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

To our shareholders:

Attached please find the CIBL Inc. ("CIBL") Financial Report for the Quarter Ending March 31, 2019.

CIBL's assets and liabilities at March 31, 2019 consisted of:

- Cash, United States Treasury investments, and merger cash investments of $31.2 million, or $1,914 per share. At March 31, 2019, CIBL had 16,323 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.
- Current assets, other than cash and equivalents, were $16,000 and current liabilities were $121,000.

During the First Quarter of 2019, we repurchased 114 of our common shares, 0.7% of our total shares outstanding, at an average price of $1,725 per share. CIBL's shares trade on OTC Pink®: CIBY.

Your Board of Directors continues to evaluate a 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.
May 2019

Financial Report to Shareholders

March 31, 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

CIBL, Inc. (the "Company" or "CIBL") has held certain investments in broadband data transport/communications and broadcasting. Until October 19, 2018, the Company held an approximate 43.5% interest in the ICTC Group, Inc. ("ICTC"), a communications company in North Dakota. Effective April 11, 2013, a Voting Rights Agreement brought the Company's voting interest in ICTC over 50%, and accordingly reported the ICTC results on a consolidated basis. At December 31, 2017, its voting interest was 55.5%. 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 October 19, 2018, ICTC 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,

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, directors' fees, professional fees, insurance, shareholder expenses and other miscellaneous office expenses. Total expenses were $86,000 in 2019 about the same as the $82,000 in 2018.

Investment income, of $167,000 in 2019 and $65,000 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/arbitrage limited partnership investment. CIBL's share of these earnings was $49,000 in 2019 as compared to a loss of $48,000 in 2018.

The Company's effective tax rates for 2019 and 2018 were 20.8% and 21.5%, respectively.

As a net result, CIBL continuing operations incurred a net income of $103,000, or $6.28 per share, in 2019 as compared to a net loss of $51,000, or $3.07 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 for all of 2017 and from January 1, 2018 to October 19, 2018 for 2018.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

As of March 31, 2019, CIBL had $31,240,000 in cash, cash equivalents, United States Treasury Securities and an investment in a merger/arbitrage limited partnership as compared to $31,281,000 at December 31, 2018. In addition, CIBL had miscellaneous assets and liabilities.

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 $23.19 per share, including related transaction costs. These transactions resulted in a total $3,651,000 investment. Since the tender offer, and through December 31, 2017, CIBL has purchased 5,004 shares of ICTC at an average price of $23.67; of these shares, none of these were purchased during 2018 and 2017.

On July 6, 2018, ICTC, 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. On October 19, 2018, the merger was completed and CIBL received the $10.9 million in proceeds for its 166,556 shares.

Share Repurchases and Distributions

CIBL's Board of Directors has authorized a stock repurchase program. Since its spin-off from LICT Corporation, the Board has the authorized the repurchase of a cumulative 6,324 shares of its common stock, of which 2,277 shares are remaining to be purchased. Since CIBL was spun off by LICT Corporation, on November 19, 2007, the Company has acquired 4,047 shares of its common stock at an average price of $1,226 114 shares, at an average price of $1,725 per share, were purchased in 2019. 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 2,460 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 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 March 31, 2019, the Company had $31.2 million of liquid assets.

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;
- 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

March 31, 2019

CIBL, Inc. and Subsidiaries

Consolidated Balance Sheets

(In Thousands, Except Common Share Data)

	March 31, 2019	December 31, 2018	March 31, 2018
Assets			
Current Assets			
Cash and cash equivalents	$24,781	$14,859	$20,724
United States Treasury Bills	4,958	14,970	--
Prepaid income tax	--	23	71
Prepaid expenses	16	25	16
Current assets of discontinued operation	--	--	6,689
Total Current Assets	29,755	29,877	27,500
Investments in equity method affiliated entities	1,501	1,452	1,369
Other investments, at cost	100	100	100
Non-current assets of discontinued operation	--	--	11,937
	$31,356	$31,429	$40,906
Liabilities and Equity			
Current Liabilities			
Accounts payable and accrued expenses	$104	$89	$98
Income tax payable	13	--	--
Deferred income tax	4	12	--
Current liabilities of discontinued operation	--	--	929
Total Current Liabilities	121	101	1,027
Deferred income taxes	8	8	5
Non-current liabilities of discontinued operation	--	--	5,201
Total Liabilities	129	109	6,233
Equity			
Common stock, par value $.01, 30,000 shares authorized; 25,115 issued; and 16,323; 16,437; and 16,635 outstanding	--	--	--
Contributed capital	3,862	3.862	3,108
Retained earnings	37,546	37,443	33,787
Treasury stock, 8,792; 8,678; and 8,480 shares at cost	(10,181)	(9,985)	(9,659)
Total CIBL, Inc.'s Stockholders' Equity	31,227	31,320	27,236
Non-controlling interests	--	--	7,437
Total Equity	31,227	31,320	34,673
	$31,356	$31,429	$40,906

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 March 31,	
	2019	2018
Revenue		
Total Revenue	$--	$--
Costs and Expenses		
Corporate office expenses	55	51
Management fee	31	31
Total Operating Expenses	86	82
Operating Loss	(86)	(82)
Other Income		
Investment income	167	65
Equity in earnings of affiliated entity	49	(48)
Total Other Income	216	17
Net Income (Loss) Before Income Taxes	130	(65)
Income tax provision (benefit)	(27)	14
Net Income (Loss) from Continuing Operations	103	(51)
Discontinued Operations:		
Income from operations of discontinued operation	--	574
Income tax (expense) benefit	--	(167)
Non-controlling interests	--	(257)
Net income from discontinued operations	--	150
Net income	$103	$99
Basic and diluted weighted average shares outstanding	16,399	16,635
Earnings Per Share		
Net income (loss) from continuing operations	$6.28	($3.07)
Net income from discontinued operation	--	9.02
Net income	$6.28	$5.95

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, 2019					
	Common Shares Out-standing	Common Stock	Contrib-uted Capital	Retained Earnings	Treasury Shares	Total Equity
Balance at January 1, 2019	16,437	$--	$3,862	$37,443	($9,985)	$31,320
<u>2019</u>						
Net Income	--	--	--	103	--	103
Purchase of treasury shares	(114)	--	--	--	(196)	(196)
Balance at March 31, 2019	16,323	--	$3,862	$37,546	($10,181)	$31,227

See notes to consolidated financial statements

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

	Three Months Ended March 31, 2019	2018
Cash Flows from Operating Activities		
Net income (loss) from continuing operations	$103	($51)
Net income from discontinued operation	--	150
Adjustments to reconcile net income to net cash from operating activities		
Equity in earnings of affiliated entities	(49)	48
Interest accreted on U.S. Treasury Bills	(50)	--
Deferred income taxes	(8)	--
Changes in operating assets and liabilities		
Prepaid/accord income taxes	36	197
Accounts payable and accrued expenses	16	43
Other	8	1
Net Cash from Continuing Operating Activities	56	397
Net Cash from Discontinued Operating Activities	--	479
Net Cash from Operating Activities	56	876
Cash Flows From (Used In) Investing Activities		
Redemption of U.S. Treasury Bills	15,000	--
Acquisition of U.S. Treasury Bills	(4,938)	--
Net Cash from Continuing Investing Activities	10,062	--
Net Cash Used in Discontinued Investing Activities	--	(67)
Net Cash From (Used In) Investing Activities	10,062	(67)
Cash Flows Used in Financing Activities		
Purchase of treasury stock	(196)	--
Net Cash Used in Continuing Financing Activities	(196)	--
Net Cash Used in Discontinued Financing Activities	--	(7)
Net Cash Used in Financing Activities	(196)	(7)
Net Change in Cash and Cash Equivalents	9,922	802
Cash and Cash Equivalents		
Beginning of year	14,859	25,525
End of year	24,781	26,337
Less cash and cash equivalents of discontinued operation at end of period	--	(5,603)
Cash and cash equivalents of continuing operations at end of period	$24,781	$20,724
Supplemental Cash Flow Information		
Cash paid (received) for income taxes, net	$--	($213)
Cash paid for interest	$--	$22

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 March 31, 2018 and the Three 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 March 31, 2019, December 31, 2018, and March 31, 2018, the Company's investment was recorded at $1,502, $1,452 and $1,369, 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 March 31, 2019, December 31, 2018, and March 31, 2018 was $100.

ICTC had 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 March 31, 2017 was $168.

Marketable Securities

ICTC carries its investment in marketable securities, which were included in other investments at March 31, 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 be 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 Three Months Ended March 31, 2018, ICTC recorded a realized gain of $1 on the sale of marketable securities and recorded $72 of unrealized losses.

The market value of these securities at March 1, 2018 was $1,293.

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.

(Dollars in Thousands, except per share data)

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 March 31, 2018 was as follows:

	Original Cost	**Gross Unrealized Gains**	**Fair Value**
March 31, 2018			
New Ulm Inc. Common Shares	$596	$697	$1,293

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 Three Months Ended March 31, 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 March 31, 2019, December 31, 2018 and March 31, 2018, the money market mutual fund had values of $24,781, $14,859 and $20,724, respectively; the US Treasury Bills had values of $4,958, $14,970 and $--, respectively; and marketable securities in ICTC had values of $--, $--, and $1,293, 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 March 31, 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 Three Months Ended March 31, 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, 2015.

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 May X, 2019.

3. Investment in ICTC Group, Inc.

As of December 31, 2017, the Company owned 166,556 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 or $3,838. The after-tax gain was $3,146, or $189.53 per share.

ICTC Statement of Operations for the period for the Three Months Ended March 31, 2018 is as follows – in thousands:

Revenue	
Telephone service revenue	$1,447
Total Revenue	1,447
Costs and Expenses	
Cost of operating revenue, excluding depreciation	481
General and administrative costs of operations	200
Management fee	25
Corporate office expense at ICTC	111
Depreciation	262
Total Operating Expenses	1,079
Operating Income	368
Other Income (Expense)	
Investment income	197
Interest expense	(22)
Equity in earnings of affiliated entities	103
Realized and unrealized gains on investment	(72)
Total Other Income	206
Net Income Before Income Taxes	574
Income tax (expense) benefit	(118)
Net Income	$456

The following are the components of Balance Sheet accounts for ICTC at March 31, 2018 – in thousands:

Assets of Discontinued Operation	
Current assets of discontinued operation	
Cash and equivalents	$5,603
Accounts receivable, net of allowance of $4	496
Deferred income taxes	48
Prepaid expenses	542
Current assets of discontinued operation	6,689
Non-current assets of discontinued operation	
Telecommunications, plant and equipment, net	6,365
Investments in equity method affiliated entities	2,258
Other investments, at cost	1,542
Goodwill	1,772
Non-current assets of discontinued operation	11,937
Total assets of discontinued operation	$18,626

Liabilities of Discontinued Operation	
Current liabilities of discontinued operation	
Accounts payable and accrued expenses	$122
Income tax payable	484
Other current liabilities	295
Current maturities of long-term debt	28
Current liabilities of discontinued operation	929
Non-current liabilities of discontinued operation	
Long-term debt	2,655
Deferred income taxes	1,885
Non-current liabilities of discontinued operation	4,540
Total liabilities of discontinued operation	$5,469

4. Equity Method Investment in DCN

Summarized financial information for the investment in DCN as of and for the Three Months Ended March 31, 2018 is as follows:

(Dollars in Thousands, except per share data)

Current assets	$7,949
Property, plant and equipment, net	58,529
Other assets	620
Total Assets	$67,098
Current liabilities	$1,320
Equity	65,778
Total liabilities and equity	$67,098
Revenues	$11,986
Expenses	$8,997
Net Income	$2,989

ICTC recognized equity earnings from DCN of $103 during the Three Months Ended March 31, 2018. ICTC received no distributions from DCN during that period.

5. Telecommunications, Plant and Equipment

At March 31, 2018, the telecommunications plant and equipment accounts at ICTC consisted on the following:

	2018	Depreciation Rate
Land and support assets	$2,619	2.9%-20.0%
Central office switching equipment	4,086	6.67%-20.0%
Cable and wire facilities	15,693	3.9%-6.67%
Internet equipment	322	15.0%
Total in service	22,720	
Under construction	163	
	22,883	
Accumulated depreciation	16,518	
	$6,365	

6. Long-Term Debt

At March 31, 2018, ICTC's long-term debt consisted of:

RUS Broadband Loan	$611
Subordinated notes	2,072
	2,683
Less current maturities	(28)
	$2,655

ICTC has subordinated notes with former shareholders of Inter-Community for $2,072 as of March 31, 2018. 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 7). 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.

7. 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.

8. 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 March 31, 2019, CIBL has purchased 4,047 shares at an average price of $1,226 per share. 114 shares were purchased in 2019 at an average price of $1,725 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.

10. Provision for Income Taxes

The provision (benefit) for income taxes from continuing operations for the Three Months Ended March 31, 2019 and 2018 are summarized as follows:

(Dollars in Thousands, except per share data)

	2019	2018
Current tax provision (benefit):		
Federal	35	($14)
State	--	--
	35	(14)
Deferred tax provision (benefit):		
Federal	(8)	--
State	--	--
	(8)	--
Total	$27	($14)

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 March 31, 2019, December 31, 2018 and March 31, 2018 consisted of:

	March 31, 2019	December 31, 2018	March 31, 2018
Current liabilities:			
Accreted interest	($4)	($12)	$--
	(4)	(12)	--
Long-term liabilities:			
Equity method investments	(8)	(8)	(5)
	(8)	(8)	(5)
Valuation allowance	--	--	--
Net long-term liability	(12)	(8)	(5)
Net liability	($12)	($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.

As compensation for these services, LICT received fees of $31 for the Three Months Ended March 31, 2019 and 2018.

At March 31, 2019, December 31, 2018, and March 31, 2018, cash and short-term investments of $24,781, $14,859, and $20,724, 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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