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

To our shareholders:

CIBL's assets as of June 30, 2025, consisted of:

- Cash and liquid investments of $19.9 million, including an equity method limited partnership of $1.7 million and equity securities of approximately $44,000, equivalent to $1,724 per share value in total. As of June 30, 2025, CIBL had 11,541 common shares outstanding,

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

- 20% interest in Brick Skirt Holdings, Inc., a provider of broadband and communications services to sections of western New York state.

- 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.

Revenues increased to $529,000 for the second quarter ended June 30, 2025, from $508,000 for the second quarter ended June 30, 2024, while EBITDA from operations decreased to $118,000 from $150,000.

Through June 2025, we repurchased 725 of our common shares, 5.9% of our total shares outstanding at the beginning of the year, at an average price of $1,690 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

June 30, 2025

<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>

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 from Operations

Three Months Ended June 30, 2025 compared to 2024

Revenues

In the second quarter of 2025 revenues increased $21,000 to $529,000 from $508,000 for the previous year due to new services, one-time equipment revenues and system upgrades.

Operating Expenses

Total operating expenses increased $64,000 to $736,000 for the second quarter 2025 from $672,000 for the second quarter 2024. The increase was primarily due to the following:

- Service costs increased $45,000 to $341,000 in the second quarter 2025 from $296,000 in the second quarter 2024 due to less capitalized labor for plant under construction and switch replacements compared to the prior year's quarter.
- Depreciation expense increased by $18,000 to $52,000 for the second quarter 2025 from $34,000 for the second quarter 2024 due to capitalized expenditures placed in service.

Total Other Income

Total other income increased $224,000 to $292,000 for the second quarter 2025 from $68,000 for the second quarter 2024. The increase is primarily due to higher equity in earnings from the Company's equity investments in affiliated companies and lower unrealized losses on available for sale securities partially offset by lower investment income due to lower yields on U.S. Treasuries.

EBITDA from Operations

EBITDA from operations in the second quarter of 2025 decreased $32,000 to $118,000 from $150,000 in the second quarter of 2024. The decrease was primarily due to an increase in net income discussed above partially offset by less capitalized labor for plant under construction and switch replacements.

Six Months Ended June 30, 2025 compared to 2024

Revenues

Revenues increased $77,000 to $1,053,000 for the six months ended June 30, 2025 from $976,000 for the six months ended June 30, 2024 primarily due to new services, one-time equipment revenues and system upgrades.

Operating Expenses

Total operating expenses increased $147,000 to $1,420,000 for the six months ended June 30, 2025 from $1,273,000 for the six months ended June 30, 2024. The increase was primarily due to the following:

- Service costs increased $114,000 to $682,000 for the six months ended June 30, 2025 from $568,000 for the six months ended June 30, 2024 due to less capitalized labor for plant under construction and switch replacements compared to the prior year's period.
- Depreciation expense increased $35,000 to $100,000 for the six months ended June 30, 2025 from $65,000 for the six months ended June 30, 2024 due to capitalized expenditures placed in service.

Total Other Income

Total other income increased $405,000 to $530,000 for the six months ended June 30, 2025 from $125,000 for the six months ended June 30, 2024. The increase is primarily due to higher equity in earnings from the Company's equity investments in affiliated companies and unrealized gains on available for sale securities partially offset by lower investment income due to lower yields on U.S. Treasuries.

EBITDA from Operations

EBITDA from operations decreased $48,000 to $242,000 for the six months ended June 30, 2025 from $291,000 for the six months ended June 30, 2024. The decrease was primarily due to an increase in service revenues of $77,000 from broadband, end-user terminals and voice over internet protocol, offset by less capitalized labor for plant under construction and switch replacements in the current year period of $126,000.

Non-GAAP Financial Measures

To supplement our Consolidated Financial Statements presented on a GAAP basis, the Company presents its financial condition and results of operations in the way it believes will be most meaningful and representative of its business results. Some of the measurements the Company uses are "Non-GAAP financial measures." The non-GAAP financial measures the Company presents are listed below and may not be comparable to similarly-named measures reported by other companies. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net earnings or diluted earnings per share prepared in accordance with GAAP.

The Company uses the following operating performance measure because the Company believes it provides both management and investors with a more complete understanding of the underlying operational results and trends and our marketplace performance.

Earnings before Interest, Taxes, Depreciation, and Amortization ("EBITDA") from Operations is derived by excluding the items set forth below from Net income (loss):

- Interest income;
- Interest expense;
- Income taxes;
- Depreciation;
- Amortization;
- Non-operating investment income and gains and losses;
- Corporate office expenses;
- Other discrete items that might have a significant impact on comparable GAAP measures and could distort the evaluation of our normal operating performance.

Reconciliation of GAAP Net Income (Loss) to Non-GAAP EBITDA from Operations

Three months ended June 30, 2025 compared to three months ended June 30, 2024

The following table presents a reconciliation of net income (loss) to EBITDA from operations for the period indicated:

	Three Months Ended June 30,	
(in thousands)	**2025**	**2024**
Net income (loss)	**$ 65**	**$ (65)**
Adjustments:		
Interest income	(185)	(266)
Income tax expense (benefit)	20	(31)
Depreciation and amortization	52	34
Total adjustments	(113)	(263)
EBITDA	**(48)**	**(328)**
Corporate office expenses	273	280
Equity in earnings of affiliated companies	(107)	127
Unrealized and realized losses on available for sale equity securities	-	71
EBITDA from operations	**$ 118**	**$ 150**
Average shares outstanding	11,606	12,445

Six months ended June 30, 2025 compared to six months ended June 30, 2024

The following table presents a reconciliation of net income (loss) to EBITDA from operations for the period indicated:

	Six Months Ended June 30,	
(in thousands)	2025	2024
Net income (loss)	**$ 129**	**$ (126)**
Adjustments:		
Interest income	(377)	(521)
Income tax expense (benefit)	34	(46)
Depreciation and amortization	100	65
Total adjustments	(243)	(502)
EBITDA	**(114)**	**(628)**
Corporate office expenses	509	523
Equity in earnings of affiliated companies	(133)	283
Unrealized and realized losses on available for sale equity securities	(20)	113
EBITDA from operations	**$ 242**	**$ 291**
Average shares outstanding	11,715	12,554

Liquidity and Capital Resources

Working Capital

As of June 30, 2025, CIBL had current assets of $20.3 million and current liabilities of $0.5 million resulting in working capital of $19.8 million compared to $21.0 million as of December 31, 2024.

Capital expenditures were $45,000 and $164,000 for the six months ending June 30, 2025, and 2024, respectively.

Share Repurchases and Distributions

CIBL's Board of Directors has authorized a stock repurchase program. Since its spin-off from LICT Corporation in November 2007, the Board has authorized the repurchase of a cumulative 11,350 shares of its common stock, of which 771 remain to be purchased. The Company has acquired 10,579 shares of its common stock at an average price of $1,564; 725 at an average price of $1,690 per share were purchased in 2025 to date.

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)

June 30, 2025

CIBL, Inc. and Subsidiaries
Consolidated Balance Sheets (Unaudited)

(in thousands, except share data)	**June 30, 2025**	**December 31, 2024**	**June 30, 2024**
Assets:			
Current assets:			
Cash and cash equivalents	$ 1,594	$ 2,341	$ 1,348
Investment in United States Treasury Bills	16,550	16,598	18,841
Investment in available for sale equity securities	44	294	279
Investment in equity method limited partnership	1,706	1,645	1,595
Accounts receivable	253	284	221
Prepaid expenses	94	192	71
Materials and supplies	59	59	59
Income taxes receivable	37	--	43
Total current assets	20,337	21,413	22,457
Telecommunications property, plant and equipment, net	907	958	771
Goodwill	337	337	337
Other intangibles, net	25	30	35
Other investments	1,708	1,636	700
Deferred income taxes	34	39	50
Other assets	59	59	71
Total assets	**$ 23,407**	**$ 24,472**	**$ 24,421**
Liabilities:			
Current liabilities:			
Income taxes payable	--	$14	--
Trade accounts payable and accrued expenses	$142	138	$124
Accrued liabilities	353	284	381
Total current liabilities	495	436	505
Other liabilities	46	46	59
Total liabilities	**541**	**482**	**564**
Equity:			
Common stock, par value $.01, 30,000 shares authorized; 26,865, 26,865 and 26,415 issued; and 11,541, 12,266, and 12,399 outstanding	--	--	--
Contributed capital	7,112	7,112	6,212
Retained earnings	37,545	37,416	37,147
Treasury stock; 15,325, 14,600, and 14,017 shares at cost	(21,791)	(20,538)	(19,502)
Total equity	**22,866**	**23,990**	**23,857**
Total liabilities and equity	**$ 23,407**	**$ 24,472**	**$ 24,421**

See notes to consolidated financial statements

CIBL, Inc. and Subsidiaries
Consolidated Statements of Operations (Unaudited)

(in thousands, except share data)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenue	**$ 529**	**$ 508**	**$ 1,053**	**$ 976**
Costs and expenses:				
Operating costs, excluding depreciation	341	296	682	568
General and administrative costs of operations	70	62	129	117
Corporate office expenses	273	280	509	523
Depreciation and amortization	52	34	100	65
Total operating expenses	**736**	**672**	**1,420**	**1,273**
Operating loss	**(207)**	**(164)**	**(367)**	**(297)**
Other income:				
Investment income	185	266	377	521
Equity in earnings of affiliated companies	107	(127)	133	(283)
Unrealized and realized gains (losses) on available for sale equity securities	-	(71)	20	(113)
Total other income	**292**	**68**	**530**	**125**
Income (loss) before income taxes	**85**	**(96)**	**163**	**(172)**
Income tax (expense) benefit	(20)	31	(34)	46
Net income (loss)	**$ 65**	**$ (65)**	**$ 129**	**$ (126)**
Weighted average shares outstanding:				
Basic and diluted	11,606	12,445	11,715	12,554
Earnings per share:				
Basic and diluted	$ 5.60	$ (5.22)	$ 11.01	$ (10.03)
Actual shares outstanding	11,541	12,399	11,541	12,399

See notes to consolidated financial statements

CIBL, Inc. and Subsidiaries

Consolidated Statements of Equity (Unaudited)

	Six Months Ended June 30, 2025					
(in thousands, except share data)	**Shares of Common Stock Outstanding**	**Common Stock**	**Contributed Capital**	**Retained Earnings**	**Treasury Stock**	**Total**
Balance at January 1, 2025	**12,266**	**$ --**	**$ 7,112**	**$ 37,416**	**$ (20,538)**	**$ 23,990**
Net income	--	--	--	129	--	129
Purchase of treasury stock	(725)	--	--	--	(1,253)	(1,253)
Balance at June 30, 2025	**11,541**	**$ --**	**$ 7,112**	**$ 37,545**	**$ (21,791)**	**$ 22,866**

See notes to consolidated financial statements

CIBL Inc. and Subsidiaries

Consolidated Statements of Cash Flows (Unaudited)

(in thousands, except share data)	**Six Months Ended June 30, 2025**	**2024**
Cash flows from operating activities:		
Net income (loss)	$ 129	$ (125)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Depreciation and amortization	100	65
Equity in earnings of affiliated companies	(133)	283
Unrealized losses on available for sale equity securities	(4)	62
Realized gain (loss) on sale of available for sale equity securities	(16)	50
Deferred income taxes	5	(87)
Changes in operating assets and liabilities:		
Accounts receivable	31	7
Trade accounts payable and accrued liabilities	94	57
Other operating assets and liabilities	-	71
Net cash provided by operating activities	**206**	**383**
Cash flows from investing activities:		
Capital expenditures	(45)	(164)
Purchase of available for sale equity securities	-	-
Proceeds from sale of available for sale equity securities	270	160
Redemption of U.S. Treasury Bills	18,900	38,146
Acquisition of U.S. Treasury Bills	(18,852)	(37,941)
Net cash provided by investing activities	**273**	**201**
Cash flows from financing activities:		
Purchase of treasury stock	(1,226)	(488)
Net cash used in financing activities	**(1,226)**	**(488)**
Net change in cash and cash equivalents	(747)	96
Cash and cash equivalents:		
Beginning of period	2,341	1,252
Cash and cash equivalents at end of period	**$ 1,594**	**$ 1,348**
Supplemental cash flow information:		
Cash paid for income taxes	$ 114	$22

For 2025, the Company accrued excise tax payable on purchases of treasury stock of $27

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 November 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.

Other

In addition, CIBL holds, or has held, investments in affiliates in which the Company does not have majority voting control but has the ability to significantly influence management decisions (either through an ownership of 20% or more or structured as a partnership or limited liability company treated as a partnership). These investments are accounted for in accordance with the equity method and consist of a merger/arbitrage limited partnership and a broadband/telecom services company in western New York state.

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, 2024. 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 and six months periods ending June 30, 2025, are not necessarily indicative of the results that may be expected for the year ending December 31, 2025. 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 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.

Effective January 1, 2019, BWTC adopted the FCC's voluntary USF Alternative Connect America Cost Model ("A-CAM") II. BWTC's A-CAM II revenues for the three months ended of June 30, 2025 and 2024 were $23 and $28, respectively. A-CAM II revenues for BWTC transition down $20 per year through 2028.

On October 30, 2023, BWTC received its authorization to participate in the 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 will receive Enhanced A-CAM aggregate support payments of $831 through 2038 to average $55.4 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.

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 December 31, 2024, the Company held 18 shares of LICT Corporation stock (less than a 1% interest) with a fair value of $254. During 2025, the Company sold those 18 shares at a gain of $16. 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 June 30, 2025, December 31, 2024, and June 30, 2024, these shares had an aggregate fair value of $44 and $40 and $44, respectively.

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 Emeritus of the Company is the managing member of the limited liability company which is the General Partner of the Partnership.

For the three months ending June 30, 2025 and 2024, $76 and ($127) have been included in the consolidated statement of operations as other income, respectively.

For the six months ending June 30, 2025 and 2024, $61 and ($283), have been included in the consolidated statement of operations as other income, respectively.

As of June 30, 2025, December 31, 2024, and June 30, 2024, the Company's investment was recorded at $1,706 and $1,645 and $1,595, respectively.

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.

Other Affiliated Investments

Solix, Inc.

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 June 30, 2025, December 31, 2024, and June 30, 2024 was $100.

Brick Skirt Holdings, Inc.

On September 25, 2024, CIBL announced, that it completed its acquisition of 20% of Brick Skirt Holdings, Inc. ("Brick Skirt"), from LICT Corporation ("LICT"). CIBL acquired this interest through the issuance of 750 of its common shares. Brick Skirt, through subsidiaries, provides broadband and communication services to sections of western New York state.

The aggregate purchase price of the Brick Skirt shares is $1,500 payable by delivery of said shares by LICT to CIBL. As consideration for the Brick Skirt shares CIBL delivered a total of 750 of its common shares to LICT.

Our interest in Brick Skirt is recorded using the equity accounting method. For the three months and six months ending June 30, 2025, $30 and $72, respectively, have been included in the consolidated statement of operations as other income.

As of June 30, 2025, December 31, 2024, and June 30, 2024, the carrying value of Brick Skirt was $1,608, $1,536 and $600, respectively.

Telecommunications Property, Plant and Equipment

Additions to 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, 2024 and December 31, 2023, 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, 2024 and December 31, 2023.

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 June 30, 2025, the money market mutual fund, US Treasury Bills and MachTen, Inc. common shares had values of $0.4 million, $16.6 million and $44 thousand, respectively. As of December 31, 2024, the money market mutual fund, US Treasury Bills and LICT Corporation and MachTen, Inc. common shares had values of $1.5 million, $16.6 million, and $0.3 million, respectively.

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 amount of the asset group exceeds the fair value of the asset group. There were no asset impairments recorded during the three-month and six-month periods ended June 30, 2025 and 2024.

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, 2021. Interest and penalties, if any, are recorded as interest expense and other expense accordingly.

Revenue Recognition

Revenue is measured according to ASC Topic 606, *Revenue from Contracts with Customers*, which outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers. 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.

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.

Of the Company's $1,053 and $976 in operating revenue for the six months ended June 30, 2025, and 2024, $1,006 and $919, 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 to a cumulative 11,350 shares of common stock of which 771 shares are remaining to be purchased. Through June 30, 2025, CIBL has purchased 10,579 shares at an average price of $1,564 per share. Year to date through June 30, 2025, CIBL purchased 725 shares at an average price of $1,690 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.

(In Thousands, Except Common Share Data)

4. Income Taxes

The following table summarizes income tax (expense) benefit for the periods indicated:

	Three Months Ending June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Current tax:				
Federal	$ (13)	$ (8)	$ (35)	$ (32)
State	3	(7)	6	(9)
Total current	(10)	(15)	(29)	(41)
Deferred tax:				
Federal	(17)	42	(19)	78
State	7	4	14	9
Total deferred	(10)	46	(5)	87
Total	**$ (20)**	**$ 31**	**$ (34)**	**$ 46**

The Company has state net operating loss carryforwards of $1.4 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 six months ended June 30, 2025 and June 30, 2024, Brick Skirt received fees in aggregate of $69,000 from these entities.

As of June 30, 2025, December 31, 2024, and June 30, 2024, cash and short-term investments of $0.4 million, $1.5 million and $0.5 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.