2016
ANNUAL
REPORT

CIBL, INC.

CIBL, Inc. is not required to file an Annual Report on Form 10-K with the United States Securities and Exchange Commission. In lieu thereof, CIBL, Inc. is providing its shareholders and the financial community with the enclosed information, financial data and analysis.

CIBL Inc.
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To our shareholders:

At year-end 2016, your CIBL, Inc. common shares (OTC Pink®: CIBY) were trading at $1,345 per share, as compared to $1,300 at the start the year.

At December 31, 2016, we held $22.3 million in cash and liquid investments, reflecting $1,327 per share. In addition, we held 166,556 common shares of ICTC Group Inc. reflecting 43.63% ownership. On a marked-to-market basis, these shares were valued at $5.0 million as of the end of the year, and $6.7 million based on recent trades. We also held 10,000 shares in Solix, Inc., a private outsourcing firm that provides, among other services, billing and collection services to the telecommunications industry.

During 2016, we purchased 891 of our common shares reflecting 5% of our company. We currently have common shares outstanding of 16,834 reflecting a 33% reduction from when we were spun-off from LICT Corporation in 2007.

Market conditions in 2016 did not allow us to launch a Special Purpose Acquisition Company ("SPAC"), for which we filed an S-1 Registration Statement with the Securities and Exchange Commission in the fourth quarter of 2015. Therefore, we dissolved the SPAC as of December 31, 2016.

Your Board of Directors continues to evaluate a broad range of strategic alternatives for the company in an attempt to create shareholder value. As noted above, we have liquidity to effectuate transactions if we find them attractive and appropriate for our Company. We are also seeking opportunities to invest our resources, including acquiring businesses in broadcasting, communications or in other industries.

We thank you for your continued interest in and support of the Company and look forward to a mutually-rewarding 2017.

CIBL, Inc.
April 2017

CIBL, Inc.

The Company and Its Business

Introduction

CIBL, Inc. ("CIBL" or the "Company") primarily consists of (1) cash and liquid investments, (2) a 43.6% ownership in ICTC Group, Inc. ("ICTC"), a provider of broadband and voice communications services in southeastern North Dakota, and (3) 10,000 shares of common stock of Solix, Inc. ("Solix"), an outsourcing firm that provides, among other services, billing and collection services to the telecommunications industry. CIBL trades on OTC Pink® under the symbol CIBY. The Company was originally spun off by LICT Corporation ("LICT") on November 19, 2007.

On March 13, 2014, the sale of two non-controlling interests owned by CIBL in two network-affiliated broadcast television stations was closed. Those two non-controlling interests were the Company's 20% equity interest in Coronet Communications Company, which operated Station WHBF-TV, a CBS network affiliate which serves the "Quad Cities" market of Rock Island and Moline, Illinois, and Davenport and Bettendorf, Iowa; and its 49% equity interest in Capital Communications Corporation, which operated Station WOI-TV, an ABC network affiliate which serves the Ames/Des Moines, Iowa market. CIBL received total net proceeds from these sales of $21.7 million, after payment of associated debt and expenses and including the liquidation of certain net assets not part of the sale transactions. Of this amount, $11.5 million was received in 2013 and $10.2 million was received in 2014.

On January 8, 2014, CIBL completed a modified "Dutch Auction" tender offer for its common shares in which it acquired 2,286 shares, at an investment of $1,300 per share. Including related transaction costs, this resulted in a $3.0 million investment. Under the offer, the Board authorized the purchase of up to 2,200 shares of common stock and retained the right to accept additional shares tendered up to 2% of CIBL's shares outstanding, or 432 additional shares. Previously, on December 18, 2012, CIBL had completed a modified Dutch Auction tender offer for its common shares in which it acquired 2,460 shares, approximately 10% of the then-outstanding shares, for $860 per share or a total of $2.1 million. In addition to these two modified "Dutch Auctions", CIBL has purchased 2,644 of its shares on the open market for a total of $3.0 million, or $1,148 per share on average.

On November 21, 2012, CIBL acquired 80,000 shares of ICTC Class A Common Stock (the only class of ICTC stock outstanding) from ICTC for $1.76 million or $22.00 per share. ICTC shares trade on OTC Pink® under the symbol "ICTG." On December 26, 2012, CIBL completed a modified Dutch Auction tender offer to ICTC's shareholders for additional shares of Class A Common Stock of ICTC in which it acquired 81,552 shares for $1.8 million, or $22.25 per share. Subsequent to this tender offer, CIBL owned 39.95% of ICTC's outstanding shares. Effective April 11, 2013, a Voting Rights Agreement brought the Company's voting interest in ICTC to 51.3% and it began reporting ICTC results on a consolidated basis. Currently, CIBL owns 166,556 shares or 43.63% of ICTC's total Class A Common Stock outstanding of 381,734 shares, and with the Voting Rights Agreement has a total of 55.7% of the voting interest in ICTC.

Broadband and Voice Services

ICTC operates through two subsidiaries: Inter-Community Telephone Company, LLC ("Inter-Community") and Valley Communications, Inc. ("Valley"). Inter-Community is a rural local exchange carrier ("RLEC") serving communities in southeastern North Dakota with regulated telephone service. Valley is a competitive local exchange carrier ("CLEC") that provides internet access, broadband data and other non-regulated services within Inter-Community's regulated service territory and in areas adjacent thereto.

RLEC Operations. The company conducts its RLEC operations through Inter-Community which serves a total of approximately 1,700 access lines, of which, approximately 1,150 are residential and 550 are business lines. The Company's headquarters is located in Nome, ND and its service territory covers approximately 1,760 square miles, including areas within the counties of Barnes, Cass, Griggs, Ransom and Steele in southeastern North Dakota. Within this area, Inter-Community has nine exchanges located in the communities of Alice, Buffalo/Wheatland, Dazey, Hannaford, Hope, Nome/Fingal, Page, Sanborn/Rogers, and Tower City. Inter-Community currently employs fifteen people. Inter-Community owns and provides its services over approximately 1,600 miles of copper cable and 500 miles of fiber optic cable. In recent years, the Company has focused its capital expenditures on expanding the broadband capacities of its network by deploying more fiber optic cable and increasing the broadband capacities it can provide through DSL technology.

Inter-Community offers network transport services to wholesale customers for their use in connecting end users to the interexchange networks of the wholesale customer. These network transport services include special access services, which are primarily high-capacity services known as DS-1 and DS-3, and high speed digital services, which are primarily Ethernet-based services provisioned over fiber or copper facilities.

Inter-Community also offers switched and special access service to long-distance carriers (referred to as Interexchange Carriers or "IXCs") to utilize the Company's local network to originate or terminate intrastate and interstate communications. Since toll calls and private line services are generally billed to the customer originating the call or ordering the private line service, a mechanism is required to compensate each company involved in providing the overall service. Switched and special access charges, billed to IXCs for the use of Inter-Community's facilities to access the customer, provides this compensation. Interstate access charge compensation is subject to FCC rules and regulations, as described below.

Inter-Community is compensated for its intrastate costs through billing and keeping intrastate access charge revenues (there is no regulatory revenue pool for carriers to share intrastate access charges, as there is for interstate access charges, which is discussed further below). Intrastate access revenues are based on intrastate access rates filed with the North Dakota Public Service Commission ("NDPSC").

Inter-Community generates intrastate access revenue when an intrastate long-distance call involving an IXC is originated or terminated by a customer in one of its exchanges to a customer in another exchange in the same state. Inter-Community also generates intrastate access revenue when an IXC orders special access to connect interexchange private line services within the state to its customers. The IXC pays Inter-Community an intrastate access payment for terminating or originating the call. Inter-Community bills access charges relating to such service through its carrier access billing system and receives the access charge payment from the IXC.

For interstate services through December 31, 2016, Inter-Community participated in both the Common Line ("CL") and Traffic Sensitive ("TS") revenue pools of the National Exchange Carrier Association ("NECA"). Inter-Community will continue to participate in the NECA TS pool. However, due to Inter-Community's election to participate in the "A-CAM" financial support program recently adopted by the Federal Communications Commission, (the "FCC"; see Regulatory Environment section below), it will no longer be a participant in the NECA CL revenue pool, as discussed below. The NECA revenue pools are intended to compensate RLECs, such as Inter-Community, for a portion of the costs of facilities utilized in originating and terminating interstate long distance services, including a reasonable rate-of-return.

Although Inter-Community bills interstate access charges when an interstate long-distance call is originated or terminated by a customer in one of our exchanges to a customer in another state, those interstate access revenues are remitted to the NECA pool. The Company also generates and remits interstate access revenue to the NECA pool when an IXC orders special access. The company bills interstate access charges in the same manner as it bills intrastate access charges; however, interstate access charges are tariffed by NECA on behalf of the NECA pools and are regulated and approved by the FCC instead of the state regulatory authorities. Inter-Community remits the interstate switched and special access revenues to NECA and receives from NECA its cost-based interstate revenue requirement based on FCC rules.

As described below in the "Regulatory Environment" section, the Universal Service Fund ("USF") mechanisms which provide financial support to RLEC operations were significantly modified in 2016. USF supplements the amount of local service revenue paid by end users to ensure that basic local service rates for customers in high-cost areas, such as Inter-Community serves, are consistent with rates charged in lower cost areas. USF, including the FCC's new Alternative - Connect America Cost Model ("A-CAM") program, is funded by monthly fees charged to end user customers as a percentage of their interstate and international revenues.

Through December 31, 2016, as a cost-based RLEC, the Company received USF payments for items known as High Cost Loop Support ("HCLS") and Interstate Common Line Support ("ICLS"). Effective January 1, 2017, the HCLS and ICLS payments were replaced by A-CAM support payments. As we announced publicly on March 8, 2017, in 2016, Inter-Community received an aggregate of $1.387 million in HCLS/ICLS funding, and in 2017, it will receive $3.098 million in A-CAM support, an increase of $1.711 million.

CLEC Operations. The Company conducts its broadband CLEC service through Valley. At December 31, 2016, Valley was serving approximately 1,064 broadband customers. These customers are located primarily within Inter-Community's RLEC service territory, but approximately 34 customers are located outside that territory in Valley City or other areas adjacent to Inter-Community's service territory. Most of Valley's customers are served with DSL although nearly 220 are now served with fiber optic facilities, and this number is increasing rapidly as fiber is extended further into Inter-Community's network. A few customers are still served with wireless facilities using unlicensed spectrum, but most of the wireless customers will be transferred to high-speed fiber or DSL facilities as the broadband network develops. Valley is actively seeking to increase the number of its customers both within and outside of Inter-Community's RLEC territory, and to increase the broadband speeds its customers use.

Regulatory Environment (A-CAM)

Broadband Regulation. On March 30, 2016, the FCC released the A-CAM Order and Further Notice of Proposed Rulemaking ("FNPRM") reforming USF support for rate-of-return carriers. Eligible rate-of-return companies, including Inter-Community, were allowed to elect to receive A-CAM support for a ten-year period, which replaces their existing HCLS and ICLS revenues. The Order also reduced the allowable rate-of-return from the current 11.25 percent to 9.75 percent, for both USF and rate-making, and A-CAM uses the 9.75 percent immediately.

Inter-Community has elected to participate in the A-CAM program, and thus is no longer subject to rate-of-return regulation for CL services, will no longer be able to participate in the NECA CL revenue pool and will not receive either HCLS or ICLS support after December 31, 2016. However, the Order permits, and the Company elected, to remain in NECA's CL and TS tariffs for access rates. In year eight, the FCC will conduct a rulemaking to determine how A-CAM support will be determined after the end of the 10-year period.

Since Inter-Community has elected A-CAM, it will be required to maintain voice and existing broadband service and to offer at least 10/1 Mbps to its "fully funded" locations, and at least 25/3 Mbps to a certain percentage of the fully funded locations, by the end of the 10-year support term. A-CAM also requires that certain deployment milestones be met along the way for the 10/1 Mbps locations.

Due to a limit on the amount of federal funding available for A-CAM, the FCC reduced the amount of A-CAM funding from the level it had originally proposed, subject to a further review if additional funding could be made available for companies, such as Inter-Community. Based on the level of A-CAM funding which Inter-Community accepted, effective January 1, 2017, it will receive annual A-CAM revenues of $3.098 million for the 10-year period. The finalization of the A-CAM mechanism, even at the reduced funding support level, substantially improves the predictability of the Company's USF revenues since A-CAM is not subject to the various caps and limitations which the HCLS and ICLS mechanisms included. The Company's 2016 and 2015 HCLS and ICLS revenues were $1.39 and $1.04 million, respectively. Therefore, the Company's election of A-CAM provides an increase of $1.71 million per annum in interstate revenues over the 2016 amount.

Since the FCC has an ongoing proceeding which may increase the funding for A-CAM, it is not possible to predict the full impact the FCC's reforms will have on the Company's future revenues at this time. For 2017, ICC and USF programs, including A-CAM, are currently estimated to generate, on a combined basis, approximately 72% of ICTC's revenues.

As noted above, Inter-Community and Valley are subject to both federal and state regulation. Operating telephone companies, like Inter-Community, are regulated by the FCC for interstate telecommunications services and by the relevant state authority for intrastate telecommunications services. However, under North Dakota law, except for a tariff filing requirement, the NDPSC does not regulate telephone companies that serve less than 8,000 access lines. The FCC and the state commissions do not regulate all providers that come under their jurisdiction in the same way.

RLECs such as Inter-Community remain more highly regulated than CLECs such as Valley. In addition, Inter-Community and Valley may be subject to local government regulation regarding such matters as the use of local streets and rights of way.

Other issues currently being addressed by the FCC include interconnection between different types of networks; access and interconnection pricing; internet access and special access regulation; the interrelationship between traditional circuit switched telephone services and newer services that use Internet Protocol ("IP") and other advanced technologies and standards; and the treatment of Voice over IP ("VoIP"). Thus, it is likely that significant changes in federal regulation will be adopted in coming years. The impact of these changes, if any, on ICTC cannot be predicted at this time.

Competitive Developments

For many years in the past, wireline telephone companies, and particularly RLECs such as Inter-Community, were the sole providers of local telephone exchange and related services in their franchised service territories. In more recent years, the competitive landscape has changed dramatically.

Wireless Services. For over twenty years, wireless services have become increasingly competitive with the wireline services provided by companies such as ICTC. Overall, wireless services are now ubiquitous and of generally high quality, for both voice and data. There has been a large and rapid migration of voice service from wireline to wireless providers with an attendant loss of customers, access lines and revenues for the wireline carriers. These competitive losses have slowed somewhat in recent years but are continuing. In addition, wireless carriers have increasingly implemented higher broadband speeds and are providing additional competition for internet access and broadband data transport. This broadband competition with the wireline carriers may intensify in the future as the speeds afforded by wireless technologies increase and wireless networks are progressively upgraded to incorporate the new technologies.

Wireline carriers such as ICTC's companies are responding to enhanced wireless competition by extending fiber optic facilities further into their networks and substantially increasing the broadband speeds they can offer. However, wireless services have had and will in all likelihood continue to have major competitive effects on wireline operations, although it is not possible to predict the full impact at this time.

Voice over Internet Protocol. Inter-Community has no wireline voice competition in its regulated RLEC footprint at the present time, although as noted above wireless voice usage is ubiquitous and increasing. However, Inter-Community customers may in the future use VoIP over non-regulated DSL lines. Competition from VoIP services could have a substantial detrimental impact on future revenues and create additional uncertainty for the Company. It is not possible to predict the extent to which these complementary or substitutable services might impact the Company's revenues. Because of the rural nature of its operations, as described above, Inter-Community is a high-cost operation which receives substantial federal support. However, it appears that in at least some areas, the regulatory environment for RLEC operations is becoming less supportive than has historically been the case, which may enhance the competitive impact of VoIP. Moreover, VoIP usage is increasing as a transport facility between switching centers to serve the end user's voice telephone needs. The FCC has ruled that IXCs must pay access charges on VoIP usage, but the FCC has frozen switched terminating access revenues for VoIP and is phasing down those revenues at the rate of five percent each year.

In addition to transport, many providers are increasing the use of VoIP for end-user services. This VoIP end user traffic is typically low-priced or even free although it requires the use of a broadband service. Obviously, however, if the end user purchases the broadband service from a competitor, such as a cable or wireless broadband company, ICTC would lose all revenue associated with that VoIP service. It is not possible to determine the potential lost revenue from calls that are handled by VoIP rather than the public switched network. This is very similar to revenue losses due to wireless usage where minutes of use are being removed from the Company's switching platform to the wireless carrier's switch, thus reducing the Company's access revenues.

Other Competitors. ICTC's companies also experience limited competition from cable television companies for internet access and from IXCs for various telecommunications services. This competition affects the number of customers ICTC is able to acquire and the prices it is able to charge in some areas. The competitive pressure from a broad array of competitors to provide increased broadband speeds, while constraining prices, is continuing to impose financial and operational demands on ICTC. Competition from cable providers and IXCs is expected to increase in the future, and additional competitors may emerge as well.

ICTC is continuing to monitor each of the competitive and regulatory developments that may affect it, and is attempting to assess the potential impacts and formulate effective responses. ICTC will participate in regulatory proceedings as it deems appropriate and will respond to both regulatory and competitive marketplace changes as effectively as possible. These changes could have a material impact on ICTC, although it is not possible at this time to predict whether, when or to what extent that may be the case.

Investments

The company holds minority interests (less than 50% owned) in several investments that are described below.

Dakota Carrier Network, LLC. Inter-Community has a 3.43% ownership interest in Dakota Carrier Network, LLC ("DCN"), a statewide telecommunications system comprised primarily of fiber optic facilities and owned by Inter-Community and fourteen other North Dakota RLECs. DCN provides a broad range of services to its RLEC owners and other customers, including data, voice and video transport; Signaling System 7 ("SS-7"); and data storage. DCN is a member of Indatel, a nationwide association of twenty-eight state fiber networks owned by RLECs within each of the states involved.

Inter-Community's proportionate share of DCN's earnings was $375,244 for the year ended December 31, 2016 and $378,008 for the year ended December 31, 2015. Inter-Community's proportionate share the book value of DCN was $2,040,702 at December 31, 2016 as compared to $1,854,462 at December 31, 2015. Inter-Community received $189,004 and $322,008 in cash distributions from DCN in 2016 and 2015, respectively.

Wireless Communications. Inter-Community owns stock in two corporations which in turn hold minority interests in partnerships that provide wireless communications services in North Dakota Rural Service Area ("RSA") #3 and RSA #5. These RSAs cover areas with a total population of approximately 100,000 persons. These RSA interests are accounted for on a cost basis. For the years ended December 31, 2016 and 2015, cash distributions received from these partnerships were $283,659 and $588,635, respectively.

SM Merger/Arbitrage, L.P. During 2016, CIBL invested $1,300,000 in a merger/arbitrage limited partnership ("Partnership") whose primary purposes are to invest in liquidations; in stub securities resulting from corporate merger, acquisition and recapitalization activities; and in risk arbitrage transactions related to mergers, consolidations, acquisitions, transfers of assets, tender offers, exchange offers, recapitalizations or other similar transactions. The Partnership may also engage, to a lesser extent, in other investments in securities including capital structure arbitrage, matched pair trading and related trading in options. A Director of the Company is the managing member of the limited liability company which is the General Partner of the Partnership. At December 31, 2016, the Company's investment was recorded at $1,352,000.

Solix, Inc. CIBL owns 10,000 shares of common stock (a 1.36% interest) in Solix, Inc. ("Solix"). Solix is an outsourcing firm that provides, among other things, billing and collection and other business process services to the telecommunications industry. The shares are restricted and there is no public trading market for them.

Employees

CIBL has transitional executive managers performing day-to-day functions and an administrator located in its Reno, NV headquarters office.

Legal Proceedings

The Company may from time to time be involved in legal proceedings in the normal course of its business and such a proceeding could be material, but the Company is not involved in any such legal proceeding at the current time.

CIBL, Inc.

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

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with its audited consolidated financial statements and related notes.

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

Overview

The Company's only operating business is a 43.63% ownership interest and 55.7% voting interest in ICTC Group, Inc. ("ICTC"), a provider of broadband data transport and voice communications in southeastern North Dakota. (As used herein, "CIBL" refers to CIBL, Inc. and all of its wholly owned subsidiaries, and "ICTC" refers to ICTC Group, Inc. and all of its wholly owned subsidiaries.) In addition, as a result of the sale of certain of the Company's investments, discussed above, the majority of its assets are comprised of cash and cash equivalents. As discussed in more detail below, the Company is evaluating various strategic options at this time.

Beginning in early 2017, as described in detail above, the FCC instituted a revised, voluntary USF mechanism for rate-of-return ILECs called A-CAM. For ILECs who elected A-CAM, it replaces the prior ICLS and HCLS cost-based methods, which were based on specific company or industry actual yearly expenditures for operations and capital. The A-CAM program was designed by the FCC to expedite the deployment of broadband capabilities throughout the nation's rural areas, that are served by rate-of-return carriers. The A-CAM program will provide a fixed amount of annual funding for a period of ten years, effective January 1, 2017. As part of A-CAM, Inter-Community must meet certain service requirements over the ten-year period. ICTC elected to participate in A-CAM and will receive an annual fixed payment of $3.098 million (paid on a monthly basis) over the next ten years. ICTC received $0.758 million in ICLS revenues and $0.629 million of HCLS revenues in 2016 for a total of $1.387 million. In 2015, ICTC received $0.664 in ICLS revenues and $0.379 million in HCLS revenues for a total of $1.043 million.

Please refer to the Management Discussion and Analysis of Operations located on ICTC's website, www.ictcgroup.net, for a comparative analysis of ICTC's operating results for 2016 and 2015.

On July 21, 2015, CIBL formed Nevada PMV Acquisition Holding Company, LLC ("Nevada PMV") for the purpose of acting as the sponsor for a special purpose acquisition company, or SPAC. On August 7, 2015, PMV Acquisition Corp. ("PMV") was formed by Nevada PMV as a SPAC for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination involving PMV and one or more businesses. As a SPAC, PMV was a shell (blank check) company that had no operations and whose purpose was to go public with the intention of merging with or acquiring a company with the proceeds of the SPAC's initial public offering ("IPO"). In the fourth quarter of 2015, PMV filed an S-1 Registration Statement with the Securities and Exchange Commission for the purpose of effectuating the IPO, whose securities were expected to be traded on the NASDAQ Stock Market ("NASDAQ"). PMV expected to offer ten million units, with each unit consisting of one share of common stock and one warrant to acquire one-half of one share of common stock, at an offering price of U.S. $10.00 per unit. Despite efforts in 2015 and 2016 to effectuate an IPO, market conditions were such that the IPO could not be accomplished. During 2016, it was determined that the probability of a success in the near term was low and that further efforts at his time would not be productive. Accordingly, PMV was liquidated in 2016 and deferred costs of $208,000 were written-off.

2016 compared to 2015

The Company recorded $4,080,000 in revenues in 2016, a 1.5% increase from the $4,020,000 recorded in 2015. All of these revenues relate to the operations of ICTC. The $60,000 increase in revenues was the result of increased broadband customers and an aid to construction payment in 2016.

Consolidated operating costs and expenses were $4,298,000 in 2016 and consisted of $3,793,000 of costs and expenses associated with ICTC and $505,000 of costs and expenses associated with CIBL. ICTC costs and expenses decreased by $73,000, or 1.9%, from the $3,866,000 recorded in 2015 due to lower plant specific costs and lower depreciation expense of $37,000. CIBL costs and expense increased by $77,000, from the $428,000 of net expenses in 2015. The increase was due to additional personnel expense.

Accordingly, ICTC contributed $287,000 of Operating Income in 2016 as compared to $154,000 in 2015 and CIBL incurred an operating loss in 2016 of $505,000 as compared to an operating loss of $428,000 in 2015.

Equity in earnings of affiliates represents ICTC's share of the operating results of Dakota Carrier Network, LLC ("DCN") and, in 2016, an investment in a merger/arbitrage limited partnership. DCN contributed $375,000 to earnings in 2016, a decrease of $3,000 from the $378,000 in 2015. The limited partnership contributed $53,000 to earnings in 2016. The limited partnership investment was made early in the Fourth Quarter of 2016

Investment income was $391,000 in 2016 as compared to $619,000 in 2015. CIBL's investment income is primarily generated from cash distributions from wireless broadband data and communications providers in North Dakota, RSA #3 and RSA # 5 (collectively, the "RSAs"), in which ICTC has a less than 20% ownership interest. In 2016, the cash distributions were $284,000. In 2015, these cash distributions were $589,000, of which $208,000 represents distributions from the RSAs' on-going operations and $380,000 represents special distributions for a sale-leaseback transaction executed by the RSAs. Earnings on CIBL's and ICTC's investment in United States Treasury Securities make up the remaining investment income.

Interest expense, which all relates to ICTC, was $91,000 in 2016 and $113,000 in 2015. The decrease primarily represents a negotiated reduction in the interest rate on certain of ICTC's subordinated notes.

As noted above, in 2016, CIBL wrote-off the deferred expense of $208,000 associated with its SPAC initiative.

The Company's effective tax rates for 2016 and 2015 were 55.3% and 29.7%, respectively. The difference between these rates and the federal statutory rate of 34% is primarily due to income taxes recorded and deferred on CIBL's share of ICTC's earnings as they are not included in CIBL's consolidated tax returns, and the dividend received deduction on the RSA distributions, offset by the effect of state income taxes.

Non-controlling interests of $352,000 in 2016 and $449,000 in 2015 represent the shares of ICTC's earnings that are attributable to the ICTC shares that are not owned by CIBL. The decrease is primarily due to the RSA distributions in 2015 discussed above.

As a net result, CIBL incurred a net loss of $217,000 in 2016 as compared to a net profit of $5,000 in 2015

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

As of December 31, 2016, CIBL had $22,337,000 in cash, cash equivalents, United States Treasury Securities and an investment in a merger/arbitrage limited partnership, and ICTC had $3,071,000 in cash or cash equivalents.

CIBL's current assets of $21,412,000 exceed its current liabilities of $186,000 by $21,227,000. ICTC's current assets of $4,037,000 exceed its current liabilities of $401,000 by $3,636,000.

Debt

CIBL has no debt at the current time.

ICTC has subordinated notes of $2,072,000 with an average interest rate of 3.44%, payable quarterly, and a maturity of December 31, 2022. The notes may be prepaid at any time without penalty.

ICTC has a loan with a balance of $646,000 which it took as part of the Broadband Initiatives Program instituted under the American Recovery and Reinvestment Act of 2009. The loan is due in monthly payments of principal and interest over the remaining 18 years of its term at an interest rate of 3.02%. Principal payments over the next five years are as follows: 2017-$27,000, 2018-$28,000, 2019-$29,000, 2020-$30,000, and 2021-$31,000.

Cash Proceeds from Sales

In September 2013, the Company sold its interests is its two television broadcasting stations. The net cash proceeds from the sale of Station WOI-TV, after repayment of debt, expenses associated with the sale, liquidation of remaining net assets, and associated income tax payments were $11.00 million, of which $5.44 million was received in 2013, $5.54 million was received in 20145, and $0.02 million was received in 2015. The net cash proceeds from the sale of Station WHBF-TV, after repayment of debt, expenses associated with the sale, liquidation of remaining net assets, and associated income tax payments were $1.04 million, of which $0.30 million was paid in 2013, $1.34 million was received in 2014, and $0.01 was received in 2015.

Investment in ICTC Group, Inc.

In November 2012, CIBL acquired 80,000 authorized but previously unissued shares of Class A Common Stock of ICTC, for $22 per share. On December 26, 2012, the Company completed a modified "Dutch Auction" tender offer to ICTC shareholders in which it acquired an additional 81,552 shares for $22.25 per share. Including related transaction costs, this resulted in a $3,651,000 investment. Since the tender offer, and through December 31, 2016, CIBL has purchased 5,004 shares of ICTC at an average price of $23.67; of these shares, 2,249 were purchased during 2015.

Share Repurchases and Distributions

CIBL's Board of Directors has authorized a stock repurchase program, and since its spin-off from LICT Corporation the Board has the authorized the repurchase of a cumulative 5,300 shares of its common stock, of which 2,511 shares have been purchased through December 31, 2016. Since CIBL was spun off by LICT Corporation, on November 19, 2007, the Company has acquired 2,535 shares of its common stock at an average price of $1,180; 891 shares, at an average price of 1,273 per share, were purchased in 2016. In addition to its repurchase programs, the Company has conducted two tender offers for its shares.

During November 2012, the Company's Board of Directors authorized a modified "Dutch Auction" tender offer to purchase up to 7,000 shares of its common stock. In 2012, the Company purchased 2,861 shares at an investment of $880 per share, including 2,460 shares from the Dutch Auction, at an average investment of $893 per share. Including related acquisition costs, this resulted in a $2,204,000 investment.

During December 2013, CIBL's Board of Directors authorized another modified "Dutch Auction" tender offer to purchase up to 2,200 shares of common stock. Under the offer, the Board had the right to accept additional shares tendered up to 2% of CIBL's shares outstanding, or 432 additional shares. In January 2014, the Company purchased 2,286 shares from the Dutch Auction, at an investment of $1,300 per share. Including related transaction costs, this resulted in a $3,017,000 investment.

Since its spin-off from LICT Corporation in 2007, the Company has paid cumulative cash distributions to its shareholders of $4,264,000, or $170 per share.

Strategic Options

As of December 31, 2016, the Company had $22.3 million of liquid assets.

As discussed above, during 2015 and 2016 the Company expended considerable efforts to launch a Special Purpose Acquisition Company (“SPAC”). Unfortunately, market conditions in 2016 did not allow us to effectuate an initial public offering and in late 2016, these efforts were abandoned and the SPAC was dissolved as of December 31, 2016,

The Board of Directors is considering a number of possible options with regard to the future activities of the Company, including but not limited to:

- Acquiring a company or business in a related or unrelated industry, including additional shares of ICTC;
- Maximizing short and long term returns on its portfolio of liquid assets through alternative investments;
- Reacquiring CIBL’s outstanding common shares, through open market purchases or another “Dutch Auction” tender offer;
- Making a cash distribution to CIBL shareholders; or
- Selling CIBL’s remaining assets and liquidating the Company.

Among the factors being considered by the Board of Directors in determining the best way to serve shareholders’ interests are:

- The current and future federal and state income tax effects of the various alternatives;
- The timing of the cash flow implications;
- The availability and attractiveness of potential acquisition candidates;
- The value of CIBL’s remaining assets; and
- Any other factor that could help to maximize shareholder value.

CIBL, Inc. and Subsidiaries

Financial Statements

December 31, 2016 and 2015

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Directors
CIBL, Inc.

We have audited the accompanying financial statements of CIBL, Inc. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2016 and 2015 and the related consolidated statements of income, changes in equity, and cash flows for years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the 2016 and 2015 financial statements of ICTC Group, Inc. and Subsidiaries ("ICTC"), a 43.63% (42.7% in 2015) owned consolidated subsidiary, which statements include total assets of approximately $15,367,000 ($14,855,000 in 2015), total revenues of approximately $4,080,000 ($4,022,000 in 2015) and net income of approximately $629,000 ($785,000 in 2015) for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to amounts included for ICTC, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of CIBL, Inc. and subsidiaries as of December 31, 2016 and 2015, and the results of their consolidated operations and their consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules on pages XX to XXIV are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The financial information of ICTC, included in the supplementary information, was audited by other auditors. In our opinion, based on our audit and the report of the other auditor, the information is fairly stated in all material respects in relation to the financial statements as a whole.

PKF O'Connor Davies, LLP

Harrison, New York
April 28, 2017

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

	December 31, 2016	December 31, 2015
Assets		
Current Assets		
Cash and cash equivalents	$13,073	$6,701
United States Treasury Bills	10,983	19,986
Accounts receivable, net of allowance of $4	444	576
Deferred income taxes	75	93
Prepaid expenses	472	465
Prepaid income tax	402	294
Total Current Assets	25,449	28,115
Telecommunications, plant and equipment, net	6,615	6,786
Investments in equity method affiliated entities	3,392	1,854
Other investments, at cost	1,004	445
Deferred Offering Costs	--	196
Goodwill	1,772	1,772
	$38,232	$39,168
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued expenses	$257	$215
Income tax payable	6	127
Other current liabilities	297	332
Current maturities of long-term debt	27	26
Total Current Liabilities	587	700
Long-term debt	2,691	2,719
Deferred income taxes	3,032	2,834
Construction deposit	--	32
Total Liabilities	6,310	6,285
Equity		
Common stock, par value $.01, 30,000 shares authorized; 25,115 issued; and 16,834 and 17,725 outstanding	--	--
Contributed capital	3,102	3,111
Accumulated other comprehensive income	38	--
Retained earnings	32,698	32,915
Treasury stock, 8,281 and 7,390 shares at cost	(9,393)	(8,258)
Total CIBL, Inc.'s Stockholders' Equity	26,445	27,768
Non-controlling interests	5,477	5,115
Total Equity	31,922	32,883
	$38,232	$39,168

See notes to consolidated financial statements

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

	Year Ended December 31,	
	2016	2015
Revenue		
Telephone service revenue	$ 4,080	$ 4,020
Total Revenue	4,080	4,020
Costs and Expenses		
Cost of operating revenue, excluding depreciation	1,742	1,860
General and administrative costs of operations	726	725
Management fee	225	225
Corporate office expense at ICTC	291	284
Corporate office expense at CIBL	379	303
Depreciation	935	897
Total Operating Expenses	4,298	4,294
Operating Loss	(218)	(274)
Other Income (Expense)		
Investment income	391	619
Interest expense	(91)	(113)
Capital interest		
Equity in earnings of affiliated entities	428	378
Write-off of deferred offering costs	(208)	
Gain on sale of television broadcasting interests	--	35
Total Other Income	520	919
Net Income Before Income Taxes	302	645
Income tax expense	(167)	(191)
Net Income	135	454
Non-controlling interests	(352)	(449)
Net (Loss) Income Attributable to CIBL, Inc.'s Stockholders	($217)	$5
Other Comprehensive (Loss) Income:		
Unrealized gain on securities available for sale	61	--
Income tax expense	(23)	--
Total other comprehensive income	38	--
Comprehensive (Loss) Income Attributable to CIBL, Inc.	($179)	$5
Basic and diluted weighted average shares outstanding	17,043	17,923
Net income per share	$7.93	$25.29
Net loss per share attributable to CIBL	($12.72)	$0.26

See notes to consolidated financial statements.

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

	CIBL, Inc. Stockholders' Equity								
	Common Shares Outstanding	Common Stock	Contributed Capital	Accumulated Other Comprehensive Income	Retained Earnings	Treasury Shares	Total	Non-Controlling Interests	Total Equity
Balance at January 1, 2015	18,105	$--	$3,116	$--	$32,910	($7,750)	$28,276	$4,746	$33,022
2015									
Net Income (Loss)	--	--	--	--	5	--	5	449	454
Consolidation of ICTC Group, Inc.	--	--	(5)	--	--	--	(5)	(87)	(92)
Formation of Nevada PMV LLC	--	--	--	--	--	--	--	7	7
Purchase of treasury shares	(380)	--	--	--	--	(508)	(508)	--	(508)
Balance at December 31, 2015	17,725	--	3,111	--	32,915	(8,258)	27,768	5,115	32,883
2016									
Net Income (Loss)	--	--	--	--	(217)	--	(217)	352	135
Comprehensive income	--	--	--	38	--	--	38	50	88
Sub -Total							(179)		223
Issuance of ICTC Group Inc. shares	--	--	--	--	--	--	--	67	67
Consolidation of ICTC Group, Inc.	--	--	(4)	--	--	--	(4)	(105)	(109)
Formation of Nevada PMV LLC	--	--	(5)	--	--	--	(5)	(2)	(7)
Purchase of treasury shares	(891)	--	--	--	--	(1,135)	(1,135)	--	(1,135)
Balance at December 31, 2016	16,834	$0	$3,102	$38	$32,698	($9,393)	$26,445	$5,477	$31,922

See notes to consolidated financial statements

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

	Year Ended December 31,	
	2016	2015
Cash Flows Provided by Operating Activities		
Net (loss) income attributable to CIBL, Inc.'s stockholders	($217)	$5
Non-controlling interests	352	449
Net income	135	454
Adjustments to reconcile net income to net cash from operating activities		
Equity in earnings of affiliated entities	(428)	(378)
Distributions from affiliated entities	189	322
Depreciation	935	897
Shares of ICTC issued in lieu of compensation	67	--
Deferred income taxes	166	134
Interest income (in-kind)	--	(3)
Management fees (in-kind)	--	148
Gain from sale of broadcasting interests	--	(35)
Write-off of deferred offering costs	208	--
Unrealized loss (gain) on investments	(56)	(13)
Changes in operating assets and liabilities		
Accounts receivable	132	(106)
Other current assets	(7)	(247)
Accounts payable and accrued expenses	9	10
Income tax payable/ prepaid income tax	(229)	(29)
Net Cash Provided by Operating Activities	1,119	1,154
Cash Flows Provided By Investing Activities		
Capital spending	(796)	(1,093)
BIP grant funds received	--	481
Proceeds from sale of Capital Communications Inc.		47
Redemption of U.S. Treasury Bills	45,000	--
Acquisition of U.S. Treasury Bills	(35,942)	(19,979)
Investment in merger/arbitrage limited partnership	(1,300)	--
Acquisition of interest in ICTC Group, Inc.	(109)	(92)
Acquisition of marketable securities	(419)	(93)
Net Cash Provided By (Used In) Investing Activities	6,434	(20,729)
Cash Flows Used In Financing Activities		
Purchase of treasury stock	(1,135)	(508)
Principal payments on loan term debt	(27)	(21)
Advances under BIP Loan	--	211
Deferred offering costs	(12)	(196)
Other	(7)	7
Net Cash Used In Financing Activities	(1,181)	(507)
Net Change in Cash and Cash Equivalents	6,372	(20,082)
Cash and Cash Equivalents		
Beginning of year	6,701	26,783
End of year	$13,073	$6,701
Supplemental Cash Flow Information		
Cash paid for income taxes, net	$231	$87
Cash paid for interest	$91	$113

See notes to consolidated financial statements

1. Organization

CIBL, Inc. (the “Company” or "CIBL") holds, or has held, certain investments in broadband data transport/communications and broadcasting, The Company holds a 43.63% interest in the ICTC Group, Inc. (“ICTC”), a communications company in North Dakota that is deemed to be under common control with the Company (see Note 4). Effective April 11, 2013, a Voting Rights Agreement brought the Company’s voting interest in ICTC over 50%, and it began reporting ICTC results on a consolidated basis. At December 31, 2016, its voting interest was 55.7% Accordingly, CIBL’s Consolidated Balance Sheet, Statement of Income, and Statement of Cash Flows includes the operating activities of ICTC, and the remainder not owned by CIBL is shown as non-controlling interests.

On July 21, 2015, CIBL formed Nevada PMV Acquisition Holding Company, LLC (“Nevada PMV”) for the purpose of acting as the sponsor for a special purpose acquisition company, or SPAC. On August 7, 2015 PMV Acquisition Corp. (“PMV”) was formed by Nevada PMV as a SPAC for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination involving PMV and one or more businesses. As a SPAC, PMV was a shell (blank check) company that had no operations and whose purpose was to go public with the intention of merging with or acquiring a company with the proceeds of the SPAC’s initial public offering (“IPO”). In the fourth quarter of 2015, PMV filed an S-1 Registration Statement with the Securities and Exchange Commission for the purpose of effectuating the IPO, whose securities were expected to be traded on The NASDAQ Stock Market (“Nasdaq”). PMV expected to offer ten million units, with each unit consisting of one share of common stock and one warrant to acquire one-half of one share of common stock, at an offering price of U.S. $10.00 per unit. Despite efforts in 2015 and 2016, to effectuate an IPO, market conditions were such that the IPO could not be accomplished. During 2016, it was determined that the probability of a success in the near term was low and that further efforts at this time would not be productive. Accordingly, PMV was liquidated and deferred costs of $208,000 were written-off.

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 Dakota Carrier Network, LLC (“DCN”), a limited liability company treated as a partnership that is 3.4% owned by ICTC, and a merger/arbitrage limited partnership described below.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying financial statements include the operations of the Company and its majority owned or controlled subsidiaries, including ICTC for which it has voting control. All inter-company transactions and balances have been eliminated in consolidation.

The non-controlling interests represent the financial results of ICTC, Nevada PMV, and PMV that are not owned by CIBL.

Regulatory Accounting

ICTC's public utility activities are regulated by the Federal Communications Commission ("FCC"). Except for a minor tariff filing requirement, the North Dakota Public Service Commission does not regulate Rural Local Exchange Carriers ("RLECs") with fewer than 8,000 access lines, such as Inter-Community Telephone Company, LLC, an indirect, wholly-owned subsidiary of ICTC. 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 ICTC'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.

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 are 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.

Materials and Supplies (included in Prepaid Expenses)

Inventories are stated at the lower of average cost or market.

Investments in Affiliated Entities, Equity Basis

The Company accounts for its investments in affiliates 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. See Note 5 for summarized financial information on the Company's equity method investments.

During 2016, the Company invested $1,300 in a merger/arbitrage limited partnership ("Partnership") whose primary purpose is to invest in liquidations; in stub securities resulting from corporate merger, acquisition and recapitalization activities; and in 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 Director of the Company is the managing member of the limited liability company which is the General Partner of the Partnership. At December 31, 2016, the Company's investment was recorded at $1,352.

Cost Method Investment

The Company accounts for certain investments, listed below, using the cost method because the Company does not exercise significant influence over the management.

The Company's 1.36% ownership interest in Solix, Inc. ("Solix") is accounted for using the cost method because the Company does not exercise significant influence over the management of Solix. Solix is an outsourcing firm that provides services such as billing and collection to the telecommunications industry. The carrying value of such investment at December 31, 2016 and 2015 was $100. During the years ended December 31, 2016 and 2015, CIBL received cash distributions from Solix of $10 in each year.

ICTC has an ownership interest in two North Dakota entities, each of which in turn holds an interest in one of two partnerships that provide cellular telephone service to Rural Service Area ("RSA") 3 and RSA 5 in North Dakota. ICTC's interests in these RSA partnerships amount to 1.33% and 1.53%, respectively. The combined carrying values of these investments at December 31, 2016 and 2015 were $145 and $144 respectively. During the years ended December 31, 2016 and 2015, ICTC received combined distributions from these investments of $284 and $589 respectively.

ICTC has an ownership interest in two additional entities that are accounted for on cost method. The Company has invested $108 and $107 at December 31, 2016 and 2015, respectively, in these two companies.

Marketable Securities

Marketable securities, included in other investments, consist of a publicly traded common stock held by ICTC, $651 in market value at December 31, 2016, $93 at December 31, 2015, and was classified as available-for-sale. Unrealized gains or losses, net of tax, on the Company's available-for-sale securities are excluded from earnings and included as a separate component of equity included in accumulated other comprehensive income (loss) until realized.

(Dollars in Thousands)

Available for sale securities are valued using Level 1 inputs based on quoted prices in active markets. The cost and fair values of available-for-sale securities at December 31, 2016, along with the fair value of available-for sale securities as of December 31, 2015, were as follows:

	2016			2015
	Original Cost	Gross Unrealized Gains	Fair Value	Fair Value
New Ulm Inc. Common Shares	$512	$139	$651	$93

Goodwill

Goodwill is tested annually for impairment, or more frequently if deemed necessary. ICTC tests goodwill for impairment using a two-step process. The first step is a screen for potential impairment in which ICTC determines its fair value based on a number of subjective factors, including: (a) appropriate weighting of valuation approaches (income approach, market approach and comparable company approach), (b) estimates of its future cost structure, (c) discount rates for estimated cash flows, (d) selection of peer group companies for its market approach, (e) required level of working capital, (f) assumed terminal value, and (g) time horizon of cash flow forecasts. ICTC estimates the fair value using Level 3 inputs as defined in the fair value hierarchy.

If such tests indicate potential impairment due to the carrying value of the reporting unit exceeding its fair value, then a second step measures the amount of impairment, if any. The Company performed the required annual tests as of December 31, 2016 and 2015, and determined that there was no impairment at that time. There were no impairment losses recorded during the years ending December 31, 2016 and 2015.

Telecommunications Plant and Equipment

Additions to 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 ICTC's plant and equipment is plant 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. When depreciable telephone plant is replaced or retired, the carrying amount of such plant is deducted from the respective accounts and charged to accumulated depreciation, and no gain or loss is recognized. 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.

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 marketable securities, included in other investments, which are all classified as Level 1 inputs, because they are valued using quoted market prices. At December 31, 2016 and 2015, the money market mutual fund had values of $11,766 and $5,044, respectively; the US Treasury Bills had values of $10,983 and $19,986, respectively; and marketable securities had values of $651 and $93, 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. The fair value of ICTC's borrowings under its long-term debt obligations is approximately $500 lower than its carrying value based on borrowing rates for similar 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 amount of the asset group exceeds the fair value of the asset group. There were no asset impairments recorded during the periods ended December 31, 2016 and 2015.

Deferred Offering Costs

PMV followed ASC guidance with regard to deferred offering costs. As of December 31, 2015, PMV incurred offering costs of approximately $196 consisted principally of costs incurred in connection with formation and preparation for the IPO which have been deferred. These costs, along with $12 of additional costs incurred in 2016, were charged to PMV's operations as efforts to complete the IPO were not successful.

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 and ICTC file separate tax 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, 2013.

Revenue Recognition

Telephone service revenue is primarily derived from regulated local, intrastate and interstate access services and recognized as services are provided.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 28, 2017.

3. Investment in ICTC Group, Inc.

The Company currently owns 166,556 of ICTC Group, Inc., or 43.6% of ICTC's total shares of Class A Common Stock outstanding of 381,734. In total, the Company paid $3.8 million or $22.63 per share for its share, 2,247 of these shares were purchased during 2015 at $25.55 per share.

During 2016, in lieu of cash compensation, ICTC issued its Executive Chairman 3,000 shares of its Class A Common. The shares were issued at the end of each month, 250 shares per month, and compensation expense was recorded on the issuance of shares based on the market price of those shares at those dates.

4. Sale of Broadcasting Interests

In September 2013, two of the Company's subsidiaries agreed to sell their minority interests in two network affiliated broadcast stations in Iowa and Illinois. Substantially all of the proceeds was received, and gain recognized, in 2013 and 2014, but miscellaneous amounts were received in 2015.

(Dollars in Thousands)

5. Equity Method Investment in DCN

Summarized financial information for the investment in DCN as of and for the years ended December 31 is as follows:

	2016	2015
Current assets	$4,865	$4,331
Property, plant and equipment, net	53,557	48,892
Other assets	2,748	2,756
Total Assets	$61,170	$55,979
Current liabilities	$1,210	$1,682
Other liabilities	513	277
Equity	59,447	54,020
Total liabilities and equity	$61,170	$55,976
Revenues	$46,673	$44,545
Expenses	$35,741	$33,534
Net Income	$10,932	$11,011

ICTC recognized equity earnings from DCN of $375 and $378 during the years ended December 31, 2016 and 2015, respectively. ICTC received distributions from DCN of $189 and $322 during the years ended December 31, 2016 and 2015. ICTC also leases capacity of certain telecommunications plant on a short term basis to customers through DCN. DCN paid ICTC approximately $468 and $462 for the use of ICTC's network during the years ended December 31, 2016 and 2015, respectively.

6. Telecommunications, Plant and Equipment

At December 31, 2016 and 2015, the telecommunications plant and equipment accounts at ICTC consisted on the following:

	2016	2015	Depreciation Rate
Land and support assets	$2,569	$2,490	2.9%-20.0%
Central office switching equipment	4,104	4,941	6.67%-20.0%
Cable and wire facilities	15,496	15,165	3.9%-6.67%
Internet equipment	325	322	15.0%
Total in service	22,494	22,918	
Under construction	17	97	
	22,511	23,015	
Accumulated depreciation	15,476	16,229	
	$6,615	$6,786	

(Dollars in Thousands)

7. Note Receivable

The Company had a promissory note due from LICT Corporation, with an original amount of $1,500. The note was obtained in connection with the 2007 spin off of the Company from LICT. The note bore interest at 5% with interest to be paid in-kind. The note matured during 2015. Management and other service fees and expenses owed by CIBL to LICT were offset against the note on a periodic basis. As of December 31, 2014, there was $145 outstanding on the note receivable and during the years ended December 31, 2015, fees of $148 were offset against this note (see Note 14). In-kind interest was accrued on the note of $3 in 2015.

8. Long-Term Debt

At December 31, 2016 and 2015, ICTC's long-term debt consisted of:

	2016	2015
RUS Broadband Loan	$646	$673
Subordinated notes	2,072	2,072
	2,718	2,745
Less current maturities	(27)	(26)
	$2,691	$2,719

ICTC has subordinated notes with former shareholders of Inter-Community for $2,072 as of December 31, 2016 and 2015. The average interest rate on the notes is 3.4% and the maturity date is December 31, 2022. Interest on the notes is paid quarterly. The notes may be prepaid at any time without penalty.

ICTC received a loan of $713 on the Broadband Initiatives Program ("BIP") Loan (see Note 9). The loan is due in monthly payments of principal and interest over the remaining 18 years of the term at an average interest rate of 3.02%. The BIP loan/grant agreement also includes certain financial and other covenant requirements.

It is estimated that principal repayments on ICTC's debt are as follows:

Years Ended December 31:	
2017	$27
2018	28
2019	29
2020	30
2021	31
Thereafter	2,573
	$2,718

9. Broadband Initiatives Program

ICTC was awarded a stimulus loan and grant pursuant to the American Recovery and Reinvestment Act of 2009 to finance the construction of a broadband infrastructure project in rural areas. The $2,339 project was completed during 2014. The project was funded through a broadband loan from the Rural Utilities Service (RUS) of $713 and a grant through the Broadband Initiatives Program administered by RUS, of $1,626. Construction costs related to the project through December 31, 2014 were $2,367. ICTC has received $713 in advances on the broadband loan, $211 of which were received in 2015, and $1,625 in grant funds, $481 of which were received in 2015.

(Dollars in Thousands)

10. 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 5,300 shares of common stock including an increase of 2,000 on June 12, 2015. Through December 31, 2016, CIBL has purchased 3,535 shares at an average price of $1,180 per share. 891 shares were purchased in 2016 at an average price of $1,273 per share, and 380 shares were purchased in 2015 at an average price of $1,337 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.

11. Provision for Income Taxes

The provision (benefit) for income taxes for the years ended December 31, 2016 and 2015 are summarized as follows:

	2016	2015
Current tax provision (benefit):		
Federal	($39)	$59
State	40	(2)
	1	57
Deferred tax provision (benefit):		
Federal	157	118
State	9	16
	166	134
Total	$167	$191

(Dollars in Thousands)

Deferred income tax assets and (liabilities), which are provided for the temporary differences between the financial reporting bases and the tax bases of the Company's assets and liabilities, at December 31, 2016 and 2015 consisted of:

	2016	2015
Current assets:		
Vacation and compensated absences	$59	$78
Other	16	15
	75	93
Long-term liabilities:		
Telecommunications plant depreciation	(1,598)	(1,570)
Federal and State NOL's	1,475	1,475
Goodwill and intangibles	(697)	(711)
Equity method investments	(212)	(214)
Consolidated subsidiaries	(470)	(337)
Other	(55)	(2)
	(1,557)	(1,359)
Valuation allowance	(1,475)	(1,475)
Net long-term liability	(3,032)	(2,834)
Net liability	($2,957)	($2,741)

12. Pension and Retirement Plans

Pension Plan

ICTC has a contributory defined benefit pension plan covering substantially all of its employees. The National Telephone Cooperative Association ("NTCA") Retirement Security Plan (R&S Plan) is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is a multiple employer plan under the accounting standards. The plan sponsor's Employer Identification Number is 52-0741336 and the Plan Number is 333.

A unique characteristic of a multiple employer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers. ICTC's contributions to the RS Plan in 2016 and 2015 represented less than 5% of the total contributions made to the plan by all participating employers. ICTC made quarterly contributions to the plan based on 5.6% of eligible employee compensation through June 30, 2015. This percentage was decreased to 3.5% on July 1, 2015. ICTC made contributions to the plan of approximately $61 in 2016 and $69 in 2015.

In the R&S Plan, a "zone status" determination is not required, and therefore not made, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. The Program meets ERISA minimum funding requirements. The Funding Target Attainment Percentage valued as of January 1, 2015, is 98.35%. Section 104 of PPA delays the effective date of funding rules for certain multiple employer rural cooperative plans. As such, the Program will not be subject to the PPA funding rules until after December 31, 2016.

Because the provisions of the PPA do not apply to the R&S Plan, funding improvement plans and surcharges are not required. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

The risks of participating in multiple employer plans are different from single-employer plans in the following aspects: (a) assets contributed to a multiple employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the multiple employer plan, the unfunded obligations of the plan may be borne by the remaining participating employers, and (c) if ICTC chooses to stop participating in the plan, ICTC may be required to pay a withdrawal liability based on the then-current funding status of the plan. The Participants' retirement is also guaranteed up to a certain annual monthly income for life by the Pension Benefit Guarantee Corporation.

Profit Sharing Plan

ICTC has a profit sharing plan which covers certain of its employees. There were no contributions into this plan during the years ended December 31, 2016 and 2015, respectively.

ICTC also participates in the National Telephone Cooperative Association (NTCA) 401(k) plan. Under the current plan agreement, ICTC can contribute up to 7% of employees' eligible salaries to the plan. ICTC's total cost of this plan for the years ended December 31, 2016 and 2015 was approximately $73 and $71, respectively.

13. Concentration of Risk

Business Risk

ICTC provides telephone, internet and other nonregulated services on account to its customers located in southeastern North Dakota. The Company also provides access service on account to various long distance companies, which provide toll service to the Company's customers.

Over the past few years, the FCC has implemented several significant changes to the rules affecting the revenues of RLECs, and is considering additional changes. The Company serves high cost rural areas and receives a significant portion of revenues from federal support mechanisms and access revenues from long distance carriers. ICTC's revenues are significantly dependent on the continuation and level of such support mechanisms.

Credit Risk

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

14. Related Party Transactions (Not Disclosed Elsewhere)

LICT Corporation, an affiliate, provides administrative and management services to CIBL and ICTC. As compensation for these services, LICT received fees of $225 for the years ended December 31, 2016 and 2015.

At December 31, 2016 and 2015, cash and short-term investments of $11,766 and $5,069, respectively, were invested in United States Treasury money market funds for which affiliates of one of the Company's Directors serve as investment managers.

* * * * *

CIBL, Inc. and Subsidiaries

Supplementary Information

December 31, 2016

CIBL, Inc. and Subsidiaries
Consolidating Balance Sheets
December 31, 2016
(In Thousands, Except Common Share Data)

	CIBL Consolidated, Excluding ICTC Group, Inc.	ICTC Group, Inc. Consolidated	Eliminations	Consolidated
Assets				
Current Assets				
Cash and cash equivalents	$10,002	$3,071	$-	$13,073
United States Treasury Bills	10,983	--	--	10,983
Accounts receivable, net of allowance of $4	--	444	--	444
Prepaid income taxes	402	--	--	402
Deferred income taxes	--	75	--	75
Prepaid expenses	25	447	--	472
Total Current Assets	21,412	4,037	--	25,449
Telecommunications, plant and equipment, net	2	6,613	--	6,615
Investments in equity method affiliated entities	6,309	2,041	(4,958)	3,392
investments, at cost	100	904	--	1,004
Goodwill	--	1,772	--	1,772
Total Assets	$27,823	$15,367	($4,958)	$38,232

CIBL, Inc. and Subsidiaries
Consolidating Balance Sheets
December 31, 2016
(In Thousands, Except Common Share Data)

	CIBL Consolidated, Excluding ICTC Group, Inc.	ICTC Group, Inc. Consolidated	Eliminations	Consolidated
Liabilities and Equity				
Current Liabilities				
Accounts payable and accrued expenses	$186	$71	--	$257
Income tax payable	--	6	--	6
Other current liabilities	--	297	--	297
Current maturities of long-term debt	--	27	--	27
Total Current Liabilities	186	401	--	587
Long-term debt	--	2,691	--	2,691
Deferred income taxes	474	2,558	--	3,032
Total Liabilities	660	5,650	--	6,310
Equity				
Common stock, par value $.01, 30,000 shares authorized; 25,115 issued; and 16,834 outstanding	--	--	--	--
Contributed capital	3,858	1,827	(2,583)	3,102
Accumulated other comprehensive income	--	88	(50)	38
Retained earnings	32,698	8,334	(8,334)	32,698
Treasury stock, 8,281 shares at cost	(9,393)	(532)	532	(9,393)
Total CIBL, Inc.'s Stockholders' Equity	27,163	9,717	(10,435)	26,445
Non-controlling interest	--	--	5,477	5,477
Total Equity	27,163	9,717	(4,958)	31,922
Total Liabilities and Equity	$27,823	$15,367	($4,958)	$38,232

See independent auditors’ report.

CIBL, Inc. and Subsidiaries
Consolidating Statements of Income
December 31, 2016
(In Thousands, Except Share and Per Share Data)

	CIBL Consolidated Excluding ICTC Group, Inc.	ICTC Group, Inc. Consolidated	Elimination	Consolidated
Revenue				
Telephone service revenue	$ --	$ 4,080	--	$ 4,080
Total Revenue	--	4,080	--	4,080
Costs and Expenses				
Cost of operating revenue, excluding depreciation	--	1,742	--	1,742
General and administrative costs of operations	--	726	--	726
Management fee	125	100	--	225
Corporate office expense at ICTC	--	291	--	291
Corporate office expense at CIBL	379	--	--	379
Depreciation	1	934	--	935
Total Operating Expenses	505	3,793	--	4,298
Operating Income (Loss)	(505)	287	-	(218)
Other Income(Expense)				
Investment income	83	308	--	391
Interest expense	--	(91)	--	(91)
Equity in earnings of affiliated entities	326	375	(273)	428
Write-off of deferred offering expenses	(208)	--	--	(208)
Total Other Income(Expense)	201	592	(273)	520
Net Income (Loss) Before Income Taxes	(304)	879	(273)	302
Income tax benefit(expense)	83	(250)	-	(167)
Net Income(Loss)	(221)	629	(273)	135
Non-controlling interests	4	--	(356)	(352)
Net (Loss) Income Attributable to CIBL, Inc.'s Stockholders	($217)	$629	($629)	($217)

See independent auditors' report.

CIBL, Inc. and Subsidiaries
Consolidating Statements of Cash Flows
December 31, 2016
(In Thousands, Except Share and Per Share Data)

	CIBL Consolidated, Excluding ICTC Group, Inc.	ICTC Group, Inc. Consolidated	Elimination	Consolidated
Cash Flows Provided By (Used In) Operating Activities				
Net income (loss) attributable to CIBL, Inc.'s stockholders	($217)	$629	$ (629)	($217)
Non-controlling interests	(4)	--	356	352
Net income	(221)	629	(273)	135
Adjustments to reconcile net income to net cash from operating activities:				
Equity in earnings of affiliated entities	(326)	(375)	273	(428)
Distributions from affiliated entities	--	189	--	189
Depreciation	1	934	--	935
Shares issued by ICTC in lieu of compensation	--	67	--	67
Deferred income taxes	136	30	--	166
Write-off of deferred offering costs	208	--	--	208
Unrealized gains on investments	(55)	(1)	--	(56)
Changes in operating assets and liabilities:				
Accounts receivable	25	107	--	132
Other current assets	--	(7)	--	(7)
Accounts payable and accrued expenses	55	(46)	--	9
Income tax payable/prepaid income tax	(108)	(121)	--	(229)
Net Cash Provided By (Used In) Operating Activities	(287)	1,406	--	1,119

Continued on Next Page.

CIBL, Inc. and Subsidiaries
Consolidating Statements of Cash Flows
December 31, 2016
(In Thousands, Except Share and Per Share Data)

	CIBL Consolidated, Excluding ICTC Group, Inc.	ICTC Group, Inc. Consolidated	Elimination	Consolidated
Continued from Previous Page.				
Cash Flows Provided By (Used In) Investing Activities				
Capital spending	--	(796)	--	(796)
Redemption of United States Treasuries	45,000	--	--	45,000
Investment in United States Treasuries	(35,942)	--	--	(35,942)
Investment in merger/arbitrage limited partnership	(1,300)	--	--	(1,300)
Acquisition of shares in ICTC Group, Inc.	--	--	(109)	(109)
Investment marketable securities	--	(419)	--	(419)
Net Cash Used In Investing Activities	7,758	(1,215)	(109)	6,434
Cash Flows Provided By (Used In) Financing Activities				
Purchase of treasury stock	(1,135)	(109)	109	(1,135)
Repayment of Debt	--	(27)	--	(27)
Deferred Offering Costs	(12)	--	--	(12)
Other	(7)	--	--	(7)
Net Cash Provided By (Used In) Financing Activities	(1,154)	(136)	109	(1,181)
Net Change in Cash and Cash Equivalents	6,317	55	--	6,372
Cash and Cash Equivalents				
Beginning of year	3,685	3,016	--	6,701
End of year	$10,002	$3,071	$--	$13,073
Supplemental Cash Flow Information				
Cash paid (received) for income taxes	($109)	$340	$--	$231
Cash paid for interest	--	91	--	91

See independent auditors' report

CIBL, INC.
DIRECTORS, OFFICERS, AND OTHER INFORMATION

Board of Directors

Mario J. Gabelli
Chairman, Chief Executive Officer and Chief Investment Officer of GAMCO Investors, Inc. and Chairman and Chief Executive Officer of LICT Corporation

Philip J. Lombardo
Chairman and Chief Executive Officer
Citadel Communications Company, Ltd.

Salvatore Muoio
Managing Member of S. Muoio Co. LLC

Officers

Robert E. Dolan
Interim Chief Executive Officer & Interim Chief Financial Officer

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Transfer Agent and Registrar For Common Stock
American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038

Trading Information
OTC Pink®
Common Stock
Symbol: CIBY

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