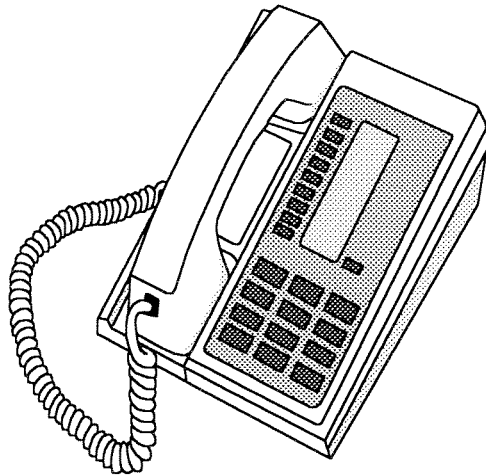


YEAR 1998

ANNUAL REPORT  
OF

**Clark Fork  
Telecommunications, Inc**  
TELEPHONE UTILITY

**RECEIVED**  
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TO THE  
PUBLIC SERVICE COMMISSION  
STATE OF MONTANA  
1701 PROSPECT AVENUE  
P.O. BOX 202601  
HELENA, MT 59620-2601

Check No. 08417  
Clark Fork Telecommunications

# Telephone Annual Report

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# Telephone Annual Report

## Instructions

### General

1. A Microsoft EXCEL 97 workbook of the annual report is being provided on computer disk for your convenience. The workbook contains the schedules of the annual report. Each schedule is on the worksheet named that schedule. For example, Schedule 1 is on the sheet titled "Schedule 1". By entering your company name in the cell named "Company" of the first worksheet, the spreadsheet will put your company name on all the worksheets in the workbook. The same is true for inputting the year of the report in the cell named "YEAR". You can "GOTO" the proper cell by using the F5 key and selecting the name of the cell.
2. The workbook contains input sections that are unprotected, and non-input sections that are protected. Cell protection can be disabled or enabled through "TOOLS – PROTECTION – UNPROTECT SHEET" on your toolbar. Formulas and checks are built into most of the templates.
3. Use of the disk is optional. The disk and the report cover shall be returned when the report is filed. There are macros built into the workbook to assist you with the report. An explanation of the macros is on the "Control" worksheet at the front of the workbook. The explanations start at cell A1.
4. All forms must be filled out in permanent ink and be legible. Note: Even if the computer disk is used, a printed version of the report shall be filed. The orientation and margins are set up on each individual worksheet and should print on one page. If you elect not to use the disk, please format your reports to fit on one 8.5" by 11" page with the left binding edge (top if landscaped) set at .85", the right edge (bottom if landscaped) set at .4", and the remaining two margins at .5". You may select specific schedules to print – See the worksheet "CONTROL".
5. Unless otherwise indicated, all information required in these schedules shall be from the accounts prescribed in 47 C.F.R. Part 32 and the definitions and instructions therein will apply to this report wherever applicable.
6. Information on financial schedules may be rounded to thousands of dollars for companies with over 5,000 access lines. Companies submitting schedules rounded to thousands should so indicate at the top of the schedule.
7. Where more space is needed or more than one schedule is needed additional schedules may be attached and should be included directly behind the original schedule to which it pertains and be labeled accordingly (for example, Schedule 1A).
8. The information required with respect to any statement shall be furnished as a minimum requirement to which shall be added such further information as is necessary to make the required schedules not misleading.

9. The following schedules should be filled out with information on a total company basis:

Schedules 1 - 4  
Schedule 10  
Schedules 13 - 17  
Schedule 19  
Schedule 20, Page 1 of 2  
Schedules 33 and 34

All other schedules should be filled out with Montana specific data. Financial schedules should include all amounts originating in Montana or allocated to Montana from other jurisdictions.

10. All companies owned by another company shall attach a corporate structure chart of the holding company.
11. The following schedules are not required to be filled out or submitted by companies with less than 5,000 access lines:
- Schedule 6  
Schedules 17 and 18  
Schedule 21
12. Schedules that have no activity during the year or are not applicable to the respondent should be marked as not applicable and submitted with the report.
13. Companies with under 5,000 lines may use summary accounts and should leave lines for subaccounts blank. Summary accounts are noted with an asterisk and subaccounts that are not required are noted with a caret.
14. Companies with over 5,000 lines must complete schedules to all required subaccount detail.
15. FCC Form M sheets may not be substituted in lieu of completing annual report schedules.
16. Common sense must be used when filling out all schedules.

### Specific Instructions

#### Schedules 3 through 9

1. **Schedules 3, 4, and 9** should include all notes to the financial statements required by the FCC or included in the financial statements issued as audited financial statements. These notes should be included in the report directly behind the schedules and should be labeled appropriately (Schedule 3A, etc.).
2. **Schedule 5** may be omitted for companies doing business only in Montana.
3. **Schedule 6** is not required for companies with under 5,000 lines.

4. **Schedule 7** must be completed by all companies. For companies under 5,000 lines, this schedule may be completed on a total state basis. Any such company completing the form on a total state basis shall indicate this fact clearly on the form.
5. **Schedule 8** - Companies with less than 5,000 lines are not required to fill out the intrastate portion. The regulated rate base must be separated from the deregulated rate base but this may be done on a total state basis. Any company so doing shall clearly indicate this on the form.
6. Only accounts designated on **Schedule 8** may be included in rate base. Only companies who have specifically been authorized in a Commission order to include cash working capital in rate base may fill out line 8 on Schedule 8. Cash working capital must be calculated using the methodology approved in the Commission order. The most recent Commission Order, and Docket, specifying cash working capital shall be noted on the schedule.
7. **Schedule 9** - Instructions to complete are similar to those used for the Statement of Cash Flows in the FCC Form M.

#### **Schedule 10**

1. For the purpose of this schedule, nonofficial companies shall include any company in which the respondent has an ownership interest which does not meet the definition of an affiliated company set out in 47 C.F.R. Section 32.9000. This schedule shall not include telecommunications accounts receivable from other customers.

#### **Schedule 11**

1. All amounts listed in Column f that represent individual items for which the higher of cost or market value was in excess of \$50,000 for companies with under 5,000 lines and in excess of \$100,000 for companies with over 5,000 lines must be fully explained in notes to this schedule. The explanation must include the plant description and location, the original cost, the net book cost, the market value, the value at which it was transferred or the price at which it was sold, and the party to which it was transferred or sold.

#### **Schedule 12**

1. Respondents shall list each item amounting individually to \$100,000 or more and report all others in the aggregate.
2. Amounts in Column f relating to individual items exceeding \$50,000 shall be fully explained.

#### **Schedule 15**

1. Line 1 must be completed by all companies for the most recent calendar year. The retention and price/earnings ratios shall be calculated on a year end basis. Enter the actual year end market price in the "Year Ended" row. If the computer disk is used, enter the year end market price in the "High" column.
2. Lines starting at 9 shall be completed for each of the twelve months of the report year for all companies with over 5,000 access lines. Earnings per share and dividends per share shall be reported on a quarterly basis and entries shall be made only to the months that end the respective quarters (for example, March, June, September, and December.)

**Schedule 19**

1. All companies are required to submit this form. Companies with more than one plan (for example, both a retirement plan and a deferred savings plan) shall complete a schedule for each plan.
2. Companies with defined benefit plans must complete the entire form using FASB 87 and 132 guidelines.
3. Interest rate percentages shall be listed to two decimal places.

**Schedule 20**

1. All changes to the employee benefit plans shall be explained in a narrative on lines 15 and 16. All cost containment measures implemented in the reporting year shall be explained and quantified in a narrative on lines 15 & 16. All assumptions used in quantifying cost containment results shall be disclosed.
2. The schedule shall be filled out using FASB 106 and 132 guidelines.

**Schedule 21**

1. Respondents shall disclose all payments made during the year where the aggregate payment to the recipient was \$25,000 or more. Payments must include fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payment for services or as a donation.

**Schedule 23**

1. Respondents shall provide an attached sheet detailing the type and corresponding number of access lines for all entries in Column L (Other).

**Schedule 24**

1. Column (b). For each wire center that has a configuration of "Remote", Column (b) shall also reflect the respective "Host".
2. Column (c). Examples of Types of Switches are: Digital, Step by Step, and Crossbar.

**Schedule 25**

1. This schedule must be completed by all companies for the year following the reporting year.

**Schedule 26**

1. Respondents shall either report construction technicians and splicers as separate categories or footnote the appropriate categories and indicate the number of (1) construction technicians; and (2) splicers.

### **Schedule 27**

1. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
2. The above compensation items shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule to which it pertains.
3. If respondent is claiming protected status of salary information both a proprietary and non-proprietary copy of this schedule shall be filed. On the non-proprietary copy respondent shall indicate which columns respondent maintains are proprietary. A note stating that such information is being provided separately shall be included on the schedule. In no case shall either Column (a) - Name/Position, or Column (g) - Percent Increase Total Compensation, be considered proprietary. Respondent shall provide all requested information on the proprietary copy.

### **Schedule 28**

1. Respondents shall provide all executive compensation information in conformance with that required by the Securities and Exchange Commission (SEC) (Regulation S-K Item 402, Executive Compensation).
2. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
3. All items included in Column (d) - Other Compensation shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule.
4. In addition, respondents shall attach a copy of the executive compensation information provided to the SEC.

### **Schedule 29**

1. Information from this schedule is consolidated with information from other Utilities and reported to the National Association of Regulatory Utility Commissioners (NARUC). Your assistance in completing this schedule, even though information may be located in other areas of the annual report, expedites reporting to the NARUC and is appreciated.



**Schedules 33 and 34**

1. Respondents shall report all transactions with affiliated companies.
2. Column (c). Respondents shall indicate in column (c) the method used to determine the price. Respondents shall indicate if a contract is in place between the Affiliate and the Utility. If a contract is in place, respondents shall indicate the year the contract was initiated, the term of the contract and the method used to determine the contract price.
3. Column (c). If the method used to determine the price is different than the previous year, respondents shall provide an explanation, including the reason for the change.

**Schedule 35**

1. Respondents shall provide an attached sheet detailing the account and the amount for all entries made to Lines 9 and 16.
2. Only companies who have specifically been authorized in a Commission Order to include cash working capital in rate base may include cash working capital in lines 9 or 16. Cash working capital must be calculated using the methodology approved in the Commission Order. The Commission Order specifying cash working capital shall be noted on the attached sheet.
3. Respondents shall indicate, for each adjustment on lines 30 through 42, if the amount is updated or if it is from the last rate case. All adjustments shall be calculated using Commission methodology.

**Schedule 36**

1. Respondents shall list the amount of tax accrued or paid for the fiscal year attributable to Montana sources for each of the listed taxes

**Schedule 37**

1. Respondents shall list the amount of Universal Service Funds received from Montana and from the federal government.

**General Information**

Year: 1998

1.	Legal Name of Respondent:	Clark Fork Telecommunications, Inc.
2.	Name Under Which Respondent Does Business:	Clark Fork Telecommunications, Inc.
3.	Date of Incorporation:	May 11, 1993
4.	Address to send Correspondence Concerning Report:	1221 North Russell, Missoula MT 59808
5.	Person Responsible for This Report:	David P. Dickman - Controller
5a.	Telephone Number:	(406) 541-5228
<b>Control Over Respondent</b>		
1.	If direct control over the respondent was held by another entity at the end of year provide the following:	
1a.	Name and address of the controlling organization or person: BTC Holdings, Inc 1221 North Russell, Missoula MT 59802	
1b.	Means by which control was held:	Stock Ownership
1c.	Percent Ownership:	100%

<b>Board of Directors</b>		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
	James Couture, 981 N. Couture Loop, Arlee, MT 59821	5,700
2	Geoffrey Wilson, 250 Southside Road, Superior, MT 59872	7,883
3	William Nelson, P. O. Box 348, Greenough, MT 59836	4,400
4	Tom Eggersperger, P. O. Box 219, Thompson Falls, MT 59873	7,455
5	Ross Friede, 5638 Hwy 1, Hall, MT 59837	8,004
6	Joe Nagy, P. O. Box 482, Seeley Lake, MT 59868	4,700
7	William Teague, P. O. Box 118, Clinton, MT 59825	4,400
8		
9		
10		
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16		
17		
18	<b>Chairman of the Board:</b> Geoff Wilson - address and fee information above	
19		
20		

**Officers**

Year: 1998

Line No.	Title of Officer (a)	Department Over Which Jurisdiction is Exercised (b)	Name and Address of Person Holding Office at Year End (c)
1	President	None	Geoff Wilson, 250 Southside Rd, Superior MT
2			
3			
4	Vice President	None	Ross Friede, 5638 Hwy 1, Hall MT
5			
6			
7	Secretary/Treasurer	None	James Couture, 981 N. Couture Loop, Arlee MT
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## Total Company Balance Sheet

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	4,068,570	1,004,476
3	1180	Telecommunications Accounts Receivable - Net	531,389	547,182
4	1190	Other Accounts Receivable - Net	884,660	913,351
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies		
8	* 1280	Prepayments		
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments		
14	1350	Other Current Assets		6,543
15		<b>Total Current Assets</b>	5,484,619	2,471,552
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies		
18	1402	Investments in Nonaffiliated Companies	1,165,642	1,073,523
19	1406	Nonregulated Investments		
20	1407	Unamortized Debt Issuance Expense		
21	1408	Sinking Funds		
22	1410	Other Noncurrent Assets	3,348	3,169
23	1438	Deferred Maintenance and Retirements		
24	1439	Deferred Charges		
25	1500	Other Jurisdictional Assets - Net		
26		<b>Total Noncurrent Assets</b>	1,168,990	1,076,692
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	31,931,327	29,946,272
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	1,810,712	2,415,279
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment	8,740,435	8,740,435
33	2006	Nonoperating Plant		
34	2690	Organizational Costs	13,086	13,086
35	3100	Accumulated Depreciation	(11,402,375)	(10,169,992)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3500	Accumulated Amortization - Organizational Costs	(12,323)	(9,705)
38	3400	Accumulated Amortization	(1,056,318)	(836,059)
39		<b>Net Property, Plant, &amp; Equipment</b>	30,024,544	30,099,316
40		<b>TOTAL ASSETS</b>	36,678,153	33,647,560

^ Subaccount of account marked with a \*.

## Total Company Balance Sheet

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	360,444	208,818
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	183,853	175,944
45	4040	Customer Deposits	90,670	74,865
46	4050	Current Maturities - Long Term Debt	1,195,304	1,045,496
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued	570,672	582,222
50	4100	Net Current Deferred Operating Income Taxes	357,481	
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	193,076	205,552
53	4130	Other Current Liabilities		66,234
54		<b>Total Current Liabilities</b>	<b>2,951,500</b>	<b>2,359,131</b>
55		<b>LONG-TERM DEBT:</b>		
56	4210	Funded Debt	27,487,933	26,365,075
57	4220	Premium on Long-Term Debt		
58	4230	Discount on Long-Term Debt		
59	4240	Reacquired Debt		
60	4250	Obligations Under Capital leases		
61	4260	Advances From Affiliated Companies		
62	4270	Other Long-Term Debt		
63		<b>Total Long-Term Debt</b>	<b>27,487,933</b>	<b>26,365,075</b>
64		<b>OTHER LIABILITIES AND DEFERRED CREDITS:</b>		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net		
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes		
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits		
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		<b>Total Other Liabilities and Deferred Credits</b>		
73		<b>STOCKHOLDERS' EQUITY:</b>		
74	4510	Capital Stock	4,700,000	4,700,000
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock		
77	4540	Other Capital		
78	4550	Retained Earnings	1,538,720	223,354
79		<b>Total Stockholders' Equity</b>	<b>6,238,720</b>	<b>4,923,354</b>
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	<b>36,678,153</b>	<b>33,647,560</b>

## Total Company Income Statement

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	2,336,539	2,100,286
3	5080	Network Access Revenues	8,378,942	6,240,676
4	* 5100	Long Distance Message Revenue	107,585	321,707
5	^ 5110	Unidirectional Long Distance Revenue		222,299
6	^ 5120	Long Distance Private Network Revenue	96,202	83,315
7	^ 5160	Other Long Distance Revenue	11,383	15,773
8	^ 5169	Other Long Distance Revenue Settlements		320
9	* 5200	Miscellaneous Revenue	500,325	484,568
10	^ 5230	Directory Revenue	(3,626)	(3,869)
11	^ 5240	Rent Revenue		
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	41,473	40,525
14	^ 5270	Carrier Billing and Collection Revenue	354,027	346,011
15	^ 5280	Nonregulated Revenue	108,451	101,901
16	5300	Uncollectible Revenue	5,293	8,874
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	11,318,098	9,138,363
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	235,211	185,839
21	6210	Central Office Switching Expense	698,540	276,451
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	158,922	110,552
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	895,412	899,741
26	^ 6431	Aerial Wire Expense	895,412	899,741
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	336,354	258,926
30	6540	Access Expense	16,128	19,847
31	6560	Depreciation and Amortization Expense	2,764,030	2,619,642
32	6610	Marketing	3,642	27,027
33	6620	Services	471,687	433,117
34	6710	Executive and Planning	228,369	171,426
35	6720	General and Administrative	863,501	790,285
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	6,671,796	5,792,853
38	7100	Other Operating Income and Expense	(48,291)	(49,083)
39	7200	Operating Taxes	1,645,344	1,438,416
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	2,952,667	1,858,011
41	7300	Nonoperating Income and Expense	99,727	62,214
42	7400	Nonoperating Taxes		
43	7500	Interest and Related Items	1,737,028	1,651,104
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income		
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	1,315,366	269,121

^ Subaccount of the account marked with a \*.

## Montana Total State Income Statement

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)	
1		<b>REVENUES:</b>			
2	5000	Basic Local Service Revenues			
3	5080	Network Access Revenues			
4	* 5100	Long Distance Message Revenue			
5	^ 5110	Unidirectional Long Distance Revenue	This schedule is the same as schedule #4 Clark Fork Telecommunications, Inc operates only in Montana		
6	^ 5120	Long Distance Private Network Revenue			
7	^ 5160	Other Long Distance Revenue			
8	^ 5169	Other Long Distance Revenue Settlements			
9	* 5200	Miscellaneous Revenue			
10	^ 5230	Directory Revenue			
11	^ 5240	Rent Revenue			
12	^ 5250	Corporate Operations Revenue			
13	^ 5260	Miscellaneous Revenue			
14	^ 5270	Carrier Billing and Collection Revenue			
15	^ 5280	Nonregulated Revenue			
16	5300	Uncollectible Revenue			
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>			
18		<b>OPERATING EXPENSES:</b>			
19	6110	Network Support Expense			
20	6120	General Support Expense			
21	6210	Central Office Switching Expense			
22	6220	Operator Systems Expense			
23	6230	Central Office Transmission Expense			
24	6310	Information Origination/Termination Expense			
25	* 6410	Cable and Wire Facilities Expense			
26	^ 6431	Aerial Wire Expense			
27	^ 6441	Conduit Systems Expense			
28	6510	Other Property, Plant & Equipment Expense			
29	6530	Network Operations Expense			
30	6540	Access Expense			
31	6560	Depreciation and Amortization Expense			
32	6610	Marketing			
33	6620	Services			
34	6710	Executive and Planning			
35	6720	General and Administrative			
36	6790	Provision for Uncollectible Notes Receivable			
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>			
38	7100	Other Operating Income and Expense			
39	7200	Operating Taxes			
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>			

^ Subaccount of the account marked with a \*.

## Montana Intrastate Income Statement

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)	
1		<b>REVENUES:</b>		*	
2	5000	Basic Local Service Revenues	Information is not available at this time	2,100,286	
3	5080	Network Access Revenues		1,509,792	
4	* 5100	Long Distance Message Revenue			
5	^ 5110	Unidirectional Long Distance Revenue			
6	^ 5120	Long Distance Private Network Revenue			
7	^ 5160	Other Long Distance Revenue			
8	^ 5169	Other Long Distance Revenue Settlements			
9	* 5200	Miscellaneous Revenue			
10	^ 5230	Directory Revenue		147,722	
11	^ 5240	Rent Revenue			
12	^ 5250	Corporate Operations Revenue			
13	^ 5260	Miscellaneous Revenue			
14	^ 5270	Carrier Billing and Collection Revenue		147,722	
15	^ 5280	Nonregulated Revenue			
16	5300	Uncollectible Revenue			(129,684)
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>		#VALUE!	3,887,484
18		<b>OPERATING EXPENSES:</b>			
19	6110	Network Support Expense	Information is not available at this time	119,825	
20	6120	General Support Expense		137,067	
21	6210	Central Office Switching Expense			
22	6220	Operator Systems Expense			
23	6230	Central Office Transmission Expense		54,813	
24	6310	Information Origination/Termination Expense		712	
25	* 6410	Cable and Wire Facilities Expense		625,617	
26	^ 6431	Aerial Wire Expense		625,617	
27	^ 6441	Conduit Systems Expense			
28	6510	Other Property, Plant & Equipment Expense			
29	6530	Network Operations Expense		166,949	
30	6540	Access Expense			
31	6560	Depreciation and Amortization Expense		1,427,046	
32	6610	Marketing		22,849	
33	6620	Services		319,349	
34	6710	Executive and Planning		112,261	
35	6720	General and Administrative	517,532		
36	****	Interstate expense adjustment		(1,687,275)	
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>		1,816,745	
38	7100	Other Operating Income and Expense			
39	7200	Operating Taxes		784,590	
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	#VALUE!	1,286,149	

^ Subaccount of the account marked with a \*.

\* Information from Cost Study - part 36 (also see separated financial statement)



**Montana Intrastate Regulated Income Statement**

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues		
3	5080	Network Access Revenues		
4	* 5100	Long Distance Message Revenue		
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue		
10	^ 5230	Directory Revenue		
11	^ 5240	Rent Revenue		
12	^ 5250	Corporate Operations Revenue	This schedule is the same as schedule #6 Clark Fork Telecommunications, Inc operates only in Montana	
13	^ 5260	Miscellaneous Revenue		
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue		
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>		
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	This schedule is the same as schedule #6 Clark Fork Telecommunications, Inc operates only in Montana	
20	6120	General Support Expense		
21	6210	Central Office Switching Expense		
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense		
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense		
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense		
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense		
32	6610	Marketing		
33	6620	Services		
34	6710	Executive and Planning		
35	6720	General and Administrative		
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>		
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes		
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>		

^ Subaccount of the account marked with a \*.

**Average Rate Base - Total State**

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service		31,254,788
2	3100	Accumulated Depreciation	Information not available at this time	9,697,432
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		252,111
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>		<b>#VALUE!</b>

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service		20,152,302
2	3100	Accumulated Depreciation	Information not available at this time	6,100,703
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		customer deposits		(50,445)
8		Cash Working Capital (if allowed by Commission)		164,286
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>		<b>#VALUE!</b>

**Average Rate Base - Regulated Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service		
2	3100	Accumulated Depreciation	Information not available at this time	Information not available at this time
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>		

\*Information from Cost Study - part 36

## Statement of Cash Flows

Year: 1998

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	<b>Increase/(decrease) in Cash &amp; Cash Equivalents</b>		3,064,094
2	<b>Cash Flows from Operating Activities:</b>		
3	Net Income		1,315,366
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	2,764,030	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	357,481	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)	(58,051)	
10	Change in Operating Receivables - Net	15,793	
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net	151,626	
13	Change in Other Assets & Deferred Credits - Net	(88,004)	
14	Change in Other Liabilities & Deferred Credits - Net	(312)	
15	Other (explained on back of this page)		
16	Total Adjustments		3,142,563
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>		4,457,929
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
20	AFUDC & Capital Lease Related Acquisitions)	(2,631,207)	
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates	(92,119)	
23	Proceeds from Repayment of Advances	123,059	
24	Other Investing Activities (explained on back of this page)		
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>		(2,600,267)
26	<b>Cash Flows from Financing Activities:</b>		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity <= 3 mo.		
28	Advances from Affiliates		
29	Repayment of Advances from Affiliates	(66,234)	
30	Proceeds from Issuances of Long-Term Debt	2,309,391	
31	Repayment of Long-Term Debt	(1,036,725)	
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid		
36	Other Financing Activities (explained on back of this page)		
37	<b>Net Cash Provided by Financing Activities</b>		1,206,432
38	<b>Effect of Exchange Rate Changes on Cash</b>		
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		3,064,094
40	<b>Cash &amp; Cash Equivalents at Beginning of Period</b>		1,004,476
41	<b>Cash &amp; Cash Equivalents at End of Period</b>		4,068,570

Company Name: Clark Fork Telecommunications, Inc.

SCHEDULE 10

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 1998

Line	Name of Affiliate or Company (a)	Account 11160 Temporary Investments (b)	Account 11180 Telecom. Accounts Receivable (c)	Account 11181 Accts. Rec. Telecom. Allowance (d)	Account 1190 Other Accounts Receivable (e)	Account 1191 Accounts Receivable Allow. - Other (f)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receivable Allowance (h)	Account 1210 Interest and Dividends Receivable (i)	Account 1401 Investments in Affil. Companies (j)	Account 1402 Investments in Nonaffil. Companies (k)
1	Rural Telephone Finance Coop										1,067,426
2	Vision Net										38,325
3	Rural Telephone Bank										9,891
4	Thompson Falls S C										50,000
5	Mt Ind Local Exchange Carrier				81,206						
6	Ind NECA Services				21,520						
7	Other Interstate Carriers				358,336						
8	National Exchange Carrier As.				349,238						
9	Mtn Bell Toll Settlement				51,144						
10	Misc Receivables				466						
11	Telephone Subscribers		531,389								
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30	<b>Totals</b>	-	531,389	-	861,910	-	-	-	-	-	1,165,642

Net Plant in Service - Detail

Year: 1998

Line No.	Account (a)	Description (b)	Beginning of Year Balance (c)	Additions (d)	Retirements (e)	Sales & Transfers (f)	End of Year Account 2001 Balance (g)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	2110	Land and Support Assets	764,129	553	-	-	764,682	351,331	413,351
2	2111	Land	33,243	-	-	-	33,243	-	33,243
3	2112	Motor Vehicles	-	-	-	-	-	-	-
4	2113	Aircraft	-	-	-	-	-	-	-
5	2114	Special Purpose Vehicles	-	-	-	-	-	-	-
6	2115	Garage Work Equipment	-	-	-	-	-	-	-
7	2116	Other Work Equipment	-	-	-	-	-	-	-
8	2121	Buildings	730,886	553	-	-	731,439	351,331	380,108
9	2122	Furniture	-	-	-	-	-	-	-
10	2123	Office Equipment	-	-	-	-	-	-	-
11	2124	General Purpose Computers	-	-	-	-	-	-	-
12	2211	Analog Electronic Switching	-	-	-	-	-	-	-
13	2212	Digital Electronic Switching	2,644,230	673,599	370,143	472	2,947,214	1,577,254	1,369,960
14	2215	Electro-Mechanical Switching	-	-	-	-	-	-	-
15	2220	Operator Systems	-	-	-	-	-	-	-
16	2231	Radio Systems	624,870	86,284	61,520	(8,429)	658,063	256,967	401,096
17	2232	Circuit Equipment	3,631,134	810,990	247,124	(6,655)	4,201,655	2,195,683	2,005,972
18	2310	Information Orig & Term Equip	-	-	-	-	-	-	-
19	2311	Station Apparatus	-	-	-	-	-	-	-
20	2321	Customer Premises Wiring	-	-	-	-	-	-	-
21	2341	Large Private Branch Exchanges	-	-	-	-	-	-	-
22	2351	Public Telephone Term. Equip.	-	-	-	-	-	-	-
23	2362	Other Terminal Equipment	-	-	-	-	-	-	-
24	2411	Poles	253,537	-	31,780	(1,141)	222,898	178,102	44,796
25	2420	Cable and Wire Facilities	21,736,331	1,475,817	349,574	17,799	22,844,775	6,593,762	16,251,013
26	2421	Aerial Cable	1,447,491	23,986	210,724	1,141	1,259,612	672,674	586,938
27	2422	Underground Cable	56,682	-	-	-	56,682	7,536	49,146
28	2423	Buried Cable	20,232,158	1,451,831	138,850	16,658	21,528,481	5,913,552	15,614,929
29	2424	Submarine Cable	-	-	-	-	-	-	-
30	2425	Deep Sea Cable	-	-	-	-	-	-	-
31	2426	Intrabuilding Network Cable	-	-	-	-	-	-	-
32	2431	Aerial Wire	244,422	-	-	-	244,422	244,422	-
33	2441	Conduit Systems	47,619	-	-	-	47,619	4,636	42,983
34		<b>Totals</b>	29,946,272	3,047,243	1,060,141	2,046	31,931,328	11,402,157	20,529,171

^ Subaccount of the account marked with a \*

Analysis of Plant Held for Future Use

Year: 1998

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Book Cost of Property at Beginning of Year (c)	Additions During the Year (d)	Retirements During the Year (e)	Transfers and Adjustments Charges and (Credits) (f)	Book Cost of Property at End of Year (g)
1							
2	none						
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Average Cost of Long Term Debt

Year: 1998

Line No.	Description (a)	Issue Date (b)	Maturity Date (c)	Principal Amount (d)	Gross Proceeds (e)	Net Proceeds (f)	Net Per \$100 (g)	Outstanding Per Balance Sheet (h)	Yield to Maturity (i)	Annual Net Cost (j)	Amortization of Premium or Discount (k)	Total Cost (%) (l)
1	RTFC	March 1994	Feb 2014	23,299,100	23,299,100	23,299,100		17,575,828		1,053,140		5.99%
2	RUS	July 1996	July 2017	11,027,000	11,027,000	11,027,000		10,850,851		649,873		5.99%
3	RTB	May 1996		207,708	207,708	207,708		206,558		1,965		0.95%
4	RUS Econ Dev	March 1998	March 2008	50,000	50,000	50,000		50,000				
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	<b>Total</b>			34,583,808	34,583,808	34,583,808	100.00	28,683,237		1,704,978		5.94%

\*\*\* INTEREST ONLY - ACCURAL FROM FINANCIAL STATEMENTS

\*\*\*

Cost of Preferred Stock

Year: 1998

Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Embedded Cost (l)
1	NONE											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
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19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	<b>Totals (Sum L.1 to L.29)</b>											



Analysis of Common Stock

Year: 1998

Line No.	(a)	Avg. Number of Shares Outstanding (b)	Book Value (per share) (c)	Earnings (per share) (d)	Dividends (per share) (e)	Retention Ratio (f)	Market Price High (g)	Low (h)	Price/Earnings Ratio (i)
1	Year Ended December 31:	4,700	1,000				n/a	n/a	
2									
3									
4									
5									
6									
7									
8	Month by Month Data:								
9	January								
10	February								
11	March								
12	April								
13	May								
14	June								
15	July								
16	August								
17	September								
18	October								
19	November								
20	December								
21									
22									
23									

Capital Stock and Funded Debt Reacquired or Retired During the Year

Year: 1998

Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Reacquisition or Retirement Cost (e)	Gain or Loss (f)	Retirement or Reacquisition (g)
1							
2	NONE						
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
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21							
22							
23							
24							
25							
26							
27							
28							
29							
30	<b>Totals</b> (Sum L.1 to L.29)						

Total Company Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	6110	Network Support Expense	-	-	-	-	-	-
2	6112	Motor Vehicle Expense	-	-	-	-	-	-
3	6113	Aircraft Expense	-	-	-	-	-	-
4	6114	Special Purpose Vehicles Expense	-	-	-	-	-	-
5	6115	Garage Work Equipment Expense	-	-	-	-	-	-
6	6116	Other Work Equipment Expense	-	-	-	-	-	-
7	6120	General Support Expense	67,275	23,301	805	143,830	-	235,211
8	6121	Land and Building Expense	19,279	6,059	805	69,099	-	95,242
9	6122	Furniture and Artworks Expense	-	-	-	5,392	-	5,392
10	6123	Office Equipment Expense	-	-	-	2,959	-	2,959
11	6124	General Purpose Computers Expense	47,996	17,242	942	66,380	-	131,618
12	6210	Central Office Switching Expense	46,475	13,939	942	637,184	-	698,540
13	6211	Analog Electronic Expense	-	-	-	-	-	-
14	6212	Digital Electronic Expense	46,475	13,939	942	637,184	-	698,540
15	6215	Electro-Mechanical Expense	-	-	-	-	-	-
16	6220	Operator Systems Expense	-	-	-	-	-	-
17	6230	Central Office Transmission Expense	54,469	17,756	817	85,880	-	158,922
18	6231	Radio Systems Expense	24,216	7,406	390	36,894	-	68,906
19	6232	Circuit Equipment Expense	30,253	10,350	427	48,986	-	90,016
20	6310	Information Origination/Termination Expense	-	-	-	-	-	-
21	6311	Station Apparatus Expense	-	-	-	-	-	-
22	6341	Large Private Branch Exchange Expense	-	-	-	-	-	-
23	6351	Public Telephone Terminal Equipment Exp.	-	-	-	-	-	-
24	6362	Other Terminal Equipment Expense	-	-	-	-	-	-
25	6410	Cable and Wire Facilities Expense	431,050	180,185	18,100	266,077	-	895,412
26	6411	Poles Expense	5,868	2,121	-	23,202	-	31,191
27	6421	Aerial Cable Expense	47,018	17,067	2,347	21,555	-	87,987
28	6422	Underground Cable Expense	-	-	-	-	-	-
29	6423	Buried Cable Expense	378,071	160,964	15,753	220,983	-	775,771
30	6424	Submarine Cable Expense	-	-	-	-	-	-
31	6425	Deep Sea Cable Expense	-	-	-	-	-	-
32	6426	Intrabuilding Network Cable Expense	-	-	-	-	-	-
33	6431	Aerial Wire Expense	93	33	-	337	-	463
34		Subtotals	599,269	235,181	20,664	1,132,971	-	1,988,085

Subaccount of the account marked with a \*

**Total Company Expense Matrix**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	6441	Conduit Systems Expense						-
36	6510	Other Property Expenses						-
37	6530	Network Operations Expense	165,988	58,893	-	111,473	-	336,354
38	6531	Power Expense	93	33		54,084		54,210
39	6532	Network Administration Expense				32,337		32,337
40	6533	Testing Expense	13,478	4,920		3,592		21,990
41	6534	Plant Operations Expense	21,432	7,480		2,785		31,697
42	6535	Engineering Expense	130,985	46,460		18,675		196,120
43	6540	Access Expense				16,128		16,128
44	6561	Depreciation - Telecomm. Plant in Service				2,363,861		2,363,861
45	6561	Depreciation-Prop. Allocated From Parent				177,293		177,293
46	6563	Amortization Expense - Tangible				222,876		222,876
47	6564	Amortization Expense - Intangible						-
48	6565	Amortization - Other						-
49	6610	Marketing				3,642		3,642
50	6611	Product Management						-
51	6612	Sales						-
52	6613	Product Advertising				3,642		3,642
53	6621	Call Completion Services				5,543		5,543
54	6622	Number Services	16,293	5,643		27,104		49,040
55	6623	Customer Services	249,388	99,578		68,138		417,104
56	6711	Executive	117,476	31,030		79,863		228,369
57	6712	Planning						-
58	6721	Accounting and Finance	150,025	53,873		41,762		245,660
59	6722	External Relations	15,023	5,287		47,485		67,795
60	6723	Human Relations	19,962	6,937		5,822		32,721
61	6724	Information Management	167,285	54,005		33,949		255,239
62	6725	Legal				2,334		2,334
63	6726	Procurement						-
64	6727	Research and Development						-
65	6728	Other General and Administrative	71,631	25,539		162,582		259,752
66	6790	Provision for Uncollectible Notes Receivable						-
67		<b>Totals</b>	1,572,340	575,966	20,664	4,502,826	-	6,671,796

Subaccount of the account marked with a \*

Total State Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	* 6110	Network Support Expense						
2	< 6112	Motor Vehicle Expense						
3	< 6113	Aircraft Expense						
4	< 6114	Special Purpose Vehicles Expense						
5	< 6115	Garage Work Equipment Expense						
6	< 6116	Other Work Equipment Expense						
7	* 6120	General Support Expense						
8	< 6121	Land and Building Expense						
9	< 6122	Furniture and Artworks Expense						
10	< 6123	Office Equipment Expense						
11	< 6124	General Purpose Computers Expense						
12	* 6210	Central Office Switching Expense						
13	< 6211	Analog Electronic Expense						
14	< 6212	Digital Electronic Expense						
15	< 6215	Electro-Mechanical Expense						
16	< 6220	Operator Systems Expense						
17	* 6230	Central Office Transmission Expense						
18	< 6231	Radio Systems Expense						
19	< 6232	Circuit Equipment Expense						
20	* 6310	Information Origination/Termination Expense						
21	< 6311	Station Apparatus Expense						
22	< 6341	Large Private Branch Exchange Expense						
23	< 6351	Public Telephone Terminal Equipment Exp.						
24	< 6362	Other Terminal Equipment Expense						
25	* 6410	Cable and Wire Facilities Expense						
26	< 6411	Poles Expense						
27	< 6421	Aerial Cable Expense						
28	< 6422	Underground Cable Expense						
29	< 6423	Buried Cable Expense						
30	< 6424	Submarine Cable Expense						
31	< 6425	Deep Sea Cable Expense						
32	< 6426	Intrabuilding Network Cable Expense						
33	< 6431	Aerial Wire Expense						
34		<b>Subtotals</b>						

< Subaccount of the account marked with a \*

**Total State Expense Matrix**

**SCHEDULE 18**  
Page 2 of 2  
**Year: 1998**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	6441	Conduit Systems Expense						
36	6510	Other Property Expenses						
37	* 6530	Network Operations Expense						
38	6531	Power Expense						
39	6532	Network Administration Expense						
40	6533	Testing Expense						
41	6534	Plant Operations Expense						
42	6535	Engineering Expense						
43	6540	Access Expense						
44	6561	Depreciation - Telecomm. Plant in Service						
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other						
49	* 6610	Marketing						
50	6611	Product Management						
51	6612	Sales						
52	6613	Product Advertising						
53	6621	Call Completion Services						
54	6622	Number Services						
55	6623	Customer Services						
56	6711	Executive						
57	6712	Planning						
58	6721	Accounting and Finance						
59	6722	External Relations						
60	6723	Human Relations						
61	6724	Information Management						
62	6725	Legal						
63	6726	Procurement						
64	6727	Research and Development						
65	6728	Other General and Administrative						
66	6790	Provision for Uncollectible Notes Receivable						
67		<b>Totals</b>						

This Schedule is the same as schedule 17  
Clark Fork Telecommunications, Inc. Operates only in MONTANA

^ Subaccount of the account marked with a \*

**Pension Costs**

Year: 1998

1	Plan Name			
2	Defined Benefit Plan? _____ N/A _____	Defined Contribution Plan? ___ N/A _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: _____	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan			
48	Not Covered by the Plan			
49	Active			
50	Retired			
51	Deferred Vested Terminated			

**Other Post Employment Benefits (OPEBS)**

Item		Current Year	Last Year	% Change
1	<b>Regulatory Treatment:</b>			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates			
6	<b>Weighted-average Assumptions as of Year End</b>			
7	Discount rate			
8	Expected return on plan assets			
9	Medical Cost Inflation Rate			
10	Actuarial Cost Method			
11	Rate of compensation increase			
12	<b>List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13				
14		N/A	N/A	
15	<b>Describe any Changes to the Benefit Plan:</b>			
16				
17	<b>TOTAL COMPANY</b>			
18	<b>Change in Benefit Obligation</b>			
19	Benefit obligation at beginning of year			
20	Service cost			
21	Interest Cost			
22	Plan participants' contributions			
23	Amendments			
24	Actuarial Gain			
25	Acquisition			
26	Benefits paid			
27	Benefit obligation at end of year			
28	<b>Change in Plan Assets</b>			
29	Fair value of plan assets at beginning of year			
30	Actual return on plan assets			
31	Acquisition			
32	Employer contribution			
33	Plan participants' contributions			
34	Benefits paid			
35	Fair value of plan assets at end of year			
36	<b>Funded Status</b>			
37	Unrecognized net actuarial loss			
38	Unrecognized prior service cost			
39	Prepaid (accrued) benefit cost			
40	<b>Components of Net Periodic Benefit Costs</b>			
41	Service cost			
42	Interest cost			
43	Expected return on plan assets	#VALUE!		#VALUE!
44	Amortization of prior service cost			
45	Recognized net actuarial loss			
46	Net periodic benefit cost	#VALUE!		#VALUE!
47	<b>Accumulated Post Retirement Benefit Obligation</b>			
48	Amount Funded through VEBA			
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL			
52	Amount that was tax deductible - VEBA			
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other _____			
55	TOTAL			



**Other Post Employment Benefits (OPEBS) Continued**

	Item	Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>			
2	Covered by the Plan			
3	Not Covered by the Plan			
4	Active	N/A	N/A	#VALUE!
5	Retired			
6	Spouses/Dependants covered by the Plan			
7	<b>Montana</b>			
8	<b>Change in Benefit Obligation</b>			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	<b>Change in Plan Assets</b>			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	<b>Funded Status</b>			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	<b>Components of Net Periodic Benefit Costs</b>			
31	Service cost			
32	Interest cost			
33	Expected return on plan assets	#VALUE!		#VALUE!
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost	#VALUE!		#VALUE!
37	<b>Accumulated Post Retirement Benefit Obligation</b>			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	<b>Montana Intrastate Costs:</b>			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	<b>Number of Montana Employees:</b>			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

**Payments for Services to Persons Other Than Employees**

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	Montana Power	Power	28,679	Not	Not
2	U S west	Purchase A/R	147,582	Available	Available
3	A T & T	Purchase A/R	323,556	at this time	at this time
4	Advance Fibre Comm.	Materials	407,886		
5	Mock Inc	Construction Work	187,975		
6	Sierra Trenching	Construction Work	47,328		
7	Northern Telcom Inc.	Materials	93,209		
8	Independent NECA Services	Purchase A/R	298,394		
9	U S A C	Universal Service Fund	29,450		
10	St of MT	911/TDD taxes	53,523		
11	St of Mt - Business Tax	Telephone Licensing Tax	36,756		
12	Granite Co Treas	Real estate Taxes	195,716		
13	Sanders Co Courthouse	Real estate Taxes	628,809		
14	Mineral Co Courthouse	Real estate Taxes	296,268		
15					
16					
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48					
49	<b>Total</b>				

## Subscriber Line Usage Data

Year: 1998

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	34,174,183	61.19%	32,972,246	63.33%
3	Interstate, IntraLATA	123	0.00%	392	0.00%
4	<b>Total Interstate Usage</b>	<b>34,174,306</b>	<b>61.19%</b>	<b>32,972,638</b>	<b>63.33%</b>
5	Intrastate, InterLATA	7,262,969	13.01%	5,489,477	10.54%
6	Intrastate, IntraLATA	14,408,479	25.80%	13,598,697	26.12%
7	<b>Total Intrastate Usage</b>	<b>21,671,448</b>	<b>38.81%</b>	<b>19,088,174</b>	<b>36.67%</b>
8	<b>Total Toll Usage</b>	<b>55,845,754</b>	<b>100.00%</b>	<b>52,060,812</b>	<b>100.00%</b>
9	Centrex *				
10	Local *				
11	<b>Total Minutes</b>	<b>55,845,754</b>	<b>100.00%</b>	<b>52,060,812</b>	<b>100.00%</b>

From RUS report

\* Centrex &amp; Local NOT AVAILABLE

**Central Office and Access Line Statistics**

Line No.	Wire Center (a)	Type of Office (b)	Residential (c)	ISDN (d)	ADSL (e)	Lifeline Customers (f)	Residential LMS Customers (g)	Single Line Business (h)	Multi-Line Business (i)	Customer Owned Coin (j)	Company Owned Coin (k)	Other (l)	% of Lines w/ T. Tone (m)	Total Access Lines (n)
1	Alberton MT 722	Digital	374			5		47			1			422
2	Drummond MT 288	Digital	444			2		106		7	4			561
3	Haugan MT 678	Digital	138			1		62			1			201
4	Noxon MT 847	Digital	575			7		102		4	3			684
5	Phillipsburg MT 859	Digital	660			13		149		6	4			819
6	Plains MT 826	Digital	1,252	1		24		295		9	9			1,566
7	St. Regis MT 649	Digital	267			5		102		20	2			391
8	Superior MT 822	Digital	799			17		237		13	6			1,055
9	Thompson Falls MT 827	Digital	1,570			28		493		17	9			2,089
10														-
11														-
12														-
13														-
14														-
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25														-
26														-
27														-
28														-
29														-
30														-
31														-
32														-
33	<b>Total</b>		6,079	1	-	102	-	1,593	-	76	39	-	-	7,788

From RUS w/ Customer Pay Phones Adjusted

NOTE: Additional blank schedules are being provided for your convenience.

Central Office and Switch Information

Year: 1998

Line No.	Wire Center (a)	Office Configuration (Host, Remote, Stand alone) (b)	Type of Switch (c)	Switch Vendor/ Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
1	Alberton	Remote	Digital	NorTel	RLCM	640	1997
2	Drummond	Remote	Digital	NorTel	RSC	5,000	1997
3	Haugan	Remote	Digital	NorTel	RLCM	640	1997
4	Noxon	Remote	Digital	NorTel	RSC	5,000	1997
5	Philipsburg	Remote	Digital	NorTel	RSC	5,000	1997
6	Plains	Remote	Digital	NorTel	RSC	5,000	1995
7	St. Regis	Remote	Digital	NorTel	RLCM	640	1997
8	Superior	Remote	Digital	NorTel	RSC	5,000	1995
9	Thompson Falls	Remote	Digital	NorTel	RSC	5,000	1995
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NOTE: Additional blank schedules are being provided for your convenience.

**Construction Budget - Montana**

Year: 1999

Line No.	Description (a)	1,999 (b)
1	<b>Central Office Assets:</b>	
2	Various C.O. Equipment - Alberton, Drummond, Haugan, Noxon, Phillipsburg	
3	Plains, St. Regis, Superior and Thompson Falls Montana	100,000
4		
5		
6		
7		
8		
9		
10		
11		
12		
13	Budget figures	
14		
15		
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22		
23		
24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	100,000
29	<b>Total Central Office Budget (Total of Line 27 &amp; Line 28)</b>	<b>100,000</b>
30	<b>Other Projects over \$500,000:</b>	
31	Subscriber Carrier Equipment - Alberton, Drummond, Haugan, Noxon, Phillipsburg	264,045
32	Plains, St. Regis, Superior and Thompson Falls Montana	
33		
34	Buried Cable - normal drops & reinforcements - Alberton, Drummond, Haugan, Noxon,	1,134,771
35	Phillipsburg, Plains, St. Regis, Superior and Thompson Falls Montana	
36		
37	Building Improvements - Alberton, Drummond, Haugan, Noxon, Phillipsburg	99,000
38	Plains, St. Regis, Superior and Thompson Falls Montana	
39		
40	Internet	60,000
41	Total Other Projects over \$500,000	1,134,771
42	Miscellaneous projects not over \$500,000	423,045
43	<b>Total Construction Budget (Total of Lines 29, 41 &amp; 42)</b>	<b>1,657,816</b>

Montana Employee Counts

Year: 1998

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Clark Fork Telecommunications, Inc. has no employees.		
2	Employee Services are Provided Through Service agreements with		
3	Blackfoot Telephone Cooperative, Inc.		
4			
5			
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42			
43	<b>Totals (Sum of Lines 1 through 42)</b>		

**Compensation of Top 10 Montana Based Employees**

Year: 1998

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	Clark Fork Telecommunications, Inc. has no employees. Employee Services are Provided Through Service agreements with Blackfoot Telephone Cooperative, Inc.						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	<b>Totals (Sum L.1 to L.10)</b>						



**Compensation of Top 5 Corporate Employees - SEC Information**

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	Clark Fork Telecommunications, Inc. has no employees. Employee Services are Provided Through Service agreements with Blackfoot Telephone Cooperative, Inc.						
2							
3							
4							
5							
6	<b>Totals (Sum L.1 to L.5)</b>						

Montana Composite Statistics

Year: 1998

Line No.	Account No.	Description (a)	Amount (b)	
1		<b>Plant (Intrastate Only) (000 Omitted)</b>	Information is not available at this time	
2	2001	Plant in Service		
3	2003 - 2004	Construction Work in Progress		
4	2005	Plant Acquisition Adjustments		
5	2002	Plant Held for Future Use		
6	1220	Materials & Supplies		
7		(Less):		
8	3100 - 3400	Depreciation & Amortization Reserves		
9	4360.2	Contributions in Aid of Construction		
10		<b>NET BOOK COSTS</b>		
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	Information is not available at this time	
12	5000 - 5300	Operating Revenues		
13	6560	Depreciation & Amortization Expenses		
14		Federal & State Income Taxes		
15		Other Taxes		
16		Other Operating Expenses		
17		TOTAL Operating Expenses		
18		Net Operating Income		#VALUE!
19		Other Income		
20		Other Deductions		
21		<b>NET INCOME</b>	#VALUE!	
22		<b>Access Lines in Service (Intrastate Only)</b>	Information is not available at this time	
23		Residential Access Lines		
24		Business Access Lines		
25		PBX Access Lines		
26		Other Access Lines		
27		<b>Total Number of Access Lines</b>		
28		<b>Average Number of Calls Per Access Line</b>	Information is not available at this time	
29		Local Calls		
30		Toll Calls (Intra- or Interstate)		
31		<b>Total Number of Calls Per Access Line (Total of Line 29 &amp; Line 30)</b>		
32		<b>Other Statistics (Intrastate Only)</b>	Information is not available at this time	
33		Average Residential Monthly Bill		
34		Gross Plant Investment per Access Line		

**Depreciation - Montana Intrastate Regulated**

Year: 1998

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles		
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment		
5	2121	Buildings	2.3%	16,668
6	2122	Furniture		
7	2123.1	Office Support Equipment		
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers		
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	16.6%	471,351
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	14.4%	120,361
16	2232	Circuit DDS		
17	2232	Circuit Digital	14.4%	517,129
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment		
21	2411	Poles	3.5%	7,997
22	2421	Aerial Cable Metallic	9.5%	121,492
23	2421	Aerial Cable Nonmetallic	9.5%	2,560
24	2422	Underground Cable Metallic	5.0%	2,699
25	2422	Underground Cable Nonmetallic	5.0%	157
26	2423	Buried Cable Metallic	5.3%	927,470
27	2423	Buried Cable Nonmetallic	5.3%	174,033
28	2424	Submarine Cable Metallic		
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic		
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire		
33	2441	Conduit Systems	4.1%	1,944
34				
35		<b>COMPOSITE TOTAL</b>		<b>2,363,861</b>
36				
37	Have these rates been approved by the Commission? ____ YES ___X___ NO			
38				
39	If yes: _____ Docket Number _____ Order Number			
40				

from RUS report & Jim's Data

**Montana Regulatory Capital Structure & Costs**

Year: 1998

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
<b>Commission Accepted - Most Recent</b>				
1	Docket Number _____			
2	Order Number _____			
3				
4	Common Equity	15.00%	11.250%	1.688%
5	Preferred Stock			
6	Long Term Debt	85.00%	5.940%	5.049%
7	Other			
8	<b>Total</b>	100.00%		6.737%
<b>Actual at Year End</b>				
10				
11				
12	Common Equity	15.00%	11.250%	1.688%
13	Preferred Stock			
14	Long Term Debt	85.00%	5.940%	5.049%
15	Other			
16	<b>Total</b>	100.00%		6.737%

\*\* Only use Long term debt & Equity w/ FCC 11.25 on equity and interest from schedule 13

**Network Access - Charges and Revenues**

Year: 1998

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		8,378,942
2			
3	Montana - Intrastate		1,563,684
4			
5	Montana - Intrastate Regulated		
6			
7			
8			
9			
10	** Access rate was contractual - \$0.0716 per minute for the next year		
11			
12			
13			

**Affiliate Transactions - Products & Services Provided to Utility**

Year: 1998

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MTR Utility (f)
1	Blackfoot Telephone Coop	cash	cash	(5,105,288)		(5,105,288)
2	Blackfoot Telephone Coop	inventory	cost	712,555		712,555
3	Blackfoot Telephone Coop	labor	cost	3,464,220		3,464,220
4	Blackfoot Telephone Coop	allocated expense	cost	915,192		915,192
5	Blackfoot Telephone Coop	miscellaneous	cost	197,089		197,089
6	Montana Wireless	switching services	contract	68,004		557,078
7						
8						
9						
10						
11						
12						
13	Inter-company transfer sheets					
14						
15						
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24						
25						
26						
27						
28						
29						
30	<b>TOTAL</b>			\$251,772		\$740,846

**Affiliate Transactions - Products & Services Provided by Utility**

Year: 1998

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1						
2	No transactions to report					
3						
4						
5						
6						
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25						
26						
27						
28						
29						
30	<b>TOTAL</b>					

Montana Intrastate Regulated Earned Rate of Return

Year: 1998

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	Information is not available at this time	20,152,302	#VALUE!
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation			
5	<b>Plant in Service</b>			
6			14,051,599	-100.00%
7	<b>Additions</b>			
8	1220 Materials & Supplies			
9	1280 Prepayments			
10	Other Additions		164,286	-100.00%
11	<b>TOTAL Additions</b>		164,286	-100.00%
12				
13	<b>Deductions</b>			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes			
17	Customer Advances for Construction		(50,445)	100.00%
18	Other Deductions			
19	<b>TOTAL Deductions</b>		(50,445)	100.00%
20	<b>TOTAL Rate Base</b>		14,266,330	-100.00%
21				
22	<b>Net Earnings</b>		181,279	-100.00%
23				
24	<b>Rate of Return on Average Rate Base</b>		8.280%	-100.00%
25				
26	<b>Rate of Return on Average Equity</b>		8.090%	-100.00%
27				
28	Major Normalizing Adjustments & Commission			
29	Ratemaking adjustments to Utility Operations			
30				
31				
32				
33				
34				
35				
36				
37	From part 36 of the Cost study			
38				
39				
40				
41				
42				
43	<b>Adjusted Rate of Return on Average Rate Base</b>		8.280%	-100.00%
44				
45	<b>Adjusted Rate of Return on Average Equity</b>		8.090%	-100.00%

**Other Taxes Paid**

Year: 1998

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	37,379	36,756
2	Montana Public Service Commission Tax	3,852	4,538
3	Montana Consumer Counsel Tax	2,566	2,715
4	911 Emergency Telephone Fee	35,520	44,658
5	Montana Telecommunications Access Service (TDD)	8,558	8,865
6	Montana Corporate License Tax		
7	Personal Property Tax		
8	Real Property Tax	1,164,443	1,152,894
9			
10			
11			
12	<b>Total</b>	1,252,318	1,250,426

Company Name: Clark Fork Telecommunications, Inc.

**Universal Service Funds Received**

Year: 1998

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	1,687,275	2,751,516
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	<b>Total</b>	1687275	2,751,516