MEXICAN ECONOMIC DEVELOPMENT INC
Form 6-K
December 16, 2008

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of December 2008

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FOMENTO ECONÓMICO MEXICANO, S.A.B. DE C.V.
(Exact name of Registrant as specified in its charter)

Mexican Economic Development, Inc.
(Translation of Registrant's name into English)

United Mexican States
(Jurisdiction of incorporation or organization)

General Anaya No. 601 Pte.
Colonia Bella Vista
Monterrey, Nuevo León 64410
México
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F x Form 40-F o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _______

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _______

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes o No x

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____________

Pursuant to a requirement of the Mexican Securities and Exchange Commission or CNBV (¨Comisión Nacional Bancaria y de Valores¨) applicable to all issuers, we hereby present the following Quantitative and Qualitative Disclosure of Derivative Financial Instruments of Fomento Económico Mexicano, S.A.B de C.V. ("FEMSA") as of September 30, 2008:

i) Management Discussion of Financial Derivative Instruments Policies:

The Company allows, as part of its Risk Management Policy, the use of derivative financial instruments, to reduce operating risk and uncertainty of operating and financial volatility. The Company does not use derivative instruments for speculative purposes; although, given Mexican accounting guidelines regarding hedging positions, some instruments may not qualify as accounting hedges.

The company solely executes derivative transactions with institutions it deems to have an appropriate credit profile and it enters into these transactions through standardized ISDA Contracts for Financial Derivative Transactions, Global Derivatives Contract, or similar documentation.

As part of the internal control processes of its Risk Management Policy, the Company has a Finance Committee that reports to the Board of Directors. Among the duties of the Finance Committee is to define the financial strategy for the Company and to evaluate risk management practices, including in connection with the use of derivatives. The Finance Committee defines what it considers to be the optimal financial structure, determines the level of exposure of the Company and keeps track of the financial derivatives contracted by the Company in the Committee's quarterly meetings. In addition, the Company has an external auditor, which as part of its responsibilities audits the operating effectiveness of the control activities in respect of the Company's financial derivatives positions.

ii)General Description of Valuation Methods:

The Company values and records on its balance sheet derivative financial instruments and hedging activities, including certain derivative instruments embedded in other contracts, as either an asset or liability measured at fair value, considering quoted prices in recognized markets. If such instruments are not traded in a formal market, fair value is determined by applying techniques based upon technical models supported by sufficient, reliable and verifiable market data, recognized by the financial sector.

The Company designates its financial instruments as cash flow hedges at the inception of the hedging relationship, when transactions meet all hedging accounting requirements. For cash flow hedges, the effective portion of the valuation is recognized temporarily in cumulative other comprehensive income within stockholders' equity and subsequently reclassified to current earnings at the same time the hedged item is recognized. When derivative instruments do not meet all of the accounting requirements for hedging purposes, the change in fair value is immediately recognized in net income. For fair value hedges, changes in fair value are recorded in the consolidated results in the period the change occurs as well as the changes in the market value from the notional amount.

The Company identifies embedded derivatives that should be segregated from the host contract for purposes of valuation and recognition, such as certain leases denominated in US dollars. When an embedded derivative is identified and the host contract has not been stated at fair value and there are adequate elements for its valuation, the embedded derivative is segregated from the host contract, stated at fair value and is either classified as trading or as a hedge. Changes in the fair value of the embedded derivatives at the closing of each period are recognized in current earnings.

iii) Management Discussion of internal and external liquidity sources:

The Company currently has access to different short term financing options in the bank market, with national and international institutions, which have allowed the Company to fund its treasury requirements. The Company is rated with the highest investment grade for a Mexican Corporate (AAA) granted by Fitch Ratings and Standard & Poors, which we believe allows the Company to consider this market as an option for available capital resources. Also, the Company actively manages its operating cash flows, allowing flexibility in the use of capital expenditures and other operating expenses.

Additionally, the company has different options for long term funding, with the national and international bank markets, including the ability to potentially access to the international capital markets through potential bond issuances.

iv) Explanation of Derivative Financial Instruments, Risks and Results (Amounts expressed in millions of Mexican Pesos).

a) Interest Rate Swaps:

The Company uses interest rate swaps to manage the interest rate risk associated with its borrowings, pursuant to which it pays amounts based on a fixed rate and receives amounts based on a floating rate. These instruments are recognized in the consolidated balance sheet at their estimated fair value and have been designated as a cash flow hedge. The estimated fair value is based on quoted market prices for the termination of the contract at the end of the period. Changes in fair value are recorded in cumulative other comprehensive income.

For the three months ended September 30, 2008, the net effect of expired derivative contracts is included in the consolidated results as an interest expense and amounted to Ps. 100.

A certain portion of the Company’s interest rate swaps does not meet the hedging criteria for accounting purposes. Consequently changes in the estimated fair value of ineffective portion were recorded in the consolidated results as part of the integral result of financing. The notional amount of derivative contracts as of September 30, 2008 was Ps. 1,600 and expires in 2012, generating an asset of Ps. 25. The net effect of expired derivative contracts for the three months ended September 30, 2008 that do not meet the hedging criteria for accounting purposes resulted in a gain of Ps. 25.

b) Forward Agreements to Purchase Foreign Currency:

The Company entered into forward agreements to reduce its exposure to the risk of exchange rate fluctuations between the Mexican peso and other currencies. These instruments are recognized at their estimated fair value which is determined based on prevailing market exchange rates to end the contracts at the end of the period. These forward agreements have been designated as a cash flow hedge, therefore the changes in the fair value are recorded in cumulative other comprehensive income. As of September 30, 2008, the Company has forward contracts to buy foreign currencies with a notional amount of Ps. 2,589. These contracts expire in 2009 and as of September 30, 2008 they have generated an asset of Ps. 9.

During the third quarter of 2008, the Company recorded a net gain on expired forward contracts of Ps. 107 as part of foreign exchange gain.

As of September 30, 2008, certain of the Company’s forward agreements to buy U.S. dollars and other currencies did not meet the hedging criteria for accounting purposes; consequently, changes in the fair value were recorded in the consolidated results as part of the integral result of financing. The notional amount of those forward agreements to

purchase foreign currency maturing in 2009 is Ps. 1,724 and they generated a liability of Ps.118. The net effect of expired contracts during the third quarter of 2008 that did not meet the hedging criteria for accounting purposes resulted in a loss of Ps. 93 recorded in the results.

c)Cross Currency Swaps:

The Company enters into cross currency swaps to reduce its exposure to risks of exchange rate and interest rate fluctuations associated with its borrowings denominated in U.S. dollars and other foreign currencies. These instruments are recognized in the consolidated balance sheet at their estimated fair value which is estimated based on formal technical models with the exchange rate and interest rate in the market at the end of the period. These cross currency swap agreements have been designated as a cash flow hedge; therefore the changes in the fair value were recorded as other comprehensive income. As of September 30, 2008, the Company has cross currency swap agreements outstanding with a notional amount of Ps. 2,657, expiring in 2013 and generated a fair value asset of Ps. 70. The net effect of expired contracts for the three months ended as of September 30, 2008 was included in interest expense and amounted to Ps. 37.

As of September 30, 2008, certain cross currency swap instruments did not meet the hedging criteria for accounting purposes; consequently changes in the estimated fair value are recorded as a gain or loss in the market value on ineffective portion of derivative financial instruments in the consolidated results as part of the integral result of financing. Those contracts with a notional amount of Ps. 1,840 expire in 2012 and generated an asset of Ps. 39 as of September 30, 2008. The expired contracts for the three months ended as of September 30, 2008 resulted in a loss of Ps. 166. All the effects where recorded in the results.

Additionally, the company has cross currency derivatives designated as a fair value hedge. As of September 30, 2008, the notional amount of such contracts is Ps. 3,026 and expire in 2017, generating an asset of Ps. 121. The changes in the fair value of the derivative are recorded in the consolidated results as the net effect of the primary position market value. The effect of expired contracts for the three months ended September 30, 2008, included in interest expense amounted to Ps. 12.

d) Commodity Price Contracts:

The Company enters into different commodity price contracts to reduce its exposure to the fluctuation in the costs of certain raw material. The fair value is estimated based on the market valuations for the termination of the contracts at the date of closing of the period. These contracts hedge the flow of an expected transaction, therefore the changes in the fair value are recorded in cumulative other comprehensive income. The Company has commodity price contracts with maturity dates ending in 2013, with a notional amount of Ps. 5,477 and had recorded a fair value liability of Ps. 631. For the three months ended September 30, 2008, the net effect of expired commodity price contracts were gains of Ps. 42 and were recorded as part of operating income impacting the related raw material cost.

As of September, 30, 2008, certain commodity price contracts to reduce the exposure to risk of certain raw material costs, did not meet the hedging criteria for accounting purposes; consequently changes in the estimated fair value are recorded as part of the market value gain (loss) on ineffective portion of derivative financial instruments within the consolidated income statement. As of the end of September 30, 2008, the net effect of those contracts was a gain of Ps. 19.

e)Embedded Derivative Financial Instruments:

The Company has determined that its leasing contracts denominated in U.S. dollars host embedded derivative financial instruments. The fair value is estimated based on formal technical models using market quotation of the exchange rate for the termination of the contract as of the date of the closing of the period. Changes in the fair value were recorded in current earnings in the integral result of financing as market value on derivative financial instruments. As of third quarter 2008, the net effect of embedded derivative financial in the results was a loss of Ps. 17.

v)Quantitative Information

Summary of Financial Derivative Instruments as of September 30, 2008

(Amounts expressed in millions of nominal mexican pesos)

| ng<br>of | Fair Value (3) | | Maturities per year (4) |
|---|---|---|---|
| ous<br>er | Actual<br>Quarter | Previous<br>Quarter | |
| 5.8 | $9.0 | -$57.1 | 2009 |
| 3.2 | $7.2 | $36.3 | 2009 |
| 7.3 | -$445.7 | $188.6 | 2011 |
| 4.4 | -$194.9 | $132.4 | 2013 |
| 8.1 | -$22.3 | $351.2 | 2014 |
| 2.7 | $190.5 | -$89.9 | 2017 |
| 9.4 | $2.3 | $65.1 | 2009 |
| I/A | -$87.2 | N/A | 2009 |
| 6.2 | -$30.7 | -$24.3 | 2009 |
| 0.9 | $39.0 | $129.5 | 2012 |

7.5 -$13.6 -$99.0 In addition, as a part of our ordinary business operations, we may collect and store sensitive data, including pe
and employees. The secure operation of the networks and systems on which this type of information is stored,
business operations and strategy. Any compromise of our technology systems resulting from attacks by hacke
malfeasance could result in the loss, disclosure, misappropriation of or access to clients , listeners , employe
loss, disclosure, misappropriation or access could result in legal claims or proceedings, liability or regulatory p
of personal information, disruption of our operations and damage to our reputation, any or all of which could a

**Our business is dependent upon the proper functioning of our internal business processes and informati
interruption of such systems may disrupt our business, processes and internal controls.**

The proper functioning of our internal business processes and information systems is critical to the efficient op
If these information technology systems fail or are interrupted, our operations may be adversely affected and o
business processes and information systems need to be sufficiently scalable to support the future growth of ou
or upgrades that expose us to a number of operational risks. Our information technology systems, and those of
vulnerable to damage or disruption caused by circumstances beyond our control. These include catastrophic ev
disasters, computer system or network failures, viruses or malware, physical or electronic intrusions, unauthor
material disruption, malfunction or similar challenges with our business processes or information systems, or o
transition to new processes, systems or providers, could have a material adverse effect on our financial conditi

**Vigorous enforcement of the FCC s indecency rules could have a material adverse effect on our busines**

The FCC s rules prohibit the broadcast of obscene material at any time and indecent material between the hou
violating the prohibition on the broadcast of indecent material is increased by the vagueness of the FCC s def
the spontaneity of live programming. The FCC has expanded the breadth of indecency regulation to include m
blasphemy, personally reviling epithets, profanity and vulgar or coarse words amounting to a nuisanc
material falling within the expanded breadth of the FCC s regulation, we could be subject to license revocatio
which would put the licenses that we depend on for our operations in jeopardy. In 2007, the monetary penaltie
increased substantially. The current maximum permitted fines are $397,251 per incident and $3,666,930 for a
single act or failure to act. In a decision issued in June 2012, the Supreme Court did not find that the FCC s i
the First Amendment, which means the FCC may continue to enforce the standards. In April 2013, the FCC re
The FCC has advised that it will continue to pursue enforcement actions in egregious cases while it conducts i
and in March 2015, the FCC issued a Notice of Apparent Liability for the then maximum forfeiture amount of
Because the FCC may investigate indecency complaints prior to notifying a licensee of the existence of a com
of a complaint unless and until the complaint results in the issuance of a formal FCC letter of inquiry or notice

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We may in the future become subject to additional inquiries or proceedings related to our radio stations broa
extent that these pending inquiries or other proceedings result in the imposition of fines, revocation of any of o
license renewal applications, our business and results of operations could be materially adversely affected.

**Proposed legislation could require radio broadcasters to pay royalties to record labels and recording ar**

Legislation has been introduced in Congress that would require radio broadcasters to pay a royalty to record la
recorded songs. Currently, we pay royalties to song composers and publishers through Broadcast Music, Inc. (
Composers, Authors and Publishers ( ASCAP ), Global Music Rights ( GMR ) and SESAC, Inc. ( SESAC
additional layer of royalties to be paid directly to the record labels and artists. It is currently unknown what pro
whether industry groups will enter into an agreement with respect to fees, and what significance this royalty w
cash flows or financial position.

**The FCC s Proposed Incentive Auctions may result in a loss of spectrum for broadcast stations and pot
compete by potentially increasing spectrum for use by wireless carriers.**

Federal legislation was enacted in February 2012 that, among other things, authorizes the FCC to conduct volu
reallocate certain spectrum currently occupied by television broadcast stations to mobile wireless broadband se
smaller portion of the existing television spectrum band, and to require television stations that do not participa
transmission facilities, subject to reimbursement for reasonable relocation costs up to an industry-wide total of

The FCC has adopted rules concerning the incentive auction for broadcast television spectrum and the repacki
auction rules implemented by the FCC, television stations were given an opportunity to offer spectrum for sale
while wireless providers bid to acquire spectrum from the government in a related forward auction. The inc
the FCC issued a Public Notice announcing the television stations that had relinquished spectrum in the auctio
to different channels and establishing deadlines for stations being repacked to file applications to modify their
authorized repacked facilities. The FCC will reimburse stations for reasonable relocation costs up to a total acr
repacking process could impact radio stations that operate on the same towers as television stations which are
radio stations could be required to modify their facilities on a temporary or permanent basis to accommodate t
being repacked are required to make to their transmission facilities. Any radio stations that are impacted are no
of the costs incurred in connection with modification of their facilities.

**We may lose key executives and other key employees, including on-air talent, to competing radio station**

Our business depends upon the continued efforts, abilities and expertise of our executive officers and other key
skills and experience possessed by our key executives would be difficult to replace, and the loss of a key execu
our operating and acquisition strategies.

In addition, we compete for creative and performing on-air talent with other radio stations and radio station gro
of syndicated content and other media such as broadcast television, cable television, satellite television, the int
attract and retain key personnel is an important aspect of our competitiveness. Our employees and other on-air
lost to competitors or for other reasons. Any adverse changes in particular programs, formats or on-air talent c
ratings and our ability to attract advertisers, which would negatively impact our business, financial condition o

**Our Chairman of the Board controls Beasley Broadcast Group, Inc. and members of his immediate fam
Beasley Broadcast Group, Inc. Their interests may conflict with yours.**

George G. Beasley is generally able to control the vote on all matters submitted to a vote of stockholders. Wit
be unable to consummate transactions involving an actual or potential change in control, including transaction
premium for your shares over then current market prices. Shares of Class B and Class A common stock that M
59.9% of the total voting power of all classes of our common stock. Members of his immediate family also ow
stock. Mr. Beasley will be able to direct our management and policies, except with respect to those matters re
our amended certificate of incorporation, third amended and restated bylaws or applicable law.

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Historically, we have entered into certain transactions with George G. Beasley, members of his immediate fam
with the interests of our stockholders now or in the future. See Item 7 Management s Discussion and Anal
Operation Related Party Transactions and Note 15 to the accompanying financial statements.

**Future sales by George G. Beasley or members of his family of our Class A common stock could advers**

George G. Beasley and members of his family beneficially own the majority of all outstanding shares of Class
Class A common stock on a one-for-one basis. The market for our Class A common stock could change subst
of his family convert their shares of Class B common stock to shares of Class A common stock and then sell l
stock in the public market.

These sales, or the possibility that these sales may occur, could make it more difficult for us to raise capital by
in the future.

**Future sales of our Class A common stock by the former stockholders of Greater Media could adversely**

In connection with the Merger, after post-closing adjustments, we issued 4,084,834 shares of Class A commo
Greater Media. As of January 31, 2018, the former stockholders of Greater Media own approximately 14.8% o
Common Stock and approximately 37.6% of the outstanding shares of Class A common stock. The market for
substantially if the former stockholders of Greater Media sell large amounts Class A common stock in the pub

These sales, or the possibility that these sales may occur, could make it more difficult for us to raise capital by
in the future.

**The difficulties associated with any attempt to gain control of our Company may adversely affect the pr**

Due to his large holdings of our common stock, George G. Beasley and members of his family control the dec
Company will occur. Moreover, some provisions of our amended certificate of incorporation, fourth amended
could make it more difficult for a third party to acquire control of us, even if a change of control could be bene
Communications Act and FCC rules and policies limit the number of stations that one individual or entity can
market. FCC approval for transfers of control of FCC licensees and assignments of FCC licenses are also requ
restrictions imposed on us by these provisions and regulations, the trading price of our Class A common stock

**There may not be an active market for our Class A common stock, making it difficult for you to sell you**

Our stock may not be actively traded in the future. An illiquid market for our stock may result in price volatili
orders for investors. Our stock price and trading volume have fluctuated widely for a number of reasons, inclu
our business or results of operations. This market volatility could depress the price of our Class A common sto
performance. In addition, our operating results may be below expectations of public market analysts and inves
of our Class A common stock could decrease, perhaps significantly.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

**ITEM 2. PROPERTIES**

As of February 12, 2018, we own or lease property for our radio stations in the following locations:

| **Location** | **Description** |
|---|---|
| Atlanta, GA | All radio stations in our Atlanta, GA market cluster |
| Augusta, GA | All radio stations in our Augusta, GA market cluster |
| | Land for radio stations |
| Boca Raton, FL | All radio stations in our West Palm Beach-Boca Raton, FL market cluster |
| Boston, MA | All radio stations in our Boston, MA market cluster |
| Detroit, MI | All radio stations in our Detroit, MI market cluster |

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| | |
|---|---|
| Camden, NJ | One radio station in our Philadelphia, PA market cluster<br>Land for radio station |
| Charlotte, NC | All radio stations in our Charlotte, NC market cluster |
| Estero, FL | All radio stations in our Ft. Myers-Naples, FL market cluster |
| Fayetteville, NC | All radio stations in our Fayetteville, NC market cluster |
| Las Vegas, NV | All radio stations in our Las Vegas, NV market cluster |
| Middlesex, NJ | Two radio stations in our New Jersey market cluster |
| Monmouth, NJ | Two radio stations in our New Jersey market cluster |
| Morristown, NJ | Two radio stations in our New Jersey market cluster |
| Philadelphia, PA | Seven radio stations in our Philadelphia, PA market cluster |
| Tampa, FL | All radio stations in our Tampa-Saint Petersburg, FL market cluster |
| Wilmington, DE | One radio station |

The land in Augusta, GA is leased from GGB Augusta, LLC, which is held by a trust for the benefit of Carolin
our President, Brian E. Beasley, our Chief Operating Officer, and other family members of George G. Beasley

The land in Camden, NJ is leased from Beasley Family Towers, LLC which is partially held by a trust for the
Beasley, Brian E. Beasley and other family members of George G. Beasley and partially owned directly by Ca
Beasley and other family members.

The property in Estero, FL is leased from GGB Estero, LLC, which is held by a trust for the benefit of Carolin
Beasley and other family members of George G. Beasley.

The property in Las Vegas, NV is leased from GGB Las Vegas, LLC, which is controlled by George G. Beasl

In addition, we lease our principal executive offices in Naples, FL from Beasley Broadcasting Management, L
of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other family members of George G. Beasley.

No one property is material to us. We believe that our properties are generally in good condition and suitable f
continually look for opportunities to upgrade our properties and may do so in the future.

**ITEM 3. LEGAL PROCEEDINGS**

We currently and from time to time are involved in ordinary routine litigation incidental to the conduct of our
related proceedings at the FCC, but we are not a party to any lawsuit or other proceedings that, in the opinion
adverse effect on our financial condition or results of operations.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

PART II

**ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MAT
EQUITY SECURITIES**

**Market Information**

We have two authorized and outstanding classes of equity securities: Class A common stock, $.001 par value,
value. The only difference between the Class A and Class B common stock is that Class A is entitled to one vo
votes per share. Class B is convertible into Class A shares on a one-for-one share basis under certain circumsta
on the NASDAQ Global Market under the symbol BBGI. There is no established public trading market for
and low prices of our Class A common stock are shown below:

| |
|---|
| **Fiscal 2017** |
| First Quarter |
| Second Quarter |
| Third Quarter |
| Fourth Quarter |
| |
| **Fiscal 2016** |
| First Quarter |
| Second Quarter |
| Third Quarter |
| Fourth Quarter |

**Holders**

As of February 12, 2018, there were approximately 140 holders of record of our Class A common stock and 2
stock. The number of Class A common stock holders does not count separately the number of beneficial holde
broker or clearing agency.

**Dividends**

Our credit agreement restricts our ability to pay cash dividends and to repurchase additional shares of our com
permit, however, (i) additional dividends of up to an aggregate amount of $7.5 million each year if our Total L
agreement) is greater than 3.5x and up to an aggregate amount of $10.0 million each year if our Total Leverag
amount equal to our excess cash flow each year that is not required to prepay the credit agreement, subject to r
greater than 3.75x and (iii) unlimited dividends each year if our Total Leverage Ratio is less than 3.5x and our
2.5x. We paid quarterly cash dividends in an aggregate annual amount of $4.1 million in 2016 and $5.1 millio
board of directors declared a cash dividend of $0.045 per share on our Class A and Class B common stock. Th
was paid on January 5, 2018 to stockholders of record on December 29, 2017. We intend to pay quarterly cash
declaration and payment of any future dividends will be at the sole discretion of the board of directors.

**Repurchases of Equity Securities**

The following table presents information with respect to purchases we made of our Class A common stock dur
2017.

| Period | Total Number of Shares Purchased | Average Price Paid per Share |
|---|---|---|
| October 1 31, 2017 | | |
| November 1 30, 2017 | 2,500 | $ 9.29 |
| December 1 31, 2017 | 42,850 | 13.48 |
| Total | 45,350 | |

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On March 27, 2007, our board of directors approved the Beasley Broadcast Group, Inc. 2007 Equity Incentive
ten year term of the 2007 Plan ended on March 27, 2017. Our stockholders approved an amendment to the 200
Stockholders on June 8, 2017 to, among other things, extend the term of the 2007 Plan until March 27, 2027. T
sufficient shares to fund withholding taxes in connection with the vesting of restricted stock units and shares o
permits us to repurchase sufficient shares of our common stock to fund withholding taxes in connection with t
shares of restricted stock, subject to compliance with financial covenants, up to an aggregate amount of $2.5 m
during the three months ended December 31, 2017, were purchased to fund withholding taxes in connection w
shares of restricted stock.

## ITEM 6. SELECTED FINANCIAL DATA

Not required for smaller reporting companies.

## ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RI

### Overview

We are a radio broadcasting company whose primary business is operating radio stations throughout the Unite
stations in the following radio markets: Atlanta, GA, Augusta, GA, Boston, MA, Charlotte, NC, Detroit, MI, F
Las Vegas, NV, Middlesex, NJ, Monmouth, NJ, Morristown, NJ, Philadelphia, PA, Tampa-Saint Petersburg, F
Wilmington, DE. We refer to each group of radio stations in each radio market as a market cluster.

### Recent Developments

On December 19, 2017, we completed an asset exchange with CBS Radio Stations, Inc., Entercom Boston, LL
under which we agreed to exchange all of the assets used or useful in the operations of WMJX-FM in Boston,
the operations of WBZ-FM in Boston, MA. In addition, we also paid $12.0 million in cash, which was partiall
from our credit facility and partially funded with $6.0 million in cash from operations. The asset exchange was
The fair value of the assets received in the asset exchange was $48.9 million. We recorded a gain on exchange
costs of $0.2 million. The operations of the acquired radio station are included in our results of operations fron

On November 17, 2017, the Borrower, a wholly-owned subsidiary of the Company entered into a new credit a
Borrower and U.S. Bank, National Association, as administrative agent and collateral agent, providing for a te
$225.0 million (the Term Loan Facility ) and a revolving credit facility of $20.0 million (the Revolving Cr
Facility, the New Credit Facilities ). Proceeds from the New Credit Facilities were primarily used to repay th
Facilities are secured by substantially all assets of the Company, the Borrower and their material subsidiaries.
subsidiaries guarantee repayment of the New Credit Facilities. The Term Loan Facility matures on November
installments in aggregate annual amounts equal to 1% of the original principal amount of the Term Loan Facil
at the end of the first full fiscal quarter after the Closing Date and the remaining balance of the original princip
outstanding at maturity will be paid in a final balloon payment. The Revolving Credit Facility terminates on N
may be borrowed, repaid, and reborrowed up to such date. Loans under the New Credit Facilities, at the Borro
plus 4.0% or base rate plus 3.0%. Solely with respect to the Term Loan Facility, LIBOR is subject to a 1% flo
Interest payments are, for loans based on LIBOR, due at the end of each applicable interest period unless the in
in which case they are due at the end of each three month period. Interest payments for loans based on the bas
circumstances described in the new credit agreement, the Company may increase the New Credit Facilities so
maximum first lien leverage ratio of 4.00:1.00 plus an additional $56.8 million. The New Credit Facilities are
well as a financial covenant that is a maximum first lien net leverage ratio that will be tested as the end of each

ending December 31, 2017.

**Cautionary Note Regarding Forward-Looking Statements**

This report contains forward-looking statements about the Company within the meaning of the Private Secu
relate to future, not past, events. All statements other than statements of historical fact included in this docume
forward-looking statements are based on the current beliefs and expectations of the Company s management a
and uncertainties. Forward-looking statements, which address the Company s expected business and financial
among other matters, contain words such as: expects, anticipates, intends, plans, believes, esti
seek, forecast, or other similar expressions.

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Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Although
reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance
that any deviation will not be material. Readers are cautioned not to place undue reliance on these forward-loo
the date on which they are made. The Company undertakes no obligation to update or revise any forward-look

Forward-looking statements involve a number of risks and uncertainties, and actual results or events may diffe
implied in those statements. Factors that could cause actual results or events to differ materially from these for
not limited to:

external economic forces that could have a material adverse impact on the Company s advertisin

the ability of the Company s radio stations to compete effectively in their respective markets for a

the ability of the Company to respond to changes in technology, standards and services that affect

audience acceptance of the Company s content, particularly its radio programs;

the Company s substantial debt levels and the potential effect of restrictive debt covenants on the
ability to pay dividends;

the Company s dependence on federally issued licenses subject to extensive federal regulation;

the risk that the Company s FCC broadcasting licenses and/or goodwill could become impaired;

the failure or destruction of the internet, satellite systems and transmitter facilities that the Compa
programming;

disruptions or security breaches of the Company s information technology infrastructure;

actions by the FCC or new legislation affecting the radio industry;

the loss of key personnel;

the fact that the Company is controlled by the Beasley family, which creates difficulties for any at

the effect of future sales of Class A common stock by the Beasley family or the former stockholde

other economic, business, competitive, and regulatory factors affecting the businesses of the Com
Risk Factors in this report and the Company s other filings with the SEC.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, a
those projected or assumed in any of our forward-looking statements. We do not intend, and undertake no obli
statement.

**Financial Statement Presentation**

The following discussion provides a brief description of certain key items that appear in our financial statemen
items.

*Net Revenue.* Our net revenue is primarily derived from the sale of advertising airtime to local and national ad
agency commissions, generally 15% of gross revenue. Local revenue generally consists of airtime sales, digita
in a radio station s local market either directly to the advertiser or through the advertiser s agency. National r
airtime and digital sales to agencies purchasing advertising for multiple markets. National sales are generally f
firm, which serves as our agent in these transactions.

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Our net revenue is generally determined by the advertising rates that we are able to charge and the number of a
without jeopardizing listener levels. Advertising rates are primarily based on the following factors:

- a radio station s audience share in the demographic groups targeted by advertisers as measured pr
Nielson Audio;
- the number of radio stations, as well as other forms of media, in the market competing for the atte
- the supply of, and demand for, radio advertising time; and
- the size of the market.

Our net revenue is affected by general economic conditions, competition and our ability to improve operations
fluctuations are also common in the radio broadcasting industry and are primarily due to variations in advertis
advertisers. Our revenues are typically lowest in the first calendar quarter of the year.

We also continue to invest in digital support services to develop and promote our radio station websites. We de
the sale of advertiser promotions and advertising on our websites and the sale of advertising airtime during aud
internet. We also generate revenue from selling other digital products.

*Operating Expenses.* Our operating expenses consist primarily of (1) programming, engineering, sales, adverti
administrative expenses incurred at our radio stations, (2) general and administrative expenses, including comp
our corporate offices, and (3) depreciation and amortization. We strive to control our operating expenses by ce
corporate offices and consolidating certain functions in each of our market clusters.

**Critical Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the Uni
estimates and assumptions that affect reported amounts and related disclosures. We consider an accounting est

- it requires assumptions to be made that were uncertain at the time the estimate was made; and
- changes in the estimate or different estimates that could have been selected could have a material r
financial condition.

*Accounts Receivable.* We continually evaluate our ability to collect our accounts receivable. Our ongoing eval
at our radio stations, the current financial condition of our customers and our historical write-off experience. T
management judgment and if we had made different assumptions about these factors, the allowance for doubtf
different.

*Property and Equipment.* We are required to assess the recoverability of our property and equipment wheneve
an impairment loss. If such an event occurs, we will compare estimates of related future undiscounted cash flo
the future undiscounted cash flow estimates are less than the carrying amount of the asset, we will reduce the c
The determination of when an event has occurred and estimates of future cash flows and fair value all require
different assumptions or estimates may result in alternative assessments that could be materially different. We
resulted in an impairment loss on our property and equipment in 2017. However, there can be no assurance tha
equipment will not occur in future periods.

*FCC Broadcasting Licenses.* As of December 31, 2017, FCC broadcasting licenses with an aggregate carrying
74.7% of our total assets. We are required to test our licenses for impairment on an annual basis, or more frequ
circumstances indicate that our licenses might be impaired. In 2017, we elected to perform the quantitative im
markets. The quantitative impairment test, performed as of November 30, 2017, compares the fair value of our
the carrying amounts of the licenses exceed their fair value, an impairment loss is recognized in an amount equ
testing our licenses for impairment, we combine our licenses into reporting units based on our market clusters.

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We estimate the fair value of our licenses using an income approach. The income approach measures the expe
provide and discounts these future benefits using discounted cash flow analyses. The discounted cash flow ana
hypothetical start-up radio station and the value yielded by the discounted cash flow analyses represents the po
attributable solely to its license. The discounted cash flow model incorporates variables such as radio market r
radio market revenues; projected radio market revenue share; projected radio station operating income margin
radio broadcasting industry. The variables used in the analyses reflect historical radio station and market grow
station performance, industry standards, and market conditions. The discounted cash flow projection period of
appropriate time horizon for the analyses. Stable market revenue share and operating margins are expected at t

As of November 30, 2017, the key assumptions used in the discounted cash flow analyses are as follows:

| |
|---|
| Revenue growth rates |
| Market revenue shares at maturity |
| Operating income margins at maturity |
| Discount rate |

If we had made different assumptions or used different estimates, the fair value of our licenses could have bee
different from assumptions or estimates used in the discounted cash flow analyses, we may incur impairment l
material.

Cash flows and operating income are dependent on advertising revenues. Advertising revenues are influenced
and media, demographic changes, and changes in government rules and regulations. In addition, advertising is
expense meaning advertising expenditures tend to decline disproportionately during economic downturns as co
expenditures. If actual results are lower, we may incur impairment losses in the future and they may be materi

The carrying amount of our FCC broadcasting licenses for each reporting unit and the percentage by which fai
as follows:

| **Market cluster** | **FC broad lice** |
|---|---|
| Atlanta, GA | $ 4,8 |
| Augusta, GA | 6, |
| Boston, MA | 126,6 |
| Charlotte, NC | 58,4 |
| Detroit, MI | 16,8 |
| Fayetteville, NC | 8,9 |
| Fort Myers-Naples, FL | 9,3 |
| Las Vegas, NV | 37,3 |
| Middlesex, Monmouth, Morristown, NJ | 23,3 |
| Philadelphia, PA | 92,3 |
| Tampa-Saint Petersburg, PA | 61,7 |
| West Palm Beach-Boca Raton, FL | 12, |
| Wilmington, DE | 19,4 |

As a result of the quantitative impairment test performed as of November 30, 2017, we recorded no impairmen
licenses for these reporting units. However, there can be no assurance that impairments of our FCC broadcasti

*Defined Benefit Plan and Other Postretirement Benefits.* The costs and liabilities of the defined benefit plan ar
determined using actuarial valuations. An actuarial valuation involves making various assumptions that includ
assets, and mortality rates. The discount rate is based on matching the cash flows of the plan to the Citigroup P
rate of return on plan assets was selected based on input from the investment advisor and publicly available su
asset class. The mortality assumptions are based on the mortality tables and mortality improvement scales whi
study of the Society of

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Actuaries. The pension plan and SERP are both frozen so future employment does not change the benefit amo
insurance benefits were not impacted by the healthcare cost trend assumption because the reimbursements to r
will differ from results which are estimated based on assumptions. Effective May 31, 2017, the Company term
medical and life insurance benefits. See Note 10 to the accompanying financial statements.

*Asset Exchange.* On December 19, 2017, we completed an asset exchange with CBS Radio Stations, Inc., Ente
Divestiture Trust under which we agreed to exchange all of the assets used or useful in the operations of WMJ
used or useful in the operations of WBZ-FM in Boston, MA. In addition, we also paid $12.0 million in cash w
$6.0 million in borrowings from our credit facility and partially funded with $6.0 million in cash from operatio
as a business combination.

The fair value of the property and equipment was estimated using cost and market approaches. Property and eq
current replacements available were valued on the basis of a cost approach. The cost approach allowed for fact
as functional and economic obsolescence. Property and equipment for which an active used market exists, incl
longer comparable current replacements available but for which there remains an active used market were valu
approach is based on the selling prices of similar assets on the used market. As few sales reflect identical asset
utilized with adjustments made for any differences such as age, condition, and options. If different assumption
and market approaches, the fair value of the property and equipment could have been materially different.

The fair value of the FCC broadcasting licenses were estimated using an income approach. The income approa
benefits the licenses provide and discounts these future benefits using discounted cash flow analyses. The disc
each license is held by a hypothetical start-up radio station and the value yielded by each discounted cash flow
radio station s value attributable solely to its license. The discounted cash flow models incorporate variables s
growth rate for radio market revenues; projected radio market revenue share; projected radio station operating
appropriate for the radio broadcasting industry. The variables used in the analyses reflect historical radio statio
anticipated radio station performance, industry standards, and market conditions. The discounted cash flow pr
determined to be an appropriate time horizon for the analyses. Stable market revenue share and operating marg
(maturity). If different assumptions or estimates had been used in the income approach, the fair value of the FC
materially different. If actual results are different from assumptions or estimates used in the discounted cash fl
losses in the future and they may be material.

The key assumptions used in the valuation of the FCC broadcasting licenses are as follows:

| |
|---|
| Revenue growth rates |
| Market revenue shares at maturity |
| Operating income margins at maturity |
| Discount rate |

Goodwill was equal to the amount the purchase price exceeded the values allocated to the tangible and identifi
allocated to goodwill is deductible for tax purposes.

**Recent Accounting Pronouncements**

Recent accounting pronouncements are described in Note 2 to the accompanying financial statements.

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**Results of Operations**

**Year Ended December 31, 2017 Compared to the Year Ended December 31, 2016**

The following summary table presents a comparison of our results of continuing operations for the years ende
respect to certain of our key financial measures. These changes illustrated in the table are discussed in greater
in conjunction with the financial statements and notes to financial statements included in Item 8 of this report.

| | Year ended Decem | |
|---|---|---|
| | 2016 | |
| Net revenue | $ 136,665,344 | $ 2 |
| Station operating expenses | 96,705,989 | 1 |
| Corporate general and administrative expenses | 10,303,503 | |
| Transaction expenses | 6,381,198 | |
| Change in fair value of contingent consideration | 1,266,394 | |
| Gain on dispositions, net | | |
| Gain on exchange | | |
| Termination of postretirement benefits plan | | |
| Gain on merger | 44,281,066 | |
| Interest expense | 6,597,738 | |
| Loss on modification of long-term debt | 769,819 | |
| Income tax expense (benefit) | 8,297,802 | ( |
| Net income | 47,488,413 | |

*Net Revenue.* Net revenue increased $95.5 million during the year ended December 31, 2017 as compared to t
Significant factors affecting net revenue included $41.3 million in additional advertising revenue from the Bos
Philadelphia radio stations, $19.1 million from the Detroit radio stations, and $14.2 million from the New Jers
Media on November 1, 2016, partially offset by a $4.8 million decrease due to the disposition of our Greenvil
on May 1, 2017, a $4.6 million decrease in advertising revenue from our Charlotte market cluster primarily du
January 6, 2017, and a $3.4 million decrease in advertising revenue from our Tampa-Saint Petersburg market
December 31, 2016 also included $4.9 million of political advertising from the 2016 elections compared to $0
2017. Net revenue for the year ended December 31, 2017 was comparable to net revenue for the same period i

*Station Operating Expenses.* Station operating expenses increased $78.1 million during the year ended Decem
ended December 31, 2016. Significant factors affecting station operating expenses included $30.9 million in a
stations, $28.5 million from the Philadelphia radio stations, $17.3 million from the Detroit radio stations, and
stations acquired from Greater Media, partially offset by a $3.8 million decrease in station operating expenses
Greenville-New Bern-Jacksonville market cluster, a $3.2 million decrease in station operating expenses at our
the disposition of WFNZ-AM, and a $2.7 million decrease in station operating expenses at our Tampa-Saint P
expenses for the year ended December 31, 2017 were comparable to station operating expenses for the same p
clusters.

*Corporate General and Administrative Expenses.* Corporate general and administrative expenses increased $5
December 31, 2017 as compared to the year ended December 31, 2016. Significant factors affecting corporate

included a $2.7 million increase in cash compensation expense, which was primarily due to an increase in the
offices and new employment agreements with our executive officers and Chairman, including retroactive com
stock-based compensation expense and a $1.0 million increase in contract services.

*Transaction Expenses.* In connection with the acquisition of Greater Media, we incurred transaction expenses,
$6.4 million in 2016. In 2017, we incurred transaction expenses in connection with the station exchange on De
Greenville-New Bern-Jacksonville market cluster on May 1, 2017, and the disposition of WFNZ-AM on Janu

*Change in Fair Value of Contingent Consideration.* In connection with the acquisition of Greater Media, a nu
stock will be returned to us by the former stockholders of Greater Media based on certain proceeds from the sa
value of the number of shares to be returned increased $7.4 million due to an increase in our stock price over t
addition, a certain number of shares of our Class A common stock placed in escrow on the acquisition date wi
adjustment. The fair value of the shares to be forfeited increased $2.6 million due to an increase in our stock p
2017. These increases were recognized as a change in fair value of contingent consideration during the year en

*Gain on Dispositions, Net.* On May 1, 2017, we completed the disposition of our Greenville-New Bern-Jackso
disposition we recorded a gain of $4.0 million during the second quarter of 2017. On January 6, 2017, we com
assets used or useful in the operations of WBT-AM, WBT-FM, WFNZ-AM and WLNK-FM in Charlotte, NC
a $0.3 million loss during the first quarter of 2017.

*Gain on Exchange.* On December 19, 2017, we completed an asset exchange with CBS Radio Stations, Inc., E
Divestiture Trust under which we agreed to exchange all of the assets used or useful in the operations of WMJ
used or useful in the operations of WBZ-FM in Boston, MA. In addition, we also paid $12.0 million in cash. A
gain on exchange of $11.8 million in 2017.

*Termination of Postretirement Benefits Plan.* Effective May 31, 2017, we terminated the Greater Media postre
benefits plan. As a result of the plan termination, we reversed the accrued liability of $1.8 million during the s

*Gain on Merger.* On November 1, 2016, we completed the acquisition of Greater Media, Inc. As a result of the
$44.3 million in 2016.

*Interest Expense.* Interest expense increased $11.8 million during the year ended December 31, 2017 as compa
The primary factors affecting interest expense were the increase in long-term debt outstanding and the increas

*Loss on Modification of Long-Term Debt.* We recorded a loss on modification of long-term debt of $4.0 millio
2017, resulting from entering into a new credit agreement on November 17, 2017. Due to the entry into a new
connection with the Merger, we recorded a loss on modification of long-term debt of $0.8 million during the y

*Income Tax Expense (Benefit).* Our effective tax rate was approximately (124.0)% for the year ended Decemb
federal statutory rate of 35% due to the effect of state income taxes and certain expenses that are not deductibl
for the year ended December 31, 2017 also reflects a $59.7 million decrease primarily due to a change in the f
Tax Cuts and Jobs Act and a revaluation of deferred tax assets and liabilities using the new rate and a $4.0 mil
value of contingent consideration. Our effective tax rate was approximately 14.9% for the year ended Decemb
federal statutory rate of 35% due to the effect of state income taxes and certain expenses that are not deductibl
for the year ended December 31, 2016 also reflects a $15.9 million decrease due to the gain on merger and a $
effective state tax rate.

*Net Income.* Net income during the year ended December 31, 2017 increased $39.6 million as compared to the
of the factors described above.

**Liquidity and Capital Resources**

*Overview.* Our primary sources of liquidity are internally generated cash flow and our Revolving Credit Facili
and for the next twelve months and thereafter, are expected to continue to be, for working capital, debt service
including capital expenditures and radio station acquisitions. Historically, our capital expenditures have not be
equipment associated with radio station acquisitions, our capital expenditures have generally been, and are exp
maintenance of our studio and office space and the technological improvement, including upgrades necessary
of our broadcasting towers and equipment. We have also purchased or constructed office and studio space in s
consolidation of our operations.

Our credit agreement permits us to repurchase sufficient shares of our common stock to fund withholding taxe
restricted stock, subject to compliance with financial covenants, up to an aggregate amount of $2.5 million per
94,753 shares during the year ended December 31, 2017.

Our credit agreement restricts our ability to pay cash dividends and to repurchase additional shares of our com
permit, however, (i) additional dividends of up to an aggregate amount of $7.5 million each year if our Total L
to an aggregate amount of $10.0 million each year if our Total Leverage Ratio is less than or equal to 3.5x, (ii
each year that is not required to prepay the credit agreement, subject to maintaining a Total Leverage Ratio of
dividends each year if our Total Leverage Ratio is less than 3.5x and our First Lien Leverage Ratio is less than
$5.1 million during the year ended December 31, 2017. Also, on December 4, 2017, our board of directors dec
on our Class A and Class B common stock. The dividend of $1.3 million in the aggregate was paid on January
December 29, 2017.

We expect to provide for future liquidity needs through one or a combination of the following sources of liqui

internally generated cash flow;

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our Revolving Credit Facility;

additional borrowings, other than under our Revolving Credit Facility, to the extent permitted und

additional equity offerings.

We believe that we will have sufficient liquidity and capital resources to permit us to provide for our liquidity obligations for the next twelve months. However, poor financial results or unanticipated expenses could give r Facility, additional debt servicing requirements or other additional financing or liquidity requirements sooner t financing when needed or on acceptable terms.

Our ability to reduce our total leverage ratio, as defined by our credit agreement, by increasing operating cash determine how much, if any, of the remaining commitments under our Revolving Credit Facility will be availa results or unanticipated expenses could result in our failure to maintain or lower our total leverage ratio and w additional borrowings under our Revolving Credit Facility.

*Cash Flows*. The following summary table presents a comparison of our capital resources for the years ended to certain of our key measures affecting our liquidity. The changes set forth in the table are discussed in greate in conjunction with the financial statements and notes to financial statements included in Item 8 of this report.

| | Year en |
|---|---|
| | 2016 |
| Net cash provided by operating activities | $ 17,151,1 |
| Net cash provided by (used in) investing activities | (89,619,5 |
| Net cash provided by (used in) financing activities | 78,475,3 |
| Net increase (decrease) in cash and cash equivalents | $ 6,006,9 |

*Net Cash Provided By Operating Activities.* Net cash provided by operating activities increased $10.9 million Significant factors affecting this increase in net cash provided by operating activities included a $95.8 million advertising airtime and a $5.4 million decrease in transaction expenses, partially offset by a $75.4 million incr expenses, a $10.0 million increase in interest payments, and a $4.5 million increase in cash paid for corporate

*Net Cash Provided By (Used In) Investing Activities.* Net cash provided by investing activities during the year proceeds of $35.0 million from the disposition of radio stations in Charlotte, NC and Greenville-New Bern-Ja payment of $12.0 million to complete the station exchange in Boston, MA, payments of $4.2 million for capita $1.1 million for translator licenses. Net cash used in investing activities during the same period in 2016 includ acquisition of Greater Media, payments of $2.9 million for capital expenditures, and payments of $0.5 million $0.7 million decrease in restricted cash from the release of unused radio tower sales proceeds from a qualified

*Net Cash Provided By (Used In) Financing Activities.* Net cash used in financing activities during the year end of $9.0 million from the issuance of indebtedness under our New Credit Facility offset by repayments of $52.1 payments of $5.1 million for cash dividends, payments of $2.6 million for debt issuance costs related to the ne $1.1 million for repurchases of our Class A common stock. Net cash provided by financing activities during th

of $187.3 million from the issuance of indebtedness partially offset by repayments of $82.2 million under the
$8.3 million under our old credit facility, payments of $13.9 million for debt issuance costs related to the old c
for cash dividends.

*Credit Facility.* On November 17, 2017, the Company, through its wholly-owned subsidiary, Beasley Mezzan
credit agreement with a syndicate of financial institutions. Proceeds from the New Credit Facility were primar
connection with the new credit agreement, we recorded a loss on modification of long-term debt of $4.0 millio

As of December 31, 2017, the credit facility consisted of a Term Loan Facility with a remaining balance of $2
Facility with a maximum commitment of $20.0 million. As of December 31, 2017, we had $20.0 million in av
Credit Facility. At our option, the New Credit Facility may bear interest at either (i) LIBOR plus a margin 4.0
3.0%. The LIBOR interest rate for the Term Loan Facility is subject to a 1% floor. Interest payments are, for l
each applicable interest period unless the interest period is longer

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than three months, in which case they are due at the end of each three month period. Interest payments for loar
The Revolving Credit Facility carried interest, based on LIBOR, at 5.5% as of December 31, 2017 and mature
Facility carried interest, based on LIBOR, at 5.5% as of December 31, 2017 and matures on November 1, 202

Commencing with the year ending December 31, 2018, the new credit agreement requires mandatory prepaym
(as defined in the new credit agreement) when our Total Leverage Ratio (as defined in the new credit agreeme
prepayments equal to 25% of Excess Cash Flow when our Total Leverage Ratio is less than or equal to 3.5x bu
prepayments when our Total Leverage Ratio is less than or equal to 3.0x. Mandatory prepayments of consolid
after year end. The new credit agreement also requires mandatory prepayments for defined amounts from net p
proceeds, and net proceeds of debt issuances.

The new credit agreement requires us to comply with certain financial covenants which are defined in the new
covenants include a First Lien Leverage Ratio that will be tested at the end of each quarter beginning with the
the period from December 31, 2017 through March 31, 2018, the maximum First Lien Leverage Ratio is 6.25x
through December 31, 2018, the maximum First Lien Leverage Ratio is 6.0x. For the period from March 31, 2
maximum First Lien Leverage Ratio is 5.75x. The maximum First Lien Leverage Ratio is 5.25x for March 31,

The New Credit Facility is secured by substantially all assets of the Company and its subsidiaries and is guara
Company and its subsidiaries. If we default under the terms of the new credit agreement, the Company and its
under their guarantees. As of December 31, 2017, the maximum amount of undiscounted payments the Compa
have been required to make in the event of default was $225.0 million. The guarantees for the New Credit Fac
Revolving Credit Facility and on November 1, 2023 for the Term Loan Facility.

Failure to comply with financial covenants, scheduled interest payments, scheduled principal repayments, or a
could result in the acceleration of the maturity of our outstanding debt, which could have a material adverse ef
operations. As of December 31, 2017, we were in compliance with all applicable financial covenants under ou

The aggregate scheduled principal repayments of the New Credit Facility and capital lease obligations for the
follows:

| |
|---|
| 2018 |
| 2019 |
| 2020 |
| 2021 |
| 2022 |
| Thereafter |
| Total |

**Related Party Transactions**

*Beasley Family Towers, LLC*

On December 31, 2015, we sold the tower for one radio station in Augusta, GA to Beasley Family Towers, LI
for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other family members of George 

Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other family members, for $1.3 million then leased
expires on December 31, 2025 with four automatic renewal terms of five years each. The lease met the criteria
based on the terms of the lease agreement the $0.8 million gain on sale was deferred and will be recognized as
Rental expense was approximately $12,000 for the year ended December 31, 2017.

On August 4, 2006, we entered into an agreement to lease several radio towers for one radio station in Boca R
expires on April 30, 2021. On November 17, 2015, two of the towers were sold to an unrelated party and BFT
to the unrelated party. Repayments of prepaid rent to BFT were approximately $66,000 for the year ended Dec
remaining towers are currently offset by the partial recognition of a deferred gain on sale from the sale of thes
rental expense was reported for the towers for the year ended December 31, 2017.

*GGB Augusta, LLC*

We lease land for our radio stations in Augusta, GA from GGB Augusta, LLC which is held by a trust for the
Beasley, Brian E. Beasley, and other family members of George G. Beasley. The lease agreement expires on N
approximately $42,000 for the year ended December 31, 2017.

*GGB Las Vegas, LLC*

We lease property for our radio stations in Las Vegas, NV from GGB Las Vegas, LLC which is controlled by
expires on December 31, 2018. Rental expense was $0.2 million for the year ended December 31, 2017.

*LN2 DB, LLC*

On March 25, 2011, we contributed $250,000 to Digital PowerRadio, LLC (now LN2 DB, LLC) in exchange
the outstanding units. We contributed an additional $62,500 on February 14, 2012, $104,167 on July 31, 2012
April 4, 2014, $166,667 on April 3, 2015, and $166,667 on May 3, 2016 which maintained our ownership inte
outstanding units. We may be called upon to make additional pro rata cash contributions to LN2 DB, LLC in t
contributed $150,000 to LN2 DB, LLC in exchange for a note bearing interest at 18% per annum. Principal an
date of December 31, 2019. LN2 DB, LLC is managed by Fowler Radio Group, LLC which is partially-owned
director of Beasley Broadcast Group, Inc.

*Wintersrun Communications, LLC*

On December 31, 2015, we sold the tower for one radio station in Charlotte, NC to Wintersrun Communicatio
for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other family members of George
Bruce G. Beasley and Brian E. Beasley, for $0.4 million then leased the tower back under an agreement which
automatic renewal terms of five years each. The lease met the criteria to be recorded as a capital lease, howeve
agreement the $0.3 million gain on sale was deferred and will be recognized as the capital lease property is de
approximately $62,000 for the year ended December 31, 2017.

The following related party transactions are based on agreements entered into prior to our initial public offerin
an Audit Committee. However, these agreements were evaluated by our board of directors at the time of enter
they are on terms at least as favorable to us as could have been obtained from a third party.

*Beasley Broadcasting Management, LLC*

We lease our principal executive offices in Naples, FL from Beasley Broadcasting Management, LLC, which
Beasley, Bruce G. Beasley, Brian E. Beasley, and other family members of George G. Beasley. Rental expens
December 31, 2017.

*Beasley Family Towers, LLC*

We lease radio towers for 19 radio stations in various markets from BFT. The lease agreements expire on vari
Rental expense was $0.4 million for the year ended December 31, 2017.

*GGB Estero, LLC*

We lease property for our radio stations in Ft. Myers, FL from GGB Estero, LLC which is held by a trust for tl
Beasley, Brian E. Beasley, and other family members of George G. Beasley. The lease agreement expires on A
$0.2 million for the year ended December 31, 2017.

*Wintersrun Communications, LLC*

We leased a radio tower for one radio station in Augusta, GA from Wintersrun. On October 16, 2015, the towe
Wintersrun prepaid rent of $0.3 million on our behalf to the unrelated party. Repayments of prepaid rent to Wi
the year ended December 31, 2017.

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As of December 31, 2017, future minimum payments to related parties for the next five years and thereafter ar

| |
|---|
| 2018 |
| 2019 |
| 2020 |
| 2021 |
| 2022 |
| Thereafter |
| Total |

**Off-Balance Sheet Arrangements**

We did not have any off-balance sheet arrangements as of December 31, 2017.

**Inflation**

For the years ended December 31, 2016 and 2017, inflation has affected our performance in terms of higher co
however the exact impact cannot be reasonably determined.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS**

Not required for smaller reporting companies.

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## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

### BEASLEY BROADCAST GROUP, INC.

### INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

**Financial Statements**

Report of Independent Registered Public Accounting Firm
Consolidated Balance Sheets as of December 31, 2016 and 2017
Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2016 and 2017
Consolidated Statements of Stockholders Equity for the Years Ended December 31, 2016 and 2017
Consolidated Statements of Cash Flows for the Years Ended December 31, 2016 and 2017
Notes to Consolidated Financial Statements
Consolidated Financial Statement Schedule Valuation and Qualifying Accounts

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## Report of Independent Registered Public Accounting Firm

Shareholders and the Board of Directors of Beasley Broadcast Group, Inc.

Naples, Florida

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Beasley Broadcast Group, Inc. (the Comp
related consolidated statements of comprehensive income, stockholders equity, and cash flows for the years t
consolidated financial statement schedule (collectively referred to as the financial statements ). In our opini
all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results
years then ended, in conformity with accounting principles generally accepted in the United States of America

**Basis for Opinion**

These financial statements are the responsibility of the Company s management. Our responsibility is to expre
statements based on our audits. We are a public accounting firm registered with the Public Company Accounti
( PCAOB ) and are required to be independent with respect to the Company in accordance with the U.S. fede
and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we pla
reasonable assurance about whether the financial statements are free of material misstatement, whether due to
required to have, nor were we engaged to perform, an audit of its internal control over financial reporting in ac
PCAOB. As part of our audits we are required to obtain an understanding of internal control over financial rep
expressing an opinion on the effectiveness of the Company s internal control over financial reporting. Accord
accordance with the standards of the PCAOB.

Our audits included performing procedures to assess the risks of material misstatement of the financial stateme
performing procedures that respond to those risks. Such procedures included examining, on a test basis, evider
in the financial statements. Our audits also included evaluating the accounting principles used and significant e
evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable

/s/ Crowe Horwath LLP

We have served as the Company s auditor since 2006.

Fort Lauderdale, Florida

February 20, 2018

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## BEASLEY BROADCAST GROUP, INC.

## CONSOLIDATED BALANCE SHEETS

| ASSETS |
| --- |
| Current assets: |
| Cash and cash equivalents |
| Accounts receivable, less allowance for doubtful accounts of $1,537,353 in 2016 and $1,623,408 in 2017 |
| Prepaid expenses |
| Merger consideration receivable |
| Beneficial interest in trust |
| Other current assets |
| Total current assets |
| Property and equipment, net |
| FCC broadcasting licenses |
| Goodwill |
| Other intangibles, net |
| Assets held for sale |
| Other assets |
| Total assets |
| **LIABILITIES AND STOCKHOLDERS EQUITY** |
| Current liabilities: |
| Current installments of long-term debt |
| Accounts payable |
| Other current liabilities |
| Total current liabilities |
| Due to related parties |
| Long-term debt, net of current installments and unamortized debt issuance costs |
| Deferred tax liabilities |
| Other long-term liabilities |
| Total liabilities |
| Commitments and contingencies |
| Stockholders equity: |
| Preferred stock, $0.001 par value; 10,000,000 shares authorized; none issued |
| Class A common stock, $0.001 par value; 150,000,000 shares authorized; 15,112,529 issued and 12,174,542 outstanding in 2016; 15,222,738 issued and 12,189,998 outstanding in 2017 |
| Class B common stock, $0.001 par value; 75,000,000 shares authorized; 16,662,743 issued and outstanding in 2016 and 2017 |

Additional paid-in capital

Treasury stock, Class A common stock; 2,937,987 shares in 2016; 3,032,740 shares in 2017

Retained earnings

Accumulated other comprehensive income (loss)

Total stockholders equity

Total liabilities and stockholders equity

*See accompanying notes to consolidated financial statements*

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**BEASLEY BROADCAST GROUP, INC.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCO**

| |
|---|
| Net revenue |
| |
| Operating expenses: |
| Station operating expenses (including stock-based compensation of $112,327 in 2016 and $54,163 in 2017 anc excluding depreciation and amortization shown separately below) |
| Corporate general and administrative expenses (including stock-based compensation of $697,044 in 2016 and $1,690,971 in 2017) |
| Transaction expenses |
| Other operating expenses |
| Depreciation and amortization |
| Change in fair value of contingent consideration |
| Gain on dispositions, net |
| Gain on exchange |
| Termination of postretirement benefits plan |
| Gain on merger |
| |
| Total operating expenses |
| |
| Operating income |
| Non-operating income (expense): |
| Interest expense |
| Loss on modification of long-term debt |
| Other income (expense), net |
| |
| Income before income taxes |
| Income tax expense (benefit) |
| |
| Net income |
| Other comprehensive income: |
| Unrealized losses on securities (net of income tax benefit of $23,214 in 2016 and $21,527 in 2017) |
| Unrecognized actuarial gains (losses) on postretirement plans (net of income tax benefit of $491,248 in 2016 a income tax expense of $641,789 in 2017) |
| |
| Comprehensive income |
| |
| Net income per Class A and B common share: |
| Basic |
| Diluted |

Dividends declared per common share
Weighted average shares outstanding:
Basic
Diluted

*See accompanying notes to consolidated financial statements*

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**BEASLEY BROADCAST GROUP, INC.**

**CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQU**

| | Common Stock Class A | | Common Stock Class B | | Additional Paid-In Capital | Treasury Stock | |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | | Shares | Amount |
| Balances as of January 1, 2016 | 9,449,956 | $ 9,450 | 16,662,743 | $ 16,662 | $ 119,495,619 | (2,882,179) | $ (15,361,869) |
| Issuance of common stock | 5,422,993 | 5,423 | | | 26,024,943 | | |
| Stock-based compensation | 239,580 | 240 | | | 809,131 | | |
| Adjustment from related party acquisition | | | | | 10,232 | | |
| Purchase of treasury stock | | | | | | (55,808) | (198,152) |
| Net income | | | | | | | |
| Cash dividends, $0.18 per common share | | | | | | | |
| Other comprehensive loss | | | | | | | |
| Balances as of December 31, 2016 | 15,112,529 | 15,113 | 16,662,743 | 16,662 | 146,339,925 | (2,937,987) | (15,560,021) |
| Stock-based compensation | 110,209 | 110 | | | 1,745,024 | | |
| Adjustment from related party acquisition | | | | | (97,617) | | |
| Purchase of treasury stock | | | | | | (94,753) | (1,107,064) |
| Net income | | | | | | | |
| Cash dividends, $0.18 per common share | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Other comprehensive loss | | | | | | | | |
| Balances as of December 31, 2017 | 15,222,738 | $ 15,223 | 16,662,743 | $ 16,662 | $ 147,987,332 | (3,032,740) | $ (16,667,085) | $ |

*See accompanying notes to consolidated financial statements*

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**BEASLEY BROADCAST GROUP, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

| |
|---|
| Cash flows from operating activities: |
| Net income |
| Adjustments to reconcile net income to net cash provided by operating activities: |
| Stock-based compensation |
| Provision for bad debts |
| Depreciation and amortization |
| Change in fair value of contingent consideration |
| Gain on dispositions, net |
| Gain on exchange |
| Termination of postretirement benefits plan |
| Gain on merger |
| Amortization of loan fees |
| Loss on modification of long-term debt |
| Deferred income taxes |
| Change in operating assets and liabilities, net of acquisition: |
| Accounts receivable |
| Prepaid expenses |
| Other assets |
| Accounts payable |
| Other liabilities |
| Other operating activities |
| Net cash provided by operating activities |
| Cash flows from investing activities: |
| Change in restricted cash |
| Acquisition, net of cash acquired |
| Payment for exchange of radio station |
| Capital expenditures |
| Proceeds from dispositions of radio stations |
| Payments for translator licenses |
| Payments for investments |
| Loan to related party |
| Net cash provided by (used in) investing activities |
| Cash flows from financing activities: |
| Issuance of debt |

Payments on debt
Payments of debt issuance costs
Dividends paid
Purchase of treasury stock

Net cash provided by (used in) financing activities

Net increase (decrease) in cash and cash equivalents
Cash and cash equivalents at beginning of period

Cash and cash equivalents at end of period

Cash paid for interest

Cash paid for income taxes

Supplement disclosure of non-cash investing and financing activities:
Dividends declared but unpaid

Translator license and equipment received as consideration

Common stock issued for acquisition

*See accompanying notes to consolidated financial statements*

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**BEASLEY BROADCAST GROUP, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**(1) Nature of Business**

Beasley Broadcast Group, Inc. (the Company ) is a radio broadcasting company operating one reportable bu
operating radio stations throughout the United States. The Company owns and operates 63 radio stations in the
Augusta, GA, Boston, MA, Charlotte, NC, Detroit, MI, Fayetteville, NC, Fort Myers-Naples, FL, Las Vegas, 
Morristown, NJ, Philadelphia, PA, Tampa-Saint Petersburg, FL, West Palm Beach-Boca Raton, FL, and Wilm

**(2) Summary of Significant Accounting Policies**

*Principles of Consolidation*

The financial statements and accompanying notes are prepared in accordance with accounting principles gener
America and include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-com
eliminated.

*Use of Estimates*

Preparing financial statements in conformity with accounting principles generally accepted in the United State
make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the fina
of revenue and expenses during the period. Such estimates include (i) the amount of allowance for doubtful ac
merger consideration receivable; (iii) future cash flows used for testing recoverability of property and equipme
broadcasting licenses and goodwill for impairment; (v) fair value of assets acquired and given up in the radio s
realization of deferred tax assets, and (vii) actuarial assumptions related to the pension plan, SERP and other p
outcomes may differ from management s estimates and assumptions.

*Reclassifications*

Certain amounts previously reported in the 2016 financial statements have been reclassified to conform to the

*Cash and Cash Equivalents*

All short-term investments with an original maturity of three months or less are considered to be cash equivale

*Accounts Receivable*

Accounts receivable consist primarily of uncollected amounts due from advertisers for the sale of advertising a
agency commissions and an allowance for doubtful accounts. The allowance for doubtful accounts reflects ma
accounts receivable. Management determines the allowance based on historical information, relative improven
accounts receivable and changes in current economic conditions. Interest is not accrued on accounts receivable

*Property and Equipment*

Property and equipment is recorded at fair value in a business combination or otherwise at cost and depreciate
estimated useful life of the asset. If an event or change in circumstances were to indicate that the carrying amo
recoverable, the carrying amount will be reduced to the estimated fair value. Repairs and maintenance are char

*FCC Broadcasting Licenses*

FCC broadcasting licenses, including translator licenses, are generally granted for renewable terms of eight ye
expensed as incurred. Licenses are tested for impairment on an annual basis, or more frequently if events or ch
Company s licenses might be impaired. The Company assesses qualitative factors to determine whether it is m
impaired. If the Company determines it is more likely than not that its licenses are impaired then the Company
impairment test. The quantitative impairment test compares the fair value of the Company s licenses with thei
of the licenses exceed their fair value, an impairment loss is recognized in an amount equal to that excess. For
impairment, the Company combines its licenses into reporting units based on its market clusters. See Note 5 fo
broadcasting licenses for the years ended December 31, 2016 and 2017. The weighted-average period before t
broadcasting licenses is 3.0 years.

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*Goodwill*

Goodwill is tested for impairment on an annual basis, or more frequently if events or changes in circumstances
might be impaired. The Company assesses qualitative factors to determine whether it is necessary to perform a
unit. If the quantitative assessment is necessary, the Company will determine the fair value of each reporting u
less than the carrying amount, the Company will recognize an impairment charge for the amount by which the
unit s fair value. The loss recognized will not exceed the total amount of goodwill allocated to the reporting u
for impairment, the Company has identified its market clusters as its reporting units. See Note 6 for changes in
years ended December 31, 2016 and 2017.

*Other Intangibles*

Other intangibles include acquired advertising contracts and advertiser relationships and are amortized over th
event or change in circumstances were to indicate that the carrying amount of other intangibles is not recovera
the estimated fair value.

*Investments*

Other assets include noncontrolling interests in LN2 DB, LLC and Quu, Inc. which are accounted for under th
cost method of accounting, investments are carried at cost and only adjusted for distributions received in exces
declines in fair value. The Company evaluates the investments on a quarterly basis and recognizes an impairm
to be other-than-temporary. Such impairment evaluations include the current business environment, the investe
to obtain additional financing to achieve its business plan. If the Company has not identified events or changes
significant adverse effect on the fair value of the investment, then the fair value of the investments are not esti
December 31, 2016 and 2017, the carrying value of the investment in LN2 DB, LLC is $1.0 million and the ca
is $0.9 million.

*Debt Issuance Costs*

Debt issuance costs are capitalized and amortized over the life of the related debt as interest expense on a strai
effective interest method. Unamortized debt issuance costs are reported as a direct deduction from the carrying

*Defined Benefit Plan and Other Postretirement Benefits*

The costs and liabilities of the defined benefit plan and other postretirement benefits are determined using actu
involves making various assumptions that include the discount rate, rate of return on plan assets, and mortality
matching the cash flows of the plan to the Citigroup Pension Discount Curve. The long-term rate of return on p
from the investment advisor and publicly available survey information on expected returns by asset class. The
mortality tables and mortality improvement scales which are selected based on the most recent study of the So
SERP are both frozen so future employment does not change the benefit amounts. The postretirement medical
impacted by the healthcare cost trend assumption because the reimbursements to retirees are fixed amounts. A
are estimated based on assumptions.

*Treasury Stock*

Treasury stock is accounted for using the cost method whereby the entire cost of the acquired stock is recorded

*Revenue*

Revenue from the sale of advertising airtime is recognized when commercials are broadcast and collection is r
net of advertising agency commissions, generally 15% of gross revenue, in the financial statements. An estima
accounts. Payments received before commercials are broadcast are recorded as deferred revenue. Trade sales a
the goods or services received. Revenue from trade sales is recognized when commercials are broadcast. Good
If commercials are broadcast before the goods or services are received then a trade sales receivable is recorded
the broadcast of commercials then a trade sales payable is recorded. Trade sales revenue was $5.3 million and
December 31, 2016 and 2017, respectively. Trade sales expenses were $5.1 million and $9.6 million for the ye
respectively.

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*Stock-Based Compensation*

The Company measures the cost of employee services received in exchange for an award of equity instrument
award. The cost is recognized in earnings over the period during which an employee is required to provide ser
for equity instruments for which employees do not render the requisite services.

*Income Taxes*

The Company recorded income taxes under the liability method. Deferred tax assets and liabilities are recogni
tax and financial reporting bases of the Company s assets and liabilities using enacted tax rates applicable to t
expected to affect taxable income. Tax benefits from an uncertain tax position are only recognized if it is more
be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax be
statements from such a position are measured based on the largest benefit that has a greater than fifty percent l
resolution. Interest and penalties related to unrecognized tax benefits are recorded as incurred as a component

*Comprehensive Income*

Comprehensive income consists of net income and other gains and losses affecting stockholders equity that,
accepted in the United States of America are excluded from net income, including unrealized gains (losses) on
unrecognized net actuarial gains (losses) related to the pension plan, SERP and other postretirement benefits.

*Earnings per Share*

Basic net income per share is computed by dividing net income available to common stockholders by the weig
outstanding for the period. Common shares outstanding include shares of both Class A and Class B common s
privileges except with respect to voting. Diluted net income per share reflect the potential dilution that could o
other contracts to issue common stock were exercised or converted into common stock and were not anti-dilut

*Concentrations of Risk*

Certain cash deposits with financial institutions may at times exceed FDIC insurance limits.

The radio stations located in Boston, MA and Philadelphia, PA contributed 41.1% of the Company s net reve
Charlotte, NC and Tampa-Saint Petersburg, FL, contributed 43.5% and 22.1% of the Company s net revenue

*Fair Value Measurements*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orde
at the measurement date. Inputs refer broadly to the assumptions that market participants would use in pricing
assumptions about risk. Inputs may be observable or unobservable. Observable inputs are based on market dat
Company. Unobservable inputs reflect the Company s own assumptions based on the best information availal
hierarchy prioritizes the inputs used to measure fair value into three broad levels. The three levels of the fair va

Level 1 Inputs are quoted prices in active markets for identical assets or liabilities as of the reporting date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability,
reporting date.

Level 3 Unobservable inputs for the asset or liability that reflect management s own assumptions about the use in pricing the asset or liability as of the reporting date.

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*Recent Accounting Pronouncements*

In March 2017, the Financial Accounting Standards Board ( FASB ) issued guidance to improve the presenta
periodic postretirement benefit cost. The new guidance is effective for annual periods beginning after Decemb
new guidance in the first quarter of 2018 with no material impact on its financial statements.

In January 2017, the FASB issued guidance to simplify goodwill impairment testing by eliminating step two fi
the new guidance, an entity still has the option to perform the qualitative assessment of a reporting unit to dete
necessary. Under the new guidance an entity should perform its annual, or interim, goodwill impairment test b
unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the c
fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that repor
fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill im
2017. The Company adopted the new guidance on a prospective basis in the first quarter of 2017 with no curre

In August 2016, the FASB issued guidance to reduce diversity in practice in how certain cash receipts and cas
the statement of cash flows. The new guidance is effective for fiscal years beginning after December 15, 2017
years, with early adoption permitted. The Company adopted the new guidance in the first quarter of 2018 with
statements.

In March 2016, the FASB issued guidance to improve several aspects of the accounting for share-based payme
consequences, classification of awards as either equity or liabilities, and classification on the statement of cash
annual periods beginning after December 15, 2016 and interim periods within those annual periods. The Comp
quarter of 2017 with no material impact on its financial statements.

In February 2016, the FASB issued guidance to increase transparency and comparability among organizations
liabilities on the balance sheet and disclosing key information about leasing arrangements. A lessee should rec
position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to
There continues to be a differentiation between finance leases and operating leases, however lease assets and l
leases should now be recognized in the statement of financial position. New disclosures are required to meet th
statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The new guidance i
December 15, 2018, including interim periods within those fiscal years. The Company continues to review the
lease management software. The Company expects the new guidance to result in a significant impact on the ba
be quantified until closer to the adoption date. The Company s initial assessment, which is subject to change,
have a significant impact on the statement of comprehensive income.

In January 2016, the FASB issued guidance that changes how entities measure equity investments and present
liabilities. The new guidance requires entities to measure equity investments that do not result in consolidation
method at fair value and recognize any changes in fair value in net income unless the investments qualify for t
practicality exception will apply to those equity investments that do not have a readily determinable fair value
expedient to estimate fair value, and as such, these investments may be measured at cost. The new guidance is
December 15, 2017, including interim periods within those fiscal years. The Company adopted the new guidar
material impact on its financial statements.

In September 2015, the FASB issued guidance that modified accounting for business combinations to reflect m
recorded prospectively rather than retroactively to the assets and liabilities initially recorded under purchase pr
effective as of January 1, 2016, did not have a material impact on the Company s financial statements at the ti
2017, the Company accounted for measurement period adjustments on a prospective basis. See Note 3 for furt

In May 2014, the FASB issued guidance to clarify the principles for recognizing revenue. The core principle o
recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects
expects to be entitled in exchange for those goods or services. The guidance provides a comprehensive framev
supersedes current general revenue guidance and most industry-specific guidance. In addition, the guidance re
of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recogni
updates to address implementation issues and to clarify guidance for principal versus agent considerations and
licensing. The

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Company adopted the new guidance on January 1, 2018, using the modified retrospective method, with no imp
cumulative effect of initially applying the new guidance had no impact on the opening balance of retained earn
does not expect the new guidance to have a material impact on its financial statements in future periods. Howe
in future reporting periods in accordance with requirements of the new guidance.

## (3) Acquisitions and Dispositions

*Greater Media Merger*

On November 1, 2016, (the Acquisition Date ), the Company completed the acquisition of Greater Media, In
agreement, dated as of July 19, 2016 by and among the Company, Greater Media, Beasley Media Group 2, Inc
the Company ( Merger Sub ), and Peter A. Bordes, Jr., as the Stockholders Representative (the Merger Ag
was merged with and into Greater Media, with Greater Media surviving the merger as an indirect wholly-own
Merger ). As a result of the Merger, the Company added 21 radio stations in the Boston, MA, Detroit, MI, C
Morristown, NJ and Philadelphia, PA markets.

Pursuant to the terms of the Merger Agreement, at the effective time of the Merger, the Company acquired all
stock of Greater Media for an aggregate purchase price of $239,875,000, subject to a purchase price adjustmen
tower assets and other customary post-closing purchase price adjustments and inclusive of the repayment of $8
debt and the payment of certain transaction expenses. The proceeds paid to the stockholders of Greater Media
(ii) $25.0 million in shares of the Company s Class A common stock, which equaled 5,422,993 shares at a fix
Shares ). The 5,422,993 shares of Class A common stock were recorded at a fair value of $4.80 per share or $
Merger consideration was subject to adjustment for changes in working capital of Greater Media, outstanding
as of the Acquisition Date and certain other payments and expenses. In addition, the stockholders of Greater M
from the sale of Greater Media s tower assets, originally estimated to be approximately $24.0 million. The Co
$6.4 million during the year ended December 31, 2016.

The acquisition was accounted for as a business combination. The purchase price allocations were based on a
estimates and assumptions were revised as the Company obtained additional information during the measurem
the Acquisition Date.

On the Acquisition Date, in accordance with the Merger Agreement, the Company placed 867,679 shares of th
a fair value of $4.2 million in escrow. These escrow shares were to be distributed either to the Company for ca
a working capital adjustment. As of the Acquisition Date based on the estimated working capital adjustment, t
of Class A common stock would be released to Greater Media and the remainder would be forfeited to the Co
number of shares to be released to greater Media had a fair value of $0.9 million as of the Acquisition Date an
estimated shares to be forfeited were not indexed to the Company s stock price and therefore were adjusted to
stock price on each reporting date with changes in fair value recorded in earnings. The estimated number of sh
$3.3 million as of the Acquisition Date and were reported as merger consideration receivable in the accompany
estimated number of shares to be forfeited had a fair value of $4.2 million as of December 31, 2016.

Also, in accordance with the Merger Agreement, the purchase price was to be adjusted by certain proceeds fro
assets. Based on the proceeds from the tower sale, the former stockholders of Greater Media were required to r
Class A common stock to the Company for cancellation. The Company accounted for this arrangement as con
ultimate sale of the tower assets. As of the Acquisition Date, the Company estimated the sales price of the tow
the expected return of 650,759 shares. As of the Acquisition Date, the estimated number of shares to be return

were reported as merger consideration receivable in the accompanying consolidated balance sheet. The estima
fair value of $3.7 million as of December 31, 2016. On February 27, 2017, the former stockholders of Greater
agreement to sell the towers for $28.0 million.

On December 29, 2017, the Company entered into a settlement agreement with Greater Media regarding the w
from the tower sale. As a result, all 867,679 shares held in escrow for the working capital adjustment will be f
during the first quarter of 2018 and the former stockholders of Greater Media will return 470,480 shares relate
Company which will also be canceled during the first quarter of 2018. The shares held in escrow that will be f
of December 31, 2017 and the shares to be returned had a fair value of $6.3 million as of December 31, 2017.

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The Company has engaged a third party to evaluate certain net operating loss carryforwards related to Greater
to determine the amount of net operating loss carryforwards that may be utilized by the Company in future tax
finalized, therefore an estimate of $3.6 million for net operating loss carryforwards has been included in the pu
was not finalized before the end of the measurement period and any adjustment will now be recognized in cur
the accounting is finalized.

The following table summarizes the purchase price allocation as of the Acquisition Date:

| |
|---|
| Cash and cash equivalents |
| Accounts receivable |
| Prepaid expenses |
| Other current assets |
| Property and equipment |
| FCC broadcasting licenses |
| Other intangibles, net |
| Other assets |
| Accounts payable |
| Other current liabilities |
| Long-term debt |
| Deferred tax liabilities |
| Other long-term liabilities |
| Net assets acquired |
| Gain on merger |
| Purchase price |

The following table summarizes the components of the purchase price:

| |
|---|
| Cash |
| Stock issued |
| Estimated tower sale adjustment |
| Stock issued in escrow |
| Estimated working capital adjustment |
| Purchase price |

The fair value of the property and equipment acquired in the Merger was estimated using cost and market appr
there are comparable current replacements available, such as radio towers, antenna systems, transmitter equipm
on the basis of a cost approach. The cost approach allowed for factors such as physical depreciation as well as
Property and equipment for which an active used market exists, including property for which there is no longe
available but for which there remains an active used market, such as furniture, computer equipment, and vehic
The market approach is based on the selling prices of similar assets on the used market. As few sales reflect id

assets was utilized with adjustments made for any differences such as age, condition, and options.

The fair value of the FCC broadcasting licenses acquired in the Merger was estimated using an income approa
expected economic benefits the licenses provide and discounts these future benefits using discounted cash flov
analyses assume that each license is held by a hypothetical start-up radio station and the value yielded by each
the portion of the hypothetical start-up radio station s value attributable solely to its license. The discounted c
as radio market revenues; the projected growth rate for radio market revenues; projected radio market revenue
income margins; and a discount rate appropriate for the radio broadcasting industry. The variables used in the
market growth trends, as well as anticipated radio station performance, industry standards, and market conditio
period of ten years was determined to be an appropriate time horizon for the analyses. Stable market revenue s
the end of year three (maturity). The key assumptions used in the valuation of the FCC broadcasting licenses a

| |
|---|
| Revenue growth rates |
| Market revenue shares at maturity |
| Operating income margins at maturity |
| Discount rate |

Effective on the Acquisition Date, the Company entered into an agreement with the former CEO of Greater M
period of one year. The costs associated with this agreement are reported in other operating expenses in the ac
income for the year ended December 31, 2017.

*Dispositions*

On January 6, 2017, the Company completed the sale of substantially all of the assets used or useful in the ope
WFNZ-AM and WLNK-FM in Charlotte, NC to Entercom Communications Corp. for $24.0 million in cash. C
WBT-AM, WBT-FM and WLNK-FM were contributed to a trust following completion of the Company s acc
operated by Entercom under a local marketing agreement until completion of the sale. The assets of WBT-AM
as a beneficial interest in trust as of December 31, 2016 that was realized upon completion of the sale. The Co
balance under its credit facility with the sales proceeds. The Company recorded a $0.3 million loss on disposit

On May 1, 2017, the Company completed the sale of substantially all of the assets used in the operations of W
WNCT-FM, WSFL-FM and WXNR-FM in its Greenville-New Bern-Jacksonville, NC market cluster to CMG
in cash and a translator license and equipment with a fair value of $0.3 million. The Company repaid a portion
facility with the cash sales proceeds. The Company no longer has operations in the Greenville-New Bern-Jack
the disposition. However management determined that the disposition did not represent a strategic shift that w
operations and financial results, therefore the operations in the Greenville-New Bern-Jacksonville, NC market
operations. Income before taxes for the radio stations in the Greenville-New Bern-Jacksonville, NC market wa
December 31, 2016. Income before the gain on disposition of $4.0 million, other disposition related expenses
stations in the Greenville-New Bern-Jacksonville, NC market was $0.1 million for the year ended December 3
WMGV-FM, WNCT-AM, WNCT-FM, WSFL-FM and WXNR-FM were reported as held for sale as of Decen
$4.0 million gain on disposition during the second quarter of 2017.

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*Asset Exchange*

On December 19, 2017, the Company completed an asset exchange with CBS Radio Stations, Inc., Entercom
Divestiture Trust under which the Company agreed to exchange all of the assets used or useful in the operatio
the assets used or useful in the operations of WBZ-FM in Boston, MA. In addition, the Company also paid $1
financed with $6.0 million in borrowings from our credit facility and partially funded with $6.0 million in cas
broadened and diversified the Company s local radio broadcasting platform and revenue base in the Boston r

The asset exchange was accounted for as a business combination. The fair value of the assets received in the a
value of the assets given up in the asset exchange was $48.9 million which includes the FCC broadcasting lic
property and equipment with a fair value of $0.7 million, and a cash payment of $12.0 million. The assets of
as of December 31, 2016. The Company recorded a gain on exchange of $11.8 million and incurred transactio

The asset allocation is summarized as follows:

| |
|---|
| Property and equipment |
| FCC broadcasting license |
| Goodwill |
| Other intangibles |
| |
| Fair value of assets received |
| Less cash consideration |
| |
| |
| Carrying amount of assets of exchanged radio station |
| |
| Gain on exchange |

The fair value of the property and equipment was estimated using cost and market approaches. Property and e
current replacements available were valued on the basis of a cost approach. The cost approach allowed for fac
as functional and economic obsolescence. Property and equipment for which an active used market exists, inc
longer comparable current replacements available but for which there remains an active used market were val
approach is based on the selling prices of similar assets on the used market. As few sales reflect identical asse
utilized with adjustments made for any differences such as age, condition, and options. If different assumptio
and market approaches, the fair value of the property and equipment could have been materially different.

The fair value of the FCC broadcasting licenses were estimated using an income approach. The income appro
benefits the licenses provide and discounts these future benefits using discounted cash flow analyses. The disc
each license is held by a hypothetical start-up radio station and the value yielded by the discounted cash flow
station s value attributable solely to its license. The discounted cash flow model incorporates variables such
growth rate for radio market revenues; projected radio market revenue share; projected radio station operating
appropriate for the radio broadcasting industry. The variables used in the analyses reflect historical radio stati
anticipated radio station performance, industry standards, and market conditions. The discounted cash flow pr
determined to be an appropriate time horizon for the analyses. Stable market revenue share and operating mar
(maturity). If different assumptions or estimates had been used in the income approach, the fair value of the F

materially different. If actual results are different from assumptions or estimates used in the discounted cash fl
impairment losses in the future and they may be material.

The key assumptions used in the valuation of the FCC broadcasting licenses are as follows:

| |
|---|
| Revenue growth rates |
| Market revenue shares at maturity |
| Operating income margins at maturity |
| Discount rate |

Goodwill was equal to the amount the purchase price exceeded the values allocated to the tangible and identifi
allocated to goodwill is deductible for tax purposes.

Other intangibles include a sports rights agreement of $0.3 million which will be amortized over its estimated

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A summary of assets held for sale as of December 31, 2016 is as follows:

| | WFNZ-AM | Green New E Jackso |
|---|---|---|
| Property and equipment, net | $ 1,702,847 | $ 1,40 |
| FCC broadcasting licenses | 2,166,400 | 3,99 |
| Goodwill | | 1,94 |
| Other intangibles | 108,135 | |
| | $ 3,977,382 | $ 7,34 |

The following unaudited pro forma information for the years ended December 31, 2016 and 2017 assumes tha
occurred on January 1, 2016. The significant pro forma adjustments are depreciation and interest expense. Thi
been prepared based on estimates and assumptions, which management believes are reasonable, and is not nec
occurred had the acquisition been completed on January 1, 2016 or of results that may occur in the future.

| | Year e 2016 |
|---|---|
| Net revenue | $ 259,709, |
| Operating income | 37,821, |
| Net income | 11,042, |
| Basic and diluted net income per share | 0 |

**(4) Property and Equipment**

Property and equipment is comprised of the following:

| | Dec 2016 |
|---|---|
| Land | $ 18,789,852 |
| Buildings and improvements | 19,602,568 |
| Broadcast equipment | 33,450,365 |
| Transportation equipment | 1,883,038 |
| Office equipment | 5,201,349 |
| Construction in progress | 1,579,022 |
| | 80,506,194 |
| Less accumulated depreciation and amortization | (20,716,575) |

| | |
|---|---|
| | $ 59,789,619 |

Broadcast equipment includes capital leases for two radio towers totaling $0.7 million and $0.6 million as of D
The Company recorded depreciation and amortization expense of $6.2 million and $6.1 million for the years e
respectively.

**(5) FCC Broadcasting Licenses**

The changes in the carrying amount of FCC broadcasting licenses for the years ended December 31, 2016 and

| |
|---|
| Balance as of January 1, 2016 |
| Acquisitions of translator licenses |
| Acquisition of Greater Media radio stations (see Note 3) |
| Assets held for sale reclassification |
| Beneficial interest in trust reclassification |
| |
| Balance as of December 31, 2016 |
| Acquisitions of translator licenses |
| Asset exchange (see Note 3) |
| |
| Balance as of December 31, 2017 |

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FCC broadcasting licenses related to the disposition of radio stations in Charlotte, NC on January 6, 2017, Gre
May 1, 2017, and WMJX in Boston, MA on December 19, 2017 were reported in assets held for sale as of Dec

**(6) Goodwill**

There were no changes in the carrying amount of goodwill for the year ended December 31, 2016. The change
year ended December 31, 2017 is as follows:

| | |
|---|---|
| Balance as of January 1, 2017 | |
| Assets exchange (see Note 3) | |
| Balance as of December 31, 2017 | |

**(7) Other Intangibles**

Other intangibles are comprised of the following:

| | **December 3** **2016** |
|---|---|
| Advertiser relationships | $ 1,355,87 |
| Advertiser lists | 16,25 |
| Sports program rights | |
| Other intangibles | 25,64 |
| | 1,397,77 |
| Less accumulated amortization | (862,18 |
| | $ 535,58 |

The Company recorded amortization expense of $2.7 million and $0.3 million for the years ended December 3
future amortization expense related to intangible assets subject to amortization for the next four years is as foll

| | |
|---|---|
| 2018 | |
| 2019 | |
| 2020 | |
| 2021 | |
| Total | |

**(8) Other Current Liabilities**

Other current liabilities are comprised of the following:

| | 201 |
|---|---|
| Accrued payroll expenses | $ 10,66 |
| Deferred revenue | 1,79 |
| Dividends payable | 1,28 |
| Trade sales payable | 1,08 |
| Deferred rent | 1,16 |
| Other accrued expenses | 5,18 |
| | $ 21,17 |

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**(9) Long-Term Debt**

Long-term debt is comprised of the following:

| | December 31 2016 |
|---|---|
| Term loan | $ 265,000,00 |
| Revolving credit facility | 3,000,00 |
| Capital lease obligations | 691,95 |
| | 268,691,95 |
| Less unamortized debt issuance costs | (14,313,70 |
| | 254,378,24 |
| Less current installments | (6,686,07 |
| | $ 247,692,17 |

As of December 31, 2016, the previous credit facility consisted of a term loan with a remaining balance of $26
with a maximum commitment of $20.0 million. The previous revolving credit facility carried interest, based o
( LIBOR ), at 6.8% as of December 31, 2016. The term loan carried interest, based on LIBOR, at 7.0% as of

On November 17, 2017, the Company, through its wholly-owned subsidiary, Beasley Mezzanine Holdings, LI
with a syndicate of financial institutions. Proceeds from the new credit facility were primarily used to repay th
with the new credit agreement, the Company recorded a loss on modification of long-term debt of $4.0 million

As of December 31, 2017, the credit facility consisted of a term loan with a remaining balance of $225.0 milli
maximum commitment of $20.0 million. As of December 31, 2017, the Company had $20.0 million in availab
facility. At the Company s option, the credit facility may bear interest at either (i) LIBOR plus a margin 4.0%
The LIBOR interest rate for the term loan is subject to a 1% floor. Interest payments are, for loans based on L
interest period unless the interest period is longer than three months, in which case they are due at the end of e
for loans based on the base rate are due quarterly. The revolving credit facility carried interest, based on LIBO
matures on November 17, 2022. The term loan carried interest, based on LIBOR, at 5.5% as of December 31,

Commencing with the year ending December 31, 2018, the credit agreement requires mandatory prepayments
defined in the credit agreement) when the Company s Total Leverage Ratio (as defined in the credit agreemen
prepayments equal to 25% of Excess Cash Flow when the Total Leverage Ratio is less than or equal to 3.5x bu
prepayments when the Total Leverage Ratio is less than or equal to 3.0x. Mandatory prepayments of consolida
after year end. The credit agreement also requires mandatory prepayments for defined amounts from net proce
and net proceeds of debt issuances.

The credit agreement requires us to comply with certain financial covenants which are defined in the credit ag
a First Lien Leverage Ratio that will be tested at the end of each quarter beginning with the quarter ending Dec
December 31, 2017 through March 31, 2018, the maximum First Lien Leverage Ratio is 6.25x. For the period
2018, the maximum First Lien Leverage Ratio is 6.0x. For the period from March 31, 2019 through December
Leverage Ratio is 5.75x. The maximum First Lien Leverage Ratio is 5.25x for March 31, 2020 and thereafter.

The credit facility is secured by substantially all assets of the Company and its subsidiaries and is guaranteed j
its subsidiaries. If the Company defaults under the terms of the credit agreement, the Company and its subsidia
their guarantees. As of December 31, 2017, the maximum amount of undiscounted payments the Company and
been required to make in the event of default was $225.0 million. The guarantees for the credit facility expire
credit facility and on November 1, 2023 for the term loan.

Failure to comply with financial covenants, scheduled interest payments, scheduled principal repayments, or a
could result in the acceleration of the maturity of the Company s outstanding debt, which could have a materi
or results of operations. As of December 31, 2017, the Company was in compliance with all applicable financi

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The aggregate scheduled principal repayments of the credit facility and capital lease obligations for the next fi

| |
|---|
| 2018 |
| 2019 |
| 2020 |
| 2021 |
| 2022 |
| Thereafter |
| Total |

**(10) Employee Benefit Plans**

*Defined Contribution Plan*

The Company has a defined contribution plan that conforms to Section 401(k) of the Internal Revenue Code. U
a minimum of 1% of their compensation (no maximum) to the Plan. However, the Internal Revenue Code limi
aged 50 years or older) in 2016 and 2017. No employer matching contributions have been made to the defined
November 1, 2016, the Company merged the Greater Media defined contribution plan into the Company s de

*Defined Benefit Plan*

On November 1, 2016, the Company assumed the frozen Greater Media defined benefit plan ( Pension Plan
of the fair value of plan assets of $4.0 million is reported in other long-term liabilities in the balance sheet as o
based on matching the projected cash flows of the plan to the Citigroup Pension Discount Curve. The mortalit
Mortality Tables using the MP-2014 and MP-2016 Mortality Improvement Scales for 2016 and 2017. Effectiv
the Pension Plan. The investment policy is to maximize the expected return on plan assets while maintaining a
allocation for the pension plan is currently set as follows: 65% fixed income, 35% cash. Plan assets are investe
on quoted prices in active markets for identical funds (Level 1). The long-term rate of return on plan assets wa
investment advisor and publicly available survey information on expected returns by asset class. No contributi
or 2017. In December 2017, lump sum payments were made from the trust to participants who elected to recei
a payment of $52.0 million was made from the trust to an insurance company to purchase annuities for the rem
annuity payments. The Company contributed $0.2 million to the Pension Plan in January 2018.

*Supplemental Employee Retirement Plan*

On November 1, 2016, the Company assumed the frozen Greater Media supplemental employee retirement pla
$9.6 million benefit obligations related to the SERP are reported in other long-term liabilities in the balance sh
respectively. The discount rate is based on matching the projected cash flows of the plan to the Citigroup Pens
assumptions are based on the RP-2014 Mortality Tables using the MP-2014 and MP-2016 Mortality Improvem
Company contributed $0.3 million to the SERP in 2017.

*Postretirement Medical and Life Insurance Benefits*

On November 1, 2016, the Company assumed the frozen Greater Media postretirement medical and life insura
Benefits ). The $1.8 million benefit obligation related to Postretirement Benefits is reported in other long-term
December 31, 2016. The discount rate is based on matching the projected cash flows of the plan to the Citigro
assumptions are based on the RP-2014 Mortality Tables using the MP-2014 and MP-2016 Mortality Improven
was not impacted by the healthcare cost trend assumption because the reimbursements to retirees are fixed am
Company terminated the Postretirement Benefits and reversed the accrued liability of $1.8 million which is rep
consolidated statements of comprehensive income for the year ended December 31, 2017.

The following tables summarize the Pension Plan, SERP and Postretirement Benefits as of December 31, 2017

| | **Pension Plan** |
|---|---|
| **Change in Projected Benefit Obligation** | |
| Benefit obligation at beginning of year | $ 87,861,806 |
| Service cost | |
| Interest cost | 2,958,903 |
| Amendments | |
| Actuarial (gain) loss | (2,426,328) |
| Settlements | (33,447,301) |
| Benefits paid | (2,749,560) |
| Benefit obligation at end of year | $ 52,197,520 |

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| | Pension Plan |
|---|---|
| **Change in Plan Assets** | |
| Fair value of plan assets at beginning of year | $ 83,868,508 |
| Actual return on plan assets | 4,531,725 |
| Employer contribution | |
| Settlements | (33,447,301) |
| Benefits paid | (2,749,560) |
| Fair value of plan assets at end of year | $ 52,203,372 |
| Funded Status | $ 5,852 |
| Unrecognized net actuarial (gain) loss | (992,724) |
| Cumulative employer contributions in excess of the net periodic pension cost | $ (986,872) |

| | Pension Plan |
|---|---|
| **Amounts Recognized in the Statement of Financial Position** | |
| Noncurrent assets | $ 5,852 |
| Current liabilities | |
| Noncurrent liabilities | |
| Net amount recognized | $ 5,852 |

| | Pension Plan |
|---|---|
| **Amounts Recognized in Accumulated Other Comprehensive Income** | |
| Net actuarial loss (gain) | $ (992,724) |
| Total (before tax effects) | $ (992,724) |

| | Pension Plan |
|---|---|
| **Information for Pension Plans with an Accumulated Benefit Obligation in excess of Plan Assets** | |
| Projected benefit obligation | $ 52,197,520 |
| Accumulated benefit obligation | $ 52,197,520 |
| Fair value of plan assets | $ 52,203,372 |

| | Pension Plan |
|---|---|
| **Weighted-average assumptions for Disclosure** | |
| Discount rate | 1.80% |
| Rate of compensation increase | N/A |

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**Components of Net Periodic Benefit Cost and Other Amounts Recognized in Other Comprehensive Inc**

| | Pension Plan |
|---|---|
| **Net periodic benefit cost** | |
| Service cost | $ |
| Interest cost | 2,958,903 |
| Expected return on plan assets | (3,562,150) |
| Recognized actuarial (gain) loss | |
| Curtailment charge (credit) | |
| Recognized actuarial (gain) loss due to settlements | (636,121) |
| Net periodic benefit cost | $ (1,239,368) |

| | Pension Plan |
|---|---|
| **Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income** | |
| Net actuarial (gain) loss | $ (3,395,903) |
| Recognized actuarial (gain) loss | |
| Prior service cost (credit) | |
| Prior service cost (credit) due to curtailment | |
| Recognized actuarial (gain) loss due to settlements | 636,121 |
| Total recognized in other comprehensive income (before tax effects) | $ (2,759,782) |
| Total recognized in net benefit cost and other comprehensive income (before tax effects) | $ (3,999,150) |

| | Pension Plan |
|---|---|
| **Amounts Expected to be Recognized in Net Periodic Cost in the Coming Year** | |
| (Gain) loss recognition | $ (992,724) |
| Prior service cost recognition | $ |
| Net initial obligation (asset) recognition | $ |

| | Pension Plan |
|---|---|
| **Weighted-average assumptions used to determine Net Periodic Benefit Cost** | |
| Discount rate | 3.59% |
| Expected return on plan assets | 7.00% |
| Rate of compensation increase | N/A |
| Corridor | 10.00% |

| | Pension Plan |
|---|---|

| **Weighted-Average Assets Allocation** | |
|---|---|
| Fixed income | 65.40% |
| Cash equivalents | 34.60% |
| Total | 100.00% |

| | **Pension Plan** |
|---|---|
| **Asset Category (all Level 1)** | |
| Fixed income funds | 34,141,339 |
| Money market funds | 18,062,033 |
| Total | 52,203,372 |

| **Estimated Future Benefit Payments** | |
|---|---|
| 2018 | $ 52,237,000 |
| 2019 | $ |
| 2020 | $ |
| 2021 | $ |
| 2022 | $ |
| 2023-2027 | $ |

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| | Pension Plan |
|---|---|
| **Contributions** | |
| Estimated contributions for 2018 | $ 200,000 |

The following tables summarize the Pension Plan, SERP and Postretirement Benefits as of December 31, 2016

| | Pension Plan |
|---|---|
| **Change in Projected Benefit Obligation** | |
| Benefit obligation at beginning of year | $ |
| Service cost | |
| Interest cost | 530,839 |
| Plan participants contributions | |
| Actuarial (gain) loss | (965,046) |
| Business combinations | 88,705,097 |
| Benefits paid | (409,084) |
| Benefit obligation at end of year | $ 87,861,806 |

| | Pension Plan |
|---|---|
| **Change in Plan Assets** | |
| Fair value of plan assets at beginning of year | $ |
| Actual return on plan assets | (1,731,372) |
| Employer contribution | |
| Business combinations | 86,008,964 |
| Plan participants contributions | |
| Benefits paid | (409,084) |
| Fair value of plan assets at end of year | $ 83,868,508 |
| Funded Status | $ (3,993,298) |
| Unrecognized net actuarial (gain) loss | 1,767,058 |
| Cumulative employer contributions in excess of the net periodic pension cost | $ (2,226,240) |

| | Pension Plan |
|---|---|
| **Amounts Recognized in the Statement of Financial Position** | |
| Noncurrent assets | $ |
| Current liabilities | |

| | |
|---|---|
| Noncurrent liabilities | (3,993,298) |
| Net amount recognized | $ (3,993,298) |

| | **Pension Plan** |
|---|---|
| **Amounts Recognized in Accumulated Other Comprehensive Income** | |
| Net actuarial loss (gain) | $ 1,767,058 |
| Total (before tax effects) | $ 1,767,058 |

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| | Pension Plan |
|---|---|
| **Information for Pension Plans with an Accumulated Benefit Obligation in excess of Plan Assets** | |
| Projected benefit obligation | $ 87,861,806 |
| Accumulated benefit obligation | $ 87,861,806 |
| Fair value of plan assets | $ 83,868,508 |

| | Pension Plan |
|---|---|
| **Weighted-average assumptions for Disclosure** | |
| Discount rate | 3.62% |
| Rate of compensation increase | N/A |

**Components of Net Periodic Benefit Cost and Other Amounts Recognized in Other Comprehensive Inc**

| | Pension Plan |
|---|---|
| **Net periodic benefit cost** | |
| Service cost | $ |
| Interest cost | 530,839 |
| Expected return on plan assets | (1,000,732) |
| Net periodic benefit cost | $ (469,893) |

| | Pension Plan |
|---|---|
| **Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income** | |
| Net actuarial (gain) loss | $ 1,767,058 |
| Total recognized in other comprehensive income (before tax effects) | $ 1,767,058 |
| Total recognized in net benefit cost and other comprehensive income (before tax effects) | $ 1,297,165 |

| | Pension Plan |
|---|---|
| **Amounts Expected to be Recognized in Net Periodic Cost in the Coming Year** | |
| (Gain) loss recognition | $ |
| Prior service cost recognition | $ |
| Net initial obligation (asset) recognition | $ |

**Pension Plan**

| **Weighted-average assumptions used to determine Net Periodic Benefit Cost** | |
|---|---|
| Discount rate | 3.60% |
| Expected return on plan assets | 7.00% |
| Rate of compensation increase | N/A |
| Corridor | 10.00% |

| | **Pension Plan** |
|---|---|
| **Weighted-Average Assets Allocation** | |
| Equity securities | 28.92% |
| Fixed income | 71.08% |
| Total | 100.00% |

| | Pension Pla |
|---|---|
| **Asset Category (all Level 1)** | |
| U.S. equity funds | 8,764,50 |
| International equity funds | 15,489,74 |
| Fixed income funds | 59,614,25 |
| Total | 83,868,50 |

**(11) Stockholders Equity**

The Company has two classes of common stock: Class A common stock and Class B common stock. In the ele
common stock are entitled by class vote, exclusive of other stockholders, to elect two of the Company s direc
to one vote. In the election of the other six directors and all other matters submitted to the stockholders for a vo
Class B shares shall vote as a single class, with each Class A share being entitled to one vote and each Class B

The Company s credit agreement permits it to repurchase sufficient shares of its common stock to fund withh
of restricted stock, subject to compliance with financial covenants, up to an aggregate amount of $2.5 million p
to repurchase 94,753 shares in 2017.

The Company s credit agreement restricts its ability to pay cash dividends and to repurchase additional shares
does permit, however, (i) additional dividends of up to an aggregate amount of $7.5 million each year if its To
up to an aggregate amount of $10.0 million each year if its Total Leverage Ratio is less than or equal to 3.5x, (
each year that is not required to prepay the credit agreement, subject to maintaining a Total Leverage Ratio of
dividends each year if its Total Leverage Ratio is less than 3.5x and its First Lien Leverage Ratio is less than 2
$4.1 million and $5.1 million in 2016 and 2017, respectively. On December 4, 2017, the Company declared a
Class A and Class B common stock. The dividend of $1.3 million in the aggregate was paid on January 5, 201
December 29, 2017.

**(12) Stock-Based Compensation**

The Beasley Broadcast Group, Inc. 2007 Equity Incentive Award Plan (the 2007 Plan ) permits the Compan
common stock. The 2007 Plan allows for eligible employees, directors and certain consultants of the Company
restricted stock, stock options or other stock-based awards. The restricted stock units and restricted stock awar
Plan generally vest over one to five years of service.

A summary of restricted stock unit activity is presented below:

| | Sha |
|---|---|
| Unvested as of January 1, 2017 | |

| | |
|---|---|
| Granted | 561 |
| Vested | (129 |
| Forfeited | (15 |
| Unvested as of December 31, 2017 | 416 |

A summary of restricted stock activity is presented below:

| | **Sha** |
|---|---|
| Unvested as of January 1, 2016 | 284 |
| Granted | 256 |
| Vested | (180 |
| Forfeited | (17 |
| Unvested as of December 31, 2016 | 343 |
| Granted | 2 |
| Vested | (143 |
| Forfeited | (21 |
| Unvested as of December 31, 2017 | 180 |

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As of December 31, 2017, there was $5.6 million of total unrecognized compensation cost for restricted stock
under the 2007 Plan. That cost is expected to be recognized over a weighted-average period of 2.4 years.

**(13) Income Taxes**

Income tax expense (benefit) is as follows:

| | Year<br>2016 |
|---|---|
| Current: | |
| Federal | $ 789. |
| State | 264. |
| | 1,053. |
| Deferred: | |
| Federal | 2,172. |
| State | 5,071. |
| | 7,243. |
| | $ 8,297. |

Income tax expense (benefit) differs from the amounts that would result from applying the federal statutory ra
ended December 31, 2017, to the Company s income before taxes as follows:

| | Year en<br>2016 |
|---|---|
| Expected tax expense | $ 19,525,1 |
| State income taxes, net of federal benefit | 552,4 |
| Gain on merger | (15,941,6 |
| Tax rate adjustments | 2,915,8 |
| Change in valuation allowance | (65,9 |
| Non-deductible items | 1,147,5 |
| Other | 164,2 |
| | $ 8,297,8 |

Temporary differences that give rise to the components of deferred tax assets and liabilities are as follows:

De

| | | 2016 |
|---|---|---|
| Deferred tax assets: | | |
| Allowance for doubtful accounts | $ | 625,31 |
| Goodwill | | 8,782,36 |
| Other assets | | (42,78 |
| Accrued expenses | | 1,497,31 |
| Other long-term liabilities | | 6,353,59 |
| Stock-based compensation | | 248,04 |
| Net operating losses | | 3,750,42 |
| Subtotal | | 21,214,26 |
| Valuation allowance | | (528,17 |
| Total | | 20,686,08 |
| Deferred tax liabilities: | | |
| Prepaid expenses | | (874,49 |
| Property and equipment | | (6,110,23 |
| Intangibles | | (174,240,62 |
| Total | | (181,225,35 |
| Net deferred tax liabilities | $ | (160,539,26 |

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As of December 31, 2017, the Company has federal net operating losses of $5.5 million and state net operating
various years through 2037. The valuation allowance relates to net operating losses and unrealized losses on in
determined, more likely than not, that such losses will not be utilized.

As of December 31, 2016 and 2017, the Company does not have any material unrecognized tax benefits and ac
penalties related to unrecognized tax benefits. The Company and its subsidiaries file a consolidated federal inc
These returns remain subject to examination by taxing authorities for all years after 2013.

*New Tax Reform Legislation*

In December 2017, the Tax Cuts and Jobs Act (the Tax Act ) was enacted. The Tax Act makes significant ch
the corporate tax rates, changes to net operating loss carryforwards and carrybacks, and a repeal of the corpora
reduced the U.S. corporate tax rate from the current rate of 35% to 21%. As a result of the Tax Act, the Compa
assets and liabilities at the enacted rate. This revaluation resulted in a benefit of $59.7 million to income tax ex
the deferred tax liability.

**(14) Earnings Per Share**

Net income per share calculation information is as follows:

| | Year |
|---|---|
| | 201 |
| Net income | $ 47,48 |
| Weighted-average shares outstanding: | |
| Basic | 23,78 |
| Effect of dilutive restricted stock | 13 |
| Effect of dilutive contingently issuable shares | 3 |
| Diluted | 23,95 |
| Net income per Class A and Class B common share - basic | $ |
| Net income per Class A and Class B common share - diluted | $ |

**(15) Related Party Transactions**

*Beasley Broadcasting Management, LLC*

The Company leases its principal executive offices in Naples, FL from Beasley Broadcasting Management, LL
of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other family members of George G. Beasley. Re
the years ended December 31, 2016 and 2017.

*Beasley Family Towers, LLC*

On December 31, 2015, the Company sold the tower for one radio station in Augusta, GA to Beasley Family T
by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other family members o
directly by Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other family members, for $1.3 million
agreement which expires on December 31, 2025 with four automatic renewal terms of five years each. The lea
capital lease, however based on the terms of the lease agreement the $0.8 million gain on sale was deferred an
property is depreciated. Rental expense was approximately $12,000 for each of the years ended December 31,

On August 4, 2006, the Company entered into an agreement to lease several radio towers for one radio station
agreement expires on April 30, 2021. On November 17, 2015, two of the towers were sold to an unrelated part
behalf of the Company to the unrelated party. The prepaid rent will be repaid with monthly payments of $5,50
Repayments of prepaid rent to BFT were approximately $66,000 for each of the years ended December 31, 20
remaining towers are currently offset by the partial recognition of a deferred gain on sale from the sale of thes
rental expense was reported for these towers for the years ended December 31, 2016 and 2017.

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The Company leases radio towers for 19 radio stations in various markets from BFT. The lease agreements ex
December 28, 2020. Rental expense was $0.5 million and $0.4 million for the years ended December 31, 2016

*GGB Augusta, LLC*

The Company leases land for its radio stations in Augusta, GA from GGB Augusta, LLC which is held by a tr
Bruce G. Beasley, Brian E. Beasley and other family members of George G. Beasley. The lease agreement exp
was approximately $42,000 for each of the years ended December 31, 2016 and 2017.

*GGB Estero, LLC*

The Company leases property for its radio stations in Fort Myers, FL from GGB Estero, LLC which is held by
Bruce G. Beasley, Brian E. Beasley and other family members of George G. Beasley. The lease agreement exp
was $0.2 million for each of the years ended December 31, 2016 and 2017.

*GGB Las Vegas, LLC*

The Company leases property for its radio stations in Las Vegas, NV from GGB Las Vegas, LLC which is co
agreement expires on December 31, 2018. Rental expense was $0.2 million for each of the years ended Decem

*LN2 DB, LLC*

On March 25, 2011, the Company contributed $250,000 to Digital PowerRadio, LLC (now LN2 DB, LLC) in
approximately 20% of the outstanding units. The Company contributed an additional $62,500 on February 14,
$104,167 on April 10, 2013, $104,167 on April 4, 2014, $166,667 on April 3, 2015, and $166,667 on May 3, 2
interest at approximately 20% of the outstanding units. The Company may be called upon to make additional p
LLC in the future. On February 22, 2017, the Company contributed $150,000 to LN2 DB, LLC in exchange fo
annum. Principal and accrued interest are due on the maturity date of December 31, 2019. LN2 DB, LLC is m
which is partly-owned by Mark S. Fowler, an independent director of the Company.

*Wintersrun Communications, LLC*

On December 31, 2015, the Company sold the tower for one radio station in Charlotte, NC to Wintersrun Com
by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other family members o
directly by Bruce G. Beasley and Brian E. Beasley, for $0.4 million then leased the tower back under an agree
with four automatic renewal terms of five years each. The lease met the criteria to be recorded as a capital leas
agreement the $0.3 million gain on sale was deferred and will be recognized as the capital lease property is de
for each of the years ended December 31, 2016 and 2017.

The Company leased a radio tower for one radio station in Augusta, GA from Wintersrun. On October 16, 201
and Wintersrun prepaid rent of $0.3 million on behalf of the Company to the unrelated party. The prepaid rent
$2,559 through October 16, 2025. Repayments of prepaid rent to Wintersrun were approximately $31,000 for
2016 and 2017.

As of December 31, 2017, future minimum payments to related parties for the next five years and thereafter ar

| |
|---|
| 2018 |
| 2019 |
| 2020 |
| 2021 |
| 2022 |
| Thereafter |
| Total |

**(16) Commitments and Contingencies**

The Company leases property and equipment from third parties under five- to thirty-year operating leases. Lea
$9.6 million for the years ended December 31, 2016 and 2017, respectively.

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The Company also has various commitments for rating services, on-air personalities not employed by us, cons
December 31, 2017, future minimum payments to third parties for the next five years and thereafter are summ

| |
|---|
| 2018 |
| 2019 |
| 2020 |
| 2021 |
| 2022 |
| Thereafter |
| Total |

In the normal course of business, the Company is party to various legal matters. The ultimate disposition of th
judgment, have a material adverse effect on the Company s financial position.

**(17) Financial Instruments**

The carrying amount of the Company s financial instruments including cash and cash equivalents, accounts re
fair value due to the short term nature of these financial instruments.

The carrying amount of the Company s long-term debt, including the term loan, the revolving credit facility,
installments, as of December 31, 2017 was $225.6 million which approximated fair value based on current ma
the Company s term loan as of December 31, 2016 was $265.0 million. The Company estimated the fair valu
observable inputs (Level 2). The carrying amount of the Company s revolving credit facility and capital lease
$3.7 million which approximated fair value based on current market interest rates.

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**BEASLEY BROADCAST GROUP, INC.**

**CONSOLIDATED FINANCIAL STATEMENT SCHEDULE**

**VALUATION AND QUALIFYING ACCOUNTS**

**Years ended December 31, 2016 and 2017**

| Column A Description | Column B Balance at Beginning of Period |
|---|---|
| Year ended December 31, 2016: | |
| Allowance for doubtful accounts (deducted from accounts receivable) | 596,380 |
| Valuation allowance for deferred tax assets | 594,079 |
| Year ended December 31, 2017: | |
| Allowance for doubtful accounts (deducted from accounts receivable) | 1,537,353 |
| Valuation allowance for deferred tax assets | 528,179 |

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**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND**

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

**Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be dis
recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms
and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as
regarding required disclosure. In designing and evaluating the disclosure controls and procedures, managemen
procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving th
management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possi

As required by Rule 13a-15(b) of the Exchange Act, we carried out an evaluation, under the supervision and w
including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and opera
procedures (as defined by Exchange Act Rule 13a-15(e)). Based upon the foregoing, our Chief Executive Offi
that the Company s disclosure controls and procedures were effective at the reasonable assurance level as of I
covered by this report.

**Management s Report on Internal Control over Financial Reporting**

Internal control over financial reporting refers to the process designed by, or under the supervision of, our Chi
Officer, and effected by our board of directors, management and other personnel, to provide reasonable assura
reporting and the preparation of financial statements for external purposes in accordance with generally accept
those policies and procedures that:

(1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the tran
the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of f
generally accepted accounting principles, and that receipts and expenditures of the Company are b
authorizations of managements and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition
assets that could have a material effect on the financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting obj
Internal control over financial reporting is a process that involves human diligence and compliance and is subj
resulting from human failures. Internal control over financial reporting also can be circumvented by collusion
Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a t
financial reporting. However, these inherent limitations are known features of the financial reporting process.
process safeguards to reduce, though not eliminate, this risk.

Management is responsible for establishing and maintaining adequate internal control over financial reporting
the framework set forth in the 2013 report entitled Internal Control - Integrated Framework published by th
( COSO ) of the Treadway Commission to evaluate the effectiveness of the Company s internal control over
concluded that the Company s internal control over financial reporting was effective as of the end of the most

This annual report does not include an attestation report of the Company s registered public accounting firm r
reporting. Management s report was not subject to attestation by the Company s registered public accounting
Sarbanes-Oxley Act that permits the Company to provide only management s report in this annual report.

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There has been no change in our internal control over financial reporting during the Company s fourth fiscal c
or is reasonably likely to materially affect, the Company s internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION**

None.

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## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information relating to directors and executive officers required by this Item 10 is incorporated in this rep
under the caption Proposal No. 1: Election of Directors, The Board of Directors and its Committees and
Proxy Statement for our 2018 Annual Meeting of Stockholders, which will be filed with the Commission no la
Statement ). The information relating to certain filings on Forms 3, 4 and 5 is incorporated in this report by re
the caption Section 16(a) Beneficial Ownership Reporting Compliance in our 2018 Proxy Statement. The in
Conduct and Ethics is incorporated in this report by reference to the information set forth under the caption C
2018 Proxy Statement.

### ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 is incorporated in this report by reference to the information set forth
Compensation in our 2018 Proxy Statement.

### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT MATTERS

The information required by this Item 12 is incorporated in this report by reference to the information set forth
Certain Beneficial Owners and Management and Related Stockholder Matters in our 2018 Proxy Statement.

### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDE

The information required by this Item 13 is incorporated in this report by reference to the information set forth
and Related Transactions in our 2018 Proxy Statement.

### ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item 14 is incorporated in this report by reference to the information set forth
Independent Registered Public Accountants in our 2018 Proxy Statement.

## PART IV

## ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements. A list of financial statements and schedules included herein is set forth in th in ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

(b) Exhibits.

| Exhibit Number | Description |
|---|---|
| 2.1 | Agreement and Plan of Merger dated July 19, 2016 (incorporated by reference to Exhibit 2.1 Current Report on Form 8-K filed July 20, 2016). |
| 3.1 | Amended and restated certificate of incorporation of Beasley Broadcast Group, Inc. (incorpora Beasley Broadcast Group, Inc. s Current Report on Form 8-K filed May 25, 2012). |
| 3.2 | Third amended and restated bylaws of Beasley Broadcast Group, Inc. (incorporated by referen Group, Inc. s Annual Report on Form 10-K for the year ended December 31, 2000 filed Febr |
| 10.1 | Credit Agreement dated November 17, 2017, among the Company, Beasley Mezzanine Hold thereto, U.S. Bank, National Association, as Administrative Agent, Collateral Agent, Swing L lender from time to time party thereto (incorporated by reference to Exhibit 10.1 to Beasley B Form 8-K filed November 17, 2017). |
| 10.2 | Investor Rights Agreement dated November 1, 2016 between the Company, certain stockhold and the former stockholders of Greater Media (incorporated by reference to Exhibit 10.1 to Be Report on Form 8-K filed November 4, 2016). |
| 10.3 | Registration Rights Agreement dated November 1, 2016 between the Company, BFTW LLC Media (incorporated by reference to Exhibit 10.2 to Beasley Broadcast Group, Inc. s Current 2016). |
| 10.4 | The 2000 Equity Plan of Beasley Broadcast Group, Inc. (incorporated by reference to Exhibit Amendment No. 3 to Registration Statement on Form S-1/A filed February 11, 2000. (File No |
| 10.5 | First amendment to the 2000 Equity Plan of Beasley Broadcast Group, Inc. (incorporated by re Broadcast Group, Inc. s Registration Statement on Form S-8 filed May 27, 2004 (File No. 33 |
| 10.6 | The Beasley Broadcast Group, Inc. 2007 Equity Incentive Award Plan (incorporated by refere Group, Inc. s Definitive Proxy Statement on Schedule 14A filed April 27, 2007). |
| 10.7 | Executive employment agreement by and between Beasley Broadcast Group, Inc. and George (incorporated by reference to Exhibit 10.1 to Beasley Broadcast Group, Inc. s Current Report |
| 10.8 | Executive employment agreement by and between Beasley Broadcast Group, Inc. and Carolin (incorporated by reference to Exhibit 10.2 to Beasley Broadcast Group, Inc. s Current Report |
| 10.9 | |

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|---|---|
| | Executive employment agreement by and between Beasley Broadcast Group, Inc. and Bruce G (incorporated by reference to Exhibit 10.3 to Beasley Broadcast Group, Inc. s Current Report |
| 10.10 | Executive employment agreement by and between Beasley Broadcast Group, Inc. and Brian E (incorporated by reference to Exhibit 10.4 to Beasley Broadcast Group, Inc. s Current Report |
| 10.11 | Executive employment agreement by and between Beasley Mezzanine Holdings, LLC and Ma (incorporated by reference to Exhibit 10.5 to Beasley Broadcast Group, Inc. s Current Report |
| 10.12 | Performance incentive plan of Beasley Broadcast Group, Inc. (incorporated by reference to Ap Inc. s Definitive Proxy Statement on Schedule 14A filed April 11, 2012). |
| 21.1 | Subsidiaries of the Company. |
| 23.1 | Consent of Crowe Horwath LLP. |

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| 31.1 | Certification of Chief Executive Officer pursuant to Rule 15d-14(a) (17 CFR 240.15d-14(a)). |
| 31.2 | Certification of Chief Financial Officer pursuant to Rule 15d-14(a) (17 CFR 240.15d-14(a)). |
| 32.1 | Certification of Chief Executive Officer pursuant to Rule 15d-14(b) (17 CFR 240.15d-14(b)) |
| 32.2 | Certification of Chief Financial Officer pursuant to Rule 15d-14(b) (17 CFR 240.15d-14(b)) a |
| 101.INS | XBRL Instance Document. |
| 101.SCH | XBRL Taxonomy Extension Schema Document. |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document. |

**ITEM 16. FORM 10-K SUMMARY**

None.

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## SIGNATURES

**Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrar signed on its behalf by the undersigned, thereunto duly authorized.**

**BEAS**

**By:**

**Date:**

**Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below registrant and in the capacities and on the dates indicated.**

| Signature | Title |
| --- | --- |
| /s/ GEORGE G. BEASLEY<br>**George G. Beasley** | Chairman of the Board |
| /s/ CAROLINE BEASLEY<br>**Caroline Beasley** | Chief Executive Officer and Director<br>(principal executive officer) |
| /s/ BRUCE G. BEASLEY<br>**Bruce G. Beasley** | President and Director |
| /s/ BRIAN E. BEASLEY<br>**Brian E. Beasley** | Chief Operating Officer and Director |
| /s/ MARIE TEDESCO<br>**Marie Tedesco** | Chief Financial Officer<br>(principal financial and accounting officer) |
| /s/ ALLEN B. SHAW<br>**Allen B. Shaw** | Vice-Chairman of the Board |
| /s/ PETER A. BORDES | Director |

| | |
|---|---|
| **Peter A. Bordes** | |
| /s/ JOE B. COX | Director |
| **Joe B. Cox** | |
| /s/ MICHAEL J. FIORILE | Director |
| **Michael J. Fiorile** | |
| /s/ MARK S. FOWLER | Director |
| **Mark S. Fowler** | |
| /s/ HERBERT W. MCCORD | Director |
| **Herbert W. McCord** | |

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