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

To our shareholders:

At year-end 2019, your CIBL, Inc. common shares (OTC Pink®: CIBY) were trading at $1,750 per share, as compared to $1,690 at the start the year.

At December 31, 2019, we acquired New Hampshire Granite, the New Hampshire operations of LICT Corporation in exchange for 1,000 shares of CIBL stock. The New Hampshire operations consist of two subsidiaries, Bretton Woods Telephone Company, Inc., a Rural Local Exchange Carrier serving the Mt. Washington/Carroll, NH area, and World Surfer, Inc., a Competitive Local Exchange Carrier serving the same area. These companies are leading providers of 1 gigabit high speed broadband and communications services to an approximately 35 -square-mile area in northern New Hampshire, including the Omni Mount Washington Hotel and Resort, The Mount Washington Cog Railway and the summit of Mount Washington, New Hampshire's highest mountain top.

In addition, we held $29.4 million in cash and liquid investments, reflecting $1,727 per share. We also held 10,000 shares in Solix, Inc., a private outsourcing firm that provides, among other services, Universal Service Fund ("USF") administration services to the telecommunications industry.

The COVID-19 pandemic has impacted our communities, as is the case throughout our nation and the world. The communities we serve have been materially impacted by both the health and economic impacts the pandemic. The response of "shelter at home" and "social distancing" to this pandemic has significantly increased and highlighted the critical importance of the voice and broadband services we provide. Our high-speed broadband services are even more critical in the rural communities we serve where other competitive options of communication services are often limited or not available at all.

The importance of staying connected to voice and internet service for education, work, personal health, and staying in touch with loved ones is even more critical in these trying times. It is our belief that it is our responsibility to take the initiative and help out when our communities are in need. To that end, we have taken several steps to make sure that our customers and community members can stay connected to loved ones and have access to information. We have committed to not disconnect customers that are temporarily unable to pay because of circumstances related to COVID-19; to offer free or discounted internet connectivity to families with school aged children that need connectivity for distance learning; and to set up community WI-FI hot-spot locations.

During 2019, we purchased 441 of our common shares reflecting 1% of our company. We currently have common shares outstanding of 16,996.

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 2020.

CIBL, Inc.
May 2020

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 consisted of cash and liquid investments. CIBL has acquired the stock of an operating Telecommunications operation in New Hampshire that is discussed further below. 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. At December 31, 2019, CIBL holds $29.4 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 December 31, 2019 CIBL acquired New Hampshire Granite from LICT in exchange for 1,000 shares of CIBL stock.

COVID-19

CIBL is closely monitoring developments and is taking steps to mitigate the potential risks related to the COVID-19 pandemic to the Company, its employees and its customers. We provide essential voice and data services to our customers. To protect our employees while continuing to provide the communications services needed as many of its customers shelter in place, CIBL adapted installation and repair service processes to limit customer contact and minimize employee contact with other employees. In addition, CIBL changed technician dispatch procedures to further limit contact and provided personal protective equipment, including masks, gloves and sanitizing products. Customers must answer a series of screening questions before an appointment is scheduled and each technician is empowered to reschedule any in-person installation or repair if he or she determines that circumstances at the location present a health risk.

Our teammates' dedication and work ethic have allowed us to continue providing critical services to our customers during this pandemic. Most of our office-based employees have been working remotely since the middle of March. Travel remains restricted to limit the risk of our employees coming in contact with the virus.

CIBL has made numerous accommodations to provide service to families in need and has pledged not to disconnect service to customers that have been adversely impacted by the COVID-119 pandemic. Through May 15th, we have not seen a significant increase in accounts receivable. As the impact of unemployment increases, it is likely that past due accounts receivables may increase. We have not experienced any interruption to our normal materials and supplies process. It is not possible to predict whether COVID-19 will cause future interruptions and delays. We understand the challenges facing our customers as our employees live in the communities we serve and are affected by many of the same obstacles.

CARES Act

The Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was enacted on March 27, 2020. There are several different provisions with the CARES Act that impact income taxes for corporations. While we continue to evaluate the tax implications, we believe these provisions will not have a material impact to the financial statements. CIBL did consider the Paycheck Protection Program but we concluded that we did not meet the criteria of the program and therefore did not accept funding under as part of this program.

New Hampshire Operations

New Hampshire Granite consists of Bretton Woods Telephone Company ("BWTC"), a Rural Local Exchange Carrier serving the Mt. Washington/Carroll, NH area, and World Surfer, Inc., a Competitive Local Exchange Carrier serving the same area. Bretton Woods Telephone Company began operations as a department of the Mount Washington Hotel, which served all of the buildings on the property. In 1947, the company officially became an independent public utility company. Over the years, the company has updated its switching equipment, enabling it to expand telecommunication service to additional Bretton Woods properties, including the administration buildings, the ski area, condominiums, and single-family homes. In recent years the company has invested in significant equipment conversions which enables the company to deliver 1 Gigabit High Speed Broadband services to the resort and 100% of our subscribers over our thirty-five-mile optic network in the surrounding community.

Our 1 Gigabit service has been well received by existing and new subscribers. Our Active Ethernet network delivers any IP service over a single fiber from our serving wire center. Our team continues to expand the reach of our network, serving subscribers outside the traditional ILEC territory through the use of wholesale leased facilities.

As a critical communications provider in New Hampshire, Bretton Woods Telephone Company, is continuously responding to the challenges of COVID-19. Like many companies, we have experienced demand for remote learning and teleworker connectivity. Team members are actively supporting end-users to maintain services without interruption and provide same-day deployment of new services.

Looking forward in 2020, construction projects include fiber to the summit of Mt. Washington (highest peak in the Northeastern United States at 6,288. ft.) which will bring high-speed connectivity to several summit buildings, governmental facilities, safety organizations and tourists. We continue to review the viability of expanding into additional communities surrounding the ILEC service area with a combination of wireless, wholesale and new fiber builds.

BWTC and WSI made generous donations to six 501(c) 3 charitable organizations located in the communities that we serve. Among the organizations we contributed to include: Child Care Health and Daycare Programs, HIV/AIDS Prevention Programs, Protection and Conservation of Natural Resources and Community Based Youth and Family Organizations.

Bretton Woods Telephone Co., Inc. leases approximately 2,800 square feet of business office space and garage/storage space located in Bretton Woods, New Hampshire. The company also owns two central office buildings on leased land in Bretton Woods totaling 844 square feet. The company has 29 miles of copper cable and 42 miles of fiber optic cable.

Investments

Other than cash and investment in United States Treasury securities, the company holds less than 50% ownership in the following investments 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, 2019 and 2018, the Company's investment was recorded at $1,534,000 and $1,452,000 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, USF administration services and other business process services to the telecommunications industry. The shares are restricted and there is no public trading market for them.

Employees

As of December 31, 2019, prior to the acquisition of New Hampshire Granite, CIBL had no full-time employees. CIBL has transitional executive managers providing administrative and management services and an administrator located in its Reno, NV headquarters office. With the acquisition of New Hampshire Granite, the Company added 4 employees.

Legal Proceedings

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

CIBL, Inc.

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

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

Forward-Looking Statements and Uncertainty of Financial Projections

The following discussion contains certain forward-looking statements. Forward-looking statements are not based on historical information but relate to future operations, strategies, financial results or other developments. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, financial, economic and competitive uncertainties and contingencies, many of which are beyond our control and all of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Company.

RESULTS OF OPERATIONS

Overview

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.

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 $459,000 in 2019 and $409,000 in 2018.

Investment income, of $644,000 in 2019 and $421,000 in 2018, 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 $82,000 in 2019 and $34,000 in 2018.

The Company's effective tax rates for 2019 and 2018 were 22.8% and 19.6%, 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 had net income of $206,000 in 2019 as compared to $37,000 in 2018.

Discontinued operations

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

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

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, 2019, CIBL had $30,894,000 in cash, cash equivalents 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 2,041 shares are remaining to be purchased. Since CIBL was spun off by LICT Corporation, on November 19, 2007, the Company has acquired 4,283 shares of its common stock at an average price of $1,257; 441 shares, at an average price of $1,768 per share, were purchased in 2019. In addition to the repurchase programs, the Company has conducted two tender offers for its shares.

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

CIBL, Inc. and Subsidiaries

Financial Statements

December 31, 2019 and 2018

Report of Independent Auditors

Board of Directors
CIBL, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of CIBL, Inc. and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2019, and the related consolidated statement of income and comprehensive income, changes in equity, and cash flows for the year 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CIBL, Inc. and its subsidiaries as of December 31, 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of CIBL, Inc. for the year ended December 31, 2018, were audited by another auditor, whose report dated April 18, 2019, included an opinion qualification related to a material equity investment of CIBL not being audited prior to its sale during 2018. Other than this matter, the report and opinion of the other auditors was unmodified.

Moss Adams LLP

Spokane, Washington
May 20, 2020

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

	December 31,	
	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	$29,360	$14,859
United States Treasury Bills	-	14,970
Accounts receivable, net of allowance of $1	179	
Prepaid expenses	34	48
Materials and supplies	59	--
Other current assets	87	--
Total Current Assets	29,719	29,877
Property, plant and equipment, net	1,339	--
Goodwill and other intangible assets	405	--
Investments in equity method affiliated entities	1,534	1,452
Other investments, at cost	100	100
Other assets	119	--
Total Assets	$33,216	$31,429
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued expenses	$107	$89
Accrued liabilities	282	12
Total Current Liabilities	389	101
Deferred income taxes	226	8
Other liabilities	104	--
Total Liabilities	719	109
Equity		
Common stock, par value $.01, 30,000 shares authorized; 26,115 issued; and 16,996 and 16,437 outstanding	--	--
Contributed capital	5,612	3,862
Retained earnings	37,649	37,443
Treasury stock, 9,120 and 8,679 shares at cost	(10,764)	(9,985)
Total Equity	32,497	31,320
Total Liabilities and Equity	$33,216	$31,429

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, 2019	Year Ended December 31, 2018
Revenue		
Total Revenue	$--	$--
Costs and Expenses		
Corporate office expenses	334	284
Management fee	125	125
Total Operating Expenses	459	409
Operating Loss	(459)	(409)
Other Income		
Investment income	644	421
Equity in earnings of affiliated entity	82	34
Total Other Income	726	455
Net Income (Loss) Before Income Taxes	267	46
Income tax expense	(61)	(9)
Net Income from Continuing Operations	206	37
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
Income tax (expense) benefit	--	(321)
Non-controlling interests	--	(283)
Net income from discontinued operations	--	3,719
Net Income	$206	$3,756
Basic and diluted weighted average shares outstanding	16,179	16,599
Earnings Per Share		
Net income (loss) from continuing operations	$12.73	$2.23
Net gain from disposition of discontinued operation	--	189.53
Net income from discontinued operation	--	34.52
Net income	$12.73	$226.28

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, 2018	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
2019									
Net Income	--	--	--	--	206	--	206	--	206
Issuance of shares to acquire New Hampshire operations	1,000	--	1,750	--	--	--	1,750	--	1,750
Purchase of treasury shares	(441)	--	--	--	--	(779)	(779)	--	(779)
Balance at December 31, 2019	16,996	$--	$5,612	$--	$37,649	($10,764)	$32,497	$--	$32,497

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, 2019	Year Ended December 31, 2018
Cash Flows From (Used In) Operating Activities		
Net income (loss) from continuing operations	$206	$37
Net income from discontinued operation	--	573
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	(82)	(34)
Interest accreted on U.S. Treasury Bills	--	(58)
Deferred income taxes	8	15
Gain on disposition of discontinued operation	--	(3,838)
Changes in operating assets and liabilities		
Prepaid income taxes	(76)	245
Other operating assets and liabilities	254	37
Net Cash From Continuing Operating Activities	310	123
Net Cash Used In Discontinued Operating Activities	--	(1,233)
Net Cash From (Used In) Operating Activities	310	(1,110)
Cash Flows From (Used In) Investing Activities		
Proceeds from disposition of discontinued operation	--	10,868
Redemption of U.S. Treasury Bills	14,970	--
Acquisition of U.S. Treasury Bills	--	(14,913)
Net Cash From (Used In) Continuing Investing Activities	14,970	(4,045)
Net Cash Used In Discontinued Investing Activities	--	(5,178)
Net Cash From (Used In) Investing Activities	14,970	(9,223)
Cash Flows Used In Financing Activities		
Purchase of treasury stock	(779)	(326)
Net Cash Used In Continuing Financing Activities	(779)	(326)
Net Cash Used In Discontinued Financing Activities	--	(7)
Net Cash Used In Financing Activities	(779)	(333)
Net Change in Cash and Cash Equivalents	14,501	(10,666)
Cash and Cash Equivalents		
Beginning of year	14,859	25,525
Cash and cash equivalents of continuing operations at end of year	$29,360	$14,859
Supplemental Cash Flow Information		
Cash paid for income taxes, net	$80	$1,240
Supplemental Non-Cash Transaction		
Exchange of 1,000 shares of CIBL stock for New Hampshire Granite operations	$1,750	$--

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 was 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.

Acquisition of New Hampshire Operations

On December 31, 2019, the Company completed the acquisition of operations in New Hampshire (“NH”) from LICT Corporation (“LICT”), a publicly traded company that spun off CIBL in 2007. The acquired operations consist of Bretton Woods Telephone Company (“BWTC”), a Rural Local Exchange Carrier serving the Mt. Washington/Carroll, New Hampshire area, and World Surfer, Inc. (“WS”), a Competitive Local Exchange Carrier serving the same area.

The Company exchanged 1,000 shares of common stock for all outstanding shares of BWTC and WS. The Company recognized goodwill on the acquisition of approximately $346. LICT will provide management services to NH for $125, per year. LICT now owns approximately 6% of CIBL’s outstanding common stock.

The following is a summary of NH's assets and liabilities acquired in the transaction:

Assets:		
Current assets	$	388
Property, plant and equipment, net		1,339
Goodwill		337
Other assets		187
Assets	$	2,251
Liabilities:		
Current liabilities	$	187
Other liabilities		314
Liabilities	$	501
Consideration paid in acquisition of NH	$	1,750

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.

Reclassifications

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation. The reclassifications have no effect on net income or stockholder's equity.

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, 2019 and 2018, the Company's investment was recorded at $1,534 and $1,452, 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 USF administration services to the telecommunications industry. The carrying value of such investment at December 31, 2019 and 2018 was $100. During the years ended December 31, 2019 and ,2018, CIBL received cash distributions from Solix of $7,500 and $8,000, 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 being 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.

Telecommunications Plant and Equipment

Additions to the Telecommunications plant and equipment are recorded at cost, which includes contracted work, direct labor and materials, and allocable overheads. When units of plant and equipment are retired, sold, or otherwise disposed of in the ordinary course of business, their average book cost less net salvage is charged to accumulated depreciation. Maintenance and repair costs and the replacement and renewal of items determined to be less than units of plant and equipment are charged to expense.

Goodwill and Other Intangible Assets

The Company evaluates the recoverability of goodwill and other intangible assets with indefinite lives for impairment annually, or more often, whenever events or circumstances indicate that such assets may be impaired. The Company estimates the fair value of each reporting unit based on a number of subjective factors, including: (a) appropriate weighting of valuation approaches (income approach and market approaches), (b) estimates of our future cost structure, (c) discount rates for our estimated cash flows, (d) selection of peer group companies for the market approach, (e) required level of working capital, (f) assumed terminal value and (g) time horizon of cash flow forecasts.

The impairment test for other intangible assets not subject to amortization consists of a comparison of the fair value of the intangible asset with its carrying value. If the carrying value of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. The Company estimates the fair value using Level 3 inputs.

Depreciation

The majority of plant and equipment is used for the wireline telephone business. Depreciation is based on the composite group remaining life method and straight-line composite rates. This methodology provides for the recognition of the cost of the remaining investment in telephone plant and equipment less anticipated positive net salvage value, over the remaining asset lives. 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 two 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 and United States Treasury Bills owned by the company, included in United States Treasury Bills, which are all classified as Level 1 inputs, because they are valued using quoted market prices. At December 31, 2019 and 2018, the money market mutual fund had values of $29,219 and $14,859, respectively; the US Treasury Bills had values of $0 and $14,970, 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.

Impairment of Long-Lived Assets

Long-lived assets, such as telecommunications plant, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount of an asset group exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying 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, 2019 and 2018.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements. Income taxes consist of taxes currently payable and those deferred due to temporary differences between the financial reporting and tax basis of the Company's assets and liabilities, using tax rates in effect in the period in which the temporary differences are expected to reverse. The Company establishes valuation allowances relating to deferred tax assets when management concludes that it is more likely than not that the Company will not realize a benefit from the reversal of such temporary differences. The Company and ICTC file separate tax returns.

Accounting for Uncertainty in Income Taxes

The Company recognizes the effect of income tax positions only when the tax position is more likely than not to be sustained. Management is not aware of any exposure to uncertain tax positions that would require financial statement recognition or disclosure. The Company is no longer subject to federal or state income tax examinations for periods prior to the year ended December 31, 2016.

Revenue Recognition

Telephone service revenue related to ICTC's operations was primarily derived from regulated local, intrastate and interstate access services and recognized as services are provided.

In May 2014, the Financial Accounting Standards Board issued ASU 2014-09 (Topic 606), "Revenue from Contracts with Customers," which superseded the revenue recognition requirements in the Accounting Standards Codification (ASC) "Revenue Recognition" and most industry-specific guidance throughout the industry topics of the ASC. The core principle of ASU 2014-09 is for companies to recognize revenue from the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The standard provides a five-step approach to be applied to all contracts with customers and requires expanded disclosures about revenue recognition. ASU 2016-08, "Principal versus Agent Considerations," amended ASU 2014-09 to clarify if an entity is considered a principal, an agent, or both in the contract. ASU 2016-20, "Technical Corrections and Improvements in Topic 606: Revenue from Contracts with Customers," provided additional clarification to topics addressed in ASU 2014-09.

The Company’s predecessor for the acquired New Hampshire Granite operations adopted all three ASCs (ASC 606) on a modified retrospective basis for its contracts with customers that had not been completed as of January 1, 2018. The Company's customer contracts include performance obligations that are satisfied as products are delivered at a point in time or over time. Under the new standard, recognizing revenue for these performance obligations is consistent with the Company's current practice of recognizing revenue.

At contract inception, the Company assesses the goods and services to be provided to the customer and identifies the associated performance obligation. The Company considers all obligations, whether they are explicitly stated in the contract or are implied by customary business practices.

Leases

The Company adopted ASU 2016-02, Leases (Topic 842) (the New Lease Standard) as of January 1, 2019. The New Lease Standard requires lessees to recognize a right-of-use (ROU) asset and a lease liability on the balance sheet for operating leases. Accounting for finance leases is substantially unchanged.

The Company adopted of the New Lease Standard using the comparative reporting at adoption method. Under this method, financial results reported in periods prior to January 1, 2019 are unchanged. The Company also elected the package of practical expedients which among other things, does not require reassessment of lease classification, initial direct costs, or terms within expired or existing contracts.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. We use our estimated incremental borrowing rate derived from information available at the lease commencement date to determine the present value of our lease payments if a discount rate is not stated within the lease agreement. To estimate the incremental borrowing rate, we utilize a risk free rate plus our incremental interest rate spread for collateralized debt, which is updated on an annual basis. We use multiple incremental borrowing rates that correspond to term of the lease.

Short-term leases primarily consist of month to month leases where either party has the option to cancel with less than one year's notice, or for those leases where the agreement terms are not final. Expenses are recognized as incurred.

See Note 6. Leases for additional information.

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 of January 1, 2018 through October 19, 2018 were as follows:

	2018
	Unaudited
Revenue	
Telephone service revenue	$4,873
Total Revenue	4,873
Costs and Expenses	
Cost of operating revenue, excluding depreciation	1,421
General and administrative costs of operations	524
Management fee	80
Corporate office expense at ICTC	441
Depreciation	845
Total Operating Expenses	3,311
Operating Income	1,562
Other Income (Expense)	
Investment income	369
Interest expense	(66)
Equity in earnings of affiliated entities	341
Realized and unrealized gains on investment	55
Total Other Income	699
Net Income Before Income Taxes	2,261
Income tax (expense) benefit	(516)
Net Income	$1,745

4. Telecommunications, Plant and Equipment

Components of the Company's property, plant and equipment and accumulated depreciation are as follows (in thousands):

Year Ended December 31,	**2019**	**2018**
Buildings and leasehold improvements	$ 336	$ -
Machinery and equipment	4,343	-
	4,679	-
Accumulated depreciation	3,340	-
	$ 1,339	**$ -**

5. Treasury Stock

Since it was spun-off from LICT Corporation on November 19, 2007, CIBL's Board of Directors has increased its authorized share repurchase program up to a cumulative 5,300 shares of common stock. Through December 31, 2019, CIBL has purchased 4,374 shares at an average price of $1,267 per share. 441 shares were purchased in 2019 at an average price of $1,768 per share, and 198 shares were purchased in 2018 at an average price of $1,643 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.

6. Leases

Leases Accounted for in Accordance with ASC 842

Leases primarily consist of:

- Business office and equipment
- Remote equipment facilities

Lease terms may include options to extend or terminate the lease. Options to extend leases are included when it is reasonably certain that we will exercise that option based on the individual lease and our business objectives at lease inception. We have elected to not record leases with a term of 12 months or less on the balance sheet.
The practical expedient was elected to combine the lease and non-lease components for all asset classes.

As of December 31, 2019, the weighted average remaining lease term and the weighted average discount rate for operating leases are as follows:

Weighted average remaining lease term (years) - operating leases	8.5
Weighted average discount rate - operating leases	7.9 %

The following table provides a summary of minimum payments for operating leases (in thousands):

	Operating Leases
For the years ending December 31,	
2020	$23
2021	19
2022	17
2023	17
2024	17
Thereafter	69
Total lease liabilities	$163
Less amount representing interest and discount	(45)
Present value of future minimum lease liabilities	118
Less current portion	(23)
Lease liabilities, net of current portion	$95

7. Provision for Income Taxes

The provision (benefit) for income taxes from continuing operations for the years ended December 31, 2019 and 2018 are summarized as follows:

	2019	2018
Current tax provision (benefit):		
Federal	53	(6)
State	--	--
	53	(6)
Deferred tax provision (benefit):		
Federal	8	15
State	--	--
	8	15
Total	$61	$9

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, 2019 and 2018 consisted of:

	2019	2018
Current liabilities:		
Accreted interest	$--	($12)
Other	23	--
	--	(12)
Long-term liabilities:		
Depreciation	227	--
Equity method investments	(16)	(8)
Other	17	--
Net long-term liability	(226)	(8)
Net liability	($203)	($20)

8. 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.

9. 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, 2019 and 2018.

At December 31, 2019 and 2018, cash and short-term investments of $29,221 and $23,631 respectively, were invested in United States Treasury money market funds for which affiliates of one of the Company's Directors serve as investment managers.

10. 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 June 9, 2020.

COVID-19 Outbreak

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19 outbreak) and the risks to the international community as the virus spreads globally. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and future results of operations. The Company's management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

CARES Act

On March 27, 2020, the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

It also appropriated funds for the Small Business Administration Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

The Company continues to examine the impact and opportunities that the CARES Act may have on its business and has not applied for any of the relief under the act.

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