations.

That is the purpose behind reports such as this, *The State of the Sector: Nonprofit Organizations in Alachua County, Florida*.

# The Size of the Sector

Slightly more than 300 nonprofit organizations are based in Alachua County, according to IRS filings from 2008-2010. The number fluctuates slightly from year to year as organizations come and go, but in Alachua County, as in many other communities, there has been relatively little new nonprofit formation since the start of the Great Recession.<sup>4</sup>



This data, absent any context, means little. At 300+ nonprofits, does Alachua County have enough nonprofits? Too many? Too few?

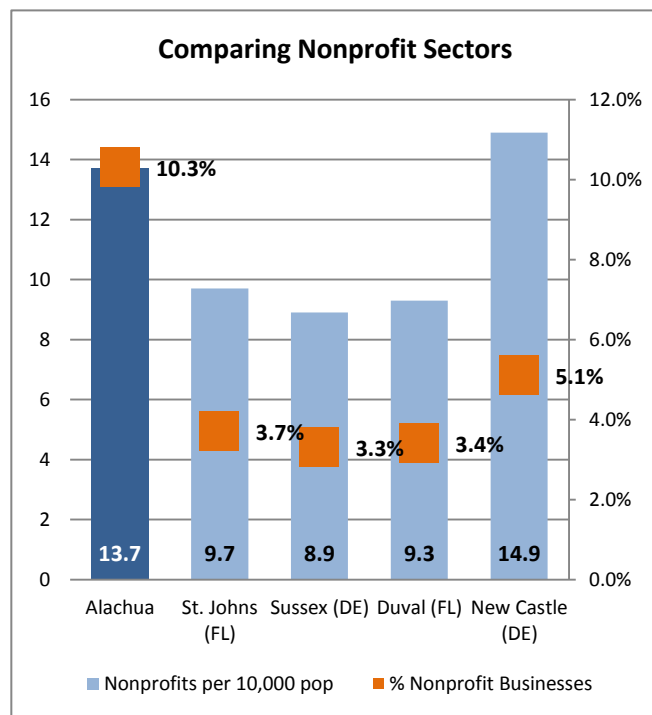
There is no "national standard" for nonprofit sector size. But similar research conducted recently in Northeast Florida and the state of Delaware provides some perspective.

There are two ways to gauge the relative size of nonprofit sectors across communities of varying sizes:

The number of nonprofits per capita,

The proportion of all business establishments in a community<sup>5</sup> that are nonprofits.

Alachua County is similar in size (population) to St. Johns County, Florida and Sussex County, Delaware, yet it has more nonprofits per capita than either county, and its nonprofit sector represents a larger proportion of overall businesses in the county. Alachua County's sector also is larger, by these two measures, than the sector in Duval County (Jacksonville), Florida, a much larger, urban county. It is somewhat comparable to the sector in New Castle County (Wilmington), Delaware, also a large, urban county.



What are the reasons behind the size of Alachua County's nonprofit sector?

The presence of the University of Florida has a significant impact on the county's nonprofit sector. At least 40 Alachua-based nonprofits -- 13% of the sector -- have connections to the University. Among these are large nonprofits such as:

- The University of Florida Foundation;
- University Athletic Association;
- Gator Boosters, Inc.;
- University of Florida Research Foundation;
- Faculty Associates, Inc.;

as well as a host of alumni associations and smaller entities.

Beyond that, the University's presence appears to have attracted other nonprofits, particularly professional associations. Alachua County has an unusually high proportion of nonprofits that work in the field of adult/professional education and associations -- 7.5% of the county's sector. In other communities, typically less than 5% of the sector works in this field. Examples of Alachua-based organizations in this field include:

- Anesthesiology Alumni Association of Florida;
- Eastern States Veterinary Association;
- Extension Professional Association of Florida;
- Florida Society of Neurology;
- International Veterinary Forensic Science Association;
- National Center for Construction Education Research.

In addition, Alachua County's geographic location likely influences the size of the sector. The City of Gainesville is the largest municipality in the long arc of rural Florida between Orlando and Tallahassee and serves as a regional hub, just off of Interstate 75. Many nonprofits serving the state or the surrounding rural areas are located in Alachua County. At least two dozen of Alachua County's nonprofits are organizations that serve an area considerably broader than Alachua County. Among these are:

- Consortium of Florida Education Foundations;
- Florida High School Athletic Association;
- Florida Association of Rural EMS Providers;
- Florida Rural Health Association;
- Suwannee River Area Health Education Center;
- Mid-Florida Area Agency on Aging.

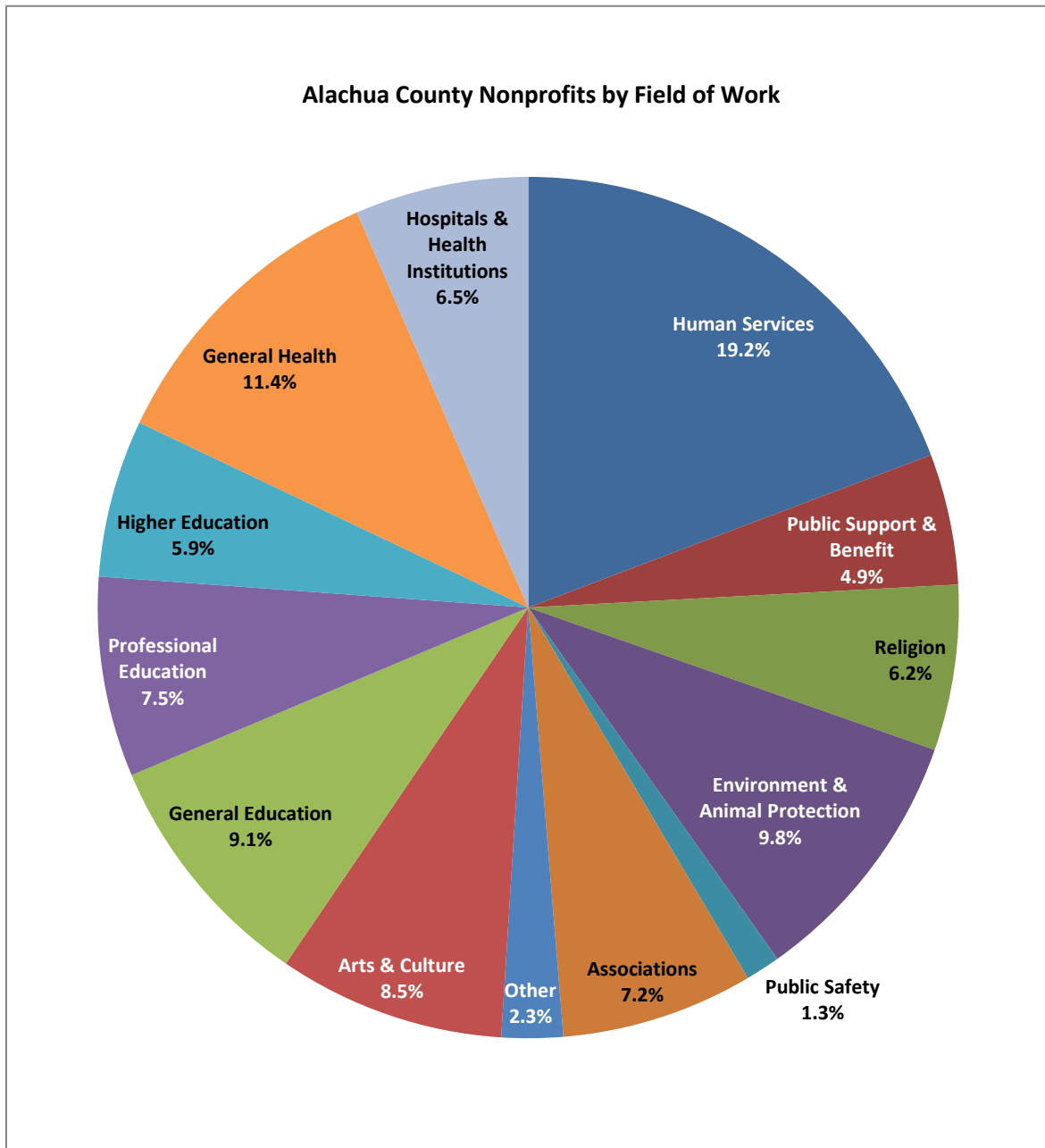
This is not to suggest, however, that Alachua County's nonprofit sector is not focused on Alachua County. In fact, an examination of the work of the county's nonprofits reveals that the sector is well-rounded and comparatively well-positioned to meet community needs.



# The Missions of Alachua's Nonprofits

Nonprofits provide an array of services and resources for a community -- from dance training to food pantries to animal shelters. And while we often think of nonprofits as small, community-based organizations, many are large regional or national institutions -- such as hospitals, nursing homes, colleges and universities.

To better understand the character of a community's nonprofit sector, we classify its organizations by the field in which they work. That distribution is shown in the chart below. (To learn more about the fields and the way in which organizations are classified, see Methodology.)



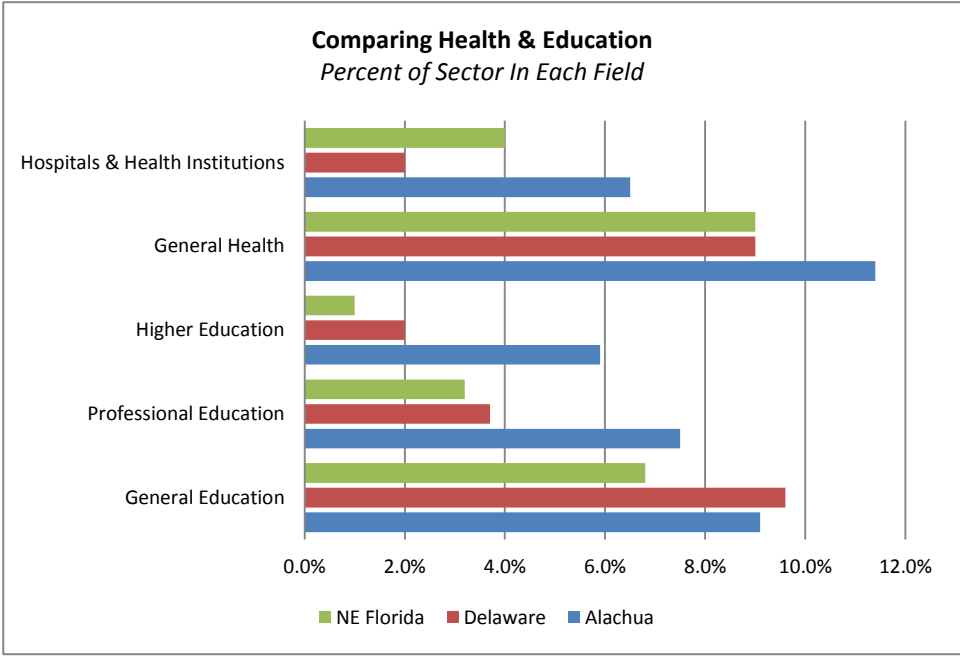
# Human Services, Health and Education

More than half of the nonprofits in Alachua County are focused on the broad arena of health, education and human services.

Of the 305 Alachua County nonprofits active in 2010, the largest group -- 19% -- works in the field of human services, providing an array of services and resources to children, seniors and adults. Human service work is at the heart of the nonprofit sector nationwide. In virtually every community, the largest number of nonprofits works in this field.

General education (birth-12), higher education (degree-granting institutions), and professional education (non-degree granting professional education and associations) comprise almost one-quarter of the sector. Alachua County has a much higher percentage (6%) of nonprofits working in higher education than many other communities, where higher education accounts for less than 2% of nonprofits. This is largely related to the presence of the University of Florida but other institutions also play a role. Santa Fe College, for instance, while a public institution, has at least one large supporting nonprofit, the Santa Fe College Foundation. Also, as noted previously, the county has an outsized number of nonprofits working in professional education -- 7.5% compared with less than 5% in other communities.

Similarly, Alachua County has a higher than average proportion of nonprofits that are hospitals or large health institutions such as skilled nursing homes and hospice -- 6.5%. Even in Duval County, where there are a large number of nonprofit hospitals, fewer than 5% of nonprofits work in this field. Alachua's share of nonprofits that work in the field of general health -- 11% -- is more comparable to that in other communities.



## Environment and Arts & Culture

At 10% of the sector, environmental and animal protection organizations comprise a greater share of the sector in Alachua County than in many other areas, where this field comprises from 5-7% of nonprofits.

In Alachua County, this field includes local organizations, such as the Alachua County Humane Society and the Alachua Conservation Trust, as well as state organizations, such as Florida Defenders of the Environment, Florida Greenways and Trails Foundation and the Horse Protection Association of Florida.

Conversely, arts & culture organizations make up a slightly smaller proportion (8.5%) of the sector that in other communities, where arts & culture organizations comprise from 10% - 13% of the sector.

## A Well-Rounded Sector

These variations notwithstanding, Alachua County appears to have a well-rounded sector, capable of providing a variety of services and resources to the community. Looking at the cadre of organizations focused on Alachua County, we find:

**Arts & Culture:** There are theatres, dance and music organizations, libraries, historic preservation efforts, as well as festivals and organizations celebrating ethnicity.

**General Education:** There is a public education foundation, an early learning coalition, and array of pre-schools and private K-12 schools.

**General Health – Healthy Start** is present, as is a blood bank, a health planning council, Planned Parenthood, Ronald McDonald House, a therapeutic riding program, services for veterans, the developmentally disabled and the mentally ill, organizations helping those with addiction and dependency, and clinics for low-income residents.

**Human Services:** The county has food banks, a community action agency, non-medical services for veterans, a YMCA, an ARC, help and housing for the homeless, those transitioning to self-sufficiency and low-income residents, legal services, United Way, numerous youth development organizations and numerous organizations that meet the needs of seniors.

**Public Support & Benefit:** Gainesville has its own community foundation, though small, a Junior League, Jewish Council, Rotary Club, Blue Key and other community support organizations.

**Religion:** Typical of communities in the South, Alachua County has a variety of evangelistic and spiritual organizations, primarily, but not exclusively, Christian. These are not churches, per se, but religion-focused organizations.

**Environment & Animal Protection:** Alachua has a wealth of organizations focused on local as well as state initiatives and concerns.

**Public Safety:** There is a smattering of volunteer fire departments, reflecting rural areas where municipal protection is not readily available.

Associations: There is a fistful of PTA chapters, several booster clubs and numerous recreational sporting organizations, from rowing and soccer to youth rodeo, aquatics, archery and cave diving, in addition to the traditional Little League and Pop Warner chapters.

In short, Alachua County has a solid base of nonprofits with which to work.

## Nonprofit Financial Health & Stability

Nonprofit finances are often misunderstood. Many people think that "nonprofits," by definition, should not make a profit. Others think that dollars spent on anything other than delivery of services are misguided.

In fact, nonprofits are businesses that must have sustainable operations, just as for-profit businesses must. They must take in more money than they spend. They require intelligent and capable leadership. To operate effectively and efficiently they need up-to-date technology, safe and functional workspaces, and staff or volunteers who are well-trained and knowledgeable. And they are wise to maintain financial reserves (savings) that can provide a cushion, enabling the organization to meet future needs as well as continue operations in the event of unforeseen difficulties,

It also is important to understand nonprofit capacity. Any nonprofit's ability to deliver services and meet community need is defined by its capacity – the human and financial resources available to the organization to support its mission.

To gain perspective, we look at how nonprofit wealth is distributed within a community, how nonprofits are financed, and the degree to which that community's nonprofits are financially healthy.

### Nonprofit Wealth and Its Distribution

In 2010, the 305 nonprofits in Alachua County:

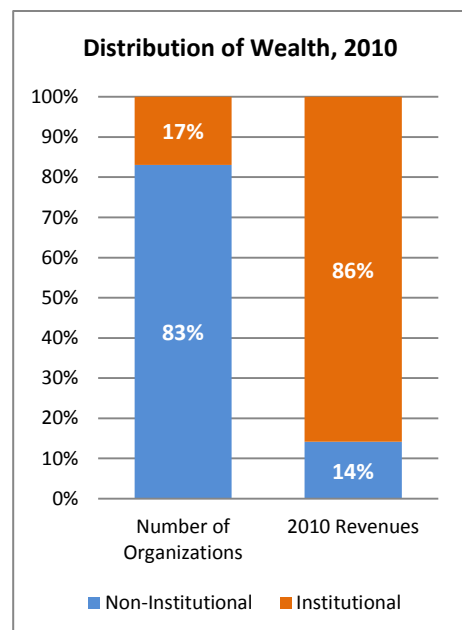
- Generated \$2.84 billion in revenue;
- Had \$2.86 billion in expenditures;
- And reported holding \$2.5 billion in assets.

But this wealth was not distributed equally among the 305 organizations that make up the sector.

Eighty-six percent of the revenues -- \$2.4 billion -- went to 17% (52) of the 305 nonprofits -- the large institutional nonprofits such as hospitals, nursing homes, hospice, colleges and universities.

The remaining 255 non-institutional organizations shared the remaining \$402 million in revenues.

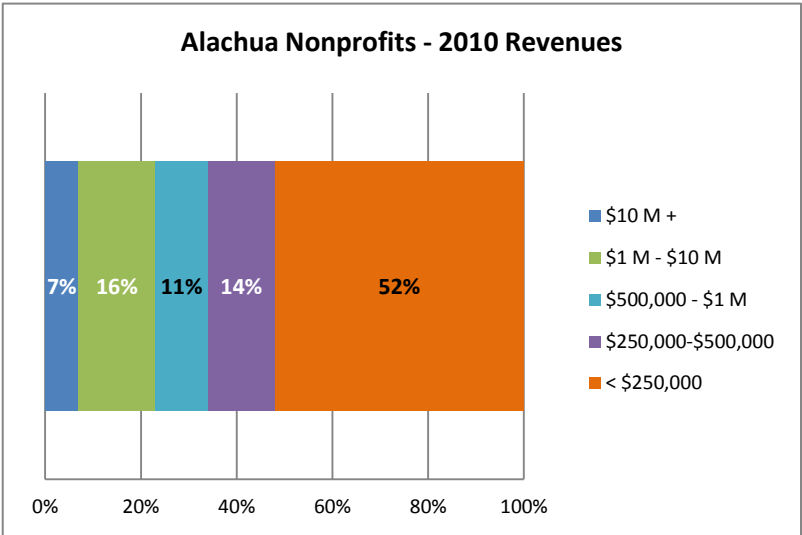
This situation is not unique to Alachua County, nor is it untoward. It reflects the robust fundraising capacity



of these large institutional nonprofits, the financial structures that enable them to draw down large amounts of government revenue -- i.e. Medicare and Medicaid reimbursements and Pell grant funds -- and their ability to generate significant fees for services, such as tuitions and private insurance reimbursements.

The financial brawn of these institutions, however, can distort the aggregate data for the sector and lead to assumptions that all nonprofits are generously funded.

In fact, in Alachua County, the median nonprofit in 2010 had revenues of \$210,000, and less than \$500,000 in assets.



### How Nonprofits Are Financed

Many think that nonprofits are financed largely by contributions from individuals and charitable foundations. In fact, nonprofits receive revenue from four primary sources:

- Contributions and gifts from individuals, foundations and federated giving campaigns (such as United Way);
- Government contracts and grants;
- Program service revenue -- that is, the fees and reimbursements for delivery of services;
- Other revenues, such as income from investments, rent of unused office space, program ad sales, etc.

The mix of revenue streams can vary widely, depending on the mission and business model of the nonprofit.

The charts on the following page indicate the revenue mix for Alachua County's arts & culture nonprofits, general health (not hospitals) nonprofits and human services nonprofits. In each case, contributions make up less than half of the revenue.

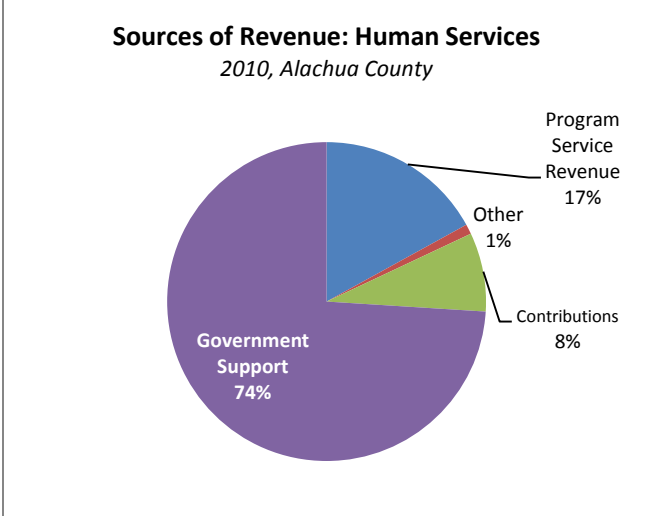
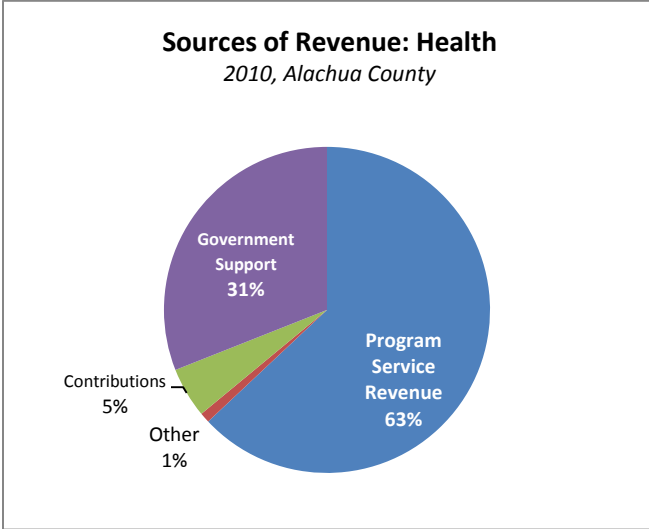
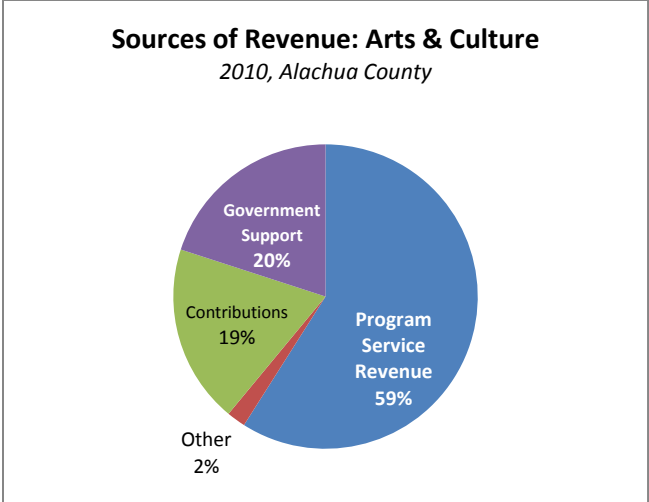
Arts & culture organizations typically have a high level of program service revenue. These organizations are the most likely to charge fees (museum memberships, admission fees to performances, lesson fees and the like). While government support for these programs is not uncommon, it tends to be in smaller dollar amounts.

Health organizations also rely heavily on program service revenue, though often this comes in the form of reimbursement for services from insurance companies or government programs such as Medicaid and Medicare. Nonprofits report these government reimbursements in varying ways -- some list them as program service revenue, others as government funding.<sup>6</sup> Regardless, it is clear that government support plays a larger role in the revenue mix of health organizations than arts & culture organizations.

Human service organizations are less likely than either health or arts & culture organizations to charge fees for services. Food pantries, homeless shelters, juvenile delinquency programs and the like typically accept clients regardless of ability to pay. Government funding is a critical part of the revenue mix for these organizations.

In considering nonprofit funding streams, it is helpful to remember the giving tendencies of individual donors. According to Giving USA,

individuals favor giving to religion and education. Human services, health and arts & culture rank 3<sup>rd</sup>, 4<sup>th</sup> and 6<sup>th</sup>, respectively, in priority among all U.S. donors.



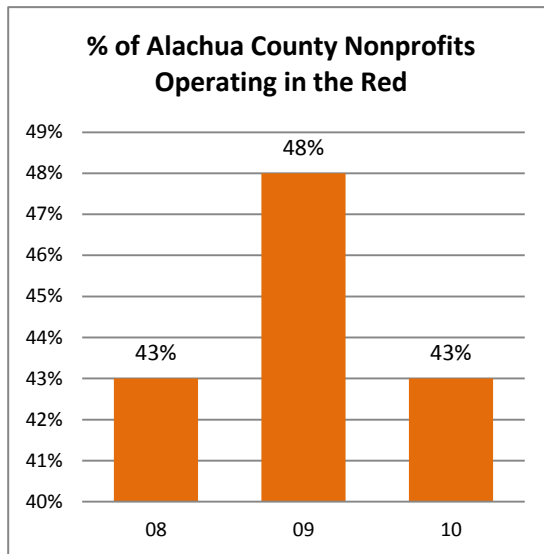
## Nonprofit Financial Health

Like all businesses, nonprofits must generate enough revenue to cover their expenses in order to remain in operation over time. Unlike many for-profit businesses, however, nonprofits tend to live close to the bone. Up until 2008, our research suggested that in any given year, one out of every three nonprofits would operate in the red -- that is, have revenues less than expenses.

Since 2008, however, the percentage of nonprofits operating in the red has trended even higher -- approaching 50% in some communities during 2009.

The trends in Alachua County are similar.

As the recession deepened in 2009, 48% of Alachua County nonprofits reported expenses in excess of revenues. By 2010, that percentage had dropped to 43% and preliminary data suggests 2011 reports may come in with about 40% of nonprofits in the red.



## Financial Challenges

The recession challenged nonprofits on multiple fronts.

For many, particularly those working in human services, the recession caused an increase in demand for services. Unlike the for-profit world, the nonprofit world often suffers from increased demand, as it results in escalation of expenses without a corresponding increase in income.

The recession also impacted those who support nonprofits -- individual donors, who saw incomes shrink and investments dwindle in value, and foundations, which saw their endowments plunge in value, reducing their resources for charitable giving.

Compounding this was the stress on government -- local, state and federal -- which found itself with fewer dollars to support the social safety net and an array of community-based programs that enhance our quality of life.

Between 2008 and 2010, Alachua County nonprofits saw their aggregate revenues increase 2%, their aggregate expenses increase 8% and their aggregate assets decline 12%.

The slow recovery coupled with fundamental economic changes do not suggest a quick return to an era of plenty. Limited government funding likely will be the norm for years to come. And individual giving may continue to be soft as long as unemployment remains high and investment returns remain modest.

Thus nonprofits will continue to face challenges in finding the right mix of revenues and the balanced business model to enable them to continue to provide services and resources in their communities.

# Nonprofit Employment & Voluntarism

In recent years, the IRS has asked nonprofit organizations to report the number of individuals they employed and the number of volunteers who provided services during the year. As with many aspects of nonprofit reporting, compliance with this request has been inconsistent. In 2010, slightly more than half of Alachua County's 305 nonprofits responded to these questions on Form 990.

Those nonprofits that responded reported that they employed 23,458 individuals in 2010. The organizations also reported that they benefitted from the services of 26,336 volunteers.

## Nonprofit Employees

Based on its workforce alone, the nonprofit sector had a significant impact on Alachua County's economy in 2010.

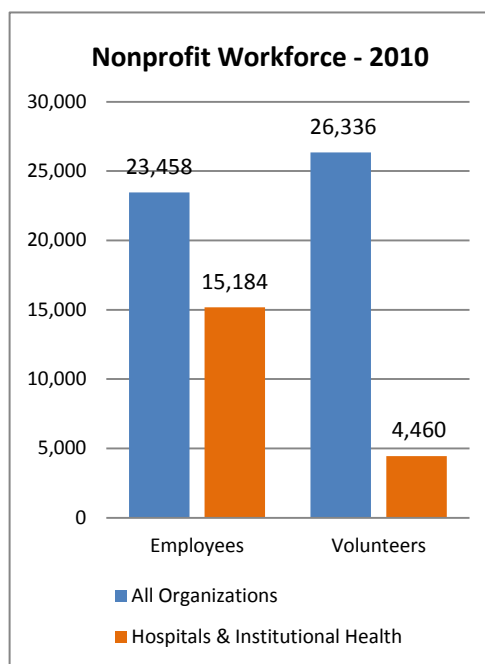
According to the U.S. Census, 116,528 residents of Alachua County were employed in 2010. The 23,458 individuals reported employed by the county's nonprofits amounts to 20% of that total.<sup>7</sup>

(Nationally, nonprofits employ about 10% of all workers, according to the Johns Hopkins Nonprofit Economic Data Project, making the nonprofit industry the third largest in the U.S., behind manufacturing and retail trade.)

The total nonprofit employee payroll in Alachua County in 2010 was \$1.1 billion.

Dominating the county's nonprofit workforce were those working in hospitals and major health institutions -- 65% of nonprofit employees worked at this field. And employees in this field had the highest average wage -- \$56,340 -- compared with a countywide average wage of \$45,521 for all nonprofit sector employees.

No other field employed a comparable number of employees and only one other field -- Associations (PTAs, booster clubs and recreational sports organizations) -- had a comparable average wage.





### Alachua County Nonprofit Employees & Volunteers by Field

Field	Number of Employees	Average Wage	Number of Volunteers
Arts & Culture	88	\$15,598	4,335
General & Professional Education	1,184	\$23,807	1,343
Higher Education	1,789	\$36,091	1,514
General Health	2,025	\$26,725	2,499
Hospitals and Health Institutions	15,184	\$56,340	4,460
Human Services	2,766	\$31,584	7,708
Public Support & Benefit	23	\$22,608	835
Religion	139	\$7,952	87
Environment & Animal Protection	213	\$18,363	2,311
Public Safety	38	\$9,486	34
Associations	7	\$55,987	1,130
Other	2	\$39,026	88
<b>Total</b>	<b>23,458</b>	<b>\$45,521</b>	<b>26,344</b>

## Nonprofit Volunteers

In addition to employees, the nonprofit sector relies heavily on the assistance of volunteers. Alachua County nonprofits reported that in 2010 they benefitted from the work of more than 26,000 volunteers. Among the heaviest users of volunteers were the Hippodrome State Theater, Alachua Habitat for Humanity and Shands Teaching Hospital and Clinics.

For volunteers, it is possible to estimate the value of the time contributed.

According to Independent Sector, an hour of volunteer time in Florida is valued at \$18.66.

Volunteering in America reports that the average Florida volunteer contributes 31.5 hours per year. This calculation does not distinguish where the volunteer contributes his or her time, and it can be assumed that a good portion -- a third or more of those hours (based on national giving trends) -- are volunteered in churches and faith communities, which are not included in this review of the nonprofit sector.

If we estimate that the average volunteer contributes 20 hours per year to secular nonprofit work, then the value of the volunteers working for those organizations that reported in 2010 would be \$9.9 million.

# Conclusions

Alachua County can be justifiably proud of its nonprofit sector. Robust and diverse, it contributes immeasurably to the quality of life in the community and is a strong part of the local economy as well.

The strong influence of the university community on the sector is also a positive. University-affiliated organizations tend to be large and more financially stable – with only about 1/3 operating in the red in 2010 compared with 43% for the sector as a whole. They can provide a stabilizing effect, and their size provides capacity that, in many cases, can relieve the burden on small organizations. Imagine the health care industry in Alachua County without the University-affiliated resources.

The financial challenges confronting nonprofits today will not be easily or quickly resolved. Given the important roles nonprofits play in our communities, it is incumbent upon nonprofit advocates to:

- Insure that policymakers are well-informed about the sector, how it is funded, and the contributions it makes to the community.
- Help nonprofit leaders fully understand the financial challenges of today's marketplace.
- Assist nonprofit leaders as they wrestle to find healthy funding streams and business models that are sustainable.
- Provide opportunities for funders and nonprofits to learn about one another outside of the grantmaking process. Helping funders to learn about community needs and those who are providing solutions; and helping nonprofits learn about the organizations that are investing in the community, can lead to unexpected and beneficial collaborations.
- Encourage nonprofits to make their voices heard, to tell their stories, share their successes, be transparent about their difficulties, all as a means of heightening the public's awareness of the important work that they do.

The community is fortunate to have the leadership of the Nonprofit Center of North Central Florida. It can provide the vision and the leadership to help Alachua County's nonprofit sector weather tough times and continue to contribute to a vibrant community.

# Methodology

Analysis is based on the universe of 501 (c)(3) organizations based in Alachua County with revenues in excess of \$25,000 that filed a Form 990 (or 990-EZ) informational tax return with the Internal Revenue Service during any year in the study period (2008-2011). The database of information is assembled by Jacksonville University researchers based on copies of tax returns provided by Guidestar.

**LIMITATIONS:** The snapshot of organizations was taken during August 2012. Organizations file tax returns at varying times during the year. Identical searches conducted at different points during the year will yield differing results as additional organizations file their returns.

**CLASSIFICATIONS:** Nonprofits are grouped into broad categories according to their mission. Classification is determined by review of the organization's mission statement, its statement of activities on Form 990, its website (if available) and its official classification under the National Taxonomy of Exempt Entities. The Taxonomy used for this report follows the NTEE classifications closely, but with some modifications to better reflect the unique character of local nonprofits.

Field	Description
ARTS & CULTURE	Arts, arts education, cultural heritage & ethnic awareness, history, historical preservation, genealogy, literature, media & communications, museums & curated exhibits, performing arts, visual arts; community libraries.
GENERAL EDUCATION	Pre-schools through high school (including day care); non-degreed adult education & professional training programs, including trade programs.
HIGHER EDUCATION	Post-secondary degree-granting institutions.
GENERAL HEALTH	All health care, including ambulatory primary care facilities, Wish organizations, mental health services, disease specific programs, organizations that advocate for health/mental health issues, AA and addiction recovery; excludes hospitals, hospice and skilled nursing homes.
HOSPITALS & INSTITUTIONAL HEALTH	In-patient hospitals and health facilities; nursing homes providing skilled nursing care; hospice.
HUMAN SERVICES	General human services for adults, children, youth and seniors, including housing.
PUBLIC SUPPORT & BENEFIT	Organizations providing public support to the sector (excluding private grantmaking foundations), intermediary organizations, volunteer and leadership development, community and economic development.
RELIGION	Religion-focused organizations where ministry, evangelism and religious education are the primary objective.
ENVIRONMENT & ANIMAL PROTECTION	Environmental protection, conservation, land use, climate change, energy conservation; animal care and protection; zoos.
PUBLIC SAFETY	Volunteer rescue squads, fire departments, disaster preparedness organizations.
ASSOCIATIONS	PTAs, youth and recreational sports organizations, booster clubs.
OTHER	Organizations primarily providing services abroad; quasi-governmental entities; miscellaneous.

# Endnotes

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<sup>1</sup> The 2010 U.S. Census counts students attending a college or university (such as the University of Florida) as residing in the community in which the school is located, stating that "people should be counted where they live and sleep most of the year." Thus, Alachua County's population reflects large numbers of university students.

<sup>2</sup> Alachua County is one of 14 counties in Florida with a 2010 poverty rate greater than 20%, according to the U.S. Census.

<sup>3</sup> Prior to 2006, only organizations with revenues in excess of \$25,000 were required to file a form 990. Today the IRS requires all exempt organizations except churches and those covered by group rulings to file; small organizations (those with incomes of \$50,000 or less) may file a 990 "postcard" rather than a more detailed return. The Pension Protection Act of 2006 required the IRS to revoke the exempt status of any nonprofit that failed to file a Form 990, or its equivalent, for three consecutive years. The first round of "automatic" revocations were announced in June 2011.

<sup>4</sup> This study also pulled data on filings for 2011. However, due to the lag in filings by organizations and processing by the IRS, data for the most recent tax year typically is thin. As of August 2012, 2011 tax returns were available for only 108 Alachua County nonprofits – a sample too small to draw meaningful conclusions. Experience has shown that it takes about 18 months before a full year's complement of filings for a geographic area is available.

<sup>5</sup> Based on 2010 U.S. Census data.

<sup>6</sup> For this study, Medicaid and Medicare reimbursements, where specified, were counted as government revenue.

<sup>7</sup> Neither data set – the U.S. Census nor the Form 990 – provides information on the geographic location of the jobs. The Census reports the number of Alachua County residents employed, whether they work in Alachua County or elsewhere. The 990 reports the number of individuals employed by the organization, whether they work or reside in Alachua County or elsewhere.