2018
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.
165 West Liberty Street, Suite 210
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To our shareholders:

At year-end 2018, your CIBL, Inc. common shares (OTC Pink®: CIBY) were trading at $1,690 per share, as compared to $1,500 at the start the year.

At December 31, 2018, we held $31.3 million in cash and liquid investments, reflecting $1,903 per share. 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.

On October 19, 2018, BEK Communications Cooperative's ("BEK") completed its merger with ICTC Group Inc. ("ICTC") for $65.25 per ICTC share. CIBL had owned 166,556 shares of ICTC which equated to pre-tax proceeds of $10.9 million upon consummation of the merger. CIBL's cost basis in these shares, almost all of which were acquired in 2012, was $22.63 per share.

During 2018, we purchased 198 of our common shares reflecting 1% of our company. We currently have common shares outstanding of 16,437.

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 thank you for your continued interest in and support of the Company and look forward to a mutually-rewarding 2019.

CIBL, Inc.
April 2019

CIBL, Inc.

The Company and Its Business

Introduction

With the disposition of its shares in ICTC Group Inc., as discussed further below, CIBL, Inc. ("CIBL" or the "Company") primarily consists of cash and liquid investments. CIBL trades on OTC Pink® under the symbol CIBY. The Company was originally spun off by LICT Corporation ("LICT") on November 19, 2007. It was founded as a holding company for certain portfolio investments of LICT. Since the spin-off, CIBL has disposed of almost all of those investment and at December 31, 2018, it holds $31.3 million in liquid assets and is evaluating its strategic alternatives.

Recent History

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 $1,760,000 or $22.00 per share. 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 $1,891,000, or $23.19 per share. Subsequent to this tender offer, CIBL owned 39.95% of ICTC's outstanding shares. It subsequently acquired 5,004 shares in the open market. 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. On April 17, 2018, the Voting Rights Agreement was terminated, and the Company began reporting the results of ICTC on an equity accounting basis. 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 would be cashed out receiving total of $25 million, or $65.25 per ICTC share. On October 19, 2018, the merger was consummated and CIBL received $10.9 million in proceeds shortly thereafter in cancellation of its 166,556 shares of ICTC.

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 $3,017,000 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 $896 per share or a total of $2,204,000. In addition to these two modified "Dutch Auctions", CIBL subsequently purchased 3,735 of its shares on the open market for a total of $4,438,000, or $1,188 per share on average.

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 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.

Investments

Other than cash and investment in United States Treasury securities, the company holds less than 50% ownership in the following investments that are described below.

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, 2018 and 2017, the Company's investment was recorded at $1,452,000 and $1,417,000 respectively.

Solix, Inc. CIBL owns, as part of the original spin-off from LICT, 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

At present, CIBL has no full-time employees. CIBL has transitional executive managers providing administrative and management services 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.

Special Considerations

Our holding of passive investment interests in a number of entities, could cause us to be subject to regulation under the Investment Company Act of 1940, as amended (the "Investment Company Act"). If so, we would be required to register as an investment company and could be expected to incur significant registration and compliance costs. We have obtained no formal determination from the SEC as to our status under the Investment Company Act and, consequently, violation of the Investment Company Act could subject us to material adverse consequences.

Pursuant to Rule 144 of the Securities Act of 1933, as amended ("Rule 144"), a "shell company" is defined as a company that has no or nominal operations; and, either no or nominal assets; assets consisting solely of cash and cash equivalents; or assets consisting of any amount of cash and cash equivalents and nominal other assets. As such, following the consummation of the merger of ICTC with BEK in October 2018, we may be deemed a shell company pursuant to Rule 144, and as such, sales of our securities pursuant to Rule 144 are not able to be made until: (1) we have ceased to be a shell company; (2) we have filed all of our required periodic reports for at least the previous one year period prior to any sale pursuant to Rule 144; and (3) a period of at least twelve months has elapsed from the date "Form 10 information" (i.e., information similar to that which would be found in a Form 10 Registration Statement filing with the SEC) has been filed with the SEC reflecting the Company's status as a non-shell company. There can be no assurance that we will ever meet these conditions and any purchases of our shares are subject to these restrictions on resale. A purchase of our shares may never be available for resale as we cannot be assured we will ever lose our shell company status.

<u>CIBL, Inc.</u>

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

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

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 the financial statements and the financial results as of December 31, 2017 and the Year Then Ended have been restated to treat the contributions of ICTC to CIBL's operating results and the gain on the disposition as discontinued operations,

2018 compared to 2017

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 $409,000 in 2018 about the same as the $420,000 in 2017.

Investment income, of $421,000 in 2018 and $177,000 in 2017, primarily consists of interest from United States Treasury securities. The increase in 2018 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 $35,000 in 2018 and $65,000 in 2017.

The Company's effective tax rates for 2018 and 2017 were 19.6% and (7.3%), respectively. As a result of the Tax Cuts and Jobs Act passed by Congress on December 22, 2017, the Corporate federal income tax was reduced to a flat rate of 21%. The net deferred liabilities of the Company and ICTC which were recorded at the previous federal corporate income tax rates were reduced by $3,000 to the 21% rate. In addition, CIBL recorded an impairment to a state tax receivable in 2017.

As a net result, CIBL continuing operations incurred a net income of $37,000 in 2018 as compared to a net loss of $191,000 in 2017.

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.

In 2018, CIBL recorded a pre-tax gain of $3,838,000 from the disposition of ICTC.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

As of December 31, 2018, CIBL had $31,281,000 in cash, cash equivalents, United States Treasury Securities and an investment in a merger/arbitrage limited partnership as compared to $21,895,000 at December 31, 2017. 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 2,391 shares are remaining to be purchased. Since CIBL was spun off by LICT Corporation, on November 19, 2007, the Company has acquired 3,933 shares of its common stock at an average price of $1,211; 198 shares, at an average price of $1,643 per share, were purchased in 2018. 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 December 31, 2018, the Company had $31.3 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;
- 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, 2018 and 2017

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, 2018 and 2017 and the related consolidated statements of income and comprehensive 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Company changed its method of accounting for investments in equity securities in the year ended December 31, 2018 due to the adoption of ASU No. 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the 2017 financial statements of ICTC Group, Inc. and Subsidiaries ("ICTC"), which was a 43.47% owned consolidated subsidiary in 2017, which statements include total assets of approximately $18,040,000 in 2017; total revenues of approximately $5,521,000 and net income of approximately $2,530,000 for the year then ended. Those 2017 statements were audited by other auditors whose report has been furnished to us, and our opinion on the 2017 financial statements, insofar as it relates to amounts included for ICTC, is based solely on the report 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 qualified audit opinion.

Emphasis of Matter

As discussed in Note 1, the Company sold its investment in ICTC Group, Inc. ("ICTC") during 2018. During 2018 the Company de-consolidated its investment in ICTC and began recording the investment under the equity method of accounting up until its sale in October 2018. The prior year financial statements have been restated to present the impact of ICTC as a discontinued operation. Our opinion is not modified with respect to this matter.

Basis for Qualified Opinion

The 2018 financial statements of ICTC were not audited prior to its sale. In our opinion, auditing standards generally accepted in the United States of America require that the Company's material consolidated or equity investments be audited. Quantification of the effects of the accounts of ICTC not being audited on the financial position, results of operations and cash flows of the Company is not practicable.

Qualified Opinion

In our opinion, except for the matter discussed in the previous paragraph, based on our audits and the 2017 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, 2018 and 2017, 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.

PKF O'Connor Davies, LLP

Harrison, New York
April 18, 2019

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

	December 31, 2018	December 31, 2017
Assets		
Current Assets		
Cash and cash equivalents	$14,859	$20,478
United States Treasury Bills	14,970	--
Prepaid income tax	23	268
Prepaid expenses	25	25
Current assets of discontinued operation	--	5,940
Total Current Assets	29,877	26,711
Investments in equity method affiliated entities	1,452	1,417
Other investments, at cost	100	100
Non-current assets of discontinued operation	--	12,100
	$31,429	$40,328
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued expenses	$89	$55
Deferred income tax	12	--
Current liabilities of discontinued operation	--	775
Total Current Liabilities	101	830
Deferred income taxes	8	5
Non-current liabilities of discontinued operation	--	5,177
Total Liabilities	109	6,012
Equity		
Common stock, par value $.01, 30,000 shares authorized; 25,115 issued; and 16,437 and 16,635 outstanding	--	--
Contributed capital	3,862	3,108
Accumulated other comprehensive income	--	133
Retained earnings	37,443	33,554
Treasury stock, 8,678 and 8,480 shares at cost	(9,985)	(9,659)
Total CIBL, Inc.'s Stockholders' Equity	31,320	27,136
Non-controlling interests	--	7,180
Total Equity	31,320	34,316
	$31,429	$40,328

See notes to consolidated financial statements

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue		
Total Revenue	$--	$--
Costs and Expenses		
Corporate office expenses	284	295
Management fee	125	125
Total Operating Expenses	409	420
Operating Loss	(409)	(420)
Other Income		
Investment income	421	177
Equity in earnings of affiliated entity	34	65
Total Other Income	455	242
Net Income (Loss) Before Income Taxes	46	(178)
Income tax expense	(9)	(13)
Net Income (Loss) from Continuing Operations	37	(191)
Discontinued Operations:		
Gain from disposal of discontinued operation	3,838	--
Income tax expense	(692)	--
Net gain from disposal of discontinued operation	3,146	--
Income from operations of discontinued operation	1,177	2,212
Income tax (expense) benefit	(321)	262
Non-controlling interests	(283)	(1,427)
Net income from discontinued operations	573	1,047
Net income	3,756	856
Other Comprehensive Income:		
Unrealized gain on securities available for sale	--	716
Income tax expense	--	(278)
Non-controlling interests	--	(328)
Total other comprehensive income	--	110
Comprehensive Income	$3,756	$966
Basic and diluted weighted average shares outstanding	16,599	16,755
Earnings Per Share		
Net income (loss) from continuing operations	$2.23	($11.40)
Net gain from disposition of discontinued operation	189.53	--
Net income from discontinued operation	34.52	62.49
Net income	$226.28	$51.09

See notes to consolidated financial statements

CIBL, Inc. and Subsidiaries

Consolidated Statements of Changes in Equity

(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, 2017	16,834	$--	$3,102	$38	$32,698	($9,393)	$26,445	$5,477	$31,922
2017									
Net Income	--	--	--	--	856	--	856	1,427	2,283
Comprehensive income	--	--	--	110	--	--	110	280	390
Sub-Total	--	--	--	110	856	--	966	1,707	2,673
Reclassification adjustments	--	--		(15)	--	--	(15)	(54)	(69)
Issuance of ICTC Group Inc. shares	--	--	--	--	--	--	--	120	120
Consolidation of ICTC Group, Inc.	--	--	6	--	--	--	6	(70)	(64)
Purchase of treasury shares	(199)	--	--	--	--	(266)	(266)	--	(266)
Balance at December 31, 2017	16,635	--	3,108	133	33,554	(9,659)	27,136	7,180	34,316
Reclassification of Accumulated Other Comprehensive Income	--	--	--	(133)	133	--	--	--	--
2018									
Net Income	--	--	--	--	3,756	--	3,756	283	4,039
Deconsolidation and Disposition of ICTC Group Inc. shares	--	--	754	--	--	--	754	(7,463)	(6,709)
Purchase of treasury shares	(198)	--	--	--	--	(326)	(326)	--	(326)
Balance at December 31, 2018	16,437	$--	$3,862	$--	$37,443	($9,985)	$31,320	$--	$31,320

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, 2018	2017
Cash Flows From (Used In) Operating Activities		
Net income (loss) from continuing operations	$37	($191)
Net income from discontinued operation	573	1,047
Net gain on disposition of discontinued operation	3,146	--
Adjustments to reconcile net income to net cash from operating activities		
Equity in earnings of affiliated entities	(34)	(65)
Interest accreted on U.S. Treasury Bills	(58)	(51)
Deferred income taxes	15	(17)
Gain on disposition of discontinued operation	(3,838)	--
Changes in operating assets and liabilities		
Prepaid income taxes	245	135
Accounts payable and accrued expenses	33	(130)
Other	4	1
Net Cash From (Used In) Continuing Operating Activities	123	729
Net Cash From (Used In) Discontinued Operating Activities	(1,233)	1.981
Net Cash From (Used In) Operating Activities	(1,110)	2,710
Cash Flows From (Used In) Investing Activities		
Proceeds from disposition of discontinued operation	10,868	--
Redemption of U.S. Treasury Bills	--	21,000
Acquisition of U.S. Treasury Bills	(14,913)	(9,966)
Net Cash From (Used In) Continuing Investing Activities	(4,045)	11,034
Net Cash Used In Discontinued Investing Activities	(5,178)	(999)
Net Cash From (Used In) Investing Activities	(9,223)	10,035
Cash Flows Used In Financing Activities		
Purchase of treasury stock	(326)	(266)
Net Cash Used In Continuing Financing Activities	(326)	(266)
Net Cash Used In Discontinued Financing Activities	(7)	(27)
Net Cash Used In Financing Activities	(333)	(293)
Net Change in Cash and Cash Equivalents	(10,660)	12,452
Cash and Cash Equivalents		
Beginning of year	25,525	13,073
End of year	14,859	25,525
Less cash and cash equivalents of discontinued operation at end of year	--	(5,047)
Cash and cash equivalents of continuing operations at end of year	$14,859	$20,478
Supplemental Cash Flow Information		
Cash paid for income taxes, net	$1,240	$72
Cash paid for interest	$--	$90

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 December 31, 2017 and the Year Then Ended have been restated to treat the contributions of ICTC to CIBL’s operating results and the gain on the disposition of ICTC 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.

On November 1, 2018, the Company acquired a $15,000 (face amount) United States Treasury Bill with a maturity of January 31, 2019 for $14,913. The annual yield of this Bill is 2.35%.

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 December 31, 2018 and 2017, the Company's investment was recorded at $1,452 and $1,417.

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 December 31, 2018 and 2017 was $100. During the years ended December 31, 2018 and 2017, CIBL received cash distributions from Solix of $9 and $10, respectively.

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 December 31, 2017 was $165. During the years ended December 31, 2017, ICTC received combined distributions from these investments of $246.

ICTC had an ownership interest in two additional entities that are accounted for on the cost method. One of these entities was sold in 2017. ICTC received proceeds of $26 and recognized a gain of $21. The Company had invested $84 at December 31, 2017 in the remaining company.

Marketable Securities

ICTC carries its investment in marketable securities, which were included in other investments at December 31, 2017 (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 period from January 1, 2018 to April 17, 2018, ICTC recorded a realized gain of $1 on the sale of marketable securities and recorded $119 of unrealized losses.

The market value of these securities at December 31, 2017 was $1,367. During the year ended December 31, 2017, ICTC sold some of these securities, received proceeds of $243 and recognized a gain of $84, utilizing the specific identification method to allocate the cost basis to these sales.

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 December 31, 2017 was as follows:

	Original Cost	Gross Unrealized Gains	Fair Value
December 31, 2017			
New Ulm Inc. Common Shares	$596	$771	$1,367

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 years ending December 31, 2018 and 2017.

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 December 31, 2018 and 2017, the money market mutual fund had values of $14,859 and $20,478, respectively; the US Treasury Bills had values of $14,970 and $--, respectively; and marketable securities in ICTC had values of $-- and $1,367, 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 December 31, 2017 was 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 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 mount of the asset group exceeds the fair value of the asset group. There were no asset impairments recorded during the years ended December 31, 2018 and 2017.

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 April 18, 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.

As discussed above, in 2017 and through April 17, 2018, the Company consolidated the operating results of ICTC in CIBL's consolidated financial reporting.

ICTC Statement of Operations for the period from January 1, 2018 to October 19, 2018 and the year ended December 31, 2017 is as follows - in thousands:

	2018	2017
	Unaudited	
Revenue		
Telephone service revenue	$4,873	$5,521
Total Revenue	4,873	5,521
Costs and Expenses		
Cost of operating revenue, excluding depreciation	1,421	1,793
General and administrative costs of operations	524	750
Management fee	80	100
Corporate office expense at ICTC	441	327
Depreciation	845	1,017
Total Operating Expenses	3,311	3,987
Operating Income	1,562	1,534
Other Income (Expense)		
Investment income	369	303
Interest expense	(66)	(90)
Equity in earnings of affiliated entities	341	359
Realized and unrealized gains on investment	55	106
Total Other Income	699	678
Net Income Before Income Taxes	2,261	2,212
Income tax (expense) benefit	(516)	318
Net Income	1,745	2,530
Other Comprehensive Income		
Unrealized gain on securities available for sale	--	716
Income tax expense	--	(264)
Total other comprehensive income	--	452
Comprehensive Income	$1,745	$2,982

The following are the components of Balance Sheet accounts for ICTC at December 31, 2017 – in thousands:

Assets of Discontinued Operation	
Current assets of discontinued operation	
Cash and equivalents	$5,047
Accounts receivable, net of allowance of $4	512
Deferred income taxes	48
Prepaid expenses	333
Current assets of discontinued operation	5,940
Non-current assets of discontinued operation	
Telecommunications, plant and equipment, net	6,557
Investments in equity method affiliated entities	2,155
Other investments, at cost	1,616
Goodwill	1,772
Non-current assets of discontinued operation	12,100
Total assets of discontinued operation	$18,040
Liabilities of Discontinued Operation	
Current liabilities of discontinued operation	
Accounts payable and accrued expenses	$56
Income tax payable	346
Other current liabilities	345
Current maturities of long-term debt	28
Current liabilities of discontinued operation	775
Non-current liabilities of discontinued operation	
Long-term debt	2,662
Deferred income taxes	2,515
Non-current liabilities of discontinued operation	5,177
Total liabilities of discontinued operation	$5,952

4. Equity Method Investment in DCN

Summarized financial information for the investment in DCN as of and for the year ended December 31 and the period from January 1, 2018 through April 17, 2018 is as follows:

	2017	2018
Current assets	$5,658	
Property, plant and equipment, net	59,254	
Other assets	639	
Total Assets	$65,551	
Current liabilities	$2,763	
Equity	62,788	
Total liabilities and equity	$65,551	
Revenues	$46,968	$14,300
Expenses	$36,520	$10,718
Net Income	$10,448	$3,582

ICTC recognized equity earnings from DCN of $359 during the year ended December 31, 2017. ICTC received distributions from DCN of $244 during the year ended December 31, 2017. ICTC also leases capacity of certain telecommunications plant on a short-term basis to customers through DCN. DCN paid ICTC approximately $444 for the use of ICTC's network during the years ended December 31, 2017.

5. Telecommunications, Plant and Equipment

At December 31, 2017, the telecommunications plant and equipment accounts at ICTC consisted on the following:

	2017	Depreciation Rate
Land and support assets	$2,679	2.9%-20.0%
Central office switching equipment	4,086	6.67%-20.0%
Cable and wire facilities	15,670	3.9%-6.67%
Internet equipment	321	15.0%
Total in service	22,756	
Under construction	136	
	22,892	
Accumulated depreciation	16,335	
	$6,557	

6. Long-Term Debt

At December 31, 2017, ICTC's long-term debt consisted of:

	2017
RUS Broadband Loan	$618
Subordinated notes	2,072
	2,690
Less current maturities	(28)
	$2,662

ICTC has subordinated notes with former shareholders of Inter-Community for $2,072 as of December 31, 2017. 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 5,300 shares of common stock. Through December 31, 2018, CIBL has purchased 3,933 shares at an average price of $1,211 per share. 198 shares were purchased in 2018 at an average price of $1,643 per share, and 199 shares were purchased in 2017 at an average price of $1,333 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.

9. Accumulated Other Comprehensive Income

Balances of accumulated other comprehensive income, net of tax, which consist of unrealized gains (losses) on available for sale securities at December 31, 2017 are as follows:

	Unrealized Gain (Loss)	**Tax Effect**	**Net**
December 31, 2016	61	(23)	38
Change in unrealized gains, net	310	(200)	110
Reclassification Adjustment	(37)	22	(15)
December 31, 2017	$334	(201)	$133

10. Provision for Income Taxes

The provision (benefit) for income taxes from continuing operations for the years ended December 31, 2018 and 2017 are summarized as follows:

	2018	2017
Current tax provision (benefit):		
Federal	(6)	($49)
State	--	53
	(6)	4
Deferred tax provision (benefit):		
Federal	15	(17)
State	--	-
	15	(17)
Total	$9	($13)

The 2017 deferred tax benefit is net of a tax benefit of $3 related to the change in the revaluation of the deferred tax liabilities related to the change in Federal Income Tax rate as a result of the Tax Cuts and Jobs Act that was passed by Congress on December 22, 2017.

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 December 31, 2018 and 2017 consisted of:

	2018	2017
Current liabilities:		
Accreted interest	($12)	$--
	(12)	--
Long-term liabilities:		
Equity method investments	(8)	(5)
	(8)	(5)
Valuation allowance	--	--
Net long-term liability	(20)	(5)
Net liability	($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 $125 for the years ended December 31, 2018 and 2017.

At December 31, 2018 and 2017, cash and short-term investments of $23,631 and $11,766 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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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

Transfer Agent and Registrar For Common Stock
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