HILBERT COMMUNICATIONS, LLC
AND SUBSIDIARIES

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2021 AND 2020

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HILBERT COMMUNICATIONS, LLC AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Hilbert Communications, LLC and Subsidiaries
Green Bay, Wisconsin

Opinion

We have audited the accompanying consolidated financial statements of Hilbert Communications, LLC and Subsidiaries which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of income, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Hilbert Communications, LLC and Subsidiaries as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Hilbert Communications, LLC and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hilbert Communications, LLC and Subsidiaries' ability to continue as a going concern for one year after the date that the consolidated financial statements are issued or when applicable, one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hilbert Communications, LLC and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hilbert Communications, LLC and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Hawkins Ash CPAs, LLP

Green Bay, Wisconsin
June 27, 2022

HILBERT COMMUNICATIONS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 2021	DECEMBER 31, 2020
ASSETS		
CURRENT ASSETS		
Cash	$ 645,037	$ 5,769,173
Accounts receivable, net	8,312,868	4,698,994
Inventories	8,852,596	9,488,490
Notes receivable, current	28,977	24,969
ALU prepaid	1,325,945	1,814,621
Prepaid expenses	927,913	529,714
Restricted cash equivalents	60,093,043	111,427
TOTAL CURRENT ASSETS	80,186,379	22,437,388
PROPERTY AND EQUIPMENT		
Property and equipment	89,072,294	75,034,515
Less accumulated depreciation	36,763,183	31,832,406
NET PROPERTY AND EQUIPMENT	52,309,111	43,202,109
NON-CURRENT ASSETS		
Licenses	12,214,836	12,214,836
Notes receivable, long-term	277,754	243,511
Investment in other entities	(1,201,082)	(321,872)
Restricted cash equivalents	9,378,614	604,355
Other deposits	120,671	101,844
TOTAL NON-CURRENT ASSETS	20,790,793	12,842,674
TOTAL ASSETS	**$ 153,286,283**	**$ 78,482,171**

The accompanying notes are an integral part of these financial statements.

HILBERT COMMUNICATIONS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS - Continued

	DECEMBER 31, 2021	DECEMBER 31, 2020
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Line of credit	$ 400,000	$ -
Current maturities of long-term debt	2,268,078	820,445
Current maturities of long-term debt - related parties	93,660	1,118,951
Current maturities of capital lease obligations	406,095	520,201
Accounts payable	7,207,272	12,589,969
Customer deposits	1,310,367	7,052,790
Short-term debt - related parties	-	-
Short-term debt	-	4,000,000
Other current liabilities	1,441,818	665,906
TOTAL CURRENT LIABILITIES	13,127,290	26,768,262
LONG-TERM LIABILITIES		
Asset retirement obligation	3,511,578	2,432,573
Accrued long-term compensation	547,125	231,525
Long-term debt, less current maturities and unamortized debt issuance costs	82,167,670	3,141,373
Long-term debt - related parties, less current maturities	14,417,263	14,195,312
Long-term capital lease obligations, less current maturities	22,867	426,578
TOTAL LONG-TERM LIABILITIES	100,666,503	20,427,361
TOTAL LIABILITIES	113,793,793	47,195,623
MEMBERS' EQUITY		
Members' equity - exchange transaction	3,870,442	3,870,442
Equity investment	29,650,212	29,450,212
Retained earnings (accumulated deficit)	5,971,836	(2,034,106)
TOTAL MEMBERS' EQUITY	39,492,490	31,286,548
TOTAL	**$ 153,286,283**	**$ 78,482,171**

The accompanying notes are an integral part of these financial statements.

HILBERT COMMUNICATIONS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	YEARS ENDED DECEMBER 31, 2021	2020
REVENUE		
Service	$ 5,678,564	$ 4,458,795
Roaming	20,930,555	15,133,138
Tower construction and services	22,780,966	43,809,413
Equipment	7,750,252	254,484
Other	1,190,592	-
TOTAL REVENUE	58,330,929	63,655,830
COST OF REVENUE		
Network operations	20,349,093	15,351,480
Depreciation and accretion	7,143,320	5,595,084
Service	626,552	439,742
Tower construction and services	19,215,247	31,023,558
TOTAL COST OF REVENUE	47,334,212	52,409,864
GROSS PROFIT (LOSS)	10,996,717	11,245,966
OPERATING EXPENSES		
Selling and marketing	1,646,016	1,130,361
Customer operations	740,301	769,502
General and administrative	4,086,608	3,968,587
Gain (loss) on sale of assets	(1,159)	26,480
TOTAL OPERATING EXPENSES	6,471,766	5,894,930
OPERATING INCOME (LOSS)	4,524,951	5,351,036
OTHER INCOME (EXPENSE)		
Other, net	107,910	50,612
PPP loan forgiveness	905,000	-
Equity in earnings of unconsolidated subsidiaries	2,339,908	2,457,960
Gain on sale of investment agreement	2,000,000	12,800,000
Interest expense	(1,871,827)	(1,517,842)
TOTAL OTHER INCOME (EXPENSE)	3,480,991	13,790,730
NET INCOME	**$ 8,005,942**	**$ 19,141,766**

The accompanying notes are an integral part of these financial statements.

HILBERT COMMUNICATIONS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

	MEMBERS' EQUITY- EXCHANGE TRANSACTION	EQUITY INVESTMENT	ACCUMULATED DEFICIT	TOTAL MEMBERS' EQUITY
BALANCE, JANUARY 1, 2020	$ 3,870,442	$ 29,450,212	(21,175,872)	$ 12,144,782
Net income	-	-	19,141,766	19,141,766
BALANCE, DECEMBER 31, 2020	3,870,442	29,450,212	(2,034,106)	31,286,548
Net income	-	-	8,005,942	8,005,942
Member units issued with acquisition	-	200,000	-	200,000
BALANCE, DECEMBER 31, 2021	**$ 3,870,442**	**$ 29,650,212**	**$ 5,971,836**	**$ 39,492,490**

The accompanying notes are an integral part of these financial statements.

HILBERT COMMUNICATIONS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31, 2021	YEAR ENDED DECEMBER 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 8,005,942	$ 19,141,766
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, amortization and accretion	7,143,320	5,595,084
Allowance for doubtful accounts	2	6,703
Amortization of bond discounts/premiums	(2,347)	(2,347)
Amortization of debt issuance costs	32,779	32,779
(Gain) loss on sale of assets	(1,159)	26,480
Equity in earnings of unconsolidated subsidiaries	879,210	809,588
Provision for accrued long-term compensation	315,600	113,212
Forgiveness of PPP loan	(905,000)	-
Changes in assets and liabilities:		
(Increase) decrease in operating assets		
Accounts receivable	(3,477,532)	(2,826,494)
Other receivables	-	9,700,000
Inventories	839,585	3,578,609
Notes receivable	(38,251)	(268,480)
ALU prepaid	2,391,450	(1,737,593)
Prepaid expenses	(384,697)	(382,311)
Other deposits	(17,327)	(5,800)
Increase (decrease) in operating liabilities		
Accounts payable	(5,658,514)	2,972,366
Customer deposits	(5,742,423)	(9,778,410)
Other current liabilities	775,912	(1,512,903)
Asset retirement obligation	-	(5,027)
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,156,550	25,457,222
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash acquired from acquisition of Northwoods Communications Technologies	4,899	-
Purchase of property and equipment	(12,964,155)	(19,817,056)
Purchase of licenses	-	(1,125,311)
Purchase of Northwoods Communication Technologies	(1,150,000)	-
NET CASH (USED IN) INVESTING ACTIVITIES	(14,109,256)	(20,942,367)

The accompanying notes are an integral part of these financial statements.

HILBERT COMMUNICATIONS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS - Continued

	YEAR ENDED DECEMBER 31, 2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	$ 13,095,546	$ -
Payments on line of credit	(12,695,546)	-
Proceeds from issuance of short-term debt - related parties	-	1,755,312
Proceeds from short-term debt	1,500,000	4,000,000
Payments on short-term debt - related parties	-	(3,110,000)
Payments on short-term debt	(5,500,000)	-
Proceeds on long-term debt	80,040,483	905,000
Payments on long-term debt	(1,034,881)	(709,296)
Payments on long-term debt - related parties	(1,303,340)	(1,905,358)
Payments on capital lease obligations	(517,817)	(498,160)
NET CASH PROVIDED BY FINANCING ACTIVITIES	73,584,445	437,498
NET INCREASE (DECREASE) IN CASH	63,631,739	4,952,353
CASH AND RESTRICTED CASH EQUIVALENTS AT BEGINNING OF YEAR	6,484,955	1,532,602
CASH AND RESTRICTED CASH EQUIVALENTS AT END OF YEAR	**$ 70,116,694**	**$ 6,484,955**

The accompanying notes are an integral part of these financial statements.

HILBERT COMMUNICATIONS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS - Continued

	YEAR ENDED DECEMBER 31, 2021	2020
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	$ 1,737,082	$ 2,658,826
SUPPLEMENTAL SCHEDULE OF NONCASH INFORMATION		
Asset retirement obligation additions	$ 1,027,061	$ 551,346
Purchase of property and equipment through direct financing	356,332	259,467
Discount on bond issuance	358,657	-
Short-term debt - related parties converted to long-term debt - related parties	-	14,195,312
Acquisition of Northwoods Communications Technologies		
Accounts receivable	136,344	-
Inventory	203,691	-
Property and equipment	1,902,774	-
Customer list	50,000	-
Other assets	15,002	-
Accounts payable	275,817	-
Notes payable	186,259	-
Other liabilities	634	-
Fair value of member units issued with purchase of Northwoods Communications Technologies	200,000	-
Purchase of Northwoods Communications Technologies through note payable	500,000	-

NOTE 1 - Nature of Operations and Significant Accounting Policies

Nature of Business - Hilbert Communications, LLC and Subsidiaries (the "Company") is a regional provider of telecommunications products and services to residential and commercial customers in the Upper Midwest. The products and services include build out of wireless facilities, wireless communications services, tower construction and services, and consulting services. Hilbert Communications, LLC and Subsidiaries operate wireless communications services under licenses granted by the Federal Communications Commission (FCC) and are subject to the applicable rules and regulations of the FCC.

Principles of Consolidation - The consolidated financial statements of the Company include the accounts and transactions of Hilbert Communications, LLC and its wholly owned subsidiaries: Bug Tussel Wireless, LLC, Cloud 1, LLC, Red Tail Tower, LLC, Cloud 1 Services, LLC, Michigan Wireless, LLC, Midwest DataCore, LLC, Bug Tussel 1, LLC, and Northwoods Communications Technologies, LLC. All significant intercompany transactions and balances have been eliminated in consolidation.

The Company also has investments in other entities accounted for under the equity or cost methods. See Note 5 for further information.

Basis of Accounting - The consolidated financial statements of the Company have been prepared on the accrual basis of accounting and, accordingly, reflect all receivables, payables and other liabilities.

Basis of Presentation - The accompanying consolidated financial statements are presented in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP) as codified by the Financial Accounting Standards Board (FASB). Significant intercompany accounts and transactions have been eliminated in consolidation.

Recent Accounting Pronouncements - In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases* (Topic 842) effective for annual reporting periods beginning after December 15, 2019. ASU 2020-05 subsequently deferred the effective date for ASU 2016-02 until annual reporting periods beginning after December 15, 2021. Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. However, unlike current GAAP, which requires only capital leases to be recognized on the statement of financial position, the new ASU will require both types of leases to be recognized on the statement of financial position. The ASU will also require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements providing additional information about the amounts recorded in the financial statements. The Company is currently evaluating the impact this guidance will have on the financial statements.

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

NOTE 1 - Nature of Operations and Significant Accounting Policies, continued

Cash and Cash Equivalents - For purposes of the consolidated statements of cash flows, the Company considers cash to be cash on hand, cash held at financial institutions, and all highly liquid investments available for current use with an initial maturity of three months or less at the time of purchase. The Company does not have any cash equivalents as of December 31, 2021 and 2020.

Accounts Receivable - Receivables are stated at the amount the Company expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Allowance for doubtful accounts at December 31, 2021 and 2020 was $24,002 and $24,000, respectively.

Inventory - Inventories consist of materials, labor, and overhead costs related to towers for sale and equipment upgrades on towers. Inventories also consist of wireless devices and accessories for its retail location. Inventories are stated at lower of cost or net realizable value, with cost determined by specific identification.

Property and Equipment - Property and equipment is recorded at cost. Additions, improvements, or major renewals are capitalized, while expenditures that do not enhance or extend the asset's useful life are charged to operating expense as incurred. Property and equipment sold or otherwise disposed of are removed from property accounts with gains or losses on disposal credited or charged to the results of operations. Depreciation is computed using the straight-line method based on the following estimated useful lives:

Asset	Life
Wireless site and transmission equipment	3 - 10 years
Tower structures	7 - 15 years
Office equipment	3 - 7 years
Vehicles and trailers	5 years
Asset retirement obligation	3 - 15 years

Construction in progress costs represent cumulative costs of projects not yet placed in service. No depreciation was taken on these capitalized costs.

Valuation of Long-lived Assets - U.S. GAAP requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Management reviews all material assets annually for possible impairment. If such assets are considered to be impaired, the impairment recognized is measured as the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. No assets are considered to be impaired at December 31, 2021 and 2020.

Licenses - Licenses include costs incurred in acquiring FCC licenses to wireless services. These costs include amounts paid to license applicants, the FCC, owners of interests in entities awarded licenses, and all direct and incremental costs related to acquiring the licenses.

The Company's FCC licenses provide the Company with the exclusive right to utilize certain radio frequency spectrum to provide wireless communication services. FCC licenses are issued for only a fixed time, generally 10 years, and such licenses are subject to renewal by the FCC.

NOTE 1 - Nature of Operations and Significant Accounting Policies, continued

Licenses, continued - Renewals of FCC licenses have historically occurred routinely and at nominal cost. Moreover, the Company has determined that there are currently no legal, regulatory, contractual, competitive, economic, or other factors that limit the useful life of its FCC licenses. As a result, FCC licenses are treated as indefinite-lived intangible assets and are not amortized, but are assessed annually for impairment. The Company re-evaluates the useful life determination for wireless licenses at regular intervals to determine whether events and circumstances continue to support an indefinite useful life. The Company assesses impairment by combining all individual licenses as a single unit and determining the fair value in the aggregate.

The Company completed its annual impairment assessment of intangible assets with indefinite lives and determined that these assets are not impaired as of December 31, 2021 and 2020.

Customer Deposits - Customer deposits include deposits received from customers related to tower construction contracts. The Company is entitled to milestone payments in accordance with tower construction contracts with various customers. Milestone payments are recorded as customer deposits until the sale of a tower is completed and the revenue is recognized.

See Note 17 for additional information related to the tower construction and site license agreements.

Asset Retirement Obligation - U.S. GAAP requires entities to record the fair value of a liability for legal obligations associated with an asset retirement in the period in which the obligations are incurred. When the liability is initially recorded, the entity capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset.

The Company has determined that asset retirement obligations exist as there is a legal obligation to remove wireless component equipment, which are subject to retirement from sites, or towers that reside upon leased property at the time the Company discontinues its use. The estimated cost to remove these assets is accrued over the life of the assets. Accretion was $50,385 and $41,130 and depreciation expense was $186,989 and $140,501 for the years ended December 31, 2021 and 2020, respectively.

Debt Issuance Costs - Debt issuance costs related to long-term debt are reported on the statements of financial position as a direct deduction from the face amount of the debt. Amortization of debt issuance costs are reported as interest expense.

Revenue Recognition - A contract exists when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. The Company has multiple revenue streams that are accounted for based on the terms of the contracts with customers and typically include a single performance obligation within each revenue stream.

Service: The Company recognizes revenue when customers have been provided access to, and usage of, its internet services. Revenue is recognized when services are provided regardless of the period in which they are billed. Internet services are billed monthly and service revenue is recognized over the enforceable contract term as service is rendered, as the customer simultaneously receives and consumes the benefits of the services through network access and usage and the Company has satisfied its performance obligation.

NOTE 1 - Nature of Operations and Significant Accounting Policies, continued

Revenue Recognition, continued - *Roaming:* The Company recognizes revenue when customers have been provided roaming access on the Company's wireless telecommunications network. Revenue is determined monthly as data is available from all customers roaming on the Company network and recognized in the month the services were provided, regardless of the period in which they are billed. The revenue is recognized at a point in time when the Company has satisfied its performance obligation to provide access to the Company's wireless telecommunications network.

Tower Construction and Services: The Company recognizes revenue when control and ownership of the goods is transferred to the customer which is a condition of receiving the final milestone payment to complete the transaction. All tower construction contracts are fixed-price contracts and are recognized at a point in time when the tower sale has been completed and ownership has transferred to the customer. Revenue is measured as the amount of consideration the Company received in exchange for transferring goods.

The Company also installs equipment related to towers. The Company recognizes revenue when the equipment has been installed and turned on which provides assurances to the customer that the contract has been completed and final payment can be initiated. All equipment installation contracts are fixed-price contracts and are recognized at a point in time when the equipment has been transferred to the customer upon completion. Revenue is measured as the amount of consideration the Company received in exchange for transferring goods.

The pricing and payment terms for tower construction and equipment installation contracts are based on the terms of the contracts or the result of specific negotiations with each customer. The timing of revenue recognition, billings, and cash collections results in receivables, contract assets, and contract liabilities. Accounts receivable are recorded when the right to consideration becomes unconditional and are presented separately in the balance sheets. The Company does not have significant contract assets and contract liabilities are recorded as customer deposits as of December 31, 2021 and 2020.

Equipment: The Company sells communication equipment to customers. Revenue is recognized at a point in time when the Company satisfies its performance obligation to deliver the equipment to the customer.

Other: Other revenue is comprised of maintenance and other services provided to customers. These services are performed according to a pre-arranged maintenance plans or other service agreements. These services are billed monthly and service revenue is recognized over the enforceable contract term as service is rendered, as the customer simultaneously receives and consumes the benefits of the services through network access and usage and the Company has satisfied its performance obligation.

The Company collects sales tax from certain customers and remits the entire amount to the appropriate governmental entities. The Company's accounting policy is to exclude the tax collected and remitted from revenues and cost of revenues.

See Note 17 for additional information related to tower construction, site licenses, and roaming customer contracts.

NOTE 1 - Nature of Operations and Significant Accounting Policies, continued

Income Taxes - The Internal Revenue Code and applicable state statutes provide that income and expenses of a limited liability company are not separately taxable to the Company, but rather accrue directly to the members. Accordingly, no provision for federal or state income taxes has been made in the consolidated financial statements. Per the operating agreement, the Company may periodically make distributions to the unit holders to enable them to pay the income taxes which they incur as a result of Company income.

Accounting for Uncertainty in Income Taxes - U.S. GAAP requires management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if the Company has taken an uncertain position that more likely than not would be sustained upon examination by a taxing authority. Management has analyzed the tax positions taken by the Company, and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Advertising Costs - The Company expenses advertising costs as incurred. Total advertising expense was $169,227 and $124,463 for the years ended December 31, 2021 and 2020, respectively.

Reclassifications - Certain accounts in the prior year financial statements have been reclassified for comparative purpose to conform to the presentation of the current year’s financial statements.

Subsequent Events - The Company evaluated subsequent events through June 27, 2022, the date which the financial statements were available to be issued.

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NOTE 2 - Restricted Cash

Restricted cash included in the balance sheets consists of accounts held in trust at a bank. The bond project funds are restricted for uses specific to the related bonds. The capitalized interest funds – FDL bond are restricted for use to pay interest due on the bonds to and including November 1, 2024. The debt service funds for both the FDL bonds as well as the MDAR bonds are restricted for use in retiring related bond obligations of the Company. The costs of issuance funds – FDL bond are to cover estimated costs incurred in connection with the issuance of the bonds. See Notes 6 and 9 for more detail. Cash and restricted cash equivalents are included in the following accounts at December 31:

	2021	2020
Cash	$ 645,037	$ 5,769,173
Restricted cash equivalents:		
Capitalized interest fund - current - FDL bond	2,004,479	-
Costs of issuance fund - current - FDL bond	98,786	-
Bond project funds - current - FDL bond	57,851,430	-
Debt service reserve fund - current - MDAR bond	138,348	111,427
Capitalized interest fund - FDL bond	4,571,938	-
Debt service reserve fund - FDL bond	4,216,239	-
Debt service reserve fund - MDAR bond	590,437	604,355
Total restricted cash equivalents	69,471,657	715,782
TOTAL CASH AND RESTRICTED CASH EQUIVALENTS SHOWN IN THE STATEMENT OF CASH FLOWS	**$ 70,116,694**	**$ 6,484,955**

NOTE 3 - Inventories

Inventories consist of the following as of December 31:

	2021	2020
Towers for sale	$ 3,886,723	$ 5,355,446
Equipment upgrades on towers	4,155,875	1,675,736
Equipment for sale	809,998	2,457,308
TOTAL	**$ 8,852,596**	**$ 9,488,490**

NOTE 4 - Property and Equipment

Property and equipment consist of the following as of December 31:

	2021	2020
Land	$ 70,000	$ -
Wireless site and transmission equipment	71,640,415	65,434,642
Tower structures	6,498,589	3,131,693
Office equipment	702,436	640,176
Vehicles and trailers	1,970,370	1,272,245
Asset retirement obligation	3,209,110	2,182,049
Construction in progress	4,981,374	2,373,710
Subtotal	89,072,294	75,034,515
Less: Accumulated depreciation	(36,763,183)	(31,832,406)
NET PROPERTY AND EQUIPMENT	**$ 52,309,111**	**$ 43,202,109**

NOTE 4 - Property and Equipment, continued

Depreciation expense was $6,990,287 and $5,553,746 for the years ended December 31, 2021 and 2020, respectively.

NOTE 5 - Investment in Other Entities

The Company has a 45% interest in Michigan Spectrum Holdings, LLC, with three unit holders owning the remaining 55%. Michigan Spectrum Holdings, LLC owns FCC licenses and the Company's portion of the carrying value is $386,600. The Company had a 40% interest, but purchased a unit holder's 5% interest in 2020 for $55,000. The Company uses the equity method of accounting where the ownership is between 20% and 50%. Under the equity method, the investment is recorded at cost and adjusted to recognize the Company's share of net earnings of losses of the investee. The investee reported a net loss of $1,130 and $1,050 in 2021 and 2020, respectively.

During 2016, the Company entered into a joint venture agreement to construct 20 towers with a third party, APC Towers, LLC, forming APC Towers-Hilbert, LLC. As of December 31, 2021 and 2020, 13 towers were constructed. The Company has a noncontrolling 50% ownership interest, which is accounted for using the equity method. As of December 31, 2021 and 2020, there were no monetary investments in the joint venture made by the Company. This investment was sold in November 2020 for $8,400,000. The Company's share of the proceeds were $3,276,473. The following information summarizes the activity of the joint venture for the years ended December 31, 2021 and 2020.

	2021	2020
Revenues	$ -	$ 94,102
Net income	-	58,168
Total assets	-	-
Total Liabilities	-	-
Equity	-	-

During 2016, the Company entered into a joint venture agreement to construct 10 towers with a third party, Faith Technologies, LLC, forming Faith Hilbert Towers, LLC. As of December 31, 2021 and 2020, 10 towers have been constructed. The Company has a noncontrolling 50% ownership interest, which is accounted for using the equity method. As of December 31, 2021, there were no monetary investments in the joint venture made by the Company. The following information summarizes the activity of the joint venture for the years ended December 31, 2021 and 2020.

	2021	2020
Revenues	$ 255,096	$ 247,178
Net income/(loss)	(7,596)	(28,828)
Total assets	1,640,374	1,790,784
Total Liabilities	1,863,778	2,006,592
Equity	(223,404)	(215,808)

NOTE 5 - Investment in Other Entities, continued

During 2018, the Company entered into a joint venture agreement to construct 50 towers with a third party, VB-JV6, LLC, forming VBHV, LLC. As of December 31, 2021 and 2020, 16 and 13 towers, respectively, have been constructed or transferred. The Company has a noncontrolling 50% ownership interest, which is accounted for using the equity method. As of December 31, 2021, there were no monetary investments in the joint venture made by the Company. The following information summarizes the activity of the joint venture for the years ended December 31, 2021 and 2020.

	2021	2020
Revenues	$ 173,012	$ 173,012
Net income/(loss)	(1,262,299)	(1,292,299)
Total assets	31,463,960	31,463,960
Total Liabilities	11,259,669	11,259,669
Equity	20,204,291	20,204,291

These joint ventures had combined net (loss) income totaling $7,124,913 and $7,108,873 during 2021 and 2020, respectively. The Company's 50% portion of the net (loss) income, $2,339,908 and $2,457,960, increased the Company's investment in other entities balance on the accompanying consolidated balance sheets and was recognized in other income as equity in earnings of unconsolidated subsidiaries on the accompanying consolidated statements of operations in 2021 and 2020, respectively. See Note 17 for more detail.

NOTE 6 - Deposits for Payments on Bonds

The Company received Midwestern Disaster Area Fixed Rate Revenue Bonds, Series 2012 (MDAR), held by a trustee to fund a Bug Tussel Wireless, LLC project to construct certain telecommunications infrastructure in Fond du Lac County and Adams County, Wisconsin. A debt service reserve fund totaling $590,437 and $604,355 as of December 31, 2021 and 2020, respectively, has been set aside to be utilized for final payments due in 2024. The Company submits monthly deposits to fund the semi-annual payments when due. Total deposits were $138,348 and $111,427 as of December 31, 2021 and 2020, respectively, and are included in other current assets on the accompanying consolidated balance sheets. See Note 9 for more detail.

During 2021, the Company received Fond du Lac Fixed Rate Taxable Revenue Bonds, Series 2021 (FDL), held by a trustee to fund Bug Tussel 1, LLC projects to construct certain fiber, wireless internet and telecommunications infrastructure in the Wisconsin counties of Fond du Lac, Calumet, Jackson, Marathon and Waushara. The Company will use the proceeds of the bonds for "Social Projects" as outlined by the International Capital Market Association. Funds from the bond series were deposited to various funds to be used for specific purposes. A debt service reserve fund totaling $4,216,239 as of December 31, 2021 has been set aside to be utilized for final payments due in 2051. A deposit of $4,216,224 was made from bond issuance proceeds during the year ended December 31, 2021. A capitalized interest fund totaling $6,476,193 has been set aside to pay interest due on the bonds to and including November 1, 2024. A deposit of $6,576,394 was made from bond issuance proceeds during the year ended December 31, 2021. A cost of issuance fund totaling $98,786 has been set aside to be utilized to cover estimated costs incurred in connection with the issuance of the bonds. A deposit of $787,500 was made from bond issuance proceeds during the year ended December 31, 2021. The remaining bonds proceeds of $58,061,226 were deposited into bond project funds to be utilized for purposes specific to the related bond. See Note 9 for more detail.

NOTE 7 - Line of Credit

The Company entered into a $5,000,000 line of credit agreement in 2021, which matures on June 11, 2022. The interest rate is equal to the higher of the prime rate in effect on such day or 3.50% for the year ended December 31, 2021. The agreement is collateralized by substantially all assets of the Company. The outstanding balance on the line of credit was $400,000 for the year ended December 31, 2021.

NOTE 8 - Short-Term Debt

During 2020, the Company borrowed money on a short-term note from a bank. The note totaled $4,000,000 as of December 31, 2020 and is secured by a general business security agreement. The note has an interest rate of 3.5%, which is paid monthly, and the remaining principal and interest were due on September 25, 2021. The note is also guaranteed by a unit holder, who receives a 0.5% guarantor fee each month. The short-term note was paid in full during June 2021.

In April 2021, the Company signed a $1,500,000 note with a bank. The note has a five month term. Interest is due monthly at a rate of 3.5%, and the principal is due in September 2021. The note is guaranteed by a unit holder. The short-term note was paid in full during June 2021.

NOTE 9 - Long-Term Debt

The Company's notes payable are as follows at December 31:

	2021	2020
1.25% secured note with a former unit holder, due in monthly payments of $1,720 including interest, maturing December 2021. The note is secured with a general business security agreement.	$ -	$ 20,581
Note payable to bank, interest at 3.55%, due in monthly payments of $255,308 including interest, with a final payment due June 2027. The note is secured with a general business agreement.	10,449,506	-
Various 0.00% to 9.99% notes payable to the dealer, secured by specific Company vehicles, due in monthly payments ranging from $326 - $2,403, including interest, maturing at various dates between 2021 and 2026.	521,792	328,358
1.00% Payroll Protection Program loans, due in monthly installments of $51,100 starting in March 2021, including interest to August 2022, unsecured	-	905,000
3.50% secured note with a former unit holder due in monthly installments, including interest, maturing December 2021. The loan calls for monthly payments of principal and interest of $5,741. The note is secured with a general business security agreement. *	-	68,286

*The unit holder sold their interest in 2020.

NOTE 9 - Long-Term Debt, continued

	2021	2020
MDAR Fixed Rate Revenue Bonds, Series 2012, par value $5,385,000 issued in December 2012 by Fond du Lac County, Wisconsin to fund a Bug Tussel Wireless, LLC project. A premium of $27,769 was paid by the purchasers of the bonds and will be amortized over the life of the bonds (amortization of $2,347 for the years ended December 31, 2021 and 2020. Accumulated amortization was $18,773 and $16,428 as of December 31, 2021 and 2020, respectively). The issuer placed the proceeds of the sale of the bonds with a trustee of Bug Tussel Wireless, LLC to construct telecommunications infrastructure in the Wisconsin counties of Fond du Lac and Adams. See Note 5. The bonds are limited obligations of the issuer. Fond du Lac and Adams County, WI each is guarantor of the payment of its pro rata share of principal and interest on the bonds. The average interest rate on the bonds is 2.6% plus a guaranteed rate paid to each county of 0.5% for its pro rata share. Starting in May 2015, the bonds call for semi-annual interest and principal payments of $255,000, increasing each year. Payments increased to $295,000 and $300,000 during 2020 and 2021, respectively. Final payment of $335,000 is due November 2024. Hilbert Communications, LLC is a guarantor to Fond du Lac and Adams Counties for the payment of principal and interest on the bonds. Equipment purchased with proceeds from the bonds are pledged by Bug Tussel Wireless, LLC to Fond du Lac and Adams Counties.	1,931,650	2,533,996
2.00% note payable to Town of Franklin, secured by leasehold interest and various equipment with interest due monthly through February 2020. Principal and interest payments due in quarterly installments of $6,250 starting May 21, 2020. Note matures February 28, 2030.	206,250	231,250
3.00% note payable to Kewaunee County, secured by property acquired through the agreement, due in annual installments of $93,918 starting September 1, 2021. Note matures September 1, 2032.	868,902	-
3.00% note payable to Iowa County, secured by property acquired through the agreement, with interest due annually through December 2022. Principal and interest payments due in annual installments of $140,996 starting December 31, 2022. Note matures December 31, 2034.	1,500,000	-

NOTE 9 - Long-Term Debt, continued

	2021	2020
3.75% SBA EIDL, secured by all assets of company, payable in monthly installments of $627 starting July 2021. Note was acquired in NWC purchase, and will be paid by unit holders. Note matures July 2050.	131,707	-
6.05% note payable, secured by all assets of company, payable in monthly installments of $525 through November 2023, with a final balloon payment due at maturity on December 21, 2023.	53,155	-
Taxable Revenue Bonds, Series 2021, par value of $70,000,000 issued in December 2021 by Fond du Lac County, Wisconsin to provide funds to Bug Tussel 1, LLC for the purpose of financing a portion of the costs of acquisition, construction and equipping of certain fiber and wireless internet communications facilities used by the Bug Tussel 1, LLC and located in the Wisconsin counties of Fond du Lac, Calumet, Jackson, Marathon, and Waushara. The bonds are limited obligations of the issuer. Fond du Lac, Calumet, Jackson, Marathon, and Waushara Counties each is guarantor of the payment of its pro rata share of principal and interest on the bonds. The average interest rate on the bonds is 3.27% plus a guaranteed rate paid to each county of 0.4% for its pro rata share. Interest-only payments are due semi-annually beginning May 2022. Starting in November 2027, the bonds call for semi-annual interest and principal payments of $1,925,000, increasing to $4,070,000 annually for 2051. Final payment of $4,070,000 is due November 2051. Hilbert Communications, LLC, a related party, is a guarantor to Fond du Lac, Calumet, Jackson, Marathon, and Waushara Counties for the payment of principal and interest on the bonds. Equipment purchased with the proceeds from the bonds are pledged by Bug Tussel 1, LLC to Fond du Lac, Calumet, Jackson, Marathon, and Waushara Counties. The bonds are self-designated "social bonds" in accordance with the 2021 edition of the Social Bond Principles published by the International Capital Markets Association.	70,000,000	-
Less: unamortized bond discounts	(358,143)	-
Less: unamortized debt issuance costs	(869,071)	(125,653)
Total	84,435,748	3,961,818
Less current maturities	(2,268,078)	(820,445)
TOTAL LONG-TERM DEBT	**$82,167,670**	**$ 3,141,373**

NOTE 9 - Long-Term Debt, continued

The Company was granted $611,000 and $294,000 loans under the PPP administered by a Small Business Administration (SBA) approved partner. The loans are uncollateralized and are fully guaranteed by the Federal government. The Company is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The PPP loans were forgiven during 2021.

Aggregate maturities of long-term debt for the five years and thereafter following December 31, 2021, are as follows:

2022	$ 2,234,431
2023	3,794,690
2024	3,783,070
2025	3,169,229
2026	691,621
Thereafter	70,762,707
TOTAL	**$ 84,435,748**

The Company is in compliance with all loan covenants.

NOTE 10 - Long-Term Debt - Related Parties

The Company's related party notes payable are as follows at December 31:

	2021	2020
7.00% secured note with a unit holder due in monthly installments, including interest, maturing December 2021. The loan calls for monthly payments of principal and interest of $93,719. The note is secured with specific equipment.	$ -	$ 1,118,951
3.5% secured note with unit holders due in monthly installments, including interest, maturing September 2026. The loan calls for monthly payments of principal and interest of $9,071. The note is secured with general business security agreement.	475,611	-
Various 5.00% to 8.50% secured notes with unit holders, interest payable each month, principal due in January 2023. The notes are secured with general business security agreements.	14,035,312	14,195,312
Total related parties	14,510,923	15,314,263
Less current maturities	93,660	1,118,951
TOTAL RELATED PARTY LONG-TERM DEBT	**$14,417,263**	**$14,195,312**

NOTE 10 - Long-Term Debt - Related Parties, continued

Aggregate maturities of related party long-term debt for the years following December 31, 2021, calculated at the amended payment amounts, are as follows:

2022	$ 93,660
2023	14,132,342
2024	100,481
2025	104,055
2026	80,385
TOTAL	**$14,510,923**

NOTE 11 - Capital Lease Obligations

The Company is obligated under various capital leases for equipment and office furniture which expire at various dates in 2021, 2022, and 2023. There are a total of 14 capital leases remaining at December 31, 2021. The capital lease obligations are due in monthly installments ranging from $1,585 to $4,473 and bear interest rates ranging from 6.70% to 8.80% and are secured with the leased equipment and proof of insurance. Total monthly capital lease payments including interest were $42,094 and $48,527 at December 31, 2021 and 2020, respectively. Total capital lease principal payments totaled $473,269 and $498,600 in 2021 and 2020, respectively.

The leased assets are included in property and equipment, but they are included with various sites and towers and are not directly traceable, so asset values and accumulated depreciation are not available.

The future minimum lease payments, by year and in aggregate, under capital leases with initial or remaining terms of one or more years as of December 31, 2021 are as follows:

2022	$ 422,588
2023	23,188
Total future lease payments	445,776
Less: Amount representing interest	16,814
Present value of net minimum lease payments	428,962
Less: Current maturities of capital lease obligations	406,095
TOTAL LONG-TERM CAPITAL LEASE OBLIGATIONS	**$ 22,867**

NOTE 12 - Operating Leases

The Company leased its office space under a 37-month lease agreement with a related party that was set to expire on December 31, 2021. The Company signed an amended lease in May 2019 to include additional space with the term being extended until December 31, 2026, and new payment terms. The amended agreement calls for monthly rent payments of $9,666 per month for 2020, $11,986 per month for 2021, $13,265 per month for 2022, $14,544 per month for 2023, $15,157 per month for 2024, $15,781 per month for 2025, and $16,417 per month for 2026. The Company is responsible for utility, personal property tax, insurance, and repair and maintenance costs relating to the lease.

NOTE 12 - Operating Leases, continued

The Company has a lease agreement with a related party to rent warehouse space. The lease agreement commenced on May 15, 2019, and was amended for additional space on March 1, 2020, under new payment terms and expiring on May 31, 2024. The original lease called for monthly rent payments of $6,000, increasing to $6,180 in 2020. The amended lease calls for monthly payments of $9,045 for the remainder of 2020 and annual 3% increases each of the next four years. The Company is responsible for utility, personal property tax, snow removal, insurance, and repair and maintenance costs related to the lease.

In addition, the Company leases, as lessee, various tower sites and backhaul facilities under operating leases from related and unrelated parties through 2030. The agreements contain various renewal options. Following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 2021.

	Related Parties	Unrelated Parties	Total
2022	$ 663,678	$ 12,740,736	$ 13,404,414
2023	667,984	12,524,982	13,192,966
2024	663,050	11,883,318	12,546,368
2025	676,311	10,070,183	10,746,494
2026	637,933	8,064,161	8,702,094
Thereafter	419,090	5,511,964	5,931,054
TOTAL	**$ 3,728,046**	**$ 60,795,344**	**$ 64,523,390**

Rent expense under all operating leases amounted to approximately $13,591,000 and $10,484,000 in 2021 and 2020, respectively, and is included in network operations in the accompanying consolidated statements of income.

NOTE 13 - Employee Benefits

The Company has a 401(k) Profit Sharing Plan covering substantially all of its employees. The plan is a Safe Harbor Plan with an automatic contribution arrangement for new employees at 6% with an option to opt-out. The Company's matching contribution is equal to 100% of the first 3% of employees' salary deferred and 50% on the next 2% of employees' salary deferred. The total matching contribution was $213,578 and $189,529 for 2021 and 2020, respectively. The Company also may contribute a discretionary contribution that would be allocated to participants in the plan. No discretionary contributions were made in 2021 and 2020.

NOTE 14 - Accrued Long-Term Compensation

Accrued long-term compensation consists of a Phantom Unit Plan which provides for the awarding of phantom units to key employees. The value of a phantom unit is equivalent to the value of a unit of ownership in the Company. The value of a unit is determined on an annual basis by the board of directors. Phantom units may be awarded fully vested or awarded with a vesting schedule. Each phantom unit entitles a participant to receive cash compensation equal to the corresponding value upon the trigger of events as defined in the plan. The cash compensation may be paid over a five-year period with interest. Upon termination for cause or resignation prior to trigger events, vested and unvested phantom units are forfeited.

NOTE 14 - Accrued Long-Term Compensation, continued

The Company awarded 11,500 and 9,950 units in 2021 and 2020, respectively. Each participant's units are 25% vested at issuance and 25% annually thereafter for the first year participating in the phantom unit plan. The vesting percentage at issuance increases by 25% for each year of participation in the plan, until the participant reaches 100% vested at issuance. The Company recorded an accrued long-term compensation liability and a general and administrative expense of $315,600 and $113,213 related to the vested units of phantom stock as of and for the years ended December 31, 2021 and 2020.

NOTE 15 - Related Party Transactions

A Company unitholder has a minority interest in Bellin Building, LLC. The Company leases office and rooftop space from Bellin Building, LLC, on a month-to-month basis. Charges for rent totaled $17,520 in 2021 and 2020, respectively. Accounts receivable due from Bellin Building, LLC totaled $0 and $42,591 as of December 31, 2021 and 2020, respectively.

The Pine Street Cat Company, LLC is majority owned by an entity that is wholly owned by one Company unit holder. The Company leases office space from The Pine Street Cat Company, LLC, through December 31, 2026. Charges for rent totaled $143,832 and $115,992 in 2021 and 2020, respectively.

APC Towers-Hilbert, LLC, Faith Hilbert Towers, LLC, and VBHV, LLC are all joint ventures that are 50% owned by the Company. The Company builds towers and sells them to the joint ventures. For the years ended December 31, 2021 and 2020, there were no tower sales to APC Towers-Hilbert, LLC or Faith Hilbert Towers, LLC; and tower sales to VBHV, LLC totaled $731,250 and $2,681,250, respectively. Customer deposits received for future tower sales to the joint ventures outstanding at December 31, 2021 and 2020 were $1,209,767 and $2,938,750, respectively, all related to VBHV, LLC. The Company also leases space on the towers from the joint ventures in order to mount Bug Tussel equipment.

For the years ended December 31, 2021 and 2020, rent paid to APC Towers-Hilbert, LLC totaled $0 and $353,493, respectively, rent paid to Faith Hilbert Towers, LLC totaled $265,961 and $260,513, respectively, and rent paid to VBHV, LLC totaled $372,805 and $137,300, respectively.

The Company holds a retained interest in tower sales to M3 Hilbert Towers, LLC. See Note 17.

Accounts receivable due from other related parties was $148,477 and $16,127 as of December 31, 2021 and 2020, respectively.

Additionally, the Company has entered into other related party transactions that are described in Notes 5, 10, and 12.

NOTE 16 - Concentrations

The Company maintains cash balances at financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC). The Company's cash deposits may exceed the $250,000 insurance threshold during the year. At December 31, 2021 and 2020, the Company had approximately $69,007,534 and $5,735,000 of uninsured balances, respectively.

Substantially all of the Company's roaming revenue was generated from one customer in 2021 and 2020. Receivables from that customer represented approximately 98% of roaming receivables at December 31, 2021 and 2020.

Substantially all of the Company's tower construction and services revenue was generated from major customers in 2021 and 2020. See Note 17.

NOTE 16 - Concentrations, continued

The Company had purchases from two vendors in 2021 and 2020 representing approximately 29% and 45%, respectively of total vendor purchases for the years ended December 31, 2021 and 2020. The accounts payable due to these vendors was $2,784,786 and $5,832,582 as of December 31, 2021 and 2020.

NOTE 17 - Tower Construction, Site License, and Roaming Customer Agreements

Tower Construction & Site License Agreements – *M3 Hilbert Towers, LLC:* In 2017, the Company entered into a Tower Construction and Purchase Agreement (TCPA) with M3 Hilbert Towers, LLC (M3) (a wholly owned subsidiary of Mobilitie Investments III, LLC) to construct and sell up to 250 towers at approved subject sites. The TCPA was amended in 2018 and became effective as of October 30, 2018.

Each completed tower will be sold to M3 and payable in six separate milestone payments as described in the amended TCPA. The Company completed construction on 20 and 128 towers in 2021 and 2020, respectively, and recognized tower construction and services revenue of $5,000,000 and $32,000,000 for the years ended December 31, 2021 and 2020, respectively. The base purchase price for each tower is $250,000. At December 31, 2021, the Company has completed construction of 245 towers related to this agreement. As of December 31, 2021 and 2020, the Company has received $200,000 and $1,480,000, respectively, in customer deposits related to 4 and 23 towers, respectively, that are in process.

The TCPA also provides for a contingent purchase price to the Company upon the first sale of each tower asset by M3. The contingent purchase price shall be calculated using a formula defined in the amended TCPA. The contingent purchase price shall not exceed 50% of the contingent purchase price base amount nor shall it be less than zero. If the tower asset is not sold by M3 prior to the eleventh anniversary, an advance payment may be payable to the Company based on terms and conditions described in the TCPA. As of December 31, 2021 and 2020, the Company received payment for 242 and 0 towers, and the net proceeds of $3,219,119 and $0, respectively, are included with the Company's 50% portion of the net income of Other Entities (see Note 5).

In connection with the TCPA, the company entered into a Master License Agreement with M3 where the Company will enter into a Site License Agreement (SLA) to lease the prime space on the aforementioned towers for the installation and operation of the Company's telecommunications equipment. The SLA was amended in 2018 and became effective as of October 30, 2018. SLAs will have an initial term of seven years at a monthly rent of $2,150 that will increase by 2% annually. The SLAs will automatically renew for four additional five-year terms upon the same terms and conditions unless notified by the Company at least six months prior to expiration of the then existing term. In addition, the Company is also responsible for its pro rata share of pass-through expenses (site operating expenses including ground rent, maintenance, taxes, and insurance) in excess of an amount defined in the TCPA, subject to annual escalations of 2%. The Company is responsible for all utilities relating to its telecommunications equipment on the site.

VBHV LLC: In 2018, the Company entered into a partnership with VBHV, LLC to construct, own, lease, and operate towers. Effective December 31, 2019, this operating agreement was restated and amended. The restated and amended operating agreement anticipates the construction or acquisition of at least 300, but up to 1,000 towers within the specified states. Each completed tower will be sold to VBHV, LLC for $243,750 and payable in seven milestone payments as described in the agreement. The Company completed 16 towers and 13 towers in 2021 and 2020, respectively, including transferring ownership of a tower previously sold to another joint venture and recognized tower construction and service revenues of $731,250 and $2,681,250 in 2021 and 2020, respectively. As of December 31, 2021 and 2020, the Company has received $1,209,767 and $4,362,500, respectively, in customer deposits related to 14 and 54 towers in process.

NOTE 17 - Tower Construction, Site License, and Roaming Customer Agreements, continued

Tower Construction & Site License Agreements, continued – In connection with the agreement with VBHV, LLC the Company will enter into an SLA to lease the prime space on the aforementioned towers for the installation and operation of the Company's telecommunications equipment. These SLAs will have an initial term of seven years at a monthly rent of $1,950 that will increase by 2% annually. The SLAs will automatically renew for four additional five-year terms upon the same terms and conditions.

The amended and restated operating agreement with VBHV, LLC effective December 31, 2019, includes a sale of investment agreement by the Company that could total $25,000,000 based on the Company completing its performance obligation. As of December 31, 2021 and 2020, the Company completed the underlying performance obligation as described in the agreement and recognized in other income a gain on sale of investment agreement of $2,000,000 and $12,800,000. The Company anticipates completing the majority of the remaining performance obligations in 2022 and will recognize gain on sale of investment agreement within other income as they complete the performance obligations.

The amended and restated agreement also provides the Company an option to sell towers directly to their third party joint venture partner for $470,000 per tower instead of to VBHV, LLC if certain conditions are met, as defined. The sale of towers to VBHV, LLC will continue under the same terms as the previous agreement. During 2021 and 2020, the Company sold 34 and 16 towers, respectively, directly to the third party venture partner for a total of $15,980,000 and $7,520,000.

The amended and restated operating agreement provided additional collateral pledged by the Company to VBHV, LLC related to tower assets operated by the Company. Additional provisions related to distributions and potential exit or unwind scenarios of VBHV, LLC are also provided.

In connection with the aforementioned tower construction agreements, the Company had $1,088,805 and $3,067,765 included in inventories as of December 31, 2021 and 2020, respectively, related to towers in process.

Operating lease commitments related to the SLAs in the aforementioned site license agreements are included in Note 12.

Roaming Customer Agreements - The Company entered into a series of agreements with their primary roaming customer for the Company to build, deploy, and place into commercial service 279 new and upgraded cell sites using spectrum owned by the roaming customer. The Company will receive roaming revenues for customer usage based on the terms of the agreements. The Company's primary roaming customer has the option to acquire the equipment on each cell site from the Company at an agreed upon price per the agreements. The agreements continue through November 1, 2021, and will automatically renew for up to five additional two-year terms unless notified by either party at least 180 days prior to the expiration of the then existing term. The cell sites included in the agreements are identical to the tower assets being constructed in the M3 TCPA and the towers constructed for the joint ventures described in Note 5.

In 2018, the Company entered into an agreement with their primary roaming customer for service upgrades on identified cell sites. The agreement was amended effective September 24, 2019, with a change to the total purchase price, scope of the project and no change to the identified cell sites. The amended total purchase price for the equipment and services is identified in the agreement and totals approximately $10,000,000. The Company completed service upgrades in 2021 and 2020 and revenues received for these service upgrades totaled $569,785 and $1,555,772, respectively, related to these site upgrades.

NOTE 17 - Tower Construction, Site License, and Roaming Customer Agreements, continued

Roaming Customer Agreements, continued - The agreement also provided the Company an initial $2,000,000 working capital payment from their primary roaming customer to finance the project. The amended agreement came with additional customer deposits for the change in scope of the project. As of December 31, 2021 and 2020, the Company had customer deposits totaling $0 and $670,290, respectively, related to this agreement on the accompanying consolidated balance sheets.

The Company has a build-out and maintenance agreement with their primary roaming customer to build, install, and deploy a radio access network (RAN) to identified cell sites. The purchase price for each cell site is identified in the agreement as $122,743, which is payable in 96 equal payments of $1,735 which includes an interest charge of 8%. The agreement has a conditional purchase price for any site requiring specific equipment in the amount of $22,994, which is payable in 96 equal payments of $325 which includes an interest charge of 8%. The Company completed 56 and 2 RAN build-outs in 2021 and 2020, respectively, and recognized revenue of $7,750,252 and $268,480 for 2021 and 2020, respectively. As of December 31, 2021 and 2020, the Company had $0 of up-front payments related to in process or future RAN build-outs. The Company had 17 and 53 RAN build-outs in process and $442,021 and $2,457,308 included in inventories as of December 31, 2021 and 2020, respectively.

As of December 31, 2021 and 2020, the Company recognized $204,932 and $38,395, respectively, in tower construction and services revenue on the accompanying consolidated statements of income related to tower rent and tower services performed unrelated to the aforementioned agreements.

NOTE 18 - Commitments and Contingencies

In the ordinary course of conducting business, the Company occasionally becomes involved in legal proceedings, audits, or other matters. While any litigation or audit has an element of uncertainty, management of the Company believes that the outcome of any pending or threatened actions will not have a material adverse effect on the business or financial condition of the Company.

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NOTE 19 - Business Combinations

During September 2021, the Company acquired 100% of Northwoods Communication Technologies, LLC at a cost of $1,650,000 plus issuance of 25,000 units of Hilbert Communication, LLC. The units in Hilbert Communication, LLC were valued at $200,000 bringing the total acquisition cost to $1,850,000. The initial transaction required a cash payment of $1,150,000 with the remaining $500,000 in the form of a promissory note (see Note 9 for more detail). The acquisition allowed the Company to expand its market area as well as customer base. Allocation of the purchase price was as follows:

Assets:	
Cash	$ 4,899
Accounts receivable	136,344
Inventory	203,691
Property and equipment	1,902,774
Customer list	50,000
Other	15,002
Liabilities:	
Accounts payable	(275,817)
Notes payable	(186,259)
Other	(634)
TOTAL	$ 1,850,000