

BOSTON OMAHA CORP

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

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Address	1411 HARNEY ST. SUITE 200 OMAHA, NE, 68102
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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 29, 2018 (August 22, 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 August 23, 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 Key Outdoor, Inc. (“Key”), Angela K. Dahl and Robert A. Dahl. On October 16, 2018, the Company filed a Current Report on Form 8-K/A (the “Subsequent 8-K”) to provide the historical audited and unaudited financial statements of Key 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. The Subsequent 8-K included Exhibit 99.3, which included the pro forma combined financial information, and although “Net Income (Loss) Before Income Tax , ” “Net Income (Loss),” and “Net Income (Loss) Attributable to Common Stockholders” were correct, a line item entitled “Unrealized gains (loss) on securities” was inadvertently omitted from the Unaudited Pro Forma Consolidated Statement of Operations For the Six Months Ended June 30, 2018. This Current Report on Form 8-K/A amends the Subsequent 8-K to include the inadvertently omitted line item from Exhibit 99.3.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(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 Key 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>
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 Key.</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 29, 2018

BOSTON OMAHA CORPORATION AND KEY OUTDOOR, INC

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

BOSTON OMAHA CORPORATION AND KEY OUTDOOR, INC

Unaudited Pro Forma Consolidated Balance Sheet

June 30, 2018

ASSETS

	<u>Historical (unaudited)</u>		<u>Pro Forma Adjustments</u>	<u>Notes</u>	<u>Pro Forma Consolidated</u>
	<u>Boston Omaha</u>	<u>Key Outdoor</u>			
Current Assets:					
Cash and cash equivalents	\$ 88,166,783	\$ -	\$ (38,233,894)	(2a)	\$ 49,932,889
Restricted cash	506,046	-	-		506,046
Accounts receivable, net	1,290,966	493,982	(493,982)	(2a)	1,290,966
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	125,748	108,146	(2a)	1,332,853
Total Current Assets	246,957,434	619,730	(38,619,730)		208,957,434
Property and Equipment, net	10,280,773	3,431,818	6,133,663	(2a)	19,846,254
Other Assets:					
Goodwill	25,006,161	2,713,950	16,785,050	(2a)	44,505,161
Intangible assets, net	7,604,863	27,183	8,948,817	(2a)	16,580,863
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	-	-		707,560
Total Other Assets	67,205,195	2,741,133	25,733,867		95,680,195
Total Assets	\$ 324,443,402	\$ 6,792,681	\$ (6,752,200)		\$ 324,483,883

See accompanying notes to unaudited pro forma consolidated financial statements.

BOSTON OMAHA CORPORATION AND KEY OUTDOOR, INC

Unaudited Pro Forma Consolidated Balance Sheet

June 30, 2018

LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND STOCKHOLDERS' EQUITY

	<u>Historical (unaudited)</u>		<u>Pro Forma Adjustments</u>	<u>Notes</u>	<u>Pro Forma Consolidated</u>
	<u>Boston Omaha</u>	<u>Key Outdoor</u>			
Current Liabilities:					
Bank overdraft	\$ -	\$ 15,839	\$ (15,839)	(2a)	\$ -
Accounts payable and accrued expenses	1,843,475	262,104	(262,104)	(2a)	1,843,475
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	143,706	(143,706)	(2a)	2,127,729
Related party loans	-	1,570,000	(1,570,000)	(2a)	-
Current portion of long-term debt	-	749,887	(749,887)	(2a)	-
Total Current Liabilities	4,970,250	2,741,536	(2,741,536)		4,970,250
Long-term Liabilities:					
Asset retirement obligations	174,669	40,481	-		215,150
Long-term debt, less current portion	-	2,317,700	(2,317,700)	(2a)	-
Deferred tax liability	57,000	-	-		57,000
Total Liabilities	5,201,919	5,099,717	(5,059,236)		5,242,400
Redeemable Noncontrolling Interest:	1,190,187	-	-		1,190,187
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
Capital stock, no par value, 10,000 shares authorized, 300 shares issued and outstanding	-	6,000	(6,000)	(2a)	-
Additional paid-in capital	332,907,911	-	-		332,907,911
(Accumulated deficit) retained earnings	(14,878,566)	1,686,964	(1,686,964)	(2a)	(14,878,566)
Total Stockholders' Equity	318,051,296	1,692,964	(1,692,964)		318,051,296
Total Liabilities, Redeemable Noncontrolling interest and Stockholders' Equity	\$ 324,443,402	\$ 6,792,681	\$ (6,752,200)		\$ 324,483,883

See accompanying notes to unaudited pro forma consolidated financial statements.

BOSTON OMAHA CORPORATION AND KEY OUTDOOR, INC

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	Key Outdoor			
Revenues:					
Billboard rentals, net	\$ 3,249,459	\$ 2,981,577	\$ -		\$ 6,231,036
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	2,981,577	-		8,794,280
Costs and Expenses:					
Cost of billboard revenues (exclusive of depreciation and amortization)	1,565,621	1,106,679	-		2,672,300
Cost of insurance revenues	477,536	-	-		477,536
Employee costs	3,706,024	773,524	-		4,479,548
Professional fees	1,420,375	35,601	-		1,455,976
General and administrative	1,700,215	448,196	-		2,148,411
Amortization	1,451,240	1,743	1,349,457	(2b)	2,802,440
Depreciation	635,407	292,858	38,625	(2b)	966,890
Loss (gain) on disposition of assets	81,857	(129,835)	-		(47,978)
Bad debt expense	14,515	-	-		14,515
Accretion	5,995	-	-		5,995
Total Costs and Expenses	11,058,785	2,528,766	1,388,082		14,975,633
Net Income (Loss) from Operations	(5,246,082)	452,811	(1,388,082)		(6,181,353)
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)	(129,955)	-		(131,759)
Net Income (Loss) Before Income Tax	(3,712,279)	322,856	(1,388,082)		(4,777,505)
Income Tax (Provision) Benefit	-	-	-	(3b)	-
Net Income (Loss)	(3,712,279)	322,856	(1,388,082)		(4,777,505)
Noncontrolling Interest in Subsidiary Loss	44,800	-	-		44,800
Net Income (Loss) Attributable to Common Stockholders	\$ (3,667,479)	\$ 322,856	\$ (1,388,082)		\$ (4,732,705)
Basic and Diluted Net Loss per Share	\$ (0.21)			(3a)	\$ (0.27)
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 KEY OUTDOOR, INC

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	Key Outdoor			
Revenues:					
Billboard rentals, net	\$ 5,265,746	\$ 6,050,073	\$ -		\$ 11,315,819
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	6,050,073	-		15,064,418
Costs and Expenses:					
Cost of billboard revenues (exclusive of depreciation and amortization)	2,690,538	2,240,237	-		4,930,775
Cost of insurance revenues	739,657	-	-		739,657
Employee costs	4,420,231	1,724,812	-		6,145,043
Professional fees	2,183,647	55,772	-		2,239,419
General and administrative	1,889,531	970,543	-		2,860,074
Amortization	2,410,081	11,294	2,691,106	(2b)	5,112,481
Depreciation	943,845	690,969	(28,002)	(2b)	1,606,812
Loss on disposition of assets	362,575	12,213	-		374,788
Bad debt expense	147,172	3,485	-		150,657
Total Costs and Expenses	15,787,277	5,709,325	2,663,104		24,159,706
Net Income (Loss) from Operations	(6,772,932)	340,748	(2,663,104)		(9,095,288)
Other Income (Expense):					
Interest income	95,779	110	-		95,889
Equity in income of unconsolidated affiliates	73,760	-	-		73,760
Unrealized gains (loss) on securities	132,191	-	-		132,191
Interest expense	(8,255)	(249,597)	-		(257,852)
Net Income (Loss) Before Income Tax	(6,479,457)	91,261	(2,663,104)		(9,051,300)
Income Tax (Provision) Benefit	-	-	-	(3b)	-
Net Income (Loss)	(6,479,457)	91,261	(2,663,104)		(9,051,300)
Noncontrolling Interest in Subsidiary Loss	11,547	-	-		11,547
Net Income (Loss) Attributable to Common Stockholders	\$ (6,467,910)	\$ 91,261	\$ (2,663,104)		\$ (9,039,753)
Basic and Diluted Net Loss per Share	\$ (0.60)			(3a)	\$ (0.84)
Basic and Diluted Weighted Average Class A and Class B Common Shares Outstanding	10,817,198			(3a)	10,817,198

See accompanying notes to unaudited pro forma consolidated financial statements.

BOSTON OMAHA CORPORATION AND KEY OUTDOOR, INC

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 Key Outdoor, Inc.'s ("Key") 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 Key's unaudited interim statement of operations for the six months ended June 30, 2018.

Boston Omaha's audited consolidated financial statements and Key'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 Key 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;

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

Key'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 22, 2018, Link Media Midwest, LLC ("Link Midwest") entered into an Asset Purchase Agreement with Key Outdoor, Inc., Angela K. Dahl, and Robert A. Dahl by which Link Midwest acquired over 700 billboard structures and related assets from Key Outdoor, Inc.. The billboards and related assets are located in Illinois, Iowa, and Missouri.

Link Midwest 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 \$38,000,000, subject to certain post-closing adjustments, which totaled \$233,894, and was paid in cash. A portion of the purchase price equal to \$1,900,000 will be held back by Link Midwest and disbursed, subject to any claims for indemnification, over an 18 month period. Another \$329,467 is being held back as required consent holdback. Each of Key Outdoor, Inc. and Angela K. Dahl and Robert A. Dahl, Key Outdoor Inc.'s principals, have also entered into five year non-competition and non-solicitation agreements in connection with the acquisition. Total cash distributed at closing was \$36,004,427, which included \$1,000,778 paid to satisfy in full the related party loans balance as of August 22, 2018.

BOSTON OMAHA CORPORATION AND KEY OUTDOOR, INC

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 Key'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 22, 2018:

Identifiable Assets:	
Prepaid expenses	\$ 233,894
Property and equipment	<u>9,565,481</u>
Subtotal	9,799,375
Intangible Assets:	
Goodwill	19,499,000
Intangible assets	<u>8,976,000</u>
Total Identifiable Assets Acquired	38,274,375
Liabilities Assumed:	
	<u>40,481</u>
Total Liabilities Assumed	<u>40,481</u>
Total Identifiable Net Assets	<u>\$ 38,233,894</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 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 KEY OUTDOOR, INC

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.