



SKYLINE
MEMBERSHIP
CORPORATION
CONSOLIDATED
BALANCE SHEET

YEAR ENDED
DEC. 31, 2013

2013

Current Assets:	
Cash and temporary investments	\$ 2,642,942
Accounts receivable (less allowances)	3,678,836
Investment in debt and equity securities	17,117,424
Materials and supplies	1,631,438
Prepayments and deferred charges	592,162
Total Current Assets	<u>25,662,802</u>
Non-Current Assets:	
Investment in debt and equity securities	4,456,725
Goodwill	576,000
Equity investment	15,615,659
Other investments (net)	1,545,098
Notes receivable	2,204,792
Total Non-Current Assets	<u>24,398,274</u>
Property and Equipment:	
Telecommunications plant in service	199,759,108
Telecommunications plant under construction	23,557,220
Non-operating plant	359,649
Total Property and Equipment	<u>223,675,977</u>
Less, Accumulated Depreciation	130,489,464
Net Property and Equipment	<u>93,186,513</u>
Total Assets:	<u>\$ 143,247,589</u>

LIABILITIES & CAPITALIZATION

Current Liabilities:	
Accounts payable and customer deposits	\$ 3,185,206
Advance billings and payments	2,277,516
Current maturities on long-term debt	824,322
Accrued liabilities	3,351,414
Total Current Liabilities	<u>9,638,458</u>
Non-Current Liabilities:	
Long-term debt, less current maturities	10,132,038
Deferred compensation	686,465
Post-retirement benefits	3,672,800
Deferred income taxes	720,390
Total Non-Current Liabilities	<u>15,211,693</u>
Total Liabilities:	<u>24,850,151</u>
Capitalization:	
Accumulated other comprehensive income (loss)	(859,136)
Patronage capital	119,256,574
Total Capitalization	<u>118,397,438</u>
Total Liabilities and Capitalization:	<u>\$ 143,247,589</u>



**SKYLINE
MEMBERSHIP
CORPORATION
CONSOLIDATED
STATEMENT OF
REVENUES &
EXPENSES**
YEAR ENDED
DEC. 31, 2013

2013

Operating Revenues:

Basic local network service	\$ 8,122,974
Network access and long-distance revenue	13,548,100
Other sales and services revenue	14,502,255
Other	2,228,510
Less uncollectible	(23,015)
Total Operating Revenues	<u>38,378,824</u>

Operating Expenses:

Plant specific operations	6,942,032
Plant non-specific operations	6,069,674
Depreciation	9,669,964
Customer operations	5,195,651
Corporate operations	5,541,363
Total Operating Expenses	<u>33,418,684</u>

Operating Income:

4,960,140

Non-Operating Income (Expenses):

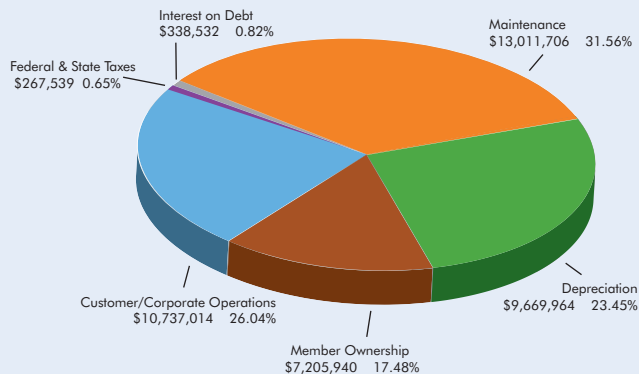
Investment income	714,365
Allowance for funds used in construction	318,597
Earnings from equity investments (net)	968,638
Realized gain (loss) on sale of securities available for sale	850,271
Interest expense	(338,532)
Total Non-Operating Income	<u>2,513,339</u>

Net margins before income taxes	7,473,479
Federal and state income taxes (benefits)	267,539

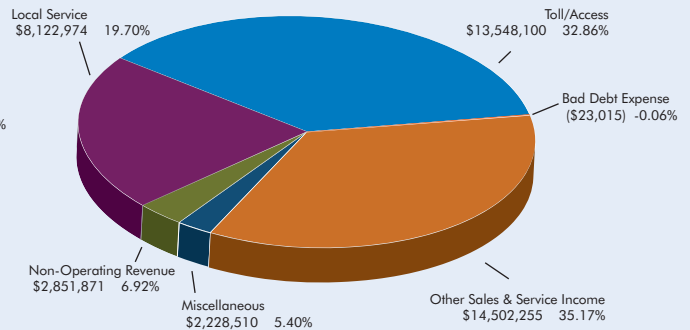
Net Margins for the Year

\$ 7,205,940

**How our dollars are spent:
Total \$41,230,695**



**How our dollars are received:
Total \$41,230,695**





**SKYBEST
COMMUNICATIONS
INCORPORATED
BALANCE SHEET**

YEAR ENDED
DEC. 31, 2013

2013

Current Assets:	
Cash	\$ 35,144
Accounts receivable parent company	1,261,075
Other accounts receivable	6,000
Prepayments and deferred charges	26,749
Total Current Assets	<u>1,328,968</u>
Non-Current Assets:	
Parent company capital credits receivable	1,302,726
Equity Investments	851,620
Total Non-Current Assets	<u>2,154,346</u>
Property and Equipment:	
Telecommunications plant in service	10,237,601
Telecommunications plant under construction	28,302
Total property and equipment	10,265,903
Less, accumulated depreciation	3,864,911
Net Property and Equipment	<u>6,400,992</u>
Total Assets:	<u>\$ 9,884,306</u>

LIABILITIES & CAPITALIZATION

Current Liabilities:	
Accounts payable and customer deposits	\$ 108,489
Accounts payable parent company	4,561,923
Current maturities on long-term debt	415,836
Accrued liabilities	48,448
Total Current Liabilities	<u>5,134,696</u>
Non-Current Liabilities:	
Long-term debt, less current maturities	1,607,713
Equity Investments	0
Deferred income taxes	720,390
Total Non-Current Liabilities	<u>2,328,103</u>
Total Liabilities:	<u>7,462,799</u>
Capitalization:	
Capital stock	200,000
Additional paid-in capital	1,000,000
Retained earnings	1,221,507
Total Capitalization	<u>2,421,507</u>
Total Liabilities and Capitalization:	<u>\$ 9,884,306</u>



SKYBEST
COMMUNICATIONS
INCORPORATED
STATEMENT OF
REVENUES &
EXPENSES

YEAR ENDED
DEC. 31, 2013

Operating Revenues:

Basic local network service	\$ 798,504
Network access and long-distance revenue	3,081,841
Other sales and services revenue	14,295,376
Other revenue	168,851
Less uncollectible	(69,510)
Total Operating Revenues	<u>18,275,062</u>

Operating Expenses:

Plant specific operations	1,860,049
Plant non-specific operations	7,935,121
Depreciation	1,003,300
Customer operations	2,632,236
Corporate operations	4,036,766
Total Operating Expenses	<u>17,467,472</u>

Operating Income (Loss):

807,590

Non-Operating Income (Expenses):

Investment income	210
Interest on long-term debt	(93,822)
Loss from equity investment	(4,938)
Allowance for funds used during construction	5,706
Total Non-Operating Income	<u>(92,844)</u>

Income before income taxes	714,746
Federal and state income taxes (benefits)	267,539

Net Income (Loss) for the Year **\$ 447,207**

