

Facility Name & ID Number Milestone-Elmwood Heights

0024943 Report Period Beginning: 07/01/06 Ending: 06/30/07

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds _____

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1		Skilled (SNF)			1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4	84	Intermediate/DD	84	30,660	4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	84	TOTALS	84	30,660	7

B. Census-For the entire report period.

	1 Level of Care	2 3 4 5 Patient Days by Level of Care and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
8	SNF					8
9	SNF/PED					9
10	ICF					10
11	ICF/DD	30,366			30,366	11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	30,366			30,366	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 99.04%

D. How many bed-hold days during this year were paid by the Department? 241 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients. (E.g., day care, "meals on wheels", outpatient therapy)

N/A

F. Does the facility maintain a daily midnight census? yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES NO

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?
YES NO

I. On what date did you start providing long term care at this location?
Date started 09/04/79

J. Was the facility purchased or leased after January 1, 1978?
YES Date _____ NO

K. Was the facility certified for Medicare during the reporting year?
YES NO If YES, enter number of beds certified _____ and days of care provided _____

Medicare Intermediary _____

IV. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

Is your fiscal year identical to your tax year? YES NO

Tax Year: 06/30/07 Fiscal Year: 06/30/07

* All facilities other than governmental must report on the accrual basis.

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/06 Ending: 06/30/07

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclass-ification 5	Reclassified Total 6	Adjust-ments 7	Adjusted Total 8	FOR BHF USE ONLY	
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10
	A. General Services										
1	Dietary	138,157	12,864	1,890	152,911		152,911		152,911		1
2	Food Purchase		283,230		283,230		283,230		283,230		2
3	Housekeeping	148,780	91,868	5,592	246,240		246,240		246,240		3
4	Laundry		38,104		38,104		38,104		38,104		4
5	Heat and Other Utilities			183,061	183,061		183,061		183,061		5
6	Maintenance	160,907	238,983	15,575	415,465		415,465		415,465		6
7	Other (specify):*										7
8	TOTAL General Services	447,844	665,049	206,118	1,319,011		1,319,011		1,319,011		8
	B. Health Care and Programs										
9	Medical Director			18,000	18,000		18,000		18,000		9
10	Nursing and Medical Records	2,312,755	268,784	93,606	2,675,145		2,675,145		2,675,145		10
10a	Therapy										10a
11	Activities		33,243	50	33,293		33,293		33,293		11
12	Social Services										12
13	CNA Training	190,835			190,835		190,835		190,835		13
14	Program Transportation		30,298	3,133	33,431		33,431		33,431		14
15	Other (specify):*										15
16	TOTAL Health Care and Programs	2,503,590	332,325	114,789	2,950,704		2,950,704		2,950,704		16
	C. General Administration										
17	Administrative	53,362		79,605	132,967	(32,330)	100,637		100,637		17
18	Directors Fees										18
19	Professional Services			14,585	14,585		14,585		14,585		19
20	Dues, Fees, Subscriptions & Promotions			22,650	22,650		22,650		22,650		20
21	Clerical & General Office Expenses	111,725	33,953	21,478	167,156	32,330	199,486	(888)	198,598		21
22	Employee Benefits & Payroll Taxes			537,764	537,764		537,764		537,764		22
23	Inservice Training & Education			746	746		746		746		23
24	Travel and Seminar			15,526	15,526		15,526		15,526		24
25	Other Admin. Staff Transportation										25
26	Insurance-Prop.Liab.Malpractice			46,425	46,425		46,425		46,425		26
27	Other (specify):*										27
28	TOTAL General Administration	165,087	33,953	738,779	937,819		937,819	(888)	936,931		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	3,116,521	1,031,327	1,059,686	5,207,534		5,207,534	(888)	5,206,646		29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number

Milestone-Elmwood Heights

#0024943

Report Period Beginning:

07/01/06

Ending:

06/30/07

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR BHF USE ONLY		
		Salary/Wage	Supplies	Other	Total					9	10	
	D. Ownership	1	2	3	4	5	6	7	8			
30	Depreciation			268,663	268,663	4,421	273,084	(96,092)	176,992			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			653	653		653		653			32
33	Real Estate Taxes											33
34	Rent-Facility & Grounds											34
35	Rent-Equipment & Vehicles			18,253	18,253	(2,612)	15,641		15,641			35
36	Other (specify):* Alloc. Maint Bldg			1,809	1,809	(1,809)						36
37	TOTAL Ownership			289,378	289,378		289,378	(96,092)	193,286			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers											39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			324,440	324,440		324,440		324,440			42
43	Other (specify):*											43
44	TOTAL Special Cost Centers			324,440	324,440		324,440		324,440			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	3,116,521	1,031,327	1,673,504	5,821,352		5,821,352	(96,980)	5,724,372			45

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

Facility Name & ID Number Milestone-Elmwood Heights

0024943

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VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

		1	2	3	
	NON-ALLOWABLE EXPENSES	Amount	Refer- ence	BHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	(96,092)	30		9
10	Interest and Other Investment Income				10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax				13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties				18
19	Entertainment				19
20	Contributions				20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt				24
25	Fund Raising, Advertising and Promotional				25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule see page 5-A	(888)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (96,980)		\$	30

BHF USE ONLY					
48		49		50	
				51	
					52

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)			34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (96,980)		37

*These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1	2	3	4	
		Yes	No	Amount	Reference	
38	Medically Necessary Transport.			\$		38
39						39
40	Gift and Coffee Shops					40
41	Barber and Beauty Shops					41
42	Laboratory and Radiology					42
43	Prescription Drugs					43
44	Exceptional Care Program					44
45	Other-Attach Schedule					45
46	Other-Attach Schedule					46
47	TOTAL (C): (sum of lines 38-46)			\$		47

Milestone-Elmwood Heights

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NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Correct Allocation	\$ (888)	21	1
2				2
3				3
4				4
5				5
6				6
7				7
8				8
9				9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(888)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Milestone-Elmwood Heights# 0024943

Report Period Beginning:

07/01/06

Ending:

06/30/07

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES	PAGE	SUMMARY										
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS	
													(to Sch V, col.7)	
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	0	0	0	0	0	0	0	0	0	0	0	0	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	0	0	0	0	0	0	0	0	0	0	0	5
6	Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	TOTAL General Services	0	0	0	0	0	0	0	0	0	0	0	0	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	0	0	0	0	0	0	0	0	0	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	CNA Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	TOTAL Health Care and Programs	0	0	0	0	0	0	0	0	0	0	0	0	16
	C. General Administration													
17	Administrative	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	0	0	0	0	0	0	0	0	0	0	0	19
20	Fees, Subscriptions & Promotions	0	0	0	0	0	0	0	0	0	0	0	0	20
21	Clerical & General Office Expenses	(888)	0	0	0	0	0	0	0	0	0	0	(888)	21
22	Employee Benefits & Payroll Taxes	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	0	0	0	0	0	0	0	0	0	0	24
25	Other Admin. Staff Transportation	0	0	0	0	0	0	0	0	0	0	0	0	25
26	Insurance-Prop.Liab.Malpractice	0	0	0	0	0	0	0	0	0	0	0	0	26
27	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	27
28	TOTAL General Administration	(888)	0	0	0	0	0	0	0	0	0	0	(888)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(888)	0	0	0	0	0	0	0	0	0	0	(888)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Milestone-Elmwood Heights# 0024943

Report Period Beginning:

07/01/06

Ending:

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SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	D. Ownership													
30	Depreciation	(96,092)	0	0	0	0	0	0	0	0	0	0	(96,092)	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	0	0	0	0	0	0	0	0	0	0	0	0	32
33	Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Rent-Facility & Grounds	0	0	0	0	0	0	0	0	0	0	0	0	34
35	Rent-Equipment & Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	(96,092)	0	0	0	0	0	0	0	0	0	0	(96,092)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	TOTAL Special Cost Centers	0	0	0	0	0	0	0	0	0	0	0	0	44
	GRAND TOTAL COST													
45	(sum of lines 29, 37 & 44)	(96,980)	0	0	0	0	0	0	0	0	0	0	(96,980)	45

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
N/A	N/A	see page 24 & 25				

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. YES NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization		
1	V	See page 27	\$			\$	\$	1
2	V							2
3	V							3
4	V							4
5	V							5
6	V							6
7	V							7
8	V							8
9	V							9
10	V							10
11	V							11
12	V							12
13	V							13
14	Total		\$			\$	\$ *	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number

Milestone-Elmwood Heights

#

0024943

Report Period Beginning:

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Ending:

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VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference
						Hours	Percent	Description	Amount	
1	N/A								\$	1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13								TOTAL	\$	13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

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Ending: 06/30/07

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES NO

Name of Related Organization Milestone, Inc.-Central Office
 Street Address 4060 McFarland Road
 City / State / Zip Code Rockford, IL 61111
 Phone Number (815) 654-6100
 Fax Number (815) 654-6444

B. Show the allocation of costs below. If necessary, please attach worksheets.

1	2	3	4	5	6	7	8	9		
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6		
1	1	Dietary Wages	Days	57,670	4	\$ 259,867	\$ 259,867	30,660	\$ 138,157	1
2	1	Dietary Supplies	Days	115,340	33	48,393		30,660	12,864	2
3	2	Food Purchase	Days	115,340	33	1,065,483		30,660	283,230	3
4	3	Housekeeping Wages	Level of Care/Days	139,430	6	225,532	225,532	91,980	148,780	4
5	6	Maintenance Wages	Level of Care/Days	279,590	33	489,105	489,105	91,980	160,907	5
6	17	Administrative-Other	Level of Care/Days	8,904,480	39	321,102		2,207,520	79,605	6
7	21	Clerical Wages	Level of Care/Days	8,904,480	39	300,512	300,512	2,207,520	74,500	7
8	21	Office Supplies	Level of Care/Days	8,904,480	39	133,373		2,207,520	33,065	8
9	21	Telephone	Level of Care/Days	8,904,480	39	86,635		2,207,520	21,478	9
10	22	Fringe Benefits	Wages	14,870,880	40	2,566,002		3,116,521	537,762	10
11	35	Rent-Computer	Level of Care/Days	8,904,480	39	10,537		2,207,520	2,612	11
12	36	Rent Maintenance Building	Level of Care/Days	8,904,480	39	7,296		2,207,520	1,809	12
13										13
14										14
15										15
16										16
17		See Addendum A								17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					\$ 5,513,837	\$ 1,275,016		\$ 1,494,769	25

Facility Name & ID Number

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Report Period Beginning:

07/01/06

Ending:

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IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

1	2	3	4	5	6		8	9	10									
					Name of Lender	Related**				Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
						YES							NO	Original				Balance
A. Directly Facility Related																		
Long-Term																		
1						\$	\$			\$	1							
2											2							
3											3							
4											4							
5											5							
Working Capital																		
6	Amcore Bank N.A.,Rockford		X	Line of Credit	N/A	7/23/01	2,500,000		1/10/08	8.2500	653	6						
7												7						
8												8						
9	TOTAL Facility Related						\$ 2,500,000	\$			\$ 653	9						
B. Non-Facility Related*																		
10												10						
11												11						
12												12						
13												13						
14	TOTAL Non-Facility Related						\$	\$			\$	14						
15	TOTALS (line 9+line14)						\$ 2,500,000	\$			\$ 653	15						

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ _____ Line # _____

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 40,570 B. General Construction Type: Exterior Brick Frame Cement Block Number of Stories one

C. Does the Operating Entity? (a) Own the Facility (b) Rent from a Related Organization. (c) Rent from Completely Unrelated Organization.
 (Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? (a) Own the Equipment (b) Rent equipment from a Related Organization. (c) Rent equipment from Completely Unrelated Organization.
 (Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, CNA training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? YES NO
 If so, please complete the following:

1. Total Amount Incurred: _____ 2. Number of Years Over Which it is Being Amortized: _____
 3. Current Period Amortization: _____ 4. Dates Incurred: _____

Nature of Costs: _____
 (Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

	1	2	3	4	
A. Land.	Use	Square Feet	Year Acquired	Cost	
1	<u>Project</u>	<u>261,356</u>	<u>1978</u>	<u>\$ 102,215</u>	<u>1</u>
2	<u>Recreational Land</u>	<u>304,947</u>	<u>1978</u>		<u>2</u>
3	TOTALS	566,303		\$ 102,215	3

Facility Name & ID Number Milestone-Elmwood Heights

0024943

Report Period Beginning:

07/01/06

Ending:

06/30/07

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

	1	2	3	4	5	6	7	8	9		
	Beds*	FOR BHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
4	84		1980	1979	\$ n/a	\$ 94,122	30	\$	\$ (94,122)	\$ n/a	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9		Kitchen Design Plan		1978	550		5			550	9
10		Intercom System		1978	12,716		10			12,716	10
11		Door Locking System		1978	14,081		10			14,081	11
12		Floor Tile		1979	2,870		10			2,870	12
13		Landscaping		1980	25,659		5			25,659	13
14		Sign		1980	725		5			725	14
15		Chain Link Fence		1980	1,377		5			1,377	15
16		Landscaping		1980	4,071		5			4,071	16
17		Storage Building		1980	8,471		5			8,471	17
18		Landscaping		1981	595		5			595	18
19		Bike Path, Parking Lot, Basketball Court		1982	22,944		15			22,944	19
20		Parking Lot Repairs		1982	2,216		15			2,216	20
21		Room Remodeling		1983	4,312		10			4,312	21
22		Concrete Slab for Shelter		1984	6,751		15			6,751	22
23		Park Shelter		1984	13,058		15			13,058	23
24		Driveway Maintenance		1984	2,201		5			2,201	24
25		Sewer Repair		1984	1,195		20			1,195	25
26		Landscaping-Trees		1985	1,677		5			1,677	26
27		Landscaping-Plantscape		1986	4,117		10			4,117	27
28		Sidewalk Concrete		1988	2,930	146	20	146		2,733	28
29		Sidewalk Improvements		1990	5,490	275	20	275		4,736	29
30		Parking Lot		1990	3,097		15			3,097	30
31		Parking Lot Repairs		1991	2,430		15			2,430	31
32		Roof		1992	3,969	198	20	198		3,000	32
33		Outdoor Drinking Fountain		1992	1,998	100	20	100		1,508	33
34		Telephone System		1992	9,600		12			9,600	34
35		Roof Repairs		1993	6,965	348	20	348		4,788	35
36		Sump Pumps		1993	4,721		10			4,721	36

*Total beds on this schedule must agree with page 2.

See Page 12A, Line 70 for total

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Milestone-Elmwood Heights

0024943

Report Period Beginning:

07/01/06

Ending:

06/30/07

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
37	Furnace	1994	\$ 40,882	\$ 2,044	20	\$ 2,044	\$	\$ 25,900	37
38	Telephones	1994	3,111	64	12	64		3,111	38
39	Air Handler	1995	1,668		7			1,668	39
40	Above Ground Tank	1995	4,825	241	20	241		2,916	40
41	Concrete	1995	5,575	279	20	279		3,319	41
42	Furnace	1995	9,618	481	20	481		5,703	42
43	Roof	1995	1,290	65	20	65		759	43
44	Kitchen Sink	1995	1,300	65	20	65		759	44
45	Road Stone	1996	1,120		5			1,120	45
46	Air Conditioner	1996	2,476	124	20	124		1,331	46
47	Tile	1996	360		5			360	47
48	Sinks	1997	6,470	431	15	431		4,421	48
49	Flood Lights	1997	2,550	128	20	128		1,286	49
50	Air Conditioner	1997	4,055	203	20	203		2,045	50
51	Sidewalk	1997	6,691	335	20	335		3,346	51
52	Black Top Parking Lot	1997	85,125	5,675	15	5,675		56,750	52
53	Smoke Detectors	1997	16,100	1,073	15	1,073		10,554	53
54	Roof	1997	7,070	353	20	353		3,447	54
55	Counters	1997	3,706	247	15	247		2,368	55
56	Fire Alarm System	1998	3,660	183	20	183		1,723	56
57	Acoustical Ceiling	1998	1,650	83	20	83		777	57
58	Sidewalk Repair	1998	5,660	283	20	283		2,547	58
59	Duct Work	1998	1,017	51	20	51		458	59
60	Tile Repair	1998	650		5			650	60
61	Air Conditioner	1998	2,742	183	15	183		1,645	61
62	Carpet	1998	1,544		7			1,544	62
63	Driveway Repairs	1998	2,372	158	15	158		1,397	63
64	Roof	1998	2,000	100	20	100		875	64
65	Dry Valve	1998	1,540	154	10	154		1,347	65
66	Roof	1999	5,970	299	20	299		2,538	66
67	Dry Valve	1999	1,815	182	10	182		1,422	67
68	Tile	1999	2,600		5			2,600	68
69	Acoustical Ceiling	2000	6,750	338	20	338		2,389	69
70	TOTAL (lines 4 thru 69)		\$ 414,748	\$ 109,011		\$ 14,889	\$ (94,122)	\$ 319,274	70

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Milestone-Elmwood Heights

0024943

Report Period Beginning:

07/01/06

Ending:

06/30/07

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		\$ 414,748	\$ 109,011		\$ 14,889	\$ (94,122)	\$ 319,274	1
2	Carpet	2000	12,538		5			12,538	2
3	Counter Tops	2000	1,622	108	15	108		721	3
4	Automatic Doors	2002	4,148	415	5	415		4,148	4
5	Tile	2002	2,760	322	5	322		2,760	5
6	Water Heater	2002	4,200	420	10	420		2,275	6
7	Water Heater	2002	8,135	1,292	5	1,292		8,135	7
8	Carpet	2002	2,232	446	5	446		2,195	8
9	Tile	2002	2,160		5				9
10	Cabinets	2003	2,449	163	15	163		667	10
11	Sump Pump	2003	7,218	722	10	722		2,947	11
12	Carpet	2003	8,950	1,790	5	1,790		7,160	12
13	Air Conditioner	2003	4,705	471	10	471		1,882	13
14	Carpet	2003	5,309	1,062	5	1,062		4,248	14
15	Cabinets	2003	2,409	161	15	161		629	15
16	Water Heater	2003	3,695	739	5	739		2,771	16
17	Acoustical Ceilings	2004	11,040	552	15	552		1,932	17
18	Carpet	2004	2,094	299	7	299		1,047	18
19	Remove ceiling tile & install drywall ceilings	2004	20,380	1,359	15	1,359		4,642	19
20	Carpet	2004	5,058	723	7	723		2,349	20
21	Thermastatic control system for heat and air	2004	29,322	1,466	20	1,466		4,765	21
22	Heater	2004	4,660	466	10	466		1,476	22
23	Cabinets	2004	8,204	547	15	547		1,686	23
24	Carpet	2004	27,534	3,933	7	3,933		10,906	24
25	Smoke & Heat Detectors	2004	6,945	694	10	694		1,968	25
26	Vinyl Floor	2004	7,242	1,034	7	1,034		2,845	26
27	Vinyl Floor	2005	5,102	729	7	729		1,822	27
28	Cabinets	2005	20,031	1,335	15	1,335		3,049	28
29	Counter Tops	2005	3,097	207	15	207		499	29
30	Ceramic Tile	2005	3,377	482	7	482		1,085	30
31	Water Pipe Repair	2005	8,955	358	25	358		716	31
32	Roof	2005	6,425	321	20	321		642	32
33	Replace Sidewalk	2005	10,808	540	20	540		991	33
34	TOTAL (lines 1 thru 33)		\$ 667,552	\$ 132,167		\$ 38,045	\$ (94,122)	\$ 414,770	34

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		\$ 667,552	\$ 132,167		\$ 38,045	\$ (94,122)	\$ 414,770	1
2	Furnaces(8)	2006	20,135	1,007	20	1,007		1,353	2
3	Office Remodel	2006	3,870	258	15	258		344	3
4	Neo Flooring	2006	9,476	1,354	7	1,354		1,804	4
5	Cabinets	2006	20,176	1,345	15	1,345		1,681	5
6	Furnace & Air Conditioner	2006	3,295	165	20	165		192	6
7	Acoustical Ceiling	2006	6,000	300	20	300		350	7
8	Activity Room Remodel	2006	8,980	598	15	598		698	8
9	Vinyl Flooring	2006	4,418	631	7	631		736	9
10	Carpet	2006	22,509	2,245	7	2,245		2,245	10
11	Furnaces(4)	2006	12,861	429	20	429		429	11
12	Concrete Curb&Gutter	2006	14,906	461	20	461		461	12
13	Furnace	2007	9,162	76	20	76		76	13
14	Water Heater	2007	3,396	56	5	56		57	14
15	Capital Grant Building			970			(970)		15
16	Allocated Maintenance Building			1,809		1,809			16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 806,736	\$ 143,871		\$ 48,779	\$ (95,092)	\$ 425,196	34

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 403,230	\$ 45,425	\$ 45,425	\$	5-15yrs	\$ 286,713	71
72	Current Year Purchases	42,742	3,845	3,845		5-10yrs	3,845	72
73	Fully Depreciated Assets	456,721				5-15yrs	456,721	73
74	Allocated Computer System		2,612	2,612				74
75	TOTALS	\$ 902,693	\$ 51,882	\$ 51,882	\$		\$ 747,279	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	See Page 30			\$ 492,754	\$ 77,331	\$ 76,331	\$ (1,000)		\$ 369,256	76
77										77
78										78
79										79
80	TOTALS			\$ 492,754	\$ 77,331	\$ 76,331	\$ (1,000)		\$ 369,256	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$ 2,304,398	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 273,084	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 176,992	83
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ (96,092)	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 1,541,731	85

**

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86		\$	\$	\$	86
87					87
88					88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress

	Description	Cost	
92		\$	92
93			93
94			94
95		\$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?

If NO, see instructions. YES NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$			3
4	Additions							4
5								5
6								6
7	TOTAL				\$			7

8. List separately any amortization of lease expense included on page 4, line 34.

This amount was calculated by dividing the total amount to be amortized by the length of the lease _____.

9. Option to Buy: YES NO Terms: _____ *

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental?

YES NO

16. Rental Amount for movable equipment: \$ 6,996

Description: Copier

(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17	<u>Program</u>	<u>2005 Buick Park Avenue</u>	\$ <u>720.00</u>	\$ <u>8,644</u>	17
18					18
19					19
20					20
21	TOTAL		\$ <u>720.00</u>	\$ <u>8,644</u>	21

10. Effective dates of current rental agreement:

Beginning _____
Ending _____

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	<u>/2008</u>	\$ _____
13.	<u>/2009</u>	\$ _____
14.	<u>/2010</u>	\$ _____

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

XIII. EXPENSES RELATING TO CERTIFIED NURSE AIDE (CNA) TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If CNAs are trained in another facility program, attach a schedule listing the facility name, address and cost per CNA trained in that facility.)

<p>1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.</p>	<p>2. CLASSROOM PORTION:</p> <p>IN-HOUSE PROGRAM <input checked="" type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>COMMUNITY COLLEGE <input type="checkbox"/></p> <p>HOURS PER CNA <u>40</u></p>	<p>3. CLINICAL PORTION:</p> <p>IN-HOUSE PROGRAM <input checked="" type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>HOURS PER CNA <u>80</u></p>
--	---	--

B. EXPENSES

ALLOCATION OF COSTS (d)

		Facility		3	4
		1	2		
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)	19,241	31,877		51,118
4	Clinical Wages (b)	50,347	63,754		114,101
5	In-House Trainer Wages (c)	10,789	14,827		25,616
6	Transportation				
7	Contractual Payments				
8	CNA Competency Tests				
9	TOTALS	\$ 80,377	\$ 110,458	\$	\$ 190,835
10	SUM OF line 9, col. 1 and 2 (e)	\$ 190,835			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training CNAs from other facilities.

\$

D. NUMBER OF CNAs TRAINED

COMPLETED	
1. From this facility	87
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	98
2. From other facilities (f)	
TOTAL TRAINED	185

- (a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
- (b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
- (c) For in-house training programs only. Do not include fringe benefits.
- (d) Allocate based on if the CNA is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own CNAs.

- (e) The total amount of Drop-out and Completed Costs for your own CNAs must agree with Sch. V, line 13, col. 8.
- (f) Attach a schedule of the facility names and addresses of those facilities for which you trained CNAs.

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	4					
					Units	Cost				
1	Licensed Occupational Therapist		hrs	\$		\$	\$		\$	1
2	Licensed Speech and Language Development Therapist		hrs							2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist		hrs							4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy		# of prescripts							9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):									13
14	TOTAL			\$		\$	\$		\$	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as CNAs, who help with the above activities should not be listed on this schedule.

Facility Name & ID Number Milestone-Elmwood Heights

0024943

Report Period Beginning: 07/01/06

Ending:

06/30/07

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 06/30/07

(last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
A. Current Assets				
1	Cash on Hand and in Banks	\$ 2,400	\$ 1,434,850	1
2	Cash-Patient Deposits	37,510	161,121	2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance)	913,818	2,380,979	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance		1,345	6
7	Other Prepaid Expenses	822	20,026	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): <u>Other A/R</u>		24,034	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 954,550	\$ 4,022,355	10
B. Long-Term Assets				
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	102,215	1,360,490	13
14	Buildings, at Historical Cost	3,644,947	17,489,684	14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	1,752,623	5,558,035	16
17	Accumulated Depreciation (book methods)	(4,448,864)	(13,553,582)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs	81,448	110,273	19
20	Accumulated Amortization - Organization & Pre-Operating Costs	(81,448)	(110,273)	20
21	Restricted Funds		1,347,000	21
22	Other Long-Term Assets (spe <u>Escrow & loan fees</u>)		4,103,941	22
23	Other(specify): <u>Value Life Ins. & Const. In prog</u>	24,100	223,691	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,075,021	\$ 16,529,259	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 2,029,571	\$ 20,551,614	25

		1 Operating	2 After Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$	\$ 478,716	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	37,510	161,121	28
29	Short-Term Notes Payable		161,803	29
30	Accrued Salaries Payable		561,636	30
31	Accrued Taxes Payable (excluding real estate taxes)		194,558	31
32	Accrued Real Estate Taxes(Sch.IX-B)		243	32
33	Accrued Interest Payable		173,933	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
Other Current Liabilities(specify):				
36	<u>Pension,Wrkmsns Comp,Sec Dep,etc.</u>		571,951	36
37	<u>Intercompany A/P</u>	3,440,924		37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 3,478,434	\$ 2,303,961	38
D. Long-Term Liabilities				
39	Long-Term Notes Payable			39
40	Mortgage Payable		2,802,460	40
41	Bonds Payable		6,250,000	41
42	Deferred Compensation			42
Other Long-Term Liabilities(specify):				
43				43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$	\$ 9,052,460	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 3,478,434	\$ 11,356,421	46
47	TOTAL EQUITY(page 18, line 24)	\$ (1,448,863)	\$ 9,195,193	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 2,029,571	\$ 20,551,614	48

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (1,269,106)	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (1,269,106)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(179,757)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (179,757)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ (1,448,863)	24 *

* This must agree with page 17, line 47.

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

		1	
Revenue		Amount	
A. Inpatient Care			
1	Gross Revenue -- All Levels of Care	\$ 5,516,643	1
2	Discounts and Allowances for all Levels	()	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 5,516,643	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy		6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$	8
C. Other Operating Revenue			
9	Payments for Education		9
10	Other Government Grants		10
11	CNA Training Reimbursements	117,309	11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services	6,538	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 123,847	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***		25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>Gain on sale of Vehicle&Supplies</u>	1,105	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 1,105	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 5,641,595	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	1,319,011	31
32	Health Care	2,950,704	32
33	General Administration	937,819	33
B. Capital Expense			
34	Ownership	289,378	34
C. Ancillary Expense			
35	Special Cost Centers		35
36	Provider Participation Fee	324,440	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 5,821,352	40
41	Income before Income Taxes (line 30 minus line 40)**	(179,757)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (179,757)	43

* This must agree with page 4, line 45, column 4.

** Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation. See page 28

*** See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.

Facility Name & ID Number Milestone-Elmwood Heights

0024943

Report Period Beginning:

07/01/06

Ending:

06/30/07

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)

(This schedule must cover the entire reporting period.)

	1	2**	3	4		
	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage		
1	Director of Nursing	1,872	2,080	\$ 56,265	\$ 27.05	1
2	Assistant Director of Nursing					2
3	Registered Nurses	5,951	6,360	146,863	23.09	3
4	Licensed Practical Nurses	13,739	15,117	298,417	19.74	4
5	CNAs & Orderlies					5
6	CNA Trainees	20,117	20,117	190,835	9.49	6
7	Licensed Therapist	451	451	30,206	66.98	7
8	Rehab/Therapy Aides					8
9	Activity Director					9
10	Activity Assistants					10
11	Social Service Workers					11
12	Dietician					12
13	Food Service Supervisor	642	831	21,410	25.76	13
14	Head Cook					14
15	Cook Helpers/Assistants	9,855	11,077	116,747	10.54	15
16	Dishwashers					16
17	Maintenance Workers	10,236	11,568	160,907	13.91	17
18	Housekeepers	13,927	15,861	148,780	9.38	18
19	Laundry					19
20	Administrator	1,430	1,631	53,362	32.72	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager	3,775	4,347	74,500	17.14	23
24	Clerical	3,064	3,434	37,225	10.84	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)	21,165	24,033	396,107	16.48	28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)	124,007	135,229	1,384,897	10.24	30
31	Medical Records					31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	230,231	252,136	\$ 3,116,521 *	\$ 12.36	34

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

	1	2	3		
	Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference		
35	Dietary Consultant	63	\$ 1,890	1-3	35
36	Medical Director	120	18,000	9-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	60	2,100	10-3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant				44
45	Social Service Consultant				45
46	Other(specify) <u>Dental</u>	245	12,264	10-3	46
47	<u>Psychologist/Psychiatrist</u>	557	60,960	10-3	47
48	<u>Religious/Education</u>	2	50	11-3	48
49	TOTAL (lines 35 - 48)	1,047	\$ 95,264		49

C. CONTRACT NURSES

	1	2	3		
	Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference		
50	Registered Nurses	531	\$ 18,282	10-3	50
51	Licensed Practical Nurses				51
52	Certified Nurse Assistants/Aides				52
53	TOTAL (lines 50 - 52)	531	\$ 18,282		53

XIX. SUPPORT SCHEDULES

A. Administrative Salaries				D. Employee Benefits and Payroll Taxes			F. Dues, Fees, Subscriptions and Promotions	
Name	Function	Ownership %	Amount	Description	Amount	Description	Amount	
Linda Thornbloom	Administrator	0	\$ 53,362	Workers' Compensation Insurance	\$ 66,761	IDPH License Fee	\$	
				Unemployment Compensation Insurance	8,312	Advertising: Employee Recruitment	15,649	
				FICA Taxes	228,697	Health Care Worker Background Check		
				Employee Health Insurance	158,361	(Indicate # of checks performed 210)	4,200	
				Employee Meals		Patient Background Checks		
				Illinois Municipal Retirement Fund (IMRF)*		Patient Background Checks		
				Pension	62,872	Fees	1,010	
				Employee Physical Exams	3,976	Dues	436	
				Applicant Referral Expense	1,425	Books & Periodicals	1,228	
				Other Employee Benefits	7,360	Subscriptions	127	
						Less: Public Relations Expense	()	
						Non-allowable advertising	()	
						Yellow page advertising	()	
TOTAL (agree to Schedule V, line 17, col. 1)			\$ 53,362	TOTAL (agree to Schedule V, line 22, col.8)		TOTAL (agree to Sch. V, line 20, col. 8)		
(List each licensed administrator separately.)				\$ 537,764		\$ 22,650		
B. Administrative - Other				E. Schedule of Non-Cash Compensation Paid to Owners or Employees			G. Schedule of Travel and Seminar**	
Description			Amount	Description	Line #	Amount	Description	Amount
Administrator			\$ 26,579			\$	Out-of-State Travel	\$
Assistant Administrator			20,696					
Accountant			23,807					
Secretary			8,523				In-State Travel	
TOTAL (agree to Schedule V, line 17, col. 3)			\$ 79,605					
(Attach a copy of any management service agreement)							Seminar Expense	15,526
							See page 26	
C. Professional Services								
Vendor/Payee	Type		Amount					
Peggy Brechon/Mark Knuckles	Administrative Consultant		\$ 3,131					
Various	Computer/programming		1,242					
Williams&McCarthy/Duane Morris	Legal Fees		3,308					
Lindgren,Callihan & VanOsdol	Audit		6,904					
TOTAL (agree to Schedule V, line 19, column 3)			\$ 14,585	TOTAL			\$	
(If total legal fees exceed \$5,000, attach copy of invoices.)							TOTAL (agree to Sch. V, line 24, col. 8)	
							\$ 15,526	

* Attach copy of IMRF notifications

**See instructions.

Facility Name & ID Number Milestone-Elmwood Heights

0024943

Report Period Beginning:

07/01/06

Ending:

06/30/07

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union? No
- (2) Are there any dues to nursing home associations included on the cost report? No
If YES, give association name and amount. _____
- (3) Did the nursing home make political contributions or payments to a political action organization? No If YES, have these costs been properly adjusted out of the cost report? _____
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? _____
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 5 & 10 yrs
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ N/A Line _____
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? no
If YES, give effective date of lease. _____
- (9) Are you presently operating under a sublease agreement? _____ YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES _____ NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 324,440
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? no If YES, attach an explanation of the allocation.
- (13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ N/A Has any meal income been offset against related costs? _____ Indicate the amount. \$ _____
- (16) Travel and Transportation
- a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
- b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ _____
- c. What percent of all travel expense relates to transportation of nurses and patients? 100%
- d. Have vehicle usage logs been maintained? yes
- e. Are all vehicles stored at the nursing home during the night and all other times when not in use? no - see page 29
- f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report?
- g. Does the facility transport residents to and from day training? no**
Indicate the amount of income earned from providing such transportation during this reporting period. \$ _____
- (17) Has an audit been performed by an independent certified public accounting firm? yes
Firm Name: Lindgren, Callihan, VanOsdol Ltd. The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? yes If no, please explain. _____
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? yes
- (19) If total legal fees are in excess of \$5,000, have legal invoices and a summary of services performed been attached to this cost report? yes
Attach invoices and a summary of services for all architect and appraisal fees.

SCHEDULE VII-A: BOARD MEMBER LISTING

<i>NAME</i>	<i>TITLE</i>	<i>TYPE OF SERVICE PROVIDED TO FACILITY</i>	<i>OWNERSHIP INTEREST IN</i>
Patrick Agnew	Director	Legal	Agnew Law Office
Ronald Alden	Treasurer	Pension Accounting	McGladrey & Pullen
George Bass	Director	Insurance	Country Ins. & Financial Group
Thomas Budd	Vice Chairperson	N/A	Rockford Bank & Trust
Lyla DeVerdi	Director	N/A	
Alan Furman	Director	N/A	
James Hamilton	President & C.E.O.	Administrative Services	
Peggy Hanson	Secretary	N/A	
Jack Kieckhefer	Director	Insurance	Kieckhefer & Nelson
Cyrus Oates	Director	N/A	
Randy L. Cooper	Director	Insurance	Williams Manny
Tom Sandquist	Chairperson	Legal	Williams & McCarthy
Shawn Way	Director	N/A	Rockford Bank & Trust
Audrey Wickstrand	Director	N/A	

SCHEDULE VII-A: RELATED PARTIES

<u>MILESTONE, INC.</u>	<u>RESIDENTIAL BEDS</u>	<u>CITY</u>	<u>TYPE OF BUSINESS</u>
Central Office	N/A	Rockford	Central Office
Elmwood Heights	84	Rockford	ICF/MR-SLC
Elmwood East	12	Rockford	ICF/DD<16 & Fewer
Searles	12	Rockford	ICF/DD<16 & Fewer
Sun Valley	8	Rockford	ICF/DD<16 & Fewer
Javelin I (closed 8/15/06)	8	Rockford	C.R.A. - Waiver/C.I.L.A. Services
Applewood	8	Loves Park	C.R.A. - Waiver/C.I.L.A. Services
Orchard	8	Rockford	C.R.A. - Waiver/C.I.L.A. Services
Training Center	N/A	Rockford	Developmental Training
Industries	N/A	Loves Park	Developmental Training
RocVale Childrens Home	50	Rockford	Child Care Institute/DCFS
Shattuck	5	Rockford	C.I.L.A. Services
Eggleston	5	Rockford	C.I.L.A. Services
Dierks	8	Rockford	C.I.L.A. Services
Geneva	5	Rockford	C.I.L.A. Services
C.I.L.A.	21	Rockford	C.I.L.A. Services
Auburn	9	Rockford	C.I.L.A. Services
Park Terrace	9	Rockford	C.I.L.A. Services
Windcloud	5	Rockford	C.I.L.A. Services
Prospect	5	Rockford	C.I.L.A. Services
Hanford	5	Rockford	C.I.L.A. Services
Rural	5	Rockford	C.I.L.A. Services
Flintridge	5	Rockford	C.I.L.A. Services
Old Golf	4	Loves Park	C.I.L.A. Services
Creekside	5	Rockford	C.I.L.A. Services
Hermitage	5	Rockford	C.I.L.A. Services
Javelin II	5	Rockford	C.I.L.A. Services
Windpoint	5	Rockford	C.I.L.A. Services
Weymouth	5	Rockford	C.I.L.A. Services
Fleetwood	5	Rockford	C.I.L.A. Services
Stornway	5	Rockford	C.I.L.A. Services
Shiloh	4	Rockford	C.I.L.A. Services
Black Oak	5	Rockford	C.I.L.A. Services
Donna Drive	8	Rockford	C.I.L.A. Services
Respite Services	N/A	Rockford	Respite Services
Sawgrass	6	Rockford	C.I.L.A. Services
Crested Butte	6	Rockford	C.I.L.A. Services
Dental Program	N/A	Rockford	Dental Services
Thyme	6	Rockford	C.I.L.A. Services
Tulip	5	Rockford	C.I.L.A. Services
Packard	5	Rockford	C.I.L.A. Services
Country Club	5	Rockford	C.I.L.A. Services
HUD Project #071-EH003	N/A	Rockford	Housing
HUD Project #071-EH059	N/A	Rockford	Housing
HUD Project #071-EH178	N/A	Rockford	Housing
Bingo & Pull Tabs	N/A	Rockford	Bingo & Pull Tabs

SCHEDULE OF TRAVEL & SEMINAR EXPENSE

	<u>EMPLOYEE NAME</u>	<u>JOB TITLE</u>	<u>DATES</u>	<u>LOCATION</u>	<u>SEMINAR TITLE</u>	<u>SEMINAR SPONSOR</u>	<u>CHECK #</u>	<u>COST</u>
1.	Dominique Thornton	Direct Care staff	1/2/07	Rockford, IL	Biology, Intro Life Science	Rock Valley College	104212	183.00
2.	Paola Cruz	QMRP	8/18/06	Chicago, IL	Field Instruction II/Social Work	University Illinois Chicago	102015	305.00
3.	Angela Golden	QMRP	10/16/06	Rockford, IL	Assertive Leadership Skills	Fred Pryor Seminars	101959	179.00
4.	Brenda Wallace	RN-DON	9/8/06	Rockford, IL	Preventing a Crisis! Subclinical Signs of Impending Doom	PESI Healthcare	101508	507.00
	Patricia Powers	RN						
	Angel Rosilez	LPN						
5.	Patty Powers	RN	10/4/06	Rockford, IL	Challenging Geriatric Behaviors	PESI Healthcare	102276	338.00
	Peggy Jones	Nurse						
6.	Linda Joseph	LPN	2/19/07	Rockford, IL	Neurological Emergencies	PESI Healthcare	103686	318.00
	Cheri Poage	LPN-ADON						
7.	Terrie Sharp	QMRP	8/9/06 - 8/11/06	SanAntonio, TX	Serve Well: Tell the Story	Natl. Assoc. of QMRP's	102164	741.15
8.	Nicole Milani	QMRP	10/19/06	Rockford, IL	Leadership & Supervisory Skills for Women	Natl. Bussiness Womens Leadership Association	102683	358.00
	Marie Lindgren	Resident director					102272	
9.	June Moore	Cook	6/28/06	Rockford, IL	Food Service Sanitation class	Illinois Dept. of Public Health	101491	95.00
10.	Becky Nilson	Instructor	11/28/06	Madison, WI	New Horizons in Dementia Care: Understanding the Disease and the Person	UW-Madison	103238	240.00
11.	Linda Joseph	LPN	9/14/06 - 9/15/06	Madison, WI	It's A Wonderful Life, Aging with Developmental Disabilities	RFW, Inc.	102089	636.34
	Vicki Chandler	LPN					102580	
	Cheri Poage	ADON						
12.	Alexis Harper	NOC coordinator	6/22/06	Rockford, IL	Excelling as a First-time Supervisor	Career Track	101772	149.00
13.	Jeanne Mayland	receptionist	9/18/06	Rockford, IL	Women's Conference	Career Track	101565	129.00
14.	Torrie Miles	Home Coordinator	8/28/06	Rockford, IL	The Excelling as a first-time manager Seminar	Skillpath Seminars	101731	398.00
	Linda Taylor	Home Coordinator						
15.	Joanna Grah	Asst. Admin.	10/26/06	Madison, WI	The managers & supervisors Conference	Skillpath Seminars	102292	199.00
16.	Brenda Wallace	RN-DON	11/17/06	Rockford, IL	Conflict Management Skills for Women	Skillpath Seminars	102292	198.00
	Cheri Poage	LPN-ADON						
17.	Marie Lindgren	Resident director	11/3/06	Rockford, IL	Managing Multiple Projects, Objectives & deadlines	Skillpath Seminars	102292	199.00
18.	Cheri Poage	LPN-ADON	11/2/06	Rockford, IL	Illinois 2006 Nursing Law	Southwest Seminars	103524	149.00
	Linda Joseph	LPN					Credit	-147.00
	Patty Powers	RN						
19.	Brenda Wallace	RN-DON	11/14/06	Rockford, IL	End Stage Diseases: Care when there is no cure	PESI Healthcare	103524	338.00
	Sahlee Burton	LPN						
20.	Marie Lindgren	Resident director	12/11/06	Rockford, IL	Keys Effectively Handling Employee Behavior and Performance Problems	National Padgett Seminars	103884	199.00
21.	Linda Thornbloom	Administrator	3/19/07 - 3/20/07	Rockford, IL	The best friends approach: A train the trainer program for Improving Dementia Care	Alzheimers Association	104854	310.00
22.	Marie Lindgren	Resident Director						
	Rebecca Nilson	Instructor	2/15/06 - 2/16/06	Rockford, IL	Excelling as a Highly Effective Team Leader	Skillpath Seminars	104854	1,047.00
	Dolores Robison	Team Leader						
	Nikki Burks	Team Leader						
23.	Carl Granath	Cook	8/14/06	Rockford, IL	Food Service Sanitation Class	Illinois Dept. of Public Health	102134	95.00
24.	Danielle Darelus	Direct Care staff	12/22/06	Rockford, IL	Chemistry, Health	Rock Valley College	103859	427.00
25.	Carol Bachhuber	C.O.O.	9/14/06 - 9/15/06	Lisle, IL	Best Practices Conference	The Institute on Public Policy	102035	199.00
26.	Mary Cook	P/T secretary	7/12/06	Rockford, IL	Beginning Word 2000 Training class	Entre' Computer Solutions	101793	200.00
	receptionist		7/31/07	Rockford, IL	The Outstanding Receptionist	Careertrack Seminars	106280	99.00
27.	Ashlie Judd	Direct Care staff	1/12/07	Rockford, IL	Intro to Social Work, Art, Marketing, Intro to Philosophy	Rockford College	104155	549.00
28.	Peggy Jones	Nurse	5/24/07	Rockford, IL	Practical Psychopharmacology	PESI Healthcare	105599	338.00
	Vickie Chandler	LPN						
29.	Amy Beach	Cook	5/25/07	Rockford, IL	Food Service Sanitation class for Certification	Rock Valley College	106063	124.00
30.	Aimee Kaopua-Hersey	Cook	4/12/07	Rockford, IL	Food Service Sanitation class for Certification	Winnebago County Health Dept.	106106	125.00
31.	Joanna Grah	Asst. Admin.	6/1/07	Cicero, IL	Presentation by: Derrick Dufresne	Seguin Services	106033	300.00
	Amie Moist	QMRP						
	Linda Thornbloom	Administrator						
32.	Gene Engelkes	QMRP	5/9/07	Rockford, IL	Unacceptable Employee Behavior	Fred Pryor Seminars	105608	149.00
33.	Linda Hoffman	LPN	5/6/07 - 5/8/07	Albuquerque, NM	DDNA 2007 Conference	DDNA	105316	430.00
34.	Lauri Krull	QMRP	4/19/07	Rockford, IL	Memory Loss Conference	Alzheimer's Association	106067	60.00
35.	Terrie Sharp	QMRP	6/21/06	Dixon, IL	Autism & Asperger's 2006	Future Horizons, Inc.	102153	130.00
36.	Linda Thornbloom	Administrator	3/23/07	Athens, OH	Developmental Disabilities Workshop	Focus Teaching Systems	105641	344.77
37.	Linda Thornbloom	Administrator	3/28/07 - 3/29/07	East Peoria, IL	2007 Winter Conference	IL Nursing Home Admn. Assoc.	105253	95.00
38.	Shelly Dietier	Home Coordinator	5/14/07	Rockford, IL	How to make Multi-Tasking Work for You	Dale Carnegie & Assoc., Inc.	105650	716.40
	Torrie Miles	Home Coordinator						
	Delores Robinson	Home Coordinator						
	Lizzitta Sanders	Home Coordinator						
39.	Linda Thornbloom	Administrator	7/12/06	Rockford, IL	Long Term Care Live Audio Teleconference "Managed Risk Event Reports"	Polaris Group	102153	99.00
				Rockford, IL	Emergency Planning	National Padgett Seminars	106478	174.00
40.	Amie Moist	QMRP	6/22/07	Rockford, IL	Child Behavior and Behavioral Observsation Methods	Southern Illinois University	106527	732.00
41.	Joanna Grah	Asst. Admin	8/7/07 thru 8/9/07	Atlanta, GA	12th Annual NAQ Conference	National Association	106227	510.00
	Lauri Krull	QMRP					106478	516.00
42.	Rebecca Nilson	Instructor	4/24/07	Rockford, IL	Managing Emotions Under Pressure	Fred Pryor Seminars	106478	178.00
	Gene Engelkes	QMRP						
43.	Vicky Smith	Nurse	7/23/07	Rockford, IL	Advanced Assessment Strategies	PESI Healthcare	106478	149.00
44.	Theresa Risser	Asst. Admin.	5/16/07	Springfield, IL	ARC day at the capital	ARC	106478	98.02
45.	Jim Hamilton	President & CEO	11/21/06	Springfield, IL	Meals and Lodging For Conference		103884	137.90
			1/31/07	Springfield, IL			104854	163.90
			8/18/06	Springfield, IL			102580	158.90
			6/14/07-6/16/07	Springfield, IL			106901	500.15

RECLASSIFICATION - SCHEDULE V. COLUMN 5

SCHEDULE

V

Line #	Title	Amount
17	Administrative	(32,330.00)
21	Clerical	32,330.00
		<u>0</u>

To reclassify accountant's & secretary's wages and payroll taxes on administrative personnel purchased at cost from Milestone Foundation, Inc.

30	Depreciation	2,612.00
35	Equipment Rent	(2,612.00)
		<u>0</u>

To reclassify rental of Computer from Milestone, Inc. Central Office.

30	Depreciation	1,809.00
36	Rent-Maintenance Building	(1,809.00)
		<u>0</u>

To reclassify rental of Maintenance Building from Milestone, Inc. Central Office.

Schedule of Federal Form 990 Reconciliation

Page 19, Line 41	(\$179,757)
	\$693,206 Related Organizational Net Income
Federal Form 990 Net Income	<u>\$513,449</u>

Schedule XX, Line 16 - E

Due to the varied hours worked by the administrator (early morning and late evening meetings) he is allowed to take the company vehicle home at night. Accordingly, he has a payroll deduction for any consequent personal use of the vehicle.

All other vehicles are stored at the facility when not in use.

Asset Listing - VEHICLES

<u>Description</u>	<u>Date</u> <u>Acquired</u>	<u>Cost</u>		<u>Current Book</u> <u>Depreciation</u>	<u>Life</u> <u>in Years</u>	<u>Straight Line</u> <u>Depreciation</u>	<u>Adjustments</u>	<u>Accumulated</u> <u>Depreciation</u>
97 Ford Eldorado Bus	04/01/97	45,770.00		0.00	S/L - 3YR	0.00		45,770.00
97 Ford Eldorado Bus	08/06/97	45,770.00	(A)	0.00	S/L - 3YR	0.00		45,770.00
99 Ford Pick-Up	12/22/98	15,659.20		0.00	S/L - 3YR	0.00		15,659.20
99 Ford Van	12/22/98	23,752.40	(B)	0.00	S/L - 3YR	0.00	(1,000.00) (C)	23,752.40
99 Windstar	04/12/99	17,349.35		0.00	S/L - 3YR	0.00		17,349.35
2000 Ford Van E-350	02/17/00	24,268.65		0.00	S/L - 3YR	0.00		24,268.65
2000 Ford Van	04/13/00	24,382.80		0.00	S/L - 3YR	0.00		24,382.80
92 GMC Pick-Up	01/08/01	6,943.00		0.00	S/L - 3YR	0.00		6,943.00
02 Ford Van E-350	08/30/01	24,646.80		0.00	S/L - 3YR	0.00		24,646.80
02 Ford Van E-350	08/17/01	24,646.80		0.00	S/L - 3YR	0.00		24,646.80
04 Ford Crown Victoria	09/30/03	21,529.92		1,793.94	S/L - 3YR	1,793.94		21,529.92
04 Ford Truck F150	04/15/04	18,522.72		4,630.68	S/L - 3YR	4,630.68		18,522.72
Van Lift	06/17/04	3,735.00		747.00	S/L - 5YR	747.00		2,303.25
Van Lift	06/17/04	3,735.00		747.00	S/L - 5YR	747.00		2,303.25
04 Ford Freestar	08/25/04	18,347.26		6,115.80	S/L - 3YR	6,115.80		17,837.75
05 Ford Van E150	02/18/05	18,539.58		6,179.88	S/L - 3YR	6,179.88		14,934.71
2001 Jeep	05/02/05	9,629.00		3,209.64	S/L - 3YR	3,209.64		6,954.22
2006 Club Wagon	08/16/05	22,035.60		7,345.20	S/L - 3YR	7,345.20		14,078.30
05 Ford Eldorado	10/20/05	47,091.00		15,696.96	S/L - 3YR	15,696.96		27,469.68
06 Ford Mini Van	11/04/05	18,098.20		6,032.76	S/L - 3YR	6,032.76		10,054.60
97 Bus Repairs	11/30/05	10,152.19		3,384.12	S/L - 3YR	3,384.12		5,640.20
Bus Repairs	01/10/06	10,458.84		3,486.24	S/L - 3YR	3,486.24		5,229.36
06 Ford E350	10/11/06	22,040.40		5,510.07	S/L - 3YR	5,510.07		5,510.07
07 Ford Crown Vic	10/26/06	20,611.50		5,152.86	S/L - 3YR	5,152.86		5,152.86
06 Ford Eldorado	01/12/07	43,791.00		7,298.52	S/L - 3YR	7,298.52		7,298.52
Less: A) FY 1997 DMHDD Capital Grant - Equipment		(25,000.00)						(25,000.00)
B) Disposals		(23,752.40)						(23,752.40)
C) Gain on Sale of Fixed Assets						(1,000.00)		
TOTALS		<u>492,753.81</u>		<u>77,330.67</u>		<u>76,330.67</u>	<u>(1,000.00)</u>	<u>369,256.01</u>