

BOSTON OMAHA CORP

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

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Address	292 NEWBURY STREET, SUITE 333 BOSTON, MA 02115
Telephone	857-256-0079
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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): June 19, 2015

BOSTON OMAHA CORPORATION
(Exact name of registrant as specified in its Charter)

Delaware
(State or other jurisdiction of Incorporation)

333-170054
(Commission File Number)

27-0788438
(IRS Employer Identification Number)

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

c/o Boulderado Group, LLC
292 Newbury Street, Suite 333
Boston, Massachusetts 02115
(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))

EXPLANATORY NOTE

Boston Omaha Corporation (the "**Company**") is filing this Current Report on Form 8-K/A (Amendment No. 1) (the "**8-K/A**") in order to amend its previously filed Current Report on Form 8-K, as filed with the Securities and Exchange Commission on July 28, 2015 (the "**Initial 8-K**"), in order to file certain financial statements and to furnish certain pro forma financial information pursuant to Item 9.01 of this Form 8-K/A.

The Initial 8-K provided disclosure under Item 2.01 thereof regarding the July 23, 2015 closing of the Company's acquisition of certain billboards and related assets by Link Media Florida, LLC, which is owned by Link Media Holdings, LLC, which is owned by the Company. Link Media Florida, LLC entered into an Asset Purchase Agreement with Fair Outdoor, LLC and its stockholders, by which Link Media Florida acquired one billboard, rights to develop a second billboard, an option to purchase a third billboard and related assets from Fair Outdoor, LLC. The billboards and related assets are located in Tampa Florida on property owned by the Florida State Fairground Authority. The purchase price for the acquired assets was \$1,945,060.85 paid at closing.

Item 9.01 of Form 8-K provides that with respect to transactions described pursuant to Item 2.01 of Form 8-K, the financial statements of businesses acquired may be filed, and pro forma financial information regarding such transactions may be furnished, not later than 71 calendar days after the date that the initial report on Form 8-K must be filed. As such, the Company disclosed in the Initial 8-K that it would file the required financial statements and furnish the required pro forma financial information within that time frame. The preparation of such financial statements and pro forma financial information took longer than the Company anticipated, due principally to delays in obtaining necessary information and supporting documents from the seller but the Company is now providing such financial statements and pro forma financial statements herewith as described in Item 9.01 below.

The Company is now providing a Balance Sheet, Statement of Operations and Members' Equity and Statement of Cash Flows from Fair Outdoor, LLC for the year ended December 31, 2014, as well as a Balance Sheet, Statement of Operations and Members' Equity and Statement of Cash Flows from Fair Outdoor, LLC for the six month period ended June 30, 2015, along with certain pro forma information, each as described in Item 9.01 below.

SECTION 9 - FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits.

(a) **Financial statements of businesses acquired**. The audited financial statements of Fair Outdoor, LLC for the year ended December 31, 2014, are filed herewith as Exhibit 99.1. The unaudited financial statements of Fair Outdoor, LLC for the six months ended June 30, 2015 are filed herewith as Exhibit 99.2.

(b) **Pro forma financial information**. The unaudited pro forma condensed combined financial information of the Company and Fair Outdoor, LLC for the year ended December 31, 2014 and as of and for the six months ended June 30, 2015 are filed herewith as Exhibit 99.3.

(c) **Shell Company Transaction**.

Not applicable.

(d) **Exhibits**.

Not Applicable

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

Date: August 30, 2016

/s/ Alex B. Rozek

Name: Alex B. Rozek
Title: President and Treasurer (Principal Executive Officer)

/s/ Joshua Weisenburger

Name: Joshua Weisenburger
Controller (Principal Accounting Officer)

FAIR OUTDOOR, LLC
(a Florida Limited Liability Company)

Financial Statements

For the Year Ended December 31, 2014

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Fair Outdoor, LLC
Suwanee, Georgia

We have audited the accompanying balance sheet of Fair Outdoor, LLC (the "Company") as of December 31, 2014, and the related statements of income and members' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fair Outdoor, LLC as of December 31, 2014 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ MaloneBailey, LLP
www.malonebailey.com
Houston, Texas
August 29, 2016

FAIR OUTDOOR, LLC
(a Florida Limited Liability Company)

Balance Sheet

December 31, 2014

ASSETS

Current Assets:

Cash	\$	12,495
Restricted cash		10,000
Accounts receivable		29,321
Accounts receivable, related party		21,000
Prepaid expenses		<u>645</u>
Total Current Assets		73,461

Property and Equipment:

Structures and displays		413,224
Accumulated depreciation		<u>(16,070)</u>
Total Property and Equipment, net		<u>397,154</u>
Total Assets	\$	<u><u>470,615</u></u>

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities:

Accounts payable	\$	4,603
Deferred revenue		11,114
Current portion of note payable, member		<u>53,923</u>
Total Current Liabilities		69,640

Long-term debt, member		<u>344,605</u>
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Total Liabilities		414,245
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Members' Equity		<u>56,370</u>
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Total Liabilities and Members' Equity	\$	<u><u>470,615</u></u>
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See accompanying notes to the audited financial statements

FAIR OUTDOOR, LLC
(a Florida Limited Liability Company)

Statement of Income and Members' Equity

For the Year Ended December 31, 2014

Revenues:

Billboard rentals	\$ 117,641
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Costs and Expenses:

Ground rents	22,575
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Depreciation	16,070
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Repairs and maintenance	8,401
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General and administrative	<u>2,768</u>
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Total Costs and Expenses	<u>49,814</u>
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Net Income from Operations	67,827
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Other Income (Expense):

Interest expense	<u>(11,457)</u>
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Net Income	56,370
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Members' Equity, Beginning of Year	<u>-</u>
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Members' Equity, End of Year	<u><u>\$ 56,370</u></u>
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See accompanying notes to the audited financial statements

FAIR OUTDOOR, LLC
(a Florida Limited Liability Company)

Statement of Cash Flows

For the Year Ended December 31, 2014

Cash Flows from Operating Activities:

Net Income	\$ 56,370
Adjustments to reconcile net income to cash provided by operating activities:	
Depreciation	16,070
Changes in operating assets and liabilities:	
Accounts receivable	(50,321)
Prepaid expense	(645)
Accounts payable	4,603
Deferred revenue	11,114
	<u>37,191</u>
Net Cash Provided in Operating Activities	37,191

Cash Flow From Investing Activities:

Transfers to restricted cash	(10,000)
	<u>(10,000)</u>
Net Cash Used in Investing Activities	(10,000)

Cash Flows from Financing Activities:

Advances from member	6,761
Repayments on note payable, member	(21,457)
	<u>(14,696)</u>
Net Cash Used in Financing Activities	(14,696)

Net Increase in Cash	12,495
Cash, Beginning of Year	<u>-</u>
Cash, End of Year	<u>\$ 12,495</u>
Interest Paid in Cash	<u>\$ 11,457</u>
Income Taxes Paid in Cash	<u>\$ -</u>

See accompanying notes to the audited financial statements

FAIR OUTDOOR, LLC
(a Florida Limited Liability Company)

Statement of Cash Flows (Continued)

Schedules of Non-cash Financing Activities

For the Year Ended December 31, 2014

Loan from member for purchase of structures and displays	\$ <u>413,224</u>
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See accompanying notes to the audited financial statements

FAIR OUTDOOR, LLC
(a Florida Limited Liability Company)

Notes to Financial Statements

For the Year Ended December 31, 2014

NOTE 1. ORGANIZATION AND BACKGROUND

The accompanying financial statements have been prepared in connection with Fair Outdoor LLC's sale of outdoor advertising assets to Link Media Florida, LLC ("LMF"), 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.

Fair Outdoor, LLC, ("the Company") was organized on September 12, 2013, and began operations on February 10, 2014. The Company's operations include the ownership and leasing of billboards located on the Florida State Fairgrounds.

For the year ended December 31, 2014, 56% of the Company's gross revenue was generated from three advertisers. Of the three advertisers, one advertiser is an advertising agency owned by one of the Company's members. Revenues generated from the related advertising agency were \$23,500 and represented 20% of the Company's revenues. As of December 31, 2014, amounts due from the related advertising agency were \$21,000 and were collected in full subsequent to December 31, 2014.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount, net of advertising agency commissions, sales discounts, and allowances for doubtful accounts. The Company evaluates the collectability of its accounts receivable based on its knowledge of its customers and historical experience of bad debts. In circumstances where the Company is aware of a specific customer's inability to meet its financial obligations, it records a specific allowance to reduce the amounts recorded to what it believes will be collected. For all other customers, the Company recognizes reserves for bad debt based upon historical experience of bad debts as a percentage of revenue, adjusted for relative improvement or deterioration in its agings and changes in current economic conditions. As of December 31, 2014, the allowance for doubtful accounts was zero.

Property and Equipment

Property and equipment are carried at cost. Depreciation and amortization are provided principally on the straight-line method over the estimated useful lives of the assets, which is fifteen years.

Maintenance and repair costs are charged against income as incurred. Significant improvements or betterments are capitalized and depreciated over the estimated life of the asset.

At December 31, 2014, the Company's property and equipment consisted of two digital displays and related personal property.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land Leases

The advertising structures are located on leased land. The lease contract is based upon a percentage of net revenue of the preceding month. In months in which the net revenue does not support a percentage payment, a stated minimum monthly payment is required.

Use of Estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period.

The more significant areas requiring the use of management estimates relate to useful lives for depreciation. Accordingly, actual results could differ from those estimates.

Revenue Recognition

The Company generates revenue from outdoor advertising through the leasing of billboards. The terms of the operating leases range from less than one month to one year and are generally billed monthly. Revenue for advertising space rental is recognized ratably over the term of the contract. Advertising revenue is reported net of agency commissions. Agency commissions are calculated based on a stated percentage applied to gross billing revenue for operations. Payments received in advance of being earned are recorded as deferred income.

Advertising agency commissions for the year ended December 31, 2014 were \$4,295.

Income Taxes

In connection with its organization as a limited liability company, the Company is taxed as a partnership. Taxable income or losses of the Company are passed through to the Company's members, in accordance with each member's percentage of ownership, for inclusion in each individual member's income tax return.

The Company has no tax positions at December 31, 2014 for which the ultimate deductibility is highly uncertain but for which there is uncertainty about the timing of such deductibility. All tax years are open to examination by the Internal Revenue Service.

Related Party Disclosure

FASB ASC 850, "Related Party Disclosures" requires companies to include in their financial statements disclosures of material related party transactions. The Company discloses all material related party transactions. Related parties are defined to include any principal owner, director or executive officer of the Company and any immediate family members of principal owner, director or executive officer.

NOTE 3. RESTRICTED CASH

In connection with the lease operating agreement entered into by the Company for the ground leases, the lease contract requires the establishment of an LED reserve account. The funds on deposit in this account are jointly controlled and their use is restricted to the replacement of electronic displays. When the reserve fund balance equals the cost of the original displays, or at an earlier time that the Company and the lessor agree that sufficient funds for the replacements have been reserved, no additional reserves will be set aside until the funds are utilized.

NOTE 4. NOTE PAYABLE, MEMBER

As of December 31, 2014, long-term debt consists of an installment note payable to a member, bearing interest at 6.5% per annum. The note is payable in monthly installments of \$6,520, is unsecured and due March, 2021.

Long-term debt is as follows:

	December 31, 2014
Note payable	\$ 398,528
Less current portion	(53,923)
Long-term debt	<u>\$ 344,605</u>

Maturities of long-term debt are as follows:

	2015	\$ 53,923
	2016	57,535
	2017	61,388
	2018	65,499
	2019	69,886
	Thereafter	90,297
		<u>\$ 398,528</u>

NOTE 5. MEMBERS' EQUITY

The Company is a Florida limited liability company, therefore the personal liability of the members is limited. Additionally, the Company's life is not limited to a specific duration. All of the members have equal rights and privileges except for profits or losses that are shared proportionate to their ownership percentages. All decisions and documents relating to the management and operation of the Company are made and executed by a majority in interest of the members.

NOTE 6. FUTURE MINIMUM LEASE PAYMENTS

The Company's lease for its billboard location has a fifteen year term expiring on September 1, 2028. Monthly lease payments are based upon 50% of net revenue from the billboards. Net revenue is defined in the lease operating agreement as the excess of revenue after the deduction of certain expenses and a replacement reserve contribution from gross revenue. Deductions from gross revenue consist of advertising agency commissions, limited to 15% of monthly gross revenue, maintenance, insurance and a \$5,000 contribution to the LED replacement reserve. (See Note 3.) Costs in excess of monthly revenue may be deducted from revenue of later months.

Commencing on October 1, 2014, a minimum lease payment of \$2,500 per month is due to the lessor, regardless of whether the sign's net revenues support such payment. Contingent rents for the year ended December 31, 2014 were \$15,075.

Future minimum lease payments are as follows:

	2016	\$	30,000
	2017		30,000
	2018		30,000
	2019		30,000
	2020		30,000
	Thereafter		260,000
		\$	<u>410,000</u>

NOTE 7. RELATED PARTIES

As of December 31, 2014, the Company had generated \$23,500 in revenues from an advertising agency related to one of the Company's members. At December 31, 2014, the balance of accounts receivable from the related party was \$21,000, which was collected in full subsequent to year end.

During the year ended December 31, 2014, another of the Company's members paid \$413,224 on behalf of the Company, for the purchase of structures and displays. During March, 2014, the Company executed a note payable to the member in the original principal amount of \$419,985. (See Note 4.)

NOTE 8. SUBSEQUENT EVENTS

On June 24, 2015, the Company entered into an addendum to the operating agreement dated September, 2013. The addendum allows the Company to modify the original contract in conjunction with agreements for two additional billboards to be built on Florida State Fairground property. Such addendum allows the Florida State Fairground Authority ("FSFA") to lease unsold advertising space on the sign during the time leading up to and during the annual Florida State Fair on the same terms offered to other advertisers and without any sales commission being assessed by the Company. Other items changed by the addendum include remedies for the inability to relocate a sign, the addition of Link Media Florida, LLC as approved assignee, and the addition of a cross default section that includes default on the agreements for the two additional structures.

NOTE 8. SUBSEQUENT EVENTS (Continued)

On July 1, 2015, the Company executed an operating lease agreement with the FSFA for a second billboard location. The agreement expires on July 2, 2030 and is essentially the same as the agreement entered into during September, 2013. The minimum monthly payment provision commences on February 1, 2016 in the amount of \$1,200 per month.

On July 23, 2015, the Company sold its two digital billboard displays and related personal property to Link Media Florida, LLC for a gross sales price of \$2,000,000. Adjustments to the gross sales price were \$54,939, resulting in a cash sales price of \$1,945,061.

During May 2015, the Company made distributions to its members in the amount of \$86,426.

FAIR OUTDOOR, LLC
(a Florida Limited Liability Company)

Unaudited Financial Statements

For the Six Months Ended June 30, 2015

FAIR OUTDOOR, LLC
(a Florida Limited Liability Company)

Balance Sheets
Unaudited

ASSETS

	<u>June 30,</u> <u>2015</u>	<u>December 31,</u> <u>2014</u>
Current Assets:		
Cash	\$ 49,410	\$ 12,495
Restricted cash	25,000	10,000
Accounts receivable	23,198	29,321
Accounts receivable, related party	-	21,000
Prepaid expense	-	645
Total Current Assets	<u>97,608</u>	<u>73,461</u>
Property and Equipment:		
Structures and displays	413,224	413,224
Accumulated depreciation	<u>(29,844)</u>	<u>(16,070)</u>
Total Property and Equipment, net	<u>383,380</u>	<u>397,154</u>
Total Assets	<u>\$ 480,988</u>	<u>\$ 470,615</u>

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities:		
Accounts payable	\$ 9,875	\$ 4,603
Deferred revenue	23,478	11,114
Current portion of note payable, member	<u>55,700</u>	<u>53,923</u>
Total Current Liabilities	89,053	69,640
Long-term debt, member	<u>316,303</u>	<u>344,605</u>
Total Liabilities	405,356	414,245
Members' Equity	<u>75,632</u>	<u>56,370</u>
Total Liabilities and Members' Equity	<u>\$ 480,988</u>	<u>\$ 470,615</u>

See accompanying notes to the unaudited financial statements

FAIR OUTDOOR, LLC
(a Florida Limited Liability Company)

Statements of Income and Members' Equity
Unaudited

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
Revenues:				
Billboard rentals	\$ 78,139	\$ 25,654	\$ 170,284	\$ 25,654
Costs and Expenses:				
Ground rents	27,759	-	71,834	-
Depreciation	6,887	2,296	13,774	2,296
Repairs and maintenance	-	-	-	4,896
General and administrative	1,414	469	2,193	608
Total Costs and Expenses	36,060	2,765	87,801	7,800
Net Income from Operations	42,079	22,889	82,483	17,854
Other Income (Expense):				
Interest expense	(6,816)	-	(13,221)	-
Net Income	35,263	22,889	69,262	17,854
Members' Equity,				
Beginning of Period	90,369	-	56,370	-
Distributions to members	(50,000)	-	(50,000)	-
Members' Equity, End of Period	<u>\$ 75,632</u>	<u>\$ 22,889</u>	<u>\$ 75,632</u>	<u>\$ 17,854</u>

See accompanying notes to the unaudited financial statements

FAIR OUTDOOR, LLC
(a Florida Limited Liability Company)

Statement of Cash Flows
Unaudited

	For the Six Months Ended	
	June 30,	
	2015	2014
Cash Flows from Operating Activities:		
Net Income	\$ 69,262	\$ 17,854
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation	13,774	2,296
Changes in operating assets and liabilities:		
Accounts receivable	27,123	(40,000)
Prepaid expense	645	(1,257)
Accounts payable	5,272	-
Deferred revenue	12,364	14,346
Net Cash Provided (Used) in Operating Activities	128,440	(6,761)
Cash Flows from Investing Activities:		
Transfers to restricted cash	(15,000)	-
Net Cash Used in Investing Activities	(15,000)	-
Cash Flows from Financing Activities:		
Advances from member	-	6,761
Repayments on note payable, member	(26,525)	-
Distributions to members	(50,000)	-
Net Cash (Used) Provided in Financing Activities	(76,525)	6,761
Net Increase in Cash	36,915	-
Cash, Beginning of Period	12,495	-
Cash, End of Period	\$ 49,410	\$ -
Interest Paid in Cash	\$ 13,221	\$ -
Income Taxes Paid in Cash	\$ -	\$ -

See accompanying notes to the unaudited financial statements

FAIR OUTDOOR, LLC
(a Florida Limited Liability Company)

Statement of Cash Flows (Continued)

Schedules of Non-cash Financing Activities
Unaudited

For the Six Months Ended
June 30,

2015

2014

Loan from member for purchase of structures and displays	\$	-	\$	413,224
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See accompanying notes to the unaudited financial statements

FAIR OUTDOOR, LLC
(a Florida Limited Liability Company)

Notes to Unaudited Financial Statements

For the Six Months Ended June 30, 2015

NOTE 1. ORGANIZATION AND BACKGROUND

The accompanying unaudited interim financial statements have been prepared in connection with Fair Outdoor LLC's sale of outdoor advertising assets to Link Media Florida, LLC ("LMF"), 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.

Fair Outdoor, LLC, ("the Company") was organized on September 12, 2013 and began operations on February 10, 2014. The Company's operations include the ownership and leasing of billboards located on the Florida State Fairgrounds.

For the six months ended June 30, 2015, 66% of the Company's gross revenue was generated from three advertisers. Revenue from an advertiser related to one of the Company's members was \$1,714 and represented 1% of revenues.

The accompanying unaudited interim financial statements of Fair 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 year ended December 31, 2014 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 year ended December 31, 2014 included elsewhere in this Form 8-K/A have been omitted.

NOTE 2. LONG-TERM DEBT

As of June 30, 2015, long-term debt consists of an installment note payable to a member, bearing interest at 6.5% per annum. The note is payable in monthly installments of \$6,520, is unsecured and due March, 2021.

As of June 30, 2015 long-term debt is as follows:

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Note payable	\$ 372,003	\$ 398,528
Less current portion	<u>(55,700)</u>	<u>(53,923)</u>
Long-term debt	<u>\$ 316,303</u>	<u>\$ 344,605</u>

NOTE 2. LONG-TERM DEBT (Continued)

Maturities of long-term debt are as follows:

	June 30, 2016	\$	55,700
	June 30, 2017		59,430
	June 30, 2018		63,410
	June 30, 2019		67,657
	June 30, 2020		72,188
	Thereafter		53,618
		\$	<u>372,003</u>

NOTE 3. FUTURE MINIMUM LEASE PAYMENTS

The Company's lease for its billboard location has a fifteen year term expiring on September 1, 2028. Monthly lease payments are based upon 50% of net revenue from the billboards. Net revenue is defined in the lease operating agreement as the excess of revenue after the deduction of certain expenses and a replacement reserve contribution from gross revenue. Deductions from gross revenue consist of advertising agency commissions, limited to 15% of monthly gross revenue, maintenance, insurance, and a \$5,000 contribution to the LED replacement reserve. Costs in excess of monthly revenue may be deducted from revenue of later months.

Commencing on October 1, 2014, a minimum lease payment of \$2,500 per month is due to the lessor, regardless of whether the sign's net revenues support such payment. Contingent rents for the three months and six months ended June 30, 2015 were \$56,834 and \$20,259, respectively.

Future minimum lease payments are as follows:

	2016	\$	30,000
	2017		30,000
	2018		30,000
	2019		30,000
	2020		30,000
	Thereafter		245,000
		\$	<u>395,000</u>

NOTE 4. RELATED PARTIES

As of June 30, 2015, the Company had generated \$1,714 in revenues and \$2,786 in deferred revenues from an advertising agency related to one of the Company's members. At June 30, 2015, the balance of accounts receivable from the related party was zero.

During May 2015, the Company made distributions to its members in the amount of \$50,000.

NOTE 5. SUBSEQUENT EVENTS

On July 1, 2015, the Company executed an operating lease agreement with the FSFA for a second billboard location. The agreement expires on July 2, 2030 and is essentially the same as the agreement entered into during September, 2013. The minimum monthly payment provision commences on February 1, 2016 in the amount of \$1,200 per month.

On July 23, 2015, the Company sold its two digital billboard displays and related personal property to Link Media Florida, LLC for a gross sales price of \$2,000,000. Adjustments to the gross sales price were \$54,939, resulting in a cash sales price of \$1,945,061.

During July 2015, the Company made distributions to its members in the amount of \$36,426.

**BOSTON OMAHA CORPORATION
AND FAIR OUTDOOR, LLC**

**UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AND
UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS**

JUNE 30, 2015

**BOSTON OMAHA CORPORATION
AND FAIR OUTDOOR, LLC**

UNAUDITED PRO FORMA COMBINED BALANCE SHEET

June 30, 2015

ASSETS

	<u>Boston Omaha</u>	<u>Pro Forma Adjustments</u>	<u>Notes</u>	<u>Pro Forma Combined</u>
Current Assets:				
Cash	\$ 3,684,317	\$ (1,945,061)	(2)	\$ 1,739,256
Prepaid expense	6,600	-		6,600
Total Current Assets	3,690,917	(1,945,061)		1,745,856
Property and Equipment:				
Structures and displays	3,192,692	370,000	(2)	3,562,692
Accumulated depreciation	(6,415)	-		(6,415)
Total Property and Equipment, net	3,186,277	370,000		3,556,277
Other Assets:				
Intangible assets	3,476,354	1,575,061	(2)	5,051,415
Investment in unconsolidated affiliate	55,678	-		55,678
Total Other Assets	3,532,032	1,575,061		5,107,093
Total Assets	<u>\$ 10,409,226</u>	<u>\$ -</u>		<u>\$ 10,409,226</u>

See accompanying notes to unaudited pro forma combined financial statements

**BOSTON OMAHA CORPORATION
AND FAIR OUTDOOR, LLC**

UNAUDITED PRO FORMA COMBINED BALANCE SHEET

June 30, 2015

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>Boston Omaha</u>	<u>Pro Forma Adjustments</u>	Notes	<u>Pro Forma Combined</u>
Current Liabilities:				
Accounts payable and accrued expenses	\$ 370,246	\$ -		\$ 370,246
Accounts payable, stockholder	2,721	-		2,721
Notes payable, stockholders	100,000	-		100,000
Note payable, related party	135,494	-		135,494
Accrued interest, stockholders	1,876	-		1,876
Accrued interest, related party	2,739	-		2,739
Total Current Liabilities	613,076	-		613,076
Stockholders' Equity:				
Preferred stock, \$.001 par value, 3,000,000 shares authorized, 0 shares issued and outstanding	-	-		-
Common stock, \$.001 par value, 18,000,000 shares authorized, 268,000 shares issued and outstanding	268	-		268
Class A common stock, \$.001 par value, 12,000,000 shares authorized, 1,055,560 and 0 shares issued and outstanding, respectively	1,056	-		1,056
Additional paid-in capital	10,563,993	-		10,563,993
Accumulated deficit	(769,167)	-		(769,167)
Total Stockholders' Equity	9,796,150	-		9,796,150
Total Liabilities and Stockholders' Equity	\$ 10,409,226	\$ -		\$ 10,409,226

See accompanying notes to unaudited pro forma combined financial statements

**BOSTON OMAHA CORPORATION
AND FAIR OUTDOOR, LLC**

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2015

	<u>Boston Omaha</u>	<u>Pro Forma Adjustments</u>	<u>Notes</u>	<u>Pro Forma Combined</u>
Revenues:				
Consulting fees	\$ 9,700	\$ -		\$ 9,700
Billboard rentals	-	170,284	(2)	170,284
Total Revenues	9,700	170,284		179,984
Costs and Expenses:				
Professional fees	212,545	-	(2)	212,545
Ground rents	-	71,834	(2)	71,834
Depreciation and amortization	21,973	109,651	(2)	131,624
Leased employees	6,662	-		6,662
Contract services	4,400	-		4,400
Travel and entertainment	1,877	-		1,877
General and administrative	1,142	2,193		3,335
Total Costs and Expenses	248,599	183,678		432,277
(Loss) Income from Operations	(238,899)	(13,394)		(252,293)
Other Income (Expense):				
Equity in income (loss) of unconsolidated affiliate	8,414	-		8,414
Interest expense	(16,303)	(13,221)		(29,524)
(Loss) Income Before Income Tax	(246,788)	(26,615)		(273,403)
Income Tax (Provision) Benefit	-	10,513	(3b)	10,513
Net (Loss) Income	\$ (246,788)	\$ (16,102)		\$ (262,890)
Basic and Diluted Net (Loss) Income per share	(0.73)		(3a)	(0.78)
Basic and Diluted Weighted Average Shares Outstanding	337,982		(3a)	337,982

See accompanying notes to unaudited pro forma combined financial statements

**BOSTON OMAHA CORPORATION
AND FAIR OUTDOOR, LLC**

UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Boston Omaha</u>	<u>Pro Forma Adjustments</u>	<u>Notes</u>	<u>Pro Forma Combined</u>
Revenues:				
Consulting fees	\$ 43,874	\$ -		\$ 43,874
Billboard rentals	-	117,641	(2)	117,641
Total Revenues	43,874	117,641		161,515
Costs and Expenses:				
Professional fees	66,715	-		66,715
Ground rents	-	22,575	(2)	22,575
Depreciation and amortization	-	219,303	(2)	219,303
Repairs and maintenance	-	8,401	(2)	8,401
General and administrative	-	2,768	(2)	2,768
Total Costs and Expenses	66,715	253,047		319,762
(Loss) Income from Operations	(22,841)	(135,406)		(158,247)
Other Income (Expense):				
Equity in income (loss) of unconsolidated affiliate	(15,805)	-		(15,805)
Interest expense	(28,132)	(11,457)		(39,589)
(Loss) Income Before Income Tax	(66,778)	(146,863)		(213,641)
Income Tax (Provision) Benefit	-	58,010	(3b)	58,010
Net (Loss) Income	\$ (66,778)	\$ (88,853)		\$ (155,631)
Basic and Diluted Net (Loss) Income per share	(0.25)		(3a)	(0.58)
Basic and Diluted Weighted Average Shares Outstanding	266,954		(3a)	266,954

See accompanying notes to unaudited pro forma combined financial statements

**BOSTON OMAHA CORPORATION
AND FAIR OUTDOOR, LLC
NOTES TO UNAUDITED COMBINED PRO FORMA INFORMATION**

NOTE 1. BASIS OF PRESENTATION

The unaudited pro forma combined balance has been prepared by applying pro forma adjustments to Boston Omaha Corporation's ("Boston Omaha") ("the Company") unaudited balance sheet as of June 30, 2015.

The unaudited pro forma combined statement of operations for the six months ended June 30, 2015 has been prepared from Boston Omaha's unaudited interim statement of operations for the six months ended June 30, 2015 and from Fair Outdoor, LLC's ("Fair") unaudited interim statement of operations for the six months ended June 30, 2015.

Boston Omaha's audited financial statements and Fair's audited financial statements have been used in the preparation of the unaudited pro forma combined statement of operations for the year ended December 31, 2014.

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

Boston Omaha's (formerly known as REO Plus, Inc.) audited financial statements for the year ended December 31, 2014 and the notes relating thereto, as found in its Form 10-K which was filed on February 5, 2015.

Boston Omaha's unaudited financial statements for the six months ended June 30, 2015 and the notes relating thereto, as found in its Form 10-Q-which was filed on August 14, 2015; and

Fair's audited financial statements for the year ended December 31, 2014 and the notes relating thereto included elsewhere in this Form 8-K/A and

Fair's unaudited financial statements for the six months ended June 30, 2015 and the notes relating thereto included elsewhere in this Form 8-K/A.

On June 17, 2015, the Company effected a 7:1 reverse stock split. The accompanying pro forma combined financial statements have been retroactively adjusted to reflect the stock split.

NOTE 2. PURCHASE OF ASSETS

On July 23, 2015, Link Media Florida, LLC ("LMF") a wholly-owned subsidiary of Boston Omaha purchased two digital displays and related personal property, and intangible assets from a private seller, Fair, for a purchase price of \$1,945,061.

Adjustments to the gross purchase price of \$2,000,000 were \$54,939 and included net earnings of \$13,939 for the period from July 23 through August 23, 2015.

NOTE 2.**PURCHASE OF ASSETS (Continued)****Recognized Amount of Identifiable Assets Acquired and Liabilities Assumed****Property and Equipment:**

Structures and displays	\$ 370,000
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Intangible Assets:

Customer relationships	536,300
Permits	52,200
Goodwill	986,561

Total Intangible Assets	<u>1,575,061</u>
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Identifiable Assets Acquired	1,945,061
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Liabilities assumed	<u>-</u>
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Total Identifiable Net Assets	<u><u>\$ 1,945,061</u></u>
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Depreciation has been provided for structures and displays on a straight-line basis for their estimated useful lives, expected to range from ten to fifteen years. Amortization has been provided for the intangible assets having finite lives, expected to be three to ten years.

NOTE 3. PRO FORMA ADJUSTMENTS**Earnings per share**

The basic net income (loss) per common share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding.

Income Tax (Provision) Benefit

Federal and state income taxes have been provided at statutory rates.