

SKYLINE MEMBERSHIP CORPORATION AND SUBSIDIARIES

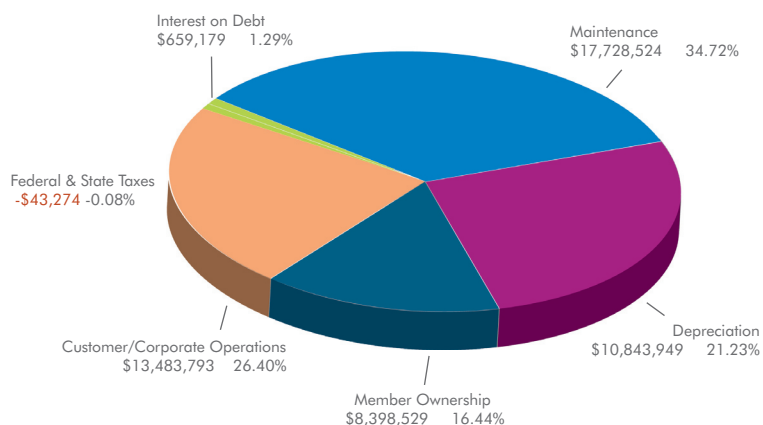
CONSOLIDATED BALANCE SHEET AND STATEMENT OF REVENUES AND EXPENSES

YEAR ENDED DEC. 31, 2017

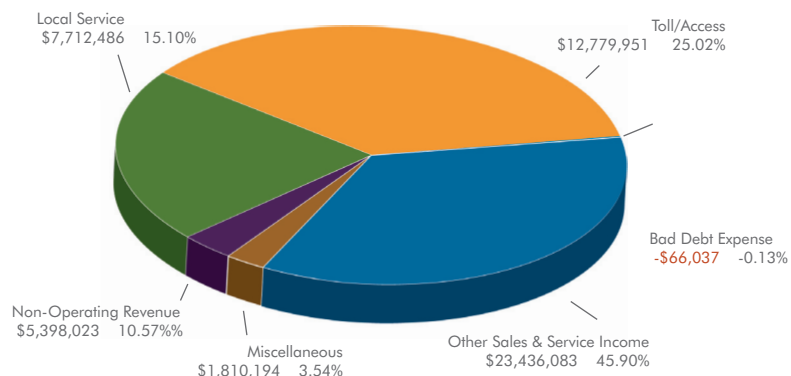
FINANCIALS

ASSETS	2017	LIABILITIES AND MEMBERS' EQUITY	2017
CURRENT ASSETS		CURRENT LIABILITIES	
CASH AND EQUIVALENTS	\$ 6,041,337	CURRENT MATURITIES ON LONG TERM DEBT	\$ 2,415,586
ACCOUNTS RECEIVABLE (LESS ALLOWANCES)	330,529	ACCOUNTS PAYABLE AND CUSTOMER DEPOSITS	2,353,995
OTHER ACCOUNTS RECEIVABLE	1,023,341	ACCRUED LIABILITIES	2,430,907
MATERIALS AND SUPPLIES	2,331,702	TOTAL CURRENT LIABILITIES	7,200,488
INVESTMENT IN DEBT AND EQUITY SECURITIES	22,342,167	LONG TERM DEBT	
PREPAYMENTS AND DEFERRED CHARGES	819,085	NOTES PAYABLE	22,443,467
TOTAL CURRENT ASSETS	32,888,161	LESS: CURRENT MATURITIES	2,415,586
NON-CURRENT ASSETS		TOTAL LONG TERM DEBT	20,027,881
INVESTMENT IN DEBT AND EQUITY SECURITIES	1,163,195	OTHER LIABILITIES	
GOODWILL	576,000	POST RETIREMENT BENEFIT OTHER THAN PENSION	-
EQUITY INVESTMENTS	27,332,101	EQUITY INVESTMENTS	115,017
OTHER INVESTMENTS (NET)	2,490,633	DEFERRED COMPENSATION	841,874
POSTEMPLOYMENT BENEFITS OTHER THAN PENSION	1,100,416	DEFERRED REVENUE	920,680
NOTES RECEIVABLE	128,440	DEFERRED TAX LIABILITY	479,668
TOTAL NON-CURRENT ASSETS	32,790,785	TOTAL OTHER LIABILITIES	2,357,239
PROPERTY AND EQUIPMENT		TOTAL LIABILITIES	29,585,608
TELECOMMUNICATIONS PLANT IN SERVICE	293,102,535	MEMBERS' EQUITY	\$ 156,709,263
TELECOMMUNICATIONS PLANT UNDER CONSTRUCTION	4,495,622	TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 186,294,871
NON-OPERATING PLANT	637,862		
TOTAL PROPERTY AND EQUIPMENT	298,236,019		
LESS: ACCUMULATED DEPRECIATION	177,620,094		
NET PROPERTY AND EQUIPMENT	120,615,925		
TOTAL ASSETS	\$186,294,871		

**How our dollars are spent:
Total \$51,070,700**



**How our dollars are received:
Total \$51,070,700**



OPERATING

2017

OPERATING REVENUES:

BASIC LOCAL NETWORK SERVICE	\$ 7,712,486
NETWORK ACCESS AND LONG DISTANCE REVENUE	12,779,951
INTERNET AND OTHER SALES AND SERVICES	23,436,083
OTHER	1,810,194
LESS: UNCOLLECTIBLE REVENUES	66,037
TOTAL OPERATING REVENUES	45,672,677

OPERATING EXPENSES:

PLANT SPECIFIC OPERATIONS	7,994,075
PLANT NON-SPECIFIC OPERATIONS	9,734,449
PROVISION FOR DEPRECIATION AND AMORTIZATION	10,843,949
CUSTOMER OPERATIONS	5,875,916
CORPORATE OPERATIONS	7,607,877
TOTAL OPERATING EXPENSES	42,056,266

OPERATING INCOME (LOSS):

3,616,411

OTHER INCOME (LOSS):

INTEREST INCOME	868,430
EARNINGS (LOSS) FROM EQUITY INVESTMENTS	4,159,365
REALIZED GAIN ON SALE OF EQUITY METHOD INVESTMENTS	0
REALIZED GAIN ON SALE OF SECURITIES AVAILABLE FOR SALE	370,228
TOTAL OTHER INCOME (LOSS)	5,398,023

FIXED CHARGES:

INTEREST ON LONG TERM DEBT	-659,179
TOTAL FIXED CHARGES	-659,179

INCOME (LOSS) BEFORE TAXES ON INCOME

8,355,255

INCOME TAX (BENEFIT) EXPENSE

-43,274

NET INCOME (LOSS)

8,398,529