CIBL, Inc. and Subsidiaries

Condensed Consolidated Financial Statements

Quarterly Report for Period Ended September 30, 2013

CIBL, Inc. and Subsidiaries
Condensed Consolidated Balance Sheet
(Unaudited)
(In Thousands, Except Share Data)

	September 30, 2013			Dec. 31, 2012	Sept. 30, 2012
	CIBL, Inc.	ICTC Group	Combined		
	(Unaudited	(Unaudited	(Unaudited	(Audited)	(Unaudited
ASSETS					
Current Assets					
Cash and cash equivalents	$28,860	$2,915	$31.775	$16,676	$26,241
Short-term investments	-	-	-	1,999	-
Accounts receivable	-	-	326	-	-
Amounts due from sale of	11,147	-	11,147	-	-
Other current assets	-	518	518	22	-
Total Current Assets	40,007	3,759	43,766	18,697	26,241
Telecommunications Plant Equipment					
Cost	-	23,484	23,484	-	-
Accumulated depreciation	-	(17,437)	(17,437)	-	-
	-	6,047	6,047	-	-
Investments in affiliated entities accounted for under the equity method of accounting	3,862	1,540	1,540	3,668	519
Other investments	577	598	1,175	708	751
Goodwill	-	1,772	1,772	-	-
	$44,446	$13,716	$54,300	$23,073	$27,511
LIABILITIES AND STOCKHOLDER'S					
Current Liabilities					
Accounts payable and accrued	$818	$1,037	$1,855	$235	$80
Income tax payable	5,990	63	6,053	653	4,140
Other current liabilities	-	253	253	-	-
Total Current Liabilities	6,808	1,353	8,161	888	4,220
Long-term debt	-	2,277	2,277	-	-
Cumulative losses in excess of	-	-	-	406	603
Deferred income taxes	3,527	2,222	5,749	1,731	1,659
Construction deposits	-	90	90	-	-
Total Liabilities	10,335	5,942	16,277	3,025	6,482
Stockholders' Equity					
Common stock, at par value $.01, 30,000 shares authorized, 25,115 shares issued; 21,618; 22,088; and 24,573 outstanding	-	-	-	-	-
Capital contribution	3,862	1,760	3,105	3,862	3,862
Retained earnings	33,336	6,014	33,336	18,816	17,571
Treasury stock 3,497; 3,027; and 542	(3,087)	-	(3,087)	(2,630)	(404)
Total CIBL, Inc. Stockholders' Equity	34,111	7,774	33,354	20,048	21,029
Non-controlling interest	-	-	4,669	-	-
Total Stockholders' Equity	34,111	7,774	38,023	20,048	21,029
Total Liabilities and Stockholders'	$44,446	$13,716	$54,300	$23,073	$27,511

See notes to consolidated financial statements.

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

	Three Months Ended			
	September 30, 2013			
	CIBL, Inc.	ICTC Group	Combined	Sept. 30 2012
Revenues	$43	$921	$964	$43
Costs and expenses:				
Cost of revenue, excluding depreciation	-	382	382	-
General and administrative costs of operations	-	76	76	-
Corporate office expenses	151	164	315	129
Depreciation	-	185	185	-
Total Expenses	151	807	958	129
Operating Income(Loss)	(108)	114	6	(86)
Other income (expense):				
Investment income	7	42	49	12
Interest expense	-	(33)	(33)	-
Equity in earnings of affiliated companies	4,760	96	4,795	359
Pre-tax gain on sale of Capital and Coronet	17,578	-	17,578	-
Total Other Income	22,345	105	22,389	371
Net Income before income taxes	22,237	219	22,395	285
Income tax expense	(7,767)	(68)	(7,935)	(100)
Net Income	14,470	151	14,560	185
Non-controlling interest	-	-	(90)	-
Net Income attributable to CIBL, Inc.	$14,470	$151	$14,470	$185
Weighted average shares outstanding			21,634	24,723
Net income per share			$673.10	$7.48
Net income per share attributable to CIBL			$668.94	$7.48

See notes to consolidated financial statements.

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

	Nine Months Ended			
	September 30, 2013			
	CIBL, Inc.	ICTC Group	Combined	Sept. 30 2012
Revenues	$128	$1,794	$1,922	$128
Costs and expenses:				
Cost of revenue, excluding depreciation	-	768	768	-
General and administrative costs of operations	-	208	208	-
Corporate office expenses	378	241	619	364
Depreciation	-	349	349	-
Total Expenses	378	1,566	1,944	364
Operating Income(Loss)	(250)	228	(22)	(236)
Other income (expense):				
Investment income	39	71	110	44
Interest expense	-	(61)	(61)	-
Equity in earnings of affiliated companies	4,947	193	5,023	3,363
Pre-tax gain on sale of Capital and Coronet	17,578	-	17,578	-
Pre-tax gain on sale of New Mexico RSAs	-	-	-	24,093
Total Other Income	22,564	203	22,650	27,500
Net Income before income taxes	22,314	431	22,628	27,264
Income tax expense	(7,794)	(139)	(7,933)	(10,239)
Net Income	14,520	292	14,695	17,025
Non-controlling interest	-	-	(175)	(1,196)
Net Income attributable to CIBL, Inc.	$14,520	$292	$14,520	$15,829
Weighted average shares outstanding			21,918	24,855
Net income per share			$679.23	$636.86
Net income per share attributable to CIBL			$671.25	$636.86

CIBL, Inc. and Subsidiaries
Consolidated Statement of Changes in Equity
(In Thousands)

	CIBL, Inc. Stockholders' Equity						
	Common Stock	Contributed Capital	Retained Earnings	Treasury Shares	Total	Non-Controlling Interests	Total Equity
Balance at January 1, 2013	$0	$3,862	$18,816	($2,630)	$20,048	$0	$20,048
Consolidation of ICTC Group Inc.		(757)			(757)	4,494	3,737
Net income for the nine months ended September 30, 2013	-	-	14,520		14,520	175	14,695
Purchase of treasury stock	-	-	-	(457)	(457)	-	(457)
Balance at September 31, 2013	$0	$3,105	$33,336	($3,087)	$33,354	$4,669	$38,023

See notes to consolidated financial statements.

CIBL, Inc. and Subsidiaries
Condensed Consolidated Statement of Cash Flows
(Unaudited)
(In Thousand)

	Nine Months Ended September 30, 2013			
	CIBL, Inc.	**ICTC Group**	**Combined**	**Sept, 30, 2012**
OPERATING ACTIVITIES				
Net income attributable to CIBL, Inc.	$14,519	$293	$14,520	$15,829
Non-controlling interest			175	1,196
Net Income	14,519	293	14,695	17,025
Adjustments to reconcile net income to cash provided by (used in) operating activities:				
Depreciation	-	349	349	-
Equity in earnings of affiliated companies	(4,948)	(192)	(5,023)	(3,363)
Distributions from affiliated companies	3.016	266	3,282	2,000
Deferred income taxes	1,795	(4)	1,791	-
Gain on Sale of Capital Communications Inc.	(16,476)		(16,476)	
Gain on Liquidation of Coronet Communications	(1,101)		(1,101)	
Gain on sale of New Mexico RSAs	-		-	(24,093)
Change in Note Receivable from LICT Corporation	131		131	271
Changes in operating assets and liabilities				
Accounts receivable	-	(91)	(91)	-
Other current assets	22	(31)	8	20
Taxes payable	5,338	(23)	5,300	4,366
Due from and to affiliated entities	-	-	-	18
Accounts payable, accrued expenses	(127)	24	(104)	-
Other current liabilities	-	(31)	(31)	(1,215)
Net Cash Provided By (Used) in Operating	2.168	563	2,730	(4,971)
INVESTING ACTIVITIES				
Capital spending	-	(686)	(686)	-
Contributions in aid received	-	329	329	-
Change in restricted cash	-	256	256	-
Cash effect of consolidating ICTC	-	-	2,455	-
Sale of short-term investments – net	1,999	-	1,999	-
Proceeds from Sale of Capital Communications Inc.	10,500	-	10,500	-
Investment in Capital Communications Inc.	(2,027)	-	(2,027)	-
Proceeds from sale of New Mexico RSAs	-	-	-	31,674
Net Cash Provided by Investing Activities	10,472	(102)	12,826	31,674
FINANCING ACTIVITIES				
Dividends paid to stockholders	-	-	-	(1,247)
Purchase of treasury stock	(457)	-	(457)	(299)
Cash distributed to noncontrolling partner	-	-	-	(866)
Net Cash Used in Financing Activities	(457)	-	(457)	(2,412)
Net Change in Cash and Cash Equivalents	12,183	460	15,099	24,291
CASH AND CASH EQUIVALENTS				
Beginning of period	16,676	2,455	16,676	1,950
End of period	$28,860	$2,915	$31,775	$26,241
Cash income taxes paid	$620	$135	$755	
Cash interest paid	$-	$65	$65	$-

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, broadcasting, and wireless communications.

The Company holds a 39.95% 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 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 60.05% not owned by CIBL will be shown as non-controlling interests. Financial statements and financial information for periods prior to April 11, 2013 have been restated as if the Voting Rights Agreement had been signed as of those earlier dates.

In addition CIBL has 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 structured as a limited liability company), are accounted for in accordance with the equity method, consisting of:

- Broadcasting interests - Coronet Communications Company (20% owned) and Capital Communications Company, Inc. (49% owned) as more fully described below, CIBL is in the process of selling its broadcasting interests.
- Broadband data transport - Dakota Carrier Network, LLC is a limited liability company that is 3.4% owned by ICTC.
- Wireless communications) Prior to its sale in May 2012 (see Note 2), the Company consolidated its 51% ownership of Wescel Cellular of New Mexico, L.P., whose sole assets include 25% and 33% interests in New Mexico RSA #3 and RSA #5, respectively, and its 100% ownership in Wescel Cellular Inc II, whose sole asset was a 8.3% interest in RSA #3. Earnings from the RSAs were included in equity in earnings of affiliated companies. The 49% ownership interest in Wescel Cellular of New Mexico, L.P., not owned by CIBL, Inc., was shown as non-controlling interest in the accompanying financial statements.

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, 2012. 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, 2013 are not necessarily indicative of the results that may be expected for the year ending December 31, 2013. 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 subsidiaries, including as noted above, from April 11, 2013 the operations of ICTC. All inter-company transactions and balances have been eliminated in consolidation. The 49% ownership interest in Wescel Cellular of New Mexico, L.P., not owned by CIBL, through the date of sale, is reflected as a non-controlling interest in the accompanying financial statements.

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 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. 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 provides telephone, Internet and other nonregulated services on account to its 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 revenues from federal support mechanisms and access revenues from long distance carriers. ICTC's revenues are significantly 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. At December 31, 2012, the Company's short-term investments consisted of US Treasury Bills.

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, 2013, December 31, 2012 and September 30, 2012 cash equivalents and short-term investments include $31,775, $18,675 and $26,241 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 (LLC's) 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, 2012, and determined that there was no impairment at that time. There were no impairment losses recorded during the periods ending September 30, 2013 and 2012.

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 September 30, 2013 and 2012.

2. Disposition of Interests in New Mexico RSA 3 and 5

On May 9, 2012, CIBL sold its interest in its telecommunications properties, New Mexico RSA #3 and RSA #5, to Verizon Wireless for $30 million, plus working capital adjustments totaling $2.0 million, resulting in a pre-tax gain of $24.1 million.

3. 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.

ICTC is a telecommunications company providing regulated telephone service, internet and other non-regulated services in southeastern North Dakota.

4. Sale of Broadcasting Interests

Capital Communications, Inc.

On September 16, 2013, Lynch Entertainment Corporation II ("LENCO II', a wholly-owned subsidiary of CIBL), agreed to sell all of its interest in Capital Communications, Inc. ("Capital") for $17,750,000. Capital is the owner and operator of Station WOI-TV in the Des Moines/Ames, Iowa market. Currently, LENCO II owns (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. The Preferred Shares will be converted to Common Shares prior to the closing of the transaction, giving LENCO II a 50% ownership in Capital. The transaction is scheduled to close 5 business days after FCC approval of the station transfer becomes final. 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 $10,500,000 of the Purchase Price, of which $2,027,000 was contributed to Capital to repay LENCO II's share of Capital's debt. An additional $6,362,000 of the purchase price will be paid when the transactions closes and the remaining $888,000 will be held in escrow for one year from the date of closing. In addition to the sale proceeds, it is expected that prior to the closing, certain other assets, net of liabilities, of Capital, not included in the purchase price, will be liquidated and distributed to Capital's current shareholders.

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 statement for the Nine Months Ended September 30, 2013. The pre-tax gain was $16,476,000 net of sale expenses of $710,000. The gain is based on certain assumptions which the Management of CIBL believes are reasonable, but are subject to final consummation of the sale process.

Coronet Communications Company

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

(In Thousands Except Share Data)

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 $28,700,000, 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 operations 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 $24,500,000 of the Purchase Price, of which $7,720,000 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 $3,016,000 to LENCO. An additional $2,765,000 of the purchase price will be paid when the transaction closes and the remaining $1,435,000 will be held in escrow for one year from the date of closing. In addition to the sale proceeds, it is expected that prior to the closing, certain other assets, net of liabilities, of Coronet will be liquidated and distributed to Coronet's partners.

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 Nine Months Ended September 30, 2013. LENCO's allocated share of the gain was $4,741,000 which includes the 5% share of the Capital Proceeds referred to above.

In addition, after recording this gain, which is include in Equity in Earnings of Affiliates, and recognizing the remaining cash distributions to be received from Capital, LENCO will have a negative $1,101,000 investment in Coronet, when ultimately liquidated. Accordingly, this negative investment was recorded as a gain in the Statement of Income for the Nine Months Ended September 30, 2013.

LENCO's share of the allocated gain from Coronet and LENCO's gain on the liquidation of Coronet are based on certain assumptions which the Management of CIBL believes are reasonable, but are subject to final consummation of the sale process.

5. Equity Method Investments

Investment in Broadcasting Companies

Below is the summarized combined financial information for investments in broadcasting companies, owned by Coronet and Capital, accounted for by the equity method as of and for the three and nine months ended September 30, 2013. As noted, certain assets of Coronet and the operations of the television stations were transferred to a third party buyer effective September 16, 2013 and the below amounts reflect those transfers.

	September 30,	
	2013	2012
Current assets	$11,998	$8,778
Property, plant and equipment, intangibles and other	1,245	6,335
Total Assets	$13,243	$15,113
Current liabilities	$2,566	$4,466
Long term liabilities	304	12,919

(In Thousands Except Share Data)

Equity	10,373	(2,272)
Total Liabilities and Equity	$13,243	$15,113
Three Months Ended		
Revenues	$2,744	$4,720
Gross profit	$527	$2,127
Net income	$23,278	$1,094
Nine Months Ended		
Revenues	$10,099	$11,874
Gross profit	$2,571	$4,557
Net Income	$23,606	$1,663

In November 2012, CIBL received a $1 million cash distribution from one of its Affiliated Investments, Capital Communications, Inc.

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

	September 30,	
	2013	2012
Current assets	$2,847	$4,333
Property, plant and equipment, intangibles and other	42,999	39,668
Total Assets	$45,846	$44,001
Current liabilities	$974	$398
Equity	44,872	43,603
Total Liabilities and Equity	$45,846	$44,001
Three Months Ended		
Revenues	$11,095	$10,677
Gross profit	$4,651	$4,688
Net income	$2,774	$3,095
Nine Months Ended		
Revenues	$33,386	$32,878
Gross profit	$14,540	$14,328
Gross profit	$9,325	$9,925

6. Long-term Debt

ICTC has subordinated notes with former shareholders of Inter-Community for $2,072,000 as of September

30, 2013. 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.

During the nine months ended September 30, 2013, ICTC received an advance of $205,000 on the Broadband Initiatives Program ("BIP") Loan. The loan is due in monthly payments of principal and interest over 23 years at an interest rate of 2.7324%. The funds advanced were deposited into a pledged deposit account, the disbursements from which are restricted by the provisions of the loan/grant agreement. The loan/grant agreement also includes certain financial and other covenant requirements.

It is estimated that principal repayments on ICTC's BIP Loan as of September 30, 2013 will be approximately $7,000 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 rural areas. The $2,339,000 project is expected to be completed during 2013. The project is being funded through a broadband loan from the Rural Utilities Service (RUS) of $713,000 and a grant through BIP administered by RUS, of $1,625,000. Construction costs related to the project through September 30, 2013 were $1,174,000 including $861,000 in accounts payable as of September 30, 2013. ICTC has received $205,000 in advances on the broadband loan and $467,000 in grant funds relating to the project, and has recorded a receivable of $316,000 for grants related to eligible costs incurred through September 30, 2013. ICTC has applied the grant funds against construction costs. Loan and grant funds totaling $359 are restricted for payment of eligible project costs and are included in Restricted Cash as of September 30, 2013.

8. Treasury Stock

CIBL's Board of Directors has authorized the purchase of up to 1,500 shares of common stock, of which 1,037 shares have been purchased through September 30, 2013, at an average price of $972 per share.

In addition, during November 2012, CIBL's Board of Directors authorized a modified "Dutch Auction" tender offer to purchase up to 7,000 shares of common stock. In 2012, the Company purchased 2,460 shares from the Dutch auction, at an average investment of $896 per share.

9. Related Party

Management fee income for the three month periods were received from Capital and Coronet, based on management agreements.

CIBL has a transitional administrative and services agreement with LICT Corporation, its former parent, with a fee for such services at a rate of $200 per year as of September 30, 2013.

10. Subsequent Event

On December 2, 2013, the Board of Directors appointed a Special Committee consisting of Philip J. Lombardo and Salvatore Muoio to consider a Dutch auction tender offer for a portion of CIBL's outstanding stock. Such a tender offer, which would commence in December 2013 and terminate in January 2014, may offer to repurchase approximately 2,000 to 3,000 shares in a range of $1,300-1,350 per share.