2013
ANNUAL
REPORT

CIBL, INC.

CIBL Inc.
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To our shareholders:

For 2013, trading in your CIBL Inc. common shares (OTC Markets: CIBY) began the year at $915 per share and ended the year at $1,400 per share. Over the last fifteen months, we executed on the following initiatives:

- On March 13, 2014, we closed on the sale of our interests in two network affiliated television stations, WOI-TV and WHBF-TV. The sales generated:
  - $21.7 million in net proceeds, after expenses of sale,
  - After- tax proceeds of $12.0 million (which includes the elimination of a previously recorded $1.8 million deferred tax liability), and
  - A financial statement after-tax gain of $14.1 million, or $652 per share.
- On January 8, 2014, we completed a modified Dutch Auction in which we acquired 2,286 of our common shares for $3.0 million, or $1,300 per share.
- This follows the open market purchases of 508 of our common shares in 2013.
- In April 2013, we executed a voting rights agreement which provided the basis for us to consolidate the results of ICTC Group Inc. (OTC Markets: ICTG) into our consolidated financial results. ICTC Group Inc. provides broadband data transport and voice communications in areas in southeastern North Dakota.

As of this writing, we hold $26.2 million in cash and equivalents, less income taxes payables, or $1,360 per share. In addition, we hold 164,307 common shares, or 40.6%, of ICTC Group Inc. which, on a mark to market basis, were valued at $3.4 million, 10,000 shares in Solix Inc. (an outsourcing firm that provides, among other services, billing and collection services to the telecommunications industry), and a $0.4 million Note Receivable from LICT Corporation.

We are currently evaluating the following strategic options.

- Acquiring a company or business in a related or unrelated industry, including additional shares of ICTC;
- Maximizing short and long term returns on CIBL's portfolio of liquid assets through alternative investments;
- Reacquiring more of CIBL's outstanding common shares, through open market purchases or another "Dutch Auction";
- Making a cash distribution to CIBL shareholders; or
- Selling CIBL's remaining assets and liquidating the Company.

CIBL Inc.
June 2014

CIBL

The Company and Its Business

Introduction

CIBL, Inc. ("CIBL" or the "Company") primarily consists (1) cash and cash equivalents, (2) a 40% ownership in ICTC Group Inc. ("ICTC") a provider of broadband data transport and voice communications in southeastern North Dakota, (3) 10,000 shares of common stock of Solix, Inc. ("Solix"), formerly NECA Services, Inc., an outsourcing firm that provides, among other services, billing and collection services to the telecommunications industry, and (4) a promissory note due from a subsidiary of LICT Corporation. CIBL trades on the Pink Sheets under the symbol CIBY.

On March 13, 2014 CIBL completed the sale two non-controlling interests in two network affiliated broadcasting stations. Previously the Company owned 20% equity interest in Coronet Communications Inc. which operates Station WHBF-TV, a CBS network affiliate which serves the "Quad Cities" market of Rock Island and Moline, Illinois, and Davenport and Bettendorf, Iowa; and in 49% equity interest in Capital Communications Corporation which operates Station WOI-TV, an ABC network affiliate which serves the Ames/Des Moines, Iowa market. CIBL is expecting to receive total net proceeds from these sales of $21.7 million, after payment of associated debt and expenses and including the liquidation of certain net assets not part of the sale transactions. $11.5 million was received in 2013 and $9.8 million was received in March 2014. The remaining $0.4 million should be received in the remainder of 2014.

On January 8, 2014, CIBL completed modified "Dutch Auction" tender offer for its common shares in which it acquired 2,286 shares from the Dutch auction, at an investment of $1,300 per share. Including related transaction costs, this resulted in a $3.0 million investment. Under the offer, the Board authorized the purchase of up to 2,200 shares of common stock, the Board retained the right to accept additional shares tendered up to 2% of its shares outstanding, 432 additional shares. On December 18, 2012, CIBL completed a modified Dutch Auction tender offer for its common shares in which it acquired 2,460 shares, 10% of the then outstanding shares, for $860 per share, or a total of $2.1 million.

On November 21, 2012, CIBL acquired 80,000 of ICTC Group Inc. ("ICTC") Class A Common Stock from ICTC for $1.76 million or $22.00 per share. ICTC has only one class on common shares outstanding but only 5% of those share are able to be traded on the Pink Sheets under the symbol ICTG. 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 $1.8 million, or $22.25 per share. The offer commenced November 21, 2012, to purchase up to 80,000 shares but CIBL had the right to accept for purchase up to an additional 2% of the ICTC's outstanding shares. Accordingly, CIBL currently owns 161,552, or 39.9% of ICTC's total Class A Common Stock outstanding of 404,426. 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 May 9, 2012, CIBL completed the sale of two non-controlling interests in entities that provide cellular data and voice service in two rural service areas (referred to as "RSAs") in New Mexico for a gross proceeds of $31.8 million.

The Company was originally spun off by LICT Corporation ("LICT") on November 19, 2007 and consisted of Giant Communications, LLC ("Giant"), which owns and operates cable television systems in northeast Kansas, and other non-controlling investments described above. On May 20, 2010, CIBL sold Giant to LICT for $2.1 million.

Broadband and Voice Services

ICTC operates through two subsidiaries: Inter-Community Telephone Company, LLC ("Inter-Community") and Valley Communications, Inc. ("Valley"). Inter-Community is a rural local exchange carrier ("RLEC") serving communities in southeastern North Dakota providing regulated telephone service. Valley is a competitive local exchange carrier ("CLEC") that provides internet, broadband data and other non-regulated services.

RLEC Operations. The company conducts its RLEC operations through Inter-Community which serves a total of approximately 1,850 access lines, of which approximately 1,225 are residential and 625 are business lines. The Company's headquarters is located in Nome, ND and its service territory covers approximately 1,760 square miles, including the counties of Barnes, Cass, Griggs, Ransom and Steele in southeastern North Dakota. Within this area, Inter-Community has nine exchanges located in the communities of Alice, Buffalo/Wheatland, Dazey, Hannaford, Hope, Nome/Fingal, Page, Sanborn/Rogers, and Tower City. Inter-Community currently employs fourteen people. Inter-Community owns and provides its services over 1,660 miles of copper cable and 334 miles of fiber optic cable, using nine switches located throughout its service territory. In recent years, the company has targeted its capital expenditures to expanding the broadband capacities of its network by deploying more fiber optic cable and increasing its DSL capabilities. These efforts have been successful in increasing the number of its broadband customers. Inter-Community now serves approximately 880 DSL customers. .

Inter-Community offers network transport services to wholesale customers for their use in connecting end users to the interexchange networks of the wholesale customer. These network transport services include special access services, which are primarily DS-1 and DS-3 services, and high speed digital services, which are primarily Ethernet-based services provisioned over fiber and copper facilities. Inter-Community also offers network access enabling long-distance companies to utilize our local network to originate or terminate intrastate and interstate communications. Network switched access charges relate to calls involving more than one company in the provision of telephone service as well as the termination of interexchange private line services. Since toll calls and private line services are generally billed to the customer originating the call or ordering the private line service, a mechanism is required to compensate each company providing services relating to the service. This mechanism is the access charge billed to long-distance companies for the use of our facilities to access the customer. Network switched access compensation is subject to the FCC order, as described below.

Inter-Community is compensated for its intrastate costs through billing and keeping intrastate access charge revenues (there is no intrastate access revenue pool). Intrastate access revenues are based on intrastate access rates filed with the North Dakota Public Service Commission ("NDPSC").

Inter-Community generates intrastate access revenue when an intrastate long-distance call involving an interexchange carrier is originated by a customer in one of our exchanges to a customer in another exchange in the same state, or when such a call is terminated to a customer in one of our local exchanges. The company also generates intrastate access revenue when an interexchange carrier orders special access to connect interexchange private line services to its customers. The interexchange carrier pays Inter-Community an intrastate access payment for terminating or originating the call. Inter-Community bills access charges relating to such service through its carrier access billing system and receives the access charge payment from the interexchange carrier.

For interstate services, Inter-Community participates in the National Exchange Carrier Association ("NECA") common line and traffic sensitive tariffs and access revenue pools. The NECA revenue pools are intended to compensate RLECs, such as Inter-Community, for the costs of facilities utilized in originating and terminating interstate long distance services, including a reasonable rate-of-return.

Although Inter-Community bills interstate access revenue when an interstate long-distance call is originated by a customer in one of our exchanges to a customer in another state, or when such a call is terminated to a customer in one of our exchanges, those interstate access revenues are remitted to the NECA pool. The company also generates and remits interstate access revenue for the NECA pools when an interexchange carrier orders special access to connect interexchange private line services to its customers. The company bills interstate access charges in the same manner as it bills intrastate access charges; however, interstate access charges are tariffed by NECA on behalf of the NECA pools and are regulated and approved by the Federal Communications Commission ("FCC") instead of the state regulatory authority. Inter-Community remits the interstate access revenues to NECA and receives from NECA its cost-based interstate revenue requirement derived based on the FCC rules, including various cost limitations, in return.

As described below in the "Regulatory Environment" section, the Universal Service Fund ('USF") mechanisms were significantly modified in 2012, including the creation of the Connect America Funding ("CAF"). The USF mechanisms supplement the amount of local service revenue paid by end users to ensure that basic local service rates for customers in high-cost areas are consistent with rates charged in lower cost areas. The USF, including the new CAF program, are funded by monthly fees charged to end user customers as a percentage of their interstate and international revenues.

As a cost-based RLEC, the Company receives the High Cost Loop Support ("HCLS") portion of the USF revenues based on the cost of providing the local loop connections to our customers compared to the national average cost per loop. HCLS payments fluctuate based upon the Company's average cost per loop compared to the national average cost per loop ("NACPL"). For example, if the NACPL increases and the company's average cost per loop remained constant or decreased, the HCLS revenues the Company would receive, would decline. Conversely, if the national average cost per loop decreased and its operating costs (and average cost per loop) remained constant or increased, the payments it received from the HCLS would increase.

CLEC Operations. The Company conducts its broadband CLEC services, through Valley, primarily in the Valley City, ND area. Valley has approximately 1,000 customers and serves them through both wire line and unlicensed wireless facilities.

Regulatory Environment.

National Broadband Plan. On March 16, 2010, the FCC released the National Broadband Plan ("NBP") which was in response to a Congressional mandate contained in the American Recovery and Reinvestment Act of 2009 (the "ARRA"). The purpose of the NBP was not to make any immediate or actual changes in the FCC's existing regulations, but rather to lay out a plan for the FCC's regulatory approach over the coming decade. The basic thrust of the FCC's efforts, as set forth in the NBP, will be to expand the geographic availability and increase the bandwidth capacities provided to users. These efforts have overall goals of making a minimum download speed of 4 Mbps and upload speed of 1 Mbps available to every household and business in the nation, and making 100 Mbps service available to at least 100 million households in the next ten years. The policy recommendations included guiding principles to foster competition in broadband, telephone, wireless and cable services over the next decade, including recommendations related to USF reform, intercarrier compensation, cable set-top boxes and spectrum reallocation, among others.

Broadband Regulation. In November 2011, the FCC ordered significant modifications to Intercarrier Compensation ('ICC') and the USF. The FCC Order also fundamentally reforms the ICC system that governs how communications companies bill one another for handling traffic, gradually phasing down these charges. Since 2011, the FCC has issued numerous Orders on Reconsideration related to the November 2011 Order. In April 2014, the FCC again announced that it was modifying portions of the USF and ICC mechanisms which will impact rate-of-return carriers, such as Inter-Community Telephone. The details of the latest Order will need to be analyzed to determine the impact on Inter-Community. It is not possible to fully predict the impact the FCC's ICC and USF reforms will have on ICTC Group's future revenues at this time. Proposed modifications may have a negative impact on regulated revenues. ICC and USF programs generate, on a combined basis, approximately 60% of the company's revenues.

Inter-Community and Valley are subject to federal and state regulation. Operating telephone companies, like Inter-Community, are regulated by the FCC for interstate telecommunications services and by the NDPSC for intrastate telecommunications services. It is also subject to local government regulation, in some cases, such as regarding the use of local streets and rights of way. The FCC and the state commissions do not regulate all providers that come under their jurisdiction in the same way. RLECs remain more highly regulated than CLECs, like Valley, who are also providing telecommunications services. Under North Dakota law, the NDPSC does not regulate telephone companies that serve less than 8,000 access lines.

Issues being addressed by the FCC include making broadband more widely available; interconnection between different types of networks; access and interconnection pricing; internet access and special access regulation; the interrelationship between traditional circuit switched telephone services and newer services that use Internet Protocol ("IP") and other advanced technologies and standards; the treatment of Voice over IP ("VoIP");

Voice over Internet Protocol. Inter-Community has no wireline competition in its regulated RLEC footprint at the present time. Much more significantly, wireless usage and VoIP are continuing to increase. Inter-Community customers use VOIP over non-regulated DSL lines. Competition from VoIP services could have a substantial detrimental impact on future revenues and create additional uncertainty for the Company. It is not possible to predict the extent to which these complementary or substitutable services might impact the Company's revenues. Because of the rural nature of their operations and related low population densities, Inter-Community is a high cost operation which receives substantial federal and state support. However, it appears that in at least some areas, the regulatory environment for RLEC operations is becoming less supportive than has historically been the case, which may enhance the competitive impact of VoIP. The focus of the NBP on broadband Internet technology may exacerbate this trend. Moreover, VoIP usage is increasing as both a transport facility between switching centers and as a means to serve the end user's voice telephone needs. The FCC ruled that interexchange carriers must pay access on VoIP usage; however, the ICC changes effectuated with the implementation of the CAF froze the switched terminating access revenues for both the interstate and intrastate jurisdictions, including VoIP, and is phasing down those revenues five percent each year. As a transport facility, it is expected to decrease the overall cost of transport in the long run. The Company is analyzing whether VoIP could be utilized for transport in a cost effective manner.

In addition to transport, companies are increasing the use of VoIP in providing voice services to the end user. This VoIP end user traffic is typically low-priced or even free although it requires the use of a broadband service, such as DSL or cable modem. Obviously, however, if the end user purchases the broadband service from a competitor, such as a cable or wireless broadband company, the telephone company loses all revenue associated with the customer switching to VoIP. It is not possible to determine the potential lost revenue from calls that are handled by VoIP rather than the public switched network. This is very similar to revenue losses due to wireless usage where minutes of use are being removed from the Company's switching platform to the wireless carrier's switch, thus reducing the Company's access revenues.

The company will continue to monitor these matters, participate in them as it deems appropriate, and assess the potential impact on its consolidated financial position and results of operations. Action in any of these proceedings could have a material impact on the company.

Competitive Developments. In addition to the VoIP competition, competition in the telecommunications industry is increasing across the board. Competition in the Company's wireline telecommunications markets is becoming more significant in the areas closest to larger towns. Inter-Community has historically been a monopoly wireline provider in its respective area for local telephone exchange service, but the regulatory landscape is changing. It now experiences competition from long distance carriers, from cable companies and Internet service providers with respect to Internet access, from cable telephony, and from wireless carriers. Competition is resulting in a continuing loss of access lines and minutes of use, and in the conversion of retail lines to wholesale lines, which negatively affects revenues and margins from those lines. Competition also puts pressure on the prices the company is able to charge for some services, particularly for some non-residential services. The total number of competitors is difficult to estimate since many of the companies do not have a local presence, but instead compete for services via the Internet using VoIP or through wireless operations.

As a result of the 1996 Act, followed by FCC and state regulatory initiatives and judicial decisions aimed at increasing competition, certain telecommunications providers have attempted to bypass local exchange carriers to connect directly with high-volume toll customers. The company does not consider them a significant near-term competitive threat due to the limited number of high-volume customers served by Inter-Community.

Investments. The company holds minority interests (less than 50% owned) in several investments that are described below.

Dakota Carrier Network, LLC. Inter-Community has a 3.43% ownership interest in Dakota Carrier Network, LLC ("DCN"), a statewide telecommunications system comprised primarily of fiber optic facilities and owned by Inter-Community and fourteen other North Dakota RLECs. DCN provides a broad range of services to its RLEC owners and other customers, including data, voice and video transport; Signaling System 7 ("SS-7"); and data storage. DCN is a member of Indatel, a nationwide association of twenty-three statewide fiber networks owned by RLECs within each of the states involved.

Inter-Community's proportionate share of earnings was $425,297 for the year ended December 31, 2013 and $443,535 for the year ended December 31, 2012. Inter-Community's proportionate share of the book value of DCN was $1,645,569 at December 31, 2013 as compared to $1,486,392 at December 31, 2012. Inter-Community received $266,120 and $226,476 in cash distributions from DCN in 2013 and 2012, respectively.

Wireless Communications. Inter-Community owns stock in two corporations with minority interests in partnerships that provide wireless cellular telephone service in North Dakota RSA #3 and RSA #5. These RSAs cover areas with a total population of approximately 100,000 persons. These RSAs are accounted for on a cost basis. For the years ended December 31, 2013 and 2012, cash distributions received from these partnerships were $192,334 and $199,576, respectively.

Other Investment

Solix, Inc. CIBL owns 10,000 shares of common stock (or a 1.36% interest) of Solix Inc. Solix is an outsourcing firm that provides, among other things, billing and collection and other business process services to the telecommunications industry. The shares are restricted and there is no public trading market for them.

Promissory Note. At December 31, 2013, CIBL holds a $0.5 million promissory note due from a subsidiary of LICT. The note bears interest at 5%, with interest paid in kind. Management and other service fees and expenses owed by CIBL to LICT are offset against the note on a periodic basis. The note matures in ten years or earlier predicated on the occurrence of certain events. In May 2012, CIBL paid a investment banking fee to LICT of $150,000 as compensation for the efforts of LICT personnel in planning, structuring and negotiating the sale of the RSAs. The fee was paid by reducing the promissory note.

Television Broadcasting

Investments in Stations WOI-TV and WHBF-TV. CIBL owned, through its ownership of Lynch Entertainment Corporation II and Lynch Entertainment II, Inc. non-controlling interests in network affiliated broadcasting stations in Iowa and Illinois, Stations WOI-TV and WHBF-TV. On September 16, 2013, CIBL agreed to sell these interests. In the case of Station WOI-TV, CIBL sold its 50% ownership of the common shares of Capital Communications Company, Inc., the operator of Station WOI-TV. In the case of Station WHBF-TV, Coronet Communications Company (a partnership) sold the assets of Station WHBF-TV and is in the process distributing the net sale proceeds, after repayment of debt and estimated expenses and liquidation of certain other assets not part of the sale transaction, to its partners. After all the distributions are made, Coronet will ultimately liquidate. CIBL is receiving 20% of the distributions plus a 5% carried interest from the sale of Station WHBF-TV. The sale transactions closed on March 13, 2014. As a result of these transactions, CIBL is expecting to receive total net proceeds from these sales of $21.7 million, after payment of associated debt and expenses and including the liquidation of certain net assets not part of the sale transactions. $11.5 million was received in 2013 and $9.8 million was received in March 2014. The remaining $0.4 million should be received in the remainder of 2014.

The operating results of these two stations contributed (through the date of disposition, September 16, 2013) pre-tax earnings to of $40,000 and $1.2 million for the years ended December 31, 2012 and 2011, respectively. 2012 earnings contained a significant amount of political advertising. At December 31, 2012, the combined book value of CIBL's investment in these stations was a negative $0.4 million. During the years ended December 31, 2012, CIBL received a $1.0 million cash distributions from Station WOI-TV. In total, CIBL recognized pre-tax gains of $22.1 million in the year ended December 31, 2013

Wireless Communications

Investments in New Mexico RSAs #3 and #5. CIBL owned, through its ownership of Wescel Cellular, Inc. and Wescel Cellular II, Inc., non-controlling interests in two partnerships that provide wireless broadband data and voice service in RSA #3 and RSA #5 CIBL's the interest in the RSAs were sold on May 9, 2012 for a total proceeds of $32 million.

The results of these two partnerships contributed was $1.7 million (through the date of disposition) and $6.7 million to CIBL's pre-tax earnings for the years ended December 31, 2012 and 2011, respectively. At December 31, 2011, the book value of CIBL's investment in these partnerships was $7.1 million. During the years ended December 31, 2012 and 2011, CIBL received cash distributions from the partnerships, net of cash paid to non-controlling interests, from these investments was $1.2 million and $2.6 million, respectively.

Management concluded that a sale of the partnerships would be in the best interest of CIBL's shareholders and on May 8, 2012, at a Special Meeting of Shareholders, CIBL's shareholders approved the sale of the two partnerships, and the transactions were then closed on May 9, 2012 resulting in a pre-tax gain of $24.1 million.

Employees

CIBL has transitional executive managers performing day-to-day functions and an administrator located in its Reno, NV headquarters office.

Legal Proceedings

None.

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.

RESULTS OF OPERATIONS

Forward-Looking Statements and Uncertainty of Financial Projections

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, economic and competitive uncertainties and contingencies, many of which are beyond our control and many 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.

Overview

Currently, CIBL Inc. ("CIBL" or the "Company") only operating business is a 40% ownership in ICTC Group Inc. ("ICTC") a provider of broadband data transport and voice communications in southeastern North Dakota. In addition, as a result of the recent sale of certain of its investments the majority of the Company's assets are comprised of cash and cash equivalents. As discussed in more detail below, the Company is evaluating various strategic options at this time.

Several events, noted below, which have occurred over the last two years have significantly impacted the Company's Consolidated Financial Statements. As referred to below, CIBL refers to the CIBL Inc. and all of its wholly owned subsidiaries and ICTC refers to ICTC Group Inc. and all of its wholly owned subsidiaries.

- On September 16, 2013, CIBL agreed to sell its interests in two network affiliated television broadcasting stations: Station WOI-TV and Station WBHF-TV. In the case of Station WOI-TV, CIBL sold its 50% ownership of the common shares of Capital Communications Company, Inc., the operator of Station WOI-TV. In the case of Station WHBF-TV, Coronet Communications Company (a partnership) sold the assets of Station WHBF-TV and is in the process of distributing the net sale proceeds, after repayment of debt and estimated expenses and liquidation of certain other assets not part of the sale transaction, to its partners. After all the distributions are made, Coronet will ultimately liquidate. CIBL is receiving 20% of the distributions plus a 5% carried interest from the sale of Station WHBF-TV. The sale transactions closed on March 13, 2014. As a result of these transactions, CIBL is expecting to receive total net proceeds from these sales of \$21,702,000, after payment of associated debt and expenses and including the liquidation of certain net assets not part of the sale transactions. \$11,489,000 was received in 2013 and \$9,800,000 was received in March 2014. The remaining \$413,000 should be received in 2014.
- In November and December 2012, CIBL acquired an approximately 40% interest in ICTC for \$3,651,000 including related transaction costs. On April 11, 2013, as the result of a Voting Rights Agreement, CIBL attained voting control of ICTC and began consolidating ICTC's results in its Consolidated Financial Statements.

- On May 9, 2012, CIBL sold its less than 50% owned interests in its wireless broadband data and communications providers in New Mexico, RSA #3 and RSA #5, for cash proceeds, net of expenses, of $31,805,000.

The summary impact of these events on the Consolidated Financial Statements of CIBL as of and for the Years Ended December 31, 2013 and 2012 is as follows:

- From January 1, 2012 to September 16, 2013, the Company recorded its share of the operating results of Stations WOI-TV and WHBF-TV in equity in earnings of affiliated companies. On September 16, 2013, the buyer assumed operations of the two Stations, and under Time Brokerage Agreements is entitled to all of the economic benefits of owning and operating the Stations. Accordingly, the Company ceased recording its share of the Stations operating results. In addition, due to the contractual obligations of the buyer to fund the remaining purchase price even without Federal Communications Commission approval, the gain on the sale of the Stations was recorded as of September 16, 2013. Because Coronet sold assets of Station WHBF-TV, the majority of CIBL's share of this gain was recorded in equity in earnings of affiliated companies. The difference between CIBL's accounting basis in its ownership of Coronet and the expected final distributions was recorded in under the caption gain on the sale of the television broadcasters, which includes all of the gain from the sale of Capital.
- From November and December 2012, CIBL began recording its approximate 40% interest in ICTC in equity in earnings of affiliated companies. From April 11, 2013 to December 31, 2013 consolidated ICTC results into its Consolidated Financial Statements and recorded the approximately 60% of ICTC it does not own as non-controlling interest. Accordingly, the below financial data only reflects operating activity from ICTC during part the 2013 period. Please refer to the Management Discussion and Analysis of Operations located on ICTC's website, www.ictcgroup.net, for a comparative analysis of ICTC's operating results for 2013 and 2012.
- From January 1, 2012 to May 9, 2012, CIBL recorded its share of the operating results of New Mexico RSA #3 and RSA #5. As part of CIBL's this ownership of these operations was through an entity that was 51% owned by CIBL, the New Mexico operating results impacted equity in earnings of affiliated companies as well as non-controlling interests in the Company's Consolidated Statement of Income. The gain on the sale of these properties was recorded as of May 9, 2012.

2013 compared to 2012

The Company recorded $2,887,000 in consolidated revenues in 2013. $2,759,000 of these revenues were generated by ICTC, after April, 11, 2013, and the remaining were $128,000 was generated by CIBL as a result of certain contractual management fee arrangements with its television broadcasting stations, until September 16, 2013. $170,000 of such fees were recorded by CIBL in 2012.

Consolidated operating costs and expenses of $2,908,000 in 2013 consisted of $2,402,000 of costs and expenses associated ICTC, after April 11, 2013, and $506,000 of corporate office expense at CIBL, as compared to $498,000 of CIBL corporate office expenses in 2012.

Accordingly, ICTC results, from April 11, 2013, contributed $357,000 to CIBL's consolidated operating profit and CIBL incurred an operating loss of $378,000, as compared to an operating loss of $319,000 in 2012.

Equity in earnings of affiliates increased by $1,031,000, or 25.4%, to $5,089,000 in 2013 from $4,058,000 in 2012. Components of the equity in earnings in affiliates in both 2013 and 2012 are as follows:

	Year Ended December 31,		Increase
Affiliate	**2013**	**2012**	**(Decrease)**
Gain on sale of Station WHBF-TV net assets	$4,675,000	$--	$4,675,000
Operating results of Station WOI-TV and WHBF-TV until September 16, 2013	40,000	1,198,000	(1,158,000)
Dakota Carrier Network, LLC from April 11, 2013	297,000	--	297,000
ICTC from November 2012 until April 11, 2013	77,000	17,000	60,000
New Mexico RSA's until May 9, 2012	--	2,844,000	(2,844,000)
Consolidated	$5,089,000	$4,058,000	$1,031,000

The operating results of Stations WOI-TV and WHBF-TV decreased in 2013 due to the significant amount of political advertising in 2012 and the fact that 2013 represented a partial year, January 1, 2013 to September 16, 2013. ICTC owns a 3.433% partnership interest in Dakota Carrier Network LLC which provides broadband data services throughout the State of North Dakota.

Investment income was $195,000 in 2013 as compared to $60,000 in 2012. The increase primarily resulted from $140,000 in cash distributions, from April 11, 2013, from wireless broadband data and communications providers in North Dakota, RSA #2 and RSA # 5, in which ICTC has a less than 50% ownership interest.

During 2013, CIBL recorded a $16,604,000 pre-tax gain on the sale of its shares in Capital and $790,000 gain on the expected liquidation of Coronet in excess of its accounting basis. During 2012, the Company recorded a pre-tax gain of $24,057,000 from the sale of its wireless communications investments in New Mexico.

The Company's effective tax rates for 2013 and 2012 were 35.9% and 34.4%, respectively. The difference between these rates and the federal statutory rate of 35% in 2013 and 2012 is primarily due to the income attributable to non-controlling interests, which is not included in CIBL's taxable income, offset by the effect of state income taxes.

Non-controlling interests in 2013 of $324,000 represent the share if ICTC's earnings from April 11, 2013 that are attributable to the ICTC shares that are not owned by CIBL and, in 2012, the $1,196,000 represent the share of the equity in earnings of affiliates from the New Mexico RSA #3 and RSA #5 until May 9, 2012 that is not attributable to CIBL.

As a result of the above, net income attributable to CIBL decreased by $2,932,000 to $14,142,000 in 2013, from $17,074,000 in 2012.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

As of December 31, 2013, CIBL had $22,419,000 in cash and cash equivalents and ICTC had $2,499,000 in cash and cash equivalents.

CIBL's current assets of $33,542,000 exceed current liabilities, of $4,308,000, by $29,234,000. ICTC's current assets of $3,025,000 exceed current liabilities, of $561,000, by $2,465,000.

CIBL also has a $477,000 note receivable from LICT Corporation which is being used to pay a portion, $200,000 per year in 2013 and 2012, of CIBL's corporate office costs.

Debt

CIBL has no debt at the current time. The $3,500,000 guarantee of Coronet's debt, which was previously in place, was eliminated with the repayment of Coronet's debt in September 2013.

ICTC has subordinated notes of $2,072, 000 with an interest rate of 6%, payable quarterly, and a maturity of December 31, 2022. The notes may be prepaid at any time without penalty.

ICTC has a loan of $502,000 as part of the Broadband Initiatives Program. The loan is due in monthly payments of principal and interest over 23 years at an interest rate of 2.7324%. Principal payments over the next five years are as follows: 2014 -$18,000, 2015 -$19,000, 2016 - $20,000, 2017 - $21,000, and 2019 - $22,000.

Cash Proceeds from Sale

In May 2012, the Company sold its interest in both New Mexico RSA #3 and RSA #5 resulting in approximately $21,400,000 in net cash proceeds after deducting cash expenses of the sales and associated cash income tax payments.

In September 2013, the Company sold its interest is its two broadcasting stations. The net cash proceeds from the sale of Station WOI-TV, after repayment of debt, expenses associated with the sale, liquidation of remaining net assets, and associated income tax payments are expected to be $11.0 million, of which $5,427,000 was received in 2013 and $5,564,000 will be received in 2014. The net cash proceeds from the sale of Station WHBF-TV, after repayment of debt, expenses associated with the sale, liquidation of remaining net assets, and associated income tax payments are expected to be $1,001,000, of which $309,000 was paid in 2013 and $1,310,000 will be received in 2014.

Investment in ICTC Group Inc.

In November 2012, CIBL acquired 80,000 authorized but previously unissued shares of Class A Common Stock of ICTC Group, for $22 per share. 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. Including related transaction costs, this resulted in a $3,651,000 investment. During 2013, the Company purchased an additional 2,200 shares of ICTC at an average price of $22.28 per share.

Share Repurchases and Distributions

On July 16, 2013 CIBL's Board of Directors has authorized the purchase of up to 2,000 shares of common stock, of which 51 shares have been purchased through December 31, 2013. Since CIBL was

spun off by LICT Corporation, on November 19, 2007, the Company has acquired 1,075 its common stock at an average price of $867. In addition, to its repurchase programs, the Company has conducted two tender offer for its shares.
During November 2012, the Company's Board of Directors authorized a modified "Dutch Auction" tender offer to purchase up to 7,000 shares of common stock. In 2012, the Company purchased 2,861 shares at an investment of $880 per share, including 2,460 shares from the Dutch auction, at an average investment of $893 per share. Including related acquisition coats, this resulted in a $2,204,000 investment.

During December 2013, CIBL's Board of Directors authorized another modified "Dutch Auction" tender offer to purchase up to 2,200 shares of common stock. Under the offer, the Board has the right to accept additional shares tendered up to 2% of its shares outstanding, 432 additional shares. In January 2014, the Company purchased 2,286 shares from the Dutch auction, at an investment of $1,300 per share. Including related transaction costs, this resulted in a $2,997,000 investment.

The Company paid a special cash distribution to its shareholders of $1,247,000 in January 2012, or $50 per share.

Strategic Options

Adjusting CIBL's December 31, 2013 cash and cash equivalent balance for (1) the total cost of the Dutch Auction of its shares, that occurred in January 2014, of $2,997,000 (2) the remaining cash proceeds from the sale of the television broadcasters, almost all of which was received in March 2014, of $10,213,000 and (3) the estimated remaining income tax payments due throughout 2014 on the sale of the televisions broadcasting stations of $3,339,000, the Company has approximately $26,296,000 in cash and cash equivalents.

The Board of Directors is considering a number of additional options with regard to the Company, including but not limited to:

- Acquiring a company or business in a related or unrelated industry, including additional shares of ICTC;
- Maximizing short and long term returns on its portfolio of liquid assets through alternative investments;
- Reacquiring CIBL's outstanding common shares, through open market purchases or another "Dutch Auction";
- Making a cash distribution to CIBL shareholders; or
- Selling CIBL's remaining assets and liquidating the Company.

Among the factors being considered by the Board of Directors in determining the best way to serve shareholders' interests are:

- The current and future federal and state income tax effects of the various alternatives;
- The timing of the cash flow implications;
- The availability and attractiveness of potential acquisition candidates;
- The value of CIBL's remaining assets; and
- Any other factor that could help to maximize shareholder value.

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CIBL, Inc. and Subsidiaries

Financial Statements

December 31, 2013 and 2012

O'CONNOR DAVIES

PKF

Independent Auditors' Report

Board of Directors
CIBL, Inc.

We have audited the accompanying financial statements of CIBL, Inc. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2013 and 2012 and the related consolidated statements of income, changes in equity, and cash flows for years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the 2013 financial statements of ICTC Group, Inc. and Subsidiaries ("ICTC"), a 40.5% owned consolidated subsidiary, which statements include total assets of approximately $13,488,000, total revenues of approximately $2,759,000 and net income of approximately $540,000 for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to amounts included for ICTC, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of CIBL, Inc. and subsidiaries as of December 31, 2013 and 2012, and the results of their consolidated operations and their consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules on pages 21 to 23 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

O'Connor Davies, LLP

Harrison, New York
June 5, 2014

CIBL, Inc. and Subsidiaries

Consolidated Balance Sheets

(In Thousands)

	December 31, 2013	December 31, 2012
Assets		
Current Assets		
Cash and cash equivalents	$ 24,918	$ 16,676
Short-term investments	-	1,999
Accounts receivable, net of allowance of $4	296	-
Amounts due from sale of broadcasting interests	11,026	-
Deferred income taxes	65	-
Prepaid expenses	171	22
Prepaid income tax	93	-
Total Current Assets	36,569	18,697
Telecommunications, plant and equipment, net	6,797	-
Note receivable due from an affiliate	433	608
Investments in equity method affiliated entities	1,646	3,668
Other investments, at cost	346	100
Goodwill	1,772	-
	$ 47,563	$ 23,073
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued expenses	$ 1,233	$ 235
Income tax payable	27	653
Deferred income taxes	3,339	-
Other current liabilities	253	-
Current maturities of long-term debt	18	-
Total Current Liabilities	4,870	888
Long-term debt	2,555	-
Deferred income taxes	2,401	1,731
Cumulative losses in excess of investment in equity method affiliated entity	-	406
Construction deposit	65	-
Total Liabilities	9,891	3,025
Equity		
Common stock, par value $.01, 30,000 shares authorized; 25,115 issued; and 21,580 and 22,088 outstanding	-	-
Contributed capital	3,100	3,862
Retained earnings	32,958	18,816
Treasury stock, 3,535 and 3,027 shares at cost	(3,159)	(2,630)
Total CIBL, Inc.'s Stockholders' Equity	32,899	20,048
Non-controlling interest	4,773	-
Total Equity	37,672	20,048
	$ 47,563	$ 23,073

See notes to consolidated financial statements

CIBL, Inc. and Subsidiaries

Consolidated Statements of Income

(In Thousands, Except Share and Per Share Data)

	Year Ended December 31, 2013	2012
Revenue		
Management fee income	$ 128	$ 170
Telephone service revenue	2,759	-
Total Revenue	2,887	170
Costs and Expenses		
Cost of operating revenue, excluding depreciation	1,238	-
General and administrative costs of operations	388	-
Management fee	200	200
Corporate office expense at ICTC	319	-
Corporate office expense at CIBL	306	289
Depreciation	457	-
Total Operating Expenses	2,908	489
Operating Loss	(21)	(319)
Other Income (Expense)		
Investment income	195	60
Interest expense	(95)	-
Equity in earnings of affiliated entities	5,089	4,058
Gain on sale of television broadcasting interests	17,393	-
Gain on sale of New Mexico RSAs	-	24,057
Other	12	-
Total Other Income	22,594	28,175
Net Income Before Income Taxes	22,573	27,856
Income tax expense	(8,107)	(9,586)
Net Income	14,466	18,270
Non-controlling interest	(324)	(1,196)
Net Income Attributable to CIBL, Inc.'s Stockholders	$ 14,142	$ 17,074
Basic and diluted weighted average shares outstanding	21,834	24,703
Net income per share	$ 662.54	$ 739.59
Net income per share attributable to CIBL	647.71	691.17

See notes to consolidated financial statements

CIBL, Inc. and Subsidiaries

Consolidated Statements of Changes in Equity

(In Thousands, except common shares data)

	CIBL, Inc. Stockholders' Equity							
	Common Shares Outstanding	Common Stock	Contributed Capital	Retained Earnings	Treasury Shares	Total	Non-Controlling Interest	Total Equity
Balance at January 1, 2012	24,949	$ -	$ 3,862	$ 2,989	$ (105)	$ 6,746	$ 4,965	$ 11,711
2012								
Net income	-	-	-	17,074	-	17,074	1,196	18,270
Distributions	-	-	-	-	-	-	(866)	(866)
Dividends paid	-	-	-	(1,247)	-	(1,247)	-	(1,247)
Purchase of treasury stock	(2,861)	-	-	-	(2,525)	(2,525)	-	(2,525)
Sale of affiliated entities	-	-	-	-	-	-	(5,295)	(5,295)
Balance at December 31, 2012	22,088	-	3,862	18,816	(2,630)	20,048	-	20,048
2013								
Net income	-	-	-	14,142	-	14,142	324	14,466
Consolidation of ICTC Group, Inc.	-	-	(762)	-	-	(762)	4,449	3,687
Purchase of treasury stock	(508)	-	-	-	(529)	(529)	-	(529)
Balance at December 31, 2013	21,580	$ -	$ 3,100	$ 32,958	$ (3,159)	$ 32,899	$ 4,773	$ 37,672

See notes to consolidated financial statements

CIBL, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(In Thousands)

	Year Ended December 31, 2013	Year Ended December 31, 2012
Cash Flows From/(To) Operating Activities		
Net income attributable to CIBL, Inc.'s stockholders	$ 14,142	$ 17,074
Non-controlling interest	324	1,196
Net income	14,466	18,270
Adjustments to reconcile net income to net cash from operating activities		
Equity in earnings of affiliated entities	(5,089)	(4,058)
Distributions from affiliated entities	3,282	3,000
Depreciation	457	-
Deferred income taxes	1,783	(1,176)
Gain on Sale of Capital Communications Inc.	(16,604)	-
Gain on Liquidation of Coronet Communications Company	(790)	-
Gain on sale of New Mexico RSAs	-	(24,057)
Interest income (in-kind)	(25)	(36)
Management fees (in-kind)	200	200
Unrealized gain on investments	(8)	-
Changes in operating assets and liabilities		
Accounts receivable	(61)	-
Other current assets	(17)	-
Accounts payable and accrued expenses	2	171
Income tax payable/ prepaid income tax	(828)	879
Other	-	16
Net Cash from/(to) Operating Activities	(3,232)	(6,791)
Cash Flows From/(To) Investing Activities		
Capital spending	(2,793)	-
BIP grant funds received	677	-
Contributions in aid received	329	-
Change in restricted cash	615	-
Cash effect of consolidating ICTC	2,455	-
Proceeds from sale of interest in New Mexico RSAs	-	31,805
Proceeds from Sale of Capital Communications Inc.	10,443	-
Investment in Capital Communications Inc.	(1,970)	-
Acquisition of interest in ICTC Group, Inc.	(49)	(3,651)
Acquisition (disposition) of short-term investments	1,999	(1,999)
Net Cash from/(to) Investing Activities	11,706	26,155
Cash Flows To Financing Activities		
Cash distributed to non-controlling interest	-	(866)
Purchase of treasury stock	(529)	(2,525)
Advances under BIP Loan	297	-
Dividends paid	-	(1,247)
Net Cash to Financing Activities	(232)	(4,638)
Net Change in Cash and Cash Equivalents	8,242	14,726
Cash and Cash Equivalents		
Beginning of year	16,676	1,950
End of year	$ 24,918	$ 16,676
Supplemental Cash Flow Information		
Cash paid for income taxes	$ 7,288	$ 9,856
Cash paid for interest	131	-

See notes to consolidated financial statements

1. Organization

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 40.49% 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 4). 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. Accordingly, CIBL's Consolidated Balance Sheet, Statement of Income, and Statement of Cash Flows will now reflect 100% of operating activities of ICTC, from April 11, 2013, and the 59.51% 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 to reflect the Voting Rights Agreement.

In addition CIBL, has, 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 structured as a partnership or limited liability company treated as a partnership), 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 has sold its broadcasting interests in 2013.

- Broadband data transport - Dakota Carrier Network, LLC ("DCN") is a limited liability company treated as a partnership that is 3.4% owned by ICTC.

- Wireless communications - Prior to its sale in May 2012 (see Note 3), 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. In 2012, 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.

2. Summary of Significant Accounting Policies

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. In 2012, the 49% ownership interest in Wescel Cellular of New Mexico, L.P., not owned by CIBL, through the date of sale of May 9, 2012, is reflected as a non-controlling interest in the accompanying financial statements.

2. Summary of Significant Accounting Policies *(continued)*

Principles of Consolidation (continued)

In 2013, the noncontrolling interests represents the financial results of ICTC that are not owned by CIBL from April 11, 2013.

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.

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 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement date, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

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 United States Treasury Bills.

2. Summary of Significant Accounting Policies *(continued)*

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 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. The Company's only remaining equity method investment at December 31, 2013 is DCN, and their financial information is summarized in Note 6.

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 is accounted for using the cost method because the Company does not exercise significant influence over the management of Solix. The carrying value of such investment at December 31, 2013 and 2012 was $100. Solix is an outsourcing firm that provides services such as billing and collection to the telecommunications industry.

ICTC has an ownership interest in two entities that hold a interest to two partnerships that provide cellular telephone service to sections of North Dakota of 1.33% and 1.53%, respectively. The combined carrying values of these investments at December 31, 2013 was $148. During the year ended December 31, 2013, ICTC received combined distribution from these investments of $192. In 2013, $145 of these distributions are included in investment income in the Company's Consolidated Statement of Income representing the distributions received after April 11, 2013 the date the Company began consolidating the results of ICTC into its consolidated financial results.

ICTC has an ownership interest in two additional entities that are accounted for on cost method. The Company has invested $98 in the two companies.

2. Summary of Significant Accounting Policies *(continued)*

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.

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 December 31, 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.

2. Summary of Significant Accounting Policies *(continued)*

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 December 31, 2013 and 2012 cash equivalents and short-term investments include $24,315 and $18,675 of money market mutual funds valued using Level 1 inputs

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 December 31, 2013.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and 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 of being 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, 2010.

2. Summary of Significant Accounting Policies *(continued)*

Revenue Recognition

Telephone service revenue is primarily derived from regulated local, intrastate and interstate access services and recognized as services are provided.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 5, 2014.

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

On May 9, 2012, CIBL sold its interest in its telecommunications properties, both New Mexico RSA #3 and RSA #5 to Verizon Wireless for net proceeds of $31,655, resulting in a pre-tax gain of $24,057. The net proceeds and the pre-tax gain include $150 in fees paid to LICT for services incurred in connection with the sale. These fees were not paid for in cash but deducted from CIBL's promissory note from LICT (see Note 8).

4. Acquisition of Interest in ICTC Group, Inc.

On November 21, 2012, CIBL acquired 80,000 authorized, but previously unissued shares of Class A Common Stock of ICTC Group, Inc. for $22 per share. 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 and legal costs. ICTC is a telecommunications company providing regulated telephone service, internet and other non-regulated services in southeastern North Dakota. CIBL owned approximately 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 April 11, 2013, the Company acquired an additional 2,200 shares of ICTC at $22.28 per share.

(In Thousands)

4. Acquisition of Interest in ICTC Group, Inc. (continued)

On April 11, 2013 the balance sheet of ICTC that was consolidated by CIBL was:

ASSETS		
Cash	$	2,455
Other current assets		366
Telecommunications, plant and equipment, net		5,805
Equity method investments		1,601
Restricted cash		615
Other investments		236
Goodwill		1,772
Total assets	$	12,850
LIABILITIES		
Other current liabilities	$	595
Long term debt		2,686
Deferred income taxes		2,161
Total liabilities		5,442
Net assets acquired		7,408
Less non-controlling interest		4,449
Net assets applicable to CIBL		2,959
Less carrying amount of equity investment		(3,721)
Amount reflected as a charge to capital	$	(762)

5. Sale of Broadcasting Interests

Capital Communications, Inc.

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 are to be converted to Common Shares prior to the closing of the transaction, giving LENCO II a 50% ownership in Capital.

5. Sale of Broadcasting Interests (continued)

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 are being liquidated and distributed to the previous shareholders of Capital, including LENCO II. In March 2014, $1,055 was received as a result of this liquidation and an additional $413 is expected to be received during the remainder of 2014. These amounts are included in receivables 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 for the year ended December 31, 2013. The pre-tax gain was $16,604, net of sale expenses of $870.

The equity in earnings of Capital recognized by CIBL during 2013 and 2012 was $53 and $792.

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 to its 20% ownership, LENCO is to receive 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 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.

5. Sale of Broadcasting Interests (*continued*)

Coronet Communications Company (continued)

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 on 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 2014, $1,232 was received as a result of this liquidation, which include LENCO's 5% share of the Capital Proceeds. This amount is included in receivables 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 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 include 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.

The equity in earnings of Coronet recognized by CIBL during 2013 and 2012 was $4,661 and $406.

Disputed Amount

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

(In Thousands)

6. Equity Method Investment in DCN

Summarized financial information for the investment in DCN as of and for the years ended December 31 is as follows:

	2013	2012
Current assets	$ 5,119	$ 4,302
Property, plant and equipment, net	42,770	39,058
Other assets	1,284	1,309
Total Assets	$ 49,173	$ 44,669
Current Liabilities	$ 1,237	$ 1,370
Equity	47,936	43,299
Total Liabilities and Equity	$ 49,173	$ 44,669
Revenues	$ 45,605	$ 44,491
Expenses	33,217	31,571
Net Income	12,389	12,920

ICTC recognized equity earnings from DCN of $425 during the year ended December 31, 2013. $297 of this earnings have been recognized as equity in earnings of affiliates in the accompanying consolidated statement of income representing the earnings since the consolidation of ICTC into CIBL's consolidated financial results. ICTC received distributions from Dakota Carrier Network, LLC of $266 during the year ended December 31, 2013. ICTC also leases capacity of certain telecommunications plant on a short term basis to customers through DCN. DCN paid ICTC approximately $446 for the use of ICTC's network during the year ended December 31, 2013.

7. Telecommunications, Plant and Equipment

At December 31, 2013, the telecommunications, plants and equipment account at ICTC consisted on the following:

	Plant	Depreciation Rate
Land and support assets	$ 2,230	2.9%-20.0%
Central office switching equipment	5,649	6.67%-20.0%
Cable and wire facilities	13,994	3.9%-6.67%
Internet equipment	319	15.0%
Total in service	22,192	
Under construction	1,190	
	23,382	
Accumulated depreciation	16,585	
	$ 6,797	

(In Thousands)

8. Note Receivable

The Company has a promissory note due from Lynch Paging Corporation, a subsidiary of LICT, with an original amount of $1,500. The note was obtained in connection with the 2007 spin off of the Company from LICT. The note bears interest at 5% with interest to be paid in-kind. The note will mature in ten years or earlier predicated on the occurrence of certain events. Subsequent to the spin-off, management and other service fees and expenses owed by CIBL to LICT are offset against the note on a periodic basis. As of December 31, 2013 and 2012, there was $433 and $608 outstanding on the note receivable and during the years ended December 31, 2013 and 2012, $200 and $350 was offset against the note by LICT (see Note 15). In-kind interest accrued on the note was $25 and $36 in 2013 and 2012, respectively.

9. Long-Term Debt

At December 31, 2013, ICTC's long-term debt consisted of:

RUS Broadband Loan	$	501
Subordinated notes		2,072
		2,573
Less current maturities		(18)
	$	2,555

ICTC has subordinated notes with former shareholders of Inter-Community for $2,072 as of December 31, 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.

ICTC received an advance of $501 on the Broadband Initiatives Program ("BIP") Loan (see Note 10). The loan is due in monthly payments of principal and interest over 23 years at an interest rate of 2.73%. The loan/grant agreement also includes certain financial and other covenant requirements.

It is estimated that principal repayments on ICTC's debt is as follows:

Years Ended December 31,		
2014	$	18
2015		19
2016		20
2017		21
2018		22
Thereafter		2,473
	$	2,573

(In Thousands)

10. Broadband Initiatives Program

ICTC was awarded a stimulus loan and grant pursuant to the American Recovery and Reinvestment Act of 2009 to finance the construction of a broadband infrastructure project in rural areas. The $2,339 project 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 Initiative Program administered by RUS, of $1,625 Construction costs related to the project through December 31, 2013 were $2,088. ICTC has received $502 in advances on the broadband loan and $1,144 in grant funds relating to the project in 2013. Unadvanced funds available on the broadband loan were $211 as of December 31, 2013. ICTC has incurred $307 of costs that are expected to be reimbursed under the RUS BIP program. The costs have been recorded in Telecommunications, plant and equipment.

11. Treasury Stock

On July 16, 2013, CIBL's Board of Directors has authorized the purchase of up to 2,000 shares of common stock, of which 51 shares have been purchase through December 31, 2013. Since CIBL was spun off by LICT Corporation, on November 19, 2007, the Company has acquired 1,075 shares of its common stock, 508 in 2013, at an average price of $867. In addition, to its repurchase programs, the Company has conducted two tender offer for its shares.

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.

During December 2013, CIBL's Board of Directors authorized another modified "Dutch Auction" tender offer to purchase up to 2,200 shares of common stock. Under the offer, the Board has the right to accept additional shares tendered up to 2% of its shares outstanding, 432 additional shares. In January 2014, the Company purchased 2,286 shares from the Dutch auction, at an investment of $1,300 per share.

12. Provision for Income Taxes

The provision for income taxes for the years ended December 31, is summarized as follows:

	2013	2012
Current tax provision		
Federal	$ 5,681	$ 10,061
State	643	701
	6,324	10,762
Deferred tax provision (benefit)		
Federal	1,987	(1,540)
State	$ 204	$ 364
	1,783	1,176
	$ 8,107	$ 9,586

(In Thousands)

12. Provision for Income Taxes *(continued)*

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, at December 31, 2013 and 2012 consisted of:

	2013	2012
Current assets		
Vacation and compensated absences	$ 64	$ -
Other	1	-
Total current assets	65	-
Current liabilities		
Installment gain on Capital	(2,619)	-
Installment gain on Coronet	(720)	-
Total current liabilities	(3,339)	-
Long -term liabilities		
Telecommunications plant depreciation	(1,346)	-
Federal and State NOL's	1,483	-
Goodwill and intangibles	(739)	-
Equity method investments	(200)	(1,731)
Consolidated subsidiaries	(116)	-
	(918)	(1,731)
Valuation allowance	(1,483)	-
Net long-term liability	(2,401)	(1,731)
Net liability	$ (5,675)	$ (1,731)

13. Pension and Retirement Plans

Pension Plan

ICTC has a contributory defined benefit pension plan covering substantially all of its employees. The National Telephone Cooperative Association (NTCA) Retirement Security Plan (R&S Plan) is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is a multiple employer plan under the accounting standards. The plan sponsor's Employer Identification Number is 52-0741336 and the Plan Number is 333.

13. Pension and Retirement Plans *(continued)*

Pension Plan (continued)

A unique characteristic of a multiple employer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers. The Company's contributions to the RS Plan in 2013 represented less than 5% of the total contributions made to the plan by all participating employers. The Company made contributions to the plan of approximately $76 in 2013. The change in contributions is the result of the Company reducing its contribution rate into the plan from 11.6% to 5.6% effective April 1, 2012. The 2013 contributions above include surcharges of approximately $20.

In the R&S Plan, a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. The Program meets ERISA minimum funding requirements. The Funding Target Attainment Percentage valued as of January 1, 2012 is 88.59%. Section 104 of PPA delays the effective date of funding rules for certain multiple employer rural cooperative plans. As such, the Program will not be subject to the PPA funding rules until after December 31, 2016.

Because the provisions of the PPA do not apply to the R&S Plan, funding improvement plans and surcharges are not required. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

The risks of participating in multiple employer plans are different from single-employer plans in the following aspects: (a) assets contributed to a multiple employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the multiple employer plan, the unfunded obligations of the plan may be borne by the remaining participating employers and (c) if ICTC chooses to stop participating in the plan, the ICTC may be required to pay a withdraw liability based on the underfunded status of the plan. The Participants retirement is also guaranteed up to a certain annual monthly income for life by the Pension Benefit Guaranteed Corporation.

Retirement Plans

ICTC has a profit sharing plan which covers all of its employees. There were no contributions into this plan during the years ended December 31, 2013 and 2012, respectively. ICTC also participates in the National Telephone Cooperative Association (NTCA) 401(k) plan. Prior to April 1, 2012, ICTC contributed 1% of employees' eligible salaries, based upon participation. Effective April 1, 2012, ICTC approved an adoption agreement to the plan to increase the ICTC's contribution percentages to 6% of employees' eligible salaries. ICTC's total cost of this plan for the year ended December 31, 2013 was approximately $55.

14. Concentration of Risk

Business 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.

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.

15. Related Party Transactions (Not Disclosed Elsewhere)

Management fee income aggregating $128 and $170 in 2013 and 2012 was received from Capital and Coronet.

LICT provides administrative and management services to CIBL based on a temporary management service agreement. As compensation for these services, LICT receives a fee of $200 per year. Effective January 1, 2014, the fee becomes $300 per year. In 2012, an additional fee of $150 was paid to LICT for additional management services due to the sale of the New Mexico RSAs.

At December 31, 2013 and 2012, cash and short-term investments of $24,315 and $16,676, respectively is invested in United States Treasury money market funds for which affiliates of one of the Company's Directors serve as investment managers.

16. Subsequent Event

In January 2014, the Company purchased 2,286 shares from the Dutch auction, at an investment of $1,300 per share, see Note 11.

In March 2014, the sale of the Company's interests in two network affiliated broadcasting stations was completed and the Company received $10,102 prior to any associated income tax payments, see Note 5.

* * * * *

CIBL, Inc. and Subsidiaries

Supplementary Information

December 31, 2013

CIBL, Inc. and Subsidiaries

Consolidating Balance Sheets
December 31, 2013

(In Thousands)

	CIBL Consolidated, Excluding ICTC Group, Inc.	ICTC Group Inc. Consolidated	Elimination	Consolidated
Assets				
Current Assets				
Cash and cash equivalents	$ 22,419	$ 2,499	$ -	$ 24,918
Accounts receivable, net of allowance of $4	-	296	-	296
Amounts due from sale of broadcasting interests	11,026	-	-	11,026
Deferred income taxes	-	65	-	65
Prepaid expenses	23	148	-	171
Prepaid income tax	74	19	-	93
Total Current Assets	33,542	3,027	-	36,569
Telecommunications, plant and equipment, net	-	6,797	-	6,797
Note receivable due from an affiliate	433	-	-	433
Investments in equity method affiliated entities	4,010	1,646	(4,010)	1,646
Other investments, at cost	100	246	-	346
Goodwill	-	1,772	-	1,772
	$ 38,085	$ 13,488	$ (4,010)	$ 47,563
Liabilities and Equity				
Current Liabilities				
Accounts payable and accrued expenses	$ 942	$ 291	$ -	$ 1,233
Income tax payable	27	-	-	27
Deferred income taxes	3,339	-	-	3,339
Other current liabilities	-	253	-	253
Current maturities of long-term debt	-	18	-	18
Total Current Liabilities	4,308	562	-	4,870
Long-term debt	-	2,555	-	2,555
Deferred income taxes	116	2,285		2,401
Cumulative losses in excess of investment in equity method affiliated entity	-	-	-	-
Construction deposit	-	65	-	65
Total Liabilities	4,424	5,467	-	9,891
Equity				
Common stock, par value $.01, 30,000 shares authorized; 25,115 issued; and 21,580 and 22,088 outstanding	-	-	-	-
Contributed capital	3,862	1,760	(2,522)	3,100
Retained earnings	32,958	6,261	(6,261)	32,958
Treasury stock, 3,535 and 3,027 shares at cost	(3,159)	-	-	(3,159)
Total CIBL, Inc.'s Stockholders' Equity	33,661	8,021	(8,783)	32,899
Non-controlling interest	-	-	4,773	4,773
Total Equity	33,661	8,021	(4,010)	37,672
	$ 38,085	$ 13,488	$ (4,010)	$ 47,563

See independent auditors' report

CIBL, Inc. and Subsidiaries

Consolidating Statements of Income
December 31, 2013
(In Thousands, Except Share and Per Share Data)

	CIBL Consolidated, Excluding ICTC Group, Inc.	ICTC Group Inc. Consolidated	Elimination	Consolidated
Revenue				
Management fee income	$ 128	$ -	$ -	$ 128
Telephone service revenue	-	2,759	-	2,759
Total Revenue	128	2,759		2,887
Costs and Expenses				
Cost of operating revenue, excluding depreciation	-	1,238	-	1,238
General and administrative costs of operations	-	388	-	388
Management fee	200	-	-	200
Corporate office expense at ICTC	-	319	-	319
Corporate office expense at CIBL	306	-	-	306
Depreciation	-	457	-	457
Total Operating Expenses	506	2,402	-	2,908
Operating Loss	(378)	357	-	(21)
Other Income (Expense)				
Investment income	44	151	-	195
Interest expense	-	(95)	-	(95)
Equity in earnings of affiliated entities	5,008	297	(216)	5,089
Gain on sale of television broadcasting interests	17,393	-	-	17,393
Other	-	12	-	12
Total Other Income	22,445	365	(216)	22,594
Net Income Before Income Taxes	22,067	722	(216)	22,573
Income tax expense	(7,925)	(182)	-	(8,107)
Net Income	14,142	540	(216)	14,466
Non-controlling interest	-	-	(324)	(324)
Net Income Attributable to CIBL, Inc.'s Stockholders	$ 14,142	$ 540	$ (540)	$ 14,142

See independent auditors' report

CIBL, Inc. and Subsidiaries

Consolidating Statements of Cash Flows
December 31, 2013

(In Thousands)

	CIBL Consolidated, Excluding ICTC Group, Inc.	ICTC Group Inc. Consolidated	Elimination	Consolidated
Cash Flows From/(To) Operating Activities				
Net income attributable to CIBL, Inc.'s stockholders	$ 14,142	$ 540	$ (540)	$ 14,142
Non-controlling interest	-	-	324	324
Net income	14,142	540	(216)	14,466
Adjustments to reconcile net income to net cash from operating activities				
Equity in earnings of affiliated entities	(5,008)	(297)	216	(5,089)
Distributions from affiliated entities	3,016	266	-	3,282
Depreciation	-	457	-	457
Deferred income taxes	1,723	60	-	1,783
Gain on Sale of Capital Communications Inc.	(16,604)	-	-	(16,604)
Gain on Liquidation of Coronet Communications Company	(790)	-	-	(790)
Interest income (in-kind)	(25)	-	-	(25)
Management fees (in-kind)	200	-	-	200
Unrealized gain on investments	-	(8)	-	(8)
Changes in operating assets and liabilities				
Accounts receivable	-	(61)	-	(61)
Other current assets	(1)	(16)	-	(17)
Accounts payable and accrued expenses	(105)	107	-	2
Income tax payable/ prepaid income tax	(699)	(129)	-	(828)
Net Cash from/(to) Operating Activities	(4,151)	919		(3,232)
Cash Flows From/(To) Investing Activities				
Capital spending	-	(2,793)	-	(2,793)
BIP grant funds received	-	677	-	677
Contributions in aid received	-	329	-	329
Change in restricted cash	-	615	-	615
Cash effect of consolidating ICTC	-	-	2,455	2,455
Proceeds from Sale of Capital Communications Inc.	10,443	-	-	10,443
Investment in Capital Communications Inc.	(1,970)	-	-	(1,970)
Acquisition of interest in ICTC Group, Inc.	(49)	-	-	(49)
Acquisition (disposition) of short-term investments	1,999	-	-	1,999
Net Cash from/(to) Investing Activities	10,423	(1,172)	2,455	11,706
Cash Flows To Financing Activities				
Purchase of treasury stock	(529)	-	-	(529)
Advances under BIP Loan	-	297	-	297
Net Cash to Financing Activities	(529)	297		(232)
Net Change in Cash and Cash Equivalents	5,743	44	2,455	8,242
Cash and Cash Equivalents				
Beginning of year	16,676	2,455	(2,455)	16,676
End of year	$ 22,419	$ 2,499	$ -	$ 24,918
Supplemental Cash Flow Information				
Cash paid for income taxes	$ 6,902	$ 386	$ -	$ 7,288
Cash paid for interest	-	131	-	131

See independent auditors' report