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

To our shareholders:

CIBL's assets at September 30, 2019 consisted of:

- Cash, United States Treasury investments, and an investment merger limited partnership of $30.9 million, or $1,922 per share. At September 30, 2019, CIBL had 16,087 common shares outstanding.

- 10,000 shares in Solix, Inc., a private outsourcing firm that provides, among other services, billing and collection services to the telecommunications industry.

During the First Nine Months of 2019, we repurchased 350 of our common shares, 2.0% of our total shares outstanding, at an average price of $1,771 per share. CIBL's shares trade on OTC Pink®: CIBY.

On July 1, 2019, the Company announced an agreement in principle whereby CIBL would acquire a broadband operation in New Hampshire from LICT Corporation ("LICT") for our common shares. After the closing of the transaction, which is subject to various conditions, LICT will hold approximately 6% of our outstanding common stock. CIBL expects that the transaction will be closed in the Fourth Quarter of 2019.

In addition to this transaction, 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.

If you have any comments or questions, please contact us at the above or e-mail us at: office@ciblinc.com, or visit us on our website: ciblinc.com.

CIBL, Inc.
October 2019

CIBL, Inc. and Subsidiaries

Financial Report to Shareholders

September 30, 2019

<u>CIBL, Inc.</u>

<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 OF OPERATIONS

Overview

On October 19, 2018, ICTC Group, Inc., which was owned by CIBL, merged with BEK East, Inc. and BEK East Delaware, Inc. and ICTC's shareholders received a total of $25 million, or $65.25 per ICTC share. Based on CIBL's ownership of 166,556 shares of ICTC, CIBL received $10.9 million upon the cancellation of its ICTC shares.

As a result of the sale of its interest in ICTC, CIBL is treating ICTC as a discontinued operation in its current financial statements and its previous financial results have been restated to treat the contributions of ICTC to CIBL's operating results as discontinued operations.

On July 1, 2019, the Company announced an agreement in principle whereby CIBL would acquire a broadband operation in New Hampshire from LICT Corporation ("LICT") for our common shares. After the closing of the transaction, which is subject to various conditions, LICT will hold approximately 6% of our outstanding common stock. CIBL expects that the transaction will be closed in the Fourth Quarter of 2019.

Three Months Ended September 30, 2019 compared to 2018

Continuing Operations

ICTC had previously generated all of CIBL's revenues. Accordingly, as a result of treating ICTC as a discontinued operation, CIBL is recording no revenues from continuing operations.

On a continuing basis, CIBL's operations consist of a corporate office located in Reno, Nevada, and a board of directors and management who are evaluating strategic alternatives for the Company. Its on-going expenses include a management fee to LICT Corporation, of $125,000, and other expenses including directors' fees, professional fees, insurance, shareholder expenses and other miscellaneous office expenses. Total other expenses were $68,000 in 2019 about the same as $71,000 in 2018. Expenses associated with the acquisition of the LICT's New Hampshire operation was the primary cause of the increase.

Investment income, of $158,000 in 2019 and $99,000 in 2018, primarily consists of interest from United States Treasury securities. The increase in 2019 is due to increased investment yields and increased average investments from the proceeds from the disposition of ICTC on October 19, 2018.

Equity in earnings of affiliates represents CIBL's investment in a merger limited partnership investment. CIBL's share of these earnings (losses) were less than $1,000 in both 2019 and 2018.

The Company's effective tax rates for 2019 and 2018 were 10.2% and (100.0%), respectively. The rate was lower in 2019 due to certain deferred tax benefits recognized in 2019 and 2018 rate is due to rounding.

As a net result, CIBL's continuing operations recorded net income of $53,000, or $3.29 per share, in 2019 as compared to net loss $6,000, or $0.36 per share, in 2018.

Discontinued operations

As noted above, CIBL previously consolidated the operating results of ICTC through April 17, 2018. From April 17, 2018 to October 19, 2018, it recorded ICTC on an equity basis. Due to the disposition of ICTC on October 19, 2018, no results were recorded thereafter.

Accordingly, net income from discontinued operations in the Company's statement of operations represents CIBL's share of ICTC results from January 1, 2018 to October 19, 2018 for 2018.

Nine Months Ended September 30, 2019 compared to 2018

On a continuing basis, CIBL's operations consist of a corporate office located in Reno, Nevada, and a board of directors and management who are evaluating strategic alternatives for the Company. Its on-going expenses include a management fee to LICT Corporation, of $125,000, and other expenses including directors' fees, professional fees, insurance, shareholder expenses and other miscellaneous office expenses. Total other expenses were $201,000 in 2019 about the same as the $204,000 in 2018. Expenses associated with the acquisition of the LICT's New Hampshire operation was the primary cause of the increase.

Investment income, of $509,000 in 2019 and $259,000 in 2018, primarily consists of interest from United States Treasury securities. The increase in 2019 is due to increased investment yields and increased average investments from the proceeds of the disposition of ICTC on October 19, 2018.

Equity in earnings of affiliates represents CIBL's investment in a merger limited partnership investment. CIBL's share of these earnings was $54,000 in 2019 and a loss of $25,000 in 2018.

The Company's effective tax rates for 2019 and 2018 were4.9% and 18.8%, respectively. The rate was lower in 2019 due to the recognition of certain deferred tax benefits.

As a net result, CIBL's continuing operations recorded net income of $255,000, or $15.72 per share, in 2019 as compared to loss of $52,000, or $3.13 per share, in 2018.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

As of September 30, 2019, CIBL had $30,919,000 in cash, cash equivalents, United States Treasury Securities and an investment in a merger limited partnership as compared to $31,281,000 at December 31, 2018. In addition, CIBL had miscellaneous assets and liabilities.

Share Repurchases and Distributions

CIBL's Board of Directors has authorized a stock repurchase program. Since its spin-off from LICT Corporation ("LICT") on November 19, 2007, the Board has the authorized the repurchase of a cumulative 6,324 shares of its common stock, of which 2,041 shares are remaining to be purchased. Since CIBL was spun off by LICT, the Company has acquired 4,262 shares of its common stock at an average price of $1,257. In 2019, 350 shares were repurchased, at an average price of $1,771 per share. In addition to it 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 2,460 shares from this 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 in 2007, the Company has paid cumulative cash distributions to its shareholders of $4,264,000, or $170 per share.

Strategic Options

On July 1, 2019, the Company and LICT announced an agreement in principle whereby CIBL will issue shares of its stock to LICT in exchange for its New Hampshire operations. After the closing of the transaction, LICT will hold approximately 6% of CIBL's outstanding common stock.

LICT's New Hampshire operations consist of two subsidiaries, Bretton Woods Telephone Company, Inc. and World Surfer, Inc. These companies are leading providers of broadband and communications services to an approximately 35 -square-mile area in northern New Hampshire, including the Omni Mount Washington Hotel and Resort, The Mount Washington Cog Railway and the summit of Mount Washington, New Hampshire's highest mountain top.

The transaction is subject to the execution of definitive documents and the satisfaction of customary closing conditions and regulatory approvals. Accordingly, no assurances can be given that a binding agreement will be entered into, that the proposed transaction will be consummated or the timing thereof.

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 may form an alternative SPAC in the future.

As of September 30, 2019, the Company had $30.9 million of liquid assets. Aside from the transaction with LICT, the Board of Directors is considering a number of possible options with regard to the future activities of the Company.

CIBL, Inc. and Subsidiaries

Financial Statements

September 30, 2019

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

	September 30, 2019	December 31, 2018	September 30, 2018
Assets			
Current Assets			
Cash and cash equivalents	$29,414	$14,859	$20,651
United States Treasury Bills	--	14,970	--
Prepaid income tax	44	23	69
Deferred income tax	22	--	--
Prepaid expenses	76	25	--
Total Current Assets	29,556	29,877	20,720
Investments in equity method affiliated entities	1,506	1,452	1,394
Other investments, at cost	100	100	100
Non-current assets of discontinued operation	--	--	6,252
	$31,162	$31,429	$28,466
Liabilities and Equity			
Current Liabilities			
Accounts payable and accrued expenses	$191	$89	$86
Deferred income tax	--	12	--
Total Current Liabilities	191	101	86
Deferred income taxes	16	8	5
Non-current liabilities of discontinued operation	--	--	791
Total Liabilities	207	109	882
Stockholders' Equity			
Common stock, par value $.01, 30,000 shares authorized; 25,115 issued; and 16,086; 16,437; and 16,635 outstanding	--	--	--
Contributed capital	3,862	3,862	3,108
Retained earnings	37,698	37,443	34,188
Treasury stock, 9,029; 8,678; and 8,480 shares at cost	(10,605)	(9,985)	(9,712)
Total Stockholders' Equity	30,955	31,320	27,424
	$31,162	$31,429	$28,466

See notes to consolidated financial statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenue				
Total Revenue	$--	$--	$--	$--
Costs and Expenses				
Corporate office expenses	68	71	201	204
Management fee	31	31	94	94
Total Operating Expenses	99	102	295	298
Operating Loss	(99)	(102)	(295)	(298)
Other Income				
Investment income	158	99	509	259
Equity in earnings (loss) of affiliated entity	--	--	54	(25)
Total Other Income	158	99	563	234
Net Income (Loss) Before Income Taxes	59	(3)	268	(64)
Income tax (provision) benefit	(6)	(3)	(13)	12
Net Income (Loss) from Continuing Operations	53	(6)	255	(52)
Discontinued Operations:				
Income from operations of discontinued	--	292	--	1,150
Income tax expense	--	(72)	--	(314)
Non-controlling interests	--	--	--	(283)
Net income from discontinued operations	--	220	--	553
Net income	$53	$214	$255	$501
Basic and diluted weighted average shares	16,104	16,616	16,219	16,628
Actual Shares Outstanding	16,086	16,635	16,089	16,635
Earnings Per Share				
Net income (loss) from continuing operations	$3.29	($0.36)	$15.72	($3.13)
Net income from discontinued operation	--	13.24	--	33.26
Net income	$3.29	$12.88	$15.72	$30.13

See notes to consolidated financial statements

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

Three Months ended March 31, 2018; June 30, 2018, September 30, 2018; December 31, 2018; March 31, 2019; June 30, 2019; and September 30, 2016

	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, 2018	16.635	$--	$3,108	$133	$33,554	($9,659)	$27,136	$7,180	$34,316
Net Income	--	--	--	--	99	--	99	257	356
Reclassification of Accumulated Other Comprehensive Income	--	--	--	(133)	133	--	--	--	--
Balance at March 31, 2018	16.635	--	3,108	--	33,786	(9,659)	27,235	7,437	34,672
Net Income	--	--	--	--	188	--	188	26	214
Deconsolidation of ICTC Group, Inc.	--	--	754	--	--	--	754	(7,463)	(6,709)
Balance at June 30, 2018	16,635	--	3,862	--	33,974	(9,659)	28,177	--	28,177
Net Income	--	--	--	--	214	--	214	--	214
Purchase of treasury shares	(34)	--	--	--	--	(53)	(53)	--	(53)
Balance at September 30, 2018	16,601	--	3,862	--	34,188	(9,712)	28,338	--	28,338
Net Income	--	--	--	--	3,255	--	3,255	--	3.255
Purchase of treasury shares	(164)	--	--	--	--	(273)	(273)	--	(273)
Balance at December 31, 2018	16,437	--	3,862	--	37,443	(9,985)	31,120	--	31,320
Net Income	--	--	--	--	103	--	103	--	103
Purchase of Treasury Shares	(114)	--	--	--	--	(196)	(196)	--	(196)
Balance at March 31,2019	16,323	--	3,862	--	37,546	(10,181)	30,939	--	30,939
Net Income	--	--	--	--	99	--	99	--	99
Purchase of Treasury Shares	(215)	--	--	--	--	(387)	(387)	--	(387)
Balance at June 30, 2019	16,108	--	3,862	--	37,645	(10,568)	30,909	--	30,939
Net Income	--	--	--	--	53	--	53	--	53
Purchase of Treasury Shares	(21)	--	--	--	--	(37)	(37)	--	(37)
Balance at September 30, 2019	16,087	$--	$3,862	$--	$37,698	($10,605)	$30,955	--	$30,955

See notes to consolidated financial statements

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

	Nine Months Ended September 30,	
	2019	2018
Cash Flows from (used in) Operating Activities		
Net income (loss) from continuing operations	$255	($52)
Net income from discontinued operation	--	553
Adjustments to reconcile net income to net cash from operating activities		
Equity in earnings of affiliated entities	(54)	25
Interest accreted on U.S. Treasury Bills	(92)	--
Deferred income taxes	(26)	--
Changes in operating assets and liabilities		
Prepaid/accrued income taxes	(22)	199
Other current assets	(51)	24
Accounts payable and accrued expenses	103	30
Other	--	49
Net Cash from Continuing Operating Activities	113	730
Net Cash used in Discontinued Operating Activities	--	(366)
Net Cash from Operating Activities	113	364
Cash Flows From (Used In) Investing Activities		
Redemption of U.S. Treasury Bills	20,000	--
Acquisition of U.S. Treasury Bills	(4,938)	--
Net Cash from Continuing Investing Activities	15,062	--
Net Cash used in Discontinued Investing Activities	--	(5,178)
Net Cash from (used in) Investing Activities	15,062	(5,198)
Cash Flows Used in Financing Activities		
Purchase of treasury stock	(620)	(53)
Net Cash used in Continuing Financing Activities	(620)	(53)
Net Cash used in Discontinued Financing Activities	--	(7)
Net Cash used in Financing Activities	(620)	(60)
Net Change in Cash and Cash Equivalents	14,555	(4,874)
Cash and Cash Equivalents		
Beginning of year	29,414	25,525
End of year	$24,388	$20,651
Supplemental Cash Flow Information		
Cash paid (received) for income taxes, net	$60	($210)
Cash paid for interest	$--	$--

See notes to consolidated financial statements.

1. Organization

ICTC Group Inc.

CIBL, Inc. (the "Company" or "CIBL") has held certain investments in broadband data transport/communications and broadcasting, The Company held a 43.47% 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 3). 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, 2017, its voting interest was 55.48% Accordingly, in previously issued financial statements, 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 was shown as non-controlling interests.

The Voting Rights agreement was terminated on April 17, 2018, and effective on that date, the company no longer reported ICTC's results on a consolidated basis and began reporting ICTC's results on an equity basis.

On July 6, 2018, ICTC and BEK East, Inc. and BEK East Delaware, Inc. signed an agreement in which BEK East Delaware, Inc. would be merged with ICTC and ICTC's shareholders received a total of $25 million, or $65.25 per ICTC share. The merger was completed on October 19, 2018. Based on CIBL's ownership of 166,556 shares of ICTC it received $10.9 million in cash.

As a result of the sale of its interest in ICTC, CIBL is treating ICTC as a discontinued operation in the accompanying financial statements and the financial results as of September 30, 2018 and the Three and Nine Months Then Ended have been restated to treat the contributions of ICTC to CIBL's operating results as discontinued operations.

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 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 included the operations of the Company and its majority owned or controlled subsidiaries, including ICTC for which it had voting control through April 17, 2018. All inter-company transactions and balances have been eliminated in consolidation.

The non-controlling interests represented the financial results of ICTC that was 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 of ICTC were 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.

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.

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 Director of the Company is the managing member of the limited liability company which is the General Partner of the Partnership. At September 30, 2019, December 31, 2018, and September 30, 2018, the Company's investment was recorded at $1,506, $1,452 and $1,394, respectively.

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. Solix is an outsourcing firm that provides services such as billing and collection to the telecommunications industry. The carrying value of such investment at September 30, 2019, December 31, 2018, and September 30, 2018 was $100.

Marketable Securities

ICTC carries its investment in marketable securities, which were included in other investments at September 30, 2018 (see note 3) and consisted of marketable equity securities that are traded on public stock exchanges, at fair value, which approximates market value.

In January 2016, the FASB issued ASU 2016-01, which amends the guidance in U.S. GAAP on the classification and measurement of financial instruments. Although the ASU retains many current requirements, it significantly revises an entity's accounting related to the classification and measurement of investments in equity securities. To adopt the amendments, entities are required to make a cumulative-effect adjustment to beginning retained earnings as of the beginning of the fiscal year in which the guidance is effective. ICTC adopted this guidance on January 1, 2018, and accordingly, the Company reclassed $133 out of accumulated other comprehensive income and into retained earnings. Prior to that adoption, ICTC classified these securities as available-for-sale and unrealized gains or losses, net of tax, were excluded from net income and included as a separate component of equity, accumulated other comprehensive income, until realized. Effective January 1, 2018, changes in the fair value of the Company's available for sale investments were reported through earnings rather than through other comprehensive income.

During the Nine Months Ended September 30, 2018, ICTC recorded a realized gain of $45 on the sale of marketable securities and recorded $62 of unrealized gains.

The market value of these securities at September 30, 2018 was $1,374.

Prior to January 1, 2018, 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.

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 September 30, 2018 was as follows:

	Original Cost	Gross Unrealized Gains	Fair Value
September 30, 2018			
New Ulm Inc. Common Shares	$543	$831	$1,374

Goodwill

Goodwill at ICTC was 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, 2017 and determined that there was no impairment at that time. There were no impairment losses recorded during the Nine Months Ended September 30, 2018.

Telecommunications Plant and Equipment

Additions to the ICTC 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 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 September 30, 2019, December 31, 2018 and September 30, 2018, the money market mutual fund had values of $29,414, $14,859 and $20,651, respectively; the US Treasury Bills had values of $--, $14,970 and $--, respectively; and marketable securities in ICTC had values of $--, $--, and $1,374, 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 at September 30, 2018 was approximately $500 lower than its carrying value based on borrowing rates for similar instruments.

Impairment of Long-Lived Assets

Long-lived assets, such as ICTC’s 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 Nine Months Ended September 30, 2018.

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, 2016.

Revenue Recognition

Telephone service revenue related to ICTC’s operations was 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 October 30, 2019.

3. Investment in ICTC Group, Inc.

As of December 31, 2017, the Company owned 166,556 shares of ICTC Group, Inc., or 43.47% of ICTC’s total shares of Class A Common Stock outstanding of 383,134. In total, the Company paid $3,838 or $22.63 per share for its shares. On October 19, 2018, CIBL disposed of these shares in a merger and received $10,868. As a result of this disposition, the Company recognized a pre-tax gain of $3,838. The after-tax gain was $3,146, or $189.53 per share.

ICTC Statement of Operations for the period for the Three and Nine Months Ended September 30, 2018 is as follows – in thousands:

	Three Months	**Nine Months**
Revenue		
Telephone service revenue	$1,705	$4,587
Total Revenue	1,705	4,587
Costs and Expenses		
Cost of operating revenue, excluding depreciation	427	1,338
General and administrative costs of operations	150	494
Management fee	25	75
Corporate office expense at ICTC	223	423
Depreciation	268	792
Total Operating Expenses	1,093	3,122
Operating Income	612	1,465
Other Income (Expense)		
Investment income	93	351
Interest expense	(21)	(66)
Equity in earnings of affiliated entities	109	320
Realized and unrealized gains on investment	82	107
Total Other Income	263	712
Net Income Before Income Taxes	875	2,177
Income tax (expense) benefit	(205)	(496)
Net Income	$670	$1,681

5. 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 6,324 shares of common stock. Through September 30, 2019, CIBL has purchased 4,283 shares at an average price of $1,257 per share. 350 shares were purchased in 2019 at an average price of $1,771 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.

(Dollars in Thousands, except per share data)

6. Provision for Income Taxes

The provision (benefit) for income taxes from continuing operations for the Three and Nine Months Ended September 30, 2019 and 2018 are summarized as follows:

	Three Months		Nine Months	
	2019	2018	2019	2018
Current tax provision (benefit):				
Federal	$13	$3	$39	($12)
State	--	--	--	--
	23	3	39	(12)
Deferred tax provision (benefit):				
Federal	(17)	--	(26)	--
State	--	--	--	--
	(17)	--	(26)	--
Total	$6	$3	$13	($12)

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 for continuing operations, at September 30, 2019, December 31, 2018 and September 30, 2018 consisted of:

	September 30, 2019	December 31, 2018	September 30, 2018
Current liabilities:			
Accreted interest	$--	($12)	$--
Accruals	22	--	--
	22	(12)	--
Long-term liabilities:			
Equity method investments	(16)	(8)	(5)
	(16)	(8)	(5)
Valuation allowance	--	--	--
Net long-term liability	(16)	(8)	(5)
Net asset(liability)	$6	($20)	($5)

11. Concentration of Risk

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.

12. Related Party Transactions (Not Disclosed Elsewhere)

LICT Corporation, an affiliate, provides administrative and management services to CIBL's continuing operations. As compensation for these services, LICT received fees of $31 and $94 for the Three and Nine Months Ended September 30, 2019 and 2018, respectively.

At September 30, 2019, December 31, 2018, and September 30, 2018, cash and short-term investments of $29,414, $14,859 and $20,651, respectively, were invested in United States Treasury money market funds for which affiliates of one of the Company's Directors serve as investment managers.

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