

Financial Statement

SKYLINE MEMBERSHIP CORPORATION / SKYBEST COMMUNICATIONS, INC
CONSOLIDATED BALANCE SHEET

YEAR ENDED
DECEMBER 31, 2016

	2016
ASSETS	
CURRENT ASSETS	
CASH AND EQUIVALENTS	\$ 16,044,379
ACCOUNTS RECEIVABLE (LESS ALLOWANCES)	303,829
OTHER ACCOUNTS RECEIVABLE	887,406
MATERIALS AND SUPPLIES	1,913,252
INVESTMENT IN DEBT AND EQUITY SECURITIES	19,301,458
PREPAYMENTS AND DEFERRED CHARGES	703,234
TOTAL CURRENT ASSETS	39,153,558
NON-CURRENT ASSETS	
INVESTMENT IN DEBT AND EQUITY SECURITIES	1,137,795
GOODWILL	576,000
EQUITY INVESTMENTS	22,896,926
OTHER INVESTMENTS (NET)	2,564,445
NOTES RECEIVABLE	215,614
TOTAL NON-CURRENT ASSETS	27,390,780
PROPERTY AND EQUIPMENT	
TELECOMMUNICATIONS PLANT IN SERVICE	252,091,419
TELECOMMUNICATIONS PLANT UNDER CONSTRUCTION	4,558,878
NON-OPERATING PLANT	391,177
TOTAL PROPERTY AND EQUIPMENT	257,041,474
LESS: ACCUMULATED DEPRECIATION	144,021,012
NET PROPERTY AND EQUIPMENT	113,020,462
TOTAL ASSETS	\$ 179,564,800
LIABILITIES AND MEMBERS' EQUITY	
CURRENT LIABILITIES	
CURRENT MATURITIES ON LONG TERM DEBT	\$ 2,420,657
ACCOUNTS PAYABLE AND CUSTOMER DEPOSITS	1,684,189
ACCRUED LIABILITIES	2,246,677
TOTAL CURRENT LIABILITIES	6,351,523
LONG TERM DEBT	
NOTES PAYABLE	24,738,238
LESS: CURRENT MATURITIES	2,420,657
TOTAL LONG TERM DEBT	22,317,581
OTHER LIABILITIES	
POST RETIREMENT BENEFIT OTHER THAN PENSION	1,315,300
EQUITY INVESTMENTS	103,781
DEFERRED COMPENSATION	739,568
DEFERRED REVENUE	982,425
DEFERRED TAX LIABILITY	935,490
TOTAL OTHER LIABILITIES	4,076,564
TOTAL LIABILITIES	32,745,668
MEMBERS' EQUITY	\$ 146,819,132
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 179,564,800

HOW OUR DOLLARS ARE RECEIVED: \$51,411,006	2016	PERCENTAGE
TOLL / ACCESS	\$13,932,363	27.10%
OTHER SALES AND SERVICE INCOME	\$20,725,548	40.31%
MISCELLANEOUS	\$1,898,110	3.69%
NON-OPERATING REVENUE	\$6,876,575	13.38%
LOCAL SERVICE	\$7,856,889	15.28%
BAD DEBT EXPENSE	\$121,521	0.24%

	2016
OPERATING REVENUES:	
BASIC LOCAL NETWORK SERVICE	\$ 7,856,889
NETWORK ACCESS AND LONG DISTANCE REVENUE	13,932,363
INTERNET AND OTHER SALES AND SERVICES	20,725,548
OTHER	1,898,110
LESS: UNCOLLECTIBLE REVENUES	121,521
TOTAL OPERATING REVENUES	44,534,431
OPERATING EXPENSES:	
PLANT SPECIFIC OPERATIONS	7,287,281
PLANT NON-SPECIFIC OPERATIONS	8,711,465
PROVISION FOR DEPRECIATION AND AMORTIZATION	9,955,147
CUSTOMER OPERATIONS	6,249,458
CORPORATE OPERATIONS	6,756,052
TOTAL OPERATING EXPENSES	38,959,403
OPERATING INCOME (LOSS):	5,575,028
OTHER INCOME (LOSS):	
INTEREST INCOME	417,930
EARNINGS (LOSS) FROM EQUITY INVESTMENTS	2,271,025
REALIZED GAIN ON SALE OF EQUITY METHOD INVESTMENTS	3,688,759
REALIZED GAIN ON SALE OF SECURITIES AVAILABLE FOR SALE	498,861
TOTAL OTHER INCOME (LOSS)	6,876,575
FIXED CHARGES:	
INTEREST ON LONG TERM DEBT	-569,894
TOTAL FIXED CHARGES	-569,894
INCOME (LOSS) BEFORE TAXES ON INCOME	11,881,709
INCOME TAX EXPENSE	37,234
NET INCOME (LOSS)	11,844,475

SKYLINE MEMBERSHIP CORPORATION / SKYBEST COMMUNICATIONS, INC
CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES
YEAR ENDED
DECEMBER 31, 2016

HOW OUR DOLLARS ARE SPENT: \$51,411,006	2016	PERCENTAGE
CUSTOMER / CORPORATE OPERATIONS	\$13,005,510	25.30%
DEPRECIATION	\$9,955,147	19.36%
MEMBER OWNERSHIP	\$11,844,475	23.04%
MAINTENANCE	\$15,998,746	31.12%
INTEREST ON DEBT	\$569,894	1.11%
FEDERAL & STATE TAXES	\$37,234	0.07%