

BOARD OF REVIEW

Champaign County
Illinois

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NOTES ON EXEMPT APPLICATIONS

Parcel # 91-21-08-304-018
Parcel # 91-21-08-308-021
Parcel # 91-21-08-307-005
Parcel # 91-21-08-309-005
Parcel # 91-21-08-310-001

The Champaign County Board of Review recommends that the Illinois Department of Revenue deny exempt status on the above referenced parcels. Our recommendation is based on the Illinois Constitution, the Illinois Property Tax Code and existing Illinois case law.

I. Background: The Board of Review's Legal Jurisdiction and Its Role In Reviewing Applications for Property Tax Exemption

The Illinois Property Tax Code defines the role of a local Board of Review when reviewing an Application for Property Tax Exemption. Any person or organization wishing to claim exemption from property tax "shall file an application with the county board of review." It further states that the board of review "shall make and forward to the Department (of Revenue), a full and complete statement of all the facts in the case."

The Board of Review gathered information from a variety of sources when reviewing the subject applications. In an attempt to conduct a thorough review, and following well established practices and procedures for gathering "all the facts," the Board of Review requested the Applicant provide additional information considered most pertinent to the issues at hand. The Applicant refused. However, the Board of Review believes the subject matter and content of that request is relevant and warrants further scrutiny.

A local township assessor has lawfully assigned values to the above referenced parcels. The obligation and the burden of proof now rests with the Applicant to establish that these parcels are, in fact, in exempt ownership and exempt use as required by law.

II. Summary Profile of the Applicant/The Carle Foundation

The Applicant, Carle Foundation ("Foundation"), serves as the "sole member" and elects all of the trustees of, and thereby controls, the following affiliates ("Affiliates"): (See Exhibit A, Page 7)

1. The Carle Foundation Hospital (“Hospital”). The Hospital also operates:
 - a. Carle Rx Express (multiple outlets)
 - b. Carle Medical Supply
 - c. Carle Surgicenters
 - d. Recovery Centers
2. The Carle Development Foundation (“Development”) which is also the sole owner of Carle Community Health Corporation (“Community Health”)
3. The Carle Arbours Inc. (“Arbours”)
4. Carle Health Care Incorporated (“Health Care”)
5. Carle Retirement Centers, Inc. (“Windsor”)
6. In addition, the Foundation is the sole stockholder of Health Systems Insurance, Limited, an off shore insurance company.

In addition, the Applicant controls, in whole or in part, the following entities:

Danville Joint Venture, LLC
Poolside Health & Wellness, LLC
Carle Foundation Physician Services, LLC
Certified Home Health Agency
Carle Research Products, Inc.
Carle Risk Management Company
The Carle Health Insurance Management Company
Carle Management Services Corporation
Certified Hospice
Ambulatory Surgery Centers
Outpatient Surgical Recovery Centers

The Board of Review believes that the relationship between the Foundation, the Hospital and Carle Clinic Association (“Clinic”), a for-profit entity, should also be scrutinized. This relationship has existed for many years, including 2004.

III. Applicable Illinois Law Pursuant to Tax Exempt Status

Constitution of the State of Illinois

Article 9, Section 6 of the Constitution of the State of Illinois states that a property may be exempt from taxation if it is used *exclusively* for charitable purposes.

Illinois Property Tax Code

Section 15-65 of the Illinois Property Tax Code states that a property is exempt when “actually and *exclusively* used for charitable or beneficent purposes, and not leased or otherwise used with a view to profit.”

Illinois Case Law

1. When considering tax exempt status, the interpretation of the law is to be construed in favor of taxation and against the Applicant claiming exempt status.

In 2001, Illinois Department of Revenue Administrative Law Judge George H. Nafziger presided over the administrative hearing of Eden Retirement Center, Inc. v. The Illinois Department of Revenue. Judge Nafziger wrote:

“It is well settled in Illinois that when a statute purports to grant an exemption from taxation, the fundamental rule of construction is that a tax exemption provision is to be construed strictly against the one who asserts the claim of exemption. International College of Surgeons v. Brenza, 8 Ill.2d 141 (1956); Milward v. Paschen, 16 Ill.2d 302 (1959); and Cook County Collector v. National College of Education, 41 Ill.App.3d 633 (1st Dist. 1976).”

“Whenever doubt arises, it is to be resolved against exemption, and in favor of taxation. People ex rel. Goodman v. University of Illinois Foundation, 388 Ill. 363 (1944) and People ex rel. Lloyd v. University of Illinois, 357 Ill. 369 (1934).”

2. The burden of proof is on the Applicant to demonstrate in a clear and convincing manner that a property is exempt.

Again in Eden Retirement Center, Inc. v. The Illinois Department of Revenue, Judge Nafziger wrote:

“Finally, in ascertaining whether or not a property is statutorily tax exempt, the burden of establishing the right to the exemption is on the one who claims the exemption. MacMurray College v. Wright, 38 Ill.2d 272 (1967); Girl Scouts of DuPage County Council, Inc. v. Department of Revenue, 189 Ill.App.3d 858 (2nd Dist. 1989) and Board of Certified Safety Professionals v. Johnson, 112 Ill.2d 542 (1986). From the foregoing cases it is clear that the burden of proof is on the one seeking the exemption to establish that it is entitled to the exemption.”

3. To qualify for the charitable exemption from taxation, use of property must satisfy six criteria set forth in Methodist Old Peoples Home v. Korzen, 39 Ill. 2d 149, 233 N.E.2d 537 (1968). (These six criteria will be addressed later in this document.)

Alivio Medical Center v. Illinois Department of Revenue (1st District Appellant Court, Fourth Division Case # 1-97-3456)

“to qualify for charitable exemption from taxation, use of the property must satisfy the criteria set out in Methodist Old Peoples Home v. Korzen, 39 Ill. 2d 149, 233 N.E.2d 537 (1968)”

Morton Temple Association, Inc. v. Department of Revenue, 158 Ill. App. 3d 794, 796, 511 N.E. 2d 892, 894 (1987)

“Incidental acts of charity by an organization will not be enough to establish that organization as charitable. The use of its property must be exclusively used for charitable purposes.”

Eden Retirement Center, Inc. v. The Department of Revenue, 213 Ill. 2d 273, 821 NE2d 240 (2004).

The Illinois Supreme Court also affirmed the criteria set forth in *Methodist Old Peoples Home*.

“The Methodist Old Peoples Home criteria are not mere nonstatutory ‘hurdles’....”
“Rather, this court articulated the criteria in Methodist Old Peoples Home to resolve the constitutional issue of charitable use.”

IV. Findings and A Discussion of the Issues

A property must be in “exempt ownership” and “exempt use” to merit a property tax exemption. The Board of Review believes the documentation will show the subject parcels are not in exempt ownership nor in exempt use, as defined by Illinois law. Use is examined in context of the current relationship between the Applicant and the Clinic as well as a current lease between the Applicant and the Clinic. The ownership issue will be addressed in the context of the provision of charity care, billing and collections practices, and the legal standards in place for a “charitable exemption” to be granted.

A Changing Mission Statement

It is significant to note in 2001, the Applicant’s Mission Statement stated that its mission was to “...improve the health of the *community*.” (See Exhibit B)

Just two years later, in 2003, the Mission Statement was changed to read that the mission is to “...improve the health of the *people we serve*.” (See Exhibit C, Page 1 and Page 3)

It seems apparent the mission is being narrowed, rather than broadened.

The Relationship of the Carle Entities

Section 15-65 of the Illinois Property Tax Code states that a property is exempt when “actually and *exclusively* used for charitable or beneficent purposes, and *not leased or otherwise used with a view to profit*.”

As stated previously, a central issue to be considered with this application is the relationship between the Foundation, the Hospital, and Carle Clinic Association, a for-profit corporation with full access to and use of Foundation properties.

In that the Applicant refused to provide the Board of Review with the additional information requested, certain “conclusions” regarding the relationship between the Hospital and the Clinic could not be verified through the Applicant’s own documentation. However, based on other information collected, the Board of Review believes the Clinic and the Hospital are separate entities *only* on paper. They are inextricably linked as mutually beneficial business entities as evidenced by the following information:

1. The Lease between the Foundation and the Clinic states, “For the purposes of this agreement, Clinic and its staff are to have access to all of Foundation’s hospital and

- accessory buildings, property and facilities, including full rights of ingress and egress to the Clinic, its staff, employees, patrons, visitors and persons furnishing services to Clinic” (See Exhibit D, Page 2, Number 3)
2. Though the Clinic provides all radiology and laboratory services and equipment in the Hospital, the Hospital and the Clinic must agree on the fees to be charged to the patient for those services. (See Exhibit D, Page 2, Number 3)
 3. The June 30, 2004, Financial Report states, “The Clinic is a corporation which operates as a private, multi-specialty, group medical practice whose shareholders are licensed physicians and surgeons who have medical practices in the Clinic. Although the Clinic is independent of the Foundation, HSIL (Health Systems Insurance, Limited) and its affiliates, the Clinic’s operations and activities influence the operations and activities of the Foundation, HSIL and its affiliates.” (See Exhibit A, Page 7)
 4. The Carle Foundation owns land and improvements in Danville, Georgetown, Champaign, Mattoon, Tuscola, and Normal and leases these properties to the Clinic. (See Exhibit D, Seventh Amendment, Page 3, Paragraph B. 1)
 5. The Carle Foundation Financial Report states “Carle Risk Management Company (“CRIMCO”), a for-profit corporation, jointly owned by the Hospital and the Clinic, provides insurance claims processing and management services to the Foundation and the Clinic.” (See Exhibit A, Page 7)
 6. The Foundation is the “sole stockholder of Health Systems Insurance, Limited, an off-shore captive insurance company established to underwrite the general and professional liability risks of the Foundation, the Carle Clinic Association, Health Alliance Medical Plans Inc. (a wholly-owned subsidiary of the Clinic), and their subsidiaries and affiliates.” (See Exhibit A, Page 7)
 7. The Hospital and the Clinic share the same telephone service, switchboard and costs for such service. (See Exhibit D, Page 3, Number 8)
 8. The Hospital and the Clinic share the same General Information Telephone Number.
 9. The Hospital and the Clinic share the same website: <http://www.carle.com/>
 10. The Hospital and the Clinic share advertising. (See Exhibit E)
 11. All patients being admitted to the Hospital are given a Clinic Number.
 12. The Hospital “leases” hospitalists (doctors) from the Clinic through Carle Foundation Physician Services, LLC, which is comprised entirely of Clinic doctors. These doctors are associates/employees of the Clinic. The Hospital pays the Clinic for these doctors’ salaries. The Clinic, in turn, pays the doctors. Patients are billed by the Carle Foundation Physician Services, LLC.

13. The Clinic owns the Information Technology Department, and other Carle entities buy or rent that service from the Clinic.
14. The Carle Cancer Center is a joint service of Carle Clinic Association and Carle Foundation Hospital.
15. The Carle Auxiliary is part of Carle Development Foundation and contributes to both the Hospital and the Clinic.
16. Clinic doctors serve on the Boards of the Foundation, the Development Foundation the Hospital and other Carle entities.
17. It appears that the office and/or individual responsible for writing grant proposals does so for both the Hospital and the Clinic.

There is a long-standing pattern of intimate business connections between the Clinic and the Foundation/Hospital. Carle Clinic's domination of the medical staff of Carle Hospital is virtually exclusive. This fact, and the issues previously addressed, raises serious questions regarding the "influence" and the practical control the Clinic (and Clinic's physicians) exerts over the Hospital and other Foundation entities. Whatever the level of influence and control the Clinic has over the Hospital's policies and practices, etc., that influence raises serious questions about the notion of "separate entities."

In a "for-profit" environment, these connections alone might not be cause for concern. However, within the context of an application for exemption from taxation, this relationship, as well as other issues addressed below, is both relevant and vitally important.

The Established Legal Framework in Illinois Pursuant to an Exemption Application for all Charitable Organizations--Methodist Old Peoples Home v. Korzen, 39 Ill. 2d 149, 233 N.E.2d 537 (1968):

As upheld by Illinois courts, including the Illinois Supreme Court in December, 2004, in order for a healthcare provider to qualify for the charitable exemption from taxation, use of property must satisfy the criteria set out in *Methodist Old Peoples Home v. Korzen*, 39 Ill. 2d 149, 233 N.E.2d 537 (1968):

1. The use must benefit an indefinite number of persons, persuading them to educational or religious conviction, for their general welfare or in some way reducing the burdens of government.
2. It must have no capital, capital stock or shareholders, earns no profits or dividends.
3. It must derive its funds mainly from public and private charity and hold such funds in trust for the objectives and purposes expressed in their charters.
4. It must dispense charity to all who need and apply for it, does not provide gain or profit in a private sense to any person connected with it, and does not appear to place obstacles of any character in the way of those who need and would avail themselves of the charitable benefits it dispenses.
5. The institution has the burden of proving that its property actually and factually is so used.

6. The term “exclusively used” means the primary purpose for which property is used and not by any secondary or incidental purpose.

***Criterion One:** The use must benefit an indefinite number of persons, persuading them to educational or religious conviction, for their general welfare or in some way reducing the burdens of government.

The Methodist decision first declares that: “...charity is a gift to be applied, consistently with existing laws, for the benefit of an indefinite number of persons...” As will be discussed later in this document, the Applicant confers no gifts other than *de minimus* costs of charity care at a level of less than one half of one percent (<0.5%) of their actual revenues. The Board of Review believes that this renders The Carle Foundation ineligible under criterion one.

***Criterion Two:** It must have no capital, capital stock or shareholders, earns no profits or dividends.

The Carle Foundation Consolidated Financial Report (See A, Page 4) shows “Total revenue” less “Total expenses” results in a line item of “Excess of revenue over expenses” of \$32,929,023. The Board of Review understands that the issue is not whether there was a profit, but rather how that profit was treated.

On one hand, after payment of all expenses and capital investments, and after providing professional career opportunities, including market-based salaries and benefits to executives, employees, contractors and physicians, we see a profit of nearly \$33 million. On the other hand, we note the actual amount of charity care provided to the community and the collection practices that Carle Foundation Hospital (and the Clinic) exercises against some of the very poorest members of the community. This contrast is impossible to reconcile when measured against the standards of Methodist Old Peoples Home.

It appears that accumulation of capital is a higher priority than is providing charity care to all who are in need of it. The Board of Review believes that this renders The Carle Foundation ineligible under criterion two.

***Criterion Three:** It must derive its funds mainly from public and private charity and hold such funds in trust for the objectives and purposes expressed in their charters.

The 2004 Carle Foundation Consolidated Financial Report (See Exhibit A, Page 4) shows “Total revenue” to be \$342,901,565. Virtually all of this revenue has been identified as sources *other than* “public and private charity.” The line item “Other” does not identify the source of \$7,544,145 of revenue. Assuming this entire amount came from “public and private charity,” this amount accounts for only 5% of total revenues. Clearly, the *primary* use is not charitable. Rather, the use is commercial, characterized by the exchange of health services for revenues. The Board of Review believes this renders The Carle Foundation ineligible under criterion three.

***Criterion Four:** It must dispense charity to all who need and apply for it, does not provide gain or profit in a private sense to any person connected with it, and does not appear to place obstacles of any character in the way of those who need and would avail themselves of the charitable benefits it dispenses.

The Board of Review believes that Carle’s charity care program is not available to all who need it, as evidenced by the large number of patients sued by Carle Foundation, Carle Clinic and/or their Affiliates as well as Carle’s collection agency(s). This has been Carle’s practice for many years, including 2004. (See Exhibit F) It is of interest to note that recent research shows that of the total number of lawsuits filed against patients living in Champaign County (in 2003 and 2004), 48% were against patients living in areas (census tracts) that have a higher than average poverty rate. (These figures do not include the numerous patients, residing outside of Champaign County who were also sued by Carle.)

In addition, a hospital must advertise and promote its charity care policy so that those in need of assistance are actually aware of it and aided by it. Riverside Medical Center v. Department of Revenue, 795 N.E.2d 361, 365-66 (Ill. Ct. App. 2003); IRS FSA 200110030 (Mar. 9, 2001). It appears that the Foundation fails to do this. The Board of Review believes that this renders the Applicant ineligible under criterion four.

***Criterion Five:** The institution has the burden of proving that its property actually and factually is so used.

The Applicant’s Exempt Applications do not make it clear that the properties are “actually and factually” used for the provision of charity care. As discussed earlier, the burden of proof is upon the Applicant to prove their exempt status. The Illinois Property Tax Code states that the Board of Review “shall make out and forward to the Department (of Revenue), a full and complete statement of all the facts in the case.”

In an effort to determine “all the facts,” the Board of Review requested that the Applicant provide additional information. (See Exhibit G). The Applicant declined to provide any of the information requested (See Exhibit H). The Board of Review believes this renders The Carle Foundation ineligible under criterion five.

***Criterion Six:** The term “exclusively used” means the primary purpose for which property is used and not by any secondary or incidental purpose.

The 2003 Community Benefits Report for the Hospital (the 2004 Report was not made available) indicates that “approximately \$1.3 million in no-cost or discounted care...” (charity care) was provided to patients. (See Exhibit C, Page 4).

The Carle Foundation Consolidated Financial Report shows the following figures for 2003:

2003 Total Current Assets, Property and Equipment-net, & Total Investments and Other Assets (See Exhibit A, Page 2)	619,259,603
2003 Total Revenue (See Exhibit A, Page 4)	312,211,335
2003 Net Patient Service Revenue (See Exhibit A, Page 4)	270,557,514

In each instance, when the “approximately \$1.3 million” in charity care provided is compared to the above figures, the level of charity care is *less than one half of one percent* (<0.5%). This

would indicate the property was not used “exclusively” or even used “primarily” for the provision of charity care. The Board of Review believes this renders Carle Foundation ineligible under criterion six.

A Crucial Benchmark: The Level of Charity Care Reported by the Applicant

A clear distinction needs to be made between Charity Care and Community Benefit in the context of a community hospital. In the 2003 Community Benefit Report (See Exhibit C, Page 4), the Grand Total of Community Benefit is listed as \$14,652,038. However, as stated in this Community Benefit Report, there was only “approximately \$1.3 million in no-cost or discounted care...” (actual charity care) provided.

There are two line items of “Unreimbursed Care/IPA losses at cost.” These items clearly are not Charity Care and should not be considered as a Community Benefit. Entering into a Medicaid contract, or any other payor contract, is not required under the law; hospitals are not compelled to enter into these payor contracts. Voluntarily entering into elective contracts is a willful business decision made by knowledgeable executives who undoubtedly know in advance that various payor contracts have different financial implications. When they sign such contracts, the terms are implicitly accepted as part of the business equation. It is not charity care. It is not a community benefit.

In this review, it should be noted that these two line items alone, “Unreimbursed Care/IPA losses at cost” account for one third of the Grand Total reported as a “community benefit.”

Discriminatory Pricing to Uninsured Patients

As numerous Illinois legal cases attest, whether a health care provider is “charitable” is not confined just to questions surrounding its use of property, the state of its organizational paperwork or its mission statement. Rather, it is intrinsically and fundamentally linked to the organization’s actual behavior toward its patients – the proper care of whom is the reason a healthcare provider exists in the first place. It is the actions, not the stated intentions, which evidence whether or not the organization is actually fulfilling some *charitable purpose* and is deserving of an exemption from taxation.

Two important aspects of fulfilling a charitable purpose are: (a) whether the organization is providing an actual amount of “charity care” that is significant in proportion to its total revenues, and (b) whether the organization makes an effort to promulgate fair pricing and payment terms, especially in this instance to uninsured patients and, in particular, to low-income uninsured patients. It is safe to say that most people without insurance are in that position, not because of a willful decision to forgo insurance coverage. It is because these people can not afford to have insurance coverage.

Significantly, we see uninsured patients at Carle Foundation Hospital being charged much higher rates than insured patients are charged for identical goods, services, procedures and care. Insurance companies, HMOs, and the government are charged much lower rates than uninsured patients. Carle Foundation Hospital charges the uninsured – including the low-income uninsured – its highest “list” prices, referred to as “chargemaster” prices. These prices are arbitrarily set by hospitals and often have no bearing whatsoever on the actual cost of providing a service. When

they are charged these high prices, the uninsured most often cannot pay. They expose themselves to lawsuits by Carle in an effort to collect those inflated “chargemaster” fees. Although hospitals point to their “list prices” as “usual and customary,” there is nothing usual or customary about prices that very few actually pay—for example, insurance companies who are not *required* to pay “list price,” or the uninsured patient who is *unable* to pay the “list price.” (The fact that the speedometer on an automobile has a scale up to 120 miles an hour does not render 100 mph the “usual and customary” speed.)

If a patient is charged twice the actual cost for goods or services, and the hospital waives fifty percent of those charges, then that care is actually costing the hospital nothing. The reduction is not charity care or a community benefit.

Furthermore, the practice of charging the uninsured these high list prices when insurers pay but a fraction of the list prices, is anathema to any “charitable” philosophy or practice, notwithstanding the often beautifully crafted wording of a hospital’s mission statement.

If Carle Hospital were actually implementing “charitable” practices, the Hospital would reduce the price of services to at least the level insurers pay. Ideally the charges to the low-income uninsured would be substantially less than insurers pay.

In fact, Carle Hospital is doggedly continuing to charge uninsured patients the highest list prices and then suing them, including the low-income uninsured patients. When one views the extremely low percentage of actual charity care dollars, in the context of this behavior toward the uninsured population of Champaign County, one can only conclude that Carle Hospital is far removed from implementing and practicing policies that would benefit an organization that truly has a ‘charitable purpose.’

The Carle Clinic-Carle Hospital Connection: The Overriding Concern

The practices of Carle Hospital in relation to charity care, pricing and collections are of concern in their own right, but these practices become most troubling when one recognizes the overreaching influence of the Carle Clinic Association.

Nonetheless, within the context of our review and Illinois law, the relationship between the Hospital and the Clinic is critical.

Patients go to Carle Foundation Hospital expecting to be a Hospital patient, only to be assigned a Carle Clinic Number, be treated by Carle Clinic doctors, x-rayed by Carle Clinic equipment, have tests run by the Carle Clinic Lab, and then separately billed for those services by Carle Clinic Association. Carle Clinic is a for-profit company and has no charity care policy or obligation to provide any such charity care.

It must be concluded that in many respects, the primary use of the Hospital is to serve as a platform from which a private physicians group (Carle Clinic Association) and the individual physicians privately benefit from unfettered access to, and use of, a modern, cutting edge, healthcare facility that for many years has enjoyed a “charitable” exemption from local, state and federal taxes. This arrangement is particularly troubling when one takes into account the

relatively small amount of true charity care that is actually provided and the Hospital's practice of overpricing and then suing their uninsured patients.

The governance of these various entities is also an area of concern. Clinic doctors serve on the Boards of various Foundation entities. It appears that in some cases, staff members (administrators/employees) of various Carle entities serve on the Boards of the same entities that employ them. Conflict of interest issues are a concern for a variety of reasons, the least of which is the purported separate, independent relationship that is said to exist between the Foundation and the Clinic.

V. Summary and Conclusion

In the final analysis, the Applicant does not meet the burden of demonstrating the parcels in question are in exempt ownership or in exempt use.

The Applicant (The Carle Foundation) consists of numerous entities. Some are for-profit entities, others are not-for-profit. Of those entities considered not-for-profit, the Applicant's own documentation shows that less than one half of one percent (<0.5%) of its assets and/or revenue is actually devoted to charity care. With this as a backdrop, there has been a long history of the Hospital and Clinic suing hundreds of patients, many of whom fall below poverty level guidelines.

There is a glaring juxtaposition of a "charitable" hospital allowing doctors complete access and use of their "exempt" facilities to pursue private gain while this same "charitable" hospital continues an unfair policy of overpricing and suing the uninsured. This juxtaposition can not be ignored, and it violates one's sense of fairness. It is our view that no hospital that permits this fundamental unfairness to exist can be considered "charitable" or tax exempt.

In light of the inequities in the hospital pricing system, as well as the adverse impact medical debt has on the physical and economic health of those who are uninsured or underinsured, it is important for a not-for-profit, charitable healthcare organization to balance its available resources with its charitable mission.

If less than one half of one percent (<0.5%) of assets or revenues represents an acceptable level of charity care, then arguably, innumerable for-profit businesses in Champaign County could also claim to be charitable and deserving of a charitable exemption. Thousands of businesses in Illinois make equivalent charitable contributions, as a matter of course, as part of good community relations, good will and good marketing.

Again and again, Illinois case law has affirmed the relevance of the criteria set forth in Methodist Old Peoples Home v. Korzen. The judicial history involving these standards is constitutionally based and historically consistent for nearly a century. These are the standards by which an organization's charitable status is to be measured.

In conclusion, the facts reviewed and outlined above demonstrate that the Applicant has not met the burden of proof as required by law. In light of the Illinois constitution, the statutes, case law

and the issues and circumstances addressed above, the Board of Review believes the Illinois Department of Revenue should deny exempt status on the subject parcels.

Index of Exhibits

Exhibit A	The Carle Foundation Financial Report
Exhibit B	Excerpt from the 2001 Community Benefit Report
Exhibit C	Carle Foundation Hospital Community Benefit Report
Exhibit D	Lease between The Carle Foundation and Carle Clinic Association
Exhibit E	Advertisement from Carle Clinic Association and Carle Foundation Hospital
Exhibit F	Sampling of Champaign County Circuit Clerk Records/Suits Filed by Carle
Exhibit G	Board of Review's Request For Additional Information
Exhibit H	The Applicant's Response to the Board of Review's Request For Additional Information

Additional Documents Provided

The Carle Foundation's 2001 Form 990

The Carle Foundation's Illinois Charitable Organization Annual Report (including the 2002 Form 990)

Carle Foundation Hospital's 2001 Form 990

Carle Foundation Hospital's Illinois Charitable Organization Annual Report (including the 2002 Form 990)