

A woman with long brown hair, wearing a blue polo shirt with the "SkyLine SkyWest" logo and black pants, stands on a paved path. She is smiling and has her hand on her hip. A large, vibrant rainbow arches over her. In the background, there are green trees and a stone wall with the words "DREAM MORE" inscribed on it.

# 2024 Annual Meeting Report SkyLine Membership Corporation

*Skyline Serves*



# Executive Report

SkyLine Membership Corporation exemplifies the word “service” at every level. From the very onset of the company, the goal of our cooperative has been to serve; first, by providing our rural communities with the same advancements of more populated, urban areas. Known as the broadband provider of the High Country, we take our role seriously to help customers conduct business, connect with family and friends, and better adapt to the continuous changes in the world of technology. However, I am proud to say, at SkyLine, “service” means much more than high speed internet. This year’s Annual Report is titled, “SkyLine Serves.”

It is our promise that SkyLine’s devotion to customer service is unwavering. We sincerely appreciate each and every member, and we thank you for trusting us with your broadband, telephone and security needs. SkyLine Membership Corporation is what it is because of you. It is hard not to excel at customer service when you genuinely love the people you serve. I can personally attest to a common theme of gratitude throughout our company. This gratitude is acted on and expressed in many ways. Although SkyLine employees do not seek a spotlight—preferring to remain behind the scenes, it is an honor to highlight some of their efforts in this year’s Annual Report.

In our 2024 Annual Report Video, it is evident how so many employees provide “customer service” above and beyond a job description. I count it a privilege to be part of a company where choosing to lend a helping hand is woven into the culture.

Financially, your cooperative remains strong. In 2023, our consolidated operating income was just over \$12.9 million, and SkyLine consolidated plant reflects over \$359 million. Additionally, the Board of Directors approved just over \$2 million in capital credit refunds to members and estates in 2023, as our cash position remains in good shape. Our affiliate, Carolina West Wireless (CWW), ended with a consolidated operating income of over \$2.3 million.

SkyLine continues to expand throughout unserved and underserved areas. Eagerly, we make progress to connect, communicate with and serve more of you. In January, SkyLine’s wholly-owned subsidiary, SkyBest Communications, finalized the expansion in Johnson County through the Tennessee Emergency Broadband Fund, bringing access to

more than 750 homes and businesses. In Watauga County, Wildcat, Green Valley, Howards Creek and Triplett grant expansions are complete and now ready for service. We are proud to say the number of residents and businesses connected is increasing daily. We are on pace for the remaining portions of the grant across the Blue Ridge Parkway to be completed this year, and we will continue work in these areas. SkyBest received a Completing Access to Broadband (CAB) grant of nearly \$10 million through the N.C. Department of Information Technology’s (NCDIT) Division of Broadband and Digital Equity in Avery County. With the grant monies, we can provide high-speed broadband connection to more than 950 eligible locations.

This report reflects the dedication we have to our members and customers. Our cooperative spirit, which starts with the Board of Directors, trickles through each department of the company. Whether it’s responding quickly to those lacking connectivity, volunteering with local organizations, writing grants to access funding for new expansions or connecting communities through the power of adequate broadband, SkyLine serves.



BILL BURLESON  
President



KIM SHEPHERD  
Chief Executive Officer





## *Skyline Board of Directors*



Seated, left to right: D.C. Smith, Vice President; Kim Shepherd, Chief Executive Officer; Bill Burleson, President; James L. Shepherd, Secretary; Jerry Roten, Treasurer. Standing, left to right: R.C. Mitchell; Joseph McNeil; Tommy Joe Ward; Kenneth McQueen; Sharon Kasel; Raymond Parker, Attorney.

## *SkyBest Board of Directors*



Seated, left to right: Haskell McGuire, Secretary; R.C. Mitchell, Assistant Secretary; James L. Shepherd, Chairman; Dennis Gambill, Vice President. Standing, left to right: D.C. Smith; Joseph McNeil, Treasurer; Kim Shepherd, President; Raymond Parker, Attorney.



# Skyline Membership Corporation and Subsidiaries

## Consolidated Statement of Revenues and Expenses

	2023	2022
<b>Operating Revenues:</b>	<b>66,853,469</b>	<b>64,767,912</b>
<b>Operating Expenses:</b>		
Plant Specific and Non-Specific Operations:	14,888,273	14,898,061
Depreciation:	13,823,424	13,133,429
Customer and Corporate Operations:	16,349,862	15,946,714
Cost of Sales:	8,733,621	7,128,544
Taxes:	147,000	126,525
	53,942,180	51,233,273
<b>Operating Income:</b>	<b>12,911,289</b>	<b>13,534,639</b>
<b>Non-operating Income:</b>	<b>7,722,803</b>	<b>(4,496,831)</b>
<b>Federal and State Income Tax Expense:</b>	<b>976,974</b>	<b>989,170</b>
<b>Net Income:</b>	<b>19,657,118</b>	<b>8,048,638</b>

## Highlights of Operation

	2023
<b>Operating Revenues:</b>	<b>66,853,469</b>
<b>Operating Expenses:</b>	<b>53,942,180</b>
<b>Other Income/Expenses:</b>	<b>6,745,829</b>
<b>Consolidated Net Income:</b>	<b>19,657,118</b>
<b>Capital Expenditures:</b>	<b>14,829,338</b>



# Consolidated Balance Sheet

Assets	2023	2022
<b>Current Assets</b>		
Cash and Equivalents	22,922,316	20,248,385
Accounts Receivable (Less Allowance)	128,717	290,170
Inventory	7,046,308	7,095,619
Other Current Assets including Equity Investments	45,265,891	41,781,576
<b>Total Current Assets</b>	<b>75,363,232</b>	<b>69,415,750</b>
<b>Non-Current Assets</b>		
Notes Receivable	996,875	1,168,703
Debt Securities	-	598,525
Other Investments including Equity Method Investments	55,279,211	53,021,143
Operating Lease Right of Use Asset	2,174,523	2,219,297
Obligation Under Interest Rate Swap	621,302	889,018
Goodwill	3,916,346	3,916,346
<b>Total Non-Current Assets</b>	<b>62,988,257</b>	<b>61,813,032</b>
<b>Property, Plant &amp; Equipment</b>		
Total Plant in Service, Plant Under Construction & Non-Operating Plant	359,410,210	344,580,872
Less: Accumulated Depreciation	(219,937,200)	(208,799,146)
<b>Total Net Plant</b>	<b>139,473,010</b>	<b>135,781,726</b>
<b>Total Assets</b>	<b>277,824,499</b>	<b>267,010,508</b>
<b>Liabilities &amp; Equity</b>	<b>2023</b>	<b>2022</b>
<b>Current Liabilities</b>		
Accounts Payable and Customer Deposits	2,322,136	3,337,367
Current Portion of Long Term Debt	4,299,318	4,156,962
Current Operating Lease Liability	270,743	220,577
Other Current Liabilities	3,296,309	3,505,685
<b>Total Current Liabilities</b>	<b>10,188,506</b>	<b>11,220,591</b>
<b>Non-Current Liabilities</b>		
Long Term Debt, Less Current Maturities	18,431,250	22,584,169
Non-Current Operating Lease Liabilities	1,903,780	1,998,720
Other Non-Current Liabilities	6,279,177	9,421,815
<b>Total Non-Current Liabilities</b>	<b>26,614,207</b>	<b>34,004,704</b>
<b>Equity</b>		
Patronage Capital	132,608,878	125,297,423
Other Equities	108,412,908	96,487,790
<b>Total Equity</b>	<b>241,021,786</b>	<b>221,785,213</b>
<b>Total Liabilities &amp; Equity</b>	<b>277,824,499</b>	<b>267,010,508</b>



# Service Anniversaries

## 5 yrs



Eric Miller  
05/01



Shelley Phillips  
07/08



John Stuerwald  
05/01



Dakota Loggins  
01/01



Austin Mast  
05/01



Kendra Reavis  
08/16



Justin Lambert  
05/01



Carter Calhoun  
05/01



Chandler Barker  
05/01



Eli Blevins  
05/01



Julia Wood  
05/01



Edward Hinson  
04/28



Jamey Jenkins  
11/03



Hadden Williams  
12/16



Suzanna Limon  
04/01



Samuel Gates  
12/16



Brandon Miller  
12/16



Zach Davis  
06/01

## 10 yrs



Tina Chriscoe  
12/01



Eric Chuch  
12/16



15 yrs



Allen McNeill  
09/16



Debra Greer  
11/02



Kim Johnson  
02/17



Brian Tester  
10/04



Angie Stansberry  
03/22



Angie Poe  
02/02



Rebecca Grogan  
03/22



Greg Gibbs  
01/19

20 yrs

25 yrs



Chris Taylor  
02/17



Chris Mast  
05/12



Danny Lawrence  
06/01/24  
24 yrs



Greg Poe  
12/01/23  
28 yrs

Retirements

Kenneth McQueen  
04/08

Bill Burleson  
08/05

Tommy Joe Ward  
03/11

5 yrs

10 yrs

10 yrs







**Mailing Address**

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**Office Locations**

Banner Elk

Boone

Sparta

West Jefferson

(Smart Home & Call Center)

**Web Address**

[skybest.com](http://skybest.com)