

BOSTON OMAHA CORP

FORM 8-K/A (Amended Current report filing)

Filed 10/11/18 for the Period Ending 08/31/18

Address	1411 HARNEY ST. SUITE 200 OMAHA, NE, 68102
Telephone	857-256-0079
CIK	0001494582
Symbol	BOMN
SIC Code	6510 - Real Estate Operators (No Developers) and Lessors
Industry	Advertising & Marketing
Sector	Consumer Cyclical
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K /A

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 11, 2018 (August 31, 2018)

BOSTON OMAHA CORPORATION (formerly known as REO PLUS, INC.)
(Exact name of registrant as specified in its Charter)

Delaware
(State or other jurisdiction of
Incorporation)

001-38113
(Commission File Number)

27-0788438
(IRS Employer Identification Number)

(Address and telephone number of principal executive offices, including zip code)

1411 Harney St., Suite 200
Omaha, Nebraska 68102

(857) 256-0079

(Former name or address, if changed since last report)
Not Applicable

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of Registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

EXPLANATORY NOTE

On September 4, 2018, Boston Omaha Corporation (the “Company”) filed with the Securities and Exchange Commission a Current Report on Form 8-K (the “Initial 8-K”) to disclose that it had completed the acquisition of assets from Waitt Outdoor, LLC (“Waitt”). This Form 8-K/A amends the Initial 8-K to include the historical audited and unaudited financial statements of Waitt and the pro forma combined financial information required by Items 9.01(a) and 9.01(b) of Form 8-K that were excluded from the Initial 8-K in reliance on the instructions to such items.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of Businesses Acquired.

The audited financial statements of Waitt for the years ended December 31, 2017 and December 31, 2016 are filed herewith as Exhibit 99.1.

The unaudited financial statements of Waitt for the six months ended June 30, 2018 and 2017 are filed herewith as Exhibit 99.2.

(b) Pro Forma Financial Information.

The unaudited pro forma consolidated balance sheet of the Company as of June 30, 2018, the unaudited pro forma consolidated statements of operations of the Company for the six months ended June 30, 2018 and for the year ended December 31, 2017, and the notes to the unaudited pro forma consolidated financial statements, all giving effect to the acquisition by the Company of Waitt are filed herewith as Exhibit 99.3.

(d) Exhibits.

The Exhibit Index set forth below is incorporated herein by reference.

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Title</u>
23.1	<u>Consent of Lutz & Company, P.C., Independent Registered Public Accounting Firm of Waitt Outdoor, LLC.</u>
99.1	<u>Audited Financial Statements of Waitt Outdoor, LLC for the Years Ended December 31, 2017 and December 31, 2016.</u>
99.2	<u>Unaudited Financial Statements of Waitt Outdoor, LLC for the Six Months Ended June 30, 2018 and 2017.</u>
99.3	<u>Unaudited Pro Forma Consolidated Balance Sheet of the Company as of June 30, 2018, Unaudited Pro Forma Consolidated Statements of Operations of the Company For the Six Months Ended June 30, 2018 and the year ended December 31, 2017, and Notes to the Unaudited Pro Forma Consolidated Financial Statements, all giving effect to the acquisition by the Company of Waitt.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BOSTON OMAHA CORPORATION
(Registrant)

By: /s/ Joshua P. Weisenburger

Joshua P. Weisenburger

Chief Financial Officer

Date: October 11, 2018

CONSENT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement on Form S-3 (File No. 333-222853) of our report dated March 20, 2018 with respect to the audited financial statements of Waitt Outdoor, LLC for the years ended December 31, 2017 and 2016 appearing in this Current Report on Form 8-K/A of Boston Omaha Corporation dated October 11, 2018.

We also consent to the references to us under the heading “Experts” in such Registration Statement.

/s/ Lutz & Company, PC

Lutz & Company, PC

Omaha, NE

October 11, 2018

**Waitt Outdoor, LLC (A Majority Owned
Subsidiary of WaittCorp Investments, LLC)**

**Financial Statements and
Independent Auditors' Report**

December 31, 2017 and 2016



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INDEPENDENT AUDITORS' REPORT

Members

Waitt Outdoor, LLC (A Majority Owned Subsidiary of WaittCorp Investments, LLC)
Omaha, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of Waitt Outdoor, LLC, a South Dakota limited liability company and majority owned subsidiary of WaittCorp Investments, LLC, which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of income, members' equity and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waitt Outdoor, LLC (A Majority Owned Subsidiary of WaittCorp Investments, LLC) as of December 31, 2017 and 2016, 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.

/s/ Lutz & Company, PC
Lutz & Company, PC

LUTZ & COMPANY, PC

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March 20, 2018

Waitt Outdoor, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Balance Sheets

December 31, 2017 and 2016

ASSETS	2017	2016
CURRENT ASSETS		
Cash	\$ 730,965	\$ 24,383
Trade Accounts Receivable, Less Allowance for Doubtful Accounts of \$211,655 and \$223,636, Respectively	1,090,627	1,142,634
Prepaid Expenses	1,026,869	980,402
Total Current Assets	2,848,461	2,147,419
PROPERTY AND EQUIPMENT		
Land and Land Improvements	260,820	259,040
Buildings and Improvements	365,175	365,175
Billboards and Improvements	25,595,329	25,156,365
Furniture and Equipment	548,271	526,579
Vehicles	802,266	808,125
Construction in Progress	546,426	83,517
Total Cost	28,118,287	27,198,801
Less Accumulated Depreciation	22,257,083	20,938,584
Net Book Value	5,861,204	6,260,217
OTHER ASSETS		
Goodwill	3,217,498	3,217,498
Other	297,498	316,131
Total Other Assets	3,514,996	3,533,629
TOTAL ASSETS	\$ 12,224,661	\$ 11,941,265

See Notes to Financial Statements.

Waitt Outdoor, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Balance Sheets

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
LIABILITIES		
CURRENT LIABILITIES		
Revolving Line of Credit	\$ -	\$ 150,000
Current Portion of Long-Term Debt	1,474,221	1,100,541
Trade Accounts Payable	352,563	157,936
Accrued Compensation	391,516	268,814
Taxes Accrued and Withheld	135,575	126,065
Unearned Revenue	277,374	248,533
Other Accrued Expenses	142,248	164,056
Members' Distributions Payable	227,292	-
Total Current Liabilities	3,000,789	2,215,945
LONG-TERM LIABILITIES		
Long-Term Debt, Less Current Portion	-	2,240,930
Other Long-Term Liabilities	1,316,000	1,285,000
Total Long-Term Liabilities	1,316,000	3,525,930
Total Liabilities	4,316,789	5,741,875
COMMITMENTS AND CONTINGENCIES (Note 4)		
MEMBERS' EQUITY		
MEMBERS' EQUITY	7,907,872	6,199,390
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 12,224,661	\$ 11,941,265

See Notes to Financial Statements.

Waitt Outdoor, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Statements of Income

Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUES	\$ 12,856,784	\$ 12,754,342
Less: Agency Commissions	53,784	68,289
NET REVENUES	12,803,000	12,686,053
COSTS AND EXPENSES		
Cost of billboard revenues (exclusive of depreciation and amortization)	5,336,242	5,220,095
Employee costs	1,984,369	1,911,055
Professional fees	132,198	115,906
General and administrative	1,012,902	924,389
Depreciation	1,523,570	1,525,883
Gain on sale of property and equipment	(131,508)	(75,678)
Bad debt expense	12,300	11,526
TOTAL COSTS AND EXPENSES	9,870,073	9,633,176
Income from Operations	2,932,927	3,052,877
OTHER INCOME AND EXPENSE		
Interest Expense	(121,387)	(242,243)
Other Income	-	6
Total Other Income and Expense	(121,387)	(242,237)
NET INCOME	\$ 2,811,540	\$ 2,810,640

See Notes to Financial Statements.

Waitt Outdoor, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Statements of Members' Equity

Years Ended December 31, 2017 and 2016

	<u>Members'</u> <u>Equity</u>
BALANCES, December 31, 2015	\$ 4,747,806
Net Income	2,810,640
Distributions to Members	(897,210)
Class C Member Redemption	(461,846)
BALANCES, December 31, 2016	6,199,390
Net Income	2,811,540
Distributions to Members	(1,103,058)
BALANCES, December 31, 2017	\$ 7,907,872

See Notes to Financial Statements.

Waite Outdoor, LLC
(A Majority Owned Subsidiary of WaiteCorp Investments, LLC)

Statements of Cash Flows

Years Ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 2,811,540	\$ 2,810,640
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	1,523,570	1,525,883
Gain on Sale of Property and Equipment	(131,508)	(75,678)
Increase in Other Long-Term Liabilities	31,000	34,000
Decrease (Increase) in Current Assets:		
Trade Accounts Receivable	52,007	(264,593)
Prepaid Expenses	(46,467)	17,860
Increase (Decrease) in Current Liabilities:		
Trade Accounts Payable	194,627	(124,166)
Accrued Compensation	122,702	57,012
Taxes Accrued and Withheld	9,510	(6,458)
Unearned Revenue	(15,496)	(49,888)
Other Accrued Expenses	(21,808)	65,600
Net Cash Provided by Operating Activities	4,529,677	3,990,212
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(1,205,840)	(686,800)
Proceeds from Sale of Property and Equipment	257,128	111,500
Decrease in Other Assets	18,633	21,428
Net Cash Used in Investing Activities	(930,079)	(553,872)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on (Repayments of) Revolving Line of Credit	(150,000)	150,000
Net Repayments of Long-Term Debt	(1,867,250)	(2,707,651)
Distributions to Members	(875,766)	(897,210)
Class C Member Redemption	-	(461,846)
Net Cash Used in Financing Activities	(2,893,016)	(3,916,707)
Net Increase (Decrease) in Cash	706,582	(480,367)
Cash, Beginning of Year	24,383	504,750
Cash, End of Year	\$ 730,965	\$ 24,383
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 121,387	\$ 242,243
NONCASH INVESTING AND FINANCING ACTIVITIES		
Property and Equipment Received in Lieu of Performance on Unearned Revenue	\$ 44,337	\$ 101,195

See Notes to Financial Statements.

Waitt Outdoor, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Notes to Financial Statements

December 31, 2017 and 2016

1. Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements is set forth below.

Organization and Nature of Operations

Waitt Outdoor, LLC (the “Company”) was formed in 2001 and began operations in 2002 as a South Dakota limited liability company. The Company began operating under an amended and restated operating agreement effective January 1, 2005.

The Company owns and leases approximately 2,500 billboard faces as of December 31, 2017 and 2016. Billboard space is rented to advertisers primarily in the Midwest.

Use of Estimates

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

Trade Accounts Receivable

Trade accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer’s financial condition, credit history, and current economic conditions. Accounts receivables are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

Concentration of Credit Risk

The Company has two types of financial instruments subject to credit risk. The Company maintains bank accounts in which the balance sometimes exceeds the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. As of December 31, 2017 and 2016 there was \$731,086 and \$35,142 of cash balances in excess of FDIC limits at the bank. Trade accounts receivable also subject the Company to credit risk.

Property and Equipment

Property and equipment are stated at cost. Expenditures for additions and betterments are capitalized; expenditures for maintenance and repairs are expensed as incurred. The costs of assets disposed and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses from property disposals are recognized in the year of disposal.

Waitt Outdoor, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Notes to Financial Statements

December 31, 2017 and 2016

Depreciation is computed using the straight-line method over the following useful lives:

	Years
Land Improvements	15
Buildings and Improvements	5-39
Billboards and Improvements	10
Furniture and Equipment	3-7
Vehicles	5

Construction in progress is recorded at cost and no depreciation is recorded until the assets are placed in service.

Goodwill

Goodwill represents the carrying amount of the cost in excess of net assets acquired related to specific acquisitions. Goodwill is not amortized. Goodwill is reviewed for possible impairment at least annually or more frequently upon occurrence of an event or when circumstances indicate that the fair value of the specific acquisition drops below the carrying amount. Based on the Company's analysis, there was no impairment for 2017 or 2016.

Revenue Recognition

Outdoor advertising revenues, net of agency commissions, are recognized on the accrual basis ratably over the term of the contracts as services are provided. Production revenue and the related expense for the advertising copy are recognized upon completion of the sale.

Advertising Costs

Advertising costs related to marketing of the Company's services are charged to operations as incurred and are included in operating expenses. Advertising costs totaled \$16,200 and \$15,757 for the years ended December 31, 2017 and 2016, respectively.

Income Taxes

The Company, with the consent of its members elected under the Internal Revenue Code to be taxed as a partnership. Accordingly, taxable income, deductions and credits flow through to the members each year as earned and are reported on their personal income tax returns. Therefore, no provision or liability for income taxes has been included in the financial statements of the Company.

The Company follows the provisions of FASB Codification Topic 740-10 related to uncertain income tax positions. Management believes there are no uncertain income tax positions taken which would require the Company to reflect a liability for unrecognized tax benefits on the accompanying balance sheets.

The Company is no longer subject to income tax examinations by federal, state or local tax authorities for years prior to December 31, 2014.

Waitt Outdoor, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Notes to Financial Statements

December 31, 2017 and 2016

The Company generally makes cash distributions to its members in amounts sufficient to cover any income taxes they are required to pay on the Company's taxable income.

Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are available to be issued and may require potential recognition or disclosure in the financial statements. Management has considered such events or transactions through March 20, 2018 noting no items requiring disclosure.

2. Financing Arrangement

The Company's financing arrangement consists of a \$1,500,000 revolving bank line of credit, with interest at 4.0% and payable monthly, through May 2018. This line of credit is collateralized by substantially all assets of the Company. There was no balance outstanding against this line of credit as of December 31, 2017 and \$150,000 outstanding against a similar revolving line of credit as of December 31, 2016. The line of credit contains various restrictive covenants for which the Company either obtained a waiver or was in compliance with as of December 31, 2017.

3. Long-Term Debt

Long-term debt as of December 31, consists of the following:

	<u>2017</u>	<u>2016</u>
Note payable to a bank, due in monthly installments of \$111,311 including interest at 4.75%, through April 2019 at which time the remaining unpaid balance becomes due, collateralized by substantially all assets of the Company and all outstanding member units of the Company. The Company's intentions are to pay off this note within a year and is therefore all recorded as current. This note contains various restrictive covenants for which the Company either obtained a waiver or was in compliance with at December 31, 2017.	\$ 1,474,221	\$ 3,341,471
Less Current Portion	<u>1,474,221</u>	<u>1,100,541</u>
Long-Term Debt, Less Current Portion	<u>\$ -</u>	<u>\$ 2,240,930</u>

Waitt Outdoor, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Notes to Financial Statements

December 31, 2017 and 2016

4. Commitments and Contingencies

Lease Obligations

The Company has entered into various month-to-month as well as noncancelable operating leases for certain land and buildings used in the operations of its business. These leases expire on various dates through the year 2113 and often contain escalating rent payments. The Company accrues rent expense on its leases with escalating rent payments in an amount such that the total rent expense under these leases will be recognized ratably over the lives of the leases. Most of the leases also contain renewal options, and management expects, in the normal course of business, to renew these leases or replace them with other leases. Total rent expense under operating leases was \$2,758,123 and \$2,721,639 for the years ended December 31, 2017 and 2016, respectively.

Future minimum annual rental payments under the non-cancelable operating leases for the years ending after December 31, 2017 are approximately as follows:

Year Ending December 31,

2018	\$	1,849,000
2019		1,741,000
2020		1,666,000
2021		1,528,000
2022		1,374,000
Thereafter		9,793,000
	\$	<u>17,951,000</u>

The Company has prepaid certain future lease obligations totaling \$1,217,543 and \$1,184,143 as of December 31, 2017 and 2016, respectively. These amounts are included in prepaid expenses and other assets in the accompanying balance sheets.

Employment Agreement

The Company has entered into an employment agreement with the minority member. The agreement provides that the minority member shall serve as president of the Company. In addition, the agreement provides for a minimum salary, with annual increases as defined in the agreement, annual bonuses based upon performance standards, fringe benefits and a vehicle. If the minority member's employment is terminated for cause or due to expiration of employment term, the Company shall pay the minority member the base salary and benefits pro rata through the last day of his actual employment by the Company. In addition, the Company shall repurchase the minority member's Class B and Class C units within 90 days of the termination date and the minority member shall be entitled to purchase the vehicle provided by the Company for a purchase price as defined in the agreement. The agreement's terms run through November 1, 2020. The five year term is automatically renewed annually.

Waite Outdoor, LLC
(A Majority Owned Subsidiary of WaiteCorp Investments, LLC)

Notes to Financial Statements

December 31, 2017 and 2016

5. Construction in Progress

During the year ended December 31, 2017, the Company incurred \$754,171 of cost related to the construction of billboards. The Company placed into service \$291,262 of which \$1,500 represented construction costs incurred prior to 2017.

During the year ended December 31, 2016, the Company incurred \$228,845 of cost related to the construction of billboards. The Company placed into service \$435,275 of which \$207,929 represented construction costs incurred prior to 2016.

6. Members' Equity

Members' equity consists of Class A, Class B, and Class C members. Total issued and outstanding members units are summarized in the following table as of December 31,:

	<u>2017</u>	<u>2016</u>
Class A Units	939,900	939,900
Class B Units	60,100	60,100
Class C Units	90,715	90,715

The Class A and B members have contributed capital to the Company, whereas Class C members are not obligated to make a contribution of capital, but instead shall only be entitled to a profits interest in the Company. Class A members are entitled to vote, while the Class B and Class C members are nonvoting.

Liquidated distribution preferences are follows:

1. To the Class A and B members, an amount equal to their unreturned capital contribution.
2. In order of class, to the A and B members, a percentage of available funds, outlined in the Company's operating agreement, allocated pro rata based on each member's collective interest in the Company at the date of distribution.
3. To the C members, a percentage of available funds, outlined in the Company's operating agreement, allocated at pre-determined rates per the Company's operating agreement.

There were no redemptions during 2017. During 2016 the Company redeemed 9,285 Class C membership units from an employee who was terminated during 2016.

7. 401(k) Profit Sharing Plan

The Company participates in a 401(k) profit sharing plan which covers substantially all employees upon completion of six months of service and attainment of 21 years of age. The Company's 401(k) profit sharing costs were \$37,546 and \$33,040 for the year ended December 31, 2017 and 2016, respectively.

Lutz

WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Unaudited Financial Statements

For the Six Months Ended June 30, 2018 and 2017

WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Balance Sheets
Unaudited

	June 30,	December 31,
	2018	2017
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 229,488	\$ 730,965
Accounts receivable, net	1,231,959	1,090,627
Prepaid expenses	1,217,365	1,026,869
Total Current Assets	2,678,812	2,848,461
Property and Equipment, net	5,522,986	5,861,204
Other Assets:		
Goodwill	3,217,498	3,217,498
Other	219,321	297,498
Total Other Assets	3,436,819	3,514,996
Total Assets	\$ 11,638,617	\$ 12,224,661
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 696,529	\$ 1,021,902
Unearned revenue	170,584	277,374
Members' distributions payable	-	227,292
Current portion of long-term debt	632,263	1,474,221
Total Current Liabilities	1,499,376	3,000,789
Long-term Liabilities:		
Other long-term liabilities	1,316,000	1,316,000
Total Liabilities	2,815,376	4,316,789
Members' Equity	8,823,241	7,907,872
Total Liabilities and Members' Equity	\$ 11,638,617	\$ 12,224,661

See accompanying notes to the unaudited financial statements.

WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Statements of Operations
Unaudited

	For the Six Months Ended	
	June 30,	
	2018	2017
Revenues:		
Billboard revenues	\$ 6,418,332	\$ 6,398,696
Total Revenues	6,418,332	6,398,696
Costs and Expenses:		
Cost of billboard revenues (exclusive of depreciation and amortization)	2,602,416	2,647,729
Employee costs	972,641	950,895
Professional fees	28,684	65,655
General and administrative	506,167	500,918
Depreciation	741,536	741,536
Gain on disposition of assets	(39,395)	-
Bad debt expense	4,100	6,150
Total Costs and Expenses	4,816,149	4,912,883
Net Income from Operations	1,602,183	1,485,813
Other Income (Expense):		
Interest expense	(25,962)	(72,586)
Net Income	<u>\$ 1,576,221</u>	<u>\$ 1,413,227</u>

See accompanying notes to the unaudited financial statements.

WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Statements of Cash Flows
Unaudited

	For the Six Months Ended	
	June 30,	
	2018	2017
Cash Flows from Operating Activities:		
Net income	\$ 1,576,221	\$ 1,413,227
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	741,536	741,536
Gain on disposition of assets	(39,395)	-
Bad debt expense	4,100	6,150
Changes in operating assets and liabilities:		
Accounts receivable	(145,432)	108,687
Prepaid expenses	(190,496)	(114,288)
Accounts payable and accrued expenses	(325,373)	204,420
Unearned revenue	(106,790)	(50,268)
Net Cash Provided by Operating Activities	<u>1,514,371</u>	<u>2,309,464</u>
Cash Flows from Investing Activities:		
Proceeds from disposition of assets	41,997	-
Purchases of property and equipment	(405,920)	(337,926)
Other assets	78,177	54,355
Net Cash Used in Investing Activities	<u>(285,746)</u>	<u>(283,571)</u>
Cash Flows from Financing Activities:		
Payments on revolving line of credit	-	(150,000)
Payments on long-term debt	(841,958)	(997,905)
Members' distributions payable	(227,292)	-
Members' distributions	(660,852)	(633,674)
Net Cash Used in Financing Activities	<u>(1,730,102)</u>	<u>(1,781,579)</u>
Net (Decrease) Increase in Cash	(501,477)	244,314
Cash, Beginning of Period	<u>730,965</u>	<u>24,383</u>
Cash, End of Period	<u>\$ 229,488</u>	<u>\$ 268,697</u>
Interest Paid in Cash	<u>\$ 25,962</u>	<u>\$ 72,586</u>
Income Taxes Paid in Cash	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the unaudited financial statements.

WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited interim financial statements have been prepared in connection with Waitt Outdoor, LLC's business combination with Link Media Omaha, LLC ("Link Omaha"), a wholly-owned subsidiary of Boston Omaha Corporation, and to comply with the rules and regulations of the Securities and Exchange Commission ("SEC") for inclusion by Boston Omaha Corporation in its current report on Form 8-K/A.

Waitt Outdoor, LLC ("the Company") was formed in 2001 and began operations in 2002 as a South Dakota limited liability company. The Company began operating under an amended and restated operating agreement effective January 1, 2005.

The Company owns and leases approximately 2,500 billboard faces, primarily in the Midwestern United States.

The accompanying unaudited interim financial statements of Waitt Outdoor, LLC have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the Company's audited financial statements and notes thereto for the years ended December 31, 2017 and 2016 included elsewhere in this Form 8-K/A. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the interim financial statements which would substantially duplicate the disclosures contained in the audited financial statements for the years ended December 31, 2017 and 2016 included elsewhere in this Form 8-K/A have been omitted.

NEW ACCOUNTING STANDARDS

Revenue from Contracts with Customers - In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. This update creates ASC 606, *Revenue from Contracts with Customers*, and supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition*. The core principle of ASC 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. A five-step revenue recognition model is to be applied to achieve this core principle. ASC 606 also specifies comprehensive disclosures to help users of financial statements understand the nature, amount, timing and uncertainty of revenue that is recognized. The Company will adopt this standard on January 1, 2019, and is currently evaluating the impact this update will have on its financial statements.

Leases - In February 2016, the FASB issued ASU 2016-02, *Leases*, specifying the accounting for leases, which supersedes the leases requirements in Topic 840, *Leases*. The objective is to establish the principles that lessees and lessors shall apply to report useful information to users of financial statements about the amount, timing, and uncertainty of cash flows arising from a lease. Lessees are permitted to make an accounting policy election to not recognize the asset and liability for leases with a term of twelve months or less. Lessors' accounting is largely unchanged from the previous accounting standard. In addition, ASU 2016-02 expands the disclosure requirements of lease arrangements. Lessees and lessors will use a modified retrospective transition approach, which includes a number of practical expedients. The Company will adopt this standard on January 1, 2020, and is currently evaluating the impact this update will have on its financial statements.

Other recently issued ASU's were assessed and determined to be either not applicable or are expected to have a minimal impact on the Company's operating results and financial position.

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
Billboards and improvements	\$ 25,642,981	\$ 25,595,329
Buildings and improvements	365,174	365,175
Furniture and equipment	864,288	548,271
Vehicles	956,533	802,266
Construction in progress	431,809	546,426
Land and improvements	260,820	260,820
Total cost	<u>28,521,605</u>	<u>28,118,287</u>
Less: Accumulated depreciation	<u>(22,998,619)</u>	<u>(22,257,083)</u>
Total Property and Equipment, net	<u>\$ 5,522,986</u>	<u>\$ 5,861,204</u>

Depreciation for the six months ended June 30, 2018 and 2017 was \$741,536 and \$741,536, respectively. During the six months ended June 30, 2018, the Company realized gains on the disposition of assets in the amount of \$39,395.

WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

NOTE 3. CONSTRUCTION IN PROGRESS

During the six months ended June 30, 2018, the Company incurred \$52,102 of costs related to the construction of billboards. The Company placed into service billboards with a total cost of \$166,719.

During the year ended December 31, 2017, the Company incurred \$754,171 of costs related to the construction of billboards. The Company placed into service billboards with a total cost of \$291,262 of which \$1,500 represented construction costs incurred prior to 2017.

NOTE 4. LONG-TERM DEBT

The Company holds a note payable to a bank, due in monthly installments of \$111,311 including interest at 4.75% per annum. The unpaid balance is due April 2019. The note is collateralized by substantially all Company assets and all outstanding member units. The entire balance of \$632,263 as of June 30, 2018 and \$1,474,221 as of December 31, 2017 are reflected as current liabilities on the accompanying balance sheets.

NOTE 5. LEASE OBLIGATIONS

The Company has entered into various month-to-month as well as noncancelable operating leases for certain land and buildings used in the operations of its business. These leases expire on various dates through the year 2113 and often contain escalating rent payments. Most of the leases contain renewal options, and management expects, in the normal course of business, to renew these leases or replace them with other leases. Ground rents for the six months ended June 30, 2018 and 2017 were \$1,309,178 and \$1,315,876, respectively.

Rent expense under other operating leases for the six months ended June 30, 2018 and 2017 was \$43,748 and \$40,934, respectively.

Future minimum rents are as follows for the twelve months ending June 30:

2019	\$	1,795,175
2020		1,703,629
2021		1,597,364
2022		1,451,400
2023		1,351,898
Thereafter		<u>9,125,506</u>
Total	\$	<u>17,024,972</u>

The Company has prepaid certain future lease obligations totaling \$1,266,209 as of June 30, 2018 and \$1,217,543 as of December 31, 2017. These amounts are included in prepaid expenses and other assets in the accompanying balance sheets.

The Company accrues rent expense on its leases with escalating rent payments in an amount such that the total rent expense under these leases will be recognized ratably over the lives of the leases. Accrued rent expense of \$1,316,000 as of June 30, 2018 and December 31, 2017, is included in other long-term liabilities in the accompanying balance sheets.

WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

NOTE 6. DISTRIBUTIONS TO MEMBERS

For the six months ended June 30, 2018, the Company distributed cash totaling \$888,144 to members. For the six months ended June 30, 2017, the Company distributed cash totaling \$633,674 to members. These distributions were made primarily to cover income taxes owed by the members on their respective share of estimated taxable income.

NOTE 7. SUBSEQUENT EVENTS

On August 31, 2018, the Company entered into an Asset Purchase Agreement with Link Omaha, by which Link Omaha acquired over 1,600 billboard structures and related assets from the Company. The billboards and related assets are located in Kansas, Illinois, Iowa, Missouri and Nebraska.

The purchase price for the acquired assets was \$82,000,000, subject to certain post-closing adjustments, which totaled \$2,031,262, resulting in a total purchase price of \$84,031,262. Cash paid at closing was \$79,928,762 and \$4,102,500, which was disbursed and will be held in escrow, subject to any claims for indemnification. Waitt Outdoor, LLC, WaittCorp Investments, LLC, and Mr. Michael J. Delich, the principal of Waitt Outdoor, LLC, have also entered into a five year non-competition and non-solicitation agreement in connection with the acquisition.

In August 2018, the note payable referenced in Note 4 above was paid in full.

BOSTON OMAHA CORPORATION AND WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Unaudited Pro Forma Consolidated Balance Sheet
and
Unaudited Pro Forma Consolidated Statements of Operations

BOSTON OMAHA CORPORATION AND WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Unaudited Pro Forma Consolidated Balance Sheet

June 30, 2018

ASSETS

	Historical (unaudited)		Pro Forma Adjustments	Notes	Pro Forma Consolidated
	Boston Omaha	Waitt Outdoor			
Current Assets:					
Cash and cash equivalents	\$ 88,166,783	\$ 229,488	\$ (84,260,750)	(2a)	\$ 4,135,521
Restricted cash	506,046	-	-		506,046
Accounts receivable, net	1,290,966	1,231,959	7,498	(2a)	2,530,423
Interest receivable	692,109	-	-		692,109
Short-term investments	4,856,131	-	-		4,856,131
U.S. Treasury securities available for sale	150,346,440	-	-		150,346,440
Prepaid expenses	1,098,959	1,217,365	333,719	(2a)	2,650,043
Total Current Assets	246,957,434	2,678,812	(83,919,533)		165,716,713
Property and Equipment, net	10,280,773	5,522,986	12,703,005	(2a)	28,506,764
Other Assets:					
Goodwill	25,006,161	3,217,498	43,164,448	(2a)	71,388,107
Intangible assets, net	7,604,863	-	18,710,563	(2a)	26,315,426
Investments	32,177,419	-	-		32,177,419
Investments in unconsolidated affiliates	847,146	-	-		847,146
Funds held as collateral assets	862,046	-	-		862,046
Other	707,560	219,321	(219,321)	(2a)	707,560
Total Other Assets	67,205,195	3,436,819	61,655,690		132,297,704
Total Assets	\$ 324,443,402	\$ 11,638,617	\$ (9,560,838)		\$ 326,521,181

See accompanying notes to unaudited pro forma consolidated financial statements.

BOSTON OMAHA CORPORATION AND WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Unaudited Pro Forma Consolidated Balance Sheet

June 30, 2018

LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND EQUITY

	Historical (unaudited)		Pro Forma Adjustments	Notes	Pro Forma Consolidated
	Boston Omaha	Waitt Outdoor			
Current Liabilities:					
Accounts payable and accrued expenses	\$ 1,843,475	\$ 696,529	\$ 65,250	(2a)	\$ 2,605,254
Short-term payables for acquisitions	137,000	-	-		137,000
Funds held as collateral	862,046	-	-		862,046
Unearned premiums and deferred revenue	2,127,729	170,584	(170,584)	(2a)	2,127,729
Current portion of long-term debt	-	632,263	(632,263)	(2a)	-
Total Current Liabilities	4,970,250	1,499,376	(737,597)		5,732,029
Long-term Liabilities:					
Asset retirement obligations	174,669	-	-		174,669
Other long-term liabilities	-	1,316,000	-		1,316,000
Deferred tax liability	57,000	-	-		57,000
Total Liabilities	5,201,919	2,815,376	(737,597)		7,279,698
Redeemable Noncontrolling Interest:	1,190,187	-	-		1,190,187
Members' Equity:	-	8,823,241	(8,823,241)	(2a)	-
Stockholders' Equity:					
Preferred stock, \$.001 par value, 1,000,000 authorized, 0 shares issued and outstanding	-	-	-		-
Class A common stock, \$.001 par value, 38,838,884 shares authorized, 20,894,774 shares issued and outstanding, respectively	20,895	-	-		20,895
Class B common stock, \$.001 par value, 1,161,116 shares authorized, 1,055,560 shares issued and outstanding	1,056	-	-		1,056
Additional paid-in capital	332,907,911	-	-		332,907,911
Accumulated deficit	(14,878,566)	-	-		(14,878,566)
Total Stockholders' Equity	318,051,296	-	-		318,051,296
Total Equity	318,051,296	8,823,241	(8,823,241)		318,051,296
Total Liabilities, Redeemable Noncontrolling Interest, and Equity	\$ 324,443,402	\$ 11,638,617	\$ (9,560,838)		\$ 326,521,181

See accompanying notes to unaudited pro forma consolidated financial statements.

BOSTON OMAHA CORPORATION AND WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Unaudited Pro Forma Consolidated Statement of Operations
For the Six Months Ended June 30, 2018

	Historical (unaudited)		Pro Forma Adjustments	Notes	Pro Forma Consolidated
	Boston Omaha	Waitt Outdoor			
Revenues:					
Billboard revenues	\$ 3,249,459	\$ 6,418,332	\$ (11,529)	(2c)	\$ 9,656,262
Premiums earned	984,349	-	-		984,349
Insurance commissions	1,516,868	-	-		1,516,868
Investment and other income	62,027	-	-		62,027
Total Revenues	5,812,703	6,418,332	(11,529)		12,219,506
Costs and Expenses:					
Cost of billboard revenues (exclusive of depreciation and amortization)	1,565,621	2,602,416	(1,815)	(2c)	4,166,222
Cost of insurance revenues	477,536	-	-		477,536
Employee costs	3,706,024	972,641	(170,508)	(2c)	4,508,157
Professional fees	1,420,375	28,684	(8,548)	(2c)	1,440,511
General and administrative	1,700,215	506,167	(13,529)	(2c)	2,192,853
Amortization	1,451,240	-	2,404,950	(2b)	3,856,190
Depreciation	635,407	741,536	(61,131)	(2b)	1,315,812
Loss (gain) on disposition of assets	81,857	(39,395)	-		42,462
Bad debt expense	14,515	4,100	-		18,615
Accretion	5,995	-	-		5,995
Total Costs and Expenses	11,058,785	4,816,149	2,149,419		18,024,353
Net Income (Loss) from Operations	(5,246,082)	1,602,183	(2,160,948)		(5,804,847)
Other Income (Expense):					
Interest income	1,091,946	-	-		1,091,946
Equity in income of unconsolidated affiliates	385,091	-	-		385,091
Unrealized gains (loss) on securities	113,303	-	-		113,303
Loss on disposition of assets	(54,733)	-	-		(54,733)
Interest Expense	(1,804)	(25,962)	-		(27,766)
Net Income (Loss) Before Income Tax	(3,712,279)	1,576,221	(2,160,948)		(4,297,006)
Income Tax (Provision) Benefit	-	-	-	(3b)	-
Net Income (Loss)	(3,712,279)	1,576,221	(2,160,948)		(4,297,006)
Noncontrolling Interest in Subsidiary Loss	44,800	-	-		44,800
Net Income (Loss) Attributable to Common Stockholders	\$ (3,667,479)	\$ 1,576,221	\$ (2,160,948)		\$ (4,252,206)
Basic and Diluted Net Loss per Share	\$ (0.21)			(3a)	\$ (0.24)
Basic and Diluted Weighted Average Class A and Class B Common Shares Outstanding	17,780,454			(3a)	17,780,454

See accompanying notes to unaudited pro forma consolidated financial statements.

BOSTON OMAHA CORPORATION AND WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Unaudited Pro Forma Consolidated Statement of Operations

For the Year Ended December 31 , 201 7

	Historical		Pro Forma Adjustments	Notes	Pro Forma Consolidated
	Boston Omaha	Waitt Outdoor			
Revenues:					
Billboard rentals	\$ 5,265,746	\$ 12,803,000	\$ (31,690)	(2c)	\$ 18,037,056
Premiums earned	2,031,597	-	-		2,031,597
Insurance commissions	1,586,200	-	-		1,586,200
Investment and other income	130,802	-	-		130,802
Total Revenues	9,014,345	12,803,000	(31,690)		21,785,655
Costs and Expenses:					
Cost of billboard revenues (exclusive of depreciation and amortization)	2,690,538	5,336,242	(2,339)	(2c)	8,024,441
Cost of insurance revenues	739,657	-	-		739,657
Employee costs	4,420,231	1,984,369	(278,284)	(2c)	6,126,316
Professional fees	2,183,647	132,198	(23,453)	(2c)	2,292,392
General and administrative	1,889,531	1,012,902	(52,039)	(2c)	2,850,394
Amortization	2,410,081	-	4,809,900	(2b)	7,219,981
Depreciation	943,845	1,523,570	(182,487)	(2b), (2c)	2,284,928
Loss (gain) on disposition of assets	362,575	(131,508)	-		231,067
Bad debt expense	147,172	12,300	-		159,472
Total Costs and Expenses	15,787,277	9,870,073	4,271,298		29,928,648
Net income (Loss) from Operations	(6,772,932)	2,932,927	(4,302,988)		(8,142,993)
Other Income (Expense):					
Interest income	95,779	-	-		95,779
Equity in income of unconsolidated affiliates	73,760	-	-		73,760
Unrealized gains (loss) on securities	132,191	-	-		132,191
Interest Expense	(8,255)	(121,387)	-		(129,642)
Net Income (Loss) Before Income Tax	(6,479,457)	2,811,540	(4,302,988)		(7,970,905)
Income Tax (Provision) Benefit	-	-	-	(3b)	-
Net Income (Loss)	(6,479,457)	2,811,540	(4,302,988)		(7,970,905)
Noncontrolling Interest in Subsidiary Loss	11,547	-	-		11,547
Net Income (Loss) Attributable to Common Stockholders	\$ (6,467,910)	\$ 2,811,540	\$ (4,302,988)		\$ (7,959,358)
Basic and Diluted Net Loss per Share	<u>\$ (0.60)</u>			(3a)	<u>\$ (0.74)</u>
Basic and Diluted Weighted Average Class A and Class B Common Shares Outstanding	<u>10,817,198</u>			(3a)	<u>10,817,198</u>

See accompanying notes to unaudited pro forma consolidated financial statements.

BOSTON OMAHA CORPORATION AND WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Notes to Unaudited Pro Forma Consolidated Financial Statements

NOTE 1. BASIS OF PRESENTATION

The unaudited pro forma consolidated balance sheet has been prepared by applying pro forma adjustments to Boston Omaha Corporation's ("Boston Omaha") ("the Company") unaudited consolidated balance sheet as of June 30, 2018 and Waitt Outdoor, LLC's ("Waitt") unaudited balance sheet as of June 30, 2018.

The unaudited pro forma consolidated statement of operations for the six months ended June 30, 2018 has been prepared from Boston Omaha's unaudited interim consolidated statement of operations for the six months ended June 30, 2018 and from Waitt's unaudited interim statement of operations for the six months ended June 30, 2018.

Boston Omaha's audited consolidated financial statements and Waitt's audited financial statements have been used in the preparation of the unaudited pro forma consolidated statement of operations for the year ended December 31, 2017.

The unaudited pro forma consolidated financial statements should be read in conjunction with the historical financial statements of Boston Omaha and Waitt as follows:

Boston Omaha's audited consolidated financial statements for the years ended December 31, 2017 and 2016 and the notes relating thereto, as found in its Form 10-K which was filed with the Securities and Exchange Commission on March 30, 2018;

Boston Omaha's unaudited consolidated financial statements for the six months ended June 30, 2018 and the notes relating thereto, as found in its Form 10-Q which was filed with the Securities and Exchange Commission on August 13, 2018;

Waitt's audited financial statements for the years ended December 31, 2017 and 2016 and the notes relating thereto included in this Form 8-K/A and;

Waitt's unaudited financial statements for the six months ended June 30, 2018 and the notes relating thereto included elsewhere in this Form 8-K/A.

NOTE 2. BUSINESS ACQUISITION

On August 31, 2018, Link Media Omaha, LLC ("Link Omaha") entered into an Asset Purchase Agreement with Waitt Outdoor, LLC, by which Link Omaha acquired over 1,600 billboard structures and related assets from Waitt Outdoor, LLC. The billboards and related assets are located in Kansas, Illinois, Iowa, Missouri and Nebraska.

Link Omaha is a wholly-owned subsidiary of Link Media Holdings, LLC, a wholly-owned subsidiary of Boston Omaha Corporation (the "Company").

The purchase price for the acquired assets was \$82,000,000, subject to certain post-closing adjustments, which totaled \$2,031,262, resulting in a total purchase price of \$84,031,262. Cash paid at closing was \$79,928,762 and \$4,102,500, which was disbursed and will be held in escrow, subject to any claims for indemnification. Waitt Outdoor, LLC, WaittCorp Investments, LLC, and Mr. Michael J. Delich, the principal of Waitt Outdoor, LLC, have also entered into a five year non-competition and non-solicitation agreement in connection with the acquisition.

BOSTON OMAHA CORPORATION AND WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Notes to Unaudited Pro Forma Consolidated Financial Statements

NOTE 2. BUSINESS ACQUISITION (Continued)

Recognized Amount of Identifiable Assets Acquired and Liabilities Assumed

The Company has performed a preliminary valuation analysis of the fair market value of Waitt's assets to be acquired and liabilities to be assumed. Using the total consideration for the acquisition, the Company has estimated the allocations to such assets and liabilities. The following table summarizes the allocation of the preliminary purchase price as of the transaction's closing date, August 31, 2018:

Identifiable Assets:	
Accounts receivable	\$ 1,239,457
Prepaid expenses	1,551,084
Property and equipment	18,225,991
Subtotal	21,016,532
Intangible Assets:	
Goodwill	46,381,946
Intangible assets	18,710,563
Total Identifiable Assets Acquired	86,109,041
Liabilities Assumed:	
Total Liabilities Assumed	2,077,779
Total Identifiable Net Assets	\$ <u>84,031,262</u>

This preliminary purchase price allocation has been used to prepare pro forma adjustments, (2a), in the pro forma balance sheet and statement of operations. The statement of operations has been adjusted through pro forma adjustments, (2c), for Waitt Consulting, which was not purchased by the Company. The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustments. The final allocation may include (1) changes in fair values of property and equipment, (2) changes in allocations to intangible assets such as permits, noncompetition agreements, and customer relationships as well as goodwill and (3) other changes to assets and liabilities.

Depreciation and amortization, (2b), have been provided for property and equipment and finite intangible assets based on the preliminary purchase price allocation. Property and equipment have been depreciated on a straight-line basis over their estimated useful lives of five, ten or fifteen years. Intangible assets having a finite life have been amortized on a straight-line basis over their estimated useful lives of three, five or ten years.

All significant intercompany balances have been eliminated in consolidation.

BOSTON OMAHA CORPORATION AND WAITT OUTDOOR, LLC
(A Majority Owned Subsidiary of WaittCorp Investments, LLC)

Notes to Unaudited Pro Forma Consolidated Financial Statements

NOTE 3. PRO FORMA ADJUSTMENTS

Earnings per share

(3a) The basic net income (loss) per common share is computed by dividing the net income (loss) by the weighted average number of Class A and Class B common shares outstanding.

Income Tax (Provision) Benefit

(3b) Federal and state income taxes have not been provided as the Company has experienced net operating losses for federal tax purposes and state income taxes have not been significant.