



SMART TECHNOLOGIES
START HERE.



The logo for SkyLine membership corp. features a stylized blue wave with an orange sun rising above it. Below the graphic, the text 'SkyLine' is written in a large, bold, blue font, and 'membership corp.' is written in a smaller, black font below it.

2016 Annual Meeting Report

Financial Statement

SkyLine Membership Corporation and SkyBest Communications, Incorporated
 Consolidated Balance Sheet
 YEAR ENDED DEC. 31, 2015

ASSETS	2015
CURRENT ASSETS	
CASH AND EQUIVALENTS	\$ 6,615,123
ACCOUNTS RECEIVABLE (LESS ALLOWANCES)	170,603
OTHER ACCOUNTS RECEIVABLE	995,898
INVESTMENT IN DEBT AND EQUITY SECURITIES	18,448,082
MATERIALS AND SUPPLIES	1,782,428
PREPAYMENTS AND DEFERRED CHARGES	706,441
TOTAL CURRENT ASSETS	28,718,575
NON-CURRENT ASSETS	
DIVIDEND RECEIVABLE - EQUITY INVESTMENTS	459,000
NOTES RECEIVABLE	293,784
INVESTMENT IN DEBT AND EQUITY SECURITIES	1,552,213
EQUITY INVESTMENTS	21,554,400
OTHER INVESTMENTS (NET)	2,527,856
GOODWILL	576,000
TOTAL NON-CURRENT ASSETS	26,963,253
PROPERTY AND EQUIPMENT	
TELECOMMUNICATIONS PLANT IN SERVICE	240,177,765
TELECOMMUNICATIONS PLANT UNDER CONSTRUCTION	5,851,858
NON-OPERATING PLANT	357,619
TOTAL PROPERTY AND EQUIPMENT	246,387,242
LESS: ACCUMULATED DEPRECIATION	138,575,827
NET PROPERTY AND EQUIPMENT	107,811,415
TOTAL ASSETS	163,493,243

LIABILITIES AND MEMBERS' EQUITY	2015
CURRENT LIABILITIES	
CURRENT MATURITIES ON LONG TERM DEBT	\$ 1,837,428
ACCOUNTS PAYABLE AND CUSTOMER DEPOSITS	1,932,076
ACCRUED LIABILITIES	2,213,338
TOTAL CURRENT LIABILITIES	5,982,842
LONG TERM DEBT	
NOTES PAYABLE	18,736,936
LESS: CURRENT MATURITIES	1,837,428
TOTAL LONG TERM DEBT	16,899,508
OTHER LIABILITIES	
DEFERRED TAX LIABILITY	903,908
DEFERRED COMPENSATION	694,875
DEFERRED REVENUE	1,040,955
EQUITY INVESTMENTS	96,371
POST RETIREMENT BENEFIT OTHER THAN PENSION	1,855,300
TOTAL OTHER LIABILITIES	4,591,409
TOTAL LIABILITIES	27,473,759
MEMBERS' EQUITY	
ACCUMULATED OTHER COMPREHENSIVE INCOME	(1,178,665)
PATRONAGE CAPITAL (deficit)	137,198,149
TOTAL MEMBERS' EQUITY	136,019,484
TOTAL LIABILITIES AND MEMBERS' EQUITY	163,493,243

HOW OUR DOLLARS
ARE SPENT: **\$47,909,284**

	2015	PERCENTAGE
CUSTOMER / CORPORATE OPERATIONS	\$12,144,985	25.35%
DEPRECIATION	\$8,847,958	18.47%
MEMBER OWNERSHIP	\$11,343,597	23.68%
MAINTENANCE	\$15,250,029	31.83%
INTEREST ON DEBT	\$199,413	.41%
FEDERAL & STATE TAXES	\$123,302	.26%

HOW OUR DOLLARS
ARE RECEIVED: **\$47,909,284**

	2015	PERCENTAGE
TOLL / ACCESS	\$13,359,320	27.88%
OTHER SALES AND SERVICE INCOME	\$19,328,423	40.34%
MISCELLANEOUS	\$1,924,901	4.02%
NON-OPERATING REVENUE	\$5,285,041	11.03%
LOCAL SERVICE	\$8,122,952	16.95%
BAD DEBT EXPENSE	\$(111,353)	-0.22%

SkyLine Membership Corporation and SkyBest Communications, Incorporated
Consolidated Statement of Revenues and Expenses
YEAR ENDED DEC. 31, 2015

OPERATING

2015

OPERATING REVENUES:

BASIC LOCAL NETWORK SERVICE	\$	8,122,952
NETWORK ACCESS AND LONG DISTANCE REVENUE		13,359,320
INTERNET AND OTHER SALES AND SERVICES		19,328,423
OTHER		1,924,901
LESS: UNCOLLECTIBLE REVENUES		(111,353)
TOTAL OPERATING REVENUES		42,624,243

OPERATING EXPENSES:

PLANT SPECIFIC OPERATIONS		7,158,288
PLANT NON-SPECIFIC OPERATIONS		8,091,741
PROVISION FOR DEPRECIATION AND AMORTIZATION		8,847,958
CUSTOMER OPERATIONS		6,033,958
CORPORATE OPERATIONS		6,111,027
TOTAL OPERATING EXPENSES		36,242,972

OPERATING INCOME (LOSS): **6,381,271**

OTHER INCOME (LOSS):

INTEREST INCOME		748,896
EARNINGS (LOSS) FROM EQUITY INVESTMENTS		4,429,992
REALIZED GAIN ON SALE OF SECURITIES AVAILABLE FOR SALE		106,153
TOTAL OTHER INCOME (LOSS)		5,285,041

FIXED CHARGES:

INTEREST ON LONG TERM DEBT		(199,413)
TOTAL FIXED CHARGES		(199,413)

INCOME (LOSS) BEFORE TAXES ON INCOME 11,466,899

INCOME TAX EXPENSE 123,302

NET INCOME (LOSS) 11,343,597



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Office Locations

Banner Elk
Boone
Sparta
West Jefferson
(Smart Home & Call Center)

Our Annual Meeting Report
is also online at:

<http://starthere.skyline.org>