CIBL, Inc. and Subsidiaries

Condensed Consolidated Financial Statements

Quarterly Report for the Period Ended September 30, 2014

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

	September 30, 2014				
	CIBL, Inc.	**ICTC Group**	**Combined, Net of Eliminations**	**Dec. 31, 2013**	**Sept. 30, 2013**
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
ASSETS					
Current Assets					
Cash and cash equivalents	$25,380	$2,801	$28,181	$24,918	$31,775
Accounts receivable	25	360	360	296	326
Funds due from stimulus	--	435	435	--	--
Amounts due from sale of broadcasting interests	13	--	13	11,026	11,147
Other current assets	--	291	291	329	518
Total Current Assets	25,418	3,887	29,280	36,569	43,766
Telecommunications Plant Equipment					
Cost	--	23,650	23,650	23,382	23,484
Accumulated depreciation	--	(17,020)	(17,020)	(16,585)	(17,437)
	--	6,630	6,630	6,797	6,047
Investments in affiliated entities	4,261	1,703	1,703	1,646	1,540
Other investments	319	244	563	779	1,175
Goodwill	--	1,772	1,772	1,772	1,772
	$29,998	$14,236	$39,948	$47,563	$54,300
LIABILITIES AND STOCKHOLDER'S					
Current Liabilities					
Accounts payable and accrued expenses	$45	$294	$314	$1,233	$1,855
Income tax payable	665	154	819	27	6,053
Deferred income taxes	--	--	--	3,339	--
Other current liabilities	--	295	295	253	253
Current portion of long-term debt	--	18	18	18	--
Total Current Liabilities	710	761	1,446	4,870	8,161
Long-term debt	--	2,541	2,541	2.555	2,277
Deferred income taxes	203	2,261	2,464	2,401	5,749
Construction deposits	--	63	63	65	90
Total Liabilities	913	5,626	6,514	9,891	16,277
Stockholders' Equity					
Common stock, at par value $.01, 30,000 shares authorized, 25,115 shares issued; 18,105; 21,580; and 21,618 outstanding	--	--	--	--	--
Capital contribution	3,862	1,760	3,099	3,100	3,105
Retained earnings	32,973	6,850	32,973	32,958	33,336
Treasury stock 7,010; 3,535; and 3,497 shares, at cost	(7,750)	--	(7,750)	(3,159)	(3,087)
Total CIBL, Inc. Stockholders' Equity	29,085	8,610	28,322	32,899	33,354
Non-controlling interest	--	--	5,112	4,773	4,669
Total Stockholders' Equity	29,085	8,610	33,434	37,672	38,023
Total Liabilities and Stockholders'	$29,998	$14,236	$39,948	$47,563	$54,300

See notes to consolidated financial statements.

CIBL, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)
(In Thousands, Except for Share and Per Share Data)

	Three Months Ended					
	September 30, 2014			September 30, 2013		
	CIBL Inc.	ICTC Group Inc.	Combined, Net of Eliminations	CIBL Inc.	ICTC Group	Combined, Net of Eliminations
Revenues	$25	$953	$953	$43	$921	$964
Costs and expenses:						
Cost of revenue, excluding depreciation	--	457	457	--	383	383
General and administrative costs of operations	--	132	132	--	114	114
Corporate office expenses	142	62	179	151	126	277
Depreciation	--	151	151	--	185	185
Total Expenses	142	802	919	151	808	959
Operating Income(Loss)	(117)	151	34	(108)	113	5
Other income (expense):						
Investment income	2	75	77	7	44	51
Interest expense	--	(35)	(35)	--	(33)	(33)
Equity in earnings of affiliated companies	83	106	106	4,760	96	4,795
Pre-tax gains on sales of Capital and Coronet	--	--	--	17,578	--	17,578
Total Other Income	85	146	148	22,345	107	22,391
Net Income before income taxes	(32)	297	182	22,237	220	22,396
Income tax (expense) benefit	88	(92)	(4)	(7,767)	(68)	(7,935)
Net Income (Loss)	56	205	178	14,470	152	14,561
Non-controlling interest	--	--	(122)	--	--	(91)
Net Income (Loss) attributable to CIBL, Inc.	$56	$205	$56	$14,470	$152	$14,470
Shares Outstanding:						
Weighted average			18,620			21,634
At end of period			18,105			21,618
Net income per share			$9.64			$673.14
Net income (loss) per share attributable to CIBL, Inc.			$3.10			$668.94

See notes to consolidated financial statements.

CIBL, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)
(In Thousands, Except for Share and Per Share Data)

	Nine Months Ended					
	September 30, 2014			September 30, 2013		
	CIBL Inc.	**ICTC Group Inc.**	**Combined, Net of Eliminations**	**CIBL Inc.**	**ICTC Group**	**Combined, Net of Eliminations**
Revenues	$75	$2,903	$2,903	$128	$1,794	$1,922
Costs and expenses:						
Cost of revenue, excluding depreciation	--	1,363	1,363	--	768	768
General and administrative costs of operations	--	452	452	--	208	208
Corporate office expenses	448	189	562	378	241	619
Depreciation	--	463	463	--	349	349
Total Expenses	448	2,467	2,840	378	1,566	1,944
Operating Income(Loss)	(373)	436	63	(250)	228	(22)
Other income (expense):						
Investment income	20	197	217	39	72	111
Interest expense	--	(105)	(105)	--	(61)	(61)
Equity in earnings of affiliated companies	239	333	333	4,947	193	5,023
Pre-tax gain on sale of Capital and Coronet	--	--	--	17,578	--	17,578
Total Other Income	259	425	445	22,564	204	22,651
Net Income before income taxes	(114)	861	508	22,314	432	22,629
Income tax (expense) benefit	129	(272)	(143)	(7,794)	(139)	(7,933)
Net Income (Loss)	15	589	365	14,520	293	14,695
Non-controlling interest	--	--	(350)	--	--	(175)
Net Income (Loss) attributable to CIBL, Inc.	$15	$589	$15	$14,520	$293	$14,520
Shares Outstanding:						
Weighted average			19,174			21,918
At period end			18,105			21,618
Net income per share			$19.06			$679.27
Net income (loss) per share attributable to CIBL, Inc.			$0.82			$671.25

CIBL, Inc. and Subsidiaries
Condensed Consolidated Statement of Changes in Stockholder's Equity
(Unaudited)
(In Thousands, Except Per Share Data)

	CIBL, Inc. Stockholders' Equity						
	Common Stock	Contributed Capital	Retained Earnings	Treasury Shares	Total	Non-Controlling Interests	Total Equity
Balance at January 1, 2014	$0	$3,100	$32,958	($3,159)	$32,899	$4,773	$37,672
Net income for the nine months ended September 30, 2014	--	--	15	--	15	350	365
Purchase of ICTC Group Inc. shares		(1)			(1)	(11)	(12)
Purchase of treasury stock	--	--	--	(4,591)	(4,591)	--	(4,591)
Balance at Sept. 30, 2014	$0	$3,099	$32,973	($7,750)	$28,322	$5,112	$33,434

See notes to consolidated financial statements.

CIBL, Inc. and Subsidiaries
(In Thousands, Except for Share and Per Share Data)
Notes To Condensed Consolidated Financial Statements

	Nine Months Ended September 30, 2014			
	CIBL, Inc.	**ICTC Group**	**Combined, Net of Eliminations**	**Sept. 30, 2013**
OPERATING ACTIVITIES				
Net income (loss) attributable to CIBL, Inc.	$15	$589	$15	$14,520
Non-controlling interest	--	--	350	175
Net Income	15	589	365	14,695
Adjustments to reconcile net income to cash provided by (used in) operating activities:				
Depreciation	--	463	463	349
Equity in earnings of affiliated companies	(239)	(333)	(333)	(5,023)
Distributions from affiliates	--	276	276	3,282
Deferred income taxes	(3,252)	(29)	(3,281)	1,791
Gain on Sale of Capital Communications Inc.	--	--	--	(16,476)
Gain on Liquidation of Coronet Communications	--	--	--	(1,101)
Change in Note Receivable from LICT Corporation	214	--	214	131
Changes in operating assets and liabilities				
Accounts receivable	--	(89)	(89)	(91)
Other current assets	22	(73)	(51)	8
Income taxes receivable/payable	712	173	885	5,300
Due from and to affiliated entities	(25)	25	--	--
Accounts payable, accrued expenses	(83)	66	(25)	(104)
Other	--	42	42	(31)
Net Cash Provided By (Used In) Operations	(2,636)	1,110	(1,526)	2,730
INVESTING ACTIVITIES				
Capital spending	--	(571)	(571)	(686)
Grant Spending/Recoveries – Net	--	(224)	(224)	--
Contributions in aid to construction	--	--	--	329
Proceeds from Sale of Capital	8,171	--	8,171	10,500
Investment in Capital	--	--	--	(2,027)
Distributions from Coronet	2,029	--	2,029	--
Acquisition of interest in ICTC Group Inc.	(12)	--	(12)	--
Sale of short-term investments – net	--	--	--	1,999
Cash as a result of the ICTC Group consolidation	--	--	--	2,455
Other	--	--	--	256
Net Cash Provided by (Used In) Investing Activities	10,188	(795)	9,393	12,826
FINANCING ACTIVITIES				
Payment on long-term debt	--	(13)	(13)	--
Purchase of treasury stock	(4,591)	--	(4,591)	(457)
Net Cash Used in Financing Activities	(4,591)	(13)	(4,604)	(457)
Net Change in Cash and Cash Equivalents	2,961	302	3,263	15,099
CASH AND CASH EQUIVALENTS				
Beginning of period	22,419	2,499	24,918	16,676
End of period	$25,380	$2,801	$28,181	$31,775
Cash income taxes paid	$2,411	$118	$2,529	$755
Cash interest paid	$--	$105	$105	$65
Non-cash investing activity: Account payable –				
Beginning of the period	$--	$144	$144	$--
End of the period	$--	$81	$81	$--

See notes to consolidated financial statements.

1. **Organization and Basis of Presentation**

Basis of Presentation

CIBL, Inc. (the "Company" or "CIBL") holds, or has held, certain investments in broadband data transport/communications, television broadcasting, and wireless communications.

The Company holds a 40.63% interest in the ICTC Group, Inc. ("ICTC"), a holding company which owns Inter-Community Telephone Company, LLC ("Inter-Community"), a rural local exchange carrier ("RLEC") operating in southeastern North Dakota, and Valley Communications, Inc. ("Valley"), a competitive local exchange carrier operating in the same area. ICTC 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 to 51.3% and it began reporting ICTC results on a combined basis. Accordingly, CIBL's Income Statement and Balance Sheet will now reflect 100% of operating activities, from April 11, 2013, and the percent of ICTC not owned by CIBL will be shown as non-controlling interests. Financial statements and financial information for periods prior to April 11, 2013 have not been restated as if the Voting Rights Agreement had been signed as of those earlier dates.

ICTC owns a 3.4% interest in Dakota Carrier Network, LLC, ("DCN") a limited liability company that provides broadband data transport and other telecommunications services throughout North Dakota. Because ICTC has the ability to significantly influence management decisions through its interest in DCN, its share of DCN's results are accounted for in accordance with the equity method.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they are not audited and do not include all of the information and footnotes required for complete financial statements. These consolidated financial statements and footnotes should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report for the year ended December 31, 2013. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended September 30, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Principles of Consolidation

The accompanying financial statements include the operations of the Company and its majority owned or controlled subsidiaries, including as noted above, from April 11, 2013 the operations of ICTC. All inter-company transactions and balances have been eliminated in consolidation.

Regulatory Accounting

ICTC's public utility activities are regulated by the Federal Communications Commission ("FCC"). The North Dakota Public Service Commission does not regulate Rural Local Exchange Carriers ("RLECs") with fewer than 7,000 access lines, such as Inter-Community. The Company follows the FCC's 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. Criteria that would give rise to the discontinuance 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.

Accounting Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Business and Credit Risk

ICTC's subsidiaries provide telephone, Internet and other non-regulated services on account to their customers located in southeastern North Dakota. The Company also provides access service on account to various long distance companies, which provide toll service to the Company's customers.

The FCC has proposed significant changes to the rules affecting the revenues of RLECs. The Company serves high cost rural areas and receives a significant portion of its revenues from federal support mechanisms and access revenues from long distance carriers. ICTC's revenues are substantially dependent on the continuation and level of such support mechanisms.

The Company's cash balances are maintained in bank depositories and periodically exceed federally insured limits.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers all cash deposits with an original maturity of three months or less to be cash and cash equivalents.

Short-term Investments

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.

Fair Value of Financial Instruments

The Company follows Accounting Standards Codification (ASC) guidance on fair value measurements, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets, which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. As of September 30, 2014, December 31, 2013 and June 30, 2013 cash equivalents and short-term investments include $27,270, $24,315 and $30,756 of money market mutual funds valued using Level 1 inputs.

Accounts Receivable

Trade receivables are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. The receivables are non-interest bearing. Payments on trade receivables are applied to the applicable unpaid invoices. The carrying amount of the trade receivables is reduced by an amount that reflects management's best estimate of the amounts that will not be collected.

Materials and Supplies

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

Investments

Investments in companies in which CIBL does not have a majority voting control, but has the ability to significantly influence management decisions, and limited liability companies are accounted for using the equity method. Under the equity method, the investment is initially recorded at cost, then reduced by the dividends and increased or decreased by the investor's proportionate share of the investee's net earnings or loss. All other investments are stated at cost.

Goodwill

Goodwill is tested annually for impairment, or more frequently, if deemed necessary. The Company tests goodwill for impairment using a two-step process. The first step is a screen for potential impairment in which the Company 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 our future cost structure, (c) discount rates for estimated cash flows, (d) selection of peer group companies for our market approach, (e) required level of working capital, (f) assumed terminal value, and (g) time horizon of cash flow forecasts. The Company 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, 2013, and determined that there was no impairment at that time. There were no impairment losses recorded during the periods ending September 30, 2014 and 2013.

Telecommunications Plant and Equipment

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

Depreciation

The majority of ICTC's plant and equipment is plant used for the wireline telephone business. Depreciation is based on the composite group remaining life method and straight-line composite rates. This methodology provides for the recognition of the cost of the remaining investment in telephone plant and equipment less anticipated positive net salvage value, over the remaining asset lives. When depreciable telephone plant is replaced or retired, the carrying amount of such plant is deducted from the respective accounts and charged to accumulated depreciation, and no gain or loss is recognized. Use of this methodology requires the periodic revision of depreciation rates. In the evaluation of asset lives, multiple factors are considered, including expected future retirements, technology changes and the adequacy of depreciation reserves.

Impairment of Long-Lived Assets

Long-lived assets, such as telecommunications plant, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount of an asset group exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset group exceeds the fair value of the asset group. There were no asset impairments recorded during the periods ended June 30, 2014 and 2013.

2. Acquisition of Interest in ICTC Group, Inc.

CIBL acquired 80,000 authorized, but previously unissued shares of Class A Common Stock of ICTC Group, Inc. for $22 per share in November 2012. On December 26, 2012, the Company completed a tender offer to ICTC shareholders in which it acquired an additional 81,552 shares for $22.25 per share, bringing its ownership interest to 39.95% at December 31, 2012. CIBL accounted for this investment in accordance with the equity method until April 10, 2013. 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. Due to common ownership of both CIBL and ICTC, the acquired assets and liabilities were accounted for at their net book values and the difference between the acquisition price and the book value of the net assets was charged to contributed capital. Since December 26, 2012, CIBL has purchased an additional 2,755 shares of ICTC at an average price of $22.14 per share, of which 555 were purchased in 2014.

4. Sale of Broadcasting Interests

On September 16, 2013, Lynch Entertainment Corporation II ("LENCO II', a wholly-owned subsidiary of CIBL), along with the other shareholders agreed to sell all of its interest in Capital Communications, Inc. ("Capital") for $17,750, subject to adjustment. Capital is the owner and operator of Station WOI-TV in the Des Moines/Ames, Iowa market. At that date, LENCO II owned (a) 10,000 shares of Capital Series B Preferred Stock, which are convertible into 10 shares of Capital's Common Stock, and (b) 490 shares of Capital's Common Stock, representing 49% of Capital's common share outstanding. The Preferred Shares were converted to Common Shares prior to the closing of the transaction, giving LENCO II a 50% ownership in Capital.

Effective September 16, 2013, the buyer assumed the operations of Station WOI-TV, and under a Time Brokerage Agreement is entitled to all the economic benefits of owning and operating the Station.

In September 2013, the buyer in this transaction funded $10,500 of the Purchase Price, of which $2,027 was contributed to Capital to repay LENCO II's share of Capital's debt outstanding at that time. On March 13, 2014, after approval from the FCC was obtained, the transaction closed and the remainder on the Purchase Price of $7,500 was paid, which included an additional $250 adjustment based reallocation of proceeds between the sellers of Capital. An additional $28 working capital adjustment was also received.

In addition to the sale proceeds noted above, certain other assets, net of liabilities, of Capital, not included in the transaction were liquidated and distributed to the previous shareholders of Capital, including LENCO II. A total of $1,456 was received as a result of this liquidation.

A total of $813 of expenses associated with the sale were paid in 2014. These expenses were included in accounts payable and accrued expenses at December 31, 2013.

Due to the contractual obligations of the buyer to fund the remaining purchase price even without FCC approval, CIBL recorded the gain on the sale of Capital in its financial statements in September 2013. The pre-tax gain was $16,604, net of sale expenses of $870.

Prior to the sale, CIBL recorded its share of the earnings of Capital under the equity basis of accounting. During the three and nine months ended September 30, 2013, CIBL recorded $39 and $76, respectively, in earnings from its ownership in Capital. In addition, during these periods CIBL received $18 and $53, respectively, in management fees from Capital.

Coronet Communications Company

Coronet Communications Company, a partnership in which Lynch Entertainment LLC ("LENCO", a wholly owned subsidiary of CIBL) owned a 20% partnership interest, was the owner and operator of Station WHBF-TV in the Quad Cities of Iowa/Illinois market. In addition to its 20% ownership, LENCO is entitled to a 5% share of the Capital Proceeds, as defined in the partnership documentation, from the sale of Station WHBF-TV, prior to the allocation of the partnership assets.

On September 16, 2013, Coronet agreed to sell substantially all of the assets, primarily fixed equipment and other physical assets, and the FCC license associated with Station WHBF-TV for $28,700, plus or minus working capital adjustments. On that date, certain tangible personal property assets of Station WHBF-TV were transferred from Coronet to the buyer. Also effective September 16, 2013, the buyer assumed operation of Station WHBF-TV, and under a Time Brokerage Agreement is entitled to all of the economic benefits of owning and operating the Station.

In September 2013, the buyer funded $24,500 of the Purchase Price, of which $7,720 was used to repay Coronet's debt. After the repayment of debt and an additional amount retained to pay the estimated expenses of sale, Coronet distributed $3,016 to LENCO. On March 13, 2014, after approval from the FCC was obtained the transaction closed and the remainder of the Purchase Price of $4,200 was paid, from which $6 working capital adjustment was deducted.

In addition to the sale proceeds noted above, certain other assets, net of liabilities, of Coronet, not included in the transaction are being liquidated and distributed to the partners of Capital, including LENCO. In March

(In Thousands, Except for Share and Per Share Data)

2014, $1,232 was received as a result of this liquidation, which includes LENCO's 5% share of the Capital Proceeds.

Accordingly, in March 2014, CIBL received from Capital $2,030 representing its share of the proceeds of sale and liquidation of assets, net of Capital's expense associated with the sale.

Due to the contractual obligations of the buyer to fund the remaining purchase price even without FCC approval, CIBL recorded the gain on the sale of the assets of WHBF-TV in its financial statement for the year ended December 31, 2013. LENCO's allocated share of the gain was $4,674.

In addition, after recording this gain, which is included in equity in earnings of affiliates, and recognizing the remaining cash distributions to be received from Capital, LENCO will have a negative $790 investment in Coronet, when ultimately liquidated. Accordingly, this negative investment was recorded as a gain in the consolidated statement of income for the year ended December 31, 2013.

Prior to the sale, CIBL record its share of the earnings of Coronet under the equity basis of accounting. During the three and nine months ended September 30, 2013, CIBL recorded $80 and $63, respectively, in losses from its ownership in Coronet. In addition during this period CIBL received $25 and $75, respectively, in management fees from Coronet.

Disputed Amount

The Company believes that in addition to the above amounts, it is entitled to an additional $385 distribution from Coronet, representing less than 2% of the proceeds for the combined transactions. Coronet's other partner is disputing this amount and it has not been recorded in the Company's consolidated financial statements.

5. Equity Method Investments

Investment in DCN

Summarized financial information for the investment in DCN as of and for the three and nine months ended September 30, 2014 and 2013, is as follows:

	September 30,	
	2014	2013
Current assets	$5,159	$2,847
Property, plant and equipment, intangibles and other	44,987	42,999
Total Assets	$50,146	$45,846
Current liabilities	$550	$974
Equity	49,596	44,872
Total Liabilities and Equity	$50,146	$45,846

Three Months Ended

(In Thousands, Except for Share and Per Share Data)

Revenues	$11,018	$11,095
Gross profit	$5,163	$4,650
Net income	$3,102	$2,774
Nine Months Ended		
Revenues	$33,805	$33,386
Gross Profit	$15,717	14,540
Net Income	$9,714	$9,325

6. Long-term Debt

ICTC has subordinated notes with former shareholders of Inter-Community for $2,072 as of September 30, 2014. The interest rate on the notes is 6% 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 an advance of $502 on the Broadband Initiatives Program ("BIP") Loan (see Note 7). The loan is due in monthly payments of principal and interest over 23 years at an interest rate of 3.27%. The loan/grant agreement also includes certain financial and other covenant requirements.

Principal repayments on ICTC's BIP Loan are approximately $20,000 per year for the next five years.

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 its rural area. The $2,339 project is expected to be completed during 2014. The project is being funded through a broadband loan from the Rural Utilities Service (RUS) of $713 and a grant through Broadband Initiatives Program, administered by RUS, of $1,625. Construction costs related to the project through September 30, 2014 were $2,274. To date, ICTC has received $502 in advances on the broadband loan and $1,144 in grant funds relating to the project. Un-advanced funds available on the broadband loan were $211 as of September 30, 2014. At September 30, 2014, and December 31, 2013, ICTC has incurred $435 and $307, respectively, of costs that are expected to be reimbursed under the RUS BIP program. At December 31, 2013, the costs were recorded in telecommunications plant and equipment.

8. Treasury Stock

On July 16, 2013, CIBL's Board of Directors authorized the purchase of up to 2,000 shares of its common stock. Through September 30, 2014, 1,240 shares of this authorization have been acquired. On November 11, the Board increased this authorization by 1,300 shares.

Since CIBL was spun off by LICT Corporation, on November 19, 2007, the Company has acquired, in two Dutch Auctions and open market purchases, a total of 7,010 shares of its common stock, at an average price of $1,106, or a total investment of $7,750. In December 2012, the Company completed a modified "Dutch Auction" tender offer in which 2,460 shares were purchased at $860 per share. In January 2014, the Company completed another modified "Dutch Auction" tender offer in which 2,286 shares were purchased at $1,300 per share. The remaining shares were acquired in open market purchases totaling 2,264 shares at an average price $1,117 per share. Included in the open market purchases were 1,166 shares purchased in the first nine months of 2014 at an average price of $1,342 per share.

9. Related Party Transaction

CIBL has a Transitional Administrative and Management Services Agreement with LICT Corporation, its former parent, with a fee for such services at a rate of $200 per year for the year ended December 31, 2013 and $300 per year for the year ended December 31, 2014.

10. Subsequent Events

The Company has evaluated subsequent events, including the repurchase of its common shares, through November 12, 2014.