CIBL Inc.
165 West Liberty Street, Suite 210
Reno, NV 89501
(775) 329 8555

To our shareholders:

CIBL's assets as of March 31, 2024, consisted of:

• Cash and liquid investments of $22.6 million, including an equity method limited partnership of $1.7 million and equity securities of approximately $509,000, equivalent to $1,787 per share value in total. As of March 31, 2024, CIBL had 12,647 common shares outstanding,

• Ownership of Bretton Woods Telephone Company and World Surfer, Inc. providers of broadband and communication services in Northern New Hampshire.

• 10,000 shares in Solix, Inc., a private outsourcing firm that provides, among other services, Universal Service Fund ("USF") administration services to the telecommunications industry.

• On September 27, 2023, we announced that CIBL will acquire 20% of Brick Skirt Holdings, Inc. ("Brick Skirt") from LICT Corporation ("LICT") of which 8% (40% of the 20%) was completed in the third quarter of 2023; the remaining 12% interest is expected to be acquired as soon as regulatory approval is received. Brick Skirt was a former subsidiary of LICT known as DFT Communications and is located in Fredonia, New York.

Revenues for the first quarter ended March 31, 2024, of $468,000 were essentially the same as the prior year's first quarter while EBITDA, before corporate expenses, increased to $142,000 from $135,000.

During 2024, we repurchased 21 of our common shares reflecting 0.2% of our company, at an average price of $1,857 per share.

Thank you for continued support of CIBL and if you have any comments or questions, we are at the above address or e-mail us at: office@ciblinc.com, or visit us on our website: ciblinc.com.

CIBL, Inc. and Subsidiaries

Financial Report to Shareholders

March 31, 2024

CIBL, Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements and Uncertainty of Financial Projections

The following discussion contains certain forward-looking statements. Forward-looking statements are not based on historical information but relate to future operations, strategies, financial results or other developments. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, financial, economic and competitive uncertainties and contingencies, many of which are beyond our control and all of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Company.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2024, compared to 2023.

Revenues for the first quarter ended March 31, 2024, of $468,000 were essentially the same as the prior year's first quarter.

Total operating expenses, excluding depreciation, of its New Hampshire operations decreased $8,000 to $326,000 from $334,000. Corporate expenses decreased $6,000 to $244,000 from $250,000 as compared to 2023 from lower directors' fees. Depreciation expense remains unchanged at $31,000 for the periods ending in 2024 and 2023.

EBITDA

EBITDA is used by our management as a supplemental financial measure to evaluate the operating performance of our business and when viewed with our GAAP results and the accompanying reconciliations, we believe it provides a more complete understanding of factors and trends affecting our business than the GAAP results alone. We also regularly communicate our EBITDA to the shareholders through our earnings releases because it is the financial measure commonly used by analysts that cover the telecommunications industry and by our investor base to evaluate our operating performance. In addition, we routinely use EBITDA as a metric for valuing potential acquisitions. We understand that analysts and investors regularly rely on non-GAAP financial measures, such as EBITDA, to provide a financial measure by which to compare a company's assessment of its operating performance against that of other companies in the same industry. This non-GAAP financial measure is helpful in more clearly reflecting the sales of our products and services, as well as highlighting trends in our core business that may not otherwise be apparent when relying solely on GAAP financial measures, because this non-GAAP financial measure eliminates from earnings financial items that have less bearing on our performance.

EBITDA in the first quarter of 2024 increased $7,000 to $142,000 from $135,000 in the first quarter of 2023. The increase in EBITDA is related to a decrease in revenues of $1,000 offset by a decrease in costs and expenses of $7,000.

	Three Months Ended March 31,	
(in thousands)	2024	2023
Reconciliation to net income (loss):		
EBITDA	$142	$135
Corporate office expenses	(244)	(250)
Interest income	256	221
Unrealized loss on available for sale equity securities	(42)	(30)
Equity in income of a limited partnership investment	(156)	(20)
Depreciation and amortization	(31)	(31)
Income tax (expense) benefit	15	(6)
Net Income (Loss)	($ 60)	$ 19
Average Shares outstanding	12,664	12,542

Interest income, of $256,000 in 2024 and $221,000 in 2023, reflects higher interest rates on United States Treasury Bills.

Equity in income of a limited partnership investment represents CIBL's investment in a merger/arbitrage limited partnership investment. CIBL's share of losses were $(156,000) and $(20,000) in 2024 and 2023, respectively.

The Company's effective tax rates for 2024 and 2023 were 20.0% and $24.0%, respectively.

As a net result, CIBL's operations had a loss of ($60,000), or ($4.74) per share in 2024 and income of $19,000, or $1.51 per share in 2023, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

As of March 31, 2024, CIBL had current assets of $23.1 million and current liabilities of $0.5 million resulting in working capital of $22.6 million compared to $22.8 million as of December 31, 2023.

Capital expenditures were $75,000 and $38,000 for the three months ending March 31, 2024, and 2023, respectively.

Share Repurchases and Distributions

CIBL's Board of Directors has authorized a stock repurchase program. Since its spin-off from LICT Corporation, the Board has the authorized the repurchase of a cumulative 9,724 shares of its common stock, of which 701 shares are remaining to be purchased. Since CIBL was spun off by LICT Corporation, on November 19, 2007, the Company has acquired 9,023 shares of its common stock at an average price of $1,533; 21 of these shares, at an average price of $1,857 per share, were purchased in 2024.

In addition to its open market repurchase programs, the Company has conducted two tender offers for its shares, purchasing a total of 4,746 shares at an average price of $1,100 per share.

CIBL, Inc. and Subsidiaries

Consolidated Financial Statements (Unaudited)

March 31, 2024

CIBL, Inc. and Subsidiaries
Consolidated Balance Sheets (Unaudited)
(In Thousands, Except Common Share Data)

	March 31, 2024	December 31, 2023	March 31, 2023
Assets			
Current Assets			
Cash and cash equivalents	$1,281	$1,252	$1,821
Investment in United States Treasury Bills	19,126	19,046	18,634
Investment in available for sale equity securities	509	551	526
Investment in equity method limited partnership	1,722	1,878	1,723
Accounts receivable	226	228	197
Prepaid expenses	127	160	124
Materials and supplies	59	59	59
Income taxes receivable	35	45	66
Total Current Assets	23,085	23,219	23,150
Telecommunications property, plant and equipment, net	693	646	686
Goodwill	337	337	337
Other intangibles, net	38	41	49
Other investments	700	700	100
Deferred income tax	5	--	14
Other assets	71	71	85
Total Assets	$24,929	$25,014	$24,421
Liabilities and Equity			
Current Liabilities			
Accounts payable and accrued expenses	$152	$76	$97
Accrued liabilities	346	371	371
Total Current Liabilities	498	447	468
Deferred income taxes	-	37	-
Other liabilities	59	59	70
Total Liabilities	557	543	538
Equity			
Common stock, par value $.01, 30,000 shares authorized; 26,415, 26,415 and 26,115 issued; and 12,647; 12,668; and 12,524 outstanding	--	--	--
Contributed capital	6,212	6,212	5,612
Retained earnings	37,213	37,273	37,005
Treasury stock, 13,769; 13,748; and 13,592 shares at cost	(19,053)	(19,014)	(18,734)
Total Equity	24,372	24,471	23,883
Total Liabilities and Equity	$24,929	$25,014	$24,421

See notes to consolidated financial statements

CIBL, Inc. and Subsidiaries
Consolidated Statements of Operations (Unaudited)
(In Thousands, Except Common Share Data)

	Three Months Ended March 31,	
	2024	**2023**
Revenue		
Revenue	$468	$469
Costs and expenses		
Operating costs	271	273
General and administrative costs of operations	55	61
Corporate office expenses	244	250
Depreciation and amortization	31	31
Total Operating expenses	601	615
Operating loss	(133)	(146)
Other income (expense):		
Interest income	256	221
Equity in income/(loss) of limited partnership investment	(156)	(20)
Unrealized loss on available for sale equity securities	(42)	(30)
Total Other income	58	171
Net income (loss) before income taxes	(75)	25
Income tax (expense) benefit	15	(6)
Net income (loss)	($60)	$19
Basic and diluted weighted average shares outstanding	12,664	12,542
Actual shares outstanding	12,647	12,524
Per Share		
Net income (loss) per share	($4.74)	$1.51

See notes to consolidated financial statements

CIBL, Inc. and Subsidiaries

Consolidated Statements of Changes in Equity (Unaudited)

(In Thousands, Except Common Share Data)

	Shares of Common Stock Outstanding	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total
Balance at January 1, 2024	12,668	$--	$6,212	$37,273	$(19,014)	$24,471
Net loss	--	--	--	(60)	--	(60)
Purchase of treasury stock	(21)	--	--	--	(39)	(39)
Balance at March 31, 2024	12,647	$--	$6,212	$37,213	(19,053)	$24,372

See notes to consolidated financial statements

CIBL Inc. and Subsidiaries

Consolidated Statements of Cash Flows (Unaudited)

(In Thousands, Except Common Share Data)

	Three Months Ended March 31,	
	2024	**2023**
Cash Flows From Operating Activities		
Net income (loss)	($60)	$19
Adjustments to reconcile net income (loss) to net cash from operating activities		
Depreciation and amortization	31	31
Equity in loss/(earnings) of limited partnership investment	156	20
Unrealized losses on available for sale equity securities	42	30
Deferred income taxes	(42)	4
Changes in operating assets and liabilities:		
Accounts receivable	2	3
Accounts payable and accrued liabilities	51	(12)
Other operating assets and liabilities	43	33
Net Cash From Operating Activities	223	128
Cash Flows From (Used In) Investing Activities		
Capital expenditures	(75)	(38)
Redemption of U.S. Treasury Bills	19,200	--
Acquisition of U.S. Treasury Bills	(19,280)	(8,694)
Net Cash Used In Investing Activities	(155)	(8,888)
Cash Flows Used In Financing Activities		
Purchase of treasury stock	(39)	(66)
Net Cash Used in Financing Activities	(39)	(66)
Net Change in Cash and Cash Equivalents	29	(8,826)
Cash and Cash Equivalents		
Beginning of period	1,252	10,647
Cash and cash equivalents at end of period	$1,281	$1,821
Supplemental Cash Flow Information		
Cash paid for income taxes	$13	$--

See notes to consolidated financial statements

1. Organization

Acquisition of New Hampshire Operations

On December 31, 2019, the Company completed the acquisition of operations in New Hampshire ("NH") from LICT Corporation ("LICT"), a publicly traded company that spun off CIBL in 2007. The acquired operations consist of Bretton Woods Telephone Company ("BWTC"), a Rural Local Exchange Carrier serving the Mt. Washington/Carroll, New Hampshire area, and World Surfer, Inc. ("WS"), a fiber broadband provider serving the same and extended areas.

The Company exchanged 1,000 shares of common stock for all outstanding shares of BWTC and WS. The Company recognized goodwill on the acquisition of approximately $337,000.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying financial statements include the operations of the Company and its wholly-owned subsidiaries. All inter-company transactions and balances have been eliminated in consolidation.

The accompanying interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they are not audited and do not include all of the information and footnotes required for complete financial statements. These consolidated financial statements and footnotes should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report for the year ended December 31, 2023. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2024, are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Regulatory Accounting

The Company's public utility activities are regulated by the Federal Communications Commission ("FCC"), and the applicable state Public Service Commissions. The Company follows the Federal Communication Commission's (FCC) Uniform System of Accounts, Part 32 of the FCC Rules and Regulations.

Where applicable, this regulated accounting recognizes the economic effects of rate regulation by recording costs and a return on investment; as such, amounts are recovered through rates authorized by regulatory authorities. Developments that could give rise to substantial modifications of regulatory accounting practices include (1) increasing competition restricting the Company's wireline business' ability to establish prices to recover specific costs, and (2) significant changes in the manner in which rates are set by regulators from cost-based regulation to another form of regulation. The Company periodically reviews the applicability of regulatory accounting guidelines based on the developments in its current regulatory and competitive environments.

In 2019, BWTC adopted the FCC's voluntary USF Alternative Connect America Cost Model ("A-CAM") II effective January 1, 2019. BWTC's A-CAM II revenues for the three months ended of March 31, 2024, and 2023 were $28,000 and $33,000, respectively. A-CAM II revenues for BWTC, transition down $20,000 per year through 2028.

On October 30, 2023, BWTC received its authorization to participate in the Federal Communications Commission's ("FCC) Enhanced Alternative Connect America Cost Model ("Enhanced A-CAM"). Enhanced A-CAM requires a commitment to continue to provide broadband speeds at or above 100/20 Mbps to BWTC incumbent local exchange network. BWTC would receive Enhanced A-CAM aggregate support payments of $831,000 through 2038 to average $55,400 per annum. These amounts replace the A-CAM II revenues which were set to expire in 2028.

Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the financial statement date, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

United States Treasury Bills

The Company considers all highly liquid investments with maturities in excess of three months, and no greater than six months at the date of purchase, to be short-term investments.

Accounts Receivable

Trade receivables consist of uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. The receivables are non-interest bearing. Payments on trade receivables are applied to the applicable unpaid invoices. The carrying amount of the trade receivables is reduced by an amount that reflects management's best estimate of the amounts that will not be collected.

In June 2016, the FASB issued ASU 2016-13, Accounting for Financial Instruments - Credit Losses (Topic 326) ("ASU 2016-13"), which requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Previously, U.S. GAAP required an "incurred loss" methodology that delays recognition until it is probable a loss has been incurred. Under ASU 2016-13, the allowance for credit losses must be deducted from the amortized cost of the financial asset to present the net amount expected to be collected. The consolidated statements of operations will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. In November 2019, the FASB issued ASU 2019-10, which deferred the effective date of this guidance for smaller reporting companies for three years. The adoption of this standard did not have a material impact on the Company's financial statements.

Investment in Equity Method Limited Partnership

The Company accounts for its investment in an equity method limited partnership in which it does not have majority voting control but has the ability to significantly influence financial and operating policies, in accordance with the equity method, based upon information in such equity investees' financial statements.

During 2016, the Company invested $1,300 in a merger/arbitrage limited partnership ("Partnership") whose primary purpose is to invest in liquidations; stub securities resulting from corporate merger, acquisition and recapitalization activities; and risk arbitrage transactions in connection with mergers, consolidations, acquisitions, transfers of assets, tender offers, exchange offers, recapitalizations or other similar transactions. The Partnership may engage, to a lesser extent, in other investments in securities including capital structure arbitrage, matched pair trading and related trading in options. A Current Director of the Company is the managing member of the limited liability company which is the General Partner of the Partnership. As of March 31, 2024 and 2023, the Company's investment was recorded at $1,722,000 and $1,723,000 respectively.

Investment in Available for Sale Equity Securities

Equity securities are stated at fair value, with any unrealized gains and losses, reported as part of other income (loss) in the consolidated statement of operations.

On March 31, 2024, and December 31, 2023, the Company held 28 shares of LICT Corporation stock (a 0.16% interest) with a fair value of $471,000 and $507,000, respectively. Our chairman is also Chairman and CEO of LICT Corporation.

On August 31, 2023, CIBL received 5,700 shares of MachTen, Inc. (OTC Pink: MACT) as a spin-off distribution from our holdings of LICT Corporation shares. On March 31, 2024, and December 31, 2023, these shares had an aggregate fair value of $38,000 and $44,000, respectively.

Other Investments

The Company's 1.43% ownership interest in Solix, Inc. ("Solix") is accounted for using the cost method. Solix is an outsourcing firm that provides services such as USF administration services to the telecommunications industry. The carrying value of such investment as of March 31, 2024, December 31, 2023, and March 31, 2023 was $100,000.

On September 27, 2023, the Company announced, subject to regulatory approval, it will acquire 450 shares of Brick Skirt Holdings, Inc. ("Brick Skirt"), representing a 20% interest thereof, from LICT Corporation.

Brick Skirt, through its subsidiaries, offers local and long-distance telephone service, business telephone systems, internet service, security systems, wireless communications and call center services to areas in Western New York and portions of Pennsylvania.

The aggregate purchase price of the Brick Skirt shares is $1,500,000 payable by delivery of said shares by LICT to CIBL at two closings as follows: 180 shares at the first closing and 270 shares at the second closing upon regulatory approval for the transaction. As consideration for the Brick Skirt shares CIBL will deliver a total 750 of its common shares to LICT as follows: 300 shares at the first closing and 450 shares at the second closing. The first closing occurred on September 29, 2023, with the second closing expected to occur as soon as regulatory approval is received. The carrying value of Brick Skirt as of March 31, 2024, and December 31, 2023 was $600,000.

Telecommunications Property, Plant and Equipment

Additions to the Telecommunications plant and equipment are recorded at cost, which includes contracted work, direct labor and materials, and allocable overheads. When units of plant and equipment are retired, sold, or otherwise disposed of in the ordinary course of business, their average book cost less net salvage is charged to accumulated depreciation.

Maintenance and repair costs and the replacement and renewal of items determined to be less than units of plant and equipment are charged to expense.

Depreciation

The majority of plant and equipment is used for the wireline telephone business. Depreciation is based on the composite group remaining life method and straight-line composite rates. This methodology provides for the recognition of the cost of the remaining investment in telephone plant and equipment less anticipated positive net salvage value, over the remaining asset lives. Use of this methodology requires the periodic revision of depreciation rates. In the evaluation of asset lives, multiple factors are considered, including expected future retirements, technology changes and the adequacy of depreciation reserves.

Goodwill and Other Intangible Assets

The Company follows the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2017-04, Simplifying the Test for Goodwill Impairment, which eliminates the second step in the goodwill impairment test that required an entity to determine the implied fair value of the reporting unit's goodwill. Under the ASU, goodwill impairment testing should be completed at least annually by comparing the fair value of a reporting unit with its carrying value. As a result of this comparison, the Company would recognize an impairment charge for the amount by which the carrying amount exceeds the unit's fair value, with any losses recognized not to exceed the total amount of goodwill allocated to the reporting unit. Prior to performing this quantitative assessment, the Company has the option to perform a qualitative assessment to determine if impairment is more likely than not to have occurred. If the Company concludes that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then the quantitative assessment is not required.

The Company performed a qualitative assessment to determine if impairment is more likely than not to have occurred. As of December 31, 2023 and December 31, 2022, the Company concluded that the Company's fair value exceeded its carrying value therefore "it is not more likely than not" that their goodwill was impaired; therefore, no impairment of goodwill were recorded in the periods ended December 31, 2023 and December 31, 2022.

Fair Value Measurement

The Company follows the authoritative guidance for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis, and of nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis or are presented only in disclosures. Authoritative guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, or quoted prices for identical assets and liabilities in inactive markets. Level 3 inputs are unobservable.

The Company has three types of assets that are measured at fair value. A money market mutual fund that invests in United States Treasury bills, included in cash and cash equivalents, United States Treasury Bills owned by the company, included in United States Treasury Bills and equity securities invested in LICT Corporation and Mach Ten, Inc. common shares which are all classified as Level 1 inputs, because they are valued using quoted market prices. As of March 31, 2024, the money market mutual fund, US Treasury Bills and LICT Corporation and MachTen, Inc. common shares had values of $0.4 million, $19.1 million and $0.5 million, respectively. As of December 31, 2023, the money market mutual fund, US Treasury Bills and LICT Corporation and MachTen, Inc. common shares had values of $0.4 million, $19.0 million, and $0.6 million, respectively.

Cash in banks, trade accounts receivable, short-term borrowings, trade accounts payable and accrued liabilities are carried at cost, which approximates fair value due to the short-term maturity of these instruments.

Impairment of Long-Lived Assets

Long-lived assets, such as telecommunications plant, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount of an asset group exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying mount of the asset group exceeds the fair value of the asset group. There were no asset impairments recorded during the three-month periods ended March 31, 2024 and 2023.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements. Income taxes consist of taxes currently payable and those deferred due to temporary differences between the financial reporting and tax basis of the Company's assets and liabilities, using tax rates in effect in the period in which the temporary differences are expected to reverse. The Company establishes valuation allowances relating to deferred tax assets when management concludes that it is more likely than not that the Company will not realize a benefit from the reversal of such temporary differences.

The Company files a consolidated federal tax return with BWTC and WS filing separate state returns.

Accounting for Uncertainty in Income Taxes

The Company recognizes the effect of income tax positions only when the tax position is more likely than not to be sustained. Management is not aware of any exposure to uncertain tax positions that would require financial statement recognition or disclosure. The Company is no longer subject to federal or state income tax examinations for periods prior to the year ended December 31, 2020. Interest and penalties, if any, are recorded as interest expense and other expense accordingly.

Revenue Recognition

Telephone service revenue related to New Hampshire's operations was primarily derived from regulated local, intrastate and interstate access and USF services and recognized as services are provided.

At contract inception, the Company assesses the goods and services to be provided to the customer and identifies the associated performance obligation. The Company considers all obligations, whether they are explicitly stated in the contract or are implied by customary business practices.

Of the Company's $468,000 and $469,000 in operating revenue for the three months ended March 31, 2024, and 2023, $440,000 and $436,000, respectively was related to contracts with customers and was recognized over the time period that the service was provided. Revenue recognized at a point in time was not material.

3. Treasury Stock

Since it was spun-off from LICT Corporation on November 19, 2007, CIBL's Board of Directors has increased its authorized share repurchase program up to a cumulative 9,724 shares of common stock of which 701 shares are remaining to be purchased. Through March 31, 2024, CIBL has purchased 9,023 shares at an average price of $1,533 per share. During the first three months of 2024 CIBL purchased 21 shares at an average price of $1,857 per share.

In addition to its open market repurchase programs, the Company has conducted two tender offers for its shares, purchasing a total of 4,746 shares at an average price of $1,100 per share.

4. Income Taxes

The income tax expense (benefit) from the three months for the years ended March 31, 2024 and 2023 are summarized as follows:

	2024	2023
Current tax provision:		
Federal	$ 24	$ --
State	3	2
	27	2
Deferred tax expense (benefit):		
Federal	(37)	4
State	(5)	--
	(42)	4
	($ 15)	$ 6

The Company has state net operating loss carryforwards of $1.0 million that expire in varying amounts beginning in 2030.

5. Concentration of Risk

Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company's cash and cash equivalents may at times exceed federally insured amounts.

6. Related Party Transactions (Not Disclosed Elsewhere)

An affiliate of Brick Skirt provides back-office support services to BWTC and WS. During the three-month periods ended March 31, 2024 and March 31,2023, Brick Skirt received fees in aggregate of $34,000 and $35,000, respectively, from these entities.

At March 31, 2024 December 31, 2023 and March 31, 2023, cash and short-term investments of $0.4 million, $0.4 million and $1.3 million, respectively, were invested in United States Treasury money market funds for which affiliates of one of the Company's Directors serve as investment managers.