

BOSTON OMAHA CORP

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

Filed 12/21/16 for the Period Ending 12/19/16

Address	292 NEWBURY STREET, SUITE 333 BOSTON, MA 02115
Telephone	857-256-0079
CIK	0001494582
Symbol	BOMN
SIC Code	6510 - Real Estate Operators (except Developers) And
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): December 21, 2016

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))
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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 February 23, 2016 (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 February 16, 2016 closing of the Company's acquisition of certain billboards and related assets on February 16, 2016. On that date, Link Media Wisconsin, LLC, which is owned by Link Holdings, LLC, our subsidiary, entered into an Asset Purchase Agreement with Jag, Inc. and the sole voting shareholder of Jag, Inc., by which Link Media Wisconsin, LLC acquired 422 billboards, certain directional signs and other related assets from Jag, Inc. The billboards, directional signs and related assets are located in Wisconsin. The purchase price for the acquired assets was \$6,954,246, of which \$687,500 was placed in escrow and the remainder was paid at closing. The purchase price is subject to certain post-closing working capital adjustments.

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.

The Company is now providing audited financial statements for Jag, Inc. for the year ended December 31, 2015, as well as the unaudited proforma combined balance sheet and unaudited pro forma combined statement of operations for Boston Omaha Corporation and Jag, Inc. for the year ending December 31, 2015.

SECTION 9 - FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits.

(a) **Financial statements of businesses acquired** . The audited financial statements of Jag, Inc. for the year ended December 31, 2015, are filed herewith as Exhibit 99.1.

(b) **Pro forma financial information** . The unaudited pro forma combined balance sheet and unaudited pro forma combined statement of operations for Boston Omaha Corporation and Jag, Inc. for the year ended December 31 2015, are filed herewith as Exhibit 99.2.

(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: December 21, 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)

JAG, INC.
(A Wisconsin Corporation)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Jag, Inc.
Algoma, Wisconsin

We have audited the accompanying balance sheet of Jag, Inc. (the "Company") as of December 31, 2015, and the related statements of operations and stockholders' deficit, 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 Jag, Inc. as of December 31, 2015 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
December 19, 2016

JAG, INC.
(a Wisconsin Corporation)

Balance Sheet

December 31, 2015

ASSETS

Current Assets:

Cash	\$ 40,876
Accounts receivable, net	86,450
Prepaid expense	<u>43,673</u>
Total Current Assets	170,999

Property and Equipment:

Structures and displays	1,270,912
Land, building and improvements	14,950
Vehicles and equipment	539,741
Accumulated depreciation	<u>(1,625,747)</u>
Total Property and Equipment, net	<u>199,856</u>

Total Assets	<u>\$ 370,855</u>
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LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities:

Accounts payable and accrued expenses	\$ 42,692
Deferred compensation payable	317,756
Deferred revenue	50,433
Note payable, related party	70,000
Current portion of long-term debt, including related party debt of \$24,200	<u>94,650</u>
Total Current Liabilities	575,531

Long-term debt, including related party debt of \$78,602	<u>285,627</u>
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Total Liabilities	861,158
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Stockholders' Deficit:

Common stock, no par value, 17,000 shares authorized, 6,220 shares issued and outstanding	18,056
Treasury stock	(232,412)
Accumulated deficit	<u>(275,947)</u>
Total Stockholders' Deficit	<u>(490,303)</u>

Total Liabilities and Stockholders' Deficit	<u>\$ 370,855</u>
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The accompanying notes are an integral part of the financial statements.

JAG, INC.
(a Wisconsin Corporation)

Statement of Operations

For the Year Ended December 31, 2015

Revenues:

Billboard rentals	\$ 1,518,693
Service income	152,995
	<u> </u>
Total Revenues	1,671,688

Costs and Expenses:

Cost of revenues (exclusive of depreciation)	617,252
Salaries, taxes, and benefits	731,276
General and administrative	195,575
Rent, related party	66,000
Depreciation	64,098
Bad debt expense	1,588
	<u> </u>
Total Costs and Expenses	1,675,789

Net Loss from Operations (4,101)

Other Income (Expense):

Interest income	586
Interest expense	(16,751)
	<u> </u>
Net Loss	<u><u>\$ (20,266)</u></u>

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

JAG, INC.
(a Wisconsin Corporation)

Statement of Changes in Stockholders' Deficit

	<u>No. of shares</u>						
	<u>Common Stock</u>	<u>Treasury Stock</u>					
Balance, January 1, 2015	6,220	3,880	\$ 18,056	\$ (232,412)	\$ (247,594)	\$ (461,950)	
Net loss	-	-	-	-	(20,266)	(20,266)	
Dividends paid	-	-	-	-	(8,087)	(8,087)	
Balance, December 31, 2015	<u>6,220</u>	<u>3,880</u>	<u>\$ 18,056</u>	<u>\$ (232,412)</u>	<u>\$ (275,947)</u>	<u>\$ (490,303)</u>	

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

JAG, INC.
(a Wisconsin Corporation)

Statement of Cash Flows

For the Year Ended December 31, 2015

Cash Flows from Operating Activities:

Net Loss	\$ (20,266)
Adjustments to reconcile net loss to cash used in operating activities:	
Depreciation	64,098
Bad debts	1,588
Changes in operating assets and liabilities:	
Accounts receivable	(35,314)
Prepaid expense	(10,274)
Accounts payable and accrued expenses	(60,979)
Deferred compensation payable	41,571
Deferred revenue	(3,902)
Net Cash Used in Operating Activities	(23,478)

Cash Flows From Investing Activities:

Purchases of structures and displays	(45,211)
Leasehold improvements	(999)
Purchases of vehicles and equipment	(2,266)
Net Cash Used in Investing Activities	(48,476)

Cash Flows from Financing Activities:

Proceeds from notes payable	318,180
Payments on notes payable	(274,695)
Payments on note payable, related party	(23,340)
Dividends paid	(8,087)
Net Cash Provided in Financing Activities	12,058

Net Decrease in Cash	(59,896)
Cash, Beginning of Year	100,772
Cash, End of Year	\$ 40,876
Interest Paid in Cash	\$ 16,751
Income Taxes Paid in Cash	\$ -

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

JAG, INC.
(a Wisconsin Corporation)
Notes to Financial Statements
For the Year Ended December 31, 2015

NOTE 1. ORGANIZATION AND BACKGROUND

The accompanying financial statements have been prepared in connection with Jag, Inc.'s sale of outdoor advertising assets to Link Media Wisconsin ("LMW"), 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.

Jag, Inc. was organized on June 12, 1959. The Company's operations include the ownership and leasing of billboards and directional signs in multiple counties in Wisconsin.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Concentrations

All of the Company's operations are located in Wisconsin.

For the year ended December 31, 2015, 57% of the Company's loans were from one bank.

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, 2015, 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 range from five to fifteen years as follows:

Building and leasehold improvements	7 to 15 years
Billboard structures and displays	5 to 15 years
Equipment	5 to 7 years
Vehicles	5 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.

JAG, INC.
(a Wisconsin Corporation)
Notes to Financial Statements
For the Year Ended December 31, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land Leases

Most of the advertising structures are located on leased land. Land leases related to the structures are typically paid in advance for periods ranging from one to twelve months. The lease contracts include those with fixed payments and those with escalating payments. Some of the lease contracts contain a base rent payment plus an additional amount up to a particular percentage of net revenue. In months in which the net revenue does not support a percentage payment, a stated minimum monthly payment is required. Prepaid land leases are recorded as assets and expensed ratably over the related term and rent payments in arrears are recorded as an accrued liability.

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 and directional signs. 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.

There were no advertising agency commissions for the year ended December 31, 2015.

Income Taxes

The Company elected Subchapter S status on July 7, 1959. Taxable income or losses of the Company are passed through to the Company's stockholders, in accordance with each stockholder's percentage of ownership, for inclusion in each individual stockholder's income tax return.

The Company has no tax positions at December 31, 2015 for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. Tax years 2013 through 2015 are open to examination by the Internal Revenue Service.

JAG, INC.
(a Wisconsin Corporation)
Notes to Financial Statements
For the Year Ended December 31, 2015

NOTE 3. NOTE PAYABLE, RELATED PARTY

As of December 31, 2015, note payable, related party consists of a note in the principal amount of \$70,000 payable to an entity related to the controlling stockholder. The note is non-interest bearing, unsecured, and due on demand.

NOTE 4. LONG-TERM DEBT

For the year ended December 31, 2015, long-term debt consists of the following:

Installment note payable, due in monthly installments of \$565 including interest, due January, 2016; secured by a vehicle with a carrying value of \$607.	\$ 348
Installment note payable to a bank, due in monthly installments of \$530, bearing interest at 4.40% per annum, due November, 2017; secured by a vehicle with a carrying value of \$11,385.	11,677
Installment note payable to a bank, due in monthly installments of \$262, bearing interest at 6.74% per annum, due during 2018; secured by a vehicle with a carrying value of \$10,231.	8,193
Note payable to a former stockholder, due in monthly installments of \$2,263, bearing interest at 3.25% per annum, due December, 2019; unsecured.	102,802
Line of credit payable to a bank, bearing interest at 4.99% per annum and secured by all of Company's assets, assignment of rents from the sign locations, and guaranteed by an entity related to the Company.	24,969
Installment note payable to a bank, due in monthly installments of \$6,000, bearing interest at 4.99% per annum, due July, 2019; secured by all of the Company's assets, assignment of rents from the sign locations, and guaranteed by an entity related to the Company.	232,288
	380,277
Less current portion	(94,650)
Total	<u>\$ 285,627</u>

JAG, INC.
(a Wisconsin Corporation)
Notes to Financial Statements
For the Year Ended December 31, 2015

NOTE 4. LONG-TERM DEBT (Continued)

Maturities of long-term debt are as follows:

2016	\$	94,650
2017		123,550
2018		96,677
2019		65,400
		<u>380,277</u>
	\$	<u>380,277</u>

NOTE 5. COMMON STOCK

The Company is authorized to issue 17,000 shares of common stock, of which 2,000 shares are voting shares. As of December 31, 2015, 6,220 shares of the Company's common stock were issued and outstanding.

NOTE 6. FUTURE MINIMUM LEASE PAYMENTS

The Company has leases for three hundred, twenty billboard locations. The leases are non-cancelable operating leases having remaining terms ranging from month-to-month to two hundred ninety-six months. Ground rents for the year ended December 31, 2015 were \$326,172. No contingent rents were included in ground rents for the year ended December 31, 2015.

Future minimum rents are as follows:

2016	\$	319,215
2017		205,229
2018		172,277
2019		148,359
2020		129,693
Thereafter		504,942
		<u>1,479,715</u>
	\$	<u>1,479,715</u>

NOTE 7. FAIR VALUE

The Company's financial instruments consist of cash, trade receivables and payables, a note payable and long-term debt, including the current portion. The carrying values of cash, trade receivables and payables, and the short-term note approximate their fair values.

The carrying value of notes payable approximates their fair values based on the current rates offered by financial institutions for notes of the same remaining maturity.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable parties who are willing and able to transact for an asset or liability at the measurement date.

JAG, INC.
(a Wisconsin Corporation)
Notes to Financial Statements
For the Year Ended December 31, 2015

NOTE 8. RELATED PARTIES

At December 31, 2015, the Company was indebted on notes payable in the aggregate amount of \$172,802, to entities related to the controlling stockholder. During 2015 \$23,340 in principal and \$3,816 in interest was paid to the related parties. (See Notes 3 and 4.)

As of December 31, 2015, the Company paid \$8,067 in dividends.

Additionally, the Company leases office space for \$5,500 per month, from an entity related to its controlling stockholder. Rent paid by the Company was \$66,000 for the year ended December 31, 2015.

NOTE 9. LIQUIDITY

As of December 31, 2015, the Company has an accumulated deficit of approximately \$276,000. The controlling stockholder has advanced funds to the Company in the form of deferred compensation in the cumulative amount of \$317,756 to fund operations. The controlling stockholder has the ability and intent to fund the Company's operations and debt service, as needed. Additionally, management believes that billboard revenues will increase in the coming year.

On February 16, 2016, the Company sold substantially all of its assets for a gross sales price of \$6,954,246. (See Note 11.)

NOTE 10. CONTINGENCIES

The Company is a guarantor on three notes payable by entities related to the controlling stockholder of the Company. All of the notes are payable to one bank. The debts were incurred between September, 2014 and June, 2015. The original amount of the debts was \$556,590. The notes mature between December, 2016 and June, 2020. The notes are secured by all of the Company's assets, including the contract rights of payments from the sign locations. The notes are not recorded on the Company's books and were not in default as of December 31, 2015. The notes were paid in full on February 17, 2016.

NOTE 11. SUBSEQUENT EVENTS

On February 16, 2016, the Company sold 422 billboard displays, directional signs, equipment, and related assets to Link Media Wisconsin ("LMW") for a gross sales price of \$6,954,246 of which \$687,500 was escrowed. The sales price is subject to certain post-closing adjustments.

On February 16, 2016 LMW executed a twelve month lease agreement for office space from the entity related to the seller. (See Note 8.)

On February 17, 2016, the Company's notes payable to a financial institution, whose principal amounts totaled \$265,632, were paid in full. On the same date, notes totaling \$515,002 on which the Company was a guarantor, were also paid in full.

**BOSTON OMAHA CORPORATION
AND
JAG, INC**

**UNAUDITED PROFORMA COMBINED BALANCE SHEET
AND
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS**

DECEMBER 31, 2015

**BOSTON OMAHA CORPORATION
AND JAG, INC.**

UNAUDITED PRO FORMA COMBINED BALANCE SHEET

DECEMBER 31, 2015

ASSETS

	<u>Boston Omaha</u>	<u>Pro Forma Adjustments</u>	<u>Notes</u>	<u>Pro Forma Combined</u>
Current Assets:				
Cash	\$ 13,189,066	\$ (6,954,246)	(2)	\$ 6,234,820
Accounts receivable, net	276,750	106,340	(2)	383,090
Prepaid expense	70,484	-		70,484
Total Current Assets	13,536,300	(6,847,906)		6,688,394
Property and Equipment:				
Structures and displays	4,548,473	3,252,940	(2)	7,801,413
Office equipment	2,633	-		2,633
Vehicles and equipment	-	79,737	(2)	79,737
Accumulated depreciation	(307,367)	-		(307,367)
Total Property and Equipment, net	4,243,739	3,332,677		7,576,416
Other Assets:				
Goodwill	4,389,664	2,072,038	(2)	6,461,702
Intangible assets, net	958,265	1,443,191	(2)	2,401,456
Investment in unconsolidated affiliate	657,528	-		657,528
Total Other Assets	6,005,457	3,515,229		9,520,686
Total Assets	\$ 23,785,496	\$ -		\$ 23,785,496

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:				
Accounts payable and accrued expenses	\$ 152,672	-		\$ 152,672
Accounts payable, stockholder	2,721	-		2,721
Notes payable, stockholders	100,000	-		100,000
Accrued interest, stockholders	4,384	-		4,384
Deferred revenue	30,204	-		30,204
Total Current Liabilities	289,981	-		289,981
Stockholders' Equity:				
Preferred stock, \$.001 par value, 1,300,000 shares authorized, 0 shares issued and outstanding	-	-		-
Common stock, \$.001 par value, 28,700,000 shares authorized, 1,716,954 shares issued and outstanding	1,717	-		1,717
Class A common stock, \$.001 par value, 1,300,000 shares authorized, 1,055,560 issued and outstanding	1,056	-		1,056
Additional paid-in capital	25,062,544	-		25,062,544
Accumulated deficit	(1,569,802)	-		(1,569,802)
Total Stockholders' Equity	23,495,515	-		23,495,515
Total Liabilities and Stockholders' Equity	\$ 23,785,496	\$ -		\$ 23,785,496

See accompanying notes to unaudited pro forma combined financial statements.

**BOSTON OMAHA CORPORATION
AND JAG, INC.**

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Boston Omaha</u>	<u>Pro Forma Adjustments</u>	<u>Notes</u>	<u>Pro Forma Combined</u>
Revenues:				
Billboard rentals	\$ 713,212	\$ 1,518,693	(2)	\$ 2,231,905
Service income	-	152,995	(2)	152,995
Consulting fees, related party	9,700	-		9,700
Total Revenues	722,912	1,671,688		2,394,600
Costs and Expenses:				
Cost of revenues (exclusive of depreciation and amortization)	229,507	617,252	(2)	846,759
Professional fees	737,451	-		737,451
Depreciation	307,367	234,821	(2)	542,188
Leased employees	241,803	-		241,803
Salaries, taxes and benefits	-	731,276	(2)	731,276
General and administrative	153,715	195,575	(2)	349,290
Amortization	150,436	298,759	(2)	449,195
Rent, related party	-	66,000	(2)	66,000
Bad debt expense	9,511	1,588	(2)	11,099
Total Costs and Expenses	1,829,790	2,145,271		3,975,061
Net (Loss) Income from Operations	(1,106,878)	(473,583)		(1,580,461)
Other Income (Expense):				
Interest income	-	586	(2)	586
Equity in income (loss) of unconsolidated affiliate	3,813	-		3,813
Gain on sale of investment in unconsolidated affiliate	78,150	-		78,150
Interest expense	(22,508)	(16,751)	(2)	(39,259)
(Loss) Income Before Income Tax	(1,047,423)	(489,748)		(1,537,171)
Income Tax (Provision) Benefit	-	205,221	(3b)	205,221
Net (Loss) Income	\$ (1,047,423)	\$ (284,527)		\$ (1,331,960)
Basic and Diluted Net (Loss) Income per share	\$ (0.71)		(3a)	\$ (0.90)
Basic and Diluted Weighted Average Shares Outstanding	1,481,310		(3a)	1,481,310

See accompanying notes to unaudited pro forma combined financial statements.

**BOSTON OMAHA CORPORATION
AND JAG, INC.**

NOTES TO UNAUDITED COMBINED PRO FORMA INFORMATION

NOTE 1. BASIS OF PRESENTATION

The unaudited pro forma combined balance sheet has been prepared by applying pro forma adjustments to Boston Omaha Corporation's ("Boston Omaha") ("the Company") audited balance sheet as of December 31, 2015.

The unaudited pro forma combined statement of operations for the year ended December 31, 2015 has been prepared from Boston Omaha's audited statement of operations for the year ended December 31, 2015 and from Jag, Inc.'s ("Jag") audited statement of operations for the year ended December 31, 2015.

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

Boston Omaha's audited financial statements for the years ended December 31, 2015 and 2014 and the notes relating thereto, as found in its Form 10-K which was filed on March 30, 2016.

Jag's audited financial statements for the year ended December 31, 2015 and the notes relating thereto included elsewhere in this Form 8-K/A.

NOTE 2. PURCHASE OF ASSETS

On February 16, 2016, Link Media Wisconsin, LLC ("LMW") a wholly-owned subsidiary of Boston Omaha purchased 422 billboard displays, directional signs, equipment and related assets from a private seller, Jag, for a purchase price of \$6,954,246. The purchase price is subject to certain post-closing adjustments. The provisional allocation of the purchase price is as follows:

Recognized Amount of Identifiable Assets Acquired and Liabilities Assumed

Property and Equipment:

Structures and displays	\$	3,252,940
Vehicles, tools, and equipment		<u>79,737</u>
Total Property and Equipment		3,332,677

Intangible Assets:

Customer relationships		694,400
Permits and lease acquisition costs		589,491
Noncompetition agreement		104,300
Easement		55,000
Goodwill		<u>2,072,038</u>

Total Intangible Assets 3,515,229

Accounts receivable 106,340

Total Identifiable Assets Acquired 6,954,246

Liabilities assumed -

Total Identifiable Net Assets \$ 6,954,246

**BOSTON OMAHA CORPORATION
AND JAG, INC.**

NOTES TO UNAUDITED COMBINED PRO FORMA INFORMATION

NOTE 2. PURCHASE OF ASSETS (Continued)

The allocation of the purchase price is based on internal information and will be revised when the independent appraisal has been completed.

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 fifty 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.
