

FOCUS
BROADBAND



2026 ANNUAL REPORT

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Shallotte, NC 28470

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Local Roots. Lasting Impact.

Cooperative Update

THE MANAGER'S REPORT



KEITH HOLDEN
CEO/General Manager

This year marks 71 years of connecting our members and the communities we serve. As I reflect on the past year, I am struck by how much has changed in how we deliver service, and how little has changed in why we do it. As our area grows and technology evolves, our mission remains unchanged: ***delivering reliable, affordable world-class connectivity while strengthening the communities we serve.***

BUILDING FOR THE FUTURE

As our region continues to grow, we invested in extending our network to serve new homes, businesses, and communities. During the year, we brought service to dozens of new and growing developments throughout Brunswick County, adding more than 2,300 new customers while strengthening the cooperative's network for future growth.

Providing every cooperative member with access to fiber optic broadband remains our highest priority. This year, network upgrades across Sunset Beach, Carolina Shores, Calabash, Supply, and Winnabow moved us closer to that goal, while construction continues in portions of Shallotte and Holden Beach. By the end of 2026, we expect more than 4,000 additional members to have access to 100% fiber-to-the-home technology. Today, approximately 80% of our customers can receive service over our fiber network, and in 2027 we will continue this work to connect thousands of more members.

The end of 2026 will also mark the completion of our final grant-funded broadband construction projects. These projects included federally funded USDA ReConnect initiatives in Pender and Robeson counties, along with state-funded broadband projects awarded in prior years. Together, these investments brought reliable, high-speed broadband to previously unserved areas and have helped grow our network by nearly 14,000 customers.

A CHANGING LANDSCAPE

Not every milestone this year was an easy one. We completed our exit from the traditional cable television business, a decision that was necessary for the long-term health of the cooperative. Continuing a shrinking, high-cost video service would have diverted resources from the fiber network that represents our members' future. We recognize that this transition was difficult for some members, particularly those who valued the familiarity of traditional television, and we approached this transition with care.

Rather than simply ending the service, we hosted hands-on streaming classes in our public assembly room, giving members the opportunity to learn in person and at their own pace. We also partnered with DIRECTV Stream to offer a familiar television alternative that our employees could help members set up. Our goal was simple: no member should have to figure it out alone.

Yet, change also creates new opportunities to better serve our members. This year, we introduced Wi-Fi 7 as the standard for multi-gig internet packages and increased mid-level internet speeds to 500 Mbps. We also reduced pricing on many of our business solutions as part of our ongoing commitment to delivering greater value for our members.

INVESTING IN OUR COMMUNITIES AND RETURNING VALUE

Our strength flows back to you. This year, your Board of Directors approved \$1 million in Capital Credit refunds, bringing the total capital returned to members to approximately \$70.18 million. As member-owners, you share in the cooperative's financial strength through Capital Credits, reflecting the benefits of membership and your continued support of the cooperative.

We believe our success is measured not only by the technology we provide or by financials, but also by the positive impact we make in the towns and neighborhoods we call home. Over the past year, we awarded \$86,000 in grants, provided 13 scholarships, and supported numerous local causes through sponsorships, employee giving, and partnerships with organizations such as United Way of the Cape Fear Area and UNC Children's Hospital's Rural Health Program. These efforts reflect our belief that a cooperative's responsibility does not end at the network's edge.

At the heart of these efforts are our employees. As local residents themselves, they understand our communities and take pride in providing the support our members deserve. That commitment has earned the trust of our customers, reflected in being named Best Customer Service for the 18th time and Best Internet Service for the fifth consecutive year. We also expanded local access by opening our sixth customer care location in Southport, providing another convenient option for members in Southport, Saint James, Oak Island and Boiling Spring Lakes to receive support.

LOOKING FORWARD

While the cooperative remains in a strong position, we continue to closely monitor issues that could affect our future. Ongoing discussions at the federal level regarding the Universal Service Fund and other rural broadband support programs could influence how broadband infrastructure is funded in rural communities. We remain actively engaged in these conversations and committed to advocating for policies that support the communities we serve.

As we head into another year, FOCUS Broadband is stronger, faster and more connected than at any point in our history. We are proud of how far we have come and honest about the road ahead. We know our members have choices, and we are grateful, as always, for the trust you place in us. On behalf of our Board of Directors and our nearly 375 employees, thank you for being the reason this cooperative exists.



YOUR BOARD OF DIRECTORS

JOHN W. “BUSTER” DOWLESS

Western Region & Board Vice President

H. CONRAD BRYANT III

Eastern Region & Board Secretary/Treasurer

WHITNEY E. KING

District 1 & Board President

JULIA F. TRIPP

District 2

JANICE GORE

District 3

JUSTIN MILLIKEN

District 4

ALBERT H. “AL” PARKER, JR.

District 5

MICHELLE INGRAM

District 6

R. GENE WARD

District 7

Milestone
25 Years!



“As members of the communities we serve, your Board of Directors understands the responsibility that comes with leading your cooperative. We are committed to ensuring FOCUS Broadband continues to deliver lasting value to our members through reliable service, thoughtful investments, and a steadfast commitment to the communities we call home.”

WHITNEY KING, BOARD PRESIDENT



	COMMITTEE ON NOMINATIONS	CREDENTIALS & ELECTION COMMITTEE
DISTRICT 1	Donald C. Evans	Jason L. Benton
DISTRICT 2	Teresa Pecker	Gary L. Long
DISTRICT 3	Judy Gore	Herbie Ward
DISTRICT 4	Lori Kay Crabtree	Douglas "Trent" Murphy
DISTRICT 5	Jimmy Hobbs	Gwendolyn Causey
DISTRICT 6	Marilyn Holcomb	Anthony Clemmons
DISTRICT 7	Gary W. Robbins	Harriett Locklear
EASTERN REGION	Lynn J. Grissett	Myrtle Stevenson
WESTERN REGION	Larry Andrews	William Dowless

Investing in a More Connected Future

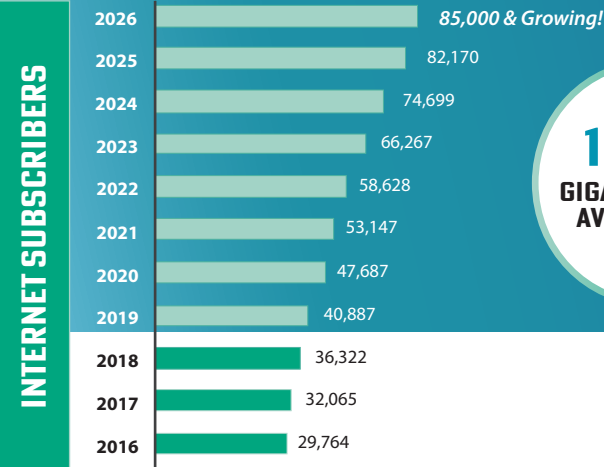
THE FINANCIAL REPORT

ATLANTIC TELEPHONE MEMBERSHIP CORPORATION
SUMMARIZED BALANCE SHEET FOR YEAR ENDED
DECEMBER 31, 2025

	2025	2024
Assets		
Current Assets:	\$38,937,996	\$37,550,176
Net Telecommunications Plant:	\$356,415,141	\$331,370,939
Long-Term Assets:	\$48,434,051	\$51,884,589
TOTAL ASSETS:	\$443,787,188	\$420,805,704
Liabilities & Equity		
Current Liabilities:	\$26,712,721	\$32,281,563
Long-Term Debt:	\$14,917,086	\$22,752,880
Other Long-Term Liabilities:	\$7,409,347	\$2,515,606
Equity:	\$394,748,034	\$363,255,655
TOTAL LIABILITIES & EQUITY:	\$443,787,188	\$420,805,704

SUMMARIZED STATEMENT OF OPERATING
REVENUES, EXPENSES AND PATRONAGE CAPITAL
FOR YEAR END DECEMBER 31, 2025

	2025	2024
Operating Revenue:	\$117,540,818	\$105,815,886
Operating Expenses:	\$92,566,031	\$74,705,408
Income (Loss) from Discontinued Operations:	\$ (5,243,181)	\$ (1,338,790)
Net Operating Margin:	\$19,731,606	\$29,771,688
Patronage Capital - January 1	\$367,088,978	\$333,196,496
Capital Credits Paid	\$1,401,991	\$1,604,596
Patronage Capital - December 31	\$390,740,018	\$367,088,978



The financial statements presented have been summarized by management from an audit report prepared by Baker Tilly US, LLP. A complete audit report is available upon written request.

100%
GIGABIT SPEEDS
AVAILABILITY

>50%
SUBSCRIBE TO
1GIG OR HIGHER

165
MILES OF FIBER
CONSTRUCTED

OPERATIONAL HIGHLIGHTS

A Year in Review

TECHNOLOGY EVOLUTION & INNOVATION

- Discontinued MergeTV, completing FOCUS Broadband's exit from the traditional cable television business.
- Introduced Wi-Fi 7 technology for multi-gig customers, delivering faster speeds, greater capacity and improved performance.



- Expanded multi-gig broadband capabilities across our service area, providing more residents with access to ultra-fast internet speeds.



EXPANDING HIGH-SPEED INTERNET ACCESS INTO MORE COMMUNITIES

Completed projects funded through the USDA ReConnect Grant program, NCDIT CAB program and NCDIT Stop-Gap program, expanding our fiber optic network across Brunswick, Pender, Duplin, Robeson, Scotland, Chowan and Perquimans counties.

BUSINESS DISTRICTS

Expanded fiber services in several business districts, including the downtown areas of Southport, Burgaw, and Edenton.



UPGRADES HAPPENING IN Brunswick County

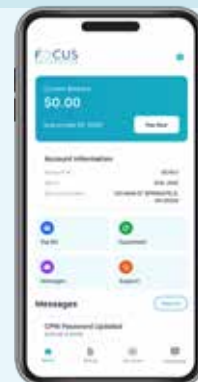
- Converted nearly 4,000 members to fiber-to-the-home technology, including in areas of Sunset Beach, Calabash, and Shallotte.
- Completed Remote PHY DOCSIS upgrades, allowing for 2Gig download speeds, faster upload speeds and greater reliability.
- Opened a new Customer Care Center in Southport, making it easier for residents in southeastern Brunswick County to receive local support.



VOTED BEST IN CUSTOMER SERVICE 18x!

Launched the FOCUS BROADBAND MOBILE APP

To make managing My Account even easier, we launched an app, giving customers convenient access to account management, billing, support resources, and more from their mobile device.



The Local Advantage

SERVING BEYOND THE NETWORK



SCHOLARSHIPS

Presented **\$25,500** in scholarships to 13 local high school graduates.



COMMUNITY

Awarded **\$40,000** to 25 local nonprofits serving communities across our region.



EDUCATION

Invested **\$40,000** in local educators and programs that support student success.



SPONSORSHIPS

Supported more than 50 community events across our service area.



CAPITAL CREDITS

Issued **\$1 million** in Capital Credits to members in 2026, with **\$70.18 million** returned to members since inception.



LIFELINE MATCH

Provided **\$100,000** in Lifeline Match benefits to ensure connectivity for low-income households.



375
Local jobs!