

## 2019 Capital Credits Allocated

Capital credits are one of the many benefits of being served by a telephone cooperative. SkyLine Membership Corporation has allocated the net margins from 2019 to the capital credit accounts of its members. Capital credits for cooperative members result from a surplus of funds remaining from doing business. If the revenues paid in to the cooperative during the financial year exceed the expenses, the remainder is known as the "margin." The margin is then allocated to SkyLine's member-owners. Allocations are based on end user revenue including members' recurring monthly charges such as local service, calling features and Internet services, as well as monthly long-distance charges.

The 2019 margin represented approximately 23.27 percent of SkyLine's total revenues, and this percentage has been assigned to members' capital credit accounts. Members' individual allocations are based on their share of the margin, and are determined by their usage of SkyLine's services and network.

The 2019 allocated capital credits will be retired to members at a future date, as approved by SkyLine's Board of Directors. In the meantime, members' unretired capital credits are used by the co-op to maintain a solid financial base, to build equity and to provide quality, affordable service. Individual notices of allocated capital credits are not mailed to members; however, if you have questions about your capital credit account, please call your local SkyLine Customer Service Center at 1-800-759-2226.



CEO Kim Shepherd reports that the demand to further expand the company's fiber network has never been greater.



President R.C. Mitchell cites a continuing partnership with Wilkes Community College and other regional leaders to foster a telework economy for the region.



Board Secretary Jim Shepherd confirms that a quorum has been established for the business meeting to commence.



Credentials Committee Chair Huey Long presents the final results from the ballot counts for the election of directors.



Mr. and Mrs. Carl Williams received a home delivery of the Annual Meeting grand prize: a 55-inch high-definition LED Smart TV and sound bar system.



SkyLine Attorney Ray Parker presides over the business session at the 64th Annual Meeting.

## SkyLine Annual Meeting Features Modified Format Due to COVID-19

The 64th Annual Meeting of SkyLine Membership Corporation was conducted in early October using a modified meeting format due to the COVID-19 pandemic and state-mandated restrictions on attendance at public meetings. With board-approved amendments to the cooperative bylaws in July that helped officials continue with scheduling the Annual Meeting using an early registration process to establish a quorum for the meeting and to conduct the balloting process for the election of directors, the meeting was held on the morning of October 6 at SkyLine's corporate office campus in West Jefferson.

The business session included reports from President R.C. Mitchell and CEO Kim Shepherd and Board Secretary Jim Shepherd, who announced the establishment of a quorum with 525 members registered for the meeting through early registration and drive-through registration on the day of the meeting. SkyLine Attorney Ray Parker presided over the official business session, and three board members were re-elected to three-year terms: Sharon Kasel of Ashe County, Bill Burleson of Avery County and Thomas J. (Joseph) McNeil of Watauga County.

President R.C. Mitchell opened his remarks by acknowledging the need for a modified meeting format due to the worldwide COVID-19 pandemic. "We and scores of our peers across rural America have made the necessary adjustments to continue the essential business of our annual cooperative meeting while keeping our members, board and employee group safe." Mitchell pointed to the company's continuing investment in technology to ensure members are connected to the world during unprecedented times. "When the state's stay-at-home order was announced, SkyLine immediately implemented additional telework options for some of our own staff. This follows our successful efforts in recent years to adopt teleworking on a permanent basis for several

CONTINUED ON PAGE 2



Sharon Kasel of Ashe County



Bill Burleson of Avery County



Thomas J. McNeil of Watauga County



SkyLine staff registers member Barbara Boyden during drive-through registration on the morning of the Annual Meeting.

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### WORTH NOTING:

Thursday, November 26

Thanksgiving Holiday  
All SkyLine/SkyBest  
Customer Centers Will  
Be Closed

### STAFF:

Kim Shepherd  
Chief Executive Officer

Brian Tester  
Chief Operations Officer

Angie Poe  
Customer Service Manager

Jamey Jenkins  
Retail Sales Manager

Karen P. Powell  
Public Relations Administrator  
& Editor



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employees in the company's Support Services and Call Center divisions," he said.

"The recent rise in telework among various business sectors is showing financial savings, improved operational efficiencies, increased productivity and a boost in employee morale," he said. SkyLine's continuing partnership with Wilkes Community College and other regional leaders to foster a telework economy emphasizes the strong fiber assets that already exist across the college's three-county footprint. "Our goal in this effort is to improve economic opportunities for the citizens of this region by attracting company investment to foster sustainable growth in this sector." Mr. Mitchell also highlighted SkyLine's pledge to join the FCC's "Keeping Americans Connected" and its financial contributions to initiatives through the Ashe and Boone Chambers of Commerce to provide grants or loans to businesses that would allow them to remain open and keep staff employed during Phase I of the pandemic. Known for its legacy of support to local public education, SkyLine also constructed several WiFi hotspots in late summer to several clusters of communities in Ashe County where students lacked access, along with the fall reinstatement of SkyLine's regional technology grant program with a renewed focus on providing needed student broadband connections.

In her remarks, CEO Kim Shepherd echoed the significant modifications that were made to conduct the Annual Meeting under current restrictions due to COVID-19 and recognized company team members who "were able to craft a solution to make the meeting happen in a fashion that addressed our business needs while maintaining all of the necessary safety protocols." While the pandemic did produce some negative impacts and forced some difficult decisions for the company, Shepherd noted that the cooperative experienced zero furloughs in both full-time and part-time staff.

Speaking of the company's flagship product, Shepherd said, "Broadband service is more essential than ever. We continue to receive requests to serve areas outside of our traditional ILEC area, which has already been overbuilt with fiber. A small community here, a development there, edging out in to Virginia... to be perfectly honest, the demand to expand our fiber network has never been greater." Shepherd reported the completion or near completion of several fiber expansions in the Todd community in parts of Ashe County including West Jefferson, along Frank Dillard Road, in the Buffalo community, in Mountain View Estates and along Mulatto Mountain Road. "In another positive development, we were just recently named recipients of the Tennessee Emergency Broadband State Grant and are expanding to the Sutherland Community in Johnson County near Shady Valley," she said.

Financially, SkyLine had a solid year of net income in 2019. "We generated over \$62 million in consolidated operating revenues and our balance sheet reflects over \$300 million in total plant. The company's strong financial position will enable us to continue with our growth and expansion efforts," Shepherd said. She expressed appreciation to the board for its vision and direction, employees for persevering and prevailing in a challenging year and the members and customers for placing their trust in SkyLine as their telecom service provider.

On a sad note, Shepherd closed with a remembrance of SkyLine Regulatory Manager Steven Hardin, a 25-year employee of the company, who passed away September 17 after a short battle with cancer. "Anyone

fortunate enough to have known Steven knew a great man of tremendous faith, with a huge heart and an extraordinary love for his family. Steven is sorely missed, but I find comfort in knowing he is in a better place. And, I remain honored to have called him my friend."

The business session featured a video presentation that recognized 10 area 2020 high school graduates who received local and national scholarships through SkyLine and the Foundation for Rural Service (FRS). The 2020 scholarship recipients are: Hope Gambill, Jackie Li and Griselda Carranza of Alleghany County; Zoe Schell and Malorie Eller of Ashe County; Luke Smith of Watauga County, who received a SkyLine and FRS National Scholarship; and Andrew Dugger, Colton Long and Jaden Tolliver of Johnson County.

SkyLine announced five \$100 prizes and the grand prize: a Samsung 4K Ultra High-Definition LED TV and a Sony Bluetooth Sound Bar System. The \$100 prize winners are Joseph and Brenda Hamm of Alleghany County, Stephanie Johnson of Ashe County, Cecil and Carolyn Porch of Watauga County; Huey and Linda Long of Johnson County and Catherine Elliott of Avery County. Carl Williams of Alleghany County won the grand prize.

Special thanks to Misses Aubreana Lovell and Meleah Lovell for lending their voices for the presentation of the National Anthem via video, to Ashe County High School JROTC for providing the U.S. and N.C. flags for the business session and to the following restaurants for accepting special meal vouchers for registered members to redeem through October: Crave Restaurant in Sparta, Smoky Mountain Barbecue in West Jefferson, Banner Elk Restaurant, Cove Creek General Store and Grill in Sugar Grove, D & B Mini-Mart in Zionville, Grandview Restaurant in Foscoe and Raceway Restaurant in Shady Valley.

## Recipe of the Month

### Chocolate Zucchini Sheet Cake

#### Ingredients:

- 2 cups sugar
- 1 cup vegetable oil
- 3 eggs
- 2 1/2 cups all-purpose flour
- 1/4 cup baking cocoa
- 1 teaspoon baking soda
- 1/4 teaspoon baking powder
- 1/4 teaspoon salt
- 1/2 cup milk
- 2 cups shredded fresh zucchini
- 1 tablespoon vanilla extract

#### Frosting:

- 1/2 cup butter or margarine
- 1/4 cup baking cocoa
- 6 tablespoons evaporated milk
- 1 pound confectionery sugar
- 1 tablespoon vanilla extract

#### Instructions:

In a large mixing bowl, combine sugar and oil. Add eggs one at a time, beating well after each addition. Combine flour, cocoa, baking soda, baking powder and salt; gradually add to the egg mixture alternately with the milk. Stir in the zucchini and extract. Pour into a greased 15x10x1-inch baking pan. Bake at 375 degrees for 25 minutes or until cake tests done. While cake is baking, combine all frosting ingredients. Mix until smooth. Spread frosting over cake while hot. Cool on wire rack.

Recipe submitted by Barbara Jennings of Alleghany County



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