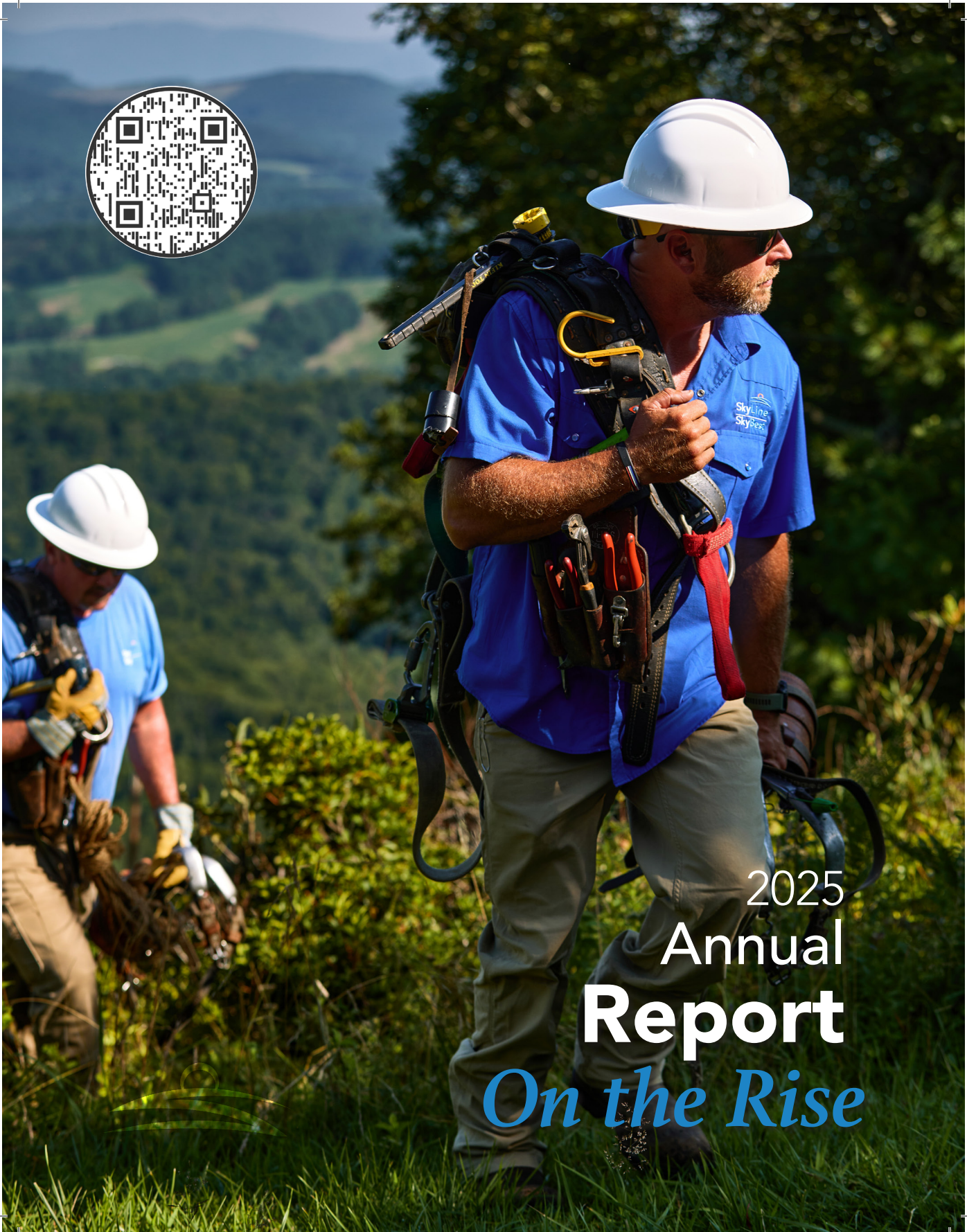




2025
Annual
Report
On the Rise



Executive Report

SkyLine Membership Corporation is proud to present this year's Annual Report, titled "On the Rise." In a year marked by challenges, from service-recovery efforts following Hurricane Helene to navigating broader uncertainties facing our communities, SkyLine and the members we serve have continued to rise. The 2025 Annual Report showcases service expansions to reach more homes and businesses, the immediate response of our communities to support one another in times of need and a sense of hope even in the hardest moments. As a cooperative rooted in service, resilience and innovation, SkyLine remains committed to elevating our region through connection. "On the Rise" reflects not only where we are headed but also who we are as a cooperative and as a greater community.

Since 1951, SkyLine's goal of improving the quality of life for those in the High Country remains at the forefront of how the cooperative operates. With a true appreciation for each and every member, it is our commitment to ensure that connection is not only available, but seamless, reliable and built to support the evolving needs of our communities. As our report highlights, broadband is a lifeline. It is more than a luxury in today's world; it's a necessity. We understand the critical role we play, and I can assure you, it is not taken lightly.

Despite challenges following Hurricane Helene, financially, your cooperative remains strong. In 2024, our consolidated operating income was just over \$14.5 million, and SkyLine consolidated plant reflects over \$369 million. With a healthy cash position, the Board of Directors approved over \$2.5 million in capital credit refunds to members and estates in 2024.

SkyLine continued expanding its service footprint throughout the year. Every step we take is guided by a commitment to reach areas where service is needed most as well as better meet the evolving needs of those we are already proud to serve. SkyLine Membership Corporation, its subsidiary, SkyBest Communications and Blue Ridge Energy completed a total of 160 miles of new fiber construction with \$7,750,000 in funding awarded from the Watauga County Board of Commissioners. This will bring service to more than 1,700 unserved and underserved locations in Watauga County, and nearly 800 residents and small business owners are already connected. In April, SkyBest Communications also made significant progress in both Johnson County and Carter County, Tennessee. In Johnson County, our latest growth brought an exciting extension to our incumbent area Shady Valley in both the surrounding

areas of Cold Springs Road and Doe Valley. This expansion spans more than 34 miles of infrastructure, bringing high speed internet to more than 900 homes and businesses in the region. In Carter County, SkyBest Communications completed an expansion in Little Milligan and Tiger Valley. More than 110 grant recipients in Carter County are already connected and experiencing the difference that high-speed broadband service can make.

In Avery County, SkyBest Communications was awarded an additional \$1,322,000 Completing Access to Broadband (CAB) grant through the N.C. Department of Information Technology's (NCDIT) Division of Broadband and Digital Equity. This added funding brings the total to nearly \$10 million in CAB funding received in Avery County. Construction is already well underway for this project, and customers in the Riverside Community are expected to be connected by the end of the year. Additionally, in Watauga County, SkyBest Communications was awarded a CAB grant of just over \$1.2 million. This project is expected to bring high-speed service to 178 locations.

This report reflects our continued commitment to progress and the promise to stand by our members through every season. A cooperative is only as strong as its members, and we are proud to say that, because of you, SkyLine is truly on the rise.



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

	2024	2023
Operating Revenues:	68,637,775	66,853,469
Operating Expenses:		
Plant Specific and Non-Specific Operations:	15,904,293	14,888,273
Depreciation:	13,938,624	13,823,424
Customer and Corporate Operations:	16,082,655	16,349,862
Cost of Sales:	8,009,657	8,733,621
Taxes:	156,386	147,000
Total Operating Expenses:	54,091,615	53,942,180
Operating Income:	14,546,160	12,911,289
Non-Operating Income / (Loss):	6,108,202	7,722,803
Federal and State Income Tax Expense:	380,987	976,974
Net Income:	20,273,375	19,657,118

Highlights of Operation

	2024
Operating Revenues:	68,637,775
Operating Expenses:	54,091,615
Other Income/Expenses:	5,727,215
Consolidated Net Income:	20,273,375
Capital Expenditures:	10,135,456

Consolidated Balance Sheet

Assets	2024	2023
Current Assets		
Cash and Equivalents	32,431,320	22,922,316
Accounts Receivable (less Allowance)	124,575	128,717
Inventory	6,324,291	7,046,308
Other Current Assets including Equity Investments	50,185,271	45,265,891
Total Current Assets	89,065,457	75,363,232
Non-Current Assets		
Notes Receivable	834,375	996,875
Other Investments including Equity Method Investments	66,340,266	55,279,211
Operating Lease Right of Use Asset	2,013,058	2,174,523
Interest Rate Swap Benefit	603,474	621,302
Goodwill	3,916,346	3,916,346
Total Non-Current Assets	73,707,519	62,988,257
Property, Plant & Equipment		
Total Plant in Service, Plant Under Construction, & Non-Operating Plant	369,545,666	359,410,210
Less: Accumulated Depreciation	(229,443,906)	(219,937,200)
Total Net Plant	140,101,760	139,473,010
Total Assets	302,874,736	277,824,499
Liabilities & Equity		
Current Liabilities		
Accounts Payable & Customer Deposits	2,785,050	2,322,136
Current Portion of Long Term Debt	5,641,623	4,299,318
Current Operating Lease Liability	291,651	270,743
Other Current Liabilities	4,276,210	3,296,309
Total Current Liabilities	12,994,534	10,188,506
Non-Current Liabilities		
Long Term Debt, less Current Maturities	12,940,190	18,431,250
Non-Current Operating Lease Liabilities	1,721,407	1,903,780
Other Non-Current Liabilities	4,738,423	6,279,177
Total Non-Current Liabilities	19,400,020	26,614,207
Equity		
Patronage Capital	140,850,295	132,608,878
Other Equities	129,629,887	108,412,908
	270,480,182	241,021,786
Total Liabilities & Equity	302,874,736	277,824,499

Service Anniversaries

5 yrs



Dustin Cope



Brian Shoemake



Amanda Pritchard



Jeremy Forbes



Megan Carter



Christina Hoppers



Donald Arnett

10 yrs



Drew Piscopo



Kristen Potter



Danessa Friesland



Kayla Poe

15 yrs



Larry Ising



Donya Graham

20 yrs



Justin Greene



Scott Hughes



Felicia Blevins



Amber Osborne



Joshua Crumpton

25 yrs



Greg Richardson



Brantley Davis



Michelle Graybeal



Angie Miller

30 yrs



Shauna Powers



Robbie Farmer



Greg Jones



Tim Watson

35 yrs



Kenny Church



Kevin Colvard

Directors



D.C. Smith
06/07/2005
20 years



James Shepherd
10/05/1985
40 years



R.C. Mitchell
08/02/1960
65 years

Retirements



Mike Miller
26.5 years



Kirk Houck
30 years



Robin Miller
28.5 years



Greg Gibbs
21 years



Tommy Sturgill
27 years



Craig Poe
27.5 years



Pam Weaver
30 years

A full-page background image showing two utility workers in blue shirts and white hard hats working on a wooden utility pole. They are positioned on either side of the pole, which has a transformer attached. The background features a vast, scenic view of a valley with rolling green hills, dense forests, and a few scattered houses under a clear blue sky.

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Banner Elk
Boone
Sparta
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(Smart Home & Call Center)

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skybest.com