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

FORM 10-Q

(MARK ONE)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2023

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 001-38113

BOSTON OMAHA CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or other jurisdiction of incorporation or organization)	**27-0788438** (I.R.S. Employer Identification No.)

1601 Dodge Street, Suite 3300, Omaha, Nebraska 68102
(Address of principal executive offices, Zip Code)

(857) 256-0079
(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act:

Title of Class	Trading Symbol	Name of Exchange on Which Registered
Class A common stock, $0.001 par value per share	BOC	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 30,249,443 shares of Class A common stock and 1,055,560 shares of Class B common stock as of August 11, 2023.

BOSTON OMAHA CORPORATION
QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED JUNE 30, 2023
TABLE OF CONTENTS

References in this Quarterly Report on Form 10-Q to "the Company," "our Company," "we," "us," "our" and "Boston Omaha" refer to Boston Omaha Corporation and its consolidated subsidiaries, unless otherwise noted.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Consolidated Financial Statements
Unaudited

For the Six Months Ended June 30, 2023 and 2022

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Consolidated Balance Sheets
Unaudited

ASSETS

	June 30, 2023	December 31, 2022
Current Assets:		
Cash and cash equivalents	$ 32,276,503	$ 25,493,141
Cash held by BOAM funds and other	6,370,243	8,146,792
Accounts receivable, net	7,350,005	5,831,366
Interest receivable	191,546	196,066
Short-term investments	11,626,107	6,288,828
Marketable equity securities	2,039,159	8,768,938
U. S. Treasury securities	69,490,548	33,520,401
Funds held as collateral assets	20,930,723	21,026,579
Prepaid expenses	8,005,357	4,689,132
Total Current Assets	158,280,191	113,961,243
Property and Equipment, net	130,285,598	115,589,940
Other Assets:		
Goodwill	180,990,648	179,463,522
Intangible assets, net	66,330,776	68,342,042
Investments	69,729,025	26,136,636
Investments in unconsolidated affiliates	102,488,703	118,218,389
Deferred policy acquisition costs	1,545,311	1,255,320
Right of use assets	63,423,894	64,719,405
Other	121,426	116,402
Total Other Assets	484,629,783	458,251,716
Total Assets	$ 773,195,572	$ 687,802,899

See accompanying notes to the unaudited consolidated financial statements.

Table of Contents

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Consolidated Balance Sheets (Continued)
Unaudited

LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND STOCKHOLDERS' EQUITY

	June 30, 2023	December 31, 2022
Current Liabilities:		
Accounts payable and accrued expenses	$ 13,312,609	$ 10,963,784
Short-term payables for business acquisitions	1,098,949	4,219,358
Lease liabilities	5,170,800	5,203,981
Funds held as collateral	20,930,723	21,026,579
Unearned premiums	8,502,324	7,158,726
Current maturities of long-term debt	798,297	1,545,090
Deferred revenue	2,860,310	2,531,222
Other current liabilities	-	330,000
Total Current Liabilities	52,674,012	52,978,740
Long-term Liabilities:		
Asset retirement obligations	3,677,226	3,569,580
Lease liabilities	57,842,596	59,281,733
Long-term debt, less current maturities	26,934,544	26,954,180
Other long-term liabilities	1,546,180	335,828
Deferred tax liability	14,307,253	14,939,607
Total Liabilities	156,981,811	158,059,668
Redeemable Noncontrolling Interest	15,667,702	15,713,021
Stockholders' Equity:		
Preferred stock, $.001 par value, 1,000,000 shares authorized, 0 shares issued and outstanding	-	-
Class A common stock, $.001 par value, 38,838,884 shares authorized, 30,249,443 and 28,650,688 shares issued and outstanding, respectively	30,250	28,651
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	521,698,580	483,917,938
Retained earnings	20,893,955	22,673,497
Total Boston Omaha Stockholders' Equity	542,623,841	506,621,142
Noncontrolling interests	57,922,218	7,409,068
Total Equity	600,546,059	514,030,210
Total Liabilities, Redeemable Noncontrolling Interest, and Stockholders' Equity	$ 773,195,572	$ 687,802,899

See accompanying notes to the unaudited consolidated financial statements.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Consolidated Statements of Operations
Unaudited

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues:				
Billboard rentals, net	$ 10,835,524	$ 9,825,164	$ 21,137,747	$ 18,963,313
Broadband services	8,695,235	8,078,580	17,235,141	12,155,526
Premiums earned	3,458,627	2,407,523	6,565,900	4,695,972
Insurance commissions	594,540	494,244	1,070,666	1,191,444
Investment and other income	632,468	89,505	1,022,725	181,708
Total Revenues	24,216,394	20,895,016	47,032,179	37,187,963
Costs and Expenses:				
Cost of billboard revenues (exclusive of depreciation and amortization)	3,808,624	3,655,782	7,616,288	7,183,154
Cost of broadband revenues (exclusive of depreciation and amortization)	2,282,175	2,070,812	4,856,526	2,981,587
Cost of insurance revenues (exclusive of depreciation and amortization)	1,746,378	1,000,794	3,309,410	2,181,685
Employee costs	7,753,280	6,572,286	15,950,817	11,996,506
Professional fees	1,402,899	1,098,782	2,572,488	3,289,379
General and administrative	3,962,814	3,393,835	7,925,446	5,973,670
Amortization	1,830,883	1,723,773	3,632,910	2,916,966
Depreciation	3,013,176	2,012,916	5,720,493	3,752,987
Loss (gain) on disposition of assets	5,246	32,094	(40,149)	(22,109)
Accretion	53,823	50,924	107,646	100,856
Total Costs and Expenses	25,859,298	21,611,998	51,651,875	40,354,681
Net Loss from Operations	(1,642,904)	(716,982)	(4,619,696)	(3,166,718)
Other Income (Expense):				
Interest and dividend income	561,090	73,087	842,956	118,411
Equity in income (loss) of unconsolidated affiliates	5,350,524	2,386,339	370,446	(1,288,964)
Other investment (loss) income	(2,267,004)	(16,933,563)	605,215	(14,318,240)
Gain recognized on deconsolidation of special purpose acquisition company	-	-	-	24,977,740
Remeasurement of warrant liability	-	-	-	1,837,211
Interest expense	(287,035)	(303,531)	(575,717)	(605,180)
Net Income (Loss) Before Income Taxes	1,714,671	(15,494,650)	(3,376,796)	7,554,260
Income tax (provision) benefit	(1,070,866)	4,238,736	580,749	(2,441,403)
Net Income (Loss)	643,805	(11,255,914)	(2,796,047)	5,112,857
Noncontrolling interest in subsidiary loss (income)	897,807	(240,425)	1,016,505	(306,603)
Net Income (Loss) Attributable to Common Stockholders	$ 1,541,612	$ (11,496,339)	$ (1,779,542)	$ 4,806,254
Basic Net Income (Loss) per Share	$ 0.05	$ (0.39)	$ (0.06)	$ 0.16
Diluted Net Income (Loss) per Share	$ 0.05	$ (0.39)	$ (0.06)	$ 0.16
Basic Weighted Average Class A and Class B Common Shares Outstanding	31,225,719	29,698,361	30,876,835	29,698,361
Diluted Weighted Average Class A and Class B Common Shares Outstanding	31,281,828	29,698,361	30,876,835	29,761,082

See accompanying notes to the unaudited consolidated financial statements.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Equity
Unaudited

	No. of shares							
	Class A Common Stock	**Class B Common Stock**	**Class A Common Stock**	**Class B Common Stock**	**Additional Paid-in Capital**	**Noncontrolling Interest**	**Retained Earnings**	**Total**
Beginning Balance, December 31, 2021	28,642,801	1,055,560	$ 28,643	$ 1,056	$483,855,423	$ -	$ 12,440,097	$496,325,219
Offering costs	-	-	-	-	(2,551)	-	-	(2,551)
Increase in redeemable noncontrolling interest	-	-	-	-	307,182	-	-	307,182
Net income attributable to common stockholders, March 31, 2022	-	-	-	-	-	-	16,302,593	16,302,593
Ending Balance, March 31, 2022	28,642,801	1,055,560	$ 28,643	$ 1,056	$484,160,054	$ -	$ 28,742,690	$512,932,443
Offering costs	-	-	-	-	(117,553)		-	(117,553)
Contributions from noncontrolling interests	-	-	-	-	100,000		-	100,000
Net loss attributable to common stockholders, June 30, 2022	-	-	-	-	-		(11,496,339)	(11,496,339)
Ending Balance, June 30, 2022	28,642,801	1,055,560	$ 28,643	$ 1,056	$484,142,501	$ -	$ 17,246,351	$501,418,551

See accompanying notes to the unaudited consolidated financial statements.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Equity (Continued)
Unaudited

	No. of shares							
	Class A Common Stock	Class B Common Stock	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Noncontrolling Interest	Retained Earnings	Total
Beginning Balance, December 31, 2022	28,650,688	1,055,560	$ 28,651	$ 1,056	$483,917,938	$ 7,409,068	$22,673,497	$514,030,210
Stock issued for cash	1,097,824	-	1,098	-	28,104,363	-	-	28,105,461
Stock issued as compensation	16,482	-	16	-	420,352	-	-	420,368
Offering costs	-	-	-	-	(867,891)	-	-	(867,891)
Contributions from noncontrolling interests, Build for Rent subsidiary	-	-	-	-	-	3,300,000	-	3,300,000
Net loss attributable to minority interests	-	-	-	-	-	(62,576)	-	(62,576)
Net loss attributable to common stockholders, March 31, 2023	-	-	-	-	-	-	(3,321,154)	(3,321,154)
Ending Balance, March 31, 2023	29,764,994	1,055,560	$ 29,765	$ 1,056	$511,574,762	$ 10,646,492	$19,352,343	$541,604,418
Offering costs	-	-	-	-	(400,219)		-	(400,219)
Stock issued for cash	434,241	-	434	-	9,420,768	-	-	9,421,202
Stock issued as compensation	4,564	-	5	-	99,995	-	-	100,000
Stock issued for purchase of 24th Street Asset Management	45,644	-	46	-	1,003,274	-	-	1,003,320
Contributions from noncontrolling interests, Build for Rent subsidiary	-	-	-	-	-	1,000,000	-	1,000,000
Noncontrolling interests, 24th Street Asset Management	-	-	-	-	-	47,184,338	-	47,184,338
Net loss attributable to minority interests	-	-	-	-	-	(908,612)	-	(908,612)
Net income attributable to common stockholders, June 30, 2023	-	-	-	-	-		1,541,612	1,541,612
Ending Balance, June 30, 2023	30,249,443	1,055,560	$ 30,250	$ 1,056	$521,698,580	$ 57,922,218	$20,893,955	$600,546,059

See accompanying notes to the unaudited consolidated financial statements.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Consolidated Statements of Cash Flows
Unaudited

	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Cash Flows from Operating Activities:		
Net Income	$ (2,796,047)	$ 5,112,857
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Amortization of right of use assets	2,839,898	2,592,833
Depreciation, amortization, and accretion	9,461,049	6,770,809
Deferred income taxes	(632,354)	2,221,891
Gain on disposition of assets	(40,149)	(22,109)
Gain on deconsolidation - special purpose acquisition company	-	(24,977,740)
Bad debt expense	111,982	47,805
Equity in (income) loss of unconsolidated affiliates	(370,446)	1,288,964
Remeasurement of warrant liability	-	(1,837,211)
Other investment income (loss)	(605,215)	14,318,240
Changes in operating assets and liabilities exclusive of the effects of business combinations:		
Accounts receivable	(1,630,621)	(1,958,467)
Interest receivable	4,520	(119,288)
Prepaid expenses	(3,316,225)	(2,192,260)
Distributions from unconsolidated affiliates	207,641	303,117
Deferred policy acquisition costs	(289,992)	(254,272)
Other assets	(5,023)	(8,000)
Other liabilities, exclusive of debt	(81,728)	-
Accounts payable and accrued expenses	2,348,825	(14,907,786)
Lease liabilities	(3,035,461)	(2,699,280)
Unearned premiums	1,343,598	1,138,515
Deferred revenue	329,088	501,546
Compensation paid in stock	520,368	-
Net Cash Provided by (Used in) Operating Activities	4,363,708	(14,679,836)
Cash Flows from Investing Activities:		
Payments on short-term payables for business acquisitions	(3,120,409)	(469,026)
Payment of contingent consideration	(248,272)	-
Issuance of note receivable	(1,608,100)	-
Business acquisitions, net of cash acquired	(5,640,072)	(40,502,355)
Proceeds from sale of investments - special purpose acquisition company	-	130,190,277
Purchase of preferred stock	-	(45,000,000)
Capital expenditures	(20,915,576)	(13,644,060)
Proceeds from sales of investments	142,268,908	146,534,840
Purchases of investments	(149,885,498)	(66,313,205)
Net Cash (Used in) Provided by Investing Activities	(39,149,019)	110,796,471

See accompanying notes to the unaudited consolidated financial statements.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)
Unaudited

	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Cash Flows from Financing Activities:		
Proceeds from the issuance of stock	$ 37,526,663	$ -
Contributions from noncontrolling interest	4,300,000	100,000
Redemption of non-controlling interest - special purpose acquisition company	-	(123,068,515)
Payment of deferred underwriting fee - special purpose acquisition company	-	(4,759,615)
Collateral (release) receipt	(95,856)	12,476,849
Principal payments of long-term debt	(766,429)	(752,783)
Offering costs	(1,268,110)	(120,104)
Net Cash Provided by (Used in) Financing Activities	39,696,268	(116,124,168)
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	4,910,957	(20,007,533)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Period	54,666,512	81,694,400
Cash, Cash Equivalents, and Restricted Cash, End of Period	$ 59,577,469	$ 61,686,867
Interest Paid in Cash	$ 569,941	$ 583,586
Income Taxes Paid in Cash	$ 51,605	$ 219,512

See accompanying notes to the unaudited consolidated financial statements.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)
Supplemental Schedules of Non-cash Investing and Financing Activities
Unaudited

	For the Six Months Ended June 30,	
	2023	2022
Increase in redeemable noncontrolling interest of broadband subsidiary	$ -	$ 9,403,448
Stock issued as consideration for business acquisition	1,003,320	-
Payable as consideration for business acquisition	1,254,102	260,130

See accompanying notes to the unaudited consolidated financial statements.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 1. ORGANIZATION AND BACKGROUND

Boston Omaha was organized on August 11, 2009 with present management taking over operations in February 2015. Our operations include (i) our outdoor advertising business with multiple billboards across Alabama, Arkansas, Florida, Georgia, Illinois, Iowa, Kansas, Missouri, Nebraska, Nevada, Oklahoma, South Dakota, Tennessee, Virginia, West Virginia and Wisconsin; (ii) our insurance business that specializes in surety bond underwriting and brokerage; (iii) our broadband business that provides high-speed broadband services to its customers, (iv) asset management, and (v) our minority investments primarily in real estate, real estate services, private aviation infrastructure, and banking. Our billboard operations are conducted through our subsidiary, Link Media Holdings, LLC, our insurance operations are conducted through our subsidiary, General Indemnity Group, LLC, and our broadband operations are conducted through our subsidiary, Boston Omaha Broadband, LLC.

We completed an acquisition of an outdoor advertising business and entered the outdoor advertising industry on June 19, 2015. From 2015 through 2022, we have completed more than twenty additional acquisitions of outdoor advertising businesses.

On April 20, 2016, we completed an acquisition of a surety bond brokerage business. On December 7, 2016, we acquired a fidelity and surety bond insurance company. From 2017 through 2022, we completed four additional acquisitions of surety brokerage businesses.

On March 10, 2020, we completed the acquisition of a rural broadband internet provider located in Arizona. On December 29, 2020, we completed the acquisition of a second broadband internet provider located in Utah. On April 1, 2022, we completed the acquisition of our third broadband internet provider located in Utah.

On September 25, 2020, we filed a Registration Statement on Form S-1 with the Securities and Exchange Commission for a proposed initial public offering of units of a special purpose acquisition company, which we refer to as the “SPAC,” named Yellowstone Acquisition Company, which we refer to as “Yellowstone.” Yellowstone completed its initial public offering on October 26, 2020 and on January 25, 2022 completed a business combination with Sky Harbour Group and Yellowstone changed its name to Sky Harbour Group Corporation (see Note 8 for further discussion).

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation Policy

The financial statements of Boston Omaha Corporation include the accounts of the Company and our consolidated subsidiaries, which are comprised of voting interest entities in which we have a controlling financial interest and a variable interest entity, Yellowstone, in which we are the primary beneficiary in accordance with ASC 810, *Consolidation*. The equity attributable to non-controlling interests in subsidiaries is shown separately in the accompanying consolidated balance sheets. All significant intercompany profits, losses, transactions and balances have been eliminated in consolidation.

Variable Interest Entities (VIEs)

We determine whether an entity is a VIE and, if so, whether it should be consolidated by utilizing judgments and estimates that are inherently subjective. Our determination of whether an entity in which we hold a direct or indirect variable interest is a VIE is based on several factors, including whether the entity's total equity investment at risk upon inception is sufficient to finance the entity's activities without additional subordinated financial support. We make judgments regarding the sufficiency of the equity at risk based first on a qualitative analysis, and then a quantitative analysis, if necessary.

We analyze any investments in VIEs to determine if we are the primary beneficiary. In evaluating whether we are the primary beneficiary, we evaluate our direct and indirect economic interests in the entity. A reporting entity is determined to be the primary beneficiary if it holds a controlling financial interest in the VIE. Determining which reporting entity, if any, has a controlling financial interest in a VIE is primarily a qualitative approach focused on identifying which reporting entity has both: (i) the power to direct the activities of a VIE that most significantly impact such entity's economic performance; and (ii) the obligation to absorb losses or the right to receive benefits from such entity that could potentially be significant to such entity. Performance of that analysis requires the exercise of judgment.

We consider a variety of factors in identifying the entity that holds the power to direct matters that most significantly impact the VIE's economic performance including, but not limited to, the ability to direct operating decisions and activities. In addition, we consider the rights of other investors to participate in those decisions. We determine whether we are the primary beneficiary of a VIE at the time we become involved with a variable interest entity and reconsider that conclusion continually. We consolidate any VIE of which we are the primary beneficiary.

Our consolidated subsidiaries at June 30, 2023 include:

Link Media Holdings, LLC which we refer to as "LMH"
Link Media Alabama, LLC which we refer to as "LMA"
Link Media Florida, LLC which we refer to as "LMF"
Link Media Wisconsin, LLC which we refer to as "LMW"
Link Media Georgia, LLC which we refer to as "LMG"
Link Media Midwest, LLC which we refer to as "LMM"
Link Media Omaha, LLC which we refer to as "LMO"
Link Media Properties, LLC which we refer to as "LMP"
Link Media Southeast, LLC which we refer to as "LMSE"
Link Media Services, LLC which we refer to as "LMS"
Link Billboards Oklahoma, LLC which we refer to as "LBO"
General Indemnity Group, LLC which we refer to as "GIG"
American Contracting Services, Inc. which we refer to as "ACS"
The Warnock Agency, Inc. which we refer to as "Warnock"
United Casualty and Surety Insurance Company which we refer to as "UCS"
Surety Support Services, Inc. which we refer to as "SSS"
South Coast Surety Insurance Services, LLC which we refer to as "SCS"
Boston Omaha Investments, LLC which we refer to as "BOIC"
Boston Omaha Asset Management, LLC which we refer to as "BOAM"
Fund One Boston Omaha Build for Rent LP, which we refer to as "BFR"
BOAM BFR, LLC which we refer to as "BOAM BFR"
BOC Business Services, LLC which we refer to as "BBS"
Yellowstone Acquisition Company, which we refer to as "Yellowstone"
BOC Yellowstone, LLC which we refer to as "BOC Yellowstone"
BOC Yellowstone II, LLC which we refer to as "BOC Yellowstone II"
24th Street Asset Management LLC, which we refer to as "24th Street"
24th Street Fund I, LLC, which we refer to as "24th Street Fund I"
24th Street Fund II, LLC, which we refer to as "24th Street Fund II"

Boston Omaha Broadband, LLC which we refer to as "BOB"
FIF AireBeam, LLC which we refer to as “AireBeam”
Fiber Fast Homes, LLC which we refer to as "FFH"
FIF Utah, LLC which we refer to as “FIF Utah”
FIF St George, LLC which we refer to as "FIF St George"

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues

The majority of our advertising revenues are derived from contracts for advertising space on billboard structures. Our broadband revenues are derived principally from contracts for providing internet services. Both advertising and broadband revenues are accounted for under Financial Accounting Standards Board, which we refer to as the "FASB," Accounting Standards Codification, which we refer to as "ASC," 606*, Revenue from Contracts with Customers.*

Premium revenues derived from our insurance operations are subject to ASC 944, *Financial Services – Insurance*.

Revenue Recognition

Billboard Rentals

We generate revenue from outdoor advertising through the leasing of advertising space on billboards. The terms of the contracts range from less than one month to three years and are generally billed monthly. Revenue for advertising space rental is recognized on a straight-line basis 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 revenue.

Another component of billboard rentals consists of production services which include creating and printing advertising copy. Contract revenues for production services are accounted for under ASC 606, *Revenue from Contracts with Customers*. Revenues are recognized at a point in time upon satisfaction of the contract, which is typically less than one week.

Practical expedients and exemptions: The Company is utilizing the following practical expedients and exemptions from ASC 606. We generally expense sales commissions when incurred because the amortization period is one year or less. These costs are recorded within costs of billboard revenues exclusive of depreciation and amortization. We do not disclose the value of unsatisfied performance obligations as the majority of our contracts with customers have an original expected length of less than one year. For contracts with customers which exceed one year, the future amount to be invoiced to the customer corresponds directly with the value to be received by the customer.

Deferred Revenues

We record deferred revenues when cash payments are received in advance of being earned or when we have an unconditional right to consideration before satisfying our performance obligation. The term between invoicing and when a payment is due is not significant. For certain services we require payment before the product or services are delivered to the customer. The balance of deferred revenue is considered short-term and will be recognized in revenue within twelve months.

Premiums and Unearned Premium Reserves

Premiums written are recognized as revenues based on a pro-rata daily calculation over the respective terms of the policies in-force. The cost of reinsurance ceded is initially written as prepaid reinsurance premiums and is amortized over the reinsurance contract period in proportion to the amount of insurance protection provided. Premiums ceded of $730,787 and $559,587 for the six months ended June 30, 2023 and 2022, respectively, are included within "Premiums earned" in our consolidated statements of operations.

Commissions

We generate revenue from commissions on surety bond sales and account for commissions under ASC 606. Insurance commissions are earned from various insurance companies based upon our agency agreements with them. We arrange with various insurance companies for the provision of a surety bond for entities that require a surety bond. The insurance company sets the price of the bond. The contract with the insurance company is fulfilled when the bond is issued by the insurance agency on behalf of the insurance company. The insurance commissions are calculated based upon a stated percentage applied to the gross premiums on bonds. Commissions are recognized at a point in time, on a bond-by-bond basis as of the policy effective date and are generally nonrefundable.

Broadband Revenues

Broadband revenue is derived principally from internet services and is recognized on a straight-line basis over the term of the contract in the period the services are rendered. Revenue received or receivable in advance of the delivery of services is included in deferred revenue.

Credit Losses

We estimate credit losses on financial instruments based on amounts expected to be collected. The allowance for doubtful accounts is estimated based on historical collections, accounts receivable aging, economic indicators, and expected future trends.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, we consider all highly liquid investments, with the exception of U.S. Treasury securities, purchased with an original maturity of three months or less to be cash equivalents.

Cash Held by BOAM Funds and Other

Cash Held by BOAM Funds and Other represents cash and cash equivalents held by funds consolidated by BOAM and other consolidated entities. Such amounts are not available to fund the general liquidity needs of Boston Omaha.

Loss and Loss Adjustment Expenses

Unpaid losses and loss adjustment expenses represent estimates for the ultimate cost of unpaid reported and unreported claims incurred and related expenses. Estimates for losses and loss adjustment expenses are based on past experience of investigating and adjusting claims and consideration of the level of premiums written during the current and prior year. Since the reserves are based on estimates, the ultimate liability may differ from the estimated reserve. The effects of changes in estimated reserves are included within cost of insurance revenues in our results of operations in the period in which the estimates are updated. The reserves are included within accounts payable and accrued expenses in our consolidated balance sheets. See further discussion within Note 15.

Investments in Unconsolidated Entities

We account for investments in less than 50% owned and more than 20% owned entities using the equity method of accounting. In accordance with ASC 323-30, we account for investments in limited partnerships and limited liability companies using the equity method of accounting when our investment is more than minimal (greater than 3% to 5%). Our share of income (loss) of such entities is recorded as a single amount as equity in income (loss) of unconsolidated affiliates. Dividends, if any, are recorded as a reduction of the investment.

We monitor our equity method investments for factors indicating other-than-temporary impairment. We consider several factors when evaluating our investments, including, but not limited to, (i) the period of time for which the fair value has been less than the carrying value, (ii) operating and financial performance of the investee, (iii) the investee's future business plans and projections, (iv) discussions with their management, and (v) our ability and intent to hold the investment until it recovers in value.

Retention of Specialized Accounting

Each of 24th Street Fund I and 24th Street Fund II, collectively "the 24th Street Funds", managed by 24th Street are investment companies and apply specialized industry accounting. We report fund investments on our consolidated balance sheets at their estimated fair value, with gains (losses) resulting from changes in fair value reflected within 'Other investment income' in the accompanying consolidated statements of operations. Accordingly, the accompanying consolidated financial statements reflect different accounting policies for investments depending on whether or not they are held through a consolidated investment company.

Income Taxes

We compute our year-to-date provision for income taxes by applying the estimated annual effective tax rate to year-to-date pre-tax income or loss and adjust the provision for discrete tax items recorded in the period.

The realization of deferred tax assets, including net operating loss carryforwards, is dependent on the generation of future taxable income sufficient to realize the tax deductions, carryforwards and credits. Valuation allowances on deferred tax assets are recognized if it is determined that it is more likely than not that the asset will not be realized. For the year ended December 31, 2022, we recorded a valuation allowance against certain state deferred tax assets that we have determined are not more-likely-than-not realizable.

Pursuant to Section 382 of the Internal Revenue Code of 1986, as amended, annual use of our net operating losses may be limited if it is determined that an ownership shift has occurred. An ownership shift is generally defined as a cumulative change in equity ownership by "5% shareholders" that exceeds 50 percentage points over a rolling three-year period. At this time, a Section 382 study has not been performed to determine if such an ownership shift has occurred.

Revision of Previously Issued Financial Statements

In light of our acquisition of 100% of the membership interests in 24th Street Asset Management LLC (see further discussion within Footnote 6), the Company re-evaluated its previous accounting for its investment in the 24th Street Funds under Accounting Standards Codification 323, Equity Method and Joint

Ventures. As a result, we are revising our Consolidated Balance Sheets as of December 31, 2022, to reflect our proportionate share of reported earnings pursuant to investment company accounting requirements related to our previous investment in the 24^{th} Street Funds.

As a result, we recorded increases to our investments in unconsolidated affiliates, deferred tax liability, and retained earnings of $4,085,040, $991,188, and $3,093,852, respectively. The effect on total assets, total liabilities, and total stockholders equity as of December 31, 2022 was $4,085,040, $991,188, and $3,093,852, respectively. The effect to equity in income of unconsolidated affiliates and net income for the year ended December 31, 2022 was an increase of $4,085,040 and $3,093,852, respectively. Our revisions had no impact on our net loss for the six months ended June 30, 2023 or June 30, 2022. We evaluated the materiality of the impact quantitatively and qualitatively and concluded it was not material to any of the prior periods.

Recently Issued Accounting Pronouncements

Management reviewed currently issued pronouncements during the year, and believes that any other recently issued, but not yet effective, accounting standards, if currently adopted, would not have a material effect on the accompanying consolidated financial statements.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 3. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The following table sets forth a reconciliation of cash, cash equivalents, and restricted cash reported in the consolidated statements of cash flows that agrees to the total of those amounts as presented in the consolidated statements of cash flows.

	June 30, 2023	December 31, 2022
Cash and cash equivalents	$ 32,276,503	$ 25,493,141
Funds held as collateral	20,930,723	21,026,579
Cash held by BOAM funds and other	6,370,243	8,146,792
Total Cash, Cash Equivalents, and Restricted Cash as Presented in the Consolidated Statements of Cash Flows	$ 59,577,469	$ 54,666,512

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	June 30, 2023	December 31, 2022
Trade accounts	$ 5,556,765	$ 4,798,827
Premiums	1,902,012	1,143,918
Allowance for doubtful accounts	(108,772)	(111,379)
Total Accounts Receivable, net	$ 7,350,005	$ 5,831,366

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30, 2023	December 31, 2022
Structures and displays	$ 64,354,511	$ 63,585,845
Fiber, towers, and broadband equipment	66,408,490	50,216,957
Land	14,538,872	14,318,292
Vehicles and equipment	9,675,784	6,778,473
Office furniture and equipment	5,022,819	4,884,941
Accumulated depreciation	(29,714,878)	(24,194,568)
Total Property and Equipment, net	$ 130,285,598	$ 115,589,940

Depreciation expense for the six months ended June 30, 2023 and 2022 was $5,720,493 and $3,752,987, respectively.

NOTE 6. BUSINESS ACQUISITIONS

2023 Acquisitions

24th Street Asset Management

On May 1, 2023, Boston Omaha Asset Management, LLC, our wholly-owned subsidiary, acquired 100% of the membership interests in 24th Street Asset Management LLC, from the members of 24th Street for cash and BOC Class A common stock valued at $5,016,494 in the aggregate. Prior to the transaction, BOAM indirectly owned 48% of the membership interests of 24th Street.

The consideration consisted of $2,759,072 in cash paid at closing, an additional $1,254,102 in cash subject to holdback, and 45,644 shares of BOC Class A common stock (the "BOC Shares"). In the event that distributions are paid to 24th Street pursuant to 24th Street's gross profits interest (carried interest) held in certain entities (including the 24th Street Funds), minus certain compensation bonuses payable (such net amount, the "Net Promote Amount"), that exceed $7,226,672 but are less than or equal to $9,635,562, the Sellers will receive, as a release from the Holdback Amount, 52% of such excess, such that if the Net Promote Amount equals $9,635,562 (the "Earn-Out Threshold"), the full Holdback Amount will have been released to the Sellers. Furthermore, to the extent that such Net Promote Amount exceeds the Earn-Out Threshold, the Sellers will receive 25% of the amount of such excess (the "Earn-Out") until the 24th Street Funds are liquidated or dissolved at which point Sellers' right to any Earn-Out payment will be extinguished, and the Holdback shall expire.

Our preliminary purchase price allocation related to 24th Street Asset Management includes carried interest and goodwill of $9,110,478 and $536,626, respectively. Because the carried interest represents an intercompany receivable from the 24th Street Funds, which we also consolidate, we eliminate the carried interest balance in consolidation. The purchase price related to 24th Street Asset Management primarily represents our estimate of the the carried interest in the 24th Street Funds that the Company will receive if and when the underlying investments of the Funds are sold.

Broadband Acquisition

On June 16 2023, our subsidiary, FIF St. George, acquired from Pro Communication and Construction Services, LLC, which we refer to as "ProComm", broadband construction equipment and related assets for a purchase price of $2,881,000 paid in cash. The acquisition was completed for the purpose of expanding our broadband presence in the Midwestern United States. Due to the timing of the transaction, the initial accounting for the business combination is incomplete. The provisional purchase price allocation is based on internal information derived from our previous acquisitions in the Midwestern United States. We are still in the process of obtaining and assessing documentation of the contracts for customer relationships and detailed reports for equipment and permits. Our preliminary purchase price allocation related to ProComm includes property, plant and equipment, intangibles, and goodwill of $844,500, $1,046,000 and $990,500, respectively. The intangible assets primarily include customer relationships which have a useful life of fifteen years.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 6. BUSINESS ACQUISITIONS (Continued)

2022 Acquisitions

During the year ended December 31, 2022, we completed the acquisition of a broadband service provider and its related assets as well as an outdoor advertising business and its related assets. These acquisitions were accounted for as business combinations under the provisions of ASC 805. A summary of the acquisitions is provided below.

InfoWest & Go Fiber

On April 1, 2022, FIF St George, LLC, our wholly-owned subsidiary, acquired substantially all of the business assets of InfoWest, Inc. ("InfoWest") and Go Fiber LLC ("Go Fiber"), who are fiber and fixed wireless internet service providers located in St. George, Utah. The InfoWest and Go Fiber businesses together provide high-speed internet services to over 20,000 customers throughout Southern and Central Utah, Northern Arizona and Moapa Valley, Nevada.

Under the terms of the Agreement, FIF St George, LLC assumed only certain liabilities of InfoWest and Go Fiber. The total purchase price of $48,573,149 was paid 80% in cash, and the remaining 20% of the purchase price was paid by issuing to InfoWest and Go Fiber 20% of the outstanding equity of FIF St George, LLC. At any time, InfoWest and Go Fiber have the option, but not the obligation, to sell FIF St George, LLC its entire ownership interest in FIF St George, LLC. FIF St George, LLC would be obligated to purchase the units and pay for the purchase over a three-year period if InfoWest and Go Fiber elect to exercise this option. Subject to the occurrence of certain future events, FIF St George, LLC has the option, but not the obligation, to purchase InfoWest and Go Fiber's ownership interest in FIF St George, LLC, with payment due in full upon exercise of the option. The purchase price for the units under either of these put/call options is based upon a multiple of earnings before interest, taxes, depreciation, amortization, and certain other expenses. The 20% interest owned by InfoWest and Go Fiber is included within "Redeemable Noncontrolling interest" in our consolidated Balance Sheets.

The following is a summary of the allocation of the purchase price, which includes the final fair value allocation of the assets acquired and liabilities assumed:

	InfoWest & Go Fiber
Assets Acquired	
Property, plant and equipment	$ 5,983,410
Trade names and trademarks	7,300,000
Customer relationships	16,900,000
Goodwill	18,071,004
Right of use assets	3,155,434
Other	358,614
Total Assets Acquired	51,768,462
Liabilities Assumed	
Lease liabilities	3,149,194
Other	46,119
Total Liabilities Assumed	3,195,313
Total	$ 48,573,149

The intangible assets include customer relationships and trade names and trademarks which have useful lives of ten years and twenty years, respectively.

NOTE 6. BUSINESS ACQUISITIONS (Continued)

Elevation

On November 21, 2022, our subsidiary, LMO, purchased the outdoor advertising assets of Elevation Outdoor Advertising, which we refer to as "Elevation," based in Knoxville, TN for a purchase price of $14,239,257. Elevation was founded in 2002 and operates over 265 billboard faces, including 8 digital displays, in Knoxville and East Tennessee.

The following is a summary of the allocation of the purchase price, which includes the final fair value allocation of the assets acquired and liabilities assumed:

	Elevation
Assets Acquired	
Property, plant and equipment	$ 3,717,734
Customer relationships	2,484,000
Goodwill	8,017,554
Right of use assets	2,098,194
Other	310,794
Total Assets Acquired	16,628,276
Liabilities Assumed	
Accounts payable and other	290,825
Lease liabilities	2,098,194
Total Liabilities Assumed	2,389,019
Total	$ 14,239,257

The intangible assets include customer relationships and permits which have useful lives of fifteen and ten years, respectively.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 6. BUSINESS ACQUISITIONS (Continued)

Pro Forma Information

The following is the unaudited pro forma information assuming all business acquisitions occurred on January 1, 2022. For all of the business acquisitions depreciation and amortization have been included in the calculation of the pro forma information provided below, based upon the actual acquisition costs. Depreciation is computed on the straight-line method over the estimated remaining economic lives of the assets, ranging from two years to fifteen years. Amortization is computed on the straight-line method over the estimated useful lives of the assets ranging from two to fifty years.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	$ 25,117,284	$ 22,259,041	$ 47,933,069	$ 43,304,924
Net Income (Loss) Attributable to Common Stockholders	$ 1,806,802	$ (11,016,934)	$ (1,514,352)	$ 6,466,126
Basic Net Income (Loss) per Share	$ 0.06	$ (0.37)	$ (0.05)	$ 0.22
Diluted Net Income (Loss) per Share	$ 0.06	$ (0.37)	$ (0.05)	$ 0.22
Basic Weighted Average Class A and Class B Common Shares Outstanding	31,225,719	29,698,361	30,876,835	29,698,361
Diluted Weighted Average Class A and Class B Common Shares Outstanding	31,281,828	29,698,361	30,876,835	29,761,369

The information included in the pro forma amounts is derived from historical information obtained from the sellers of the businesses.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 7. INTANGIBLE ASSETS

Intangible assets consist of the following:

	June 30, 2023			December 31, 2022		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
Customer relationships	$ 70,023,231	$ (30,734,428)	$ 39,288,803	$ 69,052,231	$ (28,141,423)	$ 40,910,808
Permits, licenses, and lease acquisition costs	11,729,570	(5,015,154)	6,714,416	11,724,308	(4,479,482)	7,244,826
Site location	849,347	(334,787)	514,560	849,347	(306,708)	542,639
Noncompetition agreements	626,000	(612,369)	13,631	626,000	(578,500)	47,500
Technology	1,128,000	(459,343)	668,657	1,128,000	(410,250)	717,750
Trade names and trademarks	11,152,200	(1,382,749)	9,769,451	11,152,200	(1,089,892)	10,062,308
Nonsolicitation agreement	103,000	(28,942)	74,058	28,000	(28,000)	-
Capitalized contract costs	2,452,500	(250,435)	2,202,065	1,869,350	(151,034)	1,718,316
Indefinite lived intangibles	7,085,135	-	7,085,135	7,097,895	-	7,097,895
Total	$ 105,148,983	$ (38,818,207)	$ 66,330,776	$ 103,527,331	$ (35,185,289)	$ 68,342,042

Future Amortization

The future amortization associated with the intangible assets is as follows:

	June 30,						
	2024	2025	2026	2027	2028	Thereafter	Total
Customer relationships	$ 5,287,458	$ 5,287,458	$ 5,287,458	$ 5,278,308	$ 5,246,074	$ 12,902,047	$ 39,288,803
Permits, licenses, and lease acquisition costs	1,080,537	1,079,786	1,051,575	1,026,188	998,288	1,478,042	6,714,416
Site location	56,623	56,623	56,623	56,623	56,623	231,445	514,560
Noncompetition agreements	13,290	341	-	-	-	-	13,631
Technology	99,000	99,000	99,000	99,000	99,000	173,657	668,657
Trade names and trademarks	590,567	590,567	590,567	558,383	525,667	6,913,700	9,769,451
Nonsolicitation agreement	25,000	25,000	24,058	-	-	-	74,058
Capitalized contract costs	245,250	245,250	245,250	245,250	245,250	975,815	2,202,065
Total	$ 7,397,725	$ 7,384,025	$ 7,354,531	$ 7,263,752	$ 7,170,902	$ 22,674,706	$ 59,245,641

Amortization expense for the six months ended June 30, 2023 and 2022 was $3,632,910 and $2,916,966, respectively.

NOTE 7. INTANGIBLE ASSETS (Continued)

As of June 30, 2023, the weighted average amortization period, in months, for intangible assets is as follows:

Customer relationships	89
Permits, licenses, and lease acquisition costs	75
Site location	109
Noncompetition agreements	2
Technology	81
Trade names and trademarks	198
Nonsolicitation agreement	36
Capitalized contract costs	108

NOTE 8. INVESTMENTS, INCLUDING INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Short-term Investments

Short-term investments consist of U.S. Treasury securities, notes receivable, and common stock warrants. The U.S. Treasury securities are held by UCS, classified as held to maturity, mature in less than twelve months, and are reported at amortized cost which approximates fair value. Our common stock warrants of Sky Harbour Group Corporation are measured at fair value, with any unrealized holding gains and losses during the period included in earnings.

	June 30, 2023	December 31, 2022
U.S. Treasury notes held to maturity	$ 7,624,876	$ 4,757,224
Notes receivable	1,608,100	-
Common stock warrants of Sky Harbour Group Corporation	2,393,131	1,531,604
Total	$ 11,626,107	$ 6,288,828

Marketable Equity Securities

Our marketable equity securities are publicly traded stocks measured at fair value using quoted prices for identical assets in active markets and classified as Level 1 within the fair value hierarchy. Our marketable equity securities are held by UCS and Boston Omaha. Marketable equity securities as of June 30, 2023 and December 31, 2022 are as follows:

	Cost	Gross Unrealized Gain (Loss)	Fair Value
Marketable equity securities, June 30, 2023	$ 2,302,270	$ (263,111)	$ 2,039,159
Marketable equity securities, December 31, 2022	$ 9,665,100	$ (896,162)	$ 8,768,938

NOTE 8. INVESTMENTS, INCLUDING INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

U.S. Treasury Trading Securities

We classify our investments in debt securities that are bought and held principally for the purpose of selling them in the near term as trading securities. Our debt securities classified as trading are carried at fair value in the consolidated balance sheets, with the change in fair value during the period included in earnings. Interest income is recognized at the coupon rate. As of June 30, 2023 our U.S. Treasury trading securities include $25,359,574 held by funds consolidated by BOAM that are not available for Boston Omaha's general liquidity needs.

Debt securities classified as trading as of June 30, 2023 and December 31, 2022 are as follows:

	Cost	Gross Unrealized Gain (Loss)	Fair Value
U.S. Treasury trading securities, June 30, 2023	$ 69,498,769	$ (8,221)	$ 69,490,548
U.S. Treasury trading securities, December 31, 2022	$ 33,888,165	$ (367,764)	$ 33,520,401

Long-term Investments

Long-term investments consist of U.S. Treasury securities held to maturity and certain equity investments. We have the intent and the ability to hold the U.S. Treasury securities to maturity, occurring in fiscal 2024. Our U.S. Treasury securities are stated at amortized cost which approximates fair value and are held by UCS.

Equity Investments

During May 2018, we invested $19,058,485 in voting common stock of CB&T Holding Corporation, which we refer to as "CB&T," the privately held parent company of Crescent Bank & Trust. Our investment represents 15.60% of CB&T's outstanding common stock. CB&T is a closely held corporation, whose majority ownership rests with one family.

During January 2018, we exchanged our convertible note receivable from Breezeway Homes, Inc., which we refer to as "Breezeway," for 31,227 shares of preferred stock. The preferred stock is noncumulative and has a dividend rate of $.2665 per share, should dividends be declared. The preferred stock has one vote per share and is convertible into whole shares of common stock, determined according to the conversion formula contained in Breezeway's amended and restated articles of incorporation. In addition, our investment provides us with a multi-year right to sell insurance and/or warranty products through Breezeway's software platform to its customers.

	June 30, 2023	December 31, 2022
U.S. Treasury securities held to maturity	$ 4,751,068	$ 6,729,457
Investments in special purpose entities	45,570,778	-
Preferred stock	348,694	348,694
Voting common stock of CB&T Holding Corporation	19,058,485	19,058,485
Total	$ 69,729,025	$ 26,136,636

We reviewed our investments as of June 30, 2023 and concluded that no impairment to the carrying value was required.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 8. INVESTMENTS, INCLUDING INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Investment in Unconsolidated Affiliates

We have various investments in equity method affiliates, whose businesses are in real estate, real estate services, and private aviation infrastructure. One of the investments in affiliates, Logic Real Estate Companies, LLC, which we refer to as "Logic, is managed by an entity controlled by a member of our board of directors.

24th Street Fund I & 24th Street Fund II

On May 1, 2023, our subsidiary, Boston Omaha Asset Management, LLC, acquired 100% of the membership interests in 24th Street Asset Management LLC ("24th Street"), a Delaware limited liability company, from the members of 24th Street other than BOAM, for cash and BOC Class A common stock for a total purchase price of $5,016,494 in the aggregate. Prior to the transaction, BOAM indirectly owned 48% of the membership interests of 24th Street. The consideration consisted of $2,759,072 in cash at closing, an additional $1,254,102 in cash subject to holdback, and 45,644 shares of BOC Class A common stock.

In connection with the acquisition, we recognized a non-cash gain of approximately $4,600,000 related to the remeasurement of our previously-held interest in 24th Street Asset Management. The gain is included within 'Equity in income of unconsolidated affiliates' in our Consolidated Statements of Operations.

Each of the 24th Street Funds' hold investments in special purpose entities whose primary assets are real estate property. We include the 24th Street Funds' investment in special purpose entities within long-term investments in our consolidated balance sheets. Also as a result of the transaction, we began consolidating 24th Street and the 24th Street Funds, for which 24th Street serves as general partner.

Sky Harbour Group Corporation

In October 2020, our subsidiary BOC Yellowstone LLC, served as sponsor for the underwritten initial public offering of a special purpose acquisition company named Yellowstone Acquisition Company. Yellowstone sold in its public offering 13,598,898 units at a price of $10.00 per unit, each unit consisting of one share of Class A common stock and a redeemable warrant to purchase one-half of a share of Class A common stock at an exercise price of $11.50 per share. Between August and November 2020, we invested, through BOC Yellowstone, approximately $7.8 million through the purchase of 3,399,724 shares of Class B common stock and 7,719,779 non-redeemable private placement warrants, each warrant entitling us to purchase one share of Class A common stock at $11.50 per share. BOC Yellowstone, as the sponsor of Yellowstone and under the terms of the public offering, owned approximately 20% of Yellowstone's issued and outstanding common stock. The purpose of the offering was to pursue a business combination in an industry other than the three industries in which we currently own and operate businesses: outdoor advertising, surety insurance, and broadband services businesses. The Units were sold at a price of $10.00 per unit, generating gross proceeds to Yellowstone of $125,000,000, and traded on the NASDAQ Stock Market, LLC under the ticker symbol "YSACU". After the securities comprising the units began separate trading, the shares of Class A common stock and warrants were listed on NASDAQ under the symbols "YSAC" and "YSACW," respectively.

On August 1, 2021, Yellowstone entered into a business combination agreement with Sky Harbour LLC ("SHG"), a developer of private aviation infrastructure focused on building, leasing and managing business aviation hangars. On September 14, 2021, our subsidiary BOC YAC Funding LLC completed the previously-announced investment of $55 million in Series B Preferred Units of SHG. In addition to our $55 million investment, we also agreed to provide SHG an additional $45 million through the purchase of additional shares of Yellowstone Class A common stock at a price of $10 per share through a private placement investment ("PIPE").

On January 25, 2022, Yellowstone completed the previously announced proposed business combination with SHG following stockholder approval. As a result, SHG became a consolidated subsidiary of Yellowstone and Yellowstone was renamed Sky Harbour Group Corporation, which we refer to as "Sky Harbour". In connection with the business combination, our Series B Preferred Units of SHG converted into 5,500,000 shares of Sky Harbour Group Class A common stock at a price of $10 per share. Also, in connection with the business combination, we entered into a subscription agreement with Sky Harbour, pursuant to which Sky Harbour sold to us 4,500,000 shares of Class A common stock at a price of $10 per share, for total cash consideration of $45 million.

During the first quarter of fiscal 2022, we recognized a non-cash gain of $24,977,740 related to our deconsolidation of Yellowstone, which is included within other income on our Consolidated Statement of Operations. Of the total gain recognized on deconsolidation, approximately $10,000,000 relates to the remeasurement of our retained investment in Sky Harbour via the Sponsor shares, Series B Preferred Units, and PIPE investment, each of which converted into shares of Sky Harbour's Class A common stock on the transaction date, and approximately $15,000,000 relates to the deconsolidation of Yellowstone's assets and liabilities as of the transaction date. The fair value of our retained investment at the deconsolidation date was measured based upon the observable trading price of Sky Harbour's Class A common stock. Subsequent to the business combination, we account for our 22.95% equity investment in Sky Harbour, comprised of 13,118,474 shares of Class A common stock, under the equity method.

All the shares of Sky Harbour Class A common stock and Sky Harbour Warrants to purchase Class A common stock that we hold have been registered under the Securities Act. However, our ability to resell any significant portion of these shares is limited by both the large number of shares and warrants we hold relative to the average trading volume of these securities as well as blackout periods which may prevent us from selling shares as one of our Co-Chief Executive Officers serves on Sky's Board of Directors. The terms of the Sky Harbour business combination prohibited us from selling any of our securities in Sky Harbour prior to January 25, 2023 and has since expired. If our investment in Sky Harbour's Class A common stock was accounted for at fair value based on its quoted market price as of June 30, 2023, it would be valued at approximately $62,000,000.

We have evaluated our investment in Sky Harbour as of June 30, 2023, and determined that there was not an other-than-temporary impairment. Our conclusion was based on several contributing factors, including: (i) our assessment that the underlying business and financial condition of Sky Harbour is favorable; (ii) the period of time for which the fair value has been less than the carrying value, (iii) the recovery of Sky Harbour's stock price for a period of time during the first six months of 2023, and (iv) our ability and intent to hold the investment. We will continue to review our investment in Sky Harbour for an other-than-temporary impairment on a quarterly basis or upon the occurrence of certain events. If Sky Harbour's stock price drops below our carrying value of $7.78 per share for a sustained period of time, it will likely result in an impairment of our investment. There may also be a future impairment of our investment if our expectations about Sky Harbour's prospective results of operations and cash flows decline, which could be influenced by a variety of factors including adverse market conditions.

Table of Contents

NOTE 8. INVESTMENTS, INCLUDING INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

The following table is a reconciliation of our investments in equity affiliates as presented in investments in unconsolidated affiliates on our consolidated balance sheets, together with combined summarized financial data related to the unconsolidated affiliates:

	June 30, 2023	December 31, 2022
Beginning of year	$ 118,218,389	$ 61,660,905
Additional investments in unconsolidated affiliates	-	45,094,500
Distributions received	(207,641)	(642,511)
Reclassification of marketable securities to investment in affiliate	-	23,483
Transfer of interest	-	(625,498)
Gain on retained interest of deconsolidated affiliate	-	10,010,090
Reclassification to consolidated subsidiaries	(15,892,491)	-
Equity in income (loss) of unconsolidated affiliates	370,446	2,697,420
End of period	$ 102,488,703	$ 118,218,389

Combined summarized financial data for these affiliates is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	$ 3,397,876	$ 6,791,305	$ 7,046,638	$ 13,404,132
Gross profit	2,626,275	2,923,405	5,643,331	6,184,727
Loss from continuing operations	(4,582,600)	(4,951,614)	(9,448,410)	(10,085,907)
Net (loss) income	(1,461,670)	10,313,901	(7,447,438)	(8,381,383)

NOTE 9. FAIR VALUE

The fair value hierarchy prioritizes inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 — Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs other than quoted prices in active markets that are observable either directly or indirectly, including: quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Unobservable inputs that are supported by little or no market data and require the reporting entity to develop its own assumptions.

At June 30, 2023 and December 31, 2022, our financial instruments included cash, cash equivalents, receivables, marketable securities, investments, accounts payable, and long-term debt. The carrying value of cash, cash equivalents, receivables, and accounts payable approximates fair value due to the short-term nature of the instruments. The fair value of long-term debt is estimated using quoted prices for similar debt (level 2 in the fair value hierarchy). At June 30, 2023, the estimated fair value of our long-term debt was $25,702,584 which is less than the carrying amount of $27,732,841.

Warrants

We previously determined that the Public Warrants issued in connection with Yellowstone's initial public offering in October 2020 were subject to treatment as a liability. Prior to the deconsolidation of Yellowstone which occurred on January 25, 2022, we marked the Public Warrants to market based upon their observable trading price with changes in fair value recognized in the statement of operations. Our re-measurement of the Public Warrants from January 1, 2022 to January 25, 2022 resulted in a gain of $1,837,211, which is included within "Remeasurement of warrant liability" within our Consolidated Statements of Operations.

Following the business combination between Yellowstone Acquisition Company and SHG which occurred on January 25, 2022, we no longer eliminate our investment in the Private Placement Warrants. Our Private Placement warrants related to Sky Harbour are considered level 2 and measured at fair value using observable inputs for similar assets in an active market. Our re-measurement of the Private Placement Warrants from January 1, 2023 to June 30, 2023, and January 25, 2022 to June 30, 2022, resulted in a gain of $861,527 and a loss of $771,978, respectively, which are included within Other investment income within our Consolidated Statements of Operations.

24th Street Asset Management: Fund I & Fund II Special Purpose Entities

We report fund investments on our consolidated balance sheets at their estimated fair value, with gains (losses) resulting from changes in fair value reflected within 'Other investment income' in the accompanying consolidated statements of operations. Each of the 24th Street Funds' investments in special purpose entities invested in real estate are categorized in Level 3 of the fair value hierarchy. The primary asset held by each special purpose entity is real estate property, for which management obtains third-party appraisals. As of June 30, 2023, the aggregate fair value of the 24th Street Funds' investments in special purpose entities was approximately $46,000,000. A comparable sales approach was used to value the underlying real estate property, which included observable market transactions.

Marketable Equity Securities

On an investment life-to-date basis, we have realized net gains on the sale of equity securities within the marketable equity portfolio held at Boston Omaha of approximately $84,000,000. These amounts exclude any realized gains on equity securities held within the marketable equity portfolio managed by UCS.

Sky Harbour Group Corporation Class A common stock

We account for our 22.95% equity interest in Sky Harbour, comprised of 13,118,474 shares of Class A common stock, under the equity method. If our investment in Sky Harbour's Class A common stock was accounted for at fair value based on its quoted market price as of June 30, 2023, it would be valued at approximately $62,000,000.

NOTE 9. FAIR VALUE (Continued)

Marketable Equity Securities, U.S. Treasury Trading Securities, and Corporate Bonds

Marketable equity securities and U.S. Treasury trading securities are reported at fair values. Substantially all of the fair value is determined using observed prices of publicly traded securities, level 1 in the fair value hierarchy.

	Total Carrying Amount in Consolidated Balance Sheet June 30, 2023	Quoted Prices in Active Markets for Identical Assets	Realized Gains and (Losses)	Total Changes in Fair Values Included in Current Period Earnings (Loss)
Marketable equity securities and U.S. Treasury trading securities	$ 71,529,707	$ 71,529,707	$ 497,231	$ 1,181,956

NOTE 10. ASSET RETIREMENT OBLIGATIONS

Our asset retirement obligations include the costs associated with the removal of structures, resurfacing of the land and retirement cost, if applicable, related to our outdoor advertising and broadband assets. The following table reflects information related to our asset retirement obligations:

Balance, December 31, 2022	$ 3,569,580
Additions	-
Liabilities settled	-
Accretion expense	107,646
Balance, June 30, 2023	$ 3,677,226

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 11. CAPITAL STOCK

On April 25, 2022, we filed a new shelf registration statement on Form S-3 (File No. 333-264470) that was declared effective on May 11, 2022, relating to the offering of Class A common stock, preferred stock, par value $0.001 per share, which we refer to as “preferred stock,” debt securities and warrants of the Company for up to $500,000,000. Additionally, in the 2022 Shelf Registration Statement, we have registered for resale up to 8,297,093 shares of Class A common stock acquired in 2018 or earlier in private placements in accordance with the terms of a 2018 registration rights agreement. We will not receive any proceeds from the sale of Class A common stock by the selling shareholders. The selling stockholders are the Massachusetts Institute of Technology, or “MIT,” as well as 238 Plan Associates LLC, an MIT pension and benefit fund and a limited partnership holding our Class A common stock for the economic benefit of MIT. We may, from time to time, in one or more offerings, offer and sell Class A common stock or preferred stock, various series of debt securities and/or warrants. We or any selling security holders may offer these securities from time to time in amounts, at prices and on terms determined at the time of offering. We may sell these securities to or through one or more underwriters, dealers or agents or directly to purchasers on a delayed or continuous basis. Unless otherwise set forth in an applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities that we offer for general corporate purposes, including, but not limited to, financing our existing businesses and operations, and expanding our businesses and operations through additional hires, strategic alliances, and acquisitions. Unless otherwise set forth in a prospectus supplement, we will not receive any proceeds from the sale of securities by any selling stockholders.

On December 8, 2022, we entered into an "at the market" equity offering program (the “ATM Program”) pursuant to a Sales Agreement (the “Sales Agreement”) by and between us and WFS. This ATM Program is consistent with our historical practice of having available to management the option to issue stock from time to time in order to continue to fund the growth of our fiber-to-the-home broadband business, acquire additional billboards, and make other such investments in assets as needed to seek to grow intrinsic value per share. Our general preference is always to have options available to us from a capital allocation perspective which includes, but is not limited to, having a regularly filed ATM program. Pursuant to the terms of the Sales Agreement, we may sell, from time to time, shares of our Class A common stock, with an aggregate sales price of up to $100,000,000 through WFS, in transactions that are deemed to be “at the market” offerings as defined in Rule 415 of the Securities Act of 1933, as amended (the “Securities Act”).

Upon delivery of a placement notice (a “Placement Notice”) and upon the terms and subject to the conditions of the Sales Agreement, WFS will use reasonable efforts consistent with its normal trading and sales practices, applicable laws and the rules of the New York Stock Exchange (“NYSE”) to sell the shares of Class A common stock from time to time based upon our instructions for the sales, including price, time, or size limits specified, and otherwise in accordance with, the terms of such Placement Notice. Pursuant to the Sales Agreement, WFS may sell shares of Class A commons stock by any method permitted by law deemed to be an “at the market” offering as defined in Rule 415 of the Securities Act, including without limitation sales made through the NYSE or on any other existing trading market for the Class A common stock. Notwithstanding the foregoing, WFS may not purchase shares of Class A common stock for its own account as principal unless expressly authorized to do so by the Company.

NOTE 11. CAPITAL STOCK (Continued)

We intend to use the net proceeds from the ATM Program, after deducting WFS' commissions and our offering expenses, for general corporate purposes, which may include financing our existing businesses and operations, and expanding our businesses and operations through additional acquisitions and minority investments, and additional hires. Such expansion may include future billboard acquisitions, broadband acquisitions, acquisitions of surety insurance companies and other growth of the Company's insurance activities, additional investments in real estate management, homebuilding and other real estate service businesses, additional investments in subprime automobile lending, and acquisitions of other businesses. We have not determined the amount of net proceeds to be used for any specific purpose, and management will retain broad discretion over the allocation of net proceeds. While the Company has no current agreements, commitments or understandings for any specific acquisitions at this time, it may use a portion of the net proceeds for these purposes.

From January 1, 2023 through June 30, 2023, we sold 1,532,065 shares of our Class A common stock under the ATM Program for gross proceeds of $37,526,663. For sales of Class A common stock by WFS, we paid WFS a commission at a rate of 3% of the gross sales price per share. In addition, we have agreed to pay certain expenses incurred by WFS in connection with the offering. We have no obligation to sell any shares under the Sales Agreement and may at any time suspend the offering of the ATM Program under the Sales Agreement. The Sales Agreement contains customary representations and warranties of the parties and indemnification and contribution provisions under which we and WFS have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act. The ATM Program pursuant to the Sales Agreement will automatically terminate upon the issuance and sale of all the shares through WFS in an aggregate amount of $100,000,000. We also have the right to terminate the ATM Program with WFS upon notice to WFS without penalty.

At June 30, 2023, there were 104,772 outstanding warrants for our Class B common stock and 784 outstanding warrants for our Class A common stock. Each share of Class B common stock is identical to Class A common stock in liquidation, dividend and similar rights. The only differences between our Class B common stock and our Class A common stock is that each share of Class B common stock has 10 votes for each share held, while the Class A common stock has a single vote per share, and certain actions cannot be taken without the approval of the holders of the Class B common stock.

A summary of warrant activity for the six months ended June 30, 2023 is presented in the following table.

	Shares Under Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value of Vested Warrants
Outstanding as of December 31, 2022	105,556	$ 9.95	2.50	$ 1,746,952
Issued	-			
Exercised	-			
Expired	-			
Outstanding as of June 30, 2023	105,556	$ 9.95	2.00	$ 936,282

NOTE 12. LONG-TERM DEBT

On August 12, 2019, Link Media Holdings, Inc., ("Link"), a wholly owned subsidiary of Boston Omaha Corporation ("BOC"), which owns and operates BOC's billboard businesses, entered into a Credit Agreement (the "Credit Agreement") with First National Bank of Omaha (the "Lender") under which Link could borrow up to $40,000,000 (the "Credit Facility"). The Credit Agreement provides for an initial term loan ("Term Loan 1"), an incremental term loan ("Term Loan 2") and a revolving line of credit. Link initially borrowed approximately $18,000,000 under Term Loan 1 and $5,500,000 under Term Loan 2. These loans are secured by all assets of Link and its operating subsidiaries, including a pledge of equity interests of each of Link's subsidiaries. In addition, each of Link's subsidiaries has joined as a guarantor to the obligations under the Credit Agreement. These loans are not guaranteed by BOC or any of BOC's non-billboard businesses.

On December 6, 2021, Link entered into a Fourth Amendment to the Credit Agreement with the Lender which modified the original Credit Agreement by merging all outstanding principal amounts under both Term Loan 1 and Term Loan 2 into one term loan (the "Term Loan") having a fixed interest rate of 4.00% per annum, and increasing the total Term Loan borrowing limit to $30,000,000.

On May 31, 2022, Link entered into a Fifth Amendment to the Credit Agreement with the Lender which modified the Credit Agreement by extending the period of time under which Link may issue to BOC a cash dividend from January 31, 2022 to June 30, 2022 in the amount up to $8,125,000 in the aggregate.

On April 6, 2023, Link entered into a Sixth Amendment to Credit Agreement (the "Sixth Amendment") with First National Bank of Omaha. The Sixth Amendment modifies the Credit Agreement to provide additional flexibility for Link in making "Investment Capital Expenditures" by no longer deducting expenditures which qualify as Investment Capital Expenditures from EBITDA in calculating the Consolidated Fixed Charge Coverage Ratio. As a result, only "Maintenance Capital Expenditures" shall be deducted from EBITDA in testing the Consolidated Fixed Charge Coverage Ratio. The amount of unfunded Investment Capital Expenditures (Investment Capital Expenditures other than expenditures funded by BOC) allowable during any test period shall not exceed the Investment Capital Expenditure Available Amount during such test period.

As of June 30, 2023, Link has borrowed $30,000,000 through the Term Loan under the Credit Facility. Principal amounts under the Term Loan are payable in monthly installments according to a 25-year amortization schedule. Principal payments commenced on July 1, 2020 for amounts previously borrowed under Term Loan 1 and October 1, 2020 for amounts previously borrowed under Term Loan 2. The Term Loan is payable in full on December 6, 2028.

The revolving line of credit loan facility has a $5,000,000 maximum availability. Interest payments are based on the 30-day U.S. Prime Rate minus an applicable margin ranging between 0.65% and 1.15% dependent on Link's consolidated leverage ratio. The revolving line of credit is due and payable on August 12, 2023.

Long-term debt included within our consolidated balance sheet as of June 30, 2023 consists of Term Loan borrowings of $27,732,841, of which $798,297 is classified as current. There were no amounts outstanding related to the revolving line of credit as of June 30, 2023.

During the term of the Credit Facility, Link is required to comply with the following financial covenants: A consolidated leverage ratio for any test period ending on the last day of any fiscal quarter of Link (a) beginning with the fiscal quarter ended December 31, 2021 of not greater than 3.50 to 1.00, (b) beginning with the fiscal quarter ended December 31, 2022 of not greater than 3.25 to 1.00, and (c) beginning with the fiscal quarter ending December 31, 2023 and thereafter, of not greater than 3.00 to 1.0, and a minimum consolidated fixed charge coverage ratio of not less than 1.15 to 1.00 measured quarterly, based on a rolling four quarters. The Company was in compliance with these covenants as of June 30, 2023.

The Credit Agreement includes representations and warranties, reporting covenants, affirmative covenants, negative covenants, financial covenants and events of default customary for financings of this type. Upon the occurrence of an event of default the Lender may accelerate the loans. Upon the occurrence of certain insolvency and bankruptcy events of default the loans will automatically accelerate.

NOTE 13. LEASES

We enter into operating lease contracts primarily for land and office space. Agreements are evaluated at inception to determine whether such arrangements contain a lease. Operating leases include land lease contracts and contracts for the use of office space.

Right of use assets, which we refer to as "ROU assets," represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the respective lease term. Lease expense is recognized on a straight-line basis over the lease term.

Certain of our operating lease agreements include rental payments based on a percentage of revenue and others include rental payments adjusted periodically for inflationary changes. Percentage rent contracts, in which lease expense is calculated as a percentage of advertising revenue, and payments due to changes in inflationary adjustments are included within variable rent expense, which is accounted for separately from periodic straight-line lease expense.

Many of our leases entered into in connection with land provide options to extend the terms of the agreements. Generally, renewal periods are included in minimum lease payments when calculating the lease liabilities as, for most leases, we consider exercise of such options to be reasonably certain. As a result, optional terms and payments are included within the lease liability. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The implicit rate within our lease agreements is generally not determinable. As such, we use the incremental borrowing rate, which we refer to as "IBR," to determine the present value of lease payments at the commencement of the lease. The IBR, as defined in ASC 842, is "the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment."

Operating Lease Cost

Operating lease cost is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,		
	2023	2022	2023	2022	Statement of Operations Classification
Lease cost	$ 2,176,387	$ 2,035,349	$ 4,353,016	$ 3,972,445	Cost of billboard revenues and general and administrative
Variable and short-term lease cost	643,519	670,658	1,220,894	1,001,686	Cost of billboard revenues and general and administrative
Total Lease Cost	$ 2,819,906	$ 2,706,007	$ 5,573,910	$ 4,974,131	

Supplemental cash flow information related to operating leases is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Cash payments for operating leases	$ 2,302,189	$ 2,145,370	$ 4,548,578	$ 4,078,892
New operating lease assets obtained in exchange for operating lease liabilities	$ 344,754	$ 3,273,501	$ 1,136,478	$ 3,896,101

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 13. LEASES (Continued)

Operating Lease Assets and Liabilities

	June 30, 2023	December 31, 2022	Balance Sheet Classification
Lease assets	$ 63,423,894	$ 64,719,405	Other Assets: Right of use assets
Current lease liabilities	$ 5,170,800	$ 5,203,981	Current Liabilities: Lease liabilities
Noncurrent lease liabilities	57,842,596	59,281,733	Long-term Liabilities: Lease liabilities
Total Lease Liabilities	$ 63,013,396	$ 64,485,714	

Maturity of Operating Lease Liabilities

	June 30, 2023
2024	$ 8,097,464
2025	7,613,779
2026	7,300,935
2027	6,815,987
2028	6,553,222
Thereafter	58,423,688
Total lease payments	94,805,075
Less imputed interest	(31,791,679)
Present Value of Lease Liabilities	$ 63,013,396

As of June 30, 2023, our operating leases have a weighted-average remaining lease term of 16.74 years and a weighted-average discount rate of 4.85%.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 14. INDUSTRY SEGMENTS

This summary presents our current segments, as described below.

General Indemnity Group, LLC

GIG conducts our insurance operations through its subsidiaries, Warnock, SSS, SCS, ACS and UCS. SSS clients are multi-state and UCS, SCS, ACS and Warnock clients are nationwide. Revenue consists of surety bond sales and insurance commissions. Currently, GIG's corporate resources are used to support Warnock, SSS, SCS, ACS and UCS and to make additional business acquisitions in the insurance industry.

Link Media Holdings, LLC

LMH conducts our billboard rental operations. LMH billboards are located in Alabama, Arkansas, Florida, Georgia, Illinois, Iowa, Kansas, Missouri, Nebraska, Nevada, Oklahoma, South Dakota, Tennessee, Virginia, West Virginia and Wisconsin.

Boston Omaha Broadband, LLC

BOB conducts our broadband operations. BOB provides high-speed broadband services to its customers located in Arizona, Florida, Nevada, and Utah.

Boston Omaha Asset Management, LLC

BOAM conducts our asset management operations. BOAM's primary objective is to achieve long-term returns while seeking to limit the risk of capital and purchasing power loss in our investments in other companies and our real estate activities. We commenced reporting BOAM as a separate segment based on our acquisition of 24th Street Management on May 1, 2023. BOAM's prior segment information has been retroactively restated as a result of it meeting the requirements for segment reporting.

Three Months Ended June 30, 2023	GIG	LMH	BOB	BOAM	Unallocated	Total Consolidated
Revenue	$ 4,540,142	$ 10,835,524	$ 8,695,235	$ 145,493	$ -	$ 24,216,394
Segment gross profit	2,793,764	7,026,900	6,413,060	145,493	-	16,379,217
Segment income (loss) from operations	291,412	1,580,787	(1,314,735)	(516,029)	(1,684,339)	(1,642,904)
Capital expenditures	12,600	356,278	14,635,612	5,189,235	(62,258)	20,131,467
Depreciation and amortization	75,387	2,246,854	2,494,329	-	27,489	4,844,059

Three Months Ended June 30, 2022	GIG	LMH	BOB	BOAM	Unallocated	Total Consolidated
Revenue	$ 2,991,272	$ 9,825,164	$ 8,078,580	$ -	$ -	$ 20,895,016
Segment gross profit	1,990,478	6,169,382	6,007,768	-	-	14,167,628
Segment income (loss) from operations	21,011	1,335,395	87,072	(499,378)	(1,661,082)	(716,982)
Capital expenditures	192,459	2,903,119	45,217,378	-	238,530	48,551,486
Depreciation and amortization	57,651	2,036,350	1,615,353	-	27,335	3,736,689

Six Months Ended June 30, 2023	GIG	LMH	BOB	BOAM	Unallocated	Consolidated
Revenue	$ 8,513,798	$ 21,137,747	$ 17,235,141	$ 145,493	$ -	$ 47,032,179
Segment gross profit	5,204,388	13,521,459	12,378,615	145,493	-	31,249,955
Segment income (loss) from operations	521,133	2,912,897	(3,014,101)	(1,075,985)	(3,963,640)	(4,619,696)
Capital expenditures	18,725	916,273	22,018,693	5,189,235	-	28,142,926
Depreciation and amortization	150,984	4,460,284	4,687,459	-	54,676	9,353,403

Six Months Ended June 30, 2022	GIG	LMH	BOB	BOAM	Unallocated	Total Consolidated
Revenue	$ 6,069,124	$ 18,963,313	$ 12,155,526	$ -	$ -	$ 37,187,963
Segment gross profit	3,887,439	11,780,159	9,173,939	-	-	24,841,537
Segment income (loss) from operations	(173,171)	2,345,375	(336,629)	(745,781)	(4,256,512)	(3,166,718)

Capital expenditures	297,606	3,702,360	50,301,564	-	399,513	54,701,043
Depreciation and amortization	112,516	4,030,145	2,472,920	-	54,372	6,669,953

NOTE 14. INDUSTRY SEGMENTS (Continued)

As of June 30, 2023	GIG	LMH	BOB	BOAM	Unallocated	Total Consolidated
Accounts receivable, net	$ 3,104,467	$ 3,710,077	$ 464,196	$ 24,632	$ 46,633	$ 7,350,005
Goodwill	11,325,138	130,428,222	38,700,662	536,626	-	180,990,648
Total assets	70,508,872	274,110,542	158,102,494	93,567,215	176,906,449	773,195,572

As of December 31, 2022	GIG	LMH	BOB	BOAM	Unallocated	Total Consolidated
Accounts receivable, net	$ 1,707,716	$ 3,696,906	$ 426,256	$ -	$ 488	$ 5,831,366
Goodwill	11,325,138	130,428,222	37,710,162	-	-	179,463,522
Total assets	68,712,781	277,153,407	138,800,411	21,988,032	181,148,268	687,802,899

NOTE 15. RESERVES FOR LOSSES AND LOSS ADJUSTMENT EXPENSES

The following table provides a reconciliation of the beginning and ending reserve balances for losses and loss adjustment expenses ("LAE") for the six months ended June 30, 2023 and 2022:

	2023	2022
Losses and LAE at January 1	$ 1,690,579	$ 1,381,526
Provision for losses and LAE claims arising in:		
Current year	855,973	598,182
Prior year	952,204	485,001
Total incurred	1,808,177	1,083,183
Losses and LAE payments for claims arising in:		
Current year	316,268	120,993
Prior years	351,709	814,549
Total payments	667,977	935,542
Less reinsurance recoverable	712,035	315,000
Losses and LAE at June 30,	$ 2,118,744	$ 1,214,167

For the six months ended June 30, 2023, $351,709 was paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. There has been a $709 unfavorable prior year development during the six months ended June 30, 2023. Reserves remaining as of June 30, 2023 for prior years are $952,204 as a result of re-estimation of unpaid losses and loss adjustment expenses.

For the six months ended June 30, 2022, $814,549 was paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. There was a $24,549 unfavorable prior year development during the six months ended June 30, 2022. Reserves remaining as of June 30, 2022 for prior years were $485,001 as a result of re-estimation of unpaid losses and loss adjustment expenses.

In both periods, unfavorable prior year loss development was the result of a re-estimation of amounts ultimately to be paid on prior year losses and loss adjustment expense. Original estimates are increased or decreased as additional information becomes known regarding individual claims. Reinsurance recoverables were $712,035 and $315,000 at June 30, 2023 and June 30, 2022, respectively, and are included within Loss and Loss Adjustment Reserves.

NOTE 16. CUSTODIAL RISK

As of June 30, 2023, we had approximately $36,511,719 in excess of federally insured limits on deposit with financial institutions.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

NOTE 17. SUBSEQUENT EVENTS

On August 9, 2023, we issued to Robert Thomas, the President of UCS, an option to purchase 2,500 units of GIG, the parent of UCS, at a price of $309.72 per Common Unit. GIG has issued and outstanding 95,162 Common Units and options to purchase up to 7,338 Common Units, including the option grant to Mr. Thomas and options held by David Herman, GIG's President. The option is exercisable for a period through June 30, 2033, subject to earlier termination upon certain events. Any purchases of these units are subject to certain put and call provisions.

In July, we invested $3,000,000 in the purchase of preferred stock of a company serving the broadband industry.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

CAUTIONARY STATEMENT FOR FORWARD-LOOKING STATEMENTS

THIS QUARTERLY REPORT ON FORM 10-Q INCLUDES FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED, SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND OTHER FEDERAL SECURITIES LAWS, PARTICULARLY THOSE ANTICIPATING FUTURE FINANCIAL PERFORMANCE, BUSINESS PROSPECTS, GROWTH, OPERATING STRATEGIES AND SIMILAR MATTERS, INCLUDING WITHOUT LIMITATION, STATEMENTS CONCERNING OPERATIONS, RESULTS OF OPERATIONS, LIQUIDITY, INVESTMENTS, OUR NEED FOR, AND ABILITY TO OBTAIN, ADDITIONAL FUNDING FOR ACQUISITIONS AND POTENTIAL BUSINESS EXPANSION, GENERAL ECONOMIC TRENDS, INFLATIONARY PRESSURES, FINANCIAL CONDITION AND THE IMPACT OF THE COVID-19 PANDEMIC ON OUR BUSINESS. WE HAVE BASED THESE FORWARD-LOOKING STATEMENTS ON OUR CURRENT INTENT, EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS, AND THESE FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEED TO OCCUR AND MAY NOT OCCUR. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND ASSUMPTIONS ABOUT US THAT MAY CAUSE OUR ACTUAL RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. IN SOME CASES, YOU CAN IDENTIFY FORWARD-LOOKING STATEMENTS BY TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "COULD," "WOULD," "INTEND," "PROJECT," "CONTEMPLATE," "POTENTIAL," "EXPECT," "PLAN," "ANTICIPATE," "BELIEVE," "ESTIMATE," "CONTINUE," OR THE NEGATIVE OF SUCH TERMS OR OTHER SIMILAR EXPRESSIONS. THESE STATEMENTS ARE ONLY PREDICTIONS. FACTORS THAT MIGHT CAUSE OR CONTRIBUTE TO SUCH A DISCREPANCY INCLUDE, BUT ARE NOT LIMITED TO, THOSE DESCRIBED IN OUR OTHER SECURITIES AND EXCHANGE COMMISSION FILINGS.

THE OUTCOME OF THE EVENTS DESCRIBED IN THIS REPORT ALSO CONTAINS STATISTICAL AND OTHER INDUSTRY AND MARKET DATA RELATED TO OUR BUSINESS AND INDUSTRY THAT WE OBTAINED FROM INDUSTRY PUBLICATIONS AND RESEARCH, SURVEYS AND STUDIES CONDUCTED BY US AND THIRD PARTIES, AS WELL AS OUR ESTIMATES OF POTENTIAL MARKET OPPORTUNITIES. INDUSTRY PUBLICATIONS, THIRD-PARTY AND OUR OWN RESEARCH, SURVEYS AND STUDIES GENERALLY INDICATE THAT THEIR INFORMATION HAS BEEN OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE ALTHOUGH THEY DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THIS MARKET DATA INCLUDES PROJECTIONS THAT ARE BASED ON A NUMBER OF ASSUMPTIONS. IF THESE ASSUMPTIONS TURN OUT TO BE INCORRECT, ACTUAL RESULTS MAY DIFFER FROM THE PROJECTIONS BASED ON THESE ASSUMPTIONS. AS A RESULT, OUR MARKETS MAY NOT GROW AT THE RATES PROJECTED BY THIS DATA, OR AT ALL. THE FAILURE OF THESE MARKETS TO GROW AT THESE PROJECTED RATES MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, RESULTS OF OPERATIONS, FINANCIAL CONDITION AND THE MARKET PRICE OF OUR COMMON STOCK.

THE FOLLOWING DISCUSSION SHOULD BE READ IN CONJUNCTION WITH OUR FINANCIAL STATEMENTS AND RELATED NOTES THERETO INCLUDED ELSEWHERE IN THIS REPORT. ANY OF THE FORWARD-LOOKING STATEMENTS THAT WE MAKE IN THIS QUARTERLY REPORT ON FORM 10-Q AND IN OTHER PUBLIC REPORTS AND STATEMENTS WE MAKE MAY TURN OUT TO BE INACCURATE AS A RESULT OF OUR BELIEFS AND ASSUMPTIONS WE MAKE IN CONNECTION WITH THE FACTORS SET FORTH ABOVE OR BECAUSE OF OTHER UNIDENTIFIED AND UNPREDICTABLE FACTORS. IN ADDITION, OUR BUSINESS AND FUTURE RESULTS ARE SUBJECT TO A NUMBER OF OTHER FACTORS, INCLUDING THOSE FACTORS SET FORTH IN THE "RISK FACTORS" SECTION OF OUR ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") ON MARCH 24, 2023. BECAUSE OF THESE AND OTHER UNCERTAINTIES, OUR ACTUAL FUTURE RESULTS MAY BE MATERIALLY DIFFERENT FROM THE RESULTS INDICATED BY THESE FORWARD-LOOKING STATEMENTS AND YOU SHOULD NOT RELY ON SUCH STATEMENTS. WE UNDERTAKE NO OBLIGATION TO PUBLISH REVISED FORWARD-LOOKING STATEMENTS TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS OR CIRCUMSTANCES AFTER THE DATE HEREOF. THESE RISKS COULD CAUSE OUR ACTUAL RESULTS FOR 2023 AND BEYOND TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN ANY FORWARD-LOOKING STATEMENTS BY OR ON BEHALF OF US, AND COULD NEGATIVELY AFFECT OUR FINANCIAL CONDITION, LIQUIDITY AND OPERATING AND STOCK PRICE PERFORMANCE.

Overview

We are currently engaged in outdoor billboard advertising, broadband services, surety insurance and related brokerage businesses and an asset management business. In addition, we hold minority investments in commercial real estate management and brokerage services, a bank focused on servicing the automotive loan market, and a developer of private aviation infrastructure focused on building, leasing and managing business aviation hangars.

Billboards: In June 2015, we commenced our billboard business operations through acquisitions by Link, our wholly-owned subsidiary, of smaller billboard companies located in the Southeastern United States and Wisconsin. During July and August 2018, we acquired the membership interest or assets of three larger billboard companies which increased our overall billboard count to approximately 2,900 billboards. In addition, we have made several billboard acquisitions on a smaller scale since that date. We believe that we are a leading outdoor billboard advertising company in the markets we serve in the Midwest. As of June 30, 2023, we operate approximately 4,000 billboards with approximately 7,600 advertising faces. One of our principal business objectives is to continue to acquire additional billboard assets through acquisitions of existing billboard businesses in the United States when they can be made at what we believe to be attractive prices relative to other opportunities generally available to us.

Surety Insurance: In September 2015, we established an insurance subsidiary, GIG, designed to own and operate insurance businesses generally handling high volume, lower policy limit commercial lines of property and casualty insurance. In April 2016, our surety insurance business commenced with the acquisition of a surety insurance brokerage business with a national internet-based presence. In December 2016, we completed the acquisition of UCS, a surety insurance company, which at that time was licensed to issue surety bonds in only nine states. UCS now has licenses to operate in all 50 states and the District of Columbia. In addition, over the last several years, we have also acquired additional surety insurance brokerage businesses located in various regions of the United States. We may in the future expand the reach of our insurance activities to other forms of insurance which may have similar characteristics to surety, such as high volume and low average policy premium insurance businesses which historically have similar economics.

Broadband Services: In March 2020, we commenced our broadband services business with the acquisition of substantially all of the business assets of FibAire, a rural broadband internet provider that serves over 8,000 customers in communities in southern Arizona with a high-speed fixed wireless internet service and is building an all fiber-to-the-home network in select Arizona markets. In December 2020, we acquired substantially all of the business assets of UBB, a broadband internet provider that provides high-speed internet to over 10,000 customers throughout Utah. In September 2021, we announced the launch of Fiber Fast Homes, LLC, which partners with builders, developers, and build for rent communities to build fiber-to-the-home infrastructure and provide fiber internet service to residents. In April 2022, we acquired substantially all of the business assets of InfoWest and Go Fiber, which are fiber and fixed wireless internet service providers with over 20,000 customers throughout Southern and Central Utah, Northern Arizona, and Moapa Valley, Nevada. We hope to continue to expand in Arizona, Florida, Nevada, Utah, and other locales.

Investments:

- Since September 2015, we have made a series of investments in commercial real estate, a commercial real estate management, brokerage and related services business as well as an asset management business. As of June 30, 2023, we continue to own 30% of Logic Real Estate Companies, LLC. On May 1, 2023, our subsidiary, Boston Omaha Asset Management, LLC ("BOAM"), acquired 100% of the membership interests in 24th Street Asset Management LLC ("24th Street"), from the members of 24th Street other than BOAM, (the "Sellers") for cash and BOC Class A common stock valued at $5,016,494 in the aggregate. Prior to the transaction, BOAM indirectly owned 48% of the membership interests of 24th Street. The consideration consisted of $2,759,072 in cash at closing, an additional $1,254,102 in cash subject to holdback, and 45,644 shares of BOC Class A common stock (based on the average closing price of BOC Class A common stock for the 30 business day period ending two days before the closing date). The shares issued in the transaction are unregistered and have no registration rights. The purchase agreement also provides for certain payments based on performance to receive the holdback amount and certain other potential earnout payments. In addition, we have invested, through one of our subsidiaries, an aggregate of $6 million in 24th Street Fund I, LLC and 24th Street Fund II, LLC. These funds are managed by 24th Street and focus on opportunities within secured lending and direct investments in commercial real estate.

- In December 2017, we invested $10 million in common units of Dream Finders Holdings LLC, the parent company of Dream Finders Homes, LLC, a national home builder with operations in Colorado, Florida, Georgia, Maryland, North Carolina, South Carolina, Texas and northern Virginia. In addition to its homebuilding operations, DFH's subsidiaries provide mortgage loan origination and title insurance services to homebuyers. On January 25, 2021, Dream Finders Homes, Inc., a wholly owned subsidiary of DFH, completed its initial public offering and Dream Finders Homes, Inc. became a holding company and sole manager of DFH. Upon completion of the initial public offering, our outstanding common units in DFH were converted into 4,681,099 shares of Class A Common Stock of Dream Finders Homes, Inc., and one of our subsidiaries purchased an additional 120,000 shares of Class A common stock in the initial public offering. Since DFH's initial public offering through December 31, 2022 we sold all 4,801,099 shares of DFH Class A common stock for gross proceeds of approximately $81 million.

- In May 2018, we invested, through one of our subsidiaries, approximately $19 million through the purchase of common stock of CB&T Holding Corporation, the privately-held parent company of Crescent Bank & Trust, Inc. Our investment now represents 15.6% of CB&T's outstanding common stock. Crescent is located in New Orleans and generates the majority of its revenues from indirect subprime automobile lending across the United States.

- In October 2020, our subsidiary BOC Yellowstone served as sponsor for the underwritten initial public offering of a special purpose acquisition company named Yellowstone Acquisition Company. Yellowstone sold in its public offering 13,598,898 units at a price of $10.00 per unit, each unit consisting of one share of Class A common stock and a redeemable warrant to purchase one-half of a share of Class A common stock at an exercise price of $11.50 per share. Between August and November 2020, we invested, through BOC Yellowstone, approximately $7.8 million through the purchase of 3,399,724 shares of Class B common stock and 7,719,779 non-redeemable private placement warrants, each warrant entitling us to purchase one share of Class A common stock at $11.50 per share. In August 2021, Yellowstone entered into a business combination agreement with Sky Harbour LLC, a developer of private aviation infrastructure focused on building, leasing and managing business aviation hangars. The business combination was completed on January 25, 2022 and Yellowstone changed its name to Sky Harbour Group Corporation. Sky Harbour's Class A common stock trades on the NYSE American under the symbol “SKYH” and its warrants to purchase Class A common stock trade under the symbol “SKYH.WS.”.

- In September 2021, through one of our subsidiaries, we invested $55 million directly into SHG and received Series B preferred units. Upon the successful consummation of the Sky Harbour business combination, this investment converted into 5,500,000 shares of Sky Harbour's Class A common stock based upon an assumed value of $10.00 per share. In December 2021, we agreed to provide Sky Harbour an additional $45 million through the purchase of 4,500,000 shares of Class A common stock upon the closing of the Sky Harbour business combination, which was consummated in January 2022.

- We recently established a subsidiary within BOAM to operate a proposed build for rent business in which we would develop and own single family detached and/or townhomes for long term rental. We have bought parcels of land in Nevada which we hope to develop or repurpose for other uses. We have provided approximately $15 million of capital to finance the initial stages of these projects and are currently in the process of seeking to raise third party capital to be invested alongside our capital. Once completed and stabilized, we expect that these properties will be financed with long-term fixed-rate debt capital supported by our and other potential third-party equity investments. In addition to developing and managing these properties, we will seek to provide broadband services to these homes, providing us a second or third source of potential revenue from these developments. We are also exploring raising capital through BOAM to help expand our broadband operations both for these build for rent developments and other potential broadband acquisition and expansion opportunities. We may invest cash or contribute certain business assets to any such partnership in exchange for a partnership interest.

In each of our businesses, we hope to expand our geographic reach and market share and seek to develop a competitive advantage and/or brand name for our services, which we hope will be a differentiating factor for customers. Our insurance market primarily services small contractors, small and medium-sized businesses and individuals required to provide surety bonds (i) in connection with their work for government agencies and others, (ii) in connection with contractual obligations, or (iii) to meet regulatory requirements and other needs. We have expanded the licensing of the UCS business to all 50 states and the District of Columbia. In outdoor advertising, our plan is to continue to grow this business through acquisitions of billboard assets. We expect to expand our broadband services in Arizona, Florida, Nevada, Utah and in other locations. We also expect to continue to make additional investments in real estate management service businesses, as well as in other businesses. In the future, we expect to expand the range of services we provide in the insurance sector, seek to continue to expand our billboard operations and broadband services and to possibly consider acquisitions of other businesses, as well as investments, in other sectors. Our decision to expand outside of these current business sectors we serve or in which we have made investments will be based on the opportunity to acquire businesses which we believe provide the potential for sustainable earnings at an attractive level relative to capital employed and, with regard to investment, we believe have the potential to provide attractive returns.

We seek to enter markets where we believe demand for our services will grow in the coming years due to certain barriers to entry and/or to anticipated long-term demand for these services. In the outdoor billboard business, government restrictions often limit the number of additional billboards that may be constructed. At the same time, advances in billboard technology provide the opportunity to improve revenues through the use of digital display technologies and other new technologies. In the surety insurance business, new insurance companies must be licensed by state agencies that impose capital, management and other strict requirements on these insurers. These hurdles are at the individual state level, with statutes often providing wide latitude to regulators to impose judgmental requirements upon new entrants. In addition, new distribution channels in certain areas of surety may provide a new opportunity. In the real estate management services market, we believe the continued growth of commercial real estate in many sections of the United States will provide opportunities for management services for the foreseeable future. We also believe our investment in both CB&T and Sky Harbour has provided each company the opportunity to significantly grow its business. We invest our available capital and the surplus capital from UCS in a wide range of securities, including equity securities of large cap public companies, various corporate and government bonds and U.S. treasuries. In broadband services, we believe that our fiber-to-the-home services can compete with traditional cable operators as broadband provides higher rates of transmission and improved speed to consumers and that, once built, other competitors may be less willing to compete in communities which we serve.

How We Generate Our Revenues and Evaluate Our Business

We currently generate revenues primarily through billboard advertising and related services, from the sale of surety insurance and related brokerage activities and by providing high-speed broadband services. Revenue for outdoor advertising space rental is recognized on a straight-line basis over the term of the contract and advertising revenue is reported net of agency commissions. Payments received in advance of being earned are recorded as deferred revenue. In our surety insurance business, premiums written are recognized as revenues based on a pro rata daily calculation over the respective terms of the policies in-force. Unearned premiums represent the portion of premiums written applicable to the unexpired term of the policies in-force. In connection with our surety agency business, insurance commissions are recognized at a point in time, on a bond-by-bond basis as of the policy effective date and are generally nonrefundable. In our broadband business, revenue is derived principally from internet services and is recognized on a straight-line basis over the term of the contract in the period the services are rendered. Revenue received or receivable in advance of the delivery of services is included in deferred revenue.

Segment gross profit is a key metric that we use to evaluate segment operating performance and to determine resource allocation between segments. We define segment gross profit as segment revenues less segment direct cost of services. In our billboard business, direct cost of services includes land leases, utilities, repairs and maintenance of equipment, sales commissions, contract services, and other billboard level expenses. In our broadband business, direct costs of services includes network operations and data costs, programming costs, cell site rent and utilities, and other broadband level expenses. In our surety business, direct cost of services includes commissions, premium taxes, fees and assessments, and losses and loss adjustment expenses.

Results of Operations

Three Months Ended June 30, 2023 Compared to Three Months Ended June 30, 2022

The following is a comparison of our results of operations for the three months ended June 30, 2023, which we refer to as the "second quarter of fiscal 2023," compared to the three months ended June 30, 2022, which we refer to as the "second quarter of fiscal 2022."

Revenues. For the second quarter of fiscal 2023 and the second quarter of fiscal 2022, our revenues in dollars and as a percentage of total revenues were as follows:

	For the Three Months Ended June 30, (unaudited)				
	2023		2022		2023 vs 2022
	Amount	As a % of Total Revenues	Amount	As a % of Total Revenues	$ Variance
Revenues:					
Billboard rentals, net	$ 10,835,524	44.7%	$ 9,825,164	47.0%	$ 1,010,360
Broadband services	8,695,235	35.9%	8,078,580	38.7%	616,655
Premiums earned	3,458,627	14.3%	2,407,523	11.5%	1,051,104
Insurance commissions	594,540	2.5%	494,244	2.4%	100,296
Investment and other income	632,468	2.6%	89,505	0.4%	542,963
Total Revenues	$ 24,216,394	100.0%	$ 20,895,016	100.0%	$ 3,321,378

We realized total revenues of $24,216,394 during the second quarter of fiscal 2023, an increase of 15.9% over revenues of $20,895,016 during the second quarter of fiscal 2022. Revenues increased within each of our businesses in the second quarter of fiscal 2023 when compared to the second quarter of fiscal 2022. The key factors impacting revenue across each of our businesses during the second quarter of fiscal 2023 were as follows:

- Net billboard rentals in the second quarter of fiscal 2023 increased 10.3% from the second quarter of fiscal 2022, reflecting an improvement in rental and occupancy rates across a number of our markets as well as the acquisition of billboards from Elevation during the fourth quarter of fiscal 2022.

- Revenue from broadband services in the second quarter of fiscal 2023 increased 7.6% from the second quarter of fiscal 2022, mainly reflecting subscriber growth across all of our markets.

- Premiums earned from our UCS insurance subsidiary increased 43.7% in the second quarter of fiscal 2023 when compared to the second quarter of fiscal 2022. The increase in premiums earned was primarily due to increases in production throughout fiscal 2022 and the first six months of fiscal 2023. We recognize revenues for written premium over the life of the surety bond and, as a result, increased sales activities are not fully reflected in the quarter in which the surety bond is issued.

- Revenue from insurance commissions generated by our surety brokerage operations increased by 20.3% in the second quarter of fiscal 2023 when compared to the second quarter of fiscal 2022, mainly due to increased production through outside insurance carriers.

- Investment and other income at UCS and BOAM increased from $89,505 in the second quarter of fiscal 2022 to$632,468 in the second quarter of fiscal 2023, mainly due to the increase in interest rates over the past 12 months for assets held by UCS and the consolidation of 24th Street during the second quarter of fiscal 2023.

Expenses. For the second quarter of fiscal 2023 and the second quarter of fiscal 2022, our expenses, in dollars, and as a percentage of total revenues, were as follows:

	For the Three Months Ended June 30, (unaudited)				
	2023		2022		2023 vs 2022
	Amount	As a % of Total Revenues	Amount	As a % of Total Revenues	$ Variance
Costs and Expenses:					
Cost of billboard revenues	$ 3,808,624	15.7%	$ 3,655,782	17.5%	$ 152,842
Cost of broadband revenues	2,282,175	9.4%	2,070,812	9.9%	211,363
Cost of insurance revenues	1,746,378	7.2%	1,000,794	4.8%	745,584
Employee costs	7,753,280	32.0%	6,572,286	31.5%	1,180,994
Professional fees	1,402,899	5.8%	1,098,782	5.3%	304,117
Depreciation	3,013,176	12.5%	2,012,916	9.6%	1,000,260
Amortization	1,830,883	7.6%	1,723,773	8.2%	107,110
General and administrative	3,962,814	16.4%	3,393,835	16.2%	568,979
Loss on disposition of assets	5,246	0.0%	32,094	0.2%	(26,848)
Accretion	53,823	0.2%	50,924	0.2%	2,899
Total Costs and Expenses	$ 25,859,298	106.8%	$ 21,611,998	103.4%	$ 4,247,300

During the second quarter of fiscal 2023, we had total costs and expenses of $25,859,298, as compared to total costs and expenses of $21,611,998 in the second quarter of fiscal 2022. Total costs and expenses as a percentage of total revenues increased from 103.4% in the second quarter of fiscal 2022 to 106.8% in the second quarter of fiscal 2023. The key factors impacting costs and expenses across each of our businesses during the second quarter of fiscal 2023 were as follows:

- Cost of billboard revenues decreased as a percentage of billboard revenues from 37.2% in the second quarter of fiscal 2022 to 35.1% in the second quarter of fiscal 2023. The decrease was mainly due to lower ground rent expense as a percentage of billboard revenues.

- Cost of broadband revenues increased slightly as a percentage of broadband revenues from 25.6% in the second quarter of fiscal 2022 to 26.2% in the second quarter of fiscal 2023.

- Cost of insurance revenues increased as a percentage of insurance revenues from 33.5% in the second quarter of fiscal 2022 to 38.5% in the second quarter of fiscal 2023. The increase was mainly due to higher commissions paid and losses and loss adjustment expense at UCS.

- Employee costs increased from $6,572,286 in the second quarter of fiscal 2022 to $7,753,280 in the second quarter of fiscal 2023, an increase of 18.0%. The increase was mainly driven by hiring within a number of our broadband businesses, surety brokerage operations and BOAM.

- Professional fees in the second quarter of fiscal 2023 were $1,402,899, or 5.8% of total revenues, as compared to $1,098,782, or 5.3% of total revenues, in the second quarter of fiscal 2022. The increase was mainly related to professional fees within our billboard and insurance operations.

- General and administrative expenses in the second quarter of fiscal 2023 were $3,962,814, or 16.4% of total revenues, as compared to $3,393,835, or 16.2% of total revenues, in the second quarter of fiscal 2022.

- Non-cash expenses in the second quarter of fiscal 2023 included $3,013,176 in depreciation expense, $1,830,883 in amortization expense, and $53,823 in accretion expense related to asset retirement obligations for certain billboard assets. The increase in depreciation expense is mainly driven by the InfoWest and Go Fiber acquisitions as well as investments at Utah Broadband.

Net Loss from Operations. Net loss from operations for the second quarter of fiscal 2023 was $1,642,904, or 6.8% of total revenues, as compared to a net loss from operations of $716,982, or 3.4% of total revenues, in the second quarter of fiscal 2022. The increase in net loss from operations in dollars was primarily due to an increase in depreciation expense related to our InfoWest and Go Fiber acquisitions and investments at Utah Broadband as well as costs associated with hiring within a number of our broadband businesses, which were partially offset by improved operations within our billboard business and insurance business. Our net loss from operations included $4,897,882 from non-cash depreciation, amortization and accretion expenses in the second quarter of fiscal 2023, as compared to $3,787,613 in the second quarter of fiscal 2022.

Other Income (Expense). During the second quarter of fiscal 2023, we had net other income of $3,357,575. Net other income included $5,350,524 in equity in income of unconsolidated affiliates mainly related to non-cash gains recognized in May 2023 due to our purchase of the membership interests in 24th Street held by third parties resulting in the remeasurement of our previously-held interest in 24th Street and interest and dividend income of $561,090. These items were partially offset by other investment losses of $2,267,004 mainly related to the Sky Harbour warrants held by Boston Omaha and the impact of the fair value mark-to-market adjustments recorded for the commercial real estate assets held within each of the 24th Street Funds and interest expense of $287,035 mainly incurred under Link's term loan. During the second quarter of fiscal 2022, we had net other expense of $14,777,668, which included $16,933,563 in other investment losses mainly related to public securities held by Boston Omaha and UCS and interest expense of $303,531 mainly incurred under Link's term loan. These items were partially offset by income of $2,386,339 mainly related to our equity method position in Sky Harbour and interest and dividend income of $73,087.

Generally accepted accounting principles ("GAAP") requires us to include the unrealized changes in market prices of investments in public equity securities in our reported earnings. Due to the size of our percentage ownership interest in Sky Harbour's Class A common stock, our investment is recorded under the equity method using the fair market value of Sky Harbour's Class A common stock as of the date of the business combination and we do not include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings. In the future, if our ownership interest in Sky Harbour's Class A common stock drops below 20%, we will no longer be able to record our investment under the equity method and will be required to include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings. While we intend to hold our current securities for the longer term, we may in the future choose to sell them for a variety of reasons resulting in realized losses or gains.

Additionally, we have evaluated our investment in Sky Harbour as of June 30, 2023, and determined that there was not an other-than-temporary impairment. Our conclusion was based on several contributing factors, including: (i) our assessment that the underlying business and financial condition of Sky Harbour is favorable; (ii) the period of time for which the fair value has been less than the carrying value, (iii) the recovery of Sky Harbour's stock price for a period of time during the first six months of fiscal 2023, and (iv) our ability and intent to hold the investment. We will continue to review our investment in Sky Harbour for an other-than-temporary impairment on a quarterly basis or upon the occurrence of certain events. If Sky Harbour's stock price drops below our carrying value of $7.78 per share for a sustained period of time, it will likely result in an impairment of our investment. There may also be a future impairment of our investment if our expectations about Sky Harbour's prospective results of operations and cash flows decline, which could be influenced by a variety of factors including adverse market conditions.

Net Income (Loss) Attributable to Common Stockholders. We had net income attributable to common stockholders in the amount of $1,541,612 in the second quarter of fiscal 2023, or income per share of $0.05, based on 31,281,828 diluted weighted average shares outstanding. This is compared to a net loss attributable to common stockholders of $11,496,339 in the second quarter of fiscal 2022, or a loss per share of 0.39, based on 29,698,361 diluted weighted average shares outstanding.

Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

The following is a comparison of our results of operations for the six months ended June 30, 2023, which we refer to as the "first six months of fiscal 2023," compared to the six months ended June 30, 2022, which we refer to as the "first six months of fiscal 2022."

Revenues. For the first six months of fiscal 2023 and the first six months of fiscal 2022, our revenues in dollars and as a percentage of total revenues were as follows:

	For the Six Months Ended June 30, (unaudited)				
	2023		2022		2023 vs 2022
	Amount	As a % of Total Revenues	Amount	As a % of Total Revenues	$ Variance
Revenues:					
Billboard rentals, net	$ 21,137,747	44.9%	$ 18,963,313	51.0%	$ 2,174,434
Broadband services	17,235,141	36.6%	12,155,526	32.7%	5,079,615
Premiums earned	6,565,900	14.0%	4,695,972	12.6%	1,869,928
Insurance commissions	1,070,666	2.3%	1,191,444	3.2%	(120,778)
Investment and other income	1,022,725	2.2%	181,708	0.5%	841,017
Total Revenues	$ 47,032,179	100.0%	$ 37,187,963	100.0%	$ 9,844,216

We realized total revenues of $47,032,179 during the first six months of fiscal 2023, an increase of 26.5% over revenues of $37,187,963 during the first six months of fiscal 2022. Revenues increased within each of our businesses, except for our surety brokerage operations, in the first six months of fiscal 2023 when compared to the first six months of fiscal 2022. The key factors impacting revenue across each of our businesses during the first six months of fiscal 2023 were as follows:

- Net billboard rentals in the first six months of fiscal 2023 increased 11.5% from the first six months of fiscal 2022, reflecting an improvement in rental and occupancy rates across a number of our markets as well as the acquisition of billboards from Elevation during the fourth quarter of fiscal 2022.

- Revenue from broadband services in the first six months of fiscal 2023 increased 41.8% from the first six months of fiscal 2022, mainly reflecting the revenues generated from the InfoWest and Go Fiber acquisitions completed in April 2022.

- Premiums earned from our UCS insurance subsidiary increased 39.8% in the first six months of fiscal 2023 when compared to the first six months of fiscal 2022. The increase in premiums earned was primarily due to increases in production throughout fiscal 2022 and the first six months of fiscal 2023. We recognize revenues for written premium over the life of the surety bond and, as a result, increased sales activities are not fully reflected in the quarter in which the surety bond is issued.

- Revenue from insurance commissions generated by our surety brokerage operations decreased by 10.1% in the first six months of fiscal 2023 when compared to the first six months of fiscal 2022, mainly due to reduced production through outside insurance carriers.

- Investment and other income at UCS and BOAM increased from $181,708 in the first six months of fiscal 2022 to $1,022,725 in the first six months of fiscal 2023, mainly due to the increase in interest rates over the past 12 months for assets held by UCS and the consolidation of 24th Street during the second quarter of fiscal 2023.

Expenses. For the first six months of fiscal 2023 and the first six months of fiscal 2022, our expenses, in dollars, and as a percentage of total revenues, were as follows:

	For the Six Months Ended June 30, (unaudited)				
	2023		2022		2023 vs 2022
	Amount	As a % of Total Revenues	Amount	As a % of Total Revenues	$ Variance
Costs and Expenses:					
Cost of billboard revenues	$ 7,616,288	16.2%	$ 7,183,154	19.3%	$ 433,134
Cost of broadband revenues	4,856,526	10.3%	2,981,587	8.0%	1,874,939
Cost of insurance revenues	3,309,410	7.0%	2,181,685	5.9%	1,127,725
Employee costs	15,950,817	33.9%	11,996,506	32.3%	3,954,311
Professional fees	2,572,488	5.5%	3,289,379	8.8%	(716,891)
Depreciation	5,720,493	12.2%	3,752,987	10.1%	1,967,506
Amortization	3,632,910	7.7%	2,916,966	7.8%	715,944
General and administrative	7,925,446	16.9%	5,973,670	16.1%	1,951,776
Gain on disposition of assets	(40,149)	(0.1%)	(22,109)	(0.1%)	(18,040)
Accretion	107,646	0.2%	100,856	0.3%	6,790
Total Costs and Expenses	$ 51,651,875	109.8%	$ 40,354,681	108.5%	$ 11,297,194

During the first six months of fiscal 2023, we had total costs and expenses of $51,651,875, as compared to total costs and expenses of $40,354,681 in the first six months of fiscal 2022. Total costs and expenses as a percentage of total revenues increased from 108.5% in the first six months of fiscal 2022 to 109.8% in the first six months of fiscal 2023. The key factors impacting costs and expenses across each of our businesses during the first six months of fiscal 2023 were as follows:

- Cost of billboard revenues decreased as a percentage of billboard revenues from 37.9% in the first six months of fiscal 2022 to 36.0% in the first six months of fiscal 2023. The decrease was mainly due to lower ground rent expense as a percentage of billboard revenues.

- Cost of broadband revenues increased as a percentage of broadband revenues from 24.5% in the first six months of fiscal 2022 to 28.2% in the first six months of fiscal 2023. The increase is mainly driven by the InfoWest and Go Fiber acquisitions completed in April 2022.

- Cost of insurance revenues increased as a percentage of insurance revenues from 35.9% in the first six months of fiscal 2022 to 38.9% in the first six months of fiscal 2023. The increase was mainly due to higher commissions paid and losses and loss adjustment expense at UCS.

- Employee costs increased from $11,996,506 in the first six months of fiscal 2022 to $15,950,817 in the first six months of fiscal 2023, an increase of 33.0%. The increase was mainly driven by the InfoWest and Go Fiber acquisitions, hiring within our other broadband businesses, surety brokerage operations and BOAM.

- Professional fees in the first six months of fiscal 2023 were $2,572,488, or 5.5% of total revenues, as compared to $3,289,379, or 8.8% of total revenues, in the first six months of fiscal 2022. The decrease was mainly related to the professional fees associated with Yellowstone completing its business combination with SHG during the first six months of fiscal 2022.

- General and administrative expenses in the first six months of fiscal 2023 were $7,925,446, or 16.9% of total revenues, as compared to $5,973,670, or 16.1% of total revenues, in the first six months of fiscal 2022. The increase was mainly driven by the InfoWest and Go Fiber acquisitions as well as growth within our other broadband businesses.

- Non-cash expenses in the first six months of fiscal 2023 included $5,720,493 in depreciation expense, $3,632,910 in amortization expense, and $107,646 in accretion expense related to asset retirement obligations for certain billboard assets. The increase in depreciation and amortization expense is mainly due to the InfoWest and Go Fiber acquisitions as well as investments at Utah Broadband.

Net Loss from Operations. Net loss from operations for the first six months of fiscal 2023 was $4,619,696, or 9.8% of total revenues, as compared to a net loss from operations of $3,166,718, or 8.5% of total revenues, in the first six months of fiscal 2022. The increase in net loss from operations in dollars was primarily due to an increase in depreciation and amortization expense related to our InfoWest and Go Fiber acquisitions and investments at Utah Broadband, costs associated with hiring within our broadband and asset management businesses and costs associated with hiring within our asset management business, which were partially offset by improved operations within our billboard business and insurance business. Our net loss from operations included $9,461,049 from non-cash depreciation, amortization and accretion expenses in the first six months of fiscal 2023, as compared to $6,770,809 in the first six months of fiscal 2022.

Other Income (Expense). During the first six months of fiscal 2023, we had net other income of $1,242,900. Net other income included $370,446 in equity in income of unconsolidated affiliates mainly related to non-cash gains recognized in May 2023 due to our purchase of the membership interests in 24th Street held by third parties resulting in the remeasurement of our previously-held interest in 24th Street, which was partially offset by our share of Sky Harbour's loss from operations during the first six months of fiscal 2023 which we account for under the equity method, interest and dividend income of $842,956, and other investment income mainly related to the Sky Harbour warrants held by Boston Omaha, which was partially offset by the impact of the fair value mark-to-market adjustments recorded for the commercial real estate assets held within each of the 24th Street Funds. These items were partially offset by interest expense of $575,717 mainly incurred under Link's term loan. During the first six months of fiscal 2022, we had net other income of $10,720,978, which included a gain of $24,977,740 related to the deconsolidation of Yellowstone, $1,837,211 related to the remeasurement of Yellowstone's public warrants from January 1, 2022 to January 25, 2022 and interest and dividend income of $118,411. These items were partially offset by $14,318,240 in other investment losses mainly related to public securities held by Boston Omaha and UCS, a loss of $1,288,964 mainly related to our equity method position in Sky Harbour and interest expense of $605,180 mainly incurred under Link's term loan.

Generally accepted accounting principles ("GAAP") requires us to include the unrealized changes in market prices of investments in public equity securities in our reported earnings. Due to the size of our percentage ownership interest in Sky Harbour's Class A common stock, our investment is recorded under the equity method using the fair market value of Sky Harbour's Class A common stock as of the date of the business combination and we do not include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings. In the future, if our ownership interest in Sky Harbour's Class A common stock drops below 20%, we will no longer be able to record our investment under the equity method and will be required to include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings. While we intend to hold our current securities for the longer term, we may in the future choose to sell them for a variety of reasons resulting in realized losses or gains.

Additionally, we have evaluated our investment in Sky Harbour as of June 30, 2023, and determined that there was not an other-than-temporary impairment. Our conclusion was based on several contributing factors, including: (i) our assessment that the underlying business and financial condition of Sky Harbour is favorable; (ii) the period of time for which the fair value has been less than the carrying value, (iii) the recovery of Sky Harbour's stock price for a period of time during the first six months of fiscal 2023, and (iv) our ability and intent to hold the investment. We will continue to review our investment in Sky Harbour for an other-than-temporary impairment on a quarterly basis or upon the occurrence of certain events. If Sky Harbour's stock price drops below our carrying value of $7.78 per share for a sustained period of time, it will likely result in an impairment of our investment. There may also be a future impairment of our investment if our expectations about Sky Harbour's prospective results of operations and cash flows decline, which could be influenced by a variety of factors including adverse market conditions.

Net (Loss) Income Attributable to Common Stockholders. We had a net loss attributable to common stockholders in the amount of $1,779,542 in the first six months of fiscal 2023, or a loss per share of $0.06, based on 30,876,835 diluted weighted average shares outstanding. This is compared to net income attributable to common stockholders of $4,806,254 in the first six months of fiscal 2022, or income per share of $0.16, based on 29,761,082 diluted weighted average shares outstanding.

Results of Operations by Segment

The following tables report results for the following four segments in which we operate: billboards, broadband, insurance and asset management for the second quarter of fiscal 2023 and the second quarter of fiscal 2022:

Results of Billboard Operations

	For the Three Months Ended June 30, (unaudited)			
	2023		2022	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Billboard rentals, net	$ 10,835,524	100.0%	$ 9,825,164	100.0%
Cost of Revenues				
Ground rents	1,993,554	18.4%	1,917,756	19.5%
Utilities	443,007	4.1%	407,061	4.2%
Commissions paid	833,397	7.7%	796,754	8.1%
Other costs of revenues	538,666	4.9%	534,211	5.4%
Total cost of revenues	3,808,624	35.1%	3,655,782	37.2%
Gross margin	7,026,900	64.9%	6,169,382	62.8%
Other Operating Expenses				
Employee costs	1,790,992	16.5%	1,715,749	17.5%
Professional fees	299,799	2.8%	111,748	1.1%
Depreciation	1,263,469	11.7%	1,130,239	11.5%
Amortization	983,385	9.1%	906,111	9.2%
General and administrative	1,023,269	9.4%	888,448	9.0%
Accretion	53,823	0.5%	47,490	0.5%
Gain on disposition of assets	31,376	0.3%	34,202	0.4%
Total expenses	5,446,113	50.3%	4,833,987	49.2%
Segment Income from Operations	1,580,787	14.6%	1,335,395	13.6%
Interest expense, net	(213,901)	(2.0%)	(288,169)	(2.9%)
Other investment loss	(9,754)	(0.1%)	-	-
Net Income Attributable to Common Stockholders	$ 1,357,132	12.5%	$ 1,047,226	10.7%

Comparison of the Second Quarter of Fiscal 2023 to the Second Quarter of Fiscal 2022. In the second quarter of fiscal 2023, there was a 10.3% increase in net billboard revenues from the second quarter of fiscal 2022, reflecting an improvement in rental and occupancy rates across a number of our markets as well as the acquisition of billboards from Elevation during the fourth quarter of fiscal 2022. The key factors affecting our billboard operations results during the second quarter of fiscal 2023 were as follows:

- Ground rent expense decreased as a percentage of total segment operating revenues from 19.5% in the second quarter of fiscal 2022 to 18.4% in the second quarter of fiscal 2023.

- Commissions paid as a percentage of total segment operating revenues decreased slightly from 8.1% in the second quarter of fiscal 2022 to 7.7% in the second quarter of fiscal 2023.

- Employee costs as a percentage of total segment operating revenues decreased from 17.5% in the second quarter of fiscal 2022 to 16.5% in the second quarter of fiscal 2023. The decrease is due to organic revenue growth as well as the impact from the Elevation acquisition.

- General and administrative expenses increased slightly as a percentage of total segment operating revenues from 9.0% in the second quarter of fiscal 2022 to 9.4% in the second quarter of fiscal 2023.

- Depreciation and amortization expense increased by $133,230 and $77,274, respectively, from the second quarter of fiscal 2022. The increases are primarily due to the Elevation acquisition.

- Net interest expense was $213,901 in the second quarter of fiscal 2023 compared to net interest expense of $288,169 in the second quarter of fiscal 2022. The decrease is driven by interest income from investing excess cash in U.S. Treasury securities.

Results of Broadband Operations

	For the Three Months Ended June 30, (unaudited)			
	2023		2022	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Broadband revenues	$ 8,695,235	100.0%	$ 8,078,580	100.0%
Cost of Revenues				
Network operations and data costs	838,813	9.6%	1,186,914	14.7%
Programming costs	24,948	0.3%	24,814	0.3%
Cell site rent and utilities	447,638	5.1%	305,776	3.8%
Other costs of revenues	970,776	11.2%	553,308	6.8%
Total cost of revenues	2,282,175	26.2%	2,070,812	25.6%
Gross margin	6,413,060	73.8%	6,007,768	74.4%
Other Operating Expenses				
Employee costs	3,411,311	39.2%	2,750,355	34.0%
Professional fees	265,498	3.1%	200,092	2.5%
Depreciation	1,686,893	19.4%	844,752	10.5%
Amortization	807,436	9.3%	770,601	9.5%
General and administrative	1,582,787	18.2%	1,353,570	16.8%
Accretion	-	-	3,434	0.0%
Gain on disposition of assets	(26,130)	(0.3%)	(2,108)	0.0%
Total expenses	7,727,795	88.9%	5,920,696	73.3%
Segment (Loss) Income from Operations	(1,314,735)	(15.1%)	87,072	1.1%
Interest income (expense), net	9,646	0.1%	(6,353)	(0.1%)
Noncontrolling interest in subsidiary income	(10,803)	(0.1%)	(240,425)	(3.0%)
Net Loss Attributable to Common Stockholders	$ (1,315,892)	(15.1%)	$ (159,706)	(2.0%)

Comparison of the Second Quarter of Fiscal 2023 to the Second Quarter of Fiscal 2022. In the second quarter of fiscal 2023, total operating revenues increased by 7.6% when compared to the second quarter of fiscal 2022 mainly reflecting subscriber growth across all of our markets. The key factors affecting our broadband operations results during the second quarter of fiscal 2023 were as follows:

- Total cost of revenues increased slightly as a percentage of total segment operating revenues from 25.6% in the second quarter of fiscal 2022 to 26.2% in the second quarter of fiscal 2023.

- Employee costs in the second quarter of fiscal 2023 increased by 24.0% from the second quarter of fiscal 2022. The increase is mainly due to hiring within our InfoWest, Utah Broadband and FFH businesses.

- Professional fees as a percentage of total segment operating revenues increased slightly from 2.5% in the second quarter of fiscal 2022 to 3.1% in the second quarter of fiscal 2023.

- General and administrative expenses as a percentage of total segment operating revenues increased from 16.8% in the second quarter of fiscal 2022 to 18.2% in the second quarter of fiscal 2023. The increase is mainly due to growth within our InfoWest and Utah Broadband business.

- Depreciation and amortization expense increased by $842,141 and $36,835, respectively, from the second quarter of fiscal 2022. The increase in depreciation expense is mainly driven by the InfoWest and Go Fiber acquisitions as well as continued investments at Utah Broadband.

Results of Insurance Operations

	For the Three Months Ended June 30, (unaudited)					
	2023			2022		
		Amount	As a % of Segment Operating Revenues		Amount	As a % of Segment Operating Revenues
Operating Revenues						
Premiums earned	$	3,458,627	76.2%	$	2,407,523	80.5%
Insurance commissions		594,540	13.1%		494,244	16.5%
Investment and other income		486,975	10.7%		89,505	3.0%
Total operating revenues		4,540,142	100.0%		2,991,272	100.0%
Cost of Revenues						
Commissions paid		1,056,532	23.3%		613,117	20.5%
Premium taxes, fees, and assessments		48,724	1.1%		77,612	2.6%
Losses and loss adjustment expense		641,122	14.1%		310,065	10.4%
Total cost of revenues		1,746,378	38.5%		1,000,794	33.5%
Gross margin		2,793,764	61.5%		1,990,478	66.5%
Other Operating Expenses						
Employee costs		1,645,494	36.2%		1,376,236	46.0%
Professional fees		185,884	4.1%		79,347	2.6%
Depreciation		35,325	0.8%		10,590	0.4%
Amortization		40,062	0.9%		47,061	1.6%
General and administrative		595,587	13.1%		456,233	15.2%
Total expenses		2,502,352	55.1%		1,969,467	65.8%
Segment Income from Operations		291,412	6.4%		21,011	0.7%
Interest expense, net		(2)	(0.0%)		-	-
Other investment income (loss)		46,023	1.0%		(1,844,331)	(61.7%)
Net Income (Loss) Attributable to Common Stockholders	$	337,433	7.4%	$	(1,823,320)	(61.0%)

Comparison of the Second Quarter of Fiscal 2023 to the Second Quarter of Fiscal 2022. In the second quarter of fiscal 2023, total operating revenues increased by 51.8% when compared to the second quarter of fiscal 2022, mainly due to increased earned premium and investment and other income at our UCS insurance subsidiary. The key factors affecting our insurance operations results during the second quarter of fiscal 2023 were as follows:

- Premiums earned from our UCS insurance subsidiary increased 43.7% in the second quarter of fiscal 2023 when compared to the second quarter of fiscal 2022. The increase in premiums earned was primarily due to increases in production throughout fiscal 2022 and the first six months of fiscal 2023. We recognize revenues for written premium over the life of the surety bond and, as a result, increased sales activities are not fully reflected in the quarter in which the surety bond is issued.

- Insurance commissions generated by our surety brokerage operations increased by 20.3% in the second quarter of fiscal 2023 when compared to the second quarter of fiscal 2022, mainly due to increased production through outside insurance carriers.

- Investment and other income at UCS increased from $89,505 in the second quarter of fiscal 2022 to $486,975 in the second quarter of fiscal 2023, mainly due to the increase in interest rates over the past 12 months.

- Commissions paid as a percentage of total segment operating revenues increased from 20.5% in the second quarter of fiscal 2022 to 23.3% in the second quarter of fiscal 2023, mainly driven by increased written premium through outside insurance brokerage firms.

- Losses and loss adjustment expenses as a percentage of total segment operating revenues increased from 10.4% in the second quarter of fiscal 2022 to 14.1% in the second quarter of fiscal 2023. Losses and loss adjustment expenses are reserved monthly based on a percentage of earned premium.

- Employee costs in the second quarter of fiscal 2023 increased by 19.6% from the second quarter of fiscal 2022. The increase is mainly due to incentive plan payments as well as the hiring of production-based roles within our surety brokerage operations.

- General and administrative expenses in the second quarter of fiscal 2023 increased by 30.5% from the second quarter of fiscal 2022. The increase is driven by higher IT system implementation related expenses.

- During the second quarter of fiscal 2023, our segment income from insurance operations of $291,412 was increased by other investment income of $46,023 mainly from unrealized gains on our investments in publicly held securities. We expect to continue to invest a portion of our excess capital in accordance with insurance regulatory limitations in both large-cap publicly traded equity securities and bonds. These investments are subject to the risk of loss in value depending upon market conditions and factors outside of our control.

Table of Contents

Results of Asset Management Operations

	For the Three Months Ended June 30, (unaudited)			
	2023		2022	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Investment and other income	$ 145,493	100.0%	-	-
Cost of Revenues				
Total cost of revenues	-	-	-	-
Gross margin	145,493	100.0%	-	-
Other Operating Expenses				
Employee costs	386,937	265.9%	174,729	-
Professional fees	116,478	80.1%	274,980	-
Depreciation	-	-	-	-
Amortization	-	-	-	-
General and administrative	158,107	108.7%	49,669	-
Total expenses	661,522	454.7%	499,378	-
Segment Loss from Operations	(516,029)	(354.7%)	(499,378)	-
Interest and dividend income	30,694	21.1%	-	-
Equity in income of unconsolidated affiliates	4,630,610	3182.7%	-	-
Other investment loss	(1,023,660)	(703.6%)	-	-
Noncontrolling interest in subsidiary loss	908,610	624.5%	-	-
Net Income (Loss) Attributable to Common Stockholders	$ 4,030,225	2770.0%	$ (499,378)	-

Comparison of the Second Quarter of Fiscal 2023 to the Second Quarter of Fiscal 2022. In September 2017, we formed our asset management business. Throughout fiscal 2022 and during the first six months of fiscal 2023 we have been hiring within our asset management business to ensure adequate staffing for the growing demands and needs of the business. In May 2023, we acquired 100% of the membership interests in 24th Street from the members of 24th Street other than BOAM. Therefore, comparisons of our asset management results for the second quarter of fiscal 2023 to the second quarter of fiscal 2022 may not be meaningful. The key factors affecting our asset management operations results during the second quarter of fiscal 2023 were as follows:

- Employee costs in the second quarter of fiscal 2023 increased by 121.4% from the second quarter of fiscal 2022 as we continue to hire for key roles within the business.
- Professional fees in the second quarter of fiscal 2023 decreased by 57.6% from the second quarter of fiscal 2022.
- General and administrative expenses in the second quarter of fiscal 2023 increased by 218.3% from the second quarter of fiscal 2022.
- Equity in income of unconsolidated affiliates in the second quarter of fiscal 2023 included non-cash gains recognized related to the remeasurement of our previously-held interest in 24th Street.
- Other investment loss in the second quarter of fiscal 2023 primarily included the impact of the fair value mark-to-market adjustments recorded related to the commercial real estate assets held within each of the 24th Street Funds.
- Noncontrolling interest in subsidiary loss in the second quarter of fiscal 2023 mainly included the external limited partners share of GAAP losses within the 24th Street Funds, mainly driven by the mark-to-market adjustments referenced above.

Results of Billboard Operations

	For the Six Months Ended June 30, (unaudited)			
	2023		2022	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Billboard rentals, net	$ 21,137,747	100.0%	$ 18,963,313	100.0%
Cost of Revenues				
Ground rents	3,997,708	18.9%	3,880,776	20.4%
Utilities	883,401	4.2%	811,197	4.3%
Commissions paid	1,690,802	8.0%	1,526,869	8.1%
Other costs of revenues	1,044,377	4.9%	964,312	5.1%
Total cost of revenues	7,616,288	36.0%	7,183,154	37.9%
Gross margin	13,521,459	64.0%	11,780,159	62.1%
Other Operating Expenses				
Employee costs	3,630,482	17.2%	3,458,972	18.3%
Professional fees	469,938	2.2%	228,256	1.2%
Depreciation	2,504,327	11.8%	2,231,595	11.8%
Amortization	1,955,957	9.3%	1,798,550	9.5%
General and administrative	1,947,841	9.2%	1,693,583	8.9%
Accretion	107,646	0.5%	94,025	0.5%
(Gain) loss on disposition of assets	(7,629)	0.0%	(70,197)	-0.4%
Total expenses	10,608,562	50.2%	9,434,784	49.8%
Segment Income from Operations	2,912,897	13.8%	2,345,375	12.3%
Interest expense, net	(487,988)	(2.3%)	(575,027)	(3.0%)
Other investment income (loss)	-	-	-	-
Net Income Attributable to Common Stockholders	$ 2,424,909	11.5%	$ 1,770,348	9.3%

Comparison of the First Six Months of Fiscal 2023 to the First Six Months of Fiscal 2022. In the first six months of fiscal 2023, there was a 11.5% increase in net billboard revenues from the first six months of fiscal 2022, reflecting an improvement in rental and occupancy rates across a number of our markets as well as the acquisition of billboards from Elevation during the fourth quarter of fiscal 2022. The key factors affecting our billboard operations results during the first six months of fiscal 2023 were as follows:

- Ground rent expense decreased as a percentage of total segment operating revenues from 20.4% in the first six months of fiscal 2022 to 18.9% in the first six months of fiscal 2023.

- Commissions paid as a percentage of total segment operating revenues decreased slightly from 8.1% in the first six months of fiscal 2022 to 8.0% in the first six months of fiscal 2023.

- Employee costs as a percentage of total segment operating revenues decreased from 18.3% in the first six months of fiscal 2022 to 17.2% in the first six months of fiscal 2023. The decrease is due to organic revenue growth as well as the impact from the Elevation acquisition.

- General and administrative expenses increased slightly as a percentage of total segment operating revenues from 8.9% in the first six months of fiscal 2022 to 9.2% in the first six months of fiscal 2023.

- Depreciation and amortization expense increased by $272,732 and $157,407, respectively, from the first six months of fiscal 2022. The increases are primarily due to the Elevation acquisition.

- Net interest expense was $487,988 in the first six months of fiscal 2023 compared to net interest expense of $575,027 in the first six months of fiscal 2022. The decrease is driven by interest income from investing excess cash in U.S. Treasury securities.

Results of Broadband Operations

	For the Six Months Ended June 30, (unaudited)			
	2023		2022	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Broadband revenues	$ 17,235,141	100.0%	$ 12,155,526	100.0%
Cost of Revenues				
Network operations and data costs	2,074,949	12.0%	1,691,982	13.9%
Programming costs	49,584	0.3%	40,905	0.3%
Cell site rent and utilities	829,202	4.8%	481,825	4.0%
Other costs of revenues	1,902,791	11.1%	766,875	6.3%
Total cost of revenues	4,856,526	28.2%	2,981,587	24.5%
Gross margin	12,378,615	71.8%	9,173,939	75.5%
Other Operating Expenses				
Employee costs	6,931,893	40.2%	4,567,654	37.6%
Professional fees	394,152	2.3%	406,451	3.4%
Depreciation	3,090,629	17.9%	1,448,627	11.9%
Amortization	1,596,830	9.3%	1,024,293	8.4%
General and administrative	3,411,732	19.8%	2,008,624	16.5%
Accretion	-	0.0%	6,831	0.1%
Loss on disposition of assets	(32,520)	(0.2%)	48,088	0.4%
Total expenses	15,392,716	89.3%	9,510,568	78.3%
Segment Loss from Operations	(3,014,101)	(17.5%)	(336,629)	(2.8%)
Interest income (expense), net	5,652	0.0%	(10,524)	(0.1%)
Noncontrolling interest in subsidiary loss (income)	45,318	0.3%	(306,603)	(2.5%)
Net Loss Attributable to Common Stockholders	$ (2,963,131)	(17.2%)	$ (653,756)	(5.4%)

Comparison of the First Six Months of Fiscal 2023 to the First Six Months of Fiscal 2022. In the first six months of fiscal 2023, total operating revenues increased by 41.8% when compared to the first six months of fiscal 2022 mainly reflecting the revenues generated from the InfoWest and Go Fiber acquisitions which were completed on April 1, 2022. The key factors affecting our broadband operations results during the first six months of fiscal 2023 were as follows:

- Total cost of revenues increased as a percentage of total segment operating revenues from 24.5% in the first six months of fiscal 2022 to 28.2% in the first six months of fiscal 2023. The increase is mainly driven by the InfoWest and Go Fiber acquisitions.

- Employee costs in the first six months of fiscal 2023 increased by 51.8% from the first six months of fiscal 2022. The increase is mainly due to the InfoWest and Go Fiber acquisitions and hiring within our Utah Broadband and FFH businesses.

- Professional fees as a percentage of total segment operating revenues decreased from 3.4% in the first six months of fiscal 2022 to 2.3% in the first six months of fiscal 2023.

- General and administrative expenses as a percentage of total segment operating revenues increased from 16.5% in the first six months of fiscal 2022 to 19.8% in the first six months of fiscal 2023. The increase as a percent of revenues is mainly due to the InfoWest and Go Fiber acquisitions.

- Depreciation and amortization expense increased by $1,642,002 and $572,537, respectively, from the first six months of fiscal 2022. The increase in depreciation and amortization expense is mainly due to the InfoWest and Go Fiber acquisitions.

Results of Insurance Operations

	For the Six Months Ended June 30, (unaudited)			
	2023		2022	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Premiums earned	$ 6,565,900	77.1%	$ 4,695,972	77.4%
Insurance commissions	1,070,666	12.6%	1,191,444	19.6%
Investment and other income	877,232	10.3%	181,708	3.0%
Total operating revenues	8,513,798	100.0%	6,069,124	100.0%
Cost of Revenues				
Commissions paid	1,912,963	22.5%	1,293,515	21.3%
Premium taxes, fees, and assessments	181,954	2.1%	125,675	2.1%
Losses and loss adjustment expense	1,214,493	14.3%	762,495	12.5%
Total cost of revenues	3,309,410	38.9%	2,181,685	35.9%
Gross margin	5,204,388	61.1%	3,887,439	64.1%
Other Operating Expenses				
Employee costs	3,290,166	38.7%	2,769,737	45.6%
Professional fees	232,334	2.7%	152,018	2.5%
Depreciation	70,861	0.8%	18,393	0.3%
Amortization	80,123	0.9%	94,123	1.6%
General and administrative	1,009,771	11.9%	1,026,339	17.0%
Total expenses	4,683,255	55.0%	4,060,610	67.0%
Segment Income (Loss) from Operations	521,133	6.1%	(173,171)	(2.9%)
Interest expense, net	(371)	(0.0%)	-	-
Other investment income (loss)	345,197	4.1%	(2,943,875)	(48.5%)
Net Income (Loss) Attributable to Common Stockholders	$ 865,959	10.2%	$ (3,117,046)	(51.4%)

Comparison of the First Six Months of Fiscal 2023 to the First Six Months of Fiscal 2022. In the first six months of fiscal 2023, total operating revenues increased by 40.3% when compared to the first six months of fiscal 2022, mainly due to increased earned premium and investment and other income at our UCS insurance subsidiary. The key factors affecting our insurance operations results during the first six months of fiscal 2023 were as follows:

- Premiums earned from our UCS insurance subsidiary increased 39.8% in the first six months of fiscal 2023 when compared to the first six months of fiscal 2022. The increase in premiums earned was primarily due to increases in production throughout fiscal 2022 and the first six months of fiscal 2023. We recognize revenues for written premium over the life of the surety bond and, as a result, increased sales activities are not fully reflected in the quarter in which the surety bond is issued.

- Insurance commissions generated by our surety brokerage operations decreased by 10.1% in the first six months of fiscal 2023 when compared to the first six months of fiscal 2022, mainly due to reduced production through outside insurance carriers.

- Investment and other income at UCS increased from $181,708 in the first six months of fiscal 2022 to $877,232 in the first six months of fiscal 2023, mainly due to the increase in interest rates over the past 12 months.

- Commissions paid as a percentage of total segment operating revenues increased from 21.3% in the first six months of fiscal 2022 to 22.5% in the first six months of fiscal 2023, mainly driven by increased written premium through outside insurance brokerage firms.

- Losses and loss adjustment expenses as a percentage of total segment operating revenues increased from 12.5% in the first six months of fiscal 2022 to 14.3% in the first six months of fiscal 2023. Losses and loss adjustment expenses are reserved monthly based on a percentage of earned premium.

- Employee costs in the first six months of fiscal 2023 increased by 18.8% from the first six months of fiscal 2022. The increase is mainly due to incentive plan payments as well as the hiring of production-based roles within our surety brokerage operations.

- General and administrative expenses in the first six months of fiscal 2023 decreased by 1.6% from the first six months of fiscal 2022. The decrease is mainly driven by a $248,272 reduction of the contingent consideration related to the ACS acquisition and was partially offset by higher IT system implementation related expenses.

- During the first six months of fiscal 2023, our segment income from insurance operations of $521,133 was increased by other investment income of $345,197 mainly from unrealized gains on our investments in publicly held securities. We expect to continue to invest a portion of our excess capital in accordance with insurance regulatory limitations in both large-cap publicly traded equity securities and bonds. These investments are subject to the risk of loss in value depending upon market conditions and factors outside of our control.

Table of Contents

Results of Asset Management Operations

	For the Six Months Ended June 30, (unaudited)			
	2023		2022	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Investment and other income	$ 145,493	100.0%	-	-
Cost of Revenues				
Total cost of revenues	-	-	-	-
Gross margin	145,493	100.0%	-	-
Other Operating Expenses				
Employee costs	749,311	515.0%	196,790	-
Professional fees	233,497	160.5%	471,593	-
Depreciation	-	-	-	-
Amortization	-	-	-	-
General and administrative	238,670	164.0%	77,398	-
Total expenses	1,221,478	839.5%	745,781	-
Segment Loss from Operations	(1,075,985)	(739.5%)	(745,781)	-
Interest and dividend income	38,148	26.2%	-	-
Equity in income of unconsolidated affiliates	4,630,610	3182.7%	-	-
Other investment loss	(1,023,660)	(703.6%)	-	-
Noncontrolling interest in subsidiary loss	971,187	667.5%	-	-
Net Income (Loss) Attributable to Common Stockholders	$ 3,540,300	2433.3%	$ (745,781)	-

Comparison of the First Six Months of Fiscal 2023 to the First Six Months of Fiscal 2022. In September 2017, we formed our asset management business. Throughout fiscal 2022 and during the first six months of fiscal 2023 we have been hiring within our asset management business to ensure adequate staffing for the growing demands and needs of the business. In May 2023, we acquired 100% of the membership interests in 24th Street from the members of 24th Street other than BOAM. Therefore, comparisons of our asset management results for the first six months of fiscal 2023 to the first six months of fiscal 2022 may not be meaningful. The key factors affecting our insurance operations results during the first six months of fiscal 2023 were as follows:

- Employee costs in the first six months of fiscal 2023 increased by 280.8% from the first six months of fiscal 2022 as we continue to hire for key roles within the business.

- Professional fees in the first six months of fiscal 2023 decreased by 50.5% from the first six months of fiscal 2022.

- General and administrative expenses in the first six months of fiscal 2023 increased by 208.4% from the first six months of fiscal 2022.

- Equity in income of unconsolidated affiliates in the first six months of fiscal 2023 included non-cash gains recognized related to the remeasurement of our previously-held interest in 24th Street.

- Other investment loss in the first six months of fiscal 2023 primarily included the impact of the fair value mark-to-market adjustments recorded related to the commercial real estate assets held within each of the 24th Street Funds.

- Noncontrolling interest in subsidiary loss in the first six months of fiscal 2023 mainly included the external limited partners share of GAAP losses within the 24th Street Funds, mainly driven by the mark-to-market adjustments referenced above.

Cash Flows

Cash Flows for the First Six Months of Fiscal 2023 compared to the First Six Months of Fiscal 2022

The table below summarizes our cash flows, in dollars, for the first six months of fiscal 2023 and the first six months of fiscal 2022:

	Six Months Ended June 30, 2023 (unaudited)	Six Months Ended June 30, 2022 (unaudited)
Net cash provided by (used in) operating activities	$ 4,363,708	$ (14,679,836)
Net cash (used in) provided by investing activities	(39,149,019)	110,796,471
Net cash provided by (used in) financing activities	39,696,268	(116,124,168)
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 4,910,957	$ (20,007,533)

Net Cash Provided by (Used in) Operating Activities. Net cash provided by operating activities was $4,363,708 for the first six months of fiscal 2023 compared to net cash used in operating activities of $14,679,836 for the first six months of fiscal 2022. The increase in net cash provided by operating activities was mainly driven by improved cash flow generation within our billboard and insurance businesses, positive operating cash flow impact from the InfoWest and Go Fiber acquisitions, and the 2021 bonus payments under our Management Incentive Bonus Plan, which totaled $15,000,000 and were paid in January 2022. These items were partially offset by operating costs within our FFH business and our asset management business.

Net Cash (Used in) Provided by Investing Activities. Net cash used in investing activities was $39,149,019 for the first six months of fiscal 2023 as compared with net cash provided by investing activities of $110,796,471 for the first six months of fiscal 2022. The decrease in net cash provided by investing activities is primarily attributable to $7,616,590 in net purchases of mainly U.S. Treasury securities, $20,915,576 in capital expenditures, $5,640,072 in business acquisitions and $3,120,409 in payments on short-term payables for business acquisitions.

Net Cash Provided by (Used in) Financing Activities. Net cash provided by financing activities was $39,696,268 during the first six months of fiscal 2023 as compared to net cash used financing activities of $116,124,168 during the first six months of fiscal 2022. During the first six months of fiscal 2023, net cash provided by financing activities mainly consisted of $37,526,663 in gross proceeds raised through the sale of Class A common stock using our "at the market" program and $4,300,000 in contributions received from noncontrolling interests, partially offset by offering costs of $1,268,110 and $766,429 in principal payments on Link's term loan.

Liquidity and Capital Resources

Currently, we own billboards in Alabama, Arkansas, Florida, Georgia, Illinois, Iowa, Kansas, Missouri, Nebraska, Nevada, Oklahoma, South Dakota, Tennessee, Virginia, West Virginia and Wisconsin, a surety insurance company we acquired in December 2016, surety insurance brokerage firms we acquired in 2016, 2017 and 2021, broadband services providers whose assets we acquired in March 2020, December 2020, April 2022 and June 2023, minority investments in commercial real estate management and brokerage services, a bank focused on servicing the automotive loan market and a developer of private aviation infrastructure focused on building, leasing and managing business aviation hangars. At June 30, 2023, we had approximately $32 million in unrestricted cash and approximately $44 million in short-term treasury securities (excludes $25 million of short-term treasury securities held by funds consolidated by BOAM). Our strategy is to continue to acquire other billboard locations, insurance businesses, and broadband service providers as well as acquire other businesses and open new businesses which we believe have the potential to generate positive cash flows when made at what we believe to be attractive prices relative to other opportunities generally available to us. We currently expect to finance any future acquisitions and investments with cash, debt and seller or third-party financing. In the future, we may satisfy all or a portion of the purchase price for an acquisition with our equity securities. In addition, we have made investments in several companies and expect to continue to make investments in the securities of both publicly traded and privately held companies.

There can be no assurance that we will consummate any subsequent acquisitions. Furthermore, our acquisitions are subject to a number of risks and uncertainties, including as to when, whether and to what extent the anticipated benefits and cost savings of a particular acquisition will be realized. Our failure to successfully identify and complete future acquisitions of assets or businesses could reduce future potential earnings, available cash and slow our anticipated growth. Although we have entered and continue to enter into non-binding letters of intent to acquire businesses on a regular basis, we do not have current agreements, commitments or understandings for any specific material acquisitions which are probable to be consummated at this time.

To date, we have raised funds through the sale of our Common Stock in public offerings, sales of our Common Stock in “at the market” programs, term loan financing through our Link subsidiary, proceeds from the sale of publicly traded securities held by us, cash flow from operations, and, prior to 2019, through private placements of our Common Stock. As described below, we may raise additional funds through our shelf registration statement allowing us to raise up to $500 million through the sale of securities to fund future acquisitions and investments.

2022 Shelf Registration Statement

In April 2022, we filed a shelf registration statement on Form S-3 (File No. 333-264470) that was declared effective on May 11, 2022, which we refer to as the “2022 Shelf Registration Statement,” relating to the registration of Class A common stock, preferred stock, par value $0.001 per share, which we refer to as “preferred stock,” debt securities and warrants of the Company for up to $500 million. We may, from time to time, in one or more offerings, offer and sell Class A common stock or preferred stock, various series of debt securities, and/or warrants. The shelf registration statement may also be used by one or more selling security holders, to be identified in the future, of our securities. We or any selling security holders may offer these securities from time to time in amounts, at prices and on terms determined at the time of offering. We may sell these securities to or through one or more underwriters, dealers or agents or directly to purchasers on a delayed or continuous basis. Unless otherwise set forth in an applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities that we offer for general corporate purposes, including, but not limited to, financing our existing businesses and operations, and expanding our businesses and operations through additional hires, strategic alliances, and acquisitions. Unless otherwise set forth in a prospectus supplement, we will not receive any proceeds from the sale of securities by any selling stockholders.

Additionally, in the 2022 Shelf Registration Statement, we registered for resale up to 8,297,093 shares of Class A common stock acquired in 2018 or earlier in private placements in accordance with the terms of a 2018 registration rights agreement. We will not receive any proceeds from the sale of Class A common stock by the selling shareholders. The selling stockholders listed in the shelf registration statement are the Massachusetts Institute of Technology, or “MIT,” as well as 238 Plan Associates LLC (an MIT pension and benefit fund), and a limited partnership holding our Class A common stock for the economic benefit of MIT. No officer or director has any beneficial interest in any shares eligible for resale by the selling shareholders.

At The Market Offering Programs

Starting in March 2018, we utilized our "at the market" offering that was part of our 2018 Shelf Registration Statement. This 2018 Shelf Registration Statement, which authorized us to sell up to $200 million through the sales of securities to the public, expired in February 2021 and was superseded by the 2021 Shelf Registration Statement. We sold a total of 2,630,787 shares of Class A common stock resulting in gross proceeds of $60.1 million under the 2018 Shelf Registration Statement.

On September 29, 2021, we entered into an "at the market" equity offering program pursuant to a Sales Agreement (the "2021 Sales Agreement") by and between us and WFS. Pursuant to the terms of the 2021 Sales Agreement, we could sell, from time to time, shares of our Class A common stock, with an aggregate sales price of up to $100 million through WFS, in transactions that are deemed to be "at the market" offerings as defined in Rule 415 of the Securities Act of 1933, as amended (the “Securities Act”). The 2021 Shelf Registration Statement expired on March 28, 2022 upon the filing of our 2021 Annual Report on Form 10-K as we no longer qualified as a well-known seasoned issuer. We sold a total of 122,246 shares of our Class A common stock resulting in gross proceeds of approximately $4.2 million under the 2021 Shelf Registration Statement.

On December 8, 2022, we entered into an "at the market" equity offering program (the “ATM Program”) pursuant to a Sales Agreement (the “2022 Sales Agreement”) with Wells Fargo Securities, LLC (“WFS”). This ATM Program is consistent with our historical practice of having available to management the option to issue stock from time to time in order to continue to fund the growth of its fiber-to-the-home broadband business, acquire additional billboards, and make other such investments in assets as needed to seek to grow intrinsic value per share. Our general preference is always to have options available to it from a capital allocation perspective which includes, but is not limited to, having a regularly filed ATM program.

Pursuant to the terms of the 2022 Sales Agreement, we may sell, from time to time, shares of our Class A common stock, par value $0.001 per share (the “Class A common stock”), with an aggregate sales price of up to $100 million through WFS, in transactions that are deemed to be “at the market” offerings as defined in Rule 415 of the Securities Act of 1933, as amended (the “Securities Act”). Since the signing of the 2022 Sales Agreement, we sold 7,887 shares of Class A common stock in December 2022 for gross proceeds of approximately $205 thousand and 1,532,065 shares of our Class A common stock during the first six months of fiscal 2023 for gross sale proceeds of approximately $37.5 million.

Upon delivery of a placement notice (a “Placement Notice”) and upon the terms and subject to the conditions of the Sales Agreement, WFS will use reasonable efforts consistent with its normal trading and sales practices, applicable laws and the rules of the NYSE to sell the shares available under the ATM Program from time to time based upon our instructions for the sales, including price, time or size limits specified, and otherwise in accordance with, the terms of such Placement Notice. Pursuant to the 2022 Sales Agreement, WFS may sell shares of our Class A common stock under the ATM Program by any method permitted by law deemed to be an “at the market” offering as defined in Rule 415 of the Securities Act, including without limitation sales made through the NYSE or on any other existing trading market for the Class A common stock. Notwithstanding the foregoing, WFS may not purchase shares under the ATM Program for its own account as principal unless expressly authorized to do so by us.

We intend to use the net proceeds from the offering, after deducting WFS’ commissions and our offering expenses, for general corporate purposes, which may include financing our existing businesses and operations, and expanding our businesses and operations through additional acquisitions and minority investments and additional hires. Such expansion may include future billboard acquisitions, broadband acquisitions, acquisitions of surety insurance companies and other growth of our insurance activities, additional investments in real estate management, homebuilding and other real estate service businesses, additional investments in subprime automobile lending, and acquisitions of other businesses. We have not determined the amount of net proceeds to be used for any specific purpose, and we will retain broad discretion over the allocation of net proceeds. While we have no current agreements, commitments or understandings for any specific acquisitions at this time, we may use a portion of the net proceeds for these purposes.

For sales of shares of Class A common stock under the ATM Program through WFS, we will pay WFS a commission at a mutually agreed rate of 3% of the gross sales price per share of Class A common stock sold under the ATM Program. We have no obligation to sell any shares under the 2022 Sales Agreement and may at any time suspend the ATM Program under the 2022 Sales Agreement. The 2022 Sales Agreement contains customary representations and warranties of the parties and indemnification and contribution provisions under which we and WFS have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act. The ATM Program pursuant to the 2022 Sales Agreement will automatically terminate upon the issuance and sale of all of the shares available for sale under the ATM Program through WFS. In addition, we may terminate the Sales Agreement with WFS without penalty upon 10 days' notice.

The foregoing description of the 2022 Sales Agreement is not complete and is qualified in its entirety by reference to the full text of such agreement, a copy of which is filed as Exhibit 1.1 to the Current Report on Form 8-K dated December 8, 2022 and is incorporated herein by reference.

Link Credit Agreement

On August 12, 2019, Link entered into a Credit Agreement (the “Credit Agreement”) with First National Bank of Omaha (the “Lender”) under which Link could borrow up to $40 million (the “Credit Facility”). The Credit Agreement provided for an initial term loan (“Term Loan 1”), an incremental term loan (“Term Loan 2”) and a revolving line of credit. Link initially borrowed approximately $18 million under Term Loan 1 and $5.5 million under Term Loan 2. On December 6, 2021, Link entered into a Fourth Amendment to Credit Agreement (the "Fourth Amendment"), which modified the Credit Agreement by increasing the borrowing limit to $30 million and combining the outstanding balances under Term Loan 1 and Term Loan 2 as well as any incremental borrowings into a term loan ("Term Loan"). The Term Loan is secured by all assets of Link and its operating subsidiaries, including a pledge of equity interests of each of Link’s subsidiaries. In addition, each of Link’s subsidiaries has joined as a guarantor to the obligations under the Credit Agreement. The loan is not guaranteed by Boston Omaha or any of our non-billboard businesses. Long-term debt included within our consolidated balance sheet as of June 30, 2023 consists of Link’s Term Loan borrowings of $27,732,841, of which $798,297 is classified as current. There were no amounts outstanding related to the revolving line of credit as of June 30, 2023.

Principal amounts under the Term Loan were payable in monthly installments according to a 15-year amortization schedule with principal payments commencing on January 1, 2022. Starting July 1, 2023, principal amounts under the Term Loan are payable in monthly installments according to a 25-year amortization schedule. The Term Loan is payable in full on December 6, 2028. During the first three years of the Term Loan, Link may prepay up to 10% of the loan principal in each year without incurring any prepayment penalty. Otherwise, there is a prepayment penalty ranging between 3.0% and 0.5%. After three years, there is no prepayment penalty. The Term Loan has a fixed interest rate of 4.00% per annum. The revolving line of credit loan facility has a $5,000,000 maximum availability. Interest payments are based on the U.S. Prime Rate minus an applicable margin ranging between 0.65% and 1.15% dependent on Link’s consolidated leverage ratio. The revolving line of credit is due and payable on August 12, 2023.

Under the Term Loan, Link is required to comply with the following financial covenants: A consolidated leverage ratio for any test period ending on the last day of any fiscal quarter of Link (a) beginning with the fiscal quarter ended December 31, 2021 of not greater than 3.50 to 1.00, (b) beginning with the fiscal quarter ended December 31, 2022 of not greater than 3.25 to 1.00 and (c) beginning with the fiscal quarter ending December 31, 2023 and thereafter of not greater than 3.00 to 1.00, and a minimum consolidated fixed charge coverage ratio of not less than 1.15 to 1.00 measured quarterly, based on rolling four quarters. The Company was in compliance with these covenants as of June 30, 2023.

The Credit Agreement includes representations and warranties, reporting covenants, affirmative covenants, negative covenants, financial covenants and events of default customary for financings of this type. Upon the occurrence of an event of default the Lender may accelerate the loan. Upon the occurrence of certain insolvency and bankruptcy events of default the loan will automatically accelerate. The foregoing summary of the Credit Agreement and the transactions contemplated thereby does not purport to be a complete description and is qualified in its entirety by reference to the terms and conditions of the Credit Agreement and Security Agreement, copies of which are attached as Exhibit 10.1 and Exhibit 10.2, respectively to our Form 8-K as filed with the SEC on August 13, 2019, a First Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on October 29, 2019, a Second Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on June 30, 2020, a Third Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on August 24, 2021, a Fourth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on December 9, 2021, a Fifth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on June 3, 2022, and a Sixth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on April 11, 2023.

Investments in Yellowstone Acquisition Company and Sky Harbour

In 2020, we acted as the sponsor for the initial public offering of Yellowstone and purchased 3,399,724 shares of Yellowstone Class B common stock and 7,719,799 private placement warrants at a combined cost of approximately $7.8 million. On August 1, 2021, we entered into an equity purchase agreement with Sky Harbour LLC by which Sky Harbour LLC unitholders would acquire a majority interest in the combined businesses following the completion of a business combination. As part of the equity purchase agreement, and immediately prior to the completion by Sky Harbour LLC of a private activity bond financing raising $160 million in proceeds in September 2021, we purchased Class B Preferred Units in Sky Harbour LLC for a purchase price of $55 million, which Class B Preferred Units converted to 5,500,000 shares of Sky Harbour Class A common stock upon the closing of the Sky Harbour business combination on January 25, 2022. Also, upon the closing of the business combination, we purchased an additional 4,500,000 shares of Sky Harbour Class A common stock for a purchase price of $45 million.

- Upon the closing of the Sky Harbour business combination, our Class B common stock converted to Class A common stock of Sky Harbour and our private placement warrants are now exercisable to purchase 7,719,779 shares of Class A common stock of Sky Harbour.

- Each Sky Harbour Warrant is exercisable for one share of Class A common stock at a price of $11.50 per share, subject to adjustment, with each Sky Harbour Warrant being exercisable through January 25, 2026. Unlike Sky Harbour’s publicly traded warrants, these warrants are not redeemable by Sky Harbour as long as we or permitted transferees hold these warrants. The Sky Harbour Warrants are also exercisable on a cashless basis.

- Our Sky Harbour Class A common stock and the Sky Harbour Warrants and the shares underlying the warrants were subject to a lockup which expired on January 24, 2023.

- Subsequent to the closing of the Sky Harbour business combination, we distributed 75,000 shares of Sky Harbour Class A common stock to the outside directors of Yellowstone and 206,250 shares of Sky Harbour Class A common stock to an investor in the Yellowstone IPO. As of June 30, 2023, we hold 13,118,474 shares of Sky Harbour Class A common stock and 7,719,779 Sky Harbour Warrants.

- All the shares of Sky Harbour Class A common stock and Sky Harbour Warrants to purchase Class A common stock that we hold have been registered under the Securities Act. However, our ability to resell any significant portion of these shares is limited by both the large number of shares and warrants we hold relative to the average trading volume of these securities as well as blackout periods which may prevent us from selling shares as one of our Co-Chief Executive Officers serves on Sky's Board of Directors. The terms of the Sky Harbour business combination prohibited us from selling any of our securities in Sky Harbour prior to January 25, 2023 and has since expired.

We believe that our existing cash and short-term investments, funds available through the Credit Agreement Link entered into on August 12, 2019, as amended, and any funds that we may receive from cash flows from operations will be sufficient to meet working capital requirements and anticipated capital expenditures for the next 12 months. At June 30, 2023, we had approximately $32 million in unrestricted cash and $44 million in short-term treasury securities (excludes $25 million of short-term treasury securities held by funds consolidated by BOAM).

If future additional significant acquisition opportunities, expansion opportunities within our billboard and broadband services businesses, and possible further development under our build for rent business become available in excess of our currently available cash, U.S. Treasury securities, and marketable equity securities, we may need to seek additional capital through long term debt borrowings, the sale of our securities, and/or other financing options and we may not be able to obtain such debt or equity financing on terms favorable to us or at all. In the future, we may use a number of different sources to finance our acquisitions and operations, including current cash on hand, potential future cash flows from operations, seller financing, debt financings including but not limited to long-term debt and line of credit facilities, including additional credit facilities which may or may not be secured by our assets or those of our operating subsidiaries, additional common or preferred equity issuances or any combination of these sources, to the extent available to us, or other sources that may become available from time to time, which could include asset sales and issuance of debt securities. In addition to Link’s current credit facility, any future debt that we incur may be recourse or non-recourse and may be secured or unsecured. Link's existing credit facility imposes restrictions on Link that could increase our vulnerability to general adverse economic and industry conditions by limiting our flexibility in planning for and reacting to changes in our billboard, insurance, and broadband businesses. Specifically, these restrictions place limits on Link and its subsidiaries' ability to, among other things, incur additional indebtedness, make additional acquisitions and investments, pay dividends, repurchase stock, create liens, enter into transactions with affiliates, merge or consolidate or transfer or sell our billboard assets. Link’s credit facility requires it to meet a fixed charge coverage ratio and other financial covenants. Link’s ability to comply with these loan covenants may be affected by factors beyond its control and a breach of any loan covenants would likely result in an event of default under the Credit Agreement, which would permit the Lender to declare all amounts incurred thereunder to be immediately due and payable and to terminate their commitment to make future extensions of credit. We also may take advantage of joint venture or other partnering opportunities as such opportunities arise in order to acquire properties that would otherwise be unavailable to us. Any future credit facilities which we or any of our subsidiaries may enter into would likely impose similar restrictions and risks.

We may use the proceeds of any future borrowings to acquire assets or for general corporate purposes. In determining when to use leverage, we will assess the appropriateness of new equity or debt capital based on market conditions, including assumptions regarding future cash flow, the creditworthiness of customers, and future rental rates.

We conduct and plan to continue to conduct our activities in such a manner as not to be deemed an investment company under the Investment Company Act. Therefore, no more than 40% of our total assets can be invested in investment securities, as such term is defined in the Investment Company Act. In addition, we do not invest or intend to invest in securities as our primary business. We run the risk of inadvertently being deemed to be an investment company that is required to register under the Investment Company Act of 1940 (the “Investment Company Act”) because a significant portion of our assets consists of investments in companies in which we own less than a majority interest. The risk varies depending on events beyond our control, such as significant appreciation or depreciation in the market value of certain of our publicly traded holdings, adverse developments with respect to our ownership of certain of our subsidiaries, and transactions involving the sale of certain assets. If we are deemed to be an inadvertent investment company, we may seek to rely on a safe-harbor under the Investment Company Act that would provide us a one-year grace period to take steps to avoid being deemed to be an investment company. In order to ensure we avoid being deemed an investment company, we have taken, and may need to continue to take, steps to reduce the percentage of our assets that constitute investments assets under the Investment Company Act. These steps have included, among others, selling marketable securities that we might otherwise hold for the long-term and deploying our cash in non-investment assets. We have recently sold marketable securities, including at times at a loss, and we may be forced to sell our investment assets at unattractive prices or to sell assets that we otherwise believe benefit our business in the future to remain below the requisite threshold. We may also seek to acquire additional non-investment assets to maintain compliance with the Investment Company Act, and we may need to incur debt, issue additional equity or enter into other financing arrangements that are not otherwise attractive to our business. Any of these actions could have a material adverse effect on our results of operations and financial condition. Moreover, we can make no assurance that we would successfully be able to take the necessary steps to avoid being deemed to be an investment company in accordance with the safe-harbor. If we were unsuccessful, then we would have to register as an investment company, and we would be unable to operate our business in its current form. We would be subject to extensive, restrictive, and potentially adverse statutory provisions and regulations relating to, among other things, operating methods, management, capital structure, indebtedness, dividends, and transactions with affiliates. If we were deemed to be an investment company and did not register as an investment company when required to do so, there would be a risk, among other material adverse consequences, that we could become subject to monetary penalties or injunctive relief, or both, that we would be unable to enforce contracts with third parties, and/or that third parties could seek to obtain rescission of transactions with us undertaken during the period in which we were deemed to be an unregistered investment company.

Our certificate of incorporation and bylaws do not limit the amount of debt that we may incur. Our Board of Directors has not adopted a policy limiting the total amount of debt that we may incur. Our Board of Directors will consider a number of factors in evaluating the amount of debt that we may incur. If we adopt a debt policy, our Board of Directors may from time to time modify such policy in light of then-current economic conditions, relative costs of debt and equity capital, market values of our properties, general conditions in the markets for debt and equity securities, fluctuations in the market price of our Class A common stock if then trading on any exchange, growth and acquisition opportunities, and other factors. Our decision to use leverage in the future to finance our assets will be at our discretion and will not be subject to the approval of our stockholders, and we are not restricted by our governing documents or otherwise in the amount of leverage that we may use.

Off-Balance Sheet Arrangements

Except for our normal operating leases, we do not have any off-balance sheet financing arrangements, transactions, or special purpose entities.

Quantitative and Qualitative Disclosures About Market Risk

At June 30, 2023, we held no significant derivative instruments that materially increased our exposure to market risks for interest rates, foreign currency rates, commodity prices or other market price risks. Our operations are currently conducted entirely within the U.S.; therefore, we had no significant exposure to foreign currency exchange rate risk.

Critical Accounting

The preparation of the consolidated financial statements and related notes to the consolidated financial statements requires us to make estimates that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures of contingent assets and liabilities. We base these estimates on historical results and various other assumptions believed to be reasonable, all of which form the basis for making estimates concerning the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. Information with respect to our critical accounting policies that we believe could have the most significant effect on our reported results or require subjective or complex judgments by management is contained in *Item 7*, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, and in the *Notes to the Consolidated Financial Statements* each in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed with the SEC on March 24, 2023. Other than as discussed below, we believe that at June 30, 2023, there has been no material change to this information.

Investments in Unconsolidated Entities

- We account for investments in less than 50% owned and more than 20% owned entities using the equity method of accounting. In accordance with ASC 323-30, we account for investments in limited partnerships and limited liability companies using the equity method of accounting when its investment is more than minimal (greater than 3% to 5%). Our share of income (loss) of such entities is recorded as a single amount as equity in income (loss) of unconsolidated affiliates. Dividends, if any, are recorded as a reduction of the investment.

- We monitor our equity method investments for factors indicating other-than-temporary impairment. We consider several factors when evaluating our investments, including, but not limited to, (i) the period of time for which the fair value has been less than the carrying value, (ii) operating and financial performance of the investee, (iii) the investee's future business plans and projections, (iv) discussions with their management, and (v) our ability and intent to hold the investment until it recovers in value.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable as we are a "smaller reporting company."

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures thatare designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Co-Chief Executive Officers and Chief Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Co-Chief Executive Officers and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2023. Based upon their evaluation, our Co-Chief Executive Officers and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective as of June 30, 2023 because of a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Specifically, management determined that its disclosure controls and procedures and internal control over financial reporting were not effective as of June 30, 2023 related to the risk assessment of our investment in unconsolidated entities who are required to apply specialized industry accounting. Specifically, the Company did not design and implement effective controls addressing the technical accounting complexities associated with companies who are required to apply investment company accounting guidance. This material weakness could result in a misstatement of the recorded investment in unconsolidated affiliates as well as the equity in income of unconsolidated affiliates that would not be prevented or detected on a timely basis.

Remediation Plan

Management has been implementing and continues to implement measures designed to remediate the control deficiencies contributing to the material weakness, such that these controls are designed, implemented and operating effectively. The remediation actions include performing an assessment of risks of material misstatement associated with the accounting and financial reporting for our investments in companies which are required to follow specialized industry accounting, evaluating the assignment of responsibilities associated with the accounting for investment companies, including considering hiring additional resources and providing additional training to existing resources.

Management believes that these actions, and the improvements achieved as a result, will effectively remediate the material weaknesses. However, the material weaknesses in our internal control over financial reporting will not be considered remediated until the remediated controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Changes in Internal Control over Financial Reporting

Other than as discussed above, there have not been any changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the fiscal quarter ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our management, including our principal executive officers and principal financial and accounting officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Due to the nature of our business, we are, from time to time and in the ordinary course of business, involved in routine litigation or subject to disputes or claims related to our business activities, including, without limitation, workers' compensation claims and employment-related disputes. In the opinion of our management, none of the pending litigation, disputes or claims against us, if decided adversely, will have a material adverse effect individually or in the aggregate on our financial condition, cash flows or results of operations.

Item 1A. Risk Factors

As of the date of this Quarterly Report on Form 10-Q, we supplement the risk factors in our Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on March 24, 2023, with the following updated risk factor. Any of the risk factors disclosed in our Annual Report on Form 10-K or herein could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we current deem immaterial may also impair our business or results of operations. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC.

In 2021, we identified a material weakness in our internal control over financial reporting in connection with our accounting for certain complex features associated with our prior ownership in Yellowstone, a special purpose acquisition company. In 2023, we identified a material weakness in our internal control over financial reporting for certain previous accounting for our investment in the 24th Street Funds under Accounting Standards Codification 323, Equity Method and Joint Ventures. Although the material weakness related to our accounting in Yellowstone was subsequently remediated and we believe we have taken the steps necessary to remediate the material weakness related to our accounting for our interest in the 24th Street Funds, any future material weakness could adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our management is likewise required, on a quarterly basis, to evaluate the effectiveness of our internal controls and to disclose any changes and material weaknesses identified through such evaluation in those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We identified a material weakness in the Company's internal control over financial reporting as of December 31, 2020. Specifically, our management has concluded that the Company did not design and implement effective controls addressing the technical accounting complexities associated with the formation of and financial reporting for a special purpose acquisition company. This material weakness resulted in the restatement of our financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2020. As a result of this material weakness, our management concluded that our internal control over financial reporting was not effective as of December 31, 2020.

We also recently identified a material weakness in the Company's internal control over financial reporting as of December 31, 2022. Specifically, our management has concluded that the Company did not design and implement effective controls addressing the technical accounting complexities associated with valuing our interest in the 24th Street Funds due to the nature of 24th Street as an investment company under ASC 323. We revised our Consolidated Balance Sheets as of December 31, 2022, to reflect our proportionate share of reported earnings pursuant to investment company accounting requirements related to our previous investment in the 24th Street Funds. This material weakness did not require a restatement of our financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2022 as our evaluation concluded that the impact quantitatively and qualitatively was not material to any of the prior periods. As a result of this material weakness, our management concluded that our internal control over financial reporting was not effective as of June 30, 2023. We have implemented new accounting procedures to implement ASC 323 for the 24th Street Funds assets and will test this remediation over the next several quarters to confirm that these efforts at remediation are effective.

Although the material weakness relating to our investment in Yellowstone was subsequently remediated and we believe we have taken the steps necessary to remediate the material weakness related to our accounting for our interest in the 24th Street Funds, any failure in the future to maintain effective internal controls could adversely impact our ability to report our financial position and results from operations on a timely and accurate basis. If our financial statements are not accurate, investors may not have a complete understanding of our operations. Likewise, if our financial statements are not filed on a timely basis, we could be subject to sanctions or investigations by the stock exchange on which our Class A common stock is listed, the SEC or other regulatory authorities. In either case, this could result in a material adverse effect on our business. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock. Restated financial statements and failures in internal control may also cause us to fail to meet reporting obligations, negatively affect investor confidence in our management and the accuracy of our financial statements and disclosures, or result in adverse publicity and concerns from investors, any of which could have a negative effect on the price of our securities, subject us to regulatory investigations and penalties or stockholder litigation, and have a material adverse impact on our financial condition.

We can give no assurance that any additional material weaknesses or restatements of financial results will not arise in the future due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. In addition, even if we are successful in strengthening our controls and procedures, in the future those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our financial statements.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On January 3, 2023, the Company issued to its Chief Financial Officer, its Chief Accounting Officer and its four outside independent directors an aggregate of 19,319 shares of restricted Class A common stock subject to certain vesting conditions, for an aggregate value of $493,021 as of the date of issuance. On February 16, 2023, the Company issued to the President of its Link Media Holdings, LLC subsidiary 1,577 shares of restricted Class A common stock valued at $39,993 as of the date of issuance. The shares were issued for services rendered to the Company under an exemption available pursuant to Section 4(2) of the Securities Act of 1933, as amended. No cash consideration was paid for the shares.

On April 12, 2023, the Company issued to its Chief Accounting Officer and three of its division officers an aggregate of 4,564 shares of its Class A common stock, valued at $100,000 in the aggregate as of the date of issuance. The shares were issued as a bonus for services rendered to the Company under an exemption available pursuant to Section 4(2) of the Securities Act of 1933, as amended. No cash consideration was paid for the shares.

As previously reported, in connection with the acquisition of the remaining equity interests in 24th Street on May 1, 2023, the Company issued 45,644 shares of its Class A common stock, including to entities controlled by Brendan Keating, a director of the Company and the principal owner of 24th Street, as partial consideration for our acquisition of all remaining interests in 24th Street. The shares issued in the transaction are unregistered and have no registration rights. The shares were issued under an exemption available pursuant to Section 4(2) of the Securities Act of 1933, as amended.

Item 3. Defaults upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The exhibits listed in the following Exhibit Index are incorporated herein by reference.

EXHIBIT INDEX

Exhibit No.	Exhibit Description
3.1 (*)	Second Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on May 26, 2017.
3.2 (*)	First Amendment to the Second Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on May 7, 2018.
3.3 (*)	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on June 2, 2020.
3.4 (*)	Amended and Restated Bylaws of the Company, filed as Exhibit 3.7 to the Company's Registration Statement on Form S-1/A filed with the Commission on June 5, 2017.
3.5 (*)	Amended and Restated Bylaws of the Company, as amended, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on April 1, 2020.
10.1 (*)	Credit Agreement, dated August 12, 2019 by and between Link Media Holdings, LLC, and First National Bank of Omaha. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on August 13, 2019)
10.2 (*)	Security Agreement, dated August 12, 2019, by and among Link Media Holdings, LLC and the Subsidiary Guarantors in Favor of First National Bank of Omaha (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Commission on August 13, 2019)
10.3 (*)	Subsidiaries Guaranty dated August 12, 2019 by and among the Subsidiary Guarantors in Favor of First National Bank of Omaha (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the Commission on August 13, 2019)
10.4 (*)	$5,000,000 Revolving Note dated August 12, 2019 issued by Link Media Holdings, LLC in favor of First National Bank of Omaha (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the Commission on August 13, 2019)
10.5 (*)	$24,900,000 Term Loan Note 1 dated August 12, 2019 issued by Link Media Holdings, LLC to First National Bank of Omaha (filed as Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the Commission on August 13, 2019)
10.6 (*)	Form of Term Loan Note 2 to be issued by Link Media Holdings, LLC to First National Bank of Omaha (filed as Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the Commission on August 13, 2019)
10.7 (*)	First Amendment to Credit Agreement dated October 25, 2019 by and between Link Media Holdings, LLC and First National Bank of Omaha, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on October 29, 2019.
10.8 (*)	Second Amendment to Credit Agreement dated June 25, 2020 filed as Exhibit 10.1 to the Company's Current report on Form 8-K as filed with the Commission on June 30, 2020.
10.9 (*)	Third Amendment to Credit Agreement filed as Exhibit10.1 to the Company's Current Report on Form 8-K as filed with the Commission on August 24, 2021.
10.10 (*)	Fourth Amendment to Credit Agreement filed as Exhibit10.1 to the Company's Current Report on Form 8-K as filed with the Commission on December 9, 2021.
10.11*	Amended and Restated Term Loan Note filed as Exhibit10.2 to the Company's Current Report on Form 8-K as filed with the Commission on December 9, 2021.
10.12 (*)	Fifth Amendment to Credit Agreement filed as Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the Commission on June 3, 2022.
10.13 (*)	Sixth Amendment to Credit Agreement filed as Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the Commission on April 11, 2023.
31.1 (#)	Certification of Co-Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).
31.2 (#)	Certification of Co-Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).

31.3 (#)	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).
32.1 (#)(##)	Certification of the Co-Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.
32.2 (#)(##)	Certification of the Co-Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.
32.3 (#)(##)	Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.
101.INS (#)	Inline XBRL Instance Document.
101.SCH (#)	Inline XBRL Taxonomy Extension Schema Document.
101.CAL (#)	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF (#)	Inline XBRL Taxonomy Extension Definition.
101.LAB (#)	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE (#)	Inline XBRL Taxonomy Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

(*) Incorporated by reference to the filing indicated.
(#) Filed herewith.
(##) The certifications attached as Exhibits 32.1, 32.2, and 32.3 that accompany this Report, are not deemed filed with the SEC and are not to be incorporated by reference into any filing of Boston Omaha Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Report irrespective of any general incorporation language contained in such filing.

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 thereunto duly authorized.

BOSTON OMAHA CORPORATION
(Registrant)

By: /s/ Alex B. Rozek
Alex B. Rozek
Co-President (Principal Executive Officer)

August 14, 2023

By: /s/ Adam K. Peterson
Adam K. Peterson
Co-President (Principal Executive Officer)

August 14, 2023

By: /s/ Joshua P. Weisenburger
Joshua P. Weisenburger
Chief Financial Officer (Principal Financial Officer)

August 14, 2023

By: /s/ Joseph M. Meisinger
Joseph M. Meisinger
Chief Accounting Officer

August 14, 2023

Exhibit 31.1

CERTIFICATIONS

I, Alex B. Rozek, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Boston Omaha Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2023

/s/ Alex B. Rozek
Alex B. Rozek, Co-Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Adam K. Peterson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Boston Omaha Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2023

/s/ Adam K. Peterson

Adam K. Peterson, Co-Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.3

CERTIFICATIONS

I, Joshua P. Weisenburger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Boston Omaha Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2023

/s/ Joshua P. Weisenburger
Joshua P. Weisenburger, Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Boston Omaha Corporation (the "Company") on Form 10-Q for the three months ended June 30, 2023 as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 14, 2023

/s/ Alex B. Rozek
Alex B. Rozek, Co-Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Boston Omaha Corporation (the "Company") on Form 10-Q for the three months ended June 30, 2023 as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 14, 2023

/s/ Adam K. Peterson
Adam K. Peterson, Co-Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Boston Omaha Corporation (the “Company”) on Form 10-Q for the three months ended June 30, 2023 as filed with the Securities and Exchange Commission on or about the date hereof (the “Report”), the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 14, 2023

/s/ Joshua P. Weisenburger
Joshua P. Weisenburger, Chief Financial Officer
(Principal Financial Officer)