

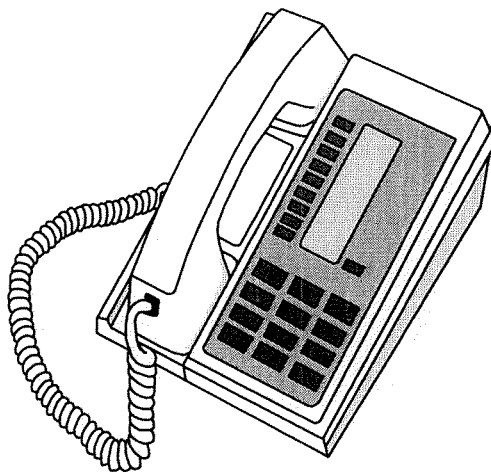
YEAR 2002
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PUBLIC SERVICE
COMMISSION

ANNUAL REPORT
OF
**Clark Fork
Telecommunications, Inc.**

TELEPHONE UTILITY



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

Telephone Annual Report

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General Information

Year: 2002

| | | |
|-------------------------|--|--|
| 1. | Legal Name of Respondent: | Clark Fork Telecommunications, Inc. |
| 2. | Name Under Which Respondent Does Business: | Clark Fork Telecommunications, Inc. DBA Blackfoot CFT |
| 3. | Date of Incorporation: | May 11, 1993 |
| 4. | Address to send Correspondence Concerning Report: | 1221 N. Russell, Missoula MT 59808 |
| 5. | Person Responsible for This Report: | Rita J. Robertson, CPA Financial Analyst |
| 5a. | Telephone Number: | (406)-541-5293 |
| Control Over Respondent | | |
| 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 N. Russell Missoula, MT 59808 |
| | 1b. Means by which control was held: | Stock Ownership |
| | 1c. Percent Ownership: | 100% |

| Board of Directors | | |
|--------------------|--|------------------------------|
| Line No. | Name of Director and Address (City, State) (a) | Fees Paid During Year (b) |
| 1 | James Couture, 981 N. Couture Loop, Arlee, MT 59821 | 3,025 |
| 2 | Geoffrey Wilson, 250 Southside Road, Superior, MT 59872 | 10,569 |
| 3 | Tom Eggensperger, P.O. Box 219, Thompson Falls, MT 59873 | 7,529 |
| 4 | Ross Friede, 5638 Hwy 1, Hall, MT 59837 | 8,667 |
| 5 | Joe Nagy, P.O. Box 482, Seeley Lake, MT 59868 | 3,025 |
| 6 | William Teague, P.O. Box 118, Clinton, MT 59825 | 3,575 |
| 7 | Walter Delaney, 370 Leon Rd, St Ignatius, MT | 1,925 |
| 8 | | |
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| 16 | | |
| 17 | | |
| 18 | Chairman of the Board: Geoffrey Wilson - address and fee information above. | |
| 19 | | |
| 20 | | |

Officers

Year: 2002

| 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 | Geoffrey Wilson 250 Southside Road, Superior, MT |
| 2 | | | |
| 3 | | | |
| 4 | Vice President | None | Ross Friede 5638 Hwy 1, Hall, MT |
| 5 | | | |
| 6 | | | |
| 7 | Secretary/Treasurer | None | Tom Eggenesperger PO Box 219, Thompson Falls MT |
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Total Company Balance Sheet

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|---|-------------------|-------------------|
| 1 | | CURRENT ASSETS: | | |
| 2 | 1120 | Cash and Equivalents | 5,480,369 | 3,401,111 |
| 3 | 1180 | Telecommunications Accounts Receivable - Net | 555,915 | 611,639 |
| 4 | 1190 | Other Accounts Receivable - Net | 1,450,601 | 2,906,848 |
| 5 | 1200 | Notes Receivable - Net | | |
| 6 | 1210 | Interest and Dividends Receivable | | |
| 7 | 1220 | Materials and Supplies | 265,209 | 624,022 |
| 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 | 45,958 | 31,636 |
| 15 | | Total Current Assets | 7,798,052 | 7,575,256 |
| 16 | | NONCURRENT ASSETS: | | |
| 17 | 1401 | Investments in Affiliated Companies | | |
| 18 | 1402 | Investments in Nonaffiliated Companies | 1,117,358 | 1,151,036 |
| 19 | 1406 | Nonregulated Investments | 10,869 | 19,623 |
| 20 | 1407 | Unamortized Debt Issuance Expense | | |
| 21 | 1408 | Sinking Funds | | |
| 22 | 1410 | Other Noncurrent Assets | | |
| 23 | 1438 | Deferred Maintenance and Retirements | | |
| 24 | 1439 | Deferred Charges | | |
| 25 | 1500 | Other Jurisdictional Assets - Net | | |
| 26 | | Total Noncurrent Assets | 1,128,227 | 1,170,659 |
| 27 | | PROPERTY, PLANT, & EQUIPMENT: | | |
| 28 | 2001 | Telecommunications Plant in Service | 39,018,427 | 37,297,345 |
| 29 | 2002 | Property Held for Future Telecommunications Use | | |
| 30 | 2003 | Plant Under Construction - Short Term | 255,847 | 520,185 |
| 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/Intangibles | 173,611 | 173,611 |
| 35 | 3100 | Accumulated Depreciation | (18,364,673) | (16,423,196) |
| 36 | 3200 | Accumulated Depreciation - Held for Future Use | | |
| 37 | 3500 | Accumulated Depreciation - Organizational Costs | (173,611) | (122,720) |
| 38 | 3400 | Accumulated Amortization | (1,717,095) | (1,717,095) |
| 39 | | Net Property, Plant, & Equipment | 27,932,941 | 28,468,565 |
| 40 | | TOTAL ASSETS | 36,859,220 | 37,214,480 |

^ Subaccount of account marked with a *.

Total Company Balance Sheet

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|---|-------------------|-------------------|
| 41 | | CURRENT LIABILITIES: | | |
| 42 | 4010 | Accounts Payable | 285,364 | 168,127 |
| 43 | 4020 | Notes Payable | | |
| 44 | 4030 | Advance Billing and Payments | 216,353 | 171,085 |
| 45 | 4040 | Customer Deposits | 122,160 | 124,472 |
| 46 | 4050 | Current Maturities - Long Term Debt | 1,495,364 | 1,400,788 |
| 47 | 4060 | Current Maturities - Capital Leases | | |
| 48 | 4070 | Income Taxes - Accrued | | |
| 49 | 4080 | Other Taxes - Accrued | 340,927 | 334,757 |
| 50 | 4100 | Net Current Deferred Operating Income Taxes | 134,098 | 168,771 |
| 51 | 4110 | Net Current Deferred Nonoperating Income Taxes | | |
| 52 | 4120 | Other Accrued Liabilities | 153,751 | 164,967 |
| 53 | 4130 | Other Current Liabilities | | |
| 54 | | Total Current Liabilities | 2,748,017 | 2,532,967 |
| 55 | | LONG-TERM DEBT: | | |
| 56 | 4210 | Funded Debt | 21,829,086 | 23,367,513 |
| 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 | | Total Long-Term Debt | 21,829,086 | 23,367,513 |
| 64 | | OTHER LIABILITIES AND DEFERRED CREDITS: | | |
| 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 | (68,823) | 30,700 |
| 69 | 4350 | Net Noncurrent Deferred Nonoper. Income Taxes | 475,335 | |
| 70 | 4360 | Other Deferred Credits | | |
| 71 | 4370 | Other Jurisdictional Liab. and Def. Credits | | |
| 72 | | Total Other Liabilities and Deferred Credits | 406,512 | 30,700 |
| 73 | | STOCKHOLDERS' EQUITY: | | |
| 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 | 7,175,605 | 6,583,300 |
| 79 | | Total Stockholders' Equity | 11,875,605 | 11,283,300 |
| 80 | | TOTAL LIAB. AND STOCKHOLDERS' EQUITY | 36,859,220 | 37,214,480 |

Total Company Income Statement

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|--|---------------|---------------|
| 1 | | REVENUES: | | |
| 2 | 5000 | Basic Local Service Revenues | 2,746,426 | 2,630,641 |
| 3 | 5080 | Network Access Revenues | 11,460,584 | 10,845,814 |
| 4 | * 5100 | Long Distance Message Revenue | 1,153,454 | 1,106,315 |
| 5 | ^ 5110 | Unidirectional Long Distance Revenue | | |
| 6 | ^ 5120 | Long Distance Private Network Revenue | 1,139,040 | 1,091,261 |
| 7 | ^ 5160 | Other Long Distance Revenue | 14,414 | 15,054 |
| 8 | ^ 5169 | Other Long Distance Revenue Settlements | | |
| 9 | * 5200 | Miscellaneous Revenue | 115,044 | 243,943 |
| 10 | ^ 5230 | Directory Revenue | 33,174 | 35,829 |
| 11 | ^ 5240 | Rent Revenue | | |
| 12 | ^ 5250 | Corporate Operations Revenue | | |
| 13 | ^ 5260 | Miscellaneous Revenue | 18,071 | 121,946 |
| 14 | ^ 5270 | Carrier Billing and Collection Revenue | 63,799 | 86,168 |
| 15 | ^ 5280 | Nonregulated Revenue | | |
| 16 | 5300 | Uncollectible Revenue | 152,101 | 25,202 |
| 17 | | Total Revenues (L.2+L.3+L.4+L.9-L.16) | 15,323,407 | 14,801,511 |
| 18 | | OPERATING EXPENSES: | | |
| 19 | 6110 | Network Support Expense | | |
| 20 | 6120 | General Support Expense | 465,414 | 456,197 |
| 21 | 6210 | Central Office Switching Expense | 886,834 | 752,331 |
| 22 | 6220 | Operator Systems Expense | | |
| 23 | 6230 | Central Office Transmission Expense | 262,250 | 202,994 |
| 24 | 6310 | Information Origination/Termination Expense | | |
| 25 | * 6410 | Cable and Wire Facilities Expense | 883,724 | 963,172 |
| 26 | ^ 6431 | Aerial Wire Expense | 883,724 | 963,172 |
| 27 | ^ 6441 | Conduit Systems Expense | | |
| 28 | 6510 | Other Property, Plant & Equipment Expense | | |
| 29 | 6530 | Network Operations Expense | 687,846 | 551,800 |
| 30 | 6540 | Access Expense | 643,120 | 717,598 |
| 31 | 6560 | Depreciation and Amortization Expense | 3,491,259 | 3,356,020 |
| 32 | 6610 | Marketing | 91,780 | 94,358 |
| 33 | 6620 | Services | 956,972 | 719,581 |
| 34 | 6710 | Executive and Planning | 180,344 | 261,581 |
| 35 | 6720 | General and Administrative | 1,544,177 | 1,559,435 |
| 36 | 6790 | Provision for Uncollectible Notes Receivable | | |
| 37 | | Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) | 10,093,720 | 9,635,067 |
| 38 | 7100 | Other Operating Income and Expense | | |
| 39 | 7200 | Operating Taxes | 1,493,121 | 1,627,010 |
| 40 | | Net Operating Income (L.17-L.37+L.38-L.39) | 3,736,566 | 3,539,434 |
| 41 | 7300 | Nonoperating Income and Expense | 55,107 | (118,474) |
| 42 | 7400 | Nonoperating Taxes | 375,812 | |
| 43 | 7500 | Interest and Related Items | 1,645,644 | 1,489,041 |
| 44 | 7600 | Extraordinary Items | | |
| 45 | 7910 | Effects of Juris. Ratemaking Diff. - Net | | |
| 46 | 7990 | Nonregulated Net Income | (72,088) | (139,061) |
| 47 | | NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46) | 1,842,305 | 2,070,980 |

^ Subaccount of the account marked with a *.

Montana Total State Income Statement

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|--|--|---------------|
| 1 | | REVENUES: | | |
| 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. only operates 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 | | Total Revenues (L.2+L.3+L.4+L.9-L.16) | | |
| 18 | | OPERATING EXPENSES: | | |
| 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 | | Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) | | |
| 38 | 7100 | Other Operating Income and Expense | | |
| 39 | 7200 | Operating Taxes | | |
| 40 | | Net Operating Income (L.17-L.37+L.38-L.39) | | |

^ Subaccount of the account marked with a *.

Montana Intrastate Income Statement

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|--|---------------|---------------|
| 1 | | REVENUES: | | |
| 2 | 5000 | Basic Local Service Revenues | 2,746,426 | 2,630,643 |
| 3 | 5080 | Network Access Revenues | 2,011,068 | 1,894,520 |
| 4 | * 5100 | Long Distance Message Revenue | 737,828 | 696,253 |
| 5 | ^ 5110 | Unidirectional Long Distance Revenue | 591,190 | 570,710 |
| 6 | ^ 5120 | Long Distance Private Network Revenue | 143,956 | 121,714 |
| 7 | ^ 5160 | Other Long Distance Revenue | 2,682 | 3,829 |
| 8 | ^ 5169 | Other Long Distance Revenue Settlements | | |
| 9 | * 5200 | Miscellaneous Revenue | 81,061 | 161,040 |
| 10 | ^ 5230 | Directory Revenue | | 19,303 |
| 11 | ^ 5240 | Rent Revenue | 5,344 | 5,344 |
| 12 | ^ 5250 | Corporate Operations Revenue | 12,727 | 14,602 |
| 13 | ^ 5260 | Miscellaneous Revenue | | 102,000 |
| 14 | ^ 5270 | Carrier Billing and Collection Revenue | 62,990 | 19,791 |
| 15 | ^ 5280 | Nonregulated Revenue | | |
| 16 | 5300 | Uncollectible Revenue | | |
| 17 | | Total Revenues (L.2+L.3+L.4+L.9-L.16) | 5,576,383 | 5,382,456 |
| 18 | | OPERATING EXPENSES: | | |
| 19 | 6110 | Network Support Expense | | |
| 20 | 6120 | General Support Expense | 302,347 | 297,718 |
| 21 | 6210 | Central Office Switching Expense | 456,117 | 396,351 |
| 22 | 6220 | Operator Systems Expense | | |
| 23 | 6230 | Central Office Transmission Expense | 134,880 | 103,975 |
| 24 | 6310 | Information Origination/Termination Expense | | |
| 25 | * 6410 | Cable and Wire Facilities Expense | 616,237 | 673,792 |
| 26 | ^ 6431 | Aerial Wire Expense | 616,237 | 673,792 |
| 27 | ^ 6441 | Conduit Systems Expense | | |
| 28 | 6510 | Other Property, Plant & Equipment Expense | | |
| 29 | 6530 | Network Operations Expense | 446,653 | 360,111 |
| 30 | 6540 | Access Expense | | |
| 31 | 6560 | Depreciation and Amortization Expense | 2,149,563 | 2,053,221 |
| 32 | 6610 | Marketing | 52,377 | 53,849 |
| 33 | 6620 | Services | 614,822 | 474,178 |
| 34 | 6710 | Executive and Planning | 111,060 | 159,945 |
| 35 | 6720 | General and Administrative | 923,987 | 959,412 |
| 36 | | Interstate Expense adjustment | (4,401,108) | (4,464,007) |
| 37 | | Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) | 1,406,935 | 1,068,545 |
| 38 | 7100 | Other Operating Income and Expense | | |
| 39 | 7200 | Operating Taxes | 441,285 | 434,990 |
| 40 | | Net Operating Income (L.17-L.37+L.38-L.39) | 3,728,163 | 3,878,921 |

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|--|---|---------------|
| 1 | | REVENUES: | | |
| 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 | This schedule is the same as schedule #6 as Clark Fork Telecommunications, Inc. only operates in Montana. | |
| 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 | | Total Revenues (L.2+L.3+L.4+L.9-L.16) | | |
| 18 | | OPERATING EXPENSES: | | |
| 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 | This schedule is the same as schedule #6 as Clark Fork Telecommunications, Inc. only operates in Montana. | |
| 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 | | Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) | #VALUE! | |
| 38 | 7100 | Other Operating Income and Expense | | |
| 39 | 7200 | Operating Taxes | | |
| 40 | | Net Operating Income (L.17-L.37+L.38-L.39) | #VALUE! | |

^ Subaccount of the account marked with a *.

Average Rate Base - Total State

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|--|-------------------|-------------------|
| 1 | 2001 | Telecommunications Plant in Service | 38,086,719 | 36,379,471 |
| 2 | 3100 | Accumulated Depreciation | (17,451,084) | (15,604,016) |
| 3 | 2002 | Property Held for Future Telecommunications Use | | |
| 4 | 3200 | Accumulated Depreciation - 2002 | | |
| 5 | 1220 | Materials and Supplies | 444,616 | 312,011 |
| 6 | 4340 | Noncurrent Deferred Operating Income Taxes | 94,962 | 52,662 |
| 7 | | Pre-1971 Unamortized Investment Tax Credits | | |
| 8 | | Cash Working Capital (if allowed by Commission) | 776,105 | 824,909 |
| 9 | | Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8) | 21,951,318 | 21,965,037 |

Average Rate Base - Intrastate

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|--|-------------------|-------------------|
| 1 | 2001 | Telecommunications Plant in Service | 24,731,692 | 23,741,612 |
| 2 | 3100 | Accumulated Depreciation | (10,522,871) | (9,566,441) |
| 3 | 2002 | Property Held for Future Telecommunications Use | | |
| 4 | 3200 | Accumulated Depreciation - 2002 | | |
| 5 | 1220 | Materials and Supplies | 310,109 | 218,269 |
| 6 | 4340 | Noncurrent Deferred Operating Income Taxes | (102,617) | (41,272) |
| 7 | | Pre-1971 Unamortized Investment Tax Credits | | |
| 8 | | Cash Working Capital (if allowed by Commission) | 484,829 | 505,674 |
| 9 | | Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8) | 14,901,142 | 14,857,842 |

Average Rate Base - Regulated Intrastate

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|--|-----------------|-----------------|
| 1 | 2001 | Telecommunications Plant in Service | Same as Avg | Same as Avg |
| 2 | 3100 | Accumulated Depreciation | Rate Base above | Rate Base above |
| 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 | | Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8) | #VALUE! | #VALUE! |

*Information from Cost Study - Part 36

Statement of Cash Flows

Year: 2002

| Line No. | Item Description (a) | Amount (b) | Amount (c) |
|----------|--|---------------|---------------|
| 1 | Increase/(decrease) in Cash & Cash Equivalents | | 2,079,173 |
| 2 | Cash Flows from Operating Activities: | | |
| 3 | Net Income | | 1,842,305 |
| 4 | Reconciliation Adjustments: | | |
| 5 | Depreciation & Amortization | 3,500,013 | |
| 6 | Provision for Accounts Receivable Losses | | |
| 7 | Deferred Income Taxes - Net | 375,812 | |
| 8 | Noncash Patronage Dividends | (21,630) | |
| 9 | Allowance for Funds Used During Construction (AFUDC) | | |
| 10 | Change in Operating Receivables - Net | 977,900 | |
| 11 | Change in Materials, Supplies & Inventories - Net | 358,813 | |
| 12 | Change in Operating Payables & Accrued Liabilities - Net | 117,235 | |
| 13 | Change in Other Assets & Deferred Credits - Net | 28,635 | |
| 14 | Change in Other Liabilities & Deferred Credits - Net | (39,719) | |
| 15 | Other (explained on back of this page) | | |
| 16 | Total Adjustments | | 5,297,059 |
| 17 | Net Cash Provided by/(Used in) Operating Activities | | 7,139,364 |
| 18 | Cash Inflows/Outflows From Investing Activities: | | |
| 19 | Construction/Acquisition of Property, Plant & Equipment (net of | (2,421,563) | |
| 20 | AFUDC & Capital Lease Related Acquisitions) | 49,751 | |
| 21 | Proceeds from Disposals of Property, Plant & Equipment | | |
| 22 | Investments In & Advances to Affiliates | | |
| 23 | Proceeds from Repayment of Advances | 5,556 | |
| 24 | Other Investing Activities (explained on back of this page) | (84) | |
| 25 | Net Cash Provided by/(Used in) Investing Activities | | (2,366,340) |
| 26 | Cash Flows from Financing Activities: | | |
| 27 | Net Incr./(Decr.) in Short-Term Debt, Original maturity <= 3 mo. | | |
| 28 | Advances from Affiliates | | |
| 29 | Repayment of Advances from Affiliates | | |
| 30 | Proceeds from Issuances of Long-Term Debt | | |
| 31 | Repayment of Long-Term Debt | (1,443,851) | |
| 32 | Payment of Capital Lease Obligations | | |
| 33 | Proceeds from Issuing Common Stock/Parent Co. Equity Investment | | |
| 34 | Repurchase of Treasury Shares | | |
| 35 | Dividends Paid | (1,250,000) | |
| 36 | Other Financing Activities (explained on back of this page) | | |
| 37 | Net Cash Provided by Financing Activities | | (2,693,851) |
| 38 | Effect of Exchange Rate Changes on Cash | | |
| 39 | Net Increase/(Decrease) in Cash & Cash Equivalents | | 2,079,173 |
| 40 | Cash & Cash Equivalents at Beginning of Period | | 3,397,335 |
| 41 | Cash & Cash Equivalents at End of Period | | 5,476,508 |

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2002

| Line No. | Name of Affiliate or Company (a) | Account 1160 Temporary Investments (b) | Account 1180 Telecom. Accounts Receivable (c) | Account 1181 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 | | | | | | | | | | 1,058,910 |
| 2 | Finance Cooperative | | | | | | | | | | 9,891 |
| 3 | Rural Telephone Bank | | | | | | | | | | 28,240 |
| 4 | Thompson Falls SC | | | | | | | | | | 20,317 |
| 5 | Vision Net | | | | | | | | | | |
| 6 | Telephone Subscribers | | 555,915 | | | | | | | | |
| 7 | | | | | | | | | | | |
| 8 | | | | | | | | | | | |
| 9 | Qwest Settlement | | | | 12,206 | | | | | | |
| 10 | AT&T Settlement | | | | 310,291 | | | | | | |
| 11 | National Exchange | | | | | | | | | | |
| 12 | Carrier Association | | | | 706,061 | | | | | | |
| 13 | MT Ind Local | | | | | | | | | | |
| 14 | Exchange Carrier | | | | 75,000 | | | | | | |
| 15 | Ind NECA Services | | | | | | | | | | |
| 16 | Other Interstate Carriers | | | | 177,946 | | | | | | |
| 17 | USAC | | | | | | | | | | |
| 18 | ANPI Toll | | | | 43,000 | | | | | | |
| 19 | Misc Receivables | | | | 58,807 | | | | | | |
| 20 | | | | | | | | | | | |
| 21 | Blackfoot Telecom | | | | | | | | | | |
| 22 | Blackfoot Telephone | | | | 67,290 | | | | | | |
| 23 | Montana Wireless | | | | | | | | | | |
| 24 | | | | | | | | | | | |
| 25 | | | | | | | | | | | |
| 26 | | | | | | | | | | | |
| 27 | | | | | | | | | | | |
| 28 | | | | | | | | | | | |
| 29 | | | | | | | | | | | |
| 30 | Totals | | 555,915 | | 1,450,601 | | | | | | 1,117,358 |

Net Plant in Service - Detail

Year: 2002

| 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 | 598,442 | 48,305 | - | - | 1,044,707 | 420,395 | 624,312 |
| 2 | ^ 2111 | Land | 33,643 | - | - | - | 33,643 | - | 33,643 |
| 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 | 962,759 | 48,305 | - | - | 1,011,064 | 420,395 | 590,669 |
| 9 | ^ 2122 | Furniture | - | - | - | - | - | - | - |
| 10 | ^ 2123 | Office Equipment | - | - | - | - | - | - | - |
| 11 | ^ 2124 | General Purpose Computers | - | - | - | - | - | - | - |
| 12 | ^ 2211 | Analog Electronic Switching | - | - | - | - | - | - | - |
| 13 | ^ 2212 | Digital Electronic Switching | 3,643,945 | 4,726 | (3,000) | - | 3,645,671 | 3,645,547 | 124 |
| 14 | ^ 2215 | Electro-Mechanical Switching | - | - | - | - | - | - | - |
| 15 | ^ 2220 | Operator Systems | - | - | - | - | - | - | - |
| 16 | ^ 2231 | Radio Systems | 24,885 | - | - | - | 24,885 | 16,930 | 7,955 |
| 17 | ^ 2232 | Circuit Equipment | 5,924,897 | 591,056 | (431,122) | 48,427 | 6,133,258 | 3,638,241 | 2,495,017 |
| 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 | 195,728 | 2,813 | (12,933) | - | 185,608 | 102,957 | 82,651 |
| 25 | * 2420 | Cable and Wire Facilities | 16,955,113 | 1,873,772 | (413,778) | 12,814 | 27,936,678 | 10,528,194 | 17,408,484 |
| 26 | ^ 2421 | Aerial Cable | 954,227 | 158,675 | (85,636) | - | 1,027,266 | 483,311 | 543,955 |
| 27 | ^ 2422 | Underground Cable | 56,682 | 8,904 | - | - | 65,586 | 19,001 | 46,585 |
| 28 | ^ 2423 | Buried Cable | 25,452,961 | 1,706,193 | (328,142) | 12,814 | 26,843,826 | 10,025,882 | 16,817,944 |
| 29 | ^ 2424 | Submarine Cable | - | - | - | - | - | - | - |
| 30 | ^ 2425 | Deep Sea Cable | - | - | - | - | - | - | - |
| 31 | ^ 2426 | Intrabuilding Network Cable | - | - | - | - | - | - | - |
| 32 | ^ 2431 | Aerial Wire | - | - | - | - | - | - | - |
| 33 | ^ 2441 | Conduit Systems | 47,619 | - | - | - | 47,619 | 12,408 | 35,211 |
| 34 | | Totals | 37,297,346 | 2,520,672 | (860,833) | 61,241 | 39,018,426 | 18,364,672 | 20,653,754 |

^ Subaccount of the account marked with a *

Analysis of Plant Held for Future Use **Year: 2002**

| 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 | None | | | | | | |
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| 27 | | | | | | | |
| 28 | | | | | | | |
| 29 | | | | | | | |
| 30 | Totals | | | | | | |

(Sum L.1 to L.29)

Average Cost of Long Term Debt

Year: 2002

| 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 | Mar-94 | Feb-14 | 23,299,100 | 23,299,100 | 23,299,100 | | 13,681,722 | | 926,251 | | 6.77% |
| 2 | RUS | Jul-96 | Jul-17 | 11,027,000 | 11,027,000 | 11,027,000 | | 9,436,849 | | 655,459 | | 6.95% |
| 3 | RTB | May-96 | | 207,708 | 207,708 | 207,708 | | 177,176 | | 10,049 | | 5.67% |
| 4 | RUS Econ Dev | Mar-98 | Mar-08 | 50,000 | 50,000 | 50,000 | | 28,703 | | | | |
| 5 | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | |
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| 27 | | | | | | | | | | | | |
| 28 | | | | | | | | | | | | |
| 29 | | | | | | | | | | | | |
| 30 | Total | | | 34,583,808 | 34,583,808 | 34,583,808 | 100 | 23,324,450 | | 1,591,759 | | 6.82% |

Year: 2002

Cost of Preferred Stock

| 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 | | | | | | | | | | | | |
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| 27 | | | | | | | | | | | | |
| 28 | | | | | | | | | | | | |
| 29 | | | | | | | | | | | | |
| 30 | Totals (Sum L.1 to L.29) | | | | | | | | | | | |

Analysis of Common Stock

Year: 2002

| 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) | Market Price Low (h) | Price/Earnings Ratio (i) |
|----------|-------------------------|---------------------------------------|----------------------------|--------------------------|---------------------------|---------------------|-----------------------|----------------------|--------------------------|
| 1 | Year Ended December 31: | 4700 | 1000 | | | | n/a | n/a | |
| 2 | | | | | | | | | |
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| 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: 2002

| 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 | None | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
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| 25 | | | | | | | |
| 26 | | | | | | | |
| 27 | | | | | | | |
| 28 | | | | | | | |
| 29 | | | | | | | |
| 30 | Totals | | | | | | |

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 | * | Network Support Expense | | | | | | |
| 2 | ^ | Motor Vehicle Expense | | | | | | |
| 3 | ^ | Aircraft Expense | | | | | | |
| 4 | ^ | Special Purpose Vehicles Expense | | | | | | |
| 5 | ^ | Garage Work Equipment Expense | | | | | | |
| 6 | ^ | Other Work Equipment Expense | | | | | | |
| 7 | * | General Support Expense | 107,638 | 33,581 | | 324,195 | | 465,414 |
| 8 | ^ | Land and Building Expense | 3,605 | 1,127 | | 135,115 | | 139,847 |
| 9 | ^ | Furniture and Artworks Expense | | | | 6,016 | | 6,016 |
| 10 | ^ | Office Equipment Expense | | | | 12,990 | | 12,990 |
| 11 | ^ | General Purpose Computers Expense | 104,033 | 32,454 | | 179,074 | | 306,561 |
| 12 | * | Central Office Switching Expense | 65,380 | 25,468 | 175 | 795,811 | | 886,834 |
| 13 | ^ | Analog Electronic Expense | | | | | | |
| 14 | ^ | Digital Electronic Expense | | | | | | |
| 15 | ^ | Electro-Mechanical Expense | 65,380 | 25,468 | 175 | 795,811 | | 886,834 |
| 16 | ^ | Operator Systems Expense | | | | | | |
| 17 | * | Central Office Transmission Expense | 119,595 | 42,856 | 34,292 | 65,507 | | 262,250 |
| 18 | ^ | Radio Systems Expense | | | | | | |
| 19 | ^ | Circuit Equipment Expense | 119,595 | 42,856 | 34,292 | 65,507 | | 262,250 |
| 20 | * | Information Origination/Termination Expense | | | | | | |
| 21 | ^ | Station Apparatus Expense | | | | | | |
| 22 | ^ | Large Private Branch Exchange Expense | | | | | | |
| 23 | ^ | Public Telephone Terminal Equipment Exp. | | | | | | |
| 24 | ^ | Other Terminal Equipment Expense | | | | | | |
| 25 | * | Cable and Wire Facilities Expense | 478,192 | 208,204 | 28,900 | 168,428 | | 883,724 |
| 26 | ^ | Poles Expense | 615 | 188 | | 3,250 | | 4,053 |
| 27 | ^ | Aerial Cable Expense | 59,933 | 22,620 | 139 | 16,405 | | 99,097 |
| 28 | ^ | Underground Cable Expense | | | | | | |
| 29 | ^ | Buried Cable Expense | 417,644 | 185,396 | 28,761 | 148,773 | | 780,574 |
| 30 | ^ | Submarine Cable Expense | | | | | | |
| 31 | ^ | Deep Sea Cable Expense | | | | | | |
| 32 | ^ | Intrabuilding Network Cable Expense | | | | | | |
| 33 | ^ | Aerial Wire Expense | | | | | | |
| 34 | | Subtotals | 770,805 | 310,109 | 63,367 | 1,353,941 | | 2,498,222 |

^ 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 | | | | | | |
| 36 | | 6510 | | | | | | |
| 37 | * | 6530 | | | | | | |
| 38 | ^ | 6531 | | | | | | |
| 39 | ^ | 6532 | | | | | | |
| 40 | ^ | 6533 | | | | | | |
| 41 | ^ | 6534 | | | | | | |
| 42 | ^ | 6535 | | | | | | |
| 43 | | 6540 | | | | | | |
| 44 | | 6561 | | | | | | |
| 45 | | 6561 | | | | | | |
| 46 | | 6563 | | | | | | |
| 47 | | 6564 | | | | | | |
| 48 | | 6565 | | | | | | |
| 49 | * | 6610 | | | | | | |
| 50 | ^ | 6611 | | | | | | |
| 51 | ^ | 6612 | | | | | | |
| 52 | ^ | 6613 | | | | | | |
| 53 | | 6621 | | | | | | |
| 54 | | 6622 | | | | | | |
| 55 | | 6623 | | | | | | |
| 56 | | 6711 | | | | | | |
| 57 | | 6712 | | | | | | |
| 58 | | 6721 | | | | | | |
| 59 | | 6722 | | | | | | |
| 60 | | 6723 | | | | | | |
| 61 | | 6724 | | | | | | |
| 62 | | 6725 | | | | | | |
| 63 | | 6726 | | | | | | |
| 64 | | 6727 | | | | | | |
| 65 | | 6728 | | | | | | |
| 66 | | 6790 | | | | | | |
| 67 | | Totals | 2,824,628 | 1,036,068 | 63,367 | 6,169,656 | | 10,093,719 |

^ 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 | * | Network Support Expense | | | | | | |
| 2 | ^ | Motor Vehicle Expense | | | | | | |
| 3 | ^ | Aircraft Expense | | | | | | |
| 4 | ^ | Special Purpose Vehicles Expense | | | | | | |
| 5 | ^ | Garage Work Equipment Expense | | | | | | |
| 6 | ^ | Other Work Equipment Expense | | | | | | |
| 7 | * | General Support Expense | | | | | | |
| 8 | ^ | Land and Building Expense | | | | | | |
| 9 | ^ | Furniture and Artworks Expense | | | | | | |
| 10 | ^ | Office Equipment Expense | | | | | | |
| 11 | ^ | General Purpose Computers Expense | | | | | | |
| 12 | * | Central Office Switching Expense | | | | | | |
| 13 | ^ | Analog Electronic Expense | | | | | | |
| 14 | ^ | Digital Electronic Expense | | | | | | |
| 15 | ^ | Electro-Mechanical Expense | | | | | | |
| 16 | ^ | Operator Systems Expense | | | | | | |
| 17 | * | Central Office Transmission Expense | | | | | | |
| 18 | ^ | Radio Systems Expense | | | | | | |
| 19 | ^ | Circuit Equipment Expense | | | | | | |
| 20 | * | Information Origination/Termination Expense | | | | | | |
| 21 | ^ | Station Apparatus Expense | | | | | | |
| 22 | ^ | Large Private Branch Exchange Expense | | | | | | |
| 23 | ^ | Public Telephone Terminal Equipment Exp. | | | | | | |
| 24 | ^ | Other Terminal Equipment Expense | | | | | | |
| 25 | * | Cable and Wire Facilities Expense | | | | | | |
| 26 | ^ | Poles Expense | | | | | | |
| 27 | ^ | Aerial Cable Expense | | | | | | |
| 28 | ^ | Underground Cable Expense | | | | | | |
| 29 | ^ | Buried Cable Expense | | | | | | |
| 30 | ^ | Submarine Cable Expense | | | | | | |
| 31 | ^ | Deep Sea Cable Expense | | | | | | |
| 32 | ^ | Intrabuilding Network Cable Expense | | | | | | |
| 33 | ^ | Aerial Wire Expense | | | | | | |
| 34 | | Subtotals | | | | | | |

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

^ Subaccount of the account marked with a *.

Total State Expense Matrix

Year:2002

| Line No. | Acct. No. (a) | Description (b) | Salaries and Wages (c) | Benefits (d) | Rents (e) | Other Expenses (f) | Clearances (g) | Total (h) |
|----------|---------------|--|------------------------|--------------|-----------|--------------------|----------------|-----------|
| 35 | ^ | Conduit Systems Expense | | | | | | |
| 36 | 6510 | Other Property Expenses | | | | | | |
| 37 | * | Network Operations Expense | | | | | | |
| 38 | ^ | Power Expense | | | | | | |
| 39 | ^ | Network Administration Expense | | | | | | |
| 40 | ^ | Testing Expense | | | | | | |
| 41 | ^ | Plant Operations Expense | | | | | | |
| 42 | ^ | Engineering Expense | | | | | | |
| 43 | | Access Expense | | | | | | |
| 44 | | Depreciation - Telecomm. Plant in Service | | | | | | |
| 45 | | Depreciation-Prop. for Future Telecom. Use | | | | | | |
| 46 | | Amortization Expense - Tangible | | | | | | |
| 47 | | Amortization Expense - Intangible | | | | | | |
| 48 | | Amortization - Other | | | | | | |
| 49 | * | Marketing | | | | | | |
| 50 | ^ | Product Management | | | | | | |
| 51 | ^ | Sales | | | | | | |
| 52 | ^ | Product Advertising | | | | | | |
| 53 | | Call Completion Services | | | | | | |
| 54 | | Number Services | | | | | | |
| 55 | | Customer Services | | | | | | |
| 56 | | Executive | | | | | | |
| 57 | | Planning | | | | | | |
| 58 | | Accounting and Finance | | | | | | |
| 59 | | External Relations | | | | | | |
| 60 | | Human Relations | | | | | | |
| 61 | | Information Management | | | | | | |
| 62 | | Legal | | | | | | |
| 63 | | Procurement | | | | | | |
| 64 | | Research and Development | | | | | | |
| 65 | | Other General and Administrative | | | | | | |
| 66 | | Provision for Uncollectible Notes Receivable | | | | | | |
| 67 | | Totals | | | | | | |

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

^ Subaccount of the account marked with a *.

Pension Costs

Year: 2002

| | | | | |
|----|--|--|-----------|----------|
| 1 | Plan Name N/A | | | |
| 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 | Change in Benefit Obligation | | | |
| 7 | Benefit obligation at beginning of year | | | |
| 8 | Service cost | | | |
| 9 | Interest Cost | | | |
| 10 | Plan participants' contributions | | | |
| 11 | Amendments | | | |
| 12 | Actuarial Gain | N/A | | #VALUE! |
| 13 | Acquisition | | | |
| 14 | Benefits paid | | | |
| 15 | Benefit obligation at end of year | | | |
| 16 | Change in Plan Assets | | | |
| 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 | Funded Status | | | |
| 25 | Unrecognized net actuarial loss | | | |
| 26 | Unrecognized prior service cost | | | |
| 27 | Prepaid (accrued) benefit cost | | | |
| 28 | | | | |
| 29 | Weighted-average Assumptions as of Year End | | | |
| 30 | Discount rate | | | |
| 31 | Expected return on plan assets | | | |
| 32 | Rate of compensation increase | | | |
| 33 | | | | |
| 34 | Components of Net Periodic Benefit Costs | | | |
| 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 | Montana Intrastate Costs: | | | |
| 43 | Pension Costs | | | |
| 44 | Pension Costs Capitalized | | | |
| 45 | Accumulated Pension Asset (Liability) at Year End | | | |
| 46 | Number of Company Employees: | | | |
| 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 Regulatory Treatment: | | | |
| 2 Commission authorized - most recent | | | |
| 3 Docket number: _____ | | | |
| 4 Order number: _____ | | | |
| 5 Amount recovered through rates | | | |
| 6 Weighted-average Assumptions as of Year End | | | |
| 7 Discount rate | | | |
| 8 Expected return on plan assets | | | |
| 9 Medical Cost Inflation Rate | | | |
| 10 Actuarial Cost Method | | | |
| 11 Rate of compensation increase | | | |
| 12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged: | | | |
| 13 | N/A | N/A | |
| 14 | | | |
| 15 Describe any Changes to the Benefit Plan: | | | |
| 16 | | | |
| 17 TOTAL COMPANY | | | |
| 18 Change in Benefit Obligation | | | |
| 19 Benefit obligation at beginning of year | | | |
| 20 Service cost | | | |
| 21 Interest Cost | N/A | N/A | #VALUE! |
| 22 Plan participants' contributions | | | |
| 23 Amendments | | | |
| 24 Actuarial Gain | | | |
| 25 Acquisition | | | |
| 26 Benefits paid | | | |
| 27 Benefit obligation at end of year | | | |
| 28 Change in Plan Assets | | | |
| 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 Funded Status | | | |
| 37 Unrecognized net actuarial loss | | | |
| 38 Unrecognized prior service cost | | | |
| 39 Prepaid (accrued) benefit cost | | | |
| 40 Components of Net Periodic Benefit Costs | | | |
| 41 Service cost | | | |
| 42 Interest cost | N/A | N/A | #VALUE! |
| 43 Expected return on plan assets | | | |
| 44 Amortization of prior service cost | | | |
| 45 Recognized net actuarial loss | | | |
| 46 Net periodic benefit cost | | | |
| 47 Accumulated Post Retirement Benefit Obligation | | | |
| 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 | Number of Company Employees: | | | |
| 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 | Montana | | | |
| 8 | Change in Benefit Obligation | | | |
| 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 | Change in Plan Assets | | | |
| 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 | Funded Status | | | |
| 27 | Unrecognized net actuarial loss | | | |
| 28 | Unrecognized prior service cost | | | |
| 29 | Prepaid (accrued) benefit cost | | | |
| 30 | Components of Net Periodic Benefit Ccosts | | | |
| 31 | Service cost | | | |
| 32 | Interest cost | | | |
| 33 | Expected return on plan assets | | | |
| 34 | Amortization of prior service cost | | | |
| 35 | Recognized net actuarial loss | | | |
| 36 | Net periodic benefit cost | | | |
| 37 | Accumulated Post Retirement Benefit Obligation | | | |
| 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 | Montana Intrastate Costs: | | | |
| 47 | Pension Costs | | | |
| 48 | Pension Costs Capitalized | | | |
| 49 | Accumulated Pension Asset (Liability) at Year End | | | |
| 50 | Number of Montana Employees: | | | |
| 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 | Drillworx, LLC | Services | 85,354 | | |
| 2 | GVNW | Consulting | 64,283 | | |
| 3 | Dickstein, Shapiro, Morin & Oshinski | Legal | 13,751 | | |
| 4 | Moss Adams | Auditors | 10,698 | Not Available at this time. | Not Available at this time. |
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| 49 | Total | | | | |

Subscriber Line Usage Data

Year: 2002

| Line No. | Description (a) | This Year (b) | % of Total (c) | Last Year (d) | % of Total (e) |
|----------|-------------------------------|-------------------|----------------|-------------------|----------------|
| 1 | Toll Usage: | | | | |
| 2 | Interstate, InterLATA | 37,009,284 | 55.33% | 34,861,450 | 54.01% |
| 3 | Interstate, IntraLATA | 19,044 | 0.03% | 16,780 | 0.03% |
| 4 | Total Interstate Usage | 37,028,328 | 55.36% | 34,878,230 | 54.03% |
| 5 | Intrastate, InterLATA | 9,775,747 | 14.62% | 8,976,661 | 13.91% |
| 6 | Intrastate, IntraLATA | 20,078,516 | 30.02% | 20,693,122 | 32.06% |
| 7 | Total Intrastate Usage | 29,854,263 | 44.64% | 29,669,783 | 45.97% |
| 8 | Total Toll Usage | 66,882,591 | 100.00% | 64,548,013 | 100.00% |
| 9 | Centrex * | | | | |
| 10 | Local * | | | | |
| 11 | Total Minutes | 66,882,591 | 100.00% | 64,548,013 | 100.00% |

* - Centrex & Local NOT AVAILABLE

Central Office and Access Line Statistics

Year: 2002

| 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 | 288-Drummond MT | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | 100 | #VALUE! |
| 2 | 649-St. Regis MT | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | 100 | #VALUE! |
| 3 | 678-Haugan MT | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | 100 | #VALUE! |
| 4 | 722-Alberton MT | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | 100 | #VALUE! |
| 5 | 822-Superior MT | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | 100 | #VALUE! |
| 6 | 826-Plains MT | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | 100 | #VALUE! |
| 7 | 827-Thompson Falls MT | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | 100 | #VALUE! |
| 8 | 847-Noxon MT | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | 100 | #VALUE! |
| 9 | 859-Philipsburg MT | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | 100 | #VALUE! |
| 10 | | | | | | | | | | | | | | |
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| 32 | | | | | | | | | | | | | | |
| 33 | Total | | | | | | | | | | | | 900 | #VALUE! |

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

* ADSL is backed out of total count as it is included in either res or bus

Central Office and Switch Information

| 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 | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX |
| 2 | Drummond | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX |
| 3 | Haugan | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX |
| 4 | Noxon | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX |
| 5 | Philipsburg | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX |
| 6 | Plains | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX |
| 7 | St. Regis | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX |
| 8 | Superior | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX |
| 9 | Thompson Falls | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX | XXXXXX |
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NOTE: Additional blank schedules are being provided for your convenience.

Construction Budget - Montana

Year: 2003

| Line No. | Description (a) | 2003 (b) |
|----------|---|-----------|
| 1 | Central Office Assets: | |
| 2 | DLC Additions | 294,857 |
| 3 | Special Circuits | 144,000 |
| 4 | DSL Additions | 49,057 |
| 5 | Switch Line Card Additions | 71,712 |
| 6 | Switching Additions | 10,000 |
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| 26 | | |
| 27 | Total Switching and Central Office Projects over \$500,000 | |
| 28 | Miscellaneous Central Office Projects not over \$500,000 | 569,626 |
| 29 | Total Central Office Budget (Total of Line 27 & Line 28) | 569,626 |
| 30 | Other Projects over \$500,000: | |
| 31 | Cable Expansion to new customers | 158,750 |
| 32 | High Voltage Protection for cable system | 42,500 |
| 33 | Fiber Upgrade to DLC at 12 locations | 695,386 |
| 34 | | |
| 35 | | |
| 36 | | |
| 37 | | |
| 38 | | |
| 39 | | |
| 40 | | |
| 41 | Total Other Projects over \$500,000 | |
| 42 | Miscellaneous projects not over \$500,000 | 896,636 |
| 43 | Total Construction Budget (Total of Lines 29, 41 & 42) | 1,466,262 |

Per annual budget

Montana Employee Counts

Year: 2002

| Line No. | Category (a) | Beginning of Year (b) | End of Year (c) |
|----------|--|--------------------------|--------------------|
| 1 | | | |
| 2 | Clark Fork Telecommunications, Inc. has no employees. | | |
| 3 | Employee services are provided through service agreements with | | |
| 4 | Blackfoot Telephone Cooperative, Inc. | | |
| 5 | | | |
| 6 | | | |
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| 42 | | | |
| 43 | Totals (Sum of Lines 1 through 42) | | |

Compensation of Top 10 Montana Based Employees

Year: 2002

| 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 | | | | | | | |
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| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | Totals (Sum L.1 to L.10) | | | | | | |

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 | Totals (Sum L.1 to L.5) | | | | | | |

Montana Composite Statistics

Year: 2002

| Line No. | Account No. | Description (a) | Amount (b) |
|----------|-------------|---|--|
| 1 | | Plant (Intrastate Only) (000 Omitted) | |
| 2 | 2001 | Plant in Service | Information is not available at this time. |
| 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 | | NET BOOK COSTS | |
| 11 | | Revenues & Expenses (Intrastate Only) (000 Omitted) | |
| 12 | 5000 - 5300 | Operating Revenues | Information is not available at this time. |
| 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 | |
| 19 | | Other Income | |
| 20 | | Other Deductions | |
| 21 | | NET INCOME | #VALUE! |
| 22 | | Access Lines in Service (Intrastate Only) | |
| 23 | | Residential Access Lines | Information is not available at this time. |
| 24 | | Business Access Lines | |
| 25 | | PBX Access Lines | |
| 26 | | Other Access Lines | |
| 27 | | Total Number of Access Lines | |
| 28 | | Average Number of Calls Per Access Line | |
| 29 | | Local Calls | Information is not available at this time. |
| 30 | | Toll Calls (Intra- or Interstate) | |
| 31 | | Total Number of Calls Per Access Line (Total of Line 29 & Line 30) | |
| 32 | | Other Statistics (Intrastate Only) | |
| 33 | | Average Residential Monthly Bill | |
| 34 | | Gross Plant Investment per Access Line | |

Depreciation - Montana Intrastate Regulated

Year: 2002

| 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% | 22,217 |
| 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% | 525,472 |
| 12 | 2215 | Step By Step Switching Equipment | | |
| 13 | 2215 | Crossbar Switching Equipment | | |
| 14 | 2220 | Operator System | | |
| 15 | 2231 | Radio Systems | 14.4% | 3,526 |
| 16 | 2232 | Circuit DDS | | |
| 17 | 2232 | Circuit Digital | 14.4% | 860,699 |
| 18 | 2232 | Circuit Analog | 14.4% | 306 |
| 19 | 2351 | Public Telephone Terminating Equipment | | |
| 20 | 2362 | Other Terminal Equipment | | |
| 21 | 2411 | Poles | 3.5% | 6,824 |
| 22 | 2421 | Aerial Cable Metallic | 9.5% | 94,504 |
| 23 | 2421 | Aerial Cable Nonmetallic | 9.5% | 3,267 |
| 24 | 2422 | Underground Cable Metallic | 5.0% | 2,737 |
| 25 | 2422 | Underground Cable Nonmetallic | 5.0% | 157 |
| 26 | 2423 | Buried Cable Metallic | 5.3% | 1,123,790 |
| 27 | 2423 | Buried Cable Nonmetallic | 5.3% | 260,853 |
| 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% | 1,943 |
| 34 | | | | |
| 35 | | COMPOSITE TOTAL | 7.7% | |
| 36 | Have these rates been approved by the Commission? ____ YES __X__ NO | | | |
| 37 | | | | |
| 38 | | | | |
| 39 | If yes: _____ Docket Number _____ Order Number | | | |
| 40 | | | | |

From RUS report and Jim's data

Montana Regulatory Capital Structure & Costs

Year: 2002

| Line No. | Description (a) | % Cap. Str. (b) | % Cost Rate (c) | Weighted Cost (d) |
|--|-----------------|-----------------|-----------------|-------------------|
| Commission Accepted - Most Recent | | | | |
| 1 | Docket Number | N/A | | |
| 2 | Order Number | | | |
| 3 | | | | |
| 4 | Common Equity | | | |
| 5 | Preferred Stock | | | |
| 6 | Long Term Debt | | | |
| 7 | Other | | | |
| 8 | Total | | | |
| 9 | | | | |
| Actual at Year End | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | Common Equity | 35.00% | 11.250% | 3.938% |
| 13 | Preferred Stock | | | |
| 14 | Long Term Debt | 65.00% | 6.820% | 4.433% |
| 15 | Other | | | |
| 16 | Total | 100.00% | | 8.371% |

**Only use Long Term debt & Equity w/FCC 11.25 on equity and interest from sch 13.

Network Access - Charges and Revenues

Year: 2002

| Line No. | Description (a) | Access Charges Paid (b) | Access Revenues Received (c) |
|----------|---|-------------------------|------------------------------|
| 1 | Montana - Total State | | 9,458,147 |
| 2 | | | |
| 3 | Montana - Intrastate | | 2,002,437 |
| 4 | | | |
| 5 | Montana - Intrastate Regulated | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | ** Access rate is contractual - Remains at \$0.0716 per minute. | | |
| 11 | | | |
| 12 | | | |
| 13 | | | |

Affiliate Transactions - Products & Services Provided to Utility

Year: 2002

| Line No. | Affiliate Name (a) | Products & Services (b) | Method to Determine Price (c) | Charges to Utility (d) | % Total Affil. Revenues (e) | Charges to MT Utility (f) |
|----------|--------------------------|-------------------------|-------------------------------|------------------------|-----------------------------|---------------------------|
| 1 | | | | | | |
| 2 | Blackfoot Telephone Coop | Audit Entry | Cost | 8,428 | | 8,428 |
| 3 | Blackfoot Telephone Coop | Labor | Cost | 5,099,922 | | 5,099,922 |
| 4 | Blackfoot Telephone Coop | Allocations | Cost | 1,853,958 | | 1,853,958 |
| 5 | Blackfoot Telephone Coop | ANPI Expense | Cost | 605,764 | | 605,764 |
| 6 | Blackfoot Telephone Coop | Miscellaneous | Cost | 16,733 | | 16,733 |
| 7 | Blackfoot Telephone Coop | Dividends | Cost | 1,250,000 | | 1,250,000 |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | Montana Wireless, Inc. | Payables | Cash | 39,353 | | 39,353 |
| 11 | Montana Wireless, Inc. | Allocations | Cost | 596,131 | | 596,131 |
| 12 | Montana Wireless, Inc. | Federal Income Tax | Cost | 606,506 | | 606,506 |
| 13 | | | | | | |
| 14 | | | | | | |
| 15 | Blackfoot Tel-Com, Inc. | Audit Entries | Cost | 139,056 | | 139,056 |
| 16 | Blackfoot Tel-Com, Inc. | Federal Income Tax | Cost | 103,900 | | 103,900 |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | Blackfoot.Net | Miscellaneous | Cost | 411 | | 411 |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | | | | | | |
| 24 | | | | | | |
| 25 | | | | | | |
| 26 | | | | | | |
| 27 | | | | | | |
| 28 | | | | | | |
| 29 | | | | | | |
| 30 | TOTAL | | | \$10,320,162 | | \$10,320,162 |

Source: Intercompany transfer sheets

Affiliate Transactions - Products & Services Provided by Utility

Year: 2002

| 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 | Blackfoot Telephone Coop | A/R | Cash | 36,425 | | 36,425 |
| 2 | Blackfoot Telephone Coop | Cash | Cash | 7,477,590 | | 7,477,590 |
| 3 | Blackfoot Telephone Coop | Inventory | Cost | 51,112 | | 51,112 |
| 4 | Blackfoot Telephone Coop | Interest | Cost | 26,841 | | 26,841 |
| 5 | | | | | | |
| 6 | Montana Wireless, Inc. | Cash | Cash | 1,085,211 | | 1,085,211 |
| 7 | Montana Wireless, Inc. | Miscellaneous | Cost | 898 | | 898 |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | Blackfoot Tel-Com, Inc. | Cash | Cash | 142,875 | | 142,875 |
| 12 | Blackfoot Tel-Com, Inc. | Miscellaneous | Cost | 22,096 | | 22,096 |
| 13 | | | | | | |
| 14 | Blackfoot .Net | Cash | Cash | 675,359 | | 675,359 |
| 15 | | | | | | |
| 16 | | | | | | |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | | | | | | |
| 24 | | | | | | |
| 25 | | | | | | |
| 26 | | | | | | |
| 27 | | | | | | |
| 28 | | | | | | |
| 29 | | | | | | |
| 30 | TOTAL | | | \$9,518,407 | | \$9,518,407 |

Source: Intercompany transfer sheets

Montana Intrastate Regulated Earned Rate of Return

Year: 2002

| Line No. | Description Rate Base (a) | This Year (b) | Last Year (c) | Percent Change (d) |
|----------|--|------------------|------------------|-----------------------|
| 1 | | | | |
| 2 | 2001 Plant in Service | 24,731,692 | 23,741,612 | 4.17% |
| 3 | 2002 Prop. Held for Future Telecommunications Use | | | |
| 4 | 3100-3200 (Less) Accumulated Depreciation | (10,522,871) | (9,566,441) | -10.00% |
| 5 | Plant in Service | 14,208,821 | 14,175,171 | 0.24% |
| 6 | | | | |
| 7 | Additions | | | |
| 8 | 1220 Materials & Supplies | 310,109 | 218,269 | 42.08% |
| 9 | 1280 Prepayments | | | |
| 10 | Other Additions - Cash Working Capital | 484,829 | 505,674 | -4.12% |
| 11 | TOTAL Additions | 794,938 | 723,943 | 9.81% |
| 12 | | | | |
| 13 | Deductions | | | |
| 14 | 4100 Current Deferred Operating Income Taxes | | | |
| 15 | 4320 Unamortized Operating Investment Tax Credits | | | |
| 16 | 4340 Noncurrent Deferred Operating Income Taxes | (102,617) | (41,272) | -148.64% |
| 17 | Customer Advances for Construction | | | |
| 18 | Other Deductions | | | |
| 19 | TOTAL Deductions | (102,617) | (41,272) | -148.64% |
| 20 | TOTAL Rate Base | 14,901,142 | 14,857,842 | 0.29% |
| 21 | | | | |
| 22 | Net Earnings | 3,225,666 | 3,384,409 | -4.69% |
| 23 | | | | |
| 24 | Rate of Return on Average Rate Base | 21.647% | 22.779% | -4.97% |
| 25 | | | | |
| 26 | Rate of Return on Average Equity | 49.180% | 60.340% | -18.50% |
| 27 | | | | |
| 28 | Major Normalizing Adjustments & Commission | | | |
| 29 | Ratemaking adjustments to Utility Operations | | | |
| 30 | | | | |
| 31 | *Net intrastate earnings have been reduced by intrastate income taxes. | | | |
| 32 | | | | |
| 33 | | | | |
| 34 | | | | |
| 35 | From Part 36 of the Cost Study | | | |
| 36 | | | | |
| 37 | | | | |
| 38 | | | | |
| 39 | | | | |
| 40 | | | | |
| 41 | | | | |
| 42 | | | | |
| 43 | Adjusted Rate of Return on Average Rate Base | 21.647% | 22.779% | -4.97% |
| 44 | | | | |
| 45 | Adjusted Rate of Return on Average Equity | 49.180% | 60.340% | -18.50% |

Other Taxes Paid

Year: 2002

| Line No. | Description (a) | Last Year (b) | This Year (c) |
|----------|---|--|---------------|
| 1 | Montana Telephone Company License Tax | N/A | N/A |
| 2 | Montana Public Service Commission Tax | 7,123 | 6,308 |
| 3 | Montana Consumer Counsel Tax | 3,643 | 3,825 |
| 4 | 911 Emergency Telephone Fee | 50,074 | 49,313 |
| 5 | Montana Telecommunications Access Service (TDD) | 9,940 | 9,789 |
| 6 | Montana Corporate License Tax | | |
| 7 | Personal Property Tax | Included w/RE taxes - centrally assessed | |
| 8 | Real Property Tax | | |
| 9 | | 687,751 | 698,018 |
| 10 | | | |
| 11 | | | |
| 12 | Total | 758,531 | 767,253 |

Company Name: Clark Fork Telecommunications, Inc.

SCHEDULE 37

Universal Service Funds Received

Year: 2002

| Line No. | Description (a) | Last Year (b) | This Year (c) |
|----------|-------------------------------------|---------------|---------------|
| 13 | Funds received from Montana Sources | | |
| 14 | Funds received from Federal Sources | 4,464,007 | 4,401,108 |
| 15 | | | |
| 16 | | | |
| 17 | | | |
| 18 | | | |
| 19 | | | |
| 20 | | | |
| 21 | | | |
| 22 | | | |
| 23 | | | |
| 24 | Total | 4,464,007 | 4,401,108 |