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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2019

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________

Commission File Number: 001-14461

Entercom Communications Corp.
(Exact name of registrant as specified in its charter)

Pennsylvania	**23-1701044**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

2400 Market Street, 4th Floor
Philadelphia, Pennsylvania 19103
(Address of principal executive offices and zip code)

(610) 660-5610
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Class A Common Stock, par value $.01 per share	**ETM**	**New York Stock Exchange**

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **Yes** ☒ **No** ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. **Yes** ☐ **No** ☒

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

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

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

Large accelerated filer	☒	**Accelerated filer**	☐
Non-accelerated filer	☐	**Smaller reporting company**	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act and Section 13(a) of the Exchange Act. ☐

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

The aggregate market value of the Class A common stock held by non-affiliates of the registrant as of the last business day of the Registrant’s most recently completed second fiscal quarter, which was June 30, 2019, was $676,512,998 based on the closing price of $5.80 on the New York Stock Exchange on such date.

Class A common stock, $0.01 par value 133,868,099 shares outstanding as of February 14, 2020
(Class A shares outstanding includes 3,795,628 unvested and vested but deferred restricted stock units).
Class B common stock, $0.01 par value 4,045,199 shares outstanding as February 14, 2020.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information in the registrant's Definitive Proxy Statement for its 2019 Annual Meeting of Shareholders, pursuant to Regulation 14A, is incorporated by reference in Part III of this report, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year.

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CERTAIN DEFINITIONS

Unless the context requires otherwise, all references in this report to "Entercom," "we," the "Company," "us," "our" and similar terms refer to Entercom Communications Corp. and its consolidated subsidiaries, which would include any variable interest entities that are required to be consolidated under accounting guidance.

With respect to annual fluctuations within "Management's Discussion And Analysis Of Financial Condition and Results Of Operations", the designation of "nmf" represents "no meaningful figure." This designation is reserved for financial statement line items with such an insignificant change in annual activity, that the fluctuation expressed as a percentage would not provide the users of the financial statements with any additional useful information.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains, in addition to historical information, statements by us with regard to our expectations as to financial results and other aspects of our business that involve risks and uncertainties and may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Forward-looking statements, including certain pro forma information, are presented for illustrative purposes only and reflect our current expectations concerning future results and events. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws including, without limitation: any projections of earnings, revenues or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

We report our financial information on a calendar-year basis. Any reference to activity during the year is for the year ended December 31.

Any reference to the number of radio markets covered by us in top 15, 25 and 50 markets is sourced to the Fall 2019 publication of Nielsen's Radio Markets; Population, Rankings and Information.

In the practice of measuring the size of U.S. commercial broadcasting audiences, cume, short for "cumulative audience", is a measure of the total number of consumers over a specified period.

You can identify forward-looking statements by our use of words such as "anticipates," "believes," "continues," "expects," "intends," "likely," "may," "opportunity," "plans," "potential," "project," "will," "could," "would," "should," "seeks," "estimates," "predicts" and similar expressions which identify forward-looking statements, whether in the negative or the affirmative. We cannot guarantee that we actually will achieve these plans, intentions or expectations. These forward-looking statements are subject to risks, uncertainties and other factors, some of which are beyond our control, which could cause actual results to differ materially from those forecasted or anticipated in such forward-looking statements. These risks, uncertainties and factors include, but are not limited to, the factors described in Part I, Item 1A, "Risk Factors."

Any pro forma information that may be included reflects adjustments and is presented for comparative purposes only and does not purport to be indicative of what has occurred or indicative of future operating results or financial position.

You should not place undue reliance on these forward-looking statements, which reflect our view only as of the date of this report. We do not intend, and we do not undertake any obligation, to update these statements or publicly release the result of any revision(s) to these statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. BUSINESS

We are a leading American media and entertainment company, with a cume of 170 million people each month, with coverage of close to 90% of persons 12+ in the top 50 U.S. markets through our premier collection of highly-rated, award-winning radio stations, digital platforms and live events. We are the number one creator of live, original, local, premium audio content and the nation's unrivaled leader in news and sports radio. We are home to seven of the eight most listened to all-news stations in the U.S., as well as more than 40 professional sports teams and dozens of top college programs. As one of the country's two largest radio broadcasters, we offer local and national advertisers integrated marketing solutions across audio, digital and event platforms to deliver the power of local connection on a national scale. We have a nationwide footprint of radio stations including positions in all of the top 16 markets and 22 of the top 25 markets. We were organized in 1968 as a Pennsylvania corporation.

Merger with CBS Radio

On February 2, 2017, we and our wholly owned subsidiary ("Merger Sub") entered into an Agreement and Plan of Merger (the "CBS Radio Merger Agreement") with CBS Corporation ("CBS") and its wholly-owned subsidiary CBS Radio Inc. ("CBS Radio"). Pursuant to the CBS Radio Merger Agreement, Merger Sub merged with and into CBS Radio with CBS Radio surviving as our wholly-owned subsidiary (the "Merger"). The parties to the Merger believe that the Merger was tax-free to CBS and its shareholders. The Merger was effected through a stock for-stock Reverse Morris Trust transaction.

On November 1, 2017, we entered into a settlement with the Antitrust Division of the U.S. Department of Justice ("DOJ"). The settlement with the DOJ together with several required station divestiture transactions with third parties, allowed us to move forward with the Merger. On November 9, 2017, we obtained approval from the Federal Communications Commission (the "FCC") to consummate the Merger. The transactions contemplated by the CBS Radio Merger Agreement were approved by our shareholders on November 15, 2017. Upon the expiration of the exchange offer period on November 16, 2017, the Merger closed on November 17, 2017.

In connection with the Merger with CBS Radio, we acquired multiple radio stations, net of certain dispositions and radio station exchanges with other third parties, which significantly increased our net revenues, station operating expenses and depreciation and amortization expenses. In 2017, we issued 101,407,494 shares of our Class A common stock in connection with the Merger.

Our Digital and Live Events Platforms

Radio.com delivers scale by unifying the listening experience of our broad portfolio of stations, leading podcasts, shows and talent. Harnessing the power of our cume of 170 million people, this robust platform is delivering fast growth and deep engagement twenty-four hours a day, seven days a week.

In July 2019, we completed an acquisition of Pineapple Street Media ("Pineapple"), an award-winning, renowned independent producer of top-rated podcast content. In October 2019, we completed our acquisition of leading podcaster Cadence 13, Inc. ("Cadence 13") by purchasing the remaining shares in Cadence 13 that we did not already own. We initially acquired a 45% interest in Cadence 13 in July 2017. Through our strategic acquisitions of Pineapple and Cadence 13, we are one of the country's top three podcasters in the U.S. market creating, distributing and monetizing premium, personality-based podcasts to our audiences with more than 150 million monthly downloads.

These two acquisitions create a unique leadership position that leverages our scale across the top 50 markets, our enhanced targeted data capabilities, our top-rated portfolio of spoken word brands, and both Cadence 13 and Pineapple's capabilities as two of the industry's leading developers and sellers of original podcast content.

We are a leading creator of live, original events, including large-scale concerts, intimate live performances with big artists on small stages, and crafted food and beverage events, all supported by Eventful, our digital local event discovery business with 28.6 million registered users.

Our Strategy

Our strategy focuses on accelerating growth by capitalizing on scale, efficiencies and operating expertise to consistently deliver the best live, local, premium audio content, events and experiences in the communities we serve and, in turn, offer advertisers access to a highly effective marketing platform to reach large and targeted local audiences. The principal components of our strategy are to: (i) continue to be America's number one creator of live, original, local, premium audio content by building strongly branded radio stations with highly compelling content; (ii) focus on delivering effective integrated marketing solutions for our customers that incorporate audio, digital and experiential assets and leverage our national scale and digital and live events platforms; (iii) assemble and develop the strongest market leading station clusters; (iv) drive a positive perception of radio as the nation's number one reach and ROI medium; and (v) offer a great place to work, where the most talented high achievers can grow and thrive.

Source Of Revenue

The primary source of revenue for our radio stations is the sale of advertising time to local, regional and national advertisers and national network advertisers who purchase commercials in varying lengths. A growing source of revenue is from station-related digital product suites, which allow for enhanced audience interaction and participation, and integrated digital advertising solutions. A station's local sales staff generates the majority of its local and regional advertising sales through direct solicitations of local advertising agencies and businesses. We retain a national representation firm to sell to advertisers outside of our local markets.

Our stations are typically classified by their format, such as news, sports, talk, classic rock, urban, adult contemporary, alternative and country, among others. A station's format enables it to target specific segments of listeners sharing certain demographics. Advertisers and stations use data published by audience measuring services to estimate how many people within particular geographical markets and demographics listen to specific stations. Our geographically and demographically diverse portfolio of radio stations allows us to deliver targeted messages to specific audiences for advertisers on a local, regional and national basis.

A growing source of our revenues are derived from our digital and podcasting operations. The podcast advertising market is growing rapidly and we believe the acquisitions of Cadence 13 and Pineapple position us well for sustained success in this space due to the scale of our radio broadcasting platform, and the powerful symbiotic opportunities, driven by our leading position in sports, news, and local personalities. The primary source of revenue for our podcasting operations is the sale of advertising time to regional and national advertisers who purchase commercials in varying lengths.

Competition

The radio broadcasting and podcasting industries are highly competitive. Our stations compete for listeners and advertising revenue with other radio stations within their respective markets. In addition, our stations compete for audiences and advertising revenues with other media including: digital audio streaming, podcasts, satellite radio, broadcast television, digital, satellite and cable television, newspapers and magazines, outdoor advertising, direct mail, yellow pages, wireless media alternatives, cellular phones and other forms of audio entertainment and advertisement.

Federal Regulation of Radio Broadcasting

Overview. The radio broadcasting industry is subject to extensive and changing government regulation of, among other things, ownership limitations, program content, advertising content, technical operations and business and employment practices. The ownership, operation and sale of radio stations are subject to the jurisdiction of the FCC pursuant to the Communications Act of 1934, as amended (the "Communications Act").

The following is a brief summary of certain provisions of the Communications Act and of certain specific FCC regulations and policies. This summary is not a comprehensive listing of all of the regulations and policies affecting radio stations. For further information concerning the nature and extent of federal regulation of radio stations, you should refer to the Communications Act, FCC rules and FCC public notices and rulings.

FCC Licenses. The operation of a radio broadcast station requires a license from the FCC. A subsidiary holds the FCC licenses for our stations. The total number of radio stations that can simultaneously operate in any given area or market is limited by the amount of spectrum allotted by the FCC within the AM and FM radio bands, and by station-to-station interference within those bands. While there are no national radio station ownership caps, FCC rules do limit the number of stations within the same market that a single individual or entity may own or control.

Ownership Rules. The FCC sets limits on the number of radio broadcast stations an entity may permissibly own within a market. Same-market FCC numeric ownership limitations are based: (i) on markets as defined and rated by Nielsen Audio; and (ii) in areas outside of Nielsen Audio markets, on markets as determined by overlap of specified signal contours.

The total number of stations authorized to operate in a local market may fluctuate from time to time, and the number of stations that can be owned by a single individual or entity in a given market can therefore vary over time. Once the FCC approves the ownership of a cluster of stations in a market, that owner may continue to hold those stations under "grandfathering" policies, despite a decrease in the number of stations in the market.

Ownership Attribution. In applying its ownership limitations, the FCC generally considers only "attributable" ownership interests. Attributable interests generally include: (i) equity and debt interests which when combined exceed 33% of a licensee's or other media entity's total asset value, if the interest holder supplies more than 15% of a station's total weekly programming or has an attributable interest in any same-market media (television, radio, cable or newspaper), with a higher threshold in the case of investments in certain "eligible entities" acquiring broadcast stations; (ii) a 5% or greater direct or indirect voting stock interest, including certain interests held in trust, unless the holder is a qualified passive investor, in which case the threshold is a 20% or greater voting stock interest; (iii) any equity interest in a limited liability company or a partnership, including a limited partnership, unless properly "insulated" from management activities; and (iv) any position as an officer or director of a licensee or of its direct or indirect parent.

Alien Ownership Rules. The Communications Act prohibits the issuance to, or holding of broadcast licenses by, foreign governments or aliens, non-U.S. citizens, whether individuals or entities, including any interest in a corporation which holds a broadcast license if more than 20% of the licensee's capital stock is owned or voted by aliens. In addition, the FCC may prohibit any corporation from holding a broadcast license if the corporation is directly or indirectly controlled by any other corporation of which more than 25% of the capital stock is owned of record or voted by aliens if the FCC finds that the prohibition is in the public interest. The Communications Act gives the FCC discretion to allow greater amounts of alien ownership. The FCC considers investment proposals from international companies or individuals on a case-by-case basis. In September 2016, the FCC announced that it was streamlining foreign ownership rules and procedures to provide for a standardized filing and review process. The streamlined rules permit a broadcast licensee to file a petition with the FCC seeking approval for a proposed controlling investor to own up to 100% foreign ownership of the controlling parent entity and for a non-controlling foreign investor identified in the petition to increase its equity and/or voting interest in a parent entity at a future time up to 49.99%. This change will make it easier for broadcast licensees to seek foreign investors. The FCC also adopted a methodology for determining the citizenship of beneficial owners of publicly held shares that companies may use to ascertain compliance with the foreign ownership rules.

License Renewal. Radio station licenses issued by the FCC are ordinarily renewable for an eight-year term. A station may continue to operate beyond the expiration date of its license if a timely filed license renewal application is pending. All of our licenses have been renewed and are current or we have timely filed license renewal applications.

The FCC is required to renew a broadcast station's license if the FCC finds that the station has served the public interest, convenience and necessity; there have been no serious violations by the licensee of the Communications Act or the FCC's rules and regulations; and there have been no other violations by the licensee of the Communications Act or the FCC's rules and regulations that, taken together, constitute a pattern of abuse. If a challenge is filed against a renewal application, and, as a result of an evidentiary hearing, the FCC determines that the licensee has failed to meet certain fundamental requirements and that no mitigating factors justify the imposition of a lesser sanction, the FCC may deny a license renewal application. In certain instances, the FCC may renew a license application for less than a full eight-year term. Historically, our FCC licenses have generally been renewed for the full term.

Transfer or Assignment of Licenses. The Communications Act prohibits the assignment of broadcast licenses or the transfer of control of a broadcast licensee without the prior approval of the FCC. In determining whether to grant such approval, the FCC considers a number of factors pertaining to the existing licensee and the proposed licensee, including:

- compliance with the various rules limiting common ownership of media properties in a given market;
- the "character" of the proposed licensee; and
- compliance with the Communications Act's limitations on alien ownership as well as general compliance with FCC regulations and policies.

To obtain FCC consent for the assignment or transfer of control of a broadcast license, appropriate applications must be filed with the FCC. Interested parties may file objections or petitions to deny such applications.

Programming and Operation. The Communications Act requires broadcasters to serve the "public interest." A licensee is required to present programming that is responsive to issues in the station's community of license and to maintain records demonstrating this responsiveness. The FCC regulates, among other things, political advertising; sponsorship identification; the advertisement of contests and lotteries; the conduct of station-run contests; obscene, indecent and profane broadcasts; certain employment practices; and certain technical operation requirements, including limits on human exposure to radio-frequency radiation. The FCC considers complaints from listeners concerning a station's public-service programming, employment practices, or other operational issues when processing a renewal application filed by a station, but the FCC may consider complaints at any time and may impose fines or take other action for violations of the FCC's rules separate from its action on a renewal application.

FCC regulations prohibit the broadcast of obscene material at any time as well as the broadcast, between the hours of 6:00 a.m. and 10:00 p.m., of material it considers "indecent" or "profane". The FCC has historically enforced licensee compliance in this area through the assessment of monetary forfeitures. Such forfeitures may include: (i) imposition of the maximum authorized fine for egregious cases ($414,454 for a single violation, up to a maximum of $3,825,726 for a continuing violation); and (ii) imposition of fines on a per utterance basis instead of a single fine for an entire program. There may be indecency complaints that have been submitted to the FCC of which we have not yet been notified.

Certain FCC rules regulate the conduct of on-air station contests, requiring in general that the material rules and terms of the contest be broadcast periodically or posted online and that the contest be conducted substantially as announced.

Enforcement Authority. The FCC has the power to impose penalties for violations of its rules under the Communications Act, including the imposition of monetary fines, the issuance of short-term licenses, the imposition of a condition on the renewal of a license, the denial of authority to acquire new stations, and the revocation of operating authority. The maximum fine for a single violation of the FCC's rules (other than the rules regarding indecency and profanity) is $51,222.

Proposed and Recent Changes. Congress, the FCC and other federal agencies are considering or may in the future consider and adopt new laws, regulations and policies regarding a wide variety of matters that could: (i) affect, directly or indirectly, the operation, ownership and profitability of our radio stations; (ii) result in the loss of audience share and advertising revenues for our radio stations; and (iii) affect our ability to acquire additional radio stations or to finance those acquisitions.

Federal Antitrust Laws. The federal agencies responsible for enforcing the federal antitrust laws, the Federal Trade Commission ("FTC") and the DOJ, may investigate certain acquisitions. For an acquisition meeting certain size thresholds, the Hart-Scott-Rodino Antitrust Improvements Act of 1976 requires the parties to file Notification and Report Forms with the FTC and the DOJ and to observe specified waiting-period requirements before consummating the acquisition. The Merger was subject to review by the FTC and the DOJ. On November 1, 2017, we entered into a consent decree with the DOJ that resolved the DOJ's investigation into the Merger.

HD Radio

AM and FM radio stations may use the FCC selected In-Band On-Channel ("IBOC") as the exclusive technology for terrestrial digital operations. IBOC, developed by iBiquity Digital Corporation, is also known as "HD Radio."

HD Radio technology permits a station to transmit radio programming in digital format. We currently use HD Radio digital technology on most of our FM stations. The advantages of digital audio broadcasting over traditional analog broadcasting technology include improved sound quality, the availability of additional channels and the ability to offer a greater variety of auxiliary services.

Employees

As of January 31, 2020, we had 4,144 full-time employees and 2,911 part-time employees. With respect to certain of our stations in our Boston, Chicago, Detroit, Hartford, Kansas City, Los Angeles, Minneapolis, New York City, Philadelphia, Pittsburgh, San Francisco and St. Louis markets, we are a party to collective bargaining agreements with the Screen Actors Guild - American Federation of Television and Radio Artists (known as SAG-AFTRA). With respect to certain of our stations in our Chicago, Los Angeles, and New York City markets, we are a party to collective bargaining agreements with the Writers Guild of America East (known as WGAE) and Writers Guild of America West (known as WGAW). With respect to certain of our stations in our Chicago, New York City, and Philadelphia markets, we are a party to collective bargaining agreements with the International Brotherhood of Electrical Workers (known as IBEW). We believe that our relations with our employees are good.

Corporate Governance

Code Of Business Conduct And Ethics. We have a Code of Business Conduct and Ethics that applies to each of our employees, including our principal executive officers and senior members of our finance department. Our Code of Business Conduct and Ethics can be found on the "Investors" sub-page of our website located at www.entercom.com/investors.

Board Committee Charters. Each of our Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee has a committee charter as required by the rules of the New York Stock Exchange (the "NYSE"). These committee charters can be found on the "Investors" sub-page of our website located at www.entercom.com/investors.

Corporate Governance Guidelines. NYSE rules require our Board of Directors (the "Board") to establish certain Corporate Governance Guidelines. These guidelines can be found on the "Investors" sub-page of our website located at www.entercom.com/investors.

Environmental Compliance

As the owner, lessee or operator of various real properties and facilities, we are subject to various federal, state and local environmental laws and regulations. Historically, compliance with these laws and regulations has not had a material adverse effect on our business.

Seasonality

Seasonal revenue fluctuations are common in the radio broadcasting industry and are due primarily to fluctuations in advertising expenditures. Typically, revenues are lowest in the first calendar quarter of the year.

Internet Address and Internet Access to Periodic and Current Reports

You can find more information about us that includes a list of our stations in each of our markets on our Internet website located at www.entercom.com. Our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and any amendments to those reports are available free of charge through our Internet website as soon as reasonably practicable after we electronically file such material with the Securities and Exchange Commission (the "SEC"). The contents of our websites are not incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC, and any references to our websites are intended to be inactive textual references only. We will also provide a copy of our annual report on Form 10-K upon any written request.

ITEM 1A. RISK FACTORS

Many statements contained in this report are forward-looking in nature. See "Note Regarding Forward-Looking Statements." These statements are based on current plans, intentions or expectations, and actual results could differ materially as we cannot guarantee that we will achieve these plans, intentions or expectations. Among the factors that could cause actual results to differ are the following:

BUSINESS RISKS

Our results may be impacted by economic trends.

Our net revenues increased in 2019 as compared to the prior year primarily as a result of organic growth and strategic acquisitions made during 2018 and 2019.

Our results of operations could be negatively impacted by economic fluctuations or future economic downturns. Also, expenditures by advertisers tend to be cyclical, reflecting overall economic conditions. The risks associated with our business could be more acute in periods of a slowing economy or recession, which may be accompanied by a decrease in advertising expenditures. A decrease in advertising expenditures could adversely impact our business, financial condition and result of operations.

There can be no assurance that we will not experience an adverse impact on our ability to access capital, which could adversely impact our business, financial condition and results of operations. In addition, our ability to access the capital markets may be severely restricted at a time when we would like or need to do so, which could have an adverse impact on our capacity to react to changing economic and business conditions.

Our radio stations may be adversely affected by changes in programming and competition for advertising revenues.

We operate in a highly competitive business. Our radio stations compete for audiences with advertising revenues as our principal source of income. We compete directly with other radio stations, as well as with other media, such as broadcast, cable and satellite television, satellite radio and pure-play digital audio, newspapers and magazines, national and local digital services, outdoor advertising and direct mail. We also compete for advertising dollars with other large companies such as Facebook, Google and Amazon. Audience ratings and market shares are subject to change, and any decrease in our listenership ratings or market share in a particular market could have a material adverse effect on the revenues of our stations located in that market. Audience ratings and market shares could be affected by a variety of factors, including changes in the format or content of programming (some of which may be outside of our control), personnel changes, demographic shifts and general broadcast listening trends. Adverse changes in any of these areas or trends could adversely impact our business, financial condition, results of operations and cash flows.

While we already compete in some of our markets with stations with similarly programmed formats, if another radio station in a market were to convert its programming format to a format similar to one of our stations or if an existing competitor were to garner additional market share, our stations could suffer a reduction in ratings and/or advertising revenues and could incur increased promotional and other expenses. Competing companies may be larger and/or have more financial resources than we do. There can be no assurance that any of our stations will be able to maintain or increase their current audience ratings, market shares and advertising revenues.

Cybersecurity threats could have a material adverse effect on our business.

The use of our computers and digital technology in substantially all aspects of our business operations gives rise to cybersecurity risks, including malware, spam, advanced persistent threats, email Denial of Service, or DoS, and Distributed Denial of Service, or DDoS, data leaks, and other security threats. A cybersecurity attack could compromise confidential information or disrupt our operations. There can be no assurance that we, or the information security systems we implement, will protect against all of these rapidly changing risks. A cybersecurity incident could increase our operating costs, disrupt our operations, harm our reputation, or subject us to liability under contracts with our commercial partners, or laws and regulations that protect personal data. We maintain insurance coverage against certain of such risks, but cannot guarantee that such coverage will be applicable or sufficient with respect to any given incident or on-going incidents that go undetected. In 2019, we experienced malware attacks which temporarily disrupted certain business operations, and, although these events did not have a material adverse effect on our operating results, there can be no assurance of a similar result in the future. Although we have developed, and further enhanced, our systems and processes that are designed to protect personal information and prevent data loss and other security breaches such as those we have experienced in the past, such measures cannot provide absolute security.

Cybersecurity breaches may increase our costs and cause losses.

Our information security systems and processes, which are designed to protect the confidentiality, integrity and availability of networks, systems, applications and digital information, cannot provide absolute security. Cybersecurity breaches could result in an increase in costs related to securing our systems against cybersecurity threats, defending against litigation, responding to regulatory investigation, and other remediation costs or capital expense associated with detecting, preventing, and responding to cybersecurity incidents, including augmenting backup and recovery capabilities.

The loss of, or difficulty attracting, motivating and retaining, key personnel could have a material adverse effect on our business.

Our business depends upon the continued efforts, abilities and expertise of our executive officers and other key personnel. We believe that the loss of one or more of these individuals could adversely impact our business, financial condition, results of operations and cash flows.

Competition for experienced professional personnel is intense, and we must work to retain and attract these professionals. For example, our radio stations compete for creative and on-air talent with other radio stations and other media, such as broadcast, cable and satellite television, digital media and satellite radio. Our on-air talent are subject to change, due to competition and other reasons. Changes in on-air talent could materially and negatively affect our ratings and our ability to attract local and national advertisers, which could in turn adversely affect our revenues.

Increases in or new royalties, including through legislation, could adversely impact our business, financial condition and results of operations.

We must pay royalties to the copyright owners of musical compositions (e.g., song composers, publishers, et al.) for the public performance of such musical compositions on our radio stations and internet streams. We satisfy this requirement by obtaining blanket public performance licenses from performing rights organizations ("PROs"). We pay fees to the PROs for these licenses, and the PROs in turn compensate the copyright owners. We currently maintain, and pay all fees associated with, public performance licenses from the following PROs: American Society of Composers, Authors and Publishers ("ASCAP"), Broadcast Music, Inc. ("BMI"), SESAC, Inc. ("SESAC"), and Global Music Rights ("GMR"). The royalty rates we pay to copyright owners for the public performance of musical compositions on our radio stations and internet streams could increase as a result of private negotiations and the emergence of new PROs, which could adversely impact our businesses, financial condition, results of operations and cash flows.

We must also pay royalties to the copyright owners of sound recordings (e.g., record labels, recording artists, et al.) for the digital audio transmission of such sound recordings on the Internet. We pay such royalties under federal statutory licenses and pay applicable license fees to SoundExchange, the non-profit organization designated by the United States Copyright Royalty Board ("CRB") to collect such license fees. The royalty rates applicable to sound recordings under federal statutory licenses are subject to adjustment by the CRB. The royalty rates we pay to copyright owners for the digital audio transmission of sound recordings on the Internet could increase as a result of private negotiations, regulatory rate-setting processes, or administrative and court decisions, which could adversely impact our businesses, financial condition, results of operations and cash flows.

We do not pay royalties for the public performance of sound recordings by means of terrestrial broadcasts on our radio stations. However, from time-to-time, Congress considers legislation that would require radio broadcasters to pay royalties to applicable copyright owners for the public performance of sound recordings by means of terrestrial broadcasts. Such proposed legislation has been the subject of considerable debate and activity by the radio broadcast industry and other parties that could be affected. We cannot predict whether or not any such proposed legislation will become law. New royalty rates for the public performance of sound recordings by means of terrestrial broadcasts on our radio stations could increase our expenses, which could adversely impact our businesses, financial condition, results of operations and cash flows.

Federal copyright law has historically provided copyright protection for sound recordings made and fixed to a tangible medium on or after February 15, 1972. The Music Modernization Act ("MMA") signed into law on October 11, 2018 (the "MMA Enactment Date") extends federal copyright protection, and preempts all State laws applicable, to sound recordings created prior to February 15, 1972 (the "Pre-1972 Recordings") as of the MMA Enactment Date. A number of recording artists and independent record labels claim the laws of certain States provide copyright protections for their Pre-1972 Recordings, and have brought claims in those States against several radio broadcasters (including CBS Radio) for allegedly infringing on the exclusive public performance right of such recording artists and record labels in their Pre-1972 Recordings.

In August 2015, CBS Radio was named as a defendant in two separate putative class action lawsuits in a federal court in each of California and New York for common law copyright infringement as well as related state law claims. In May 2016, the California court dismissed the California case against CBS Radio. In June 2016, the plaintiff record labels appealed this judgment to the U.S. Court of Appeals for the Ninth Circuit. In March 2017, the New York federal court dismissed the New York suit with prejudice. In the California case, the plaintiffs sought to certify a class action related to other Pre-1972 Recordings. The California District Court: (a) struck the class certification claims; and (b) granted summary judgment in CBS Radio's favor on the basis that CBS Radio had publicly performed post-1972 digitally remastered recordings, those remastered recordings were derivative works sufficiently original to be copyrightable, and thus those works were governed exclusively by federal law, rather than California state law which governs the public performance of the original recordings. In August 2018, the Ninth Circuit Court of Appeals reversed the California District Court opinion. We filed a petition for rehearing en banc on September 18, 2018. That petition was denied. However, the original decision was amended in part. Following remand, the California District Court entered a stay, pending the outcome of a separate case, Flo & Eddie, Inc. v. Pandora Media, Inc., in which the California Supreme Court will decide whether California law recognizes a public performance right for Pre-1972 Recordings. An adverse decision in the California case against us could impede our ability to broadcast or stream the Pre-1972 Recordings and/or increase our royalty payments, as well as expose us to liability for past broadcasts.

The failure to protect our intellectual property could adversely impact our business, financial condition and results of operations.

Our ability to protect and enforce our intellectual property rights is important to the success of our business. We endeavor to protect our intellectual property under trade secret, trademark, copyright and patent law, and through a combination of employee and third-party non-disclosure agreements, other contractual restrictions, and other methods. We have registered trademarks in state and federal trademark offices in the United States and enforce our rights through, among other things, filing oppositions with the U.S. Patent and Trademark Offices. There is a risk that unauthorized digital distribution of our content could occur, and competitors may adopt names similar to ours or use confusingly similar terms as keywords in internet search engine advertising programs, thereby impeding our ability to build brand identity and leading to confusion among our audience or advertisers. Moreover, maintaining and policing our intellectual property rights may require us to spend significant resources as litigation or proceedings before the U.S. Patent and Trademark Office, courts or other administrative bodies, is unpredictable and may not always be cost-effective. There can be no assurance that we will have sufficient resources to adequately protect and enforce our intellectual property. The failure to protect and enforce our intellectual property could adversely impact our business, financial condition, results of operations and cash flows.

We may be subject to claims and litigation from third parties claiming that our operations infringe on their intellectual property. Any intellectual property litigation could be costly and could divert the efforts and attention of our management and technical personnel, which could have a material adverse effect on our business, financial condition and results of operations. If any such actions are successful, in addition to any potential liability for damages, we could be required to obtain a license in order to continue to operate our business.

We cannot predict the competitive effect on the radio broadcasting industry of changes in audio content distribution, changes in technology or changes in regulations.

The radio broadcasting industry is subject to rapid technological change, evolving industry standards and the emergence of new media technologies and services with which we compete for listeners and advertising revenues. We may lack the resources to acquire new technologies or introduce new services to allow us to effectively compete with these new offerings. Competing technologies and services which compete for listeners and advertising revenues traditionally spent on audio advertising include: (i) personal audio devices such as smart phones; (ii) satellite-delivered digital radio services that offer numerous programming channels such as Sirius Satellite Radio; (iii) audio programming by internet content providers and internet radio stations such as Spotify and Pandora; (iv) low-power FM radio stations, which are non-commercial FM radio broadcast outlets that serve small, localized areas; (v) digital audio files made available on the Internet for downloading to a computer or mobile device such as podcasts that permit users to listen to programming on a time-delayed basis and to fast-forward through programming and/or advertisements; and (vi) search engine and e-commerce websites where a significant portion of their revenues are derived from advertising revenues such as Google and Yelp.

We cannot predict the effect, if any, that competition arising from new technologies or regulatory changes may have on the radio broadcasting industry or on our financial condition, results of operations and cash flows.

We are subject to extensive regulations and are dependent on federally-issued licenses to operate our radio stations. Failure to comply with such regulations could have a material adverse impact on our business.

The radio broadcasting industry is subject to extensive regulation by the FCC under the Communications Act. See Federal Regulation of Radio Broadcasting under Part I, Item 1, "Business." We are required to obtain licenses from the FCC to operate our radio stations. Licenses are normally granted for a term of eight years and are renewable. Although the vast majority of FCC radio station licenses are routinely renewed, there can be no assurance that the FCC will approve our future renewal applications or that the renewals will not include conditions or qualifications. During the periods when a renewal application is pending, informal objections and petitions to deny the renewal application can be filed by interested parties, including members of the public, on a variety of grounds. The non-renewal, or renewal with substantial conditions or modifications, of one or more of our licenses could have a material adverse impact on our business, financial condition, results of operations and cash flows.

We must comply with extensive FCC regulations and policies in the ownership and operation of our radio stations. FCC regulations limit the number of radio stations that a licensee can own in a market, which could restrict our ability to consummate future transactions and in certain circumstances could require us to divest some radio stations. The FCC's rules governing our radio station operations impose costs on our operations, and changes in those rules could have an adverse effect on our business. The FCC also requires radio stations to comply with certain technical requirements to limit interference between two or more radio stations. If the FCC relaxes these technical requirements, it could impair the signals transmitted by our radio stations and could adversely impact our business, financial condition and results of operation. Moreover, these FCC regulations may change over time, and there can be no assurance that changes would not adversely impact our business, financial condition and results of operations. We are currently the subject of several pending investigations by the FCC. Refer to Note 22, Contingencies And Commitments, for further details regarding one such investigation.

Congress or federal agencies that regulate us could impose new regulations or fees on our operations that could have a material adverse effect on us.

There has been in the past and there could be again in the future proposed legislation that requires radio broadcasters to pay additional fees such as a spectrum fee for the use of the spectrum. In addition, there has been proposed legislation which would impose a new royalty fee that would be paid to record labels and performing artists for use of their recorded music. It is currently unknown what impact any potential required royalty payments or fees would have on our business, financial condition, results of operations and cash flows.

We depend on selected market clusters of radio stations for a material portion of our revenues.

For 2019, we generated over 50% of our as reported net revenues in 9 of our 47 markets, which were Boston, Chicago, Dallas, Detroit, Los Angeles, New York City, Philadelphia, San Francisco and Washington, D.C. Accordingly, we have greater exposure to adverse events or conditions in any of these markets, such as changes in the economy, shifts in population or demographics, or changes in audience tastes, which could adversely impact our business, financial condition, results of operations and cash flows.

Impairments to our broadcasting licenses and goodwill have reduced our earnings.

We have incurred impairment charges that resulted in non-cash write-downs of our broadcasting licenses and goodwill. A significant amount of these impairment losses were recorded in 2008 during the recession, during the fourth quarter of 2018 as a result of an interim impairment assessment, and during the fourth quarter of 2019 in connection with our annual impairment assessment (described below). As of December 31, 2019, our broadcasting licenses and goodwill comprised approximately 70% of our total assets.

The annual impairment assessment conducted during the fourth quarter of 2019 indicated: (i) that the fair value of our broadcasting licenses exceeded their respective carrying amounts; and (ii) the fair value of our goodwill was less than its carrying value. Accordingly, we recorded a $537.4 million impairment charge ($519.6 million, net of tax) on our goodwill in the fourth quarter of 2019.

The valuation of our broadcasting licenses and goodwill is subjective and based on our estimates and assumptions rather than precise calculations. The fair value measurements for both our broadcasting licenses and goodwill use significant unobservable inputs and reflect our own assumptions, including market share and profit margin for an average station, growth within a radio market, estimates of costs and losses during early years, potential competition within a radio market and the appropriate discount rate used in determining fair value. While our goodwill impairment assessment utilizes a discounted cash flow method by projecting our income over a specified time and capitalizing at an appropriate market rate to arrive at an indication of the most probable selling price, we also consider other relevant market information such as our stock price. If events occur or circumstances change that would reduce the fair value of the broadcasting licenses and goodwill below the amount reflected on the balance sheet, we may be required to recognize impairment charges, which may be material, in future periods. Current accounting guidance does not permit a valuation increase.

We have significant obligations relating to our current operating leases.

As of December 31, 2019, we had future operating lease commitments of approximately $355.0 million that are disclosed in Note 22, Contingencies And Commitments, in the accompanying notes to our audited consolidated financial statements. We are required to make certain estimates at the inception of a lease in order to determine whether the lease is an operating or finance lease. In February 2016, the accounting guidance was modified to increase transparency and comparability among organizations by requiring the recognition of right-of-use (“ROU”) assets and lease liabilities on the balance sheet. The most notable change in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases with a term of more than one year. This guidance was effective for us as of January 1, 2019. The impact of this guidance had a material impact on our financial position and the impact to our results of operations and cash flows was not material. As of January 1, 2019, we recorded a cumulative-effect adjustment to our accumulated deficit of $4.7 million, net of taxes of $1.7 million. This adjustment was attributable to the recognition of deferred gains from a sale and leaseback transaction under the previous accounting guidance for leases. The most significant impact of the adoption of the new leasing guidance was the recognition of ROU assets and lease liabilities for operating leases on the balance sheet of $288.7 million and $306.2 million, respectively, on January 1, 2019. The difference between the ROU assets and lease liabilities recorded upon implementation was primarily attributable to deferred rent balances and unfavorable lease liabilities which were combined and presented net within the ROU assets.

Our business is dependent upon the proper functioning of our internal business processes and information systems, and modification or 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 operation and management of our business. If these information technology systems fail or are interrupted, our operations and operating results may be adversely affected. Our business processes and information systems need to be sufficiently scalable to support the future growth of our business and may require modifications or upgrades that expose us to a number of operational risks. Our information technology systems, and those of third-party providers, may also be vulnerable to damage or disruption caused by circumstances beyond our control. These include catastrophic events, power anomalies or outages, computer system or network failures and natural disasters. Any material disruption, malfunction or similar challenges with our business processes or information systems, or disruptions or challenges relating to the transition to new processes, systems or providers, could adversely impact our business, financial position, results of operations and cash flow.

The FCC has engaged in vigorous enforcement of its indecency rules against the broadcast industry, which could have a material adverse effect on our business.

FCC regulations prohibit the broadcast of obscene material at any time and indecent or profane material between the hours of 6:00 a.m. and 10:00 p.m. Over the last decade, the FCC has increased its enforcement efforts relating to the regulation of indecency and has threatened on more than one occasion to initiate license revocation proceedings against a broadcast licensee who commits a “serious” indecency violation. Congress has dramatically increased the penalties for broadcasting obscene, indecent or profane programming, and these penalties may potentially subject broadcasters to license revocation, renewal or qualification proceedings in the event that they broadcast such material. In addition, the FCC’s heightened focus on the indecency regulatory scheme, against the broadcast industry generally, may encourage third parties to oppose our license renewal applications or applications for consent to acquire broadcast stations. We may in the future become subject to inquiries or proceedings related to our stations’ broadcast of obscene, indecent or profane material. To the extent that these inquiries or other proceedings result in the imposition of fines, a settlement with the FCC, revocation of any of our station licenses or denials of license renewal applications, our business, financial condition, results of operations and cash flow could be adversely impacted.

We may be unable to effectively integrate our acquisitions.

The integration of acquisitions involves numerous risks, including:

- the possibility of faulty assumptions underlying our expectations regarding the integration process;
- the potential coordination of a greater number of diverse businesses and/or businesses located in a greater number of geographic locations;
- retaining existing customers and attracting new customers;
- the potential diversion of management’s focus and resources from other strategic opportunities and from operational matters;
- unforeseen expenses or delays in anticipated timing;
- attracting and retaining the necessary personnel;
- creating uniform standards, controls, procedures, policies and information systems and controlling the costs associated with such matters; and
- integrating accounting, finance, sales, billing, payroll, purchasing and regulatory compliance systems.

We are exposed to credit risk on our accounts receivable. This risk is heightened during periods of uncertain economic conditions.

Our outstanding accounts receivable are not covered by collateral or credit insurance. While we have procedures to monitor and limit exposure to credit risk on our receivables, which risk is heightened during periods of uncertain economic conditions, there can be no assurance such procedures will effectively limit our credit risk and enable us to avoid losses, which could have a material adverse effect on our financial condition, results of operations and cash flow.

We rely on key contracts and business relationships, and if our business partners or contracting counterparties fail to perform, or terminate, any of their contractual arrangements with us for any reason or cease operations, our business could be disrupted and our revenues could be adversely affected.

We rely on key contracts and business relationships, and if our business partners or contracting counterparties fail to perform, or terminate, any of their contractual arrangements with us for any reason or cease operations, our business could be disrupted and our revenues could be adversely affected. For instance, if one of our business partners or counterparties is unable (including as a result of any bankruptcy or liquidation proceeding) or unwilling to continue operating in the line of business that is the subject of our contract, we may not be able to obtain similar relationships and agreements on terms acceptable to us or at all. The failure to perform or termination of any of the agreements by a partner or a counterparty, the discontinuation of operations of a partner or counterparty, the loss of good relations with a partner or counterparty or our inability to obtain similar relationships or agreements, may have an adverse effect on our financial condition, results of operations and cash flow.

RISKS RELATED TO OUR INDEBTEDNESS

We have substantial indebtedness, which could adversely impact our business, financial condition and results of operations.

We have substantial indebtedness. As of December 31, 2019, we had a senior secured credit agreement (the “Credit Facility”) of $1.0 billion outstanding that is comprised of: (a) a $770.0 million term B-2 loan (the “Term B-2 Loan”); and (b) a $250.0 million senior secured revolving credit facility (the “Revolver”), of which $117.0 million was outstanding at December 31, 2019. In addition to the Credit Facility, we also have outstanding $400.0 million aggregate principal amount of 7.250% senior notes due October 2024 (the “Senior Notes”) and $425.0 million aggregate principal amount of 6.500% senior secured second-lien notes due May 2027 (the "Notes").

This significant amount of indebtedness could have an adverse impact on us. For example, these obligations:

- make it more difficult for us to satisfy our financial obligations with respect to our indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to payments on indebtedness, thereby reducing the availability of cash flow to fund working capital, capital expenditures and other corporate purposes;
- increase our vulnerability to and limit the flexibility in planning for, or reacting to, changes in our business, the industry in which we operate, the economy and government regulations;
- may restrict us from making strategic acquisitions or cause us to make non-strategic divestitures;
- may limit or prohibit our ability to pay dividends and make other distributions including share repurchases
- place us at a competitive disadvantage compared to our competitors that have less indebtedness;
- expose us to the risk of increased interest rates as borrowing under the Term B-2 Loan and Revolver are subject to variable rates of interest; and
- may limit or prohibit our ability to borrow additional funds.

The undrawn amount of the Revolver was $127.1 million as of December 31, 2019. The amount of the Revolver available to us is a function of covenant compliance at the time of borrowing. Based on our financial covenant analysis as of December 31, 2019, we would not be limited in these borrowings.

We may from time to time seek to amend our existing indebtedness agreements or obtain funding or additional debt financing, which may result in higher interest rates.

The terms of the Credit Facility, the Senior Notes and the Notes may restrict our current and future operations.

The Credit Facility, the Indenture governing the Senior Notes (the “Senior Notes Indenture”) and the Indenture governing the Notes (the "Notes Indenture") contain a number of restrictive covenants that impose significant operating and financial restrictions on us and limit our ability to engage in actions that may be in our long-term best interests, including restrictions on our ability to:

- incur additional indebtedness;
- pay dividends on, repurchase or make distributions in respect of our stock;
- make investments or acquisitions;

- sell, transfer or otherwise convey certain assets;
- incur liens;
- enter into Sale and Lease-Back Transactions (as defined in the Senior Notes Indenture);
- enter into agreements restricting our ability to pay dividends or make other intercompany transfers;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into transactions with affiliates;
- prepay certain kinds of indebtedness;
- issue or sell stock; and
- change the nature of our business.

As a result of our substantial indebtedness, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions could hinder our ability to pursue our business strategy or inhibit our ability to adhere to our intended dividend policies.

We may still be able to incur substantial additional amounts of indebtedness, including secured indebtedness, which could further exacerbate the risks associated with our indebtedness and adversely impact our business, financial condition and results of operations.

We may incur substantial additional amounts of indebtedness, which could further exacerbate the risks associated with the indebtedness described above. Although the terms of the agreements governing our existing indebtedness contain restrictions on the incurrence of additional indebtedness and additional liens, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. If new indebtedness is added to our existing indebtedness levels, the related risks that we face would intensify, and we may not be able to meet all of our respective indebtedness obligations. The incurrence of additional indebtedness may adversely impact our business, financial condition and results of operations.

We must comply with the covenants in our debt agreements, which restrict our operational flexibility.

The Credit Facility contains provisions which, under certain circumstances: limit our ability to borrow money; make acquisitions, investments or restricted payments, including without limitation dividends and the repurchase of stock; swap or sell assets; or merge or consolidate with another company. To secure the indebtedness under our Credit Facility, we have pledged substantially all of our assets, including the stock or equity interests of our subsidiaries.

The Credit Facility requires us to maintain compliance with a financial covenant, including a maximum Consolidated Net First Lien Leverage Ratio (as defined in the Credit Facility) that cannot exceed 4.0 times as of December 31, 2019. Under certain circumstances, the Consolidated Net First Lien Leverage Ratio can increase to 4.5 times for a limited period of time.

Our ability to comply with this financial covenant may be affected by operating performance or other events beyond our control, and there can be no assurance that we will comply with these covenants. A default under the Credit Facility could have a material adverse effect on our business.

Failure to comply with our financial covenant or other terms of these financial instruments and the failure to negotiate and obtain any required relief from our lenders could result in the acceleration of the maturity of our outstanding indebtedness and our lenders could proceed against our assets, including the equity interests of our subsidiaries. Under these circumstances, the acceleration of our indebtedness could have a material adverse effect on our business.

A breach of the covenants under the Senior Notes Indenture, the Notes Indenture or under the Credit Facility could result in an event of default under the applicable agreement. Such a default would allow the lenders under the Credit Facility and/or the holders of the Senior Notes and the Notes to accelerate the repayment of such indebtedness and may result in the acceleration of the repayment of any other indebtedness to which a cross-acceleration or cross-default provision applies. In addition, an uncured event of default under the Credit Facility would also permit the lenders under the Credit Facility to terminate all other commitments to extend additional credit under the Credit Facility.

Furthermore, if we are unable to repay the amounts due and payable under the Credit Facility, those lenders could seek to foreclose on the collateral that secures such indebtedness. In the event that creditors accelerate the repayment of our borrowings, we may not have sufficient assets to repay that indebtedness.

Because of our holding company structure, we depend on our subsidiaries for cash flow, and our access to this cash flow is restricted.

We operate as a holding company. All of our radio stations are currently owned and operated by our subsidiaries. Entercom Media Corp., our 100% owned subsidiary, is the borrower under the Credit Facility. All of our station operating subsidiaries and FCC license subsidiaries are subsidiaries of Entercom Media Corp. Most of Entercom Media Corp.'s subsidiaries are full and unconditional joint and several guarantors under the Credit Facility.

As a holding company, our only source of cash to pay our obligations, including corporate overhead and other expenses, is cash distributed from our subsidiaries. We currently expect that the majority of the net earnings and cash flow of our subsidiaries will be retained and used by them in their operations, including servicing Entercom Media Corp.'s indebtedness obligations. Even if our subsidiaries elect to make distributions to us, there can be no assurance that applicable state law and contractual restrictions, including the restricted payments covenants contained in our Credit Facility, would permit such dividends or distributions.

Our variable-rate indebtedness gives rise to interest rate risk, which could cause our debt service obligations to increase significantly. Any increase in our debt service obligations could adversely impact our business, financial condition and results of operations.

Borrowings under the Term B-2 Loan and the Revolver are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations under the Credit Facility could increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, could correspondingly decrease.

As of December 31, 2019, if the borrowing rates under London Interbank Offered Rate ("LIBOR") were to increase 100 basis points above the current rates, our interest expense on: (i) the Term B-2 Loan would increase $7.6 million on an annual basis, including any increase or decrease in interest expense associated with the use of derivative hedging instruments; and (ii) the Revolver would increase by $2.5 million, assuming our entire Revolver was outstanding as of December 31, 2019.

In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate risk. We may, however, not maintain interest rate swaps with respect to all of our variable-rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk. An increase in our debt service obligations could adversely impact our business, financial condition and results of operations.

The expected LIBOR phase-out may have unpredictable impacts on contractual mechanics in the credit markets or the broader financial markets, which could have an adverse effect on our results of operations.

The U.K. Financial Conduct Authority, which regulates LIBOR, intends to cease encouraging or requiring banks to submit rates for the calculation of LIBOR after 2021. It is unclear whether LIBOR will cease to exist after that date, and there is currently no global consensus on what rate or rates will become acceptable alternatives. In the United States, the U.S. Federal Reserve Board-led industry group, the Alternative Reference Rates Committee, selected the Secured Overnight Financing Rate ("SOFR") as an alternative to LIBOR for U.S. dollar-denominated LIBOR-benchmarked obligations. SOFR is a broad measure of the cost of borrowing cash in the overnight U.S treasury repo market, and the Federal Reserve Bank of New York has published the daily rate since 2018. Nevertheless, because SOFR is a fully secured overnight rate and LIBOR is a forward-looking unsecured rate, SOFR is likely to be lower than LIBOR on most dates, and any spread adjustment applied by market participants to alleviate any mismatch during a transition period will be subject to methodology that remains undefined. Additionally, master agreements or other contracts drafted before consensus is reached on a variety of details related to a transition may not reflect provisions necessary to address it once LIBOR is fully phased out.

As discussed above, borrowings under the Term B-2 Loan and Revolver are at variable rates. As of December 31, 2019, we had $770.0 million outstanding under the Term B-2 Loan and $117.0 million outstanding under the Revolver. The Revolver provides for interest based upon the Base Rate or LIBOR plus a margin. The Term B-2 Loan provides for interest based upon the Base Rate or LIBOR plus a margin. Because the Term B-2 Loan and the Revolver are, at times, LIBOR-benchmarked debt, we may be exposed to unpredictable changes in LIBOR-benchmarked provisions in such obligations. Such exposure cannot be determined at this time.

The discontinuation of LIBOR and the transition from LIBOR to SOFR or other benchmark rates could have an unpredictable impact on contractual mechanics in the credit markets or result in disruption to the broader financial markets, including causing interest rates under our current or future LIBOR-benchmarked agreements to perform differently than in the past, which could have an adverse effect on our results of operations.

To service our indebtedness and other cash needs, we require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to satisfy our indebtedness obligations and to fund any planned capital expenditures, dividends and other cash needs will depend in part upon our future financial and operating performance, and upon our ability to renew or refinance borrowings. There can be no assurance that we will generate cash flow from operations, or that we will be able to draw under the Revolver or otherwise, in an amount sufficient to fund our liquidity needs, including the payment of principal and interest on our indebtedness.

Prevailing economic conditions and financial, business, competitive, legislative, regulatory and other factors, many of which are beyond our control, will affect our ability to make these payments.

If we are unable to make payments or refinance our indebtedness or obtain new financing under these circumstances, we may consider other options, including:

- sales of assets;
- sales of equity;
- reduction or delay of capital expenditures, strategic acquisitions, investments and alliances; or
- negotiations with lenders to restructure the applicable indebtedness.

These alternative measures may not be successful and may not enable us to meet scheduled indebtedness service obligations. Our ability to restructure or refinance our indebtedness will depend on the condition of the capital markets and our financial conditions at such time. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In addition, the terms of existing or future indebtedness agreements may restrict us from adopting some of these alternatives. In the absence of sufficient cash flow from operating results and other resources, we could face substantial liquidity problems and could be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions for fair market value, or at all. Furthermore, any proceeds that we could realize from any such dispositions may not be adequate to meet our debt service obligations then due. Our inability to generate sufficient cash flow to satisfy our indebtedness obligations, or to refinance such indebtedness on commercially reasonable terms or at all, could adversely impact our business, financial condition and results of operations.

A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital.

Any decline in the ratings of our corporate credit or any indications from the rating agencies that their ratings on our corporate credit are under surveillance or review with possible negative implications could adversely impact our ability to access capital, which could adversely impact our business, financial condition and results of operations.

RISKS ASSOCIATED WITH OUR STOCK

Our Chairman Emeritus and our Chairman, President and Chief Executive Officer own a large minority equity interest in us and have substantial influence over our Company. Their interests may conflict with your interests.

As of February 14, 2020, Joseph M. Field, our Chairman Emeritus and one of our directors, beneficially owned 13,451,235 shares of our Class A common stock and 2,295,949 shares of our Class B common stock, representing approximately 21.4% of the total voting power of all of our outstanding common stock. As of February 14, 2020, David J. Field, our Chairman, President and Chief Executive Officer, one of our directors and the son of Joseph M. Field, beneficially owned 2,229,730 shares of our Class A common stock and 1,749,250 shares of our Class B common stock, representing approximately 11.6% of the total voting power of all of our outstanding common stock. Joseph M. Field and David J. Field beneficially own all outstanding shares of our Class B common stock. Other members of the Field family and trusts for their benefit also own shares of our Class A common stock.

Shares of our Class B common stock are transferable only to Joseph M. Field, David J. Field, certain of their family members or trusts for any of their benefit. Upon any other transfer, shares of our Class B common stock automatically convert into shares of our Class A common stock on a one-for-one basis. Shares of our Class B common stock are entitled to ten votes only when Joseph M. Field or David J. Field vote them, subject to certain exceptions when they are restricted to one vote. Joseph M. Field is able to significantly influence the vote on all matters submitted to a vote of shareholders.

Our Class A common stock price and trading volume could be volatile.

Our Class A common stock has been publicly traded on the NYSE since January 29, 1999. The market price of our Class A common stock and our trading volume have been subject to fluctuations since the date of our initial public offering. As a result, the market price of our Class A common stock could experience volatility, regardless of our operating performance.

The difficulties associated with any attempt to gain control of our Company could adversely affect the price of our Class A common stock.

There are certain provisions contained in our articles of incorporation, by-laws and Pennsylvania law that could make it more difficult for a third party to acquire control of our Company. In addition, FCC approval is required for transfers of control of FCC licenses and assignments of FCC licenses. These restrictions and limitations could adversely affect the trading price of our Class A common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The types of properties required to support each of our radio stations include offices, studios and transmitter/antenna sites. We lease most of these sites. A station’s studios are generally housed with its offices in business districts. Our studio and office space leases typically contain lease terms with expiration dates of five to 15 years, which may contain options to renew. Our transmitter/antenna sites, which may include an auxiliary transmitter/antenna as a back-up to the main site, contain lease terms that generally range from five to 30 years, which may include options to renew.

The transmitter/antenna site for each station is generally located so as to provide maximum market coverage. In general, we do not anticipate difficulties in renewing facility or transmitter/antenna site leases or in leasing additional space or sites if required.

As of December 31, 2019, we had approximately $355.0 million in future minimum rental commitments under these leases. Many of these leases contain clauses such as defined contractual increases or cost of living adjustments.

Our principal executive office is located at 2400 Market Street, 4th Floor, Philadelphia, Pennsylvania 19103, in 67,031 square feet of leased office space, of which approximately half of the space is dedicated to principal executive offices. While the initial term of this lease expires on July 31, 2034, the lease provides for several optional renewal periods.

ITEM 3. LEGAL PROCEEDINGS

We currently and from time to time are involved in litigation incidental to the conduct of our business. Management anticipates that any potential liability of ours that may arise out of or with respect to these matters will not materially adversely affect our business, financial position, results of operations or cash flows.

Broadcast Licenses

We could face increased costs in the form of fines and a greater risk that we could lose any one or more of our broadcasting licenses if the FCC concludes that programming broadcast by our stations is obscene, indecent or profane and such conduct warrants license revocation. The FCC's authority to impose a fine for the broadcast of such material is $414,454 for a single incident, with a maximum fine of up to $3,825,726 for a continuing violation.

Licenses

The Radio Music Licensing Committee (the "RMLC"), of which we are a represented participant: (i) entered into an industry-wide settlement with ASCAP, resulting in a new license made available to RMLC members, that became effective January 1, 2017, for a five-year term; (ii) is currently seeking reasonable terms and fees for a new license that would be retroactively effective to January 1, 2017, from BMI through settlement negotiations and potential rate court proceedings; (iii) is currently subject to arbitration proceedings with SESAC to determine fair and reasonable fees that would be effective January 1, 2019; and (iv) commencing on January 1, 2017, entered into a series of interim licenses with GMR, the most current of which expires March 31, 2020. The RMLC filed a motion in the U.S. District Court for the Eastern District of Pennsylvania against GMR in November 2016 arguing that GMR is a monopoly demanding monopoly prices and asking the Court to subject GMR to an antitrust consent decree. GMR filed a counterclaim in the U.S. District Court for the Central District of California and a motion to dismiss the RMLC's claim in the U.S. District Court for the Eastern District of Pennsylvania. There have been subsequent claims and counterclaims to establish jurisdiction. In 2019, all claims between the RMLC and GMR were transferred to the U.S. District Court of California.

The CRB will be initiating a proceeding in March 2020 that will establish the royalty rates we pay under federal statutory license for the public performance of sound recordings on the Internet for 2021-2026.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information for Our Common Stock

Our Class A common stock, $0.01 par value, is listed on the New York Stock Exchange under the symbol "ETM."

There is no established trading market for our Class B common stock, $0.01 par value.

Holders

As of February 20, 2020, there were approximately 530 shareholders of record of our Class A common stock. Based upon available information, we believe we have approximately 19,000 beneficial owners of our Class A common stock. There are two shareholders of record of our Class B common stock, $0.01 par value, and no shareholders of record of our Class C common stock, $0.01 par value. In connection with the Merger, we refinanced our then-outstanding indebtedness in the fourth quarter of 2017 and in the process we fully redeemed our outstanding perpetual cumulative convertible preferred stock ("Preferred"). As a result, there were no holders of our Preferred as of December 31, 2019, or December 31, 2018.

Dividends

Effective as of the second quarter of 2016 and continuing through the period prior to the Merger, our Board commenced an annual common stock dividend program of $0.30 per share, with payments that approximated $2.9 million per quarter. In addition to the quarterly dividend, we paid a special one-time cash dividend of $0.20 per share of common stock on August 30, 2017, which approximated $7.8 million.

On November 2, 2017, our Board approved an increase to the annual dividend program to $0.36 per share, with payments that approximated $12.4 million per quarter.

On August 9, 2019, our Board of Directors reduced the annual common stock dividend program to $0.08 per share of common stock. We estimate quarterly dividend payments to approximate $2.7 million per quarter. Any future dividends will be at the discretion of the Board based upon the relevant factors at the time of such consideration, including, without limitation, compliance with the restrictions set forth in the Credit Facility, the Notes and the Senior Notes.

In connection with the refinancing of our then-outstanding credit facility during the fourth quarter of 2017, the following funds were paid in November 2017 in order to fully redeem our Preferred: (i) $27.5 million to fully redeem the amount of Preferred previously outstanding; and (ii) $0.2 million in unpaid dividends through the redemption date. Quarterly dividends on our Preferred were paid in each of the quarters beginning in October 2015 at an annual rate of 6% that increased over time to 10% at the time of redemption. No further dividends on our Preferred were paid during 2018 or 2019.

For a summary of restrictions on our ability to pay dividends, see Liquidity under Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Note 11, Long-Term Debt, in the accompanying notes to our audited consolidated financial statements.

Sales of Unregistered Securities

We did not sell any equity securities during 2019 that were not registered under the Securities Act.

Repurchases of Our Stock

The following table provides information on our repurchases of stock during the quarter ended December 31, 2019:

Period (1) (2)	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
October 1, 2019 - October 31, 2019	—	$ —	—	$ 41,578,230
November 1, 2019 - November 30, 2019 (1)	36,096	$ 4.78	—	$ 41,578,230
December 1, 2019 - December 31, 2019 (1)	372	$ 5.82	—	$ 41,578,230
Total	36,468		—	

(1) We withheld shares upon the vesting of RSUs in order to satisfy employees' tax obligations. As a result, we are deemed to have purchased: (i) 36,096 shares at an average price of $4.78 in November 2019; and (ii) 372 shares at an average price of $5.82 per share in December 2019.

(2) On November 2, 2017, our Board announced a share repurchase program (the "2017 Share Repurchase Program") to permit us to purchase up to $100.0 million of our issued and outstanding shares of common stock through open market purchases. In connection with the 2017 Share Repurchase Program, we did not repurchase any shares during the three months ended December 31, 2019.

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2019, the number of securities outstanding upon the exercise of outstanding options under our equity compensation plan, the weighted average exercise price of such securities and the number of securities available for grant under these plans:

Equity Compensation Plan Information as of December 31, 2019

Plan Category	(a) Number Of Shares To Be Issued Upon Exercise Of Outstanding Options, Warrants And Rights	(b) Weighted Average Exercise Price Of Outstanding Options, Warrants And Rights	(c) Number Of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Column (a))
Equity Compensation Plans Approved by Shareholders:			
Entercom Equity Compensation Plan (1)	542,582	$ 12.06	1,606,922
Total	542,582		1,606,922

(1) On January 1 of each year, the number of shares of Class A common stock authorized under the Entercom Equity Compensation Plan (the "Plan") is automatically increased by 1.5 million, or a lesser number as may be determined by our Board. On November 30, 2017, we filed a registration statement on Form S-8 to register an additional 2,941,525 shares under the Plan. These additional shares were registered in order to address CBS equity compensation awards which were being converted to our awards in connection with the Merger. The amount of shares available for grant automatically increased by 1.5 million on January 1, 2019, and January 1, 2018. As of December 31, 2019: (i) the maximum number of shares authorized under the Plan was 16.3 million shares; and (ii) 1.6 million shares remain available for future grant under the Plan. The amount of shares available for grant automatically increased by 1.5 million on January 1, 2020, to 3.1 million shares.

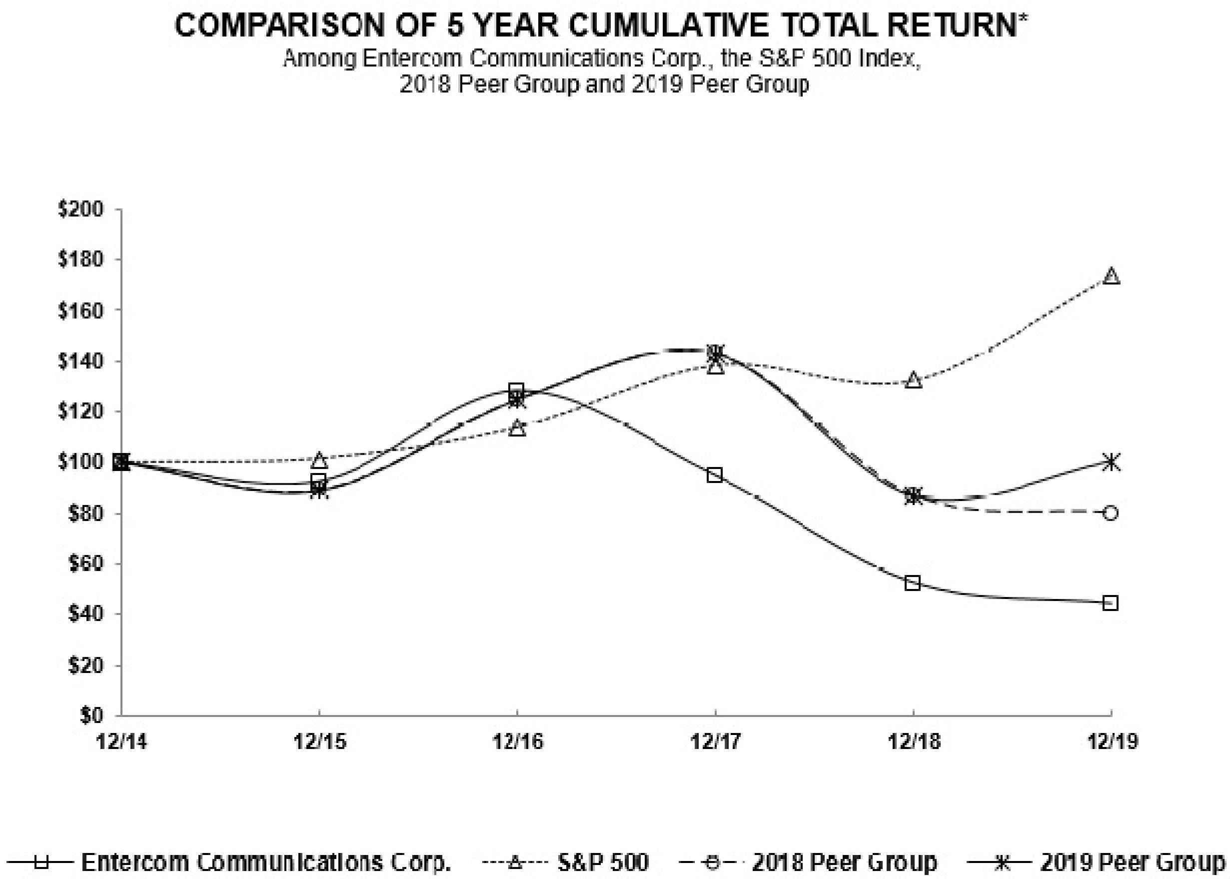
For a description of the Plan, refer to Note 16, Share-Based Compensation, in the accompanying notes to our audited consolidated financial statements.

Performance Graph

The following Comparative Stock Performance Graph shall not be deemed incorporated by reference by any general statement incorporating by reference this Form 10-K into any filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate this information by reference. This Comparative Stock Performance Graph is being furnished with this Form 10-K and shall not otherwise be deemed filed under such acts.

The following line graph compares the cumulative five-year total return provided to shareholders of our Class A common stock relative to the cumulative total returns of: (i) the S&P 500 index; (ii) a peer group index consisting of Urban One, Inc. ("Urban One"), Beasley Broadcast Group, Inc. ("Beasley), Saga Communications, Inc. ("Saga"), iHeartMedia, Inc. ("iHeart"), and Cumulus Media Inc. ("Cumulus") (the “2019 Peer Group”); and (iii) a peer group index consisting of Urban One, Beasley, and Saga (the “2018 Peer Group”). An investment of $100 (with reinvestment of all dividends) is assumed to have been made on December 31, 2014. The change in peer group resulted from the addition of Cumulus and iHeart to the 2019 Peer Group due to their recent emergence from bankruptcy proceedings.

Cumulative Five-Year Return Index Of A $100 Investment



* $100 invested on 12/31/14 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

	12/14	12/15	12/16	12/17	12/18	12/19
Entercom Communications Corp.	**100.00**	**92.35**	**127.93**	**94.57**	**52.39**	**44.30**
S&P 500	**100.00**	**101.38**	**113.51**	**138.29**	**132.23**	**173.86**
2019 Peer Group	**100.00**	**88.78**	**124.46**	**142.68**	**86.66**	**100.59**
2018 Peer Group	**100.00**	**88.78**	**124.46**	**142.68**	**86.66**	**79.94**

ITEM 6. SELECTED FINANCIAL DATA

The selected financial data below, as of and for the year ended 2019 and the four prior years, were derived from our audited consolidated financial statements. The selected financial data for 2019, 2018 and 2017 and balance sheets as of December 31, 2019, and 2018 are qualified by reference to, and should be read in conjunction with, the corresponding audited consolidated financial statements, the notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this annual report. The selected financial data for 2016 and 2015 and the balance sheets as of December 31, 2017, 2016 and 2015 are derived from financial statements not included herein.

Our financial results are not comparable from year to year due to acquisitions and dispositions of radio stations, impairments of broadcasting licenses and goodwill, adoption of new accounting standards, and other significant events.

The following selected financial data should be read in conjunction with the consolidated financial statements and the notes thereto in Item 15, "Exhibits, Financial Statement Schedules," and the information contained in Item 7 of Part II, "Management's Discussion and Analysis of Financial Condition and Results of Operations." Historical results are not necessarily indicative of future results.

SELECTED FINANCIAL DATA
(amounts in thousands, except per share data)

	Years Ended December 31,				
	2019	2018	2017	2016	2015
Operating Data:					
Net revenues	$ 1,489,929	$ 1,462,567	$ 592,884	$ 464,771	$ 414,481
Operating (income) expenses:					
Station operating expenses	1,086,617	1,099,278	443,512	323,270	290,814
Depreciation and amortization	45,331	44,288	15,546	9,793	8,419
Corporate general and administrative expenses	84,304	69,492	47,859	33,328	26,479
Integration costs	4,297	25,372	—	—	—
Restructuring charges	6,976	5,830	16,922	—	2,858
Impairment loss	545,457	493,988	952	254	—
Merger and acquisition costs	941	3,014	41,313	708	3,978
Other expenses related to financing	4,397	—	2,213	565	—
Net time brokerage agreement fees (income)	106	(918)	130	417	(1,285)
Net (gain) loss on sale or disposal of assets	(7,640)	(12,158)	11,853	(1,621)	(2,364)
Total operating expenses	1,770,786	1,728,186	580,300	366,714	328,899
Operating income (loss)	(280,857)	(265,619)	12,584	98,057	85,582
Other (income) expense:					
Net interest expense	100,103	101,121	32,521	36,639	37,961
Other income	—	—	—	(2,299)	—
(Gain) loss on early extinguishment of debt	2,046	—	4,135	10,858	—
Net loss on investments	—	—	—	—	—
Total other expense	102,149	101,121	36,656	45,198	37,961
Income (loss) before income taxes (benefit)	(383,006)	(366,740)	(24,072)	52,859	47,621
Income taxes (benefit)	37,206	(4,153)	(257,085)	14,794	18,437

Net income available to the Company - continuing operations	(420,212)	(362,587)	233,013	38,065	29,184
Preferred stock dividend	—	—	(2,015)	(1,901)	(752)
Net income available to common shareholders - continuing operations	(420,212)	(362,587)	230,998	36,164	28,432
Income (loss) from discontinued operations, net of taxes (benefit)	—	1,152	836	—	—
Net income (loss) attributable to common shareholders	$ (420,212)	$ (361,435)	$ 231,834	$ 36,164	$ 28,432
Net Income (Loss) Per Common Share - Basic:					
Income (loss) from continuing operations	$ (3.07)	$ (2.63)	$ 4.49	$ 0.94	$ 0.75
Income (loss from discontinued operations, net of taxes (benefit)	$ —	0.01	0.02	—	—
Net income (loss) per common share - basic	$ (3.07)	$ (2.62)	$ 4.51	$ 0.94	$ 0.75
Net Income (Loss) Per Common Share - Diluted:					
Income (loss) from continuing operations	$ (3.07)	$ (2.63)	$ 4.37	$ 0.91	$ 0.73
Income (loss from discontinued operations, net of taxes (benefit)	$ —	0.01	0.02	—	—
Net income (loss) per common share - diluted	$ (3.07)	$ (2.62)	$ 4.38	$ 0.91	$ 0.73
Weighted average shares - basic	136,967	138,070	51,393	38,500	38,084
Weighted average shares - diluted	136,967	138,070	52,885	39,568	39,038
Cash Flows Data:					
Cash flows related to:					
Operating activities	$ 132,188	$ 102,249	$ 29,112	$ 72,030	$ 64,790
Investing activities	$ (90,516)	$ 141,478	$ 17,310	$ 495	$ (91,744)
Financing activities	$ (213,537)	$ (85,636)	$ (59,098)	$ (34,851)	$ 4,583
Other Data:					
Common stock dividends declared and paid	$ 30,273	$ 49,770	$ 29,296	$ 8,666	$ —
Cash dividends declared per common share	$ 0.220	$ 0.360	$ 0.515	$ 0.225	$ —
Perpetual cumulative convertible preferred stock dividends declared and paid	$ —	$ —	$ 2,574	$ 1,788	$ 413

	December 31,				
	2019	2018	2017	2016	2015
Balance Sheet Data:					
Cash, cash equivalents and restricted cash	$ 20,393	$ 192,258	$ 34,167	$ 46,843	$ 9,169
Total assets	$ 3,643,678	4,020,358	4,539,201	1,076,233	1,022,108
Senior secured debt and other, including current portion	889,841	1,475,082	1,475,974	480,087	268,750
Senior unsecured notes, senior subordinated notes and other	411,732	414,158	416,584	—	218,269

Notes	430,000	—	—	—	—
Deferred tax liabilities and other long-term liabilities	601,187	635,150	717,356	119,759	109,251
Perpetual cumulative convertible preferred stock (mezzanine)	—	—	—	27,732	27,619
Total shareholders' equity	881,443	1,334,260	1,764,360	393,374	361,450

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a leading American media and entertainment company, with a cume of 170 million people each month, with coverage close to 90% of persons 12+ in the top 50 U.S. markets through our premier collection of highly-rated, award-winning radio stations, digital platforms and live events. We are the number one creator of live, original, local, premium audio content and the nation's unrivaled leader in news and sports radio. We are home to seven of the eight most listened to all-news stations in the U.S., as well as more than 40 professional sports teams and dozens of top college programs. As one of the country's two largest radio broadcasters, we offer local and national advertisers integrated marketing solutions across audio, digital and event platforms to deliver the power of local connection on a national scale. We have a nationwide footprint of radio stations including positions in all of the top 16 markets and 22 of the top 25 markets. We were organized in 1968 as a Pennsylvania corporation.

On February 2, 2017, we and Merger Sub entered into the CBS Radio Merger Agreement with CBS and CBS Radio, pursuant to which Merger Sub merged with and into CBS Radio with CBS Radio surviving as our wholly-owned subsidiary. In 2018, we changed the name of CBS Radio to Entercom Media Corp. The parties to the Merger believe that the Merger was tax-free to CBS and its shareholders. The Merger was effected through a stock-for-stock Reverse Morris Trust transaction.

On November 1, 2017, we entered into a settlement with the Antitrust Division of the DOJ. The settlement with the DOJ together with several required station divestiture transactions with third parties, allowed us to move forward with the Merger. On November 9, 2017, we obtained approval from the FCC to consummate the Merger. The transactions contemplated by the CBS Radio Merger Agreement were approved by our shareholders on November 15, 2017. Upon the expiration of the exchange offer period on November 16, 2017, the Merger closed on November 17, 2017.

In connection with the Merger with CBS Radio, we acquired multiple radio stations, net of certain dispositions and radio station exchanges with other third parties, which significantly increased our net revenues, station operating expenses and depreciation and amortization expenses. In 2017, we issued 101,407,494 shares of our Class A common stock in connection with the Merger.

Our results are based upon the aggregate performance of our radio stations. The following are some of the factors that impact a radio station's performance at any given time: (i) audience ratings; (ii) program content; (iii) management talent and expertise; (iv) sales talent and expertise; (v) audience characteristics; (vi) signal strength; and (vii) the number and characteristics of other radio stations and other advertising media in the market area.

As opportunities arise, we may, on a selective basis, change or modify a station's format due to changes in listeners' tastes or changes in a competitor's format. This could have an initial negative impact on a station's ratings and/or revenues, and there are no guarantees that the modification or change will be beneficial at some future time. Our management is continually focused on these opportunities as well as the associated risks and uncertainties. We strive to develop compelling content and strong brand images to maximize audience ratings that are crucial to our stations' financial success.

A radio broadcasting company derives its revenues primarily from the sale of broadcasting time to local, regional and national advertisers and national network advertisers who purchase spot commercials in varying lengths. A growing source of revenue is from station-related digital platforms, which allow for enhanced audience interaction and participation, integrated local digital marketing solutions and station events. A station's local sales staff generates the majority of its local and regional advertising sales through direct solicitations of local advertising agencies and businesses. We retain a national representation firm to sell to advertisers outside of our local markets.

In the radio broadcasting industry, seasonal revenue fluctuations are common and are due primarily to variations in advertising expenditures by local and national advertisers. Typically, revenues are lowest in the first calendar quarter of the year.

In 2019, we generated the majority of our net revenues from local advertising, which is sold primarily by each individual local radio station's sales staff, and the next largest amount from national advertising, which is sold by an independent national representation firm. This includes, but is not limited to, the sale of advertising during audio streaming of our radio stations over the Internet and the sale of advertising on our stations' websites. We generated the balance of our 2019 revenues principally from network compensation, non-spot revenue, event marketing, e-commerce and our suite of digital products.

The majority of our revenue is recorded on a net basis, which is gross revenue less advertising agency commissions. Revenues from digital marketing solutions and e-commerce are reflected on a net basis when appropriate. Revenues from event marketing are reflected on a net basis when we are not the primary party hosting the event. The revenues are determined by the advertising rates charged and the number of advertisements broadcast. We maximize our revenues by managing the inventory of advertising spots available for broadcast, which can vary throughout the day but is fairly consistent over time.

Our most significant station operating expenses are employee compensation, programming and promotional expenses, and audience measurement services. Other significant expenses that impact our profitability are interest and depreciation and amortization expense.

You should read the following discussion and analysis of our financial condition and results in conjunction with our consolidated financial statements and related notes included elsewhere in this report. The following results of operations include a discussion of 2019 as compared to the prior year.

Results Of Operations

The year 2019 as compared to the year 2018

The following significant factors affected our results of operations for 2019 as compared to the prior year:

Cadence 13 Acquisition

In October 2019, we completed an acquisition of leading podcaster Cadence 13, Inc. ("Cadence 13") by purchasing the remaining shares in Cadence 13 that we did not already own (the "Cadence 13 Acquisition"). We initially acquired a 45% interest in Cadence 13 in July 2017. This initial investment was accounted for as an investment under the measurement alternative. In connection with this step acquisition, we removed our investment in Cadence 13 and recognized a gain of approximately $5.3 million.

Based on the timing of this transaction, our consolidated financial statements for the year ended December 31, 2019, reflect the results of Cadence 13 for a portion of the period after the completion of the Cadence 13 Acquisition. Our consolidated financial statements for the year ended December 31, 2018, do not reflect the results of Cadence 13.

Pineapple Acquisition

On July 19, 2019, we completed a transaction to acquire the assets of Pineapple Street media ("Pineapple") for a purchase price of $14.0 million in cash plus working capital (the "Pineapple Acquisition"). Our consolidated financial statements reflect the operations of Pineapple from the date of acquisition.

Based on the timing of this transaction, our consolidated financial statements for the year ended December 31, 2019, reflect the results of Pineapple for a portion of the period after the completion of the Pineapple Acquisition. Our consolidated financial statements for the year ended December 31, 2018, do not reflect the results of Pineapple.

Cumulus Exchange

On February 13, 2019, we entered into an agreement with Cumulus Media Inc. ("Cumulus") under which we exchanged three of our stations in Indianapolis, Indiana for two Cumulus stations in Springfield, Massachusetts, and one Cumulus station in New York City, New York (the "Cumulus Exchange"). We began programming the respective stations under local marketing agreements ("LMAs") on March 1, 2019. In connection with this exchange, which closed during the second quarter of 2019, we recognized a loss of approximately $1.8 million.

Based on the timing of this transaction, our consolidated financial statements for the year ended December 31, 2019: (i) reflect the results of the acquired stations for a portion of the period in which the LMAs were in effect and after the completion of the Cumulus Exchange; and (ii) reflect the results of our divested stations for a portion of the period until the commencement date of the LMAs. Our consolidated financial statements for the year ended December 31, 2018: (i) do not reflect the results of the acquired stations; and (ii) reflect the results of the divested stations.

WXTU Transaction

On July 18, 2018, we entered into an agreement with Beasley Broadcast Group, Inc. ("Beasley") to sell certain assets of WXTU-FM, serving the Philadelphia, Pennsylvania radio market for $38.0 million in cash (the "WXTU Transaction"). In connection with this disposition, which closed during the third quarter of 2018, we recognized a gain of approximately $4.4 million.

Based on the timing of this transaction, our consolidated financial statements for the year ended December 31, 2019, do not reflect the results of this divested station, whereas our consolidated financial statement for the year ended December 31, 2018, do reflect the results of this divested station up through the date of sale.

Jerry Lee Transaction

On September 27, 2018, we completed a transaction to acquire the assets of WBEB-FM, serving the Philadelphia, Pennsylvania radio market from Jerry Lee Radio, LLC ("Jerry Lee") for a purchase price of $57.5 million in cash, less certain working capital and other credits (the "Jerry Lee Transaction"). We used proceeds from the WXTU Transaction and cash on hand to fund this acquisition.

Based on the timing of this transaction, our consolidated financial statements for the year ended December 31, 2019, reflect the results of operations of this acquired station whereas our consolidated financial statements for the year ended December 31, 2018, reflect the results of operations of this acquired station for a portion of the period.

Impairment Loss

The annual impairment assessment conducted during the fourth quarter of 2019 indicated: (i) that the fair value of our broadcasting licenses exceeded their respective carrying amounts; and (ii) the fair value of our goodwill was less than its carrying value. Accordingly, we recorded a $537.4 million impairment charge ($519.6 million, net of tax) on our goodwill in the fourth quarter of 2019.

In the fourth quarter of 2019, we also recorded: (i) a $6.0 million impairment charge related to lease right-of-use assets; and (ii) a $2.2 million impairment charge related to impairment of property and equipment.

In the fourth quarter of 2018, we conducted an interim impairment assessment on our broadcasting licenses and goodwill. As a result of this assessment, we determined the carrying value of our broadcasting licenses and goodwill were impaired and recorded an impairment loss during the fourth quarter of 2018 in the amount of $465.0 million ($423.2 million, net of tax). Of this amount, $147.9 million ($108.8 million, net of tax) of the impairment charge was attributed to the broadcasting licenses, and $317.1 million ($314.4 million, net of tax) of the impairment charge was attributed to goodwill.

In the second quarter of 2018, we determined the carrying value of certain assets to be disposed to Bonneville International Corporation ("Bonneville") exceeded their fair value. Based upon the agreed-upon price in the asset purchase agreement, we recorded a non-cash impairment charge of $25.6 million.

Integration Costs and Restructuring Charges

On February 2, 2017, we and our wholly-owned subsidiary ("Merger Sub") entered into an Agreement and Plan of Merger (the "CBS Radio Merger Agreement") with CBS Corporation ("CBS") and its wholly-owned subsidiary CBS Radio Inc. ("CBS Radio"). Pursuant to the CBS Radio Merger Agreement, Merger Sub merged with and into CBS Radio with CBS Radio surviving as our wholly-owned subsidiary (the "Merger"). The Merger closed on November 17, 2017.

In connection with the Merger, we incurred integration costs, including transition services, consulting services and professional fees of $4.3 million and $25.4 million during the years ended December 31, 2019, and December 31, 2018, respectively. Amounts were expensed as incurred and are included in integration costs.

In connection with the Merger, we incurred restructuring charges, including costs to exit duplicative contracts, workforce reductions and other restructuring costs of $7.0 million and $5.8 million during the years ended December 31, 2019, and December 31, 2018, respectively. Amounts were expensed as incurred and are included in restructuring charges.

Merger and Acquisition Costs

During the year ended December 31, 2019, and 2018, transaction costs were $0.9 million and $3.0 million, respectively, and were expensed as incurred.

Note Issuance

During the second quarter of 2019, we issued $325.0 million in aggregate principal amount of senior secured second-lien notes due 2027 (the "Existing Notes"). Interest on the Existing Notes accrues at the rate of 6.500% per annum. We used net proceeds of the offering, along with cash on hand of $89.0 million under our Revolver to repay $425.0 million of existing indebtedness under our term loan outstanding at that time (the "Term B-1 Loan"). Increases in our interest expense due to the issuance of the Existing Notes, which have a higher interest rate, were partially offset by reductions in our interest expense due to the partial repayment of our Term B-1 Loan. In connection with this note issuance: (i) we wrote off $1.6 million of unamortized debt issuance costs and $0.2 million of unamortized premium to loss on extinguishment of debt; (ii) we incurred third party costs of approximately $5.8 million, of which approximately $3.9 million was capitalized and approximately $1.9 million was captured as other expenses related to financing.

On December 13, 2019, we issued $100.0 million of additional 6.500% senior secured second-lien notes due 2027 (the "Additional Notes"). The Additional Notes are treated as a single series with the Existing Notes (together with the Additional Notes, the "Notes") and have substantially the same terms as the Existing Notes. We used net proceeds of the offering to repay $97.6 million of existing indebtedness under our Term B-1 Loan. Contemporaneous with this partial pay-down of the Term B-1 Loan, we replaced the remaining amount outstanding under the Term B-1 Loan with the Term B-2 Loan. Increases in our interest expense due to the issuance of the Additional Notes, which have a higher interest rate, were partially offset by reductions in our interest expense due to the partial repayment of our Term B-1 Loan and the lower borrowing rate on the Term B-2 Loan. In connection with this note issuance: (i) we wrote off $0.3 million of unamortized debt issuance costs to loss on extinguishment of debt; and (ii) incurred third party costs and lender fees of approximately $6.3 million, of which approximately $3.8 million was capitalized and approximately $2.5 million was captured as other expenses related to financing.

Other Gain (Loss) Activity

During the year ended December 31, 2019, we disposed of various non-core assets and certain radio stations and recorded a gain of $2.3 million in net gain/loss on sale or disposal of assets. In connection with our step acquisition of Cadence 13, we remeasured our previously held equity interest to fair value and recognized a gain of $5.3 million.

	YEARS ENDED DECEMBER 31,		
	2019	2018	% Change
	(dollars in millions)		
NET REVENUES	$ 1,489.9	$ 1,462.6	2 %
OPERATING EXPENSE:			
Station operating expenses	1,086.6	1,099.3	(1)%
Depreciation and amortization expense	45.3	44.3	2 %
Corporate general and administrative expenses	84.3	69.5	21 %
Integration costs	4.3	25.4	(83)%
Restructuring charges	7.0	5.8	21 %
Impairment loss	545.5	494.0	10 %
Merger and acquisition costs	0.9	3.0	(70)%
Other expenses related to financing	4.4	—	100 %
Other operating (income) expenses	(7.5)	(13.1)	(43)%
Total operating expense	1,770.8	1,728.2	2 %
OPERATING INCOME (LOSS)	(280.9)	(265.6)	6 %
NET INTEREST EXPENSE	100.1	101.1	(1)%
OTHER (INCOME) EXPENSE	2.0	—	100 %
INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)	(383.0)	(366.7)	4 %
INCOME TAXES (BENEFIT)	37.2	(4.1)	nmf
NET INCOME (LOSS) AVAILABLE TO THE COMPANY - CONTINUING OPERATIONS	(420.2)	(362.6)	16 %
Preferred stock dividend	—	—	— %
NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS - CONTINUING OPERATIONS	(420.2)	(362.6)	16 %
Income from discontinued operations, net of income taxes (benefit)	—	1.2	(100)%
NET INCOME (LOSS) AVAILABLE TO COMMON	$ (420.2)	$ (361.4)	16 %

Net Revenues

Revenues increased compared to prior year primarily due to growth in our digital revenues and national spot revenues, which was partially offset by declines in local and political spot revenue.

Contributing to the increase in net revenues was: (i) the operation of the station acquired in the Philadelphia, Pennsylvania market in connection with the Jerry Lee Transaction; (ii) the operation of the stations acquired in the Springfield, Massachusetts market and New York City, New York market in connection with the Cumulus Exchange; (iii) the operations of Pineapple; and (iv) the operations of Cadence 13. Offsetting this increase, net revenues were negatively impacted by: (i) the disposal of a radio station in the Philadelphia, Pennsylvania market in connection with the WXTU Transaction; and (ii) the disposal of radio stations in the Indianapolis, Indiana market in connection with the Cumulus Exchange.

Net revenues increased the most for our stations located in the New York City and Philadelphia markets.

Net revenues decreased the most for our stations located in the Boston and Indianapolis markets.

Station Operating Expenses

Station operating expenses decreased in the low-single digits primarily due to operating our stations more efficiently due to synergies recognized.

Station operating expenses included non-cash compensation expense of $4.7 million and $6.9 million for the years ended December 31, 2019, and December 31, 2018, respectively.

Depreciation and Amortization Expense

Depreciation and amortization expense increased in 2019 primarily due to an increase in capital expenditures. The increase in capital expenditures in 2019 was primarily due to the consolidation and relocation of several studio facilities in larger markets and an increase in our size and capital needs associated with the integration of common systems across the new markets acquired in the Merger.

Corporate General and Administrative Expenses

Corporate general and administrative expenses increased primarily due to increases in: (i) investments in software and technology; and (ii) various corporate expenditures.

Corporate, general and administrative expenses included non-cash compensation expense of $11.5 million and $8.3 million for the years ended December 31, 2019 and December 31, 2018, respectively.

Integration Costs

Integration costs were incurred in during the years ended December 31, 2019, and December 31, 2018, as a result of the Merger. These costs primarily consisted of expenses related to effectively combining and incorporating the CBS Radio business into our operations. Based on the timing of the Merger, integration activities primarily occurred in 2017 and 2018 and were reduced significantly in 2019.

Restructuring Charges

We incurred restructuring charges in 2019 and 2018 primarily as a result of the restructuring of operations for the Merger. These costs primarily included workforce reduction charges and other charges and were expensed as incurred.

Impairment Loss

The annual impairment assessment conducted during the fourth quarter of the current year indicated: (i) that the fair value of our broadcasting licenses exceeded their respective carrying amounts; and (ii) the fair value of our goodwill was less than its carrying value. Accordingly, we recorded a $537.4 million impairment charge ($519.6 million, net of tax) on our goodwill in the fourth quarter of 2019.

In connection with an interim impairment assessment conducted in the fourth quarter of 2018, we determined our broadcasting licenses and goodwill were impaired. Accordingly, we recorded a $147.9 million impairment ($108.8 million, net of tax) on our broadcasting licenses and a $317.1 million impairment ($314.4 million, net of tax) on our goodwill.

In connection with the Merger, we entered into two local marketing agreements (“LMAs”) with Bonneville and assigned the assets of eight radio stations in the San Francisco, California and Sacramento, California markets into a trust. Based upon the agreed-upon price in the asset purchase agreement, we determined that the carrying value of these assets was greater than the fair value and recorded a non-cash impairment charge of $25.6 million.

Merger and Acquisition Costs

There was a significant reduction in the amount of legal, professional, and other advisory services incurred as the volume of merger and acquisition activity decreased in 2019.

Other Expenses Related to Financing

During the second quarter of 2019, we issued $325.0 million in aggregate principal amount of Notes and used the proceeds along with cash on hand and borrowings under the Revolver to repay a portion of our existing indebtedness under our Term B-1 Loan. As a result of this activity, we incurred approximately $5.8 million of third party fees, of which approximately $3.9 million was capitalized and approximately $1.9 million was captured as other expenses related to financing.

During the fourth quarter of 2019, we issued $100.0 million in aggregate principal amount of Additional Notes and used the proceeds to repay a portion of our existing indebtedness under our Term B-1 Loan. Contemporaneous with this partial pay-down of the Term B-1 Loan, we replaced the remaining amount outstanding under the Term B-1 Loan with the Term B-2 Loan. As a result of this activity, we incurred approximately $6.3 million of lender fees and third party fees, of which approximately $3.8 million was capitalized and approximately $2.5 million was captured as other expenses related to financing.

Other Operating (Income) Expenses

During the year ended December 31, 2018, we disposed of: (i) several radio stations in Sacramento, California and San Francisco, California; (ii) land and land improvements in Chicago, Illinois; (iii) a radio station in Philadelphia, Pennsylvania; (iv) land and land improvements and buildings in Los Angeles, California; (v) land and land improvements and buildings in San Diego, California; (vi) land and land improvements and a building in Dallas, Texas; (vii) land and land improvements and a building in Sacramento, California; and (viii) land and land improvements in Austin, Texas. As a result of these disposal activities, we recorded a net gain in net gain/loss on sale or disposal of assets of $10.0 million. Additionally, in connection with the purchase and sale of radio stations, we generated TBA income of $0.9 million during the year ended December 31, 2018.

During the year ended December 31, 2019, we disposed of: (i) land and land improvements, buildings, and equipment in Buffalo, Chattanooga, Chicago, Denver, Pittsburgh, Washington, D.C., and Worcester; (ii) broadcasting licenses, goodwill and property, plant and equipment in Indianapolis, Indiana in connection with the Cumulus Exchange; (iii) land in Chicago, Illinois; (iv) land and land improvements, building, property, plant and equipment, and broadcasting licenses in Victor Valley, California; (v) land and land improvements and buildings in Miami, Florida; and (vi) land and land improvements and buildings in Miami, Florida. As a result of these disposal activities, we recorded a net gain in net gain/loss on sale or disposal of assets of approximately $2.3 million. Additionally, in connection with the step acquisition of Cadence 13, we remeasured our previously held equity interest to fair value and recognized a gain of approximately $5.3 million.

The change in other operating (income) expense is primarily attributable to the change in these activities between periods.

Operating Income (Loss)

Operating income this year decreased primarily due to: (i) an increase in impairment loss of $51.5 million; (ii) an increase of $14.8 million in corporate, general and administrative expenses; (iii) a decrease in net (gain) loss on sale or disposal of assets of $4.5 million; (iv) an increase in other expenses related to financing of $4.4 million; (v) an increase in restructuring charges of $1.1 million; (vi) a decrease in net time brokerage agreement (income) fees of $1.0 million; and (vii) an increase in depreciation and amortization expense of $1.0 million.

These decreases in operating income were partially offset by: (i) an increase in net revenues, net of station operating expenses of $40.0 million; (ii) a decrease in integration costs of $21.1 million; and (iii) a decrease in merger and acquisition costs of $2.1 million

Interest Expense

During the year ended December 31, 2019, we incurred $1.0 million less in interest expense as compared to the year ended December 31, 2018. As discussed above, we issued $425.0 million in Notes in 2019 and used proceeds and cash on hand to partially repay $521.7 million of existing indebtedness under our Term B-1 Loan. This reduction in interest expense was primarily attributable to a reduction in outstanding indebtedness upon which interest is computed. These reductions were partially offset by the replacement of a portion of our variable-rate debt with fixed-rate debt at a higher interest rate.

Assuming that LIBOR is flat, we expect interest expense to decrease in future periods as a result of the decrease in future outstanding indebtedness upon which interest is computed. We expect to use cash on hand and expected cash available from operations to reduce outstanding debt in future periods.

The weighted average variable interest rate for our credit facilities as of December 31, 2019, and 2018 was 4.3% and 5.2%, respectively.

Other (Income) Expense

In connection with the issuance of Notes in the second quarter and fourth quarter of 2019, we wrote off $1.8 million of unamortized debt issuance costs and $0.2 million of unamortized premium to loss on extinguishment of debt.

Income (Loss) Before Income Taxes (Benefit)

The increase in (loss) before income taxes (benefit) was primarily attributable to reasons described above under Operating Income (Loss) and Interest Expense.

Income Taxes (Benefit)

The effective income tax rate was (9.7)% for 2019. This rate was lower than the federal statutory rate of 21% primarily due to an impairment on our goodwill during the fourth quarter of 2019 which is not deductible for income tax purposes. The income tax rate is lower than in previous years primarily due to an increase in the impairment charge recorded on our goodwill in 2019.

The effective income tax rate was 1.1% for 2018. This rate was lower than the federal statutory rate of 21% primarily due to an impairment on the Company's goodwill during the fourth quarter of 2018 which is not deductible for income tax purposes. The income tax rate is lower than in previous years primarily due to an income tax benefit resulting from the Tax Cuts and Jobs Act ("TCJA") that was enacted on December 22, 2017, which reduced the U.S. federal corporate tax rate from the previous rate of 35% to 21%.

Estimated Income Tax Rate For 2020

We estimate that our 2020 annual tax rate before discrete items, which may fluctuate from quarter to quarter, will be between 30% and 32%. We anticipate that we will be able to utilize certain net operating loss carryovers to reduce future payments of federal and state income taxes. We anticipate that our rate in 2020 could be affected primarily by: (i) changes in the level of income in any of our taxing jurisdictions; (ii) adding facilities through mergers or acquisition in states that on average have different income tax rates from states in which we currently operate and the resulting effect on previously reported temporary differences between the tax and financial reporting bases of our assets and liabilities; (iii) the effect of recording changes in our liabilities for uncertain tax positions; (iv) taxes in certain states that are dependent on factors other than taxable income; (v) the limitations on the deduction of cash and certain non-cash compensation expense for certain key employees; and (vi) any tax benefit shortfall associated with share-based awards. Our annual effective tax rate may also be materially impacted by: (a) tax expense associated with non-amortizable assets such as broadcasting licenses and goodwill; (b) regulatory changes in certain states in which we operate; (c) changes in the expected outcome of tax audits; (d) changes in the estimate of expenses that are not deductible for tax purposes; and (e) changes in the deferred tax valuation allowance.

In the event we determine at a future time that it is more likely than not that we will not realize our net deferred tax assets, we will increase our deferred tax asset valuation allowance and increase income tax expense in the period when we make such a determination.

Net Deferred Tax Liabilities

As of December 31, 2019, and 2018, our total net deferred tax liabilities were $549.7 million and $546.0 million, respectively. The increase in deferred tax liabilities was primarily the result of: (i) utilization of federal NOLs; and (ii) the impact of the adoption of ASC 842. Our net deferred tax liabilities primarily relate to differences between book and tax bases of certain of our indefinite-lived intangibles (broadcasting licenses). The amortization of our indefinite-lived assets for tax purposes but not for book purposes creates deferred tax liabilities. A reversal of deferred tax liabilities may occur when indefinite-lived intangibles: (i) become impaired; or (ii) are sold, which would typically only occur in connection with the sale of the assets of a station or groups of stations or the entire company in a taxable transaction. Due to the amortization for tax purposes and not book purposes of our indefinite-lived intangible assets, we expect to continue to generate deferred tax liabilities in future periods.

Income (Loss) From Discontinued Operations, Net of Income Taxes (Benefit)

Several stations acquired from CBS Radio, which were operated under an LMA, immediately met the criteria to be classified as held for sale. In addition, the results of operations for these stations were presented as discontinued operations as these stations were never expected to be operated by us. Amounts of net revenues, station operating expenses, depreciation and amortization and LMA income earned from these stations was not included in our income from continuing operations. The income generated from these stations during the period of the LMA, for the period from November 17, 2017, through September 21, 2018, is separately presented net of income taxes (benefit). The LMA terminated on September 21, 2018, upon the consummation of a final agreement to divest the stations as required under a DOJ consent order agreed to by us, as a condition to complete the Merger.

Net Income (Loss) Available To The Company

The change in net income (loss) available to the Company was primarily attributable to the reasons described above under Income (Loss) Before Income Taxes (Benefit) and Income Taxes (Benefit).

Results Of Operations

The year 2018 as compared to the year 2017

The discussion of our results of operations for the year ended December 31, 2018, compared to the year ended December 31, 2017, can be found in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed with the SEC on February 27, 2019.

Future Impairments

We may determine that it will be necessary to take impairment charges in future periods if we determine the carrying value of our intangible assets is more than the fair value.

Our annual impairment test conducted during the fourth quarter of 2019 indicated: (i) that the fair value of our broadcasting licenses exceeded their respective carrying amounts; and (ii) the fair value of our goodwill was less than its carrying value. Accordingly, we recorded a $537.4 million impairment charge ($519.6 million, net of tax) on our goodwill in the fourth quarter of 2019.

As discussed in the Broadcasting Licenses Valuation at Risk section below, we have 5 units of accounting where the fair value of broadcasting licenses exceeded their carrying value by 10% or less. In aggregate, these 5 units of accounting have a carrying value of $806.9 million as of December 31, 2019. If overall market conditions or the performance of the economy deteriorates, advertising expenditures and radio industry results could be negatively impacted, including expectations for future growth. This could result in future impairment charges for these or other of our units of accounting, which could be material.

We may be required to retest prior to our next annual evaluation, which could result in an impairment.

Liquidity and Capital Resources

Refinancing – CBS Radio (Now Entercom Media Corp.) Indebtedness

In connection with the Merger, we assumed CBS Radio’s (now Entercom Media Corp.’s) indebtedness outstanding under: (i) a credit agreement (the “Credit Facility”) among CBS Radio (now Entercom Media Corp.), the guarantors named therein, the lenders named therein, and JPMorgan Chase Bank, N.A., as administrative agent; and (ii) the senior notes (described below).

In connection with the assumption of this indebtedness in the fourth quarter of 2017, we wrote off $3.1 million of unamortized deferred financing costs and recorded a loss on the extinguishment of indebtedness of $4.1 million. The loss included the write off of deferred financing expense, a loss on the early retirement of the Preferred, and certain fees paid to lenders in connection with the refinancing activities.

2019 Refinancing Activities - The Notes

During the second quarter of 2019, we and our finance subsidiary, Entercom Media Corp., issued $325.0 million in aggregate principal amount of senior secured second-lien notes due 2027 (the "Notes") under an Indenture dated as of April 30, 2019 (the "Base Indenture").

Interest on the Notes accrues at the rate of 6.500% per annum and is payable semi-annually in arrears on May 1 and November 1 of each year. Until May 1, 2022, only a portion of the Notes may be redeemed at a price of 106.500% of their principal amount plus accrued interest. On or after May 1, 2022, the Notes may be redeemed, in whole or in part, at a price of 104.875% of their principal amount plus accrued interest. The prepayment premium continues to decrease over time to 100% of their principal amount plus accrued interest.

We used net proceeds of the offering, along with cash on hand and $89.0 million borrowed under our Revolver, to repay $425.0 million of existing indebtedness under our Term B-1 Loan.

In connection with the refinancing activity described above, during the second quarter of 2019, we: (i) wrote off $1.6 million of unamortized deferred financing costs associated with the Term B-1 Loan; (ii) wrote off $0.2 million of unamortized premium associated with the Term B-1 Loan; and (iii) recorded $3.9 million of new deferred financing costs which will be amortized over the term of the Notes under the effective interest rate method.

During the fourth quarter of 2019, we and our finance subsidiary, Entercom Media Corp., issued $100.0 million of additional 6.500% senior secured second-lien notes due 2027 (the "Additional Notes"). The Additional Notes were issued as additional notes under the Base Indenture, as supplemented by a first supplemental indenture dated December 13, 2019 (the "First Supplemental Indenture"), and, together with the Base Indenture, the "Indenture"). The Additional Notes are treated as a single series with the $325.0 million Notes (together, with the Additional Notes, the "Notes") and have substantially the same terms as the Notes. The Additional Notes were issued at a price of 105.0% of their principal amount, plus accrued interest from November 1, 2019. The premium on the Notes will be amortized over the term under the effective interest rate method. As of any reporting period, the unamortized premium on the Notes is reflected on the balance sheet as an addition to the $425.0 million Notes.

We used net proceeds of the offering to repay $96.7 million of existing indebtedness under our Term B-1 Loan. Contemporaneous with this partial pay-down of the Term B-1 Loan, we replaced the remaining amount outstanding under the Term B-1 Loan with the Term B-2 Loan.

In connection with this refinancing activity described above, during the fourth quarter of 2019, we: (i) wrote off $0.3 million of unamortized deferred financing costs associated with the Term B-1 Loan; and (ii) recorded $3.8 million of new deferred financing costs.

The Notes are fully and unconditionally guaranteed on a senior secured second-lien basis by most of the direct and indirect subsidiaries of Entercom Media Corp. The Notes and the related guarantees are secured on a second-lien priority basis by liens on substantially all of the assets of Entercom Media Corp. and the guarantors.

A default under our Notes could cause a default under our Credit Facility or Senior Notes. Any event of default, therefore, could have a material adverse effect on our business and financial condition.

We may from time to time seek to repurchase or retire our outstanding indebtedness through open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

The Notes are not a registered security and there are no plans to register our Notes as a security in the future. As a result, Rule 3-10 of Regulation S-X promulgated by the SEC is not applicable and no separate financial statements are required for the guarantor subsidiaries as of December 31, 2019, and 2018 and for the years ended December 31, 2019, 2018 and 2017.

Liquidity

Immediately following the refinancing activities described above, the Credit Facility, as amended, was comprised of a $250.0 million Revolver and a $770.0 million Term B-2 Loan.

On December 13, 2019, we executed an amendment to the Credit Facility ("Amendment No. 4") which, among other things: (i) replaced the Term B-1 Loan with a Term B-2 Loan; (ii) established a new Class of revolving credit commitments from a portion of its existing Revolver with a later maturity date; and (iii) made certain other amendments to the Credit Facility.

As of December 31, 2019, we had $770.0 million outstanding under the Term B-2 Loan and $117.0 million outstanding under the Revolver. In addition, we had $5.9 million in outstanding letters of credit. As of December 31, 2019, we had $20.4 million in cash and cash equivalents. In connection with our outstanding indebtedness, we have restrictions in the ability of our subsidiaries to distribute cash to our Parent, as more fully described in the accompanying notes to our audited consolidated financial statements. We do not anticipate that these restrictions will limit our ability to meet our future obligations over the next 12 months.

Over the past several years, we have used a significant portion of our cash flow to reduce and service our indebtedness. Generally, our cash requirements are funded from one or a combination of internally generated cash flow, cash on hand and borrowings under our Revolver.

As of December 31, 2019, the Company had capital expenditure commitments outstanding of $2.8 million.

We may also use our capital resources to repurchase shares of our Class A common stock, to pay dividends to our shareholders, and to make acquisitions. We may from time to time seek to repurchase and retire our outstanding indebtedness through open market purchases, privately negotiated transactions or otherwise.

The Credit Facility

We executed Amendment No. 4 which established a new class of revolving credit commitments from a portion of its existing revolving commitments with a later maturity date than the revolving credit commitments immediately prior to the effectiveness of the amendment. All but one of the original lenders in the Revolver agreed to extend the maturity date from November 17, 2022, to August 19, 2024.

As a result, approximately $227.3 million (the "New Class Revolver") of the $250.0 million Revolver has a maturity date of August 19, 2024 and approximately $22.7 million (the "Original Class Revolver") of the $250.0 million Revolver has a maturity date of November 17, 2022.

The Original Class Revolver provides for interest based upon the Base Rate or LIBOR, plus a margin. The Base Rate is the highest of: (a) the administrative agent's prime rate; (b) the Federal Reserve Bank of New York's Rate plus 0.5%; or (c) the one month LIBOR Rate plus 1.0%. The margin may increase or decrease based upon our Consolidated Net Secured Leverage Ratio as defined in the agreement. The initial margin is at LIBOR plus 2.25% or the Base Rate plus 1.25%.

The New Class Revolver provides for interest based upon the Base Rate or LIBOR, plus a margin. The margin may increase or decrease based upon our Consolidated Net First Lien Leverage Ratio as defined in the agreement. The initial margin is at LIBOR plus 2.00% or the Base Rate plus 1.00%.

In addition, the Original Class Revolver requires the payment of a commitment fee which ranges from 0.375% per annum to 0.5% per annum on the unused amount and the New Class Revolver requires the payment of a commitment fee which ranges from 0.375% per annum to 0.5% per annum on the unused amount. As of December 31, 2019, the amount available under the Revolver, which includes the impact of outstanding letters of credit, was $127.1 million.

The Term B-2 Loan has a maturity date of November 17, 2024, and provides for interest based upon the Base Rate plus 1.5% or LIBOR plus 2.5%.

The Term B-2 Loan amortizes, commencing on March 31, 2020: (i) with equal quarterly installments of principal in annual amounts equal to 1.0% of the original principal amount of the Term B-2 Loan; and (ii) mandatory yearly prepayments based upon a percentage of Excess Cash Flow as defined in the agreement.

The Term B-2 Loan requires mandatory prepayments equal to a percentage of Excess Cash Flow, subject to incremental step-downs, depending on the Consolidated Net Secured Leverage Ratio. The Excess Cash Flow payment is based on the Excess Cash Flow and Consolidated Net Secured Leverage Ratio for the prior year.

We expect to use the Revolver to provide for: (i) working capital; and (ii) general corporate purposes, including capital expenditures and any or all of the following (subject to certain restrictions): repurchase of Class A common stock, dividends, investments and acquisitions. Most of our wholly-owned subsidiaries jointly and severally guaranteed the Credit Facility. The Credit Facility is secured by a pledge of 66% of our outstanding voting stock and other equity interests in all of our wholly owned subsidiaries. In addition, the Credit Facility is secured by a lien on substantially all of our assets, with limited exclusions (including our real property). The assets securing the Credit Facility are subject to customary release provisions which would enable us to sell such assets free and clear of encumbrance, subject to certain conditions and exceptions.

The Credit Facility has usual and customary covenants including, but not limited to, a Consolidated Net First Lien Leverage Ratio, limitations on restricted payments and the incurrence of additional borrowings. Specifically, the Credit Facility requires us to comply with a maximum Consolidated Net First Lien Leverage Ratio that cannot exceed 4.0 times. In the event that we consummate additional acquisition activity permitted under the terms of the Credit Facility, the Consolidated Net First Lien Leverage Ratio will be increased to 4.5 times for a one year period following the consummation of such permitted acquisition. As of December 31, 2019, our Consolidated Net Secured Leverage Ratio was 2.5 times.

As of December 31, 2019, we were in compliance with the financial covenant then applicable and all other terms of the Credit Facility in all material respects. Our ability to maintain compliance with our covenants under the Credit Facility is highly dependent on our results of operations. Management believes that over the next 12 months we can continue to maintain compliance. Our operating cash flow remains positive, and we believe that it is adequate to fund our operating needs. We believe that cash on hand and cash from operating activities will be sufficient to permit us to meet our liquidity requirements over the next 12 months, including our debt repayments.

Failure to comply with our financial covenants or other terms of its Credit Facility and any subsequent failure to negotiate and obtain any required relief from its lenders could result in a default under the Credit Facility. Any event of default could have a material adverse effect on our business and financial condition.

The Former Credit Facility

On November 1, 2016, Entercom Communications Corp. and its wholly-owned subsidiary, Entercom Radio, LLC (“Radio”), entered into the Former Credit Facility with a syndicate of lenders for a $540 million Former Credit Facility, which was initially comprised of: (i) the $60 million Former Revolver that was set to mature on November 1, 2021; and (ii) the $480 million Former Term B Loan that was set to mature on November 1, 2023.

The Former Term B Loan amortized with: (i) equal quarterly installments of principal in annual amounts equal to 1.0% of the original principal amount of the Former Term B Loan; and (ii) mandatory yearly prepayments based upon a percentage of Excess Cash Flow as defined within the agreement and was subject to incremental step-downs depending on the consolidated Leverage Ratio.

Senior Notes

Simultaneously with entering into the Merger and assuming the Credit Facility on November 17, 2017, we also assumed the Senior Notes that mature on October 17, 2024, in the amount of $400.0 million. The Senior Notes, which were originally issued by CBS Radio (now Entercom Media Corp.) on October 17, 2016, were valued at a premium as part of the fair value measurement on the date of the Merger. The premium on the Senior Notes will be amortized over the term under the effective interest rate method. As of any reporting period, the unamortized premium on the Senior Notes is reflected on the balance sheet as an addition to the $400.0 million liability.

Interest on the Senior Notes accrues at the rate of 7.250% per annum and is payable semi-annually in arrears on May 1 and November 1 of each year.

The Senior Notes may be redeemed at any time on or after November 1, 2019, at a redemption price of 105.438% of their principal amount plus accrued interest. The redemption price decreases to 103.625% of their principal amount plus accrued interest on or after November 1, 2020, 101.813% of their principal amount plus accrued interest on or after November 1, 2021, and 100% of their principal amount plus accrued interest on or after November 1, 2022.

The Senior Notes are unsecured and ranked: (i) senior in right of payment to our future subordinated indebtedness; (ii) equally in right of payment with all of our existing and future senior indebtedness; (iii) effectively subordinated to our existing and future secured indebtedness (including the indebtedness under our Credit Facility), to the extent of the value of the collateral securing such indebtedness; and (iv) structurally subordinated to all of the liabilities of our subsidiaries that do not guarantee the Senior Notes, to the extent of the assets of those subsidiaries.

Most of our existing subsidiaries jointly and severally guaranteed the Senior Notes.

A default under our Senior Notes could cause a default under our Credit Facility. Any event of default, therefore, could have a material adverse effect on our business and financial condition.

We may from time to time seek to repurchase or retire our outstanding indebtedness through open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

The Senior Notes are not a registered security and there are no plans to register our Senior Notes as a security in the future. As a result, Rule 3-10 of Regulation S-X promulgated by the SEC is not applicable and no separate financial statements are required for the guarantor subsidiaries as of December 31, 2019, and 2018 and for the years ended December 31, 2019, 2018 and 2017.

Perpetual Cumulative Convertible Preferred Stock

A portion of the proceeds from the debt refinancing that occurred on November 17, 2017, was used to fully redeem the Preferred. As a result of this redemption, we: (i) removed the net carrying value of the Preferred of $27.5 million from our books, which included accrued dividends through the date of redemption of $0.2 million; and (ii) recognized a loss on extinguishment of the Preferred of $0.2 million.

In connection with an acquisition on July 16, 2015, we issued $27.5 million of Preferred that in the event of a liquidation, ranked senior to liquidation payments to our common shareholders. We incurred issuance costs, which were recorded as a reduction of the Preferred.

Quarterly dividends on our Preferred were paid in each of the quarters beginning in October 2015 up through the date of redemption in November 2017. No dividends on our Preferred were paid during 2018 or 2019.

Operating Activities

Net cash flows provided by operating activities were $132.2 million and $102.2 million for 2019 and 2018, respectively. The cash flows from operating activities primarily increased due to: (i) an increase in net deferred taxes (benefits) of $67.2 million; and (ii) an increase in gains recognized on deferred compensation plan assets of $7.5 million.

This increase in cash flows from operating activities was partially offset by: (i) an increase in net investment in working capital of $41.3 million; and (ii) a decrease in net income available to the Company, as adjusted for non-cash charges, of $7.3 million. The increase in net investment in working capital was primarily due to: (i) the timing of collection of accounts receivable; and (ii) the timing of settlement of accounts payable and accrued liabilities.

Net cash flows provided by operating activities were $102.2 million and $29.1 million for 2018 and 2017, respectively. The cash flows from operating activities increased primarily due to an increase in net income available to the Company, as adjusted for non-cash charges and income tax benefits, of $99.5 million. This increase was partially offset by an increase in net investment in working capital of $36.1 million. The increase in net investment in working capital was primarily due to: (i) the timing of settlements of other long term liabilities; and (ii) the timing of settlements of accrued expenses.

Investing Activities

For 2019, net cash flows used in investing activities were $90.5 million, which primarily reflect: (i) additions to property and equipment of $70.5 million; and (ii) cash paid to acquire Pineapple, Cadence 13 and other radio station assets of $40.1 million. These cash outflows were partially offset by proceeds received from dispositions of assets in the amount of $29.3 million.

For 2018, net cash flows provided by investing activities were $141.5 million, which primarily reflected the proceeds received from dispositions of assets and radio stations in the amount of $255.9 million, less: (i) cash paid to acquire a radio station in Philadelphia, Pennsylvania from Jerry Lee Radio, LLC ("Jerry Lee") for $56.4 million in cash (the "Jerry Lee Transaction"); (ii) additions to property and equipment of $41.8 million; and (iii) cash paid to complete the acquisition of two radio stations in St. Louis, Missouri from Emmis Communications Corporation ("Emmis") for a purchase price of $15.0 million (the "Emmis Acquisition").

Financing Activities

For 2019, net cash flows used in financing activities were $213.5 million, which primarily reflects: (i) the reduction of our net borrowings by $154.7 million; (ii) the payment of dividends on common stock of $30.3 million; (iii) the repurchase of our common stock of $18.3 million; and (iv) the payment of debt issuance costs related to the issuance of our Notes and debt refinancing activities in the amount of $7.7 million.

For 2018, net cash flows used in financing activities were $85.6 million, which primarily reflects: (i) the payment of dividends on common stock of $49.8 million; and (ii) the payment for repurchases of common stock of $30.0 million.

Income Taxes

During 2019, we paid approximately $39.1 million in federal and state income taxes.

For federal income tax purposes, the acquisition of CBS Radio was treated as a reverse acquisition which caused us to undergo an ownership change under Section 382 of the Code. This ownership change will limit the utilization of our net operating losses ("NOLs") for post-acquisition tax years.

Dividends

During the second quarter of 2016, we commenced an annual $0.30 per share common stock dividend program, with payments that approximated $2.9 million per quarter. In addition to a quarterly dividend, we paid a special one-time cash dividend of $0.20 per share of common stock on August 30, 2017, which was approximately $7.8 million.

On November 2, 2017, our Board approved an increase to the annual common stock dividend program to $0.36 per share from $0.30 per share, beginning with the dividend paid in the fourth quarter of 2017, with payments that approximated $12.4 million per quarter.

On August 9, 2019, our Board reduced the annual common stock dividend program to $0.08 per share. We estimated quarterly dividend payments to approximate $2.7 million per quarter. Any future dividends will be at the discretion of the Board based upon the relevant factors at the time of such consideration, including, without limitation, compliance with the restrictions set forth in our Credit Facility, the Notes and the Senior Notes.

Quarterly dividends on our Preferred were paid in each of the quarters beginning in October 2015 at an annual rate of 6% that increased over time to 10%. On November 17, 2017, our Preferred was retired in full. No further dividends on our Preferred were paid during 2018 or 2019.

See Liquidity under Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Note 11, Long-Term Debt, in the accompanying notes to our audited consolidated financial statements.

Share Repurchase Programs

On November 2, 2017, our Board announced a share repurchase program (the "2017 Share Repurchase Program") to permit us to purchase up to $100.0 million of our issued and outstanding shares of Class A common stock through open market purchases. Shares repurchased by us under the 2017 Share Repurchase Program will be at our discretion based upon the relevant factors at the time of such consideration, including, without limitation, compliance with the restrictions set forth in our Credit Facility and the Senior Notes.

During the year ended December 31, 2019, we repurchased 5,000,000 shares of our Class A common stock at an aggregate average price of $3.67 per share for a total of $18.3 million. During the year ended December 31, 2018, we repurchased 3,226,300 shares of our Class A common stock at an aggregate average price of $9.11 per share for a total of $29.4 million. During the year ended December 31, 2017, we repurchased 932,600 shares at an average price of $11.45 per share for a total of $10.7 million. As of December 31, 2019, $41.6 million is available for future share repurchase under the 2017 Share Repurchase Program.

Capital Expenditures

Capital expenditures for 2019, 2018 and 2017 were $77.9 million, $41.8 million and $21.2 million, respectively.

Credit Rating Agencies

On a continuing basis, Standard and Poor's, Moody's Investor Services and other rating agencies may evaluate our indebtedness in order to assign a credit rating. Any significant downgrade in our credit rating could adversely impact our future liquidity by limiting or eliminating our ability to obtain debt financing.

Contractual Obligations

The following table reflects a summary of our contractual obligations as of December 31, 2019:

	Payments Due By Period				
Contractual Obligations:	**Total**	**Less than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**More Than 5 Years**
Long-term debt obligations (1)	$ 2,236,539	$ 93,793	$ 194,643	$ 1,453,321	$ 494,782
Operating lease obligations (2)	355,002	49,298	93,800	77,833	134,071
Purchase obligations (3)	552,939	241,911	248,754	56,116	6,158
Other long-term liabilities (4)	601,187	—	12,131	4,056	585,000
Total	$ 3,745,667	$ 385,002	$ 549,328	$ 1,591,326	$ 1,220,011

(1) The total amount reflected in the above table includes principal and interest.

a. Our Credit Facility had outstanding indebtedness in the amount of $770.0 million under our Term B-2 Loan and $117.0 million outstanding under our Revolver as of December 31, 2019. The maturity under our Credit Facility could be accelerated if we do not maintain compliance with certain covenants. The principal maturities reflected exclude any impact from required principal payments based upon our future operating performance. The above table includes projected interest expense under the remaining term of our Credit Facility.

b. Under our Senior Notes, the maturity could be accelerated under an event of default or could be repaid in cash by us at our option prior to maturity. The above table includes projected interest expense under the remaining term of the agreement.

c. Under our Notes, the maturity could be accelerated under an event of default or could be repaid in cash by us at our option prior to maturity. The above table includes projected interest expense under the remaining term of the agreement.

(2) The operating lease obligations represent scheduled future minimum operating lease payments under non-cancellable operating leases, including rent obligations under escalation clauses. The minimum lease payments do not include common area maintenance, variable real estate taxes, insurance and other costs for which the Company may be obligated as most of these payments are primarily variable rather than fixed.

(3) We have purchase obligations that include contracts primarily for on-air personalities and other key personnel, ratings services, sports programming rights, software and equipment maintenance and certain other operating contracts.

(4) Included within total other long-term liabilities of $601.2 million are deferred income tax liabilities of $549.7 million. It is impractical to determine whether there will be a cash impact to an individual year. Therefore, deferred income tax liabilities, together with liabilities for deferred compensation and uncertain tax positions (other than the amount of unrecognized tax benefits that are subject to the expiration of various statutes of limitation over the next 12 months) are reflected in the above table in the column labeled as "More Than 5 Years." See Note 17, Income Taxes, in the accompanying notes to our audited consolidated financial statements for a discussion of deferred tax liabilities.

Off-Balance Sheet Arrangements

As of December 31, 2019, and as of the date this report was filed (other than as described below), we did not have any material off-balance sheet transactions, arrangements, or obligations, including contingent obligations.

We do not have any other relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet financial arrangements or other contractually narrow or limited purposes as of December 31, 2019.

Accordingly, we are not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

Market Capitalization

As of December 31, 2019, and 2018, our total equity market capitalization was $621.4 million and $813.8 million, respectively, which was $260.0 million lower and $520.5 million lower, respectively, than our book equity value on those dates. As of December 31, 2019, and 2018, our stock price was $4.64 per share and $5.71 per share, respectively. Due to a sustained decrease in our share price, we conducted an interim impairment test on our broadcasting licenses and goodwill during the fourth quarter of 2018. Refer to the sections below for additional information.

Intangibles

As of December 31, 2019, approximately 70% of our total assets consisted of radio broadcast licenses and goodwill, the value of which depends significantly upon the operational results of our business. We could not operate our radio stations without the related FCC license for each station. FCC licenses are subject to renewal every eight years. Consequently, we continually monitor the activities of our stations to ensure they comply with all regulatory requirements. See Part I, Item 1A, "Risk Factors", for a discussion of the risks associated with the renewal of licenses.

Inflation

Inflation has affected our performance by increasing our radio station operating expenses in terms of higher costs for wages and multi-year vendor contracts with assumed inflationary built-in escalator clauses. The exact effects of inflation, however, cannot be reasonably determined. There can be no assurance that a high rate of inflation in the future would not have an adverse effect on our profits, especially since our Credit Facility is variable rate.

Recent Accounting Pronouncements

For a discussion of recently issued accounting standards, see Note 2, Significant Accounting Policies, in the accompanying consolidated financial statements.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates under different circumstances or by using different assumptions.

We consider the following policies to be important in understanding the judgments involved in preparing our consolidated financial statements and the uncertainties that could affect our financial position, results of operations or cash flows:

Revenue Recognition

In May 2014, the accounting guidance for revenue recognition was modified and subsequently updated several times with amendments. We adopted the amended accounting guidance for revenue recognition on January 1, 2018, using the modified retrospective transition method. As a result, we changed our accounting policy for revenue recognition. Refer to Note 4, Revenue, included elsewhere in this report for additional information. Except for this change, we consistently applied our accounting policies to all periods presented in these consolidated financial statements.

We generate revenue from the sale to advertisers of various services and products, including but not limited to: (i) commercial broadcast time; (ii) digital advertising; (iii) local events; (iv) e-commerce where an advertiser's goods and services are sold through our websites; and (v) integrated digital advertising solutions.

Revenue from services and products is recognized when delivered.

Advertiser payments received in advance of when the products or services are delivered are recorded on our balance sheet as unearned revenue.

Revenues presented in the consolidated financial statements are reflected on a net basis, after the deduction of advertising agency fees by the advertising agencies. We also evaluate when it is appropriate to recognize revenue based on the gross amount invoiced to the customer or the net amount retained by us if a third party is involved.

Allowance for Doubtful Accounts

We evaluate our allowance for doubtful accounts on an ongoing basis. We establish our allowance for doubtful accounts based upon our collection experience and the assessment of the collectability of specific amounts. Our historical estimates have been a reliable method to estimate future allowances.

Contingencies and Litigation

On an ongoing basis, we evaluate our exposure related to contingencies and litigation and record a liability when available information indicates that a liability is probable and estimable. We also disclose significant matters that may reasonably result in a loss or are probable but not estimable.

Estimation of Our Tax Rates

We must make certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments must be used in the calculation of certain tax assets and liabilities because of differences in the timing of recognition of revenue and expense for tax and financial statement purposes. As changes occur in our assessments regarding our ability to recover our deferred tax assets, our tax provision is increased in any period in which we determine that the recovery is not probable.

We expect our effective tax rate, before discrete items, changes in the valuation allowance, the tax expense associated with non-amortizable assets and impairment losses, to be between 30% and 32%. We also have certain NOLs to utilize that will be available to reduce the amount of cash taxes payable in future years. This rate reflects a reduction in the federal corporate income tax rate to 21% beginning in 2018 as a result of the enactment of the TCJA.

The calculation of our tax liabilities requires us to account for uncertainties in the application of complex tax regulations. We recognize liabilities for uncertain tax positions based on the two-step process prescribed within the interpretation of accounting for uncertain tax positions. The first step is to evaluate the tax position for recognition of a tax benefit by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit based upon its technical merits, including resolution of related appeals or litigation processes, if any. The second step requires us to estimate and measure the tax benefit as the largest amount that has greater than a 50% likelihood of being realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as this requires us to determine the probability of various possible outcomes. We evaluate these uncertain tax positions, and review whether any new uncertain tax positions have arisen, on a quarterly basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, effectively settled issues under audit, historical experience with similar tax matters, guidance from our tax advisors, and new audit activity. A change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision in the period in which the change occurs.

We believe our estimates of the value of our tax contingencies and valuation allowances are critical accounting estimates, as they contain assumptions based on past experiences and judgments about potential actions by taxing jurisdictions. It is reasonably likely that the ultimate resolution of these matters may be greater or less than the amount that we have currently accrued. The effect of a 1% change in our estimated tax rate as of December 31, 2019, would be a change in income tax benefit, and a change in net income available to common shareholders of $3.8 million. This change in income tax benefit would result in a change of $0.03 to net income available to common shareholders per basic and diluted share for 2019.

Radio Broadcasting Licenses and Goodwill

We have made acquisitions in the past for which a significant amount of the purchase price was allocated to broadcasting licenses and goodwill assets. As of December 31, 2019, we recorded approximately $2,552.0 million in radio broadcasting licenses and goodwill, which represented approximately 70% of our total assets as of that date. We must conduct impairment testing at least annually, or more frequently if events or changes in circumstances indicate that the assets might be impaired, and charge to operations an impairment expense in the periods in which the recorded value of these assets is more than their fair value. Any such impairment could be material. After an impairment expense is recognized, the recorded value of these assets will be reduced by the amount of the impairment expense and that result will be the assets' new accounting basis.

Prior to our current year annual impairment assessment, our most recent impairment loss to our broadcasting licenses and goodwill was in the fourth quarter of 2018.

We historically performed our annual broadcasting license and goodwill impairment test during the second quarter of each year. During the second quarter of 2019, however, we voluntarily changed the date of our annual broadcasting license and goodwill impairment test date from April 1 to December 1. The change was made to more closely align the impairment testing date with our long-term planning and forecasting process. We determined this change in method of applying an accounting principle is preferable and does not result in adjustments to our financial statements when applied retrospectively.

The change in the annual impairment testing date did not delay, accelerate or avoid an impairment charge.

In evaluating whether events or changes in circumstances indicate that an interim impairment assessment is required, we consider several factors in determining whether it is more likely than not that the carrying value of our broadcasting licenses or goodwill exceeds the fair value of our broadcasting licenses or goodwill. Our qualitative analysis considers:
(i) macroeconomic conditions such as deterioration in general economic conditions, limitations on accessing capital, or other developments in equity and credit markets; (ii) industry and market considerations such as deterioration in the environment in which we operate, an increased competitive environment, a change in the market for our products or services, or a regulatory or political development; (iii) cost factors such as increases in labor or other costs that have a negative effect on earnings and cash flows; (iv) overall financial performance such as negative or declining cash flows or a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods; (v) other relevant entity-specific events such as changes in management, key personnel, strategy, or customers, bankruptcy, or litigation; (vi) events affecting a reporting unit such as a change in the composition or carrying amount of our net assets; and (vii) a sustained decrease in our share price.

We evaluate the significance of identified events and circumstances on the basis of the weight of evidence along with how they could affect the relationship between our broadcasting licenses and goodwill's fair value and carrying amount, including positive mitigating events and circumstances.

We believe our estimate of the value of our radio broadcasting licenses and goodwill assets is an important accounting estimate as the value is significant in relation to our total assets, and our estimate of the value uses assumptions that incorporate variables based on past experiences and judgments about future performance of our stations.

Broadcasting Licenses Impairment Test

We perform our annual broadcasting license impairment test by evaluating our broadcasting licenses for impairment at the market level using the Greenfield method. Historically we evaluated our broadcast licenses annually for impairment during the second quarter each year. Subsequent to the annual impairment test conducted during the second quarter of 2018, we continued to monitor the impairment indicators listed above and determined that a sustained decrease in our share price required us to conduct an interim impairment assessment on our broadcasting licenses. Due to changes in facts and circumstances, we revised our estimates with respect to our estimated operating profit margins and long-term revenue growth rates used in the impairment assessment. As a result of our interim impairment assessment conducted in the fourth quarter of 2018, we recorded a $147.9 million impairment ($108.8 million, net of tax) on our broadcasting licenses. The interim impairment assessment conducted on our broadcasting licenses in the fourth quarter of 2018 followed the same methodology used in the annual impairment assessment conducted in the second quarter of 2018.

During the second quarter of 2019, we voluntarily changed the date of our annual impairment test date from April 1 to December 1. In response to changing of the annual broadcasting license impairment test date, during the three months ended June 30, 2019, we made an evaluation based on factors such as each market's total market share and changes in operating cash flow margins, and concluded that it was more likely than not that the fair value of each market's broadcasting licenses exceeded their carrying values at the time of the change in impairment test date. The change in the annual impairment testing date did not delay, accelerate or avoid an impairment charge.

During the fourth quarter of the current year, we completed our annual impairment test for broadcasting licenses and determined that the fair value of our broadcasting licenses was greater than the amount reflected in the balance sheet for each of our markets and, accordingly, no impairment was recorded.

Methodology

We perform our broadcasting license impairment test by using the Greenfield method at the market level. Each market's broadcasting licenses are combined into a single unit of accounting for purposes of testing impairment, as the broadcasting licenses in each market are operated as a single asset. The broadcasting licenses are assessed for recoverability at the market level. Potential impairment is identified by comparing the fair value of a market's broadcasting license to its carrying value. We determine the fair value of the broadcasting licenses in each of our markets by using the Greenfield method at the market level, which is a discounted cash flow approach (a 10-year income model) assuming a start-up scenario in which the only assets held by an investor are broadcasting licenses. Our fair value analysis contains assumptions based upon past experience, reflects expectations of industry observers and includes judgments about future performance using industry normalized information for an average station within a certain market. The cash flow projections for the broadcasting licenses include significant judgments and assumptions relating to the market share and profit margin of an average station within a market based upon market size and station type, the forecasted growth rate of each radio market (including long-term growth rate) and the discount rate. Changes in our estimates of the fair value of these assets could result in material future period write-downs of the carrying value of our broadcasting licenses.

The methodology used by us in determining our key estimates and assumptions was applied consistently to each market. We believe the assumptions identified above are the most important and sensitive in the determination of fair value.

Assumptions and Results – Broadcasting Licenses

The following table reflects the estimates and assumptions used in the annual impairment test conducted in the fourth quarter of 2019, the interim impairment test conducted in the fourth quarter of the 2018 and the annual impairment test conducted in the second quarter of 2018, the date of the most recent prior annual impairment test:

	Estimates And Assumptions		
	Fourth Quarter 2019	Fourth Quarter 2018	Second Quarter 2018
Discount rate	8.50%	9.00%	9.00%
Operating profit margin ranges expected for average stations in the markets where the Company operates	18% to 36%	22% to 37%	22% to 37%
Forecasted growth rate (including long-term growth rate) range of the Company's markets	0.0% to 0.8%	0.0% to 0.9%	0.5% to 1.0%

We believe we have made reasonable estimates and assumptions to calculate the fair value of our broadcasting licenses; however, these estimates and assumptions could be materially different from actual results.

If actual market conditions are less favorable than those projected by the industry or by us, or if events occur or circumstances change that would reduce the fair value of our broadcasting licenses below the amount reflected on the balance sheet, we may be required to conduct an interim test and possibly recognize impairment charges, which could be material, in future periods.

The table below presents the percentage within a range by which the fair value exceeded the carrying value of our radio broadcasting licenses as of December 31, 2019, for 44 units of accounting (44 geographical markets) where the carrying value of the licenses is considered material to our financial statements. Three of our 47 markets that were subject to testing are considered immaterial.

Rather than presenting the percentage separately for each unit of accounting, management's opinion is that this table in summary form is more meaningful to the reader in assessing the recoverability of the broadcasting licenses. In addition, the units of accounting are not disclosed with the specific market name as such disclosure could be competitively harmful to us.

	Units of Accounting as of December 1, 2019 Based Upon the Valuation as of December 1, 2019 Percentage Range by Which Fair Value Exceeds the Carrying Value			
	0% To 5%	Greater Than 5% To 10%	Greater Than 10% To 15%	Greater Than 15%
Number of units of accounting	1	4	10	29
Carrying value (in thousands)	$ 25,110	$ 781,743	$ 609,999	$ 1,100,818

Broadcasting Licenses Valuation at Risk

After the annual impairment test conducted on our broadcasting licenses in the fourth quarter of 2019, the results indicated that there were 5 units of accounting where the fair value exceeded their carrying value by 10% or less. In aggregate, these 5 units of accounting have a carrying value of $806.9 million. If overall market conditions or the performance of the economy deteriorates, advertising expenditures and radio industry results could be negatively impacted, including expectations for future growth. This could result in future impairment charges for these or other of our units of accounting, which could be material.

Goodwill Impairment Test

We historically performed our annual goodwill impairment test during the second quarter of each year by assessing goodwill for its single reporting unit on a consolidated basis.

In prior years, we determined that each individual radio market was a reporting unit and we assessed goodwill in each of our markets. Under the amended guidance, if the fair value of any reporting unit was less than the amount reflected on the balance sheet, we would recognize an impairment charge for the amount by which the carrying amount exceeded the reporting unit's fair value. The loss recognized would not exceed the total amount of goodwill allocated to the reporting unit.

As a result of the change to a single operating segment in 2018, we reassessed our reporting unit determination in 2018. Following our Merger with CBS Radio in November 2017, our radio broadcasting operations increased from 28 radio markets to 48 radio markets. Each market was a component one level beneath the single operating segment. Since each market was economically similar, all 48 markets were aggregated into a single reporting unit for the goodwill impairment assessment conducted in 2018.

In response to the realignment in our operating segments and reporting units, we considered whether the event represented a triggering event for interim goodwill impairment testing. During the three months ended June 30, 2018, and prior to conducting the prior year annual impairment testing described below, we made an evaluation, based on factors such as each reporting unit's total market share and changes in operating cash flow margins, and concluded that it was more likely than not that the fair value of each of our reporting units exceeded their carrying values at the time of realignment.

Subsequent to the annual impairment test conducted during the second quarter of 2018, we continued to monitor the impairment indicators listed above and determined that a sustained decrease in our share price required us to conduct an interim impairment assessment on our goodwill. Due to changes in facts and circumstances, we revised our estimates with respect to our estimated operating profit margins and long-term revenue growth rates used in the impairment assessment. As a result of our interim impairment assessment conducted in the fourth quarter of 2018, we recorded a $317.1 million impairment ($314.4 million, net of tax) on our goodwill. The interim impairment assessment conducted on our goodwill in the fourth quarter of 2018 followed the same methodology used in the annual impairment assessment conducted in the second quarter of 2018.

During the second quarter of 2019, we voluntarily changed the date of our annual impairment test date from April 1 to December 1. In response to the changing of the annual goodwill impairment test date, during the three months ended June 30, 2019, we made an evaluation based on factors such as changes in our long-term growth rate, changes in our operating cash flow margin, and trends in our market capitalization, and concluded that it was more likely than not that the fair value of our goodwill exceeded its carrying value at the time of the change in impairment test date.

During the three months ended September 30, 2019, we considered key factors and circumstances that could have potentially indicated a need to conduct an interim impairment assessment. Such factors and circumstances included, but were not limited to: (i) forecasted financial information; (ii) discount rates; (iii) long-term growth rates; (iv) our stock price; and (v) analyst expectations. After giving consideration to all available evidence arising from these facts and circumstances, we concluded that we did not have a requirement to perform an interim impairment test for goodwill.

As a result of disposition activity in 2019, we now operate in 47 radio markets. Each market is a component one level beneath the single operating segment. Since each market is economically similar, all 47 markets were aggregated into a single broadcast reporting unit for the current year goodwill impairment assessment. As a result of the acquisition of Pineapple and Cadence 13 in 2019, we significantly increased our podcasting operations. Cadence 13 and Pineapple represent a single podcasting division one level beneath the single operating segment. Since the operations are economically similar, Cadence 13 and Pineapple were aggregated into a single podcasting reporting unit.

All of our goodwill was subject to the annual impairment test conducted in the fourth quarter of the current year. For the goodwill acquired in the Cadence 13 Acquisition and the Pineapple Acquisition, similar valuation techniques that were applied to the valuation of goodwill under purchase price accounting were also used in the annual impairment testing process. The valuation of the acquired goodwill approximated fair value.

Methodology

In connection with our current year annual, prior year annual and prior year interim goodwill impairment assessment, we used an income approach in computing the fair value of the Company. This approach utilized a discounted cash flow method by projecting our income over a specified time and capitalizing at an appropriate market rate to arrive at an indication of the most probable selling price. Potential impairment is identified by comparing the fair value of the Company's reporting unit to its carrying value, including goodwill. Cash flow projections for the reporting unit include significant judgments and assumptions relating to projected operating profit margin (including revenue and expense growth rates) and the discount rate. We believe that this approach is commonly used and is an appropriate methodology for valuing the Company. Factors contributing to the determination of our operating performance were historical performance and/or our estimates of future performance.

Assumptions and Results - Goodwill

The following table reflects certain key estimates and assumptions used in the annual impairment test conducted in the fourth quarter of 2019, the interim impairment test conducted in the fourth quarter of 2018 and the annual impairment test conducted in the second quarter of 2018, the date of the most recent prior annual impairment test:

	Estimates And Assumptions		
	Fourth Quarter 2019	Fourth Quarter 2018	Second Quarter 2018
Discount rate	8.50%	9.00%	9.00%

We believe we have made reasonable estimates and assumptions to calculate the fair value of our goodwill; however, these estimates and assumptions could be materially different from actual results.

All of our goodwill at the broadcast reporting unit was subject to the annual impairment test conducted in the fourth quarter of the current year. The annual impairment assessment indicated the fair value of our goodwill attributable to the broadcast reporting unit was less than its carrying value. Accordingly, we recorded a $537.4 million impairment charge ($519.6 million, net of tax) on our goodwill in the fourth quarter of 2019.

If actual market conditions are less favorable than those projected by the industry or us, or if events occur or circumstances change that would reduce the fair value of our goodwill below the amount reflected in the balance sheet, we may be required to conduct an interim test and possibly recognize impairment charges, which could be material, in future periods.

Goodwill Valuation At Risk

After the annual impairment test conducted on our goodwill in the fourth quarter of 2019, the results indicated that the fair value of goodwill was less than the carrying value. As a result of the $537.4 million goodwill impairment ($519.6 million, net of tax) booked in the fourth quarter of 2019, we no longer have any goodwill attributable to the broadcast reporting unit. Our remaining goodwill is limited to the goodwill attributable to the podcast reporting unit.

Future impairment charges may be required on our goodwill attributable to our podcast reporting unit, as the discounted cash flow model is subject to change based upon our performance, peer company performance, overall market conditions, and the state of the credit markets. We continue to monitor these relevant factors to determine if an interim impairment assessment is warranted.

If there were to be a deterioration in our forecasted financial performance, an increase in discount rates, a reduction in long-term growth rates, a sustained decline in our stock price, or a failure to achieve analyst expectations, these could all be potential indicators of an impairment charge to the remaining goodwill attributable to the podcasting reporting unit, which could be material, in future periods.

Sensitivity of Key Broadcasting Licenses and Goodwill Assumptions

As we wrote off the entire carrying value of our goodwill attributable to the broadcast reporting unit in the fourth quarter of 2019, a sensitivity analysis on the broadcast reporting unit's goodwill is not applicable. If we were to assume a 100 basis point change in certain of our key assumptions used to determine the fair value of our broadcasting licenses using the income approach during the fourth quarter of 2019, the following would be the incremental impact:

Sensitivity Analysis (1)

	Results of Forecasted Growth Rate Decrease	Results of Operating Profit Margin Decrease	Results of Discount Rate Increase
	(amounts in thousands)		
Broadcasting Licenses			
Incremental broadcasting licenses impairment	$ 12,433	$ —	$ 70,347

(1) Each assumption used in the sensitivity analysis is independent of the other assumptions.

To determine the radio broadcasting industry's future revenue growth rate, management uses publicly available information on industry expectations rather than management's own estimates, which could be different. In addition, these long-term market growth rate estimates could vary in each of our markets. Using the publicly available information on industry expectations, each market's revenues were forecasted over a ten-year projection period to reflect the expected long-term growth rate for the radio broadcast industry, which was further adjusted for each of our markets. If the industry's growth is less than forecasted, then the fair value of our broadcasting licenses could be negatively impacted.

Operating profit is defined as profit before interest, depreciation and amortization, income tax and corporate allocation charges. Operating profit is then divided by broadcast revenues, net of agency and national representative commissions, to compute the operating profit margin. For the broadcast license fair value analysis, the projections of operating profit margin that are used are based upon industry operating profit norms, which reflect market size and station type. These margin projections are not specific to the performance of our radio stations in a market, but are predicated on the expectation that a new entrant into the market could reasonably be expected to perform at a level similar to a typical competitor. For the goodwill fair value analysis, the projections of operating margin are based on our actual historical performance. If the outlook for the radio industry's growth declines, then operating profit margins in both the broadcasting license and goodwill fair value analyses would be negatively impacted, which would decrease the value of those assets.

The discount rate to be used by a typical market participant reflects the risk inherent in future cash flows for the broadcast industry. The same discount rate was used for each of our markets. The discount rate is calculated by weighting the required returns on interest-bearing indebtedness and common equity capital in proportion to their estimated percentages in an expected capital structure. The capital structure was estimated based upon data available for publicly traded companies in the broadcast industry.

See Note 7, Intangible Assets and Goodwill, in the accompanying notes to our audited consolidated financial statements, for a discussion of intangible assets and goodwill.

For a more comprehensive list of our accounting policies, see Note 2, Significant Accounting Policies, accompanying the consolidated financial statements included within this annual report. Note 2 to our audited consolidated financial statements contains several other policies, including policies governing the timing of revenue and expense recognition, that are important to the preparation of our consolidated financial statements, but do not meet the SEC's definition of critical accounting policies because they do not involve subjective or complex judgments. In addition, for further discussion of new accounting policies that were effective for us on January 1, 2018, see the new accounting standards under Note 2, Significant Accounting Policies, to the accompanying notes to our audited consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates on our variable rate senior indebtedness (the Term B-2 Loan and Revolver).

If the borrowing rates under LIBOR were to increase 1% above the current rates as of December 31, 2019, our interest expense on: (i) our Term B-2 Loan would increase $7.6 million on an annual basis, including any increase or decrease in interest expense associated with the use of derivative hedging instruments; and (ii) our Revolver would increase by $2.5 million, assuming our entire Revolver was outstanding as of December 31, 2019. From time to time, we may seek to limit our exposure to interest rate volatility through the use of interest rate hedging instruments.

Assuming LIBOR remains flat, interest expense in 2020 versus 2019 is expected to be lower as we anticipate reducing our outstanding debt upon which interest is computed. We may seek from time to time to amend our Credit Facility or obtain additional funding, which may result in higher interest rates on our indebtedness and could increase our exposure to variable rate indebtedness.

During the quarter ended June 30, 2019, we entered into the following derivative rate hedging transaction in the notional amount of $560.0 million to hedge our exposure to fluctuations in interest rates on our variable-rate debt. This rate hedging transaction is tied to the one-month LIBOR interest rate.

Type Of Hedge	Notional Amount (amounts in millions)		Effective Date	Collar	Fixed LIBOR Rate	Expiration Date	Notional Amount Decreases	Amount After Decrease (amounts in millions)	
							Jun. 29, 2020	$	460.0
				Cap	2.75%		Jun. 28, 2021	$	340.0
Collar	$	560.0	Jun. 25, 2019	Floor	0.402%	Jun. 28, 2024	Jun. 28, 2022	$	220.0
							Jun. 28, 2023	$	90.0
Total	$	560.0							

Our credit exposure under hedging agreements similar to the agreements that we have entered into in the past, or similar agreements that we may enter into in the future, is the cost of replacing such agreements in the event of nonperformance by our counterparty. To minimize this risk, we select high credit quality counterparties. We do not anticipate nonperformance by such counterparties who we may enter into agreements with in the future, but we could recognize a loss in the event of nonperformance.

From time to time, we may invest all or a portion of our cash in cash equivalents, which are money market instruments consisting of short-term government securities and repurchase agreements that are fully collateralized by government securities. As of December 31, 2019, we did not have any investments in money market instruments. As of December 31, 2018, we had investments in money market instruments of approximately $69.4 million, which are reflected on our balance sheet as restricted cash. We deposited proceeds from the sale of a parcel of land in Chicago, Illinois and proceeds from the sale of land and buildings in Los Angeles, California into accounts of a Qualified Intermediary ("QI"). We deposited the proceeds into an account of a QI to comply with requirements under Section 1031 of the Code to execute a like-kind exchange. This process allowed us to effectively minimize our tax liability in connection with the gains recognized on these asset sales. The cash proceeds in the accounts of the QI are invested in money market accounts. We do not believe that we have any material credit exposure with respect to these assets.

Our credit exposure related to our accounts receivable does not represent a significant concentration of credit risk due to the quantity of advertisers, the minimal reliance on any one advertiser, the multiple markets in which we operate and the wide variety of advertising business sectors.

See also additional disclosures regarding liquidity and capital resources made under Part II, Item 7, above.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements, together with related notes and the report of PricewaterhouseCoopers LLP, our independent registered public accounting firm, are set forth on the pages indicated in Part IV, Item 15.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Controls and Procedures

We maintain "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act that are designed to ensure that: (i) information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (ii) such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control over Financial Reporting

There has been no change in the Company's internal controls over financial reporting during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

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 Chief Executive Officer and Chief Financial Officer, and effected by our Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Management has used the criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission to evaluate the effectiveness of the Company's internal control over financial reporting. Based on this evaluation, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2019. The effectiveness of the Company's internal control over financial reporting as of December 31, 2019, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears under Item 15.

Inherent Limitations on Effectiveness of Controls

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting.

However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company.

David J. Field, Chairman, Chief Executive Officer and President
Richard J. Schmaeling, Chief Financial Officer & Executive Vice President

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item 10 is incorporated in this report by reference to the applicable information set forth in our proxy statement for the 2020 Annual Meeting of Shareholders, which we expect to file with the SEC prior to 120 days after the end of the fiscal year.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 is incorporated in this report by reference to the applicable information set forth in our proxy statement for the 2020 Annual Meeting of Shareholders, which we expect to file with the SEC prior to 120 days after the end of the fiscal year.

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

The information required by this Item 12 is incorporated in this report by reference to the applicable information set forth in our proxy statement for the 2020 Annual Meeting of Shareholders, which we expect to file with the SEC prior to 120 days after the end of the fiscal year.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this Item 13 is incorporated in this report by reference to the applicable information set forth in our proxy statement for the 2020 Annual Meeting of Shareholders, which we expect to file with the SEC prior to 120 days after the end of the fiscal year.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item 14 is incorporated in this report by reference to the applicable information set forth in our proxy statement for the 2020 Annual Meeting of Shareholders, which we expect to file with the SEC prior to 120 days after the end of the fiscal year.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) **The following documents are filed as part of this Report:**

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Entercom Communications Corp.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Entercom Communications Corp. and its subsidiaries (the "Company") as of December 31, 2019 and 2018, and the related consolidated statements of operations, of comprehensive income (loss), of shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2019, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Changes in Accounting Principles

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019, the manner in which it accounts for revenue from contracts with customers in 2018 and the manner in which it accounts for stock-based compensation in 2017.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules 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 plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Goodwill Impairment Test - Broadcast Reporting Unit

As described in Note 7 to the consolidated financial statements, the Company's goodwill attributable to its Broadcast reporting unit was impaired in the fourth quarter of 2019. Management conducts an impairment test as of December 1 of each year. If actual market conditions are less favorable than those projected by the industry or management, or if events occur, or circumstances change during the interim periods that indicate the carrying value of its goodwill may be impaired, management may be required to conduct an interim test. Potential impairment is identified by comparing the fair value of the Company's reporting unit to its carrying value, including goodwill. As a result of this test, the Company recognized a $537.4 million goodwill impairment charge in 2019. Management estimates the fair value of its Broadcast reporting unit using a discounted cash flow model. Management's cash flow projections for its Broadcast reporting unit included significant judgments and assumptions relating to projected operating profit margin (including revenue and expense growth rates) and the discount rate.

The principal considerations for our determination that performing procedures relating to the goodwill impairment test of the Broadcast reporting unit is a critical audit matter are there was significant judgment by management when developing the fair value measurement of the Broadcast reporting unit. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating evidence related to management's cash flow projections, including significant assumptions related to projected operating profit margin (including revenue and expense growth rates) and the discount rate. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the identification of interim triggering events and the annual valuation of the Company's Broadcast reporting unit. These procedures also included, among others, testing management's process over the identification of events or changes in circumstances that indicate an impairment of goodwill has occurred; testing management's process for developing the fair value estimate; evaluating the appropriateness of the discounted cash flow model; testing the completeness, accuracy, and relevance of underlying data used in the model; and evaluating the significant assumptions used by management, including projected operating profit margin (including revenue and expense growth rates) and the discount rate. Evaluating management's assumptions related to projected operating profit margin involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the Company, (ii) the consistency with external market and industry data, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow model and the discount rate.

FCC Broadcast License Impairment Test

As described in Note 7 to the consolidated financial statements, the Company's consolidated FCC broadcast license balance was $2.5 billion as of December 31, 2019. Management conducts an impairment test as of December 1 of each year. If there are changes in market conditions, events, or other circumstances that occur during the interim periods that indicate the carrying value of its FCC broadcast licenses may be impaired, the Company determines whether management may be required to conduct an interim test. FCC broadcast licenses are assessed for recoverability at the market level. Potential impairment is identified by comparing the fair value of a market's FCC broadcast licenses to its carrying value. Fair value is estimated by management using the Greenfield method at the market level, which is a discounted cash flow approach (10-year income model) assuming a start-up scenario in which the only assets held by an investor are broadcasting licenses. Management's cash flow projections for its FCC broadcast licenses included significant judgments and assumptions relating to the market share and profit margin of an average station within a market based upon market size and station type, the forecasted growth rate of each radio market (including long-term growth rate), and the discount rate.

The principal considerations for our determination that performing procedures relating to FCC broadcast license impairment test is a critical audit matter are there was significant judgment by management when developing the fair value measurement of the Company's broadcast licenses. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating evidence related to management's cash flow projections, including significant assumptions related to market share and profit margin of an average station within a market based upon market size and station type, the forecasted growth rate of each radio market (including long-term growth rate), and the discount rate. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's impairment assessment, including controls over the identification of interim triggering events and the annual valuation of the Company's FCC broadcast licenses. These procedures also included, among others, testing management's process over the identification of events or changes in circumstances that indicate an impairment of FCC broadcast licenses has occurred; testing management's process for developing the fair value estimate; evaluating the appropriateness of the discounted cash flow model; testing the completeness, accuracy, and relevance of underlying data used in the model; and evaluating the significant assumptions used by management, including market share and profit margin of an average station within a market based upon market size and station type, the forecasted growth rate of each radio market (including long-term growth rate), and the discount rate. Evaluating management's assumptions related to market share, profit margin, and forecasted growth rate involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance in the market being evaluated, (ii) the consistency with external market and industry data, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow model and the discount rate.

/s/ PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
March 2, 2020

We have served as the Company's auditor since 2002.

CONSOLIDATED FINANCIAL STATEMENTS OF ENTERCOM COMMUNICATIONS CORP.

ENTERCOM COMMUNICATIONS CORP.
CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except share data)

	DECEMBER 31, 2019	DECEMBER 31, 2018
ASSETS:		
Cash	$ 20,393	$ 122,893
Restricted cash	—	69,365
Accounts receivable, net of allowance for doubtful accounts	378,912	342,766
Prepaid expenses, deposits and other	25,375	25,205
Total current assets	424,680	560,229
Investments	3,305	11,205
Net property and equipment	350,666	317,030
Operating lease right-of-use assets	259,613	—
Radio broadcasting licenses	2,508,121	2,516,625
Goodwill	43,920	539,469
Assets held for sale	10,188	19,603
Other assets, net of accumulated amortization	43,185	56,197
TOTAL ASSETS	$ 3,643,678	$ 4,020,358
LIABILITIES:		
Accounts payable	$ 5,961	$ 1,858
Accrued expenses	76,078	58,449
Other current liabilities	76,837	118,438
Operating lease liabilities	35,335	—
Long-term debt, current portion	16,377	—
Total current liabilities	210,588	178,745
Long-term debt, net of current portion	1,697,114	1,872,203
Operating lease liabilities, net of current portion	253,346	—
Net deferred tax liabilities	549,658	545,982
Other long-term liabilities	51,529	89,168
Total long-term liabilities	2,551,647	2,507,353
Total liabilities	2,762,235	2,686,098
CONTINGENCIES AND COMMITMENTS		
SHAREHOLDERS' EQUITY:		
Class A common stock $0.01 par value; voting; authorized 200,000,000 shares; issued and outstanding 133,867,621 in 2019 and 137,180,213 in 2018	1,339	1,372
Class B common stock $0.01 par value; voting; authorized 75,000,000 shares; issued and outstanding 4,045,199 in 2019 and 2018	40	40
Class C common stock $0.01 par value; nonvoting; authorized 50,000,000 shares; no shares issued and outstanding	—	—
Additional paid-in capital	1,655,781	1,693,512
Retained earnings (accumulated deficit)	(775,578)	(360,664)
Accumulated other comprehensive income (loss)	(139)	—
Total shareholders' equity	881,443	1,334,260
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 3,643,678	$ 4,020,358

See notes to consolidated financial statements.

ENTERCOM COMMUNICATIONS CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands, except share and per share data)

	YEARS ENDED DECEMBER 31,		
	2019	**2018**	**2017**
NET REVENUES	$ 1,489,929	$ 1,462,567	$ 592,884
OPERATING EXPENSE:			
Station operating expenses	1,086,617	1,099,278	443,512
Depreciation and amortization expense	45,331	44,288	15,546
Corporate general and administrative expenses	84,304	69,492	47,859
Integration costs	4,297	25,372	—
Restructuring charges	6,976	5,830	16,922
Impairment loss	545,457	493,988	952
Merger and acquisition costs	941	3,014	41,313
Other expenses related to financing	4,397	—	2,213
Net time brokerage agreement (income) fees	106	(918)	130
Net (gain) loss on sale or disposal of assets	(7,640)	(12,158)	11,853
Total operating expense	1,770,786	1,728,186	580,300
OPERATING INCOME (LOSS)	(280,857)	(265,619)	12,584
NET INTEREST EXPENSE	100,103	101,121	32,521
Net (gain) loss on extinguishment of debt	2,046	—	4,135
OTHER (INCOME) EXPENSE	2,046	—	4,135
INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)	(383,006)	(366,740)	(24,072)
INCOME TAXES (BENEFIT)	37,206	(4,153)	(257,085)
NET INCOME (LOSS) AVAILABLE TO THE COMPANY - CONTINUING OPERATIONS	(420,212)	(362,587)	233,013
Preferred stock dividend	—	—	(2,015)
NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS - CONTINUING OPERATIONS	(420,212)	(362,587)	230,998
Income from discontinued operations, net of income taxes (benefit)	—	1,152	836
NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS	$ (420,212)	$ (361,435)	$ 231,834
Net income (loss) from continuing operations per share available to common shareholders - Basic	$ (3.07)	$ (2.63)	$ 4.49
Net income (loss) from discontinued operations per share available to common shareholders - Basic	$ —	$ 0.01	$ 0.02
NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS PER SHARE - BASIC	$ (3.07)	$ (2.62)	$ 4.51
Net income (loss) from continuing operations per share available to common shareholders - Diluted	$ (3.07)	$ (2.63)	$ 4.37
Net income (loss) from discontinued operations per share available to common shareholders - Diluted	$ —	$ 0.01	$ 0.02
NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS PER SHARE - DILUTED	$ (3.07)	$ (2.62)	$ 4.38
WEIGHTED AVERAGE SHARES:			
Basic	136,967,455	138,069,608	51,392,899
Diluted	136,967,455	138,069,608	52,885,156

See notes to consolidated financial statements.

ENTERCOM COMMUNICATIONS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(amounts in thousands)

	YEARS ENDED December 31,		
	2019	**2018**	**2017**
NET INCOME (LOSS)	$ (420,212)	$ (361,435)	$ 231,834
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES (BENEFIT):			
Net unrealized gain (loss) on derivatives, net of taxes (benefit)	(139)	—	—
COMPREHENSIVE INCOME (LOSS)	$ (420,351)	$ (361,435)	$ 231,834

See notes to condensed consolidated financial statements.

ENTERCOM COMMUNICATIONS CORP.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017
(amounts in thousands, except share data)

	Common Stock							
	Class A		Class B					
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2016	33,510,184	$ 335	7,197,532	$ 72	$ 605,603	$ (212,636)	$ —	$ 393,374
Net income (loss) available to the Company	—	—	—	—	—	233,849	—	233,849
Conversion of Class B common stock to Class A common stock in the Merger	3,152,333	32	(3,152,333)	(32)	—	—	—	—
Issuance of Class A common stock in the Merger	101,407,494	1,014	—	—	1,160,102	—	—	1,161,116
Equity awards assumed in the Merger	618,325	6	—	—	6,771	—	—	6,777
Stock options assumed in the Merger	—	—	—	—	1,007	—	—	1,007
Compensation expense related to granting of stock awards	2,066,241	21	—	—	9,546	—	—	9,567
Issuance of common stock related to the Employee	14,833	—	—	—	182	—	—	182
Exercise of stock options	8,250	—	—	—	42	—	—	42
Common stock repurchase	(932,600)	(9)	—	—	(10,666)	—	—	(10,675)
Purchase of vested employee restricted stock units	(169,279)	(2)	—	—	(2,563)	—	—	(2,565)
Payment of dividends on common stock	—	—	—	—	(29,296)	—	—	(29,296)
Dividend equivalents, net of forfeitures	—	—	—	—	(1,556)	—	—	(1,556)
Payment of dividends on preferred stock	—	—	—	—	(2,574)	—	—	(2,574)
Modified retrospective application of stock-based compensation guidance	—	—	—	—	534	4,578	—	5,112
Balance, December 31, 2017	139,675,781	1,397	4,045,199	40	1,737,132	25,791	—	1,764,360
Net income (loss) available to the Company	—	—	—	—	—	(361,435)	—	(361,435)
Compensation expense related to granting of stock awards	895,834	9	—	—	15,140	—	—	15,149
Issuance of common stock related to the ESPP	228,227	2	—	—	1,426	—	—	1,428
Exercise of stock options	113,137	1	—	—	152	—	—	153
Common stock repurchase	(3,226,300)	(32)	—	—	(29,375)	—	—	(29,407)
Purchase of vested employee restricted stock units	(506,466)	(5)	—	—	(5,181)	—	—	(5,186)
Payment of dividends on common stock	—	—	—	—	(25,782)	(24,861)	—	(50,643)
Dividend equivalents, net of forfeitures	—	—	—	—	—	(159)	—	(159)
Balance, December 31, 2018	137,180,213	1,372	4,045,199	40	1,693,512	(360,664)	—	1,334,260
Net income (loss) available to the Company	—	—	—	—	—	(420,212)	—	(420,212)
Compensation expense related to granting of stock awards	1,631,529	16	—	—	13,366	—	—	13,382
Issuance of common stock related to the ESPP	334,782	4	—	—	1,325	—	—	1,329

Exercise of stock options	180,300	2	—	—	242	—	—	244
Common stock repurchase	(5,000,000)	(50)	—	—	(18,290)	—	—	(18,340)
Purchase of vested employee restricted stock units	(459,203)	(5)	—	—	(2,900)	—	—	(2,905)
Payment of dividends on common stock	—	—	—	—	(31,474)	—	—	(31,474)
Dividend equivalents, net of forfeitures	—	—	—	—	—	579	—	579
Net unrealized gain (loss) on derivatives	—	$ —	—	$ —	$ —	$ —	(139)	(139)
Application of amended leasing guidance	—	$ —	—	$ —	$ —	$ 4,719	—	4,719
Balance, December 31, 2019	133,867,621	$ 1,339	4,045,199	$ 40	$1,655,781	$ (775,578)	(139)	$ 881,443

See notes to consolidated financial statements.

ENTERCOM COMMUNICATIONS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)

	YEARS ENDED DECEMBER 31,		
	2019	2018	2017
OPERATING ACTIVITIES:			
Net income (loss) available to the Company	$ (420,212)	$ (361,435)	$ 233,849
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	45,331	44,288	15,546
Net amortization of deferred financing costs (net of original issue discount and debt premium)	157	327	1,371
Net deferred taxes (benefit) and other	5,407	(61,798)	(263,551)
Provision for bad debts	4,549	8,909	3,715
Net (gain) loss on sale or disposal of assets	(7,640)	(12,158)	11,853
Non-cash stock-based compensation expense	15,882	15,149	9,567
Net loss on extinguishment of debt	2,046	—	4,135
Deferred compensation	6,118	(1,357)	4,247
Impairment loss	545,457	493,988	952
Accretion expense (income), net of asset retirement obligation adjustments	65	60	37
Changes in assets and liabilities (net of effects of acquisitions, dispositions, consolidation, and deconsolidation of Variable Interest Entities (VIEs)):			
Accounts receivable	(30,856)	1,777	(14,127)
Prepaid expenses, deposits and other	(283)	1,431	14,267
Accounts payable, accrued expenses and other current liabilities	(27,777)	1,217	8,370
Accrued interest expense	3,875	(6,278)	4,169
Accrued liabilities - long-term	(9,931)	(21,871)	(2,414)
Prepaid expenses - long-term	—	—	(2,874)
Net cash provided by (used in) operating activities	132,188	102,249	29,112
INVESTING ACTIVITIES:			
Additions to property and equipment	(70,476)	(29,837)	(20,530)
Proceeds from sale of property, equipment, intangibles and other assets	29,321	185,761	60,505
Purchases of audio assets	(40,136)	(71,434)	(24,000)
Additions to amortizable intangible assets	(7,425)	(11,949)	(663)
Purchases of investments	(1,800)	(1,250)	(9,700)
Proceeds from sale of property reflected as restricted cash	—	70,187	—
(Deconsolidation) consolidation of a VIE	—	—	(302)
Proceeds from disposition of radio stations	—	—	12,000
Net cash provided by (used in) investing activities	(90,516)	141,478	17,310

	YEARS ENDED DECEMBER 31,		
	2019	2018	2017
FINANCING ACTIVITIES:			
Proceeds from issuance of long-term debt	430,000	—	500,000

Borrowing under the revolving senior debt	194,000	80,000	200,500
Payments of long-term debt	(521,700)	(81,348)	(669,750)
Payments of revolving senior debt	(257,000)	—	—
Payment for debt issuance costs	(7,691)	—	(16,302)
Proceeds from issuance of employee stock plan	1,329	1,428	182
Retirement of perpetual cumulative convertible preferred stock	—	—	(27,737)
Proceeds from the exercise of stock options	244	153	42
Purchase of vested employee restricted stock units	(2,905)	(5,186)	(2,565)
Payment of dividends on common stock	(30,273)	(49,770)	(29,296)
Payment of dividend equivalents on vested restricted stock units	(1,201)	(873)	(1,556)
Repurchase of common stock	(18,340)	(30,040)	(10,042)
Payment of dividends on preferred stock	—	—	(2,574)
Net cash provided by (used in) financing activities	(213,537)	(85,636)	(59,098)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(171,865)	158,091	(12,676)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	192,258	34,167	46,843
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	$ 20,393	$ 192,258	$ 34,167
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest	$ 101,155	$ 96,843	$ 24,813
Income taxes	$ 39,100	$ 54,217	$ 2,030
Dividends on common stock	$ 30,273	$ 49,770	$ 29,296
Dividends on preferred stock	$ —	$ —	$ 2,574

See notes to consolidated financial statements.

1. BASIS OF PRESENTATION

Nature of Business – Entercom Communications Corp. (the “Company”) is the second-largest radio broadcasting company in the United States. The Company is also a leading local media and entertainment company with a nationwide footprint of stations including positions in all of the top 16 markets and 22 of the top 25 markets.

On February 2, 2017, the Company and its wholly-owned subsidiary (“Merger Sub”), entered into an Agreement and Plan of Merger (the “CBS Radio Merger Agreement”) with CBS Corporation (“CBS”) and its wholly-owned subsidiary CBS Radio Inc. (“CBS Radio”). Pursuant to the CBS Merger Agreement, Merger Sub merged with and into CBS Radio with CBS Radio surviving as the Company’s wholly-owned subsidiary (the “Merger”). On November 13, 2018, the Company changed the name of CBS Radio Inc. to Entercom Media Corp. The parties to the Merger believe that the Merger was tax-free to CBS and its shareholders. The Merger was effected through a stock for stock Reverse Morris Trust transaction.

Upon obtaining required approvals from the Federal Communications Commission (the "FCC"), the Antitrust Division of the U.S. Department of Justice ("DOJ"), and the Company's shareholders, the Merger closed on November 17, 2017. The results of CBS Radio have been included in the Company’s consolidated financial statements since the date of acquisition. Refer to Note 3, Business Combinations, for additional information.

The Company’s strategy focuses on providing compelling content in the communities it serves to enable the Company to offer its advertisers an effective marketing platform to reach a large targeted local audience. The principal components of the Company’s strategy are to: (i) focus on creating effective integrated marketing solutions for its customers that incorporate its audio, digital and experiential assets; (ii) build strongly-branded radio stations with highly compelling content; (iii) develop market leading station clusters; and (iv) recruit, develop, motivate and retain superior employees.

Reclassifications

Certain reclassifications have been made to the prior years’ statements of cash flow and notes to the consolidated financial statements to conform to the presentation in the current year, which did not have a material impact on the Company’s previously reported financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are 100% owned by the Company. All intercompany transactions and balances have been eliminated in consolidation. The Company also considers the applicability of any variable interest entities (“VIEs”) that are required to be consolidated by the primary beneficiary. From time to time, the Company may enter into a time brokerage agreement (“TBA”) or local marketing agreement (“LMA”) in connection with a pending acquisition or disposition of radio stations and the requirement to consolidate or deconsolidate a VIE or separately present activity as discontinued operations may apply, depending on the facts and circumstances related to each transaction.

As of December 31, 2019, there were no VIEs requiring consolidation in these financial statements. As of December 31, 2018, there was one VIE that required consolidation in these consolidated financial statements. During 2018, the Company entered into an agreement with a third party qualified intermediary (“QI”), under which the Company was primarily responsible for the oversight and completion of certain construction projects. This agreement related to the creation of leasehold improvement assets on property that had already been made available for tenant use. The Company believed it was the primary beneficiary of the VIE as the Company had the power to direct the activities that were most significant to the VIE and the Company had the obligation to absorb losses or the right to receive returns that would be significant to the VIE during the period of the agreement.

Total results of operations of the VIE for the year ended December 31, 2019, and December 31, 2018, were not significant. The consolidated VIE had a material amount of cash as of December 31, 2018, which was reflected as restricted cash on the consolidated balance sheet. Restrictions on these deposits lapsed during the first quarter of 2019. As a result, the Company does not have restricted cash as of December 31, 2019. The VIE had no other assets or liabilities aside from the restricted cash balances and capitalized leasehold improvements as of December 31, 2018. The assets of the Company’s consolidated VIE could only be used to settle the obligations of the VIE. There was a lack of recourse by the creditors of the VIE against the Company's general creditors.

Refer to Note 22, Contingencies And Commitments, for further discussion of VIEs requiring consolidation. See Note 21, Assets Held For Sale And Discontinued Operations, for further discussion on discontinued operations.

Reportable Segment – The Company operates under one reportable business segment for which segment disclosure is consistent with the management decision-making process that determines the allocation of resources and the measuring of performance.

Operating Segment - Following the Company's Merger with CBS Radio in November 2017, the Company's radio broadcasting operations increased from 28 radio markets to 48 radio markets. In connection with the Merger, management further considered its operating segment and reportable segment conclusions. Management considered factors including, but not limited to: (i) the favorable impact of the significant synergies generated through more centralized operating activities; and (ii) how the value of the portfolio of radio markets is greater than the sum of the value of the individual radio markets in that portfolio. These factors impact how the Chief Operating Decision Maker ("CODM") evaluates the results of a significantly larger company and how operating decisions are made, which are now performed at the Company level.

This approach is consistent with how operating and capital investment decisions are made as needed, at the Company level, irrespective of any given market's size or location. Furthermore, technological enhancements and systems integration decisions are reached at the Company level and applied to all markets rather than to specific or individual markets to ensure that each market has the same tools and opportunities as every other market. Management also considered its organizational structure in assessing its operating segments and reportable segments. Managers at the market level are often responsible for the operational oversight of multiple markets, the assignment of which is nether dependent upon geographical region nor size. Managers at the market level do not report to the CODM and instead report to other senior management, who are responsible for the operational oversight of radio markets and for communication of results to the CODM. After consideration of the above, the Company changed its operating segment conclusions during the second quarter of 2018. The Company has one operating segment and one reportable segment.

Management's Use of Estimates – The preparation of consolidated financial statements, in conformity with accounting principles generally accepted in the United States of America, requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, as of the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions are used for, but not limited to: (i) asset impairments, including broadcasting licenses and goodwill; (ii) income tax valuation allowances for deferred tax assets; (iii) allowance for doubtful accounts and allowance for sales reserves; (iv) self-insurance reserves; (v) fair value of equity awards; (vi) estimated lives for tangible and intangible assets; (vii) contingency and litigation reserves; (viii) fair value measurements; (ix) acquisition purchase price asset and liability allocations; and (x) uncertain tax positions. The Company's accounting estimates require the use of judgment as future events and the effect of these events cannot be predicted with certainty. The accounting estimates may change as new events occur, as more experience is acquired and as more information is obtained. The Company evaluates and updates assumptions and estimates on an ongoing basis and may use outside experts to assist in the Company's evaluation, as considered necessary. Actual results could differ from those estimates.

Income Taxes – The Company applies the asset and liability method to the accounting for deferred income taxes. Deferred income taxes are recognized for all temporary differences between the tax and financial reporting bases of the Company's assets and liabilities based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is recorded for a net deferred tax asset balance when it is more likely than not that the benefits of the tax asset will not be realized. The Company reviews on a continuing basis the need for a deferred tax asset valuation allowance in the jurisdictions in which it operates. Any adjustment to the deferred tax asset valuation allowance is recorded in the consolidated statements of operations in the period that such an adjustment is required.

The Company applies the guidance for income taxes and intra-period allocation to the recognition of uncertain tax positions. This guidance clarifies the recognition, de-recognition and measurement in financial statements of income tax positions taken in previously filed tax returns or tax positions expected to be taken in tax returns, including a decision whether to file or not to file in a particular jurisdiction. The guidance requires that any liability created for unrecognized tax benefits is disclosed. The application of this guidance may also affect the tax bases of assets and liabilities and therefore may change or create deferred tax liabilities or assets. This guidance also clarifies the method to allocate income taxes (benefit) to the different components of income (loss), such as: (i) income (loss) from continuing operations; (ii) income (loss) from discontinued operations; (iii) other comprehensive income (loss); (iv) the cumulative effects of accounting changes; and (v) other charges or credits recorded directly to shareholders' equity. See Note 17, Income Taxes, for a further discussion of income taxes.

Property and Equipment – Property and equipment are carried at cost. Major additions or improvements are capitalized, including interest expense when material, while repairs and maintenance are charged to expense when incurred. Upon sale or retirement, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is recognized in the statement of operations. Depreciation expense on property and equipment is determined on a straight-line basis.

Depreciation expense for property and equipment is reflected in the following table:

	Property And Equipment		
	Years Ended December 31,		
	2019	2018	2017
	(amounts in thousands)		
Depreciation expense	$ 31,866	$ 28,709	$ 13,215

As of December 31, 2019, the Company had capital expenditure commitments outstanding of $2.8 million.

The following is a summary of the categories of property and equipment along with the range of estimated useful lives used for depreciation purposes:

	Depreciation Period In Years		Property And Equipment December 31,	
	From	To	2019	2018
Land, land easements and land improvements	0	15	$ 107,281	$ 110,570
Buildings	20	40	34,777	36,038
Equipment	3	40	210,872	222,847
Furniture and fixtures	5	10	19,393	18,426
Other	*	*	44	44
Leasehold improvements	*	*	98,833	71,688
			471,200	459,613
Accumulated depreciation			(163,416)	(158,341)
			307,784	301,272
Capital improvements in progress			42,882	15,758
Net property and equipment			$ 350,666	$ 317,030

* Shorter of economic life or lease term

Long-Lived Assets - The Company evaluates the recoverability of its long-lived assets, which include property and equipment, broadcasting licenses (subject to an eight-year renewal cycle), goodwill, deferred charges, and other assets. See Note 7, Intangible Assets And Goodwill, for further discussion. Certain of the Company's equipment, such as broadcast towers, can provide economic benefit over a longer period of time resulting in the use of longer lives of up to 40 years.

If events or changes in circumstances were to indicate that an asset's carrying value is not recoverable, a write-down of the asset would be recorded through a charge to operations. The determination and measurement of the fair value of long-lived assets requires the use of significant judgments and estimates. Future events may impact these judgments and estimates.

Revenue Recognition – The Company generates revenue from the sale to advertisers of various services and products, including but not limited to: (i) commercial broadcast time; (ii) digital advertising; (iii) local events; (iv) e-commerce where an advertiser's goods and services are sold through the Company's websites; and (v) a suite of digital products.

Revenue from services and products is recognized when delivered. Advertiser payments received in advance of when the products or services are delivered are recorded on the Company's balance sheet as unearned revenue.

Revenues presented in the consolidated financial statements are reflected on a net basis, after the deduction of advertising agency fees by the advertising agencies. The Company also evaluates when it is appropriate to recognize revenue based on the gross amount invoiced to the customer or the net amount retained by the Company if a third party is involved.

Refer to the recent accounting pronouncements section within this note for additional information on recently issued accounting guidance on revenue recognition. Refer to Note 4, Revenue, for additional information on the Company's revenue.

Refer to Note 4, Revenue, Note 9, Other Current Liabilities, and Note 10, Other Long-Term Liabilities, for additional information on unearned revenue.

The following table presents the amounts of unearned revenues as of the periods indicated:

		Unearned Revenues	
		December 31,	
	Balance Sheet Location	2019	2018
		(amounts in thousands)	
Current	Other current liabilities	$ 9,894	$ 22,692
Long-term	Other long-term liabilities	$ 2,113	$ 1,138

Concentration of Credit Risk – The Company's revenues and accounts receivable relate primarily to the sale of advertising within its radio stations' broadcast areas. Credit is extended based on an evaluation of the customers' financial condition and, generally, collateral is not required. Credit losses are provided for in the financial statements and consistently have been within management's expectations. Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The balance in the Company's allowance for doubtful accounts is based on the Company's historical collections, the age of the receivables, specific customer information, and current economic conditions. Delinquent accounts are written off if collections efforts have been unsuccessful and the likelihood of recovery is considered remote.

Debt Issuance Costs and Original Issue Discount – The costs related to the issuance of debt are capitalized and amortized over the lives of the related debt and such amortization is accounted for as interest expense. See Note 11, Long-Term Debt, for further discussion for the amount of deferred financing expense that was included in interest expense in the accompanying consolidated statements of operations.

In 2019, the Company issued senior secured second-lien notes and used proceeds to partially repay amounts outstanding under existing indebtedness. In connection with this refinancing activity, a portion of the unamortized deferred financing costs associated with the Company's former term loan was written off and included in the statement of operations under loss on extinguishment of debt. Lender fees and third party fees incurred during the refinancing were capitalized or expensed as appropriate based on accounting guidance for debt modifications and extinguishments.

In 2017, the Company refinanced its outstanding debt in conjunction with the Merger. In connection with this refinancing activity, a portion of the unamortized deferred financing costs associated with the Company's former revolving credit facility and a portion of the unamortized deferred financing costs associated with the Company's former term loan was written off and included in the statement of operations under loss on extinguishment of debt. Lender fees and third party fees incurred during the refinancing were capitalized or expensed as appropriate based on accounting guidance for debt modifications and extinguishments.

Refer to Note 11, Long-Term Debt, for further discussion of the 2019 and 2017 refinancing activities.

Extinguishment of Debt –The Company may amend, append or replace, in part or in full, its outstanding debt. The Company reviews its unamortized financing costs associated with its outstanding debt to determine the amount subject to extinguishment under the accounting provisions for an exchange of debt instruments with substantially different terms or changes in a line-of-credit or revolving-debt arrangement.

On December 13, 2019, April 30, 2019, and November 17, 2017, the Company refinanced certain of its outstanding debt. In each refinancing event, a portion of the Company's outstanding debt was accounted for as an extinguishment. See Note 11, Long-Term Debt for a discussion of the Company's long-term debt.

Corporate General and Administrative Expense – Corporate general and administrative expense consists of corporate overhead costs and non-cash compensation expense. Included in corporate general and administrative expenses are those costs not specifically allocable to any of the Company's individual business properties.

Time Brokerage Agreement (Income) Fees – TBA fees or income consists of fees paid or received under agreements that permit an acquirer to program and market stations prior to an acquisition. The Company sometimes enters into a TBA prior to the consummation of station acquisitions and dispositions. The Company may also enter into a Joint Sales Agreement to market, but not to program, a station for a defined period of time. A portion of the Company's TBA income earned is presented in income (loss) from discontinued operations, net of income taxes (benefit) in the Company's consolidated statement of operations. TBA fees or income earned from continuing operations are recorded as a separate line item in the Company's consolidated statement of operations.

Trade and Barter Transactions – The Company provides advertising broadcast time in exchange for certain products, supplies and services. The terms of the exchanges generally permit the Company to preempt such broadcast time in favor of advertisers who purchase time on regular terms. The Company includes the value of such exchanges in both broadcasting net revenues and station operating expenses. Trade and Barter valuation is based upon management's estimate of the fair value of the products, supplies and services received. See Note 18, Supplemental Cash Flow Disclosures On Non-Cash Activities, for a summary of the Company's barter transactions.

Business Combinations – Accounting guidance for business combinations provides the criteria to recognize intangible assets apart from goodwill. Other than goodwill, the Company uses an income or cost method to determine the fair value of all intangible assets required to be recognized for business combinations. For a discussion of impairment testing of those assets acquired in a business combination, including goodwill, see Note 7, Intangible Assets And Goodwill.

Asset Retirement Obligations – The Company reasonably estimates the fair value of an asset retirement obligation. For an asset retirement obligation that is conditional (uncertainty about the timing and/or method of settlement), the Company factors into its fair value measurement a probability factor as the obligation depends upon a future event that may or may not be within the control of the Company.

The following table presents the changes in asset retirement obligations:

	Asset Retirement Obligations December 31, 2019	2018
	(amounts in thousands)	
Beginning Balance	$ 2,030	$ 1,714
Additions	—	456
Settlements	(20)	(204)
Revision of estimate	—	4
Accretions	64	60
Ending Balance	$ 2,074	$ 2,030
Asset retirement obligations - short term	$ 380	$ 342
Asset retirement obligations - long term	1,694	1,688
Total asset retirement obligations	$ 2,074	$ 2,030

Accrued Compensation – Certain types of employee compensation are paid in subsequent periods. See Note 9, Other Current Liabilities, for amounts reflected in the balance sheets.

Cash, Cash Equivalents and Restricted Cash – Cash consists primarily of amounts held on deposit with financial institutions. The Company's cash deposits with banks are insured by the Federal Deposit Insurance Corporation up to $250,000 per account. At times, the cash balances held by the Company in financial institutions may exceed these insured limits. The risk of loss attributable to these uninsured balances is mitigated by depositing funds in high credit quality financial institutions. The Company has not experienced any losses in such accounts. From time to time, the Company may invest in cash equivalents, which consists of investments in immediately available money market accounts and all highly liquid debt instruments with initial maturities of three months or less. The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Restricted cash balances consist of amounts that the Company may be restricted in its ability to access or amounts that are reserved for a specific purpose and therefore not available for immediate or general business use.

As of December 31, 2018, the Company had investments in money market instruments of approximately $69.4 million, which are reflected on the consolidated balance sheet as restricted cash as the Company was temporarily restricted in its ability to access these funds. The Company deposited proceeds from the sale of a parcel of land in Chicago, Illinois and proceeds from the sale of land and buildings in Los Angeles, California into accounts of a QI. Refer to Note 22, Contingencies and Commitments, for additional information on these transactions. The Company deposited these proceeds into a QI account to comply with requirements under Section 1031 of the Internal Revenue Code (the "Code") to execute a like-kind exchange. This process allowed the Company to effectively minimize its current tax liability in connection with the gains recognized on these asset sales. The cash proceeds in the accounts of the QI were invested in money market accounts. The Company does not believe it had any material credit exposure with respect to these assets. Restrictions on these restricted cash deposits lapsed during the first quarter of 2019. As a result, the Company does not have restricted cash on its balance sheet at December 31, 2019. As of December 31, 2019 and December 31, 2018, the Company had no other cash equivalents on hand.

Derivative Financial Instruments – The Company follows accounting guidance for its derivative financial instruments that it enters into from time to time, including certain derivative instruments embedded in other contracts, and hedging activities.

Leases – The Company follows accounting guidance for its leases, which includes the recognition of escalated rents on a straight-line basis over the term of the lease agreement, as described further in Note 10, Other Long-Term Liabilities.

The operating lease obligations represent scheduled future minimum operating lease payments under non-cancellable operating leases, including rent obligations under escalation clauses that are defined increases and not escalations that depend on variable indices. The minimum lease payments do not include common area maintenance, variable real estate taxes, insurance and other costs for which the Company may be obligated as most of these payments are primarily variable rather than fixed.

See Note 22, Contingencies and Commitments, for a discussion of the Company's leases. In addition, refer to the recent accounting pronouncements section of this note, Leasing Transactions, for a change in the Company's reporting requirements as of January 1, 2019.

Share-Based Compensation – The Company records compensation expense for all share-based payment awards made to employees and directors, at estimated fair value. The Company also uses the simplified method in developing an estimate of the expected term of certain stock options. For further discussion of share-based compensation, see Note 16, Share-Based Compensation.

Investments – For those investments in which the Company has the ability to exercise significant influence over the operating and financial policies of the investee, the investment is accounted for under the equity method. At December 31, 2019, and 2018, the Company held no equity method investments. For those investments in which the Company does not have such significant influence, the Company applies the accounting guidance for certain investments in debt and equity securities. An investment is classified into one of three categories: held-to-maturity, available-for-sale, or trading securities, and, depending upon the classification, is carried at fair value based upon quoted market prices or historical cost when quoted market prices are unavailable.

The Company has minority equity investments in privately held companies that are separately presented in the Investments line item. The Company monitors these investments for impairment and makes appropriate reductions to the carrying value when events and circumstances indicated that the carrying value of the investments may not be recoverable. In determining whether a decline in fair value exists, the Company considers various factors, including market price (when available), investment ratings, the financial condition and near-term prospects of the investee, the length of time and the extent to which the fair value has been less than the Company's cost basis, and the Company's intent and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in market value. The Company also provides certain quantitative and qualitative disclosures for those investments that are impaired at the balance sheet date and for those investments for which an impairment has not been recognized. The Company's investments continue to be carried at their original cost. There have been no impairments in the investments valued under the measurement alternative, returns of capital, or any adjustments resulting from observable price changes in orderly transactions for the investments. Refer to Note 20, Fair Value Of Financial Instruments, for additional information on the Company's investments valued under the measurement alternative.

Advertising and Promotion Costs – Costs of media advertising and associated production costs are expensed when incurred. For the years ended December 31, 2019, 2018, and 2017, the costs incurred were $7.1 million, $3.6 million, and $0.7 million.

Insurance and Self-Insurance Liabilities – The Company uses a combination of insurance and self-insurance mechanisms to provide for the potential liabilities for workers' compensation, general liability, property, director and officers' liability, vehicle liability and employee health care benefits. Liabilities associated with the risks that are retained by the Company are estimated, in part, by considering claims experience, demographic factors, severity factors, outside expertise and other actuarial assumptions. For any legal costs expected to be incurred in connection with a loss contingency, the Company recognizes the expense as incurred.

Recognition of Insurance Claims and Other Recoveries – The Company recognizes insurance recoveries and other claims when all contingencies have been satisfied.

Sports Programming Costs and Unfavorable/Favorable Sports Liabilities/Assets – Sports programming costs which are for a specified number of events are amortized on an event-by-event basis, and programming costs which are for a specified season are amortized over the season on a straight-line basis. Prepaid expenses which are not directly allocable to any one particular season are amortized on a straight-line basis over the life of the agreement. In connection with certain acquisitions, the Company assumed contracts at above or below market rates. These liabilities and assets are being amortized over the life of the contracts and are reflected within current and long-term assets and liabilities.

Accrued Litigation - The Company evaluates the likelihood of an unfavorable outcome in legal or regulatory proceedings to which it is a party and records a loss contingency when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These judgments are subjective, based on the status of such legal or regulatory proceedings, the merits of the Company's defenses and consultation with corporate and external legal counsel. Actual outcomes of these legal and regulatory proceedings may materially differ from the Company's estimates. The Company expenses legal costs as incurred in professional fees. See Note 22, Contingencies and Commitments.

Software Costs – The Company capitalizes direct internal and external costs incurred to develop internal-use software during the application development stage. Internal-use software includes website development activities such as the planning and design of additional functionality and features for existing sites and/or the planning and design of new sites. Costs related to the maintenance, content development and training of internal-use software are expensed as incurred. Capitalized costs are amortized over the estimated useful life of three years using the straight-line method.

Recent Accounting Pronouncements

All new accounting pronouncements that are in effect that may impact the Company's financial statements have been implemented. The Company does not believe that there are any other new accounting pronouncements that have been issued, other than those listed below, that might have a material impact on the Company's financial position or results of operations.

Stock-Based Compensation

In June 2018, the accounting guidance was amended to address several aspects of accounting for nonemployee share-based payment transactions to include share-based payment transactions for acquiring goods and services from nonemployees. The guidance was effective for the Company as of January 1, 2019. The Company adopted the new guidance using a modified retrospective approach, without the need to make a cumulative-effect adjustment to retained earnings as of the effective date. The Company believes that this amendment to the accounting guidance did not have a material impact on the Company's financial position, results of operations or cash flows.

In March 2016, the accounting guidance for stock-based compensation was modified primarily to: (i) record excess tax benefits or deficiencies on stock-based compensation in the statement of operations, regardless of whether the tax benefits reduce taxes payable in the period; (ii) allow an employee's use of shares to satisfy the employer's statutory income tax withholding obligation up to the maximum statutory tax rates in the applicable jurisdictions; and (iii) allow entities to make an accounting policy election to either estimate the number of award forfeitures or to account for forfeitures when they occur. The guidance was effective for the Company on January 1, 2017.

As of January 1, 2017, the Company recorded a cumulative-effect adjustment to its accumulated deficit of $5.1 million on a modified retrospective transition basis. This adjustment was comprised of previously unrecognized excess tax benefits of $4.6 million as adjusted for the Company's effective income tax rate, and a change to recognize stock-based compensation forfeitures when they occur of $0.5 million, net of tax.

Revenue Recognition

The Company adopted the amended accounting guidance for revenue recognition on January 1, 2018, using the modified retrospective transition method, without a need to make a cumulative-effect adjustment to retained earnings as of the effective date. As a result, the Company has changed its accounting policy for revenue recognition as described below. Except for the changes below, the Company has consistently applied its accounting policies to all periods presented in these consolidated financial statements. Refer to Note 4, Revenue, for additional information.

Under certain practical expedients elected, the Company did not disclose the amount of consideration allocated to the remaining performance obligations or an explanation of when the Company expects to recognize that amount as revenue for all reporting periods presented before January 1, 2018.

Results for reporting periods beginning after January 1, 2018, are presented under the amended accounting guidance, while prior period amounts are not adjusted and continue to be reported in accordance with the Company's historic accounting guidance. Based upon the Company's assessment, the impact of this guidance is not material to the Company's financial position, results of operations or cash flows through December 31, 2019.

The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer, in an amount that reflects the consideration it expects to be entitled to in exchange for those products or services.

Revenues presented in the consolidated financial statements are reflected on a net basis, after the deduction of advertising agency fees by the advertising agencies. The Company also evaluates when it is appropriate to recognize revenue based on the gross amount invoiced to the customer or the net amount retained by the Company if a third party is involved.

Leasing Transactions

In February 2016, the accounting guidance was modified to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the balance sheet.

The guidance was effective for the Company as of January 1, 2019, and was implemented using a modified retrospective approach at the beginning of the period of adoption, rather than at the beginning of the earliest comparative period presented in these financial statements.

As a result, the Company has changed its accounting policy for leases as described below. Except for the changes below, the Company has consistently applied its accounting policies to all periods presented in these consolidated financial statements. Refer to Note 6, Leases, for additional information.

Under certain practical expedients elected, the Company did not reassess whether any expired or existing contracts are or contain leases. The Company did not reassess lease classification between operating and finance leases for any expired or existing leases. The Company did not reassess initial direct costs for any existing leases.

Results for reporting periods beginning after January 1, 2019, are presented under the amended accounting guidance, while prior period amounts are not adjusted and continue to be reported in accordance with the Company's historic accounting guidance. Based upon the Company's assessment, the impact of this guidance had a material impact on the Company's financial position and the impact to the Company's results of operations and cash flows through December 31, 2019, was not material. As of January 1, 2019, the Company recorded a cumulative-effect adjustment to its accumulated deficit of $4.7 million, net of taxes of $1.7 million. This adjustment was attributable to the recognition of deferred gains from sale and leaseback transactions under the previous accounting guidance for leases.

The Company recognizes the assets and liabilities that arise from leases on the commencement date of the lease. The Company recognizes the liability to make lease payments as a liability as well as a ROU asset representing its right to use the underlying asset for the lease term, on the consolidated balance sheet.

As discussed above, the Company implemented the amended accounting guidance for leasing transactions on January 1, 2019. There was no impact to previously reported results of operations. The most significant impact of the adoption of the new leasing guidance was the recognition of ROU assets and lease liabilities for operating leases on the balance sheet of $288.7 million and $306.2 million, respectively, on January 1, 2019. The difference between the ROU assets and lease liabilities recorded upon implementation is primarily attributable to deferred rent balances and unfavorable lease liabilities which were combined and presented net within the ROU assets. Refer to Note 6, Leases, for additional information.

3. BUSINESS COMBINATIONS

The Company records acquisitions under the acquisition method of accounting and allocates the purchase price to the assets and liabilities based upon their respective fair values as determined as of the acquisition date. Merger and acquisition costs are excluded from the purchase price as these costs are expensed for book purposes and amortized for tax purposes.

2019 Cadence 13 Acquisition

On October 16, 2019, the Company completed its acquisition of Cadence 13, Inc. ("Cadence 13") by purchasing the remaining shares in Cadence 13 that it did not already own. The Company initially acquired a 45% interest in Cadence 13 in July 2017. The Company acquired the remaining interest in Cadence 13 for a purchase price of $24.3 million in cash plus working capital (The "Cadence 13 Acquisition").

In connection with this step acquisition of Cadence 13, the Company remeasured its previously held equity interest to fair value and recognized a gain of $5.3 million and removed the investment in Cadence 13 from its records. Upon completion of the Cadence 13 Acquisition, the Company recorded the assets acquired and liabilities assumed at fair value.

Based on the timing of the Cadence 13 Acquisition, the Company's consolidated financial statements for the year ended December 31, 2019, reflect the results of Cadence 13's operations for a portion of the period after the completion of the Cadence 13 Acquisition. The Company's consolidated financial statements for the years ended December 31, 2018, and 2017 do not reflect the results of Cadence 13's operations.

The allocations presented in the table below are based upon management's estimates of the fair values using valuation techniques including income, cost and market approaches.

The Company's fair value analysis contains assumptions based on past experience, reflects expectations of industry observers and includes judgments about future performance using industry normalized information. Using a residual method, any excess between the fair values of the net assets acquired and the total fair value of assets acquired was recorded as goodwill. The Company recorded goodwill on its books, which is fully deductible for income tax purposes. Management believes that this acquisition provides the Company with an opportunity to benefit from customer relationships, technical knowledge and trade secrets.

The following preliminary purchase price allocations are based upon the valuation of assets and these estimates and assumptions are subject to change as the Company obtains additional information during the measurement period, which may be up to one year from the acquisition date. These assets pending finalization include intangible assets. Differences between the preliminary and final valuation could be substantially different from the initial estimate.

	Preliminary Value (amounts in thousands)	Useful Lives in Years From	Useful Lives in Years To
Assets			
Property, plant and equipment	$ 654	3	7
Total tangible property	654		
Operating lease right-of-use asset	62		
Deferred tax asset	2,900		
Cadence 13 brand	5,977	3	3
Goodwill	31,392	non-amortizing	
Total intangible and other assets	40,331		
Operating lease liabilities	(985)		
Net working capital	(757)		
Preliminary fair value of net assets	$ 39,243		

2019 Pineapple Acquisition

On July 19, 2019, the Company completed a transaction to acquire the assets of Pineapple Street Media ("Pineapple") for a purchase price of $14.0 million in cash plus working capital (the "Pineapple Acquisition"). Upon completion of the Pineapple Acquisition, the Company recorded the assets acquired and liabilities assumed at fair value.

Based on the timing of the Pineapple Acquisition, the Company's consolidated financial statements for the year ended December 31, 2019, reflect the results of Pineapple's operations for a portion of the period after the completion of the Pineapple Acquisition. The Company's consolidated financial statements for the years ended December 31, 2018 and 2017 do not reflect the results of Pineapple's operations.

The allocations presented in the table below are based upon management's estimates of the fair values using valuation techniques including income, cost and market approaches.

The Company's fair value analysis contains assumptions based on past experience, reflects expectations of industry observers and includes judgments about future performance using industry normalized information. Using a residual method, any excess between the fair values of the net assets acquired and the total fair value of assets acquired was recorded as goodwill. The Company recorded goodwill on its books, which is fully deductible for income tax purposes. Management believes that this acquisition provides the Company with an opportunity to benefit from customer relationships, technical knowledge and trade secrets.

The following preliminary purchase price allocations are based upon the valuation of assets and these estimates and assumptions are subject to change as the Company obtains additional information during the measurement period, which may be up to one year from the acquisition date. These assets pending finalization include intangible assets. Differences between the preliminary and final valuation could be substantially different from the initial estimate.

			Useful Lives in Years	
	Preliminary Value		From	To
	(amounts in thousands)			
Assets				
Accounts receivable	$	997		
Pineapple Street Media brand		1,793	non-amortizing	
Goodwill		12,445	non-amortizing	
Total intangible and other assets		15,235		
Total assets		15,235		
Unearned revenue		238		
Accounts payable		30		
Total liabilities	$	268		
Preliminary fair value of net assets	$	14,967		

2019 Cumulus Exchange

On February 13, 2019, the Company entered into an agreement with Cumulus Media Inc. ("Cumulus") under which the Company exchanged three of its stations in Indianapolis, Indiana for two Cumulus stations in Springfield, Massachusetts, and one Cumulus station in New York City, New York (the "Cumulus Exchange"). The Company and Cumulus began programming the respective stations under local marketing agreements ("LMAs") on March 1, 2019. Upon completion of the Cumulus Exchange on May 9, 2019, the Company: (i) removed from its records the assets of the divested stations, which were previously classified as assets held for sale; (ii) recorded the assets of the acquired stations at fair value; and (iii) recognized a loss on the exchange transaction of approximately $1.8 million.

Based on the timing of the Cumulus Exchange, the Company's consolidated financial statements for the year ended December 31, 2019: (i) reflect the results of the acquired stations for a portion of the period in which the LMAs were in effect and after the completion of the Cumulus Exchange; and (ii) reflect the results of the divested stations for a portion of the period until the commencement date of the LMAs. The Company's consolidated financial statements for the years ended December 31, 2018, and 2017: (i) do not reflect the results of the acquired stations; and (ii) reflect the results of the divested stations.

The allocations presented in the table below are based upon management's estimate of the fair values using valuation techniques including income, cost and market approaches. In estimating the fair value of the acquired FCC broadcasting licenses, the fair value estimates are based on, but not limited to, expected future revenue and cash flows that assume an expected future growth rate of 1.0% and an estimated discount rate of 9.0%. The gross profit margins utilized were considered appropriate based on management's expectations and experience in equivalent sized markets. The Company determines the fair value of the broadcasting licenses by relying on a discounted cash flow approach assuming a start-up scenario in which the only assets held by an investor are broadcasting licenses. The Company's fair value analysis contains assumptions based on past experience, reflects expectations of industry observers and includes judgments about future performance using industry normalized information for an average station within a certain market. Using a residual method, any excess between the fair value of the net assets acquired and the total fair value of stations acquired was recorded as goodwill. The Company recorded goodwill on its books, which is fully deductible for income tax purposes. Management believes that this exchange provides the Company with an opportunity to benefit from operational efficiencies from combining the operation of the acquired stations with the Company's existing stations within the Springfield, Massachusetts, and New York City, New York markets.

The following preliminary purchase price allocations are based upon the valuation of assets and these estimates and assumptions are subject to change as the Company obtains additional information during the measurement period, which may be up to one year from the acquisition date. These assets pending finalization include intangible assets. Differences between the preliminary and final valuation could be substantially different from the initial estimate.

	Preliminary Value (amounts in thousands)		Useful Lives in Years From	To
Assets				
Equipment	$	844	3	7
Total tangible property		844		
Radio broadcasting licenses		19,576	non-amortizing	
Goodwill		2,080	non-amortizing	
Total intangible and other assets		21,656		
Total assets	$	22,500		
Preliminary fair value of net assets	$	22,500		

2018 WXTU Transaction

On July 18, 2018, the Company entered into an agreement with Beasley Broadcast Group, Inc. ("Beasley") to sell certain assets of WXTU-FM, serving the Philadelphia, Pennsylvania radio market for $38.0 million in cash (the "WXTU Transaction"). The Company also simultaneously entered into a TBA with Beasley where Beasley commenced operations of WXTU-FM on July 23, 2018. During the period of the TBA, the Company excluded net revenues and station operating expenses associated with operating WXTU-FM in the Company's consolidated financial statements. The Company completed this disposition, which was subject to customary regulatory approvals, during the third quarter of 2018 and recognized a gain of approximately $4.4 million.

2018 Jerry Lee Transaction

On September 27, 2018, the Company completed a transaction to acquire the assets of WBEB-FM, serving the Philadelphia, Pennsylvania radio market from Jerry Lee Radio, LLC ("Jerry Lee") for a purchase price of $57.5 million in cash, less certain working capital and other credits (the "Jerry Lee Transaction"). The Company used proceeds from the WXTU Transaction and cash on hand to fund this acquisition. Upon the completion of the WXTU Transaction and the Jerry Lee Transaction, the Company will continue to operate six radio stations in the Philadelphia, Pennsylvania market.

On August 7, 2018, the Company entered into a TBA with Jerry Lee. During the period of the TBA, the Company included net revenues, station operating expenses and monthly TBA fees associated with operating WBEB-FM in the Company's consolidated financial statements.

The allocations presented in the table below are based upon management's estimate of the fair values using valuation techniques including income, cost and market approaches. In estimating the fair value of the acquired FCC broadcasting licenses, the fair value estimates are based on, but not limited to, expected future revenue and cash flows that assume an expected future growth rate of 1.0% and an estimated discount rate of 9.0%. The gross profit margins utilized were considered appropriate based on management's expectations and experience in equivalent sized markets. The Company determines the fair value of the broadcasting licenses by relying on a discounted cash flow approach assuming a start-up scenario in which the only assets held by an investor are broadcasting licenses. The Company's fair value analysis contains assumptions based upon past experience, reflects expectations of industry observers and includes judgments about future performance using industry normalized information for an average station within a certain market. Any excess of the purchase price over the assets acquired was reported as goodwill. The Company recorded goodwill on its books, which is fully deductible for income tax purposes. Management believes that this acquisition provides the Company with an opportunity to benefit from operational efficiencies from combining operations of the acquired station with the Company's existing stations within the Philadelphia market.

The following table reflects the final allocation of the purchase price of the assets acquired.

	Final Value (amounts in thousands)	
Assets		
Equipment	$	981
Total tangible property		981

Advertising contracts		477
Radio broadcasting licenses		27,346
Goodwill		24,396
Net working capital		3,234
Total intangible and other assets		55,453
Total assets	$	56,434
Preliminary fair value of net assets acquired	$	56,434

2018 Emmis Acquisition

On April 30, 2018, the Company completed a transaction to acquire two radio stations in St. Louis, Missouri from Emmis Communications Corporation ("Emmis") for a purchase price of $15.0 million in cash (the "Emmis Acquisition"). The Company borrowed under its revolving credit facility (the "Revolver") to fund the acquisition. With this acquisition, the Company increased its presence in St. Louis, Missouri, to five radio stations.

On March 1, 2018, the Company entered into an asset purchase agreement and a TBA with Emmis to operate two radio stations. During the period of the TBA, the Company included in net revenues, station operating expenses and monthly TBA fees associated with operating these stations in the Company's consolidated financial statements.

The allocations presented in the table below are based upon management's estimate of the fair values using valuation techniques including income, cost and market approaches. In estimating the fair value of the acquired FCC broadcasting licenses, the fair value estimates are based on, but not limited to, expected future revenue and cash flows that assume an expected future growth rate of 1.0% and an estimated discount rate of 9.0%. The gross profit margins utilized were considered appropriate based on management's expectations and experience in equivalent sized markets. The Company determines the fair value of the broadcasting licenses by relying on a discounted cash flow approach assuming a start-up scenario in which the only assets held by an investor are broadcasting licenses. The Company's fair value analysis contains assumptions based upon past experience, reflects expectations of industry observers and includes judgments about future performance using industry normalized information for an average station within a certain market. Any excess of the purchase price over the assets acquired was reported as goodwill.

The following table reflects the final allocation of the purchase price to the assets acquired.

	Final Value (amounts in thousands)	
Assets		
Equipment	$	1,558
Total tangible property		1,558
Advertiser relationships		207
Advertising contracts		114
Radio broadcasting licenses		12,785
Goodwill		332
Other noncurrent assets		4
Total intangible and other assets		13,442
Total assets	$	15,000
Preliminary fair value of assets acquired	$	15,000

2017 CBS Radio Business Acquisition

On February 2, 2017, the Company and its wholly-owned subsidiary ("Merger Sub"), entered into an Agreement and Plan of Merger (the "CBS Radio Merger Agreement") with CBS Corporation ("CBS") and its wholly-owned subsidiary CBS Radio Inc. ("CBS Radio"). Pursuant to the CBS Radio Merger Agreement, Merger Sub merged with and into CBS Radio with CBS Radio surviving as the Company's wholly-owned subsidiary (the "Merger"). On November 13, 2018, the Company changed the name of CBS Radio Inc. to Entercom Media Corp. The parties to the Merger believe that the Merger was tax-free to CBS and its shareholders. The Merger was effected through a stock for stock Reverse Morris Trust transaction.

On November 17, 2017, the Company acquired the CBS Radio business from CBS to further strengthen its scale and capabilities to compete more effectively with other media for a larger share of advertising dollars. The purchase price was $2.56 billion and consisted of $1.17 billion of total equity consideration and $1.39 billion of assumed debt.

The CBS Radio business acquisition was completed pursuant to the CBS Radio Merger Agreement, dated February 2, 2017, by and among the Company, CBS, CBS Radio, and Merger Sub. On November 17, 2017, (i) Merger Sub was merged with and into CBS Radio, with CBS Radio continuing as the surviving corporation and a direct, wholly-owned subsidiary of the Company and (ii) each share of CBS Radio common stock was converted into one share of the Company's common stock.

The Company issued 101,407,494 shares of its Class A common Stock to the former holders of CBS Radio common stock. At the time of the Merger, each outstanding restricted stock unit ("RSU") and stock option with respect to CBS Class B common stock held by employees of CBS Radio was canceled and converted into equity awards for the Company's Class A common stock. The conversion was based on the ratio of the volume-weighted average per share closing prices of CBS stock on the five trading days prior to the date of acquisition and the Company's stock on the five trading days following the date of acquisition. Entercom Communications Corp. is considered to be the acquiring company for accounting purposes.

To complete the Merger, certain divestitures were required by the FCC in order to comply with the FCC's ownership rules and policies. These divestitures consisted of: (i) the exchange transaction with iHeartMedia, Inc. ("iHeart"); (ii) a station exchange with Beasley; (iii) a cash sale to Bonneville International Corporation ("Bonneville"); and (iv) a cash sale to Educational Media Foundation ("EMF").

Due to the structure of the transaction, there was no step-up in tax basis for the assets acquired as the Company assumed the existing tax basis in the assets of CBS Radio. The absence of a step-up in tax basis will limit the Company's tax deductions in future years and impacts the amount of deferred tax liabilities recorded as part of purchase price accounting.

The aggregate fair value purchase price allocation of the assets and liabilities acquired in the CBS Radio Merger as reported on the Company's Form 10-K filed with the SEC on March 16, 2018, were revised during the year ended December 31, 2018 primarily due to: (i) a change to the deferred tax liabilities associated with certain stations acquired in the CBS Radio Merger which resulted in a decrease to goodwill of $3.3 million; (ii) a change to other current assets acquired in the CBS Radio Merger which resulted in a decrease to goodwill of $1.3 million; (iii) a change to prepaid assets acquired in the CBS Radio Merger which resulted in a decrease to goodwill of $0.5 million; (iv) a change to accrued expenses acquired in the CBS Radio Merger which resulted in an increase to goodwill of $2.3 million; (v) the recording of current and noncurrent lease abandonment liabilities assumed and a corresponding receivable for reimbursement from CBS Corporation; (vi) a change to tenant improvement allowances outstanding that were acquired in the CBS Radio Merger which resulted in a decrease to goodwill of $2.3 million; (vii) a change to the purchase price allocated to acquired tangible property which resulted in a decrease to goodwill of $16.4 million; and (viii) reclassification between the categories of acquired tangible property. The reclassification between categories of acquired tangible property did not have a material impact on depreciation and amortization expense.

2017 Exchange Transaction: The iHeartMedia Transaction

On November 1, 2017, the Company entered into an agreement (the "iHeartMedia Transaction") with iHeart to exchange three CBS Radio stations in Seattle, Washington, and two CBS Radio and two Company radio stations in Boston, Massachusetts, for four iHeart radio stations in Chattanooga, Tennessee, and six iHeart radio stations in Richmond, Virginia, respectively. Upon consummation of the CBS Merger, the Company contributed the stations to be divested to iHeart into an FCC Disposition trust. Concurrently with the Company entering into an asset exchange agreement, the FCC Disposition Trust and iHeart entered into TBAs which provided for iHeart and the Company, respectively, to operate certain radio stations pending closing. Operation under each TBA commenced at various times and for certain stations after the Merger. During the period of the TBA, the Company: (i) included net revenues and station operating expenses associated with operating the Richmond and Chattanooga stations in the Company's consolidated financial statements; and (ii) excluded net revenues and station operating expenses associated with iHeart's operation of the Seattle stations and Boston stations from the Company's consolidated financial statements. As a result of this iHeartMedia Transaction, the Company entered into two new markets in Richmond, Virginia and Chattanooga, Tennessee.

The results of operations of KZOK FM and KJAQ FM from November 17, 2017, to December 18, 2017, are presented within discontinued operations as these stations were acquired from CBS Radio and were never operated by the Company and immediately qualified as held for sale. Refer to Note 21, Assets Held For Sale And Discontinued Operations, for additional information.

2017 Exchange Transaction: The Beasley Transaction

On November 1, 2017, the Company entered into an agreement (the "Beasley Transaction") with Beasley Broadcast Group ("Beasley") to exchange a CBS Radio station (WBZ FM) in Boston, Massachusetts for another station in the same market (WMJX FM) and cash proceeds of $12.0 million.

Concurrently with entering into the asset exchange agreement, the Company entered into a TBA to operate WMJX FM and included net revenues and station operating expenses in the Company's consolidated financial statements for the period from December 4, 2017, through December 19, 2017.

The results of operations of WBZ FM from November 17, 2017, to December 18, 2017, are presented within discontinued operations as this station was originally owned by CBS Radio and was never a part of the Company's continuing operations. Prior to the commencement of operations under the TBA, the Company contributed WBZ FM to a trust and the trust operated the station for a period of time. Refer to Note 21, Assets Held For Sale And Discontinued Operations, for additional information.

In valuing the non-monetary assets that were part of the consideration transferred, the Company utilized the fair value as of the acquisition date, with any excess of the purchase price over the net assets acquired reported as goodwill. The fair value of the acquired assets and liabilities was measured from the perspective of a market participant, applying the same methodology and types of assumptions as described above. Applying these methodologies requires significant judgment.

Summary of iHeart and Beasley Transactions by Radio Station

iHeartMedia Transaction				
Market	**Radio Stations**	**Transactions**	**TBA Commencement Date**	**Disposition or Acquisition Date**
Richmond, VA	WRVA AM WRXL FM WTVR FM WBTJ FM WRNL AM WRVQ FM	Company acquired from iHeart	December 4, 2017	December 19, 2017
Chattanooga, TN	WKXJ FM WUSY FM WRXR FM WLND FM	Company acquired from iHeart	December 4, 2017	December 19, 2017
Boston, MA	WBZ AM WZLX FM WKAF FM WRKO AM	Company divested to iHeart	November 18, 2017 Not applicable	December 19, 2017
Seattle, WA	KZOK FM KJAQ FM KFNQ AM	Company divested to iHeart	Not Applicable November 18, 2017	December 19, 2017

Beasley Transaction				
Market	**Radio Stations**	**Transactions**	**TBA Commencement Date**	**Disposition or Acquisition Date**
Boston, MA	WMJX FM	Company acquired from Beasley	December 4, 2017	December 19, 2017
Boston, MA	WBZ FM	Company divested to Beasley	Not Applicable	December 19, 2017

Valuation of the iHeartMedia Transaction and The Beasley Transaction

As discussed above, the Company completed a partial non-monetary transaction with Beasley and a non-monetary transaction with iHeart to exchange several radio stations in certain markets. In valuing the non-monetary assets that were part of the consideration transferred, the Company utilized the fair value as of the date the assets were exchanged. The allocations presented in the table below are based upon management's estimate of the fair values using valuation techniques including income, cost and market approaches. In estimating the fair value of the acquired FCC broadcasting licenses, the fair value estimates are based on, but not limited to, expected future revenue and cash flows that assume an expected future growth rate of 1.0% and an estimated discount rate of 9.0%. The gross profit margins utilized were considered appropriate based on management's expectations and experience in equivalent sized markets. The Company determines the fair value of the broadcasting licenses by relying on a discounted cash flow approach assuming a start-up scenario in which the only assets held by an investor are broadcasting licenses. The Company's fair value analysis contains assumptions based on past experience, reflects expectations of industry observers and includes judgments about future performance using industry normalized information for an average station within a certain market. Any excess between the fair values of the net assets given up over the fair values of the net assets acquired was reported as goodwill.

The following table reflects the final aggregate fair value purchase price allocation of these assets and liabilities assumed.

Beasley Transaction

	Assets Acquired	Assets Disposed
	(amounts in thousands)	
Assets		
Total property plant and equipment	$ 667	$ 807
Total tangible assets	667	807
Sports rights agreement	—	267
Radio broadcasting licenses	35,944	35,944
Goodwill	289	11,882
Total intangible assets	36,233	48,093
Additional cash consideration	12,000	—
Total value	$ 48,900	$ 48,900

iHeart Transaction

	Assets Acquired	Assets Disposed
	(amounts in thousands)	
Assets		
Total property plant and equipment	$ 13,725	$ 8,149
Total tangible assets	13,725	8,149
Acquired advertising contracts	265	—
Advertiser relationships	1,041	—
Radio broadcasting licenses	50,621	56,299
Goodwill	11,700	6,852
Total intangible assets	63,627	63,151
Liabilities		
Unfavorable lease agreements assumed	(1,301)	—
Deferred tax liabilities	(4,751)	—
Total value	$ 71,300	$ 71,300

2017 Local Marketing Agreement: The Bonneville Transaction

On November 1, 2017, the Company assigned assets to a trust and the trust subsequently entered into two local marketing agreements ("LMAs") with Bonneville. The LMAs, which were effective upon the closing of the Merger, allowed Bonneville to operate eight radio stations in the San Francisco, California and Sacramento, California markets. Of the eight radio stations operated by Bonneville, three were originally owned by the Company and the remaining five were originally owned by CBS Radio. The Company conducted an analysis and determined the assets of the eight stations satisfied the criteria to be presented as assets held for sale. The stations which were acquired from CBS Radio and were never operated by the Company are included within discontinued operations. On August 2, 2018, the Company entered into an asset purchase agreement with Bonneville to dispose of the eight radio stations in the San Francisco, California and Sacramento, California markets for $141.0 million in cash. During the year ended December 31, 2018, the Company closed on this sale, which resulted in a loss of approximately $0.4 million to the Company. Refer to Note 21, Assets Held for Sale and Discontinued Operations, for additional information.

2017 Charlotte Acquisition

On January 6, 2017, the Company completed a transaction to acquire four radio stations in Charlotte, North Carolina from Beasley for a purchase price of $24 million in cash. The Company used cash on hand to fund the acquisition. On October 17, 2016, the Company entered into an asset purchase agreement and a TBA with Beasley to operate three of the four radio stations that were held in a trust (the "Charlotte Trust"). On November 1, 2016, the Company commenced operations of the radio stations held in the Charlotte Trust and began operating the fourth station upon closing on the acquisition with Beasley in January 2017.

During the period of the TBA, the Company included net revenues, station operating expenses and monthly TBA fees associated with operating these stations in the Company's consolidated financial statements.

2017 Dispositions

In October 2017, the Company divested three radio stations to EMF in order to facilitate the Merger. The Company disposed of equipment, radio broadcasting licenses, goodwill, and other assets across three of its markets for $57.8 million in cash. The Company reported a gain, net of expenses, of $2.5 million on the disposition of these assets.

Merger and Acquisition Costs

Merger and acquisition costs were expensed as a separate line item in the statement of operations. The Company records merger and acquisition costs whether or not an acquisition occurs. Merger and acquisition costs incurred consist primarily of legal, professional and advisory services related to the acquisition activities described above. Based on the timing of the Merger, there was a significant reduction in merger and acquisition costs incurred in 2019.

Restructuring Charges

Restructuring charges were expensed as a separate line item in the statement of operations. The following table presents the components of restructuring charges.

	Years Ended December 31		
	2019	2018	2017
	(amounts in thousands)		
Costs to exit duplicative contracts	$ —	$ 229	$ 500
Workforce reduction	6,171	3,599	10,441
Other restructuring costs	805	2,002	3,021
Transition services costs	—	—	2,960
Total restructuring charges	$ 6,976	$ 5,830	$ 16,922

Restructuring Plan

During the fourth quarter of 2017, the Company initiated a restructuring plan as a result of the integration of the CBS Radio stations acquired in November 2017. The restructuring plan included: (i) a workforce reduction and realignment charges that included one-time termination benefits and related costs; and (ii) costs associated with realigning radio stations within the overlap markets between CBS Radio and the Company. A portion of unpaid restructuring charges as of December 31, 2019, were included in accrued expenses as these expenses are expected to be paid in less than one year.

In connection with the sale of a radio station and the consolidation of studio facilities in a few markets, the Company abandoned certain leases. The Company computed the present value of the remaining lease payments of the lease and recorded lease abandonment costs. These lease abandonment costs include future lease liabilities offset by estimated sublease income. Due to the timing of the lease expirations, the Company assumed there is minimal sublease income. The Company will continue to evaluate the opportunities to sublease this space and revise its sublease estimates accordingly. Any increase in the estimate of sublease income will be reflected through the income statement and such amount will also reduce the lease abandonment liability. The leases expire in 2022.

During 2016, the Company initiated a restructuring plan primarily as a result of the integration of radio stations acquired in July 2015. The restructuring plan included: (i) costs associated with exiting contractual vendor obligations as these obligations were duplicative; (ii) a workforce reduction and realignment charges that included one-time termination benefits and related costs; and (iii) lease abandonment costs as described below. A portion of unpaid restructuring charges as of December 31, 2019, were included in accrued expenses as these expenses are expected to be paid in less than one year.

In connection with this acquisition, the Company assumed a studio lease in one of its markets that included excess space. During 2016, the Company ceased using a portion of the space after analyzing its future needs as well as comparing its space utilization in other of the Company's markets. As a result, the Company recorded a lease abandonment expense during the fourth quarter of 2016. Lease abandonment costs include future lease liabilities offset by estimated sublease income. Due to the location of the space in an area of the city that is not considered prime, including a very high vacancy rate in the existing and neighboring building in a soft rental market that is expected to continue throughout the remaining term of the lease, the Company did not include an estimate to sublease any of the space. The Company will continue to evaluate the opportunities to sublease this space and revise its sublease estimates accordingly. Any increase in the estimate of sublease income will be reflected through the income statement and such amount will also reduce the lease abandonment liability. The lease expires in the year 2026. The lease liability is discounted using a credit risk adjusted basis utilizing the estimated rental cash flows over the remaining term of the agreement.

	Years Ended December 31,	
	2019	2018
	(amounts in thousands)	
Restructuring charges and lease abandonment costs, beginning balance	$ 7,077	$ 16,086
Additions resulting from the integration of CBS Radio	6,976	5,830
Restructuring charges assumed from the Merger	—	—
Payments	(9,802)	(14,839)
Restructuring charges and lease abandonment costs unpaid and outstanding	4,251	7,077
Restructuring charges and lease abandonment costs - noncurrent portion	(1,483)	(988)
Restructuring charges and lease abandonment costs - current portion	$ 2,768	$ 6,089

Integration Costs

The Company incurred integration costs of $4.3 million and $25.4 million during the year ended December 31, 2019 and December 31, 2018, respectively. Integration costs were expensed as a separate line item in the consolidated statements of operations. These costs primarily relate to change management consultants and technology-related costs incurred subsequent to the Merger.

Unaudited Pro Forma Summary of Financial Information

The following unaudited pro forma information for the years ended December 31, 2019, December 31, 2018, and December 31, 2017, assumes that: (i) the acquisitions in 2019 had occurred as of January 1, 2018; (ii) the acquisitions and certain dispositions in 2018 had occurred as of January 1, 2017; and (iii) the acquisitions and certain dispositions in 2017 had occurred as of January 1, 2016.

Refer to information within this Note 3, Business Combinations, for a description of the Company's acquisition and disposition activities. The unaudited pro forma information presented gives effect to certain adjustments, including: (i) depreciation and amortization of assets; (ii) change in the effective tax rate; (iii) merger and acquisition costs; and (iv) interest expense on any debt incurred to fund the acquisitions which would have been incurred had such acquisitions been consummated at an earlier time.

This unaudited pro forma information has been prepared based on estimates and assumptions, which management believes are reasonable. These unaudited pro forma results have been prepared for comparative purposes only and do not purport to be indicative of what would have occurred had the acquisitions been made as of that date or results which may occur in the future.

	Years Ended December 31		
	2019	2018	2017
	(amounts in thousands, except per share data)		
	Pro Forma	Pro Forma	Pro Forma
Net revenues	$ 1,528,434	$ 1,501,146	$ 1,607,777
Income (loss) from continuing operations	$ (419,808)	$ (360,085)	$ 374,135
Income (loss) from discontinued operations	$ —	$ 1,152	$ 836
Net income (loss) available to the Company	$ (419,808)	$ (358,933)	$ 374,971
Net income (loss) available to common shareholders	$ (419,808)	$ (358,933)	$ 372,956
Income (loss) from continuing operations per common share - basic	$ (3.07)	$ (2.61)	$ 2.67
Income (loss) from discontinued operations per common share - basic	$ —	$ 0.01	$ 0.01
Net income (loss) available to common shareholders per common share - basic	$ (3.07)	$ (2.60)	$ 2.66
Income (loss) from continuing operations per common share - diluted	$ (3.07)	$ (2.61)	$ 2.64
Income (loss) from discontinued operations per common share - diluted	$ —	$ 0.01	$ 0.01
Net income (loss) available to common shareholders per common share - diluted	$ (3.07)	$ (2.60)	$ 2.63
Weighted shares outstanding basic	136,967	138,070	140,298
Weighted shares outstanding diluted	136,967	138,070	141,790

4. REVENUE

Nature Of Goods And Services

The following is a description of principal activities from which the Company generates its revenue.

The Company generates revenue from the sale to advertisers of various services and products, including but not limited to: (i) commercial broadcast time; (ii) digital advertising; (iii) promotional and sponsorship event revenue; (iv) e-commerce revenue; and (v) trade and barter revenue. Services and products may be sold separately or in bundled packages. The typical length of a contract for service is less than 12 months.

Revenue is recognized when or as performance obligations under the terms of a contract with customers are satisfied. This typically occurs at the point in time that advertisements are broadcast, marketing services are provided, or as an event occurs. For commercial broadcast time and digital advertising, the Company recognizes revenue at the point in time when the advertisement is broadcast. For e-commerce revenue transactions, revenue is recognized as each third party sale is made and the advertisers' good or service is transferred to the end customer. For trade and barter transactions, revenue is recognized at the point in time when the promotional advertising is aired.

For bundled packages, the Company accounts for each product or performance obligation separately if they are distinct. A product or service is distinct if it is separately identifiable from other items in the bundled package and if a customer can benefit from it on its own or with other resources that are readily available to the customer. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the prices at which the Company separately sells the commercial broadcast time, digital advertising, or digital product and marketing solutions.

Broadcast Revenues

Commercial broadcast time - The Company sells air-time to advertisers and broadcasts commercials at agreed upon dates and times. The Company's performance obligations are broadcasting advertisements for advertisers at specifically identifiable days and dayparts. The amount of consideration the Company receives and revenue it recognizes is fixed based upon contractually agreed upon rates. The Company recognizes revenue at a point in time when the advertisements are broadcast and the performance obligations are satisfied. Revenues are recorded on a net basis, after the deduction of advertising agency fees by the advertising agencies.

Digital advertising - The Company sells digital marketing services to advertisers. The Company's performance obligations are providing broadcasting advertisements and integrated marketing services for advertisers. The Company recognizes revenue at a point in time when the advertisements are broadcast, the marketing services are provided and the performance obligations are satisfied. Revenues are recorded on a gross basis as the Company acts as a principal in these transactions.

Event And Other Revenues

Promotional and Sponsorship Event revenue - The Company provides promotional advertising to advertisers in exchange for cash proceeds from ticket sales. Performance obligations are broadcasting advertisements for advertisers' events at specifically identifiable days and dayparts. The Company also sells sponsorships to advertisers at various local events. Performance obligations include providing advertising space at the Company's event. The Company recognizes revenue at a point in time, as the event occurs. Revenues are recorded on a net basis when the Company is not the primary party hosting the event and acts as an agent in these transactions.

E-Commerce revenue - The Company sells discount certificates to listeners on its websites. Listeners purchase goods and services from the advertiser at a discount to the fair value of the merchandise or service. Performance obligations include the promotion of advertisers' discount offers on the Company's website as well as revenue share payments to the advertiser. The Company records revenue on a net basis as it acts as an agent in these transactions.

Trade And Barter Revenues

Trade and barter – The Company provides advertising broadcast time in exchange for certain products, supplies, and services. The term of the exchanges generally permit the Company to preempt such broadcast time in favor of advertisers who purchase time on regular terms. Other than network barter programming, which is reflected on a net basis, the Company includes the value of such exchanges in both broadcasting net revenues and station operating expenses. Trade and barter value is based upon management's estimate of the fair value of the products, supplies and services received.

Contract Balances

Refer to the table below for information about receivables, contract assets and contract liabilities from contracts with customers. Accounts receivable balances in the table below exclude other receivables that are not generated from contracts with customers. These amounts are $5.1 million and $11.8 million as of December 31, 2019, and December 31, 2018, respectively.

	December 31,	
Description	2019	2018
	(amounts in thousands)	
Receivables, included in "Accounts receivable net of allowance for doubtful accounts"	$ 376,504	$ 330,983
Unearned revenue - current	9,894	22,692
Unearned revenue - noncurrent	2,113	1,138

Changes in Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables, and customer advances and deposits (unearned revenue) on the Company's consolidated balance sheet. At times, however, the Company receives advance payments or deposits from its customers before revenue is recognized, resulting in contract liabilities. The contract liabilities primarily relate to the advance consideration received from customers on certain contracts. For these contracts, revenue is recognized in a manner that is consistent with the satisfaction of the underlying performance obligations. The contract liabilities are reported on the consolidated balance sheet on a contract-by-contract basis at the end of each respective reporting period within the other current liabilities and other long-term liabilities line items.

Significant changes in the contract liabilities balances during the period are as follows:

Description	Year Ended December 31, 2019 Unearned Revenue (amounts in thousands)
Beginning balance on January 1, 2019	$ 23,830
Revenue recognized during the period that was included in the beginning balance of contract liabilities	(23,830)
Additional amounts recognized during period	12,007
Ending balance	$ 12,007

Disaggregation of revenue

The following table presents the Company's revenues disaggregated by revenue source:

Revenue by Source	Years Ended December 31, 2019	2018	2017
	(amounts in thousands)		
Broadcast revenues	$ 1,360,092	$ 1,327,803	$ 530,553
Event and other revenues	112,924	115,399	51,434
Trade and barter revenues	16,913	19,365	10,897
Net revenues	$ 1,489,929	$ 1,462,567	$ 592,884

Performance obligations

A contract's transaction price is allocated to each distinct performance obligation and is recognized as revenue when the performance obligation is satisfied. Some of the Company's contracts have one performance obligation which requires no allocation. For other contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation using its best estimate of the standalone selling price of each distinct good or service in the contract.

The Company's performance obligations are primarily satisfied at a point in time and revenue is recognized when an advertisement is aired and the customer has received the benefits of advertising. In rare instances, the Company will enter into contracts when performance obligations are satisfied over a period of time. In these instances, inputs are expended evenly throughout the performance period and the Company recognizes revenue on a straight line basis over the life of the contract. Contract lives are typically less than 12 months.

Practical expedients

As a practical expedient, when the period of time between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the Company will not adjust the promised amount of consideration for the effects of a significant financing component.

The Company elected to apply the practical expedient which allows it to not disclose information about remaining performance obligations that have original expected durations of one year or less. The Company has contracts with customers which will result in the recognition of revenue beyond one year. From these contracts, the Company expects to recognize $2.1 million of revenue in excess of one year.

The Company also elected to apply the practical expedient which allows it to not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Company expects to recognize that amount as revenue for all reporting periods presented before January 1, 2018.

The Company elected to apply the practical expedient which allows the Company to recognize the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. These costs are included in station operating expenses on the consolidated statements of operations.

Significant judgments

For performance obligations satisfied at a point in time, the Company does not estimate when a customer obtains control of the promised goods or services. Rather, the Company recognizes revenues at the point in time in which performance obligations are satisfied.

The Company records a provision against revenues for estimated sales adjustments when information indicates allowances are required. Refer to Note 5, Accounts Receivable And Related Allowance For Doubtful Accounts And Sales Reserves, for additional information.

For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation using its best estimate of the standalone selling price of each distinct good or service in the contract.

For all revenue streams with the exception of barter revenues, the transaction price is contractually determined. Accordingly, no estimates are required and there is no variable consideration. For trade and barter revenues, the Company estimates the consideration by estimating the fair value of the goods and services received.

Net revenues from network barter programming are recorded on a net basis. The adoption of the amended accounting guidance for revenue recognition had no impact on the Company's consolidated statements of operations, balance sheets, statements of shareholders' equity, or statements of cash flows for the year ended December 31, 2019.

5. ACCOUNTS RECEIVABLE AND RELATED ALLOWANCE FOR DOUBTFUL ACCOUNTS AND SALES RESERVES

Accounts receivable are primarily attributable to advertising which has been provided and for which payment has not been received from the advertiser. Accounts receivable are net of agency commissions and an estimated allowance for doubtful accounts and sales reserves. Estimates of the allowance for doubtful accounts and sales reserves are recorded based on management's judgment of the collectability of the accounts receivable based on historical information, relative improvements or deterioration in the age of the accounts receivable and changes in current economic conditions.

The accounts receivable balances, and the allowance for doubtful accounts and sales reserves, are presented in the following table:

	Net Accounts Receivable December 31, 2019	2018
	(amounts in thousands)	
Accounts receivable	$ 396,427	$ 359,456
Allowance for doubtful accounts and sales reserve	(17,515)	(16,690)
Accounts receivable, net of allowance for doubtful accounts and sales reserves	$ 378,912	$ 342,766

See the table in Note 9, Other Current Liabilities, for accounts receivable credits outstanding as of the periods indicated.

The following table presents the changes in the allowance for doubtful accounts:

Changes In Allowance For Doubtful Accounts

Year Ended	Balance At Beginning Of Year	Additions Charged To Costs And Expenses	Deductions From Reserves	Balance At End Of Year
	(amounts in thousands)			
December 31, 2019	$ 9,419	$ 4,549	$ (5,703)	$ 8,265
December 31, 2018	3,885	8,909	(3,375)	9,419
December 31, 2017	2,137	3,715	(1,967)	3,885

In the course of arriving at practical business solutions to various claims arising from the sale to advertisers of various services and products, the Company estimates sales allowances. The Company records a provision against revenue for estimated sales adjustments in the same period the related revenues are recorded or when current information indicates additional allowances are required. These estimates are based on the Company's historical experience, specific customer information and current economic conditions. If the historical data utilized does not reflect management's expected future performance, a change in the allowance is recorded in the period such determination is made. The balance of sales reserves is reflected in the accounts receivable, net of allowance for doubtful accounts line item on the Consolidated Balance Sheets.

The following table presents the changes in the sales reserves:

Changes in Allowance for Sales Reserves

Year Ended	Balance At Beginning Of Year	Additions Charged To Revenues	Deductions From Reserves	Balance At End Of Year
	(amounts in thousands)			
December 31, 2019	$ 7,271	$ 11,394	$ (9,415)	$ 9,250
December 31, 2018	$ 390	$ 14,254	$ (7,373)	$ 7,271
December 31, 2017	$ —	$ 390	$ —	$ 390

6. LEASES

Leasing Guidance

As discussed above, the accounting guidance for leases was modified to increase transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the balance sheet. Except for the changes described below, the Company has consistently applied its accounting policies to all periods presented in these consolidated financial statements.

Results for the periods beginning after January 1, 2019, are presented under the amended accounting guidance, while prior period amounts are not adjusted and continue to be reported in accordance with the Company's historic accounting guidance. Based upon the Company's assessment, the impact of this guidance had a material impact on the Company's financial position and the impact to the Company's results of operations and cash flows through December 31, 2019, was not material.

The Company recognizes the assets and liabilities that arise from leases on the commencement date of the lease. The Company recognizes the liability to make lease payments as a lease liability as well as an ROU asset representing the right to use the underlying asset for the lease term, on the consolidated balance sheet.

Leasing Transactions

The Company's leased assets primarily include real estate, broadcasting towers and equipment. The Company's leases have remaining lease terms of less than 1 year up to 30 years, some of which include one or more options to extend the leases, with renewal terms up to fifteen years and some of which include options to terminate the leases within the next year. Many of the Company's leases include options to extend the terms of the agreements. Generally, renewal options are excluded when calculating the lease liabilities, as the Company does not consider the exercise of such options to be reasonably certain. Unless a renewal option is considered reasonably assured, the optional terms and related payments are not included within the lease liability. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company's operating leases are reflected on the Company's balance sheet within the Operating lease right-of-use assets line item and the related current and non-current liabilities are included within the Operating lease liabilities and Operating lease liabilities, net of current portion line items, respectively. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from leases. Operating lease ROU assets and liabilities are recognized at commencement date based upon the present value of lease payments over the respective lease term. Lease expense is recognized on a straight-line basis over the lease term.

As the rate implicit in the lease is not readily determinable for the Company's operating leases, the Company generally uses an incremental borrowing rate based upon information available at the commencement date to determine the present value of future lease payments. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. In order to measure the operating lease liability and determine the present value of lease payments, the Company estimated what the incremental borrowing rate was for each lease using an applicable treasury rate compatible to the remaining life of the lease and the applicable margin for the Company's Revolver.

In determining whether a contract is or contains a lease at inception of a contract, the Company considers all relevant facts and circumstances, including whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This consideration involves judgment with respect to whether the Company has the right to obtain substantially all of the economic benefits from the use of the identified asset and whether the Company has the right to direct the use of the identified asset.

On January 1, 2019, the Company implemented the new leasing guidance using a modified retrospective approach with a cumulative-effect adjustment to its accumulated deficit of $4.7 million, net of taxes of $1.7 million. This adjustment was attributable to the recognition of deferred gains from sale and leaseback transactions under the previous accounting guidance for leases.

Practical Expedients

The Company elected the practical expedient which allows it to: (i) apply the new lease requirements at the effective date and recognize a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption; (ii) continue to report comparative periods presented in the financial statements in the period of adoption under the former U.S. GAAP; and (iii) provide the required disclosures under former U.S. GAAP for all periods presented under former U.S. GAAP.

The Company elected the package of practical expedients, which were applied consistently to all of its leases, and enable it to not reassess: (i) whether any expired or existing contracts contain leases; (ii) the lease classification for any expired or existing leases; and (iii) initial direct costs for any existing leases.

As a practical expedient, the Company may choose not to separate nonlease components from lease components as an accounting policy election by class of underlying asset. The Company elected this practical expedient by all classes of underlying assets in instances where leases contain common area maintenance. In certain leases, the right to control the use of an asset that meets the lease criteria is combined with the related common area maintenance services provided under the contract into a single lease component.

As an accounting policy election, the Company elected not to apply the recognition requirements to short-term leases for all underlying classes of assets. For these leases which have a term of twelve months or less at lease inception, the Company will recognize the lease payments in profit or loss on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for these payments is incurred.

Lease Expense

The components of lease expense were as follows:

Lease Cost	Year Ended December 31, 2019
	(amounts in thousands)
Operating lease cost	$ 50,169
Variable lease cost	9,691
Short-term lease cost	182
Total lease cost	$ 60,042

Supplemental Cash Flow

Supplemental cash flow information related to leases was as follows:

Description	Year Ended December 31, 2019
	(amounts in thousands)
Cash paid for amounts included in measurement of lease liabilities	
Operating cash flows from operating leases	$ 52,056
Right-of-use assets obtained in exchange for lease obligations	
Operating leases [(1)]	$ 315,377

(1) ROU assets obtained in exchange for lease obligations include transition liabilities upon implementation of the amended leasing guidance, as well as new leases entered into during the year ended December 31, 2019.

Balance Sheet

Supplemental balance sheet information related to leases was as follows:

Description	December 31, 2019
	(amounts in thousands)
Operating Leases	
Operating leases right-of-use assets	$ 259,613
Operating lease liabilities (current)	$ 35,335
Operating lease liabilities (noncurrent)	253,346
Total operating lease liabilities	$ 288,681
Weighted Average Remaining Lease Term	
Operating leases	8 years
Weighted Average Discount Rate	
Operating leases	4.9 %

Maturities

The aggregate maturities of the Company's lease liabilities are as follows:

		Lease Maturities
		Operating Leases
		(amounts in thousands)
Years ending Years ending December 31:		
	2020	$ 49,298
	2021	49,550
	2022	44,250
	2023	40,549
	2024	37,284
Thereafter		134,071
Total lease payments		$ 355,002
Less: imputed interest		(66,321)
Total		$ 288,681

As of December 31, 2019, the Company has not entered into any leases that have not yet commenced.

The aggregate maturities of the Company's lease liabilities as of December 31, 2018, which were based on the former accounting guidance for leases, were as follows:

		Lease Maturities
		Operating Leases
		(amounts in thousands)
Years ending Years ending December 31:		
	2020	$ 51,375
	2021	50,504
	2022	46,847
	2023	41,457
	2024	38,230
Thereafter		165,905
Total lease payments		$ 394,318

7. INTANGIBLE ASSETS AND GOODWILL

(A) Indefinite-Lived Intangibles

Goodwill and certain intangible assets are not amortized for book purposes. They may be, however, amortized for tax purposes. The Company accounts for its acquired broadcasting licenses as indefinite-lived intangible assets and, similar to goodwill, these assets are reviewed at least annually for impairment. At the time of each review, if the fair value is less than the carrying value of the reporting unit, then a charge is recorded to the results of operations.

The annual impairment assessment conducted during the fourth quarter of the current year indicated: (i) that the fair value of the Company's broadcasting licenses exceeded their respective carrying amounts; and (ii) the fair value of the Company's goodwill was less than its carrying value. Accordingly, the Company recorded a $537.4 million impairment charge ($519.6 million, net of tax) on its goodwill during the fourth quarter of 2019.

The Company historically performed its annual broadcasting license and goodwill impairment test during the second quarter of each year. During the second quarter of 2019, however, the Company voluntarily changed the date of its annual broadcasting license and goodwill impairment test date from April 1 to December 1. The change was made to more closely align the impairment testing date with the Company's long-term planning and forecasting process. The Company determined this change in method of applying an accounting principle is preferable and does not result in adjustments to its financial statements when applied retrospectively.

The change in the annual impairment testing date did not delay, accelerate or avoid an impairment charge.

In evaluating whether events or changes in circumstances indicate that an interim impairment assessment is required, management considers several factors in determining whether it is more likely than not that the carrying value of the Company's broadcasting licenses or goodwill exceeds the fair value of the Company's broadcasting licenses or goodwill. The qualitative analysis considers: (i) macroeconomic conditions such as deterioration in general economic conditions, limitations on accessing capital, or other developments in equity and credit markets; (ii) industry and market considerations such as deterioration in the environment in which the Company operates, an increased competitive environment, a change in the market for the Company's products or services, or a regulatory or political development; (iii) cost factors such as increases in labor or other costs that have a negative effect on earnings and cash flows; (iv) overall financial performance such as negative or declining cash flows or a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods; (v) other relevant entity-specific events such as changes in management, key personnel, strategy, or customers, bankruptcy, or litigation; (vi) events affecting a reporting unit such as a change in the composition or carrying amount of the Company's net assets; and (vii) a sustained decrease in the Company's share price.

The Company evaluates the significance of identified events and circumstances on the basis of the weight of evidence along with how they could affect the relationship between the carrying value of the Company's broadcasting licenses and goodwill and their respective fair value amounts, including positive mitigating events and circumstances.

There were material changes in the carrying value of broadcasting licenses and goodwill during the year ended December 31, 2019, primarily as a result of: (i) the impairment recorded in the fourth quarter of 2019; and (ii) acquisition and disposition activities described further in Note 3, Business Combinations.

The Company may only write down the carrying value of its indefinite-lived intangibles. The Company is not permitted to increase the carrying value if the fair value of these assets subsequently increases.

The following table presents the changes in the carrying value of broadcasting licenses:

	Broadcasting Licenses Carrying Amount	
	December 31, 2019	**December 31, 2018**
	(amounts in thousands)	
Broadcasting licenses balance as of January 1,	$ 2,516,625	$ 2,649,959
Disposition of radio stations (see Notes 3, 21)	(17,940)	(24,901)
Acquisitions (see Note 3)	19,576	40,131
Loss on impairment	—	(148,564)
Assets held for sale (see Note 21)	(10,140)	—
Ending period balance	$ 2,508,121	$ 2,516,625

The following table presents the changes in goodwill.

	Goodwill Carrying Amount	
	December 31, 2019	**December 31, 2018**
	(amounts in thousands)	
Goodwill balance before cumulative loss on impairment as of January 1,	$ 982,663	$ 988,056
Accumulated loss on impairment as of January 1,	(443,194)	(126,056)
Goodwill beginning balance after cumulative loss on impairment as of January 1,	539,469	862,000

Loss on impairment	(537,353)	(317,138)
Dispositions (see Note 3)	(4,862)	(8,623)
Acquisitions (see Note 3)	46,666	24,728
Measurement period adjustments to acquired goodwill	—	(21,498)
Ending period balance	$ 43,920	$ 539,469
Goodwill balance before cumulative loss on impairment as of December 31,	$ 1,024,467	$ 982,663
Accumulated loss on impairment as of December 31,	(980,547)	(443,194)
Goodwill ending balance as of December 31,	$ 43,920	$ 539,469

Broadcasting Licenses Impairment Test

The annual impairment assessment conducted during the second quarter of 2018 indicated that the fair value of the Company's broadcasting licenses exceeded their respective carrying amount. Accordingly, no impairment charge was recorded.

The Company historically performed its annual broadcasting license impairment test during the second quarter of each year by evaluating its broadcasting licenses for impairment at the market level using the Greenfield method. Historically, the Company evaluated its broadcast licenses annually for impairment during the second quarter each year. Subsequent to the annual impairment test conducted during the second quarter of 2018, the Company continued to monitor the impairment indicators listed above and determined that a sustained decrease in the Company's share price required the Company to conduct an interim impairment assessment on its broadcasting licenses. Due to changes in facts and circumstances, the Company revised its estimates with respect to its estimated operating profit margins and long-term revenue growth rates used in the impairment assessment. As a result of the Company's interim impairment assessment conducted in the fourth quarter of 2018, the Company recorded a $147.9 million impairment ($108.8 million, net of tax) on its broadcasting licenses. The interim impairment assessment conducted on its broadcasting licenses in the fourth quarter of 2018 followed the same methodology used in the annual impairment assessment conducted in the second quarter of 2018.

During the second quarter of 2019, however, the Company voluntarily changed the date of its annual broadcasting license impairment test date from April 1 to December 1. In response to the changing of the annual broadcasting license impairment test date, during the three months ended June 30, 2019, the Company made an evaluation based on factors such as each market's total market share and changes in operating cash flow margins, and concluded that it was more likely than not that the fair value of each market's broadcasting licenses exceeded their carrying values at the time of the change in impairment test date. The change in the annual impairment testing date did not delay, accelerate or avoid an impairment charge.

During the fourth quarter of the current year, the Company completed its annual impairment test for broadcasting licenses and determined that the fair value of its broadcasting licenses was greater than the amount reflected in the balance sheet for each of the Company’s markets and, accordingly, no impairment was recorded.

All of the Company’s broadcasting licenses were subject to the annual impairment test conducted in the fourth quarter of the current year.

Methodology

The Company performs its broadcasting license impairment test by using the Greenfield method at the market level. Each market’s broadcasting licenses are combined into a single unit of accounting for purposes of testing impairment, as the broadcasting licenses in each market are operated as a single asset. The broadcasting licenses are assessed for recoverability at the market level. Potential impairment is identified by comparing the fair value of a market's broadcasting licenses to its carrying value. The Company determines the fair value of the broadcasting licenses in each of its markets by using the Greenfield method at the market level, which is a discounted cash flow approach (a 10-year income model) assuming a start-up scenario in which the only assets held by an investor are broadcasting licenses. The Company’s fair value analysis contains assumptions based upon past experience, reflects expectations of industry observers and includes judgments about future performance using industry normalized information for an average station within a certain market. The cash flow projections for the broadcasting licenses include significant judgments and assumptions relating to the market share and profit margin of an average station within a market based upon market size and station type, the forecasted growth rate of each radio market (including long-term growth rate) and the discount rate. Changes in the Company's estimates of the fair value of these assets could result in material future period write-downs of the carrying value of the Company's broadcasting licenses.

The methodology used by the Company in determining its key estimates and assumptions was applied consistently to each market. The Company believes that the assumptions identified above are the most important and sensitive in the determination of fair value.

Assumptions and Results – Broadcasting Licenses

The following table reflects the estimates and assumptions used in the interim and annual broadcasting licenses impairment assessments of each year.

	Estimates And Assumptions				
	Fourth Quarter 2019	Fourth Quarter 2018	Second Quarter 2018	Second Quarter 2017	Second Quarter 2016
Discount rate	8.50 %	9.00 %	9.00 %	9.25 %	9.5 %
Operating profit margin ranges expected for average stations in the markets where the Company operates	18% to 36%	22% to 37%	22% to 37%	19% to 40%	14% to 40%
Forecasted growth rate (including long-term growth rate) range of the Company's markets	0.0% to 0.8%	0.0% to 0.9%	0.5% to 1.0%	1.0% to 2.0%	1.0% to 2.0%

The Company has made reasonable estimates and assumptions to calculate the fair value of its broadcasting licenses. These estimates and assumptions could be materially different from actual results.

If actual market conditions are less favorable than those projected by the industry or the Company, or if events occur or circumstances change that would reduce the fair value of the Company's broadcasting licenses below the amount reflected in the balance sheet, the Company may be required to conduct an interim test and possibly recognize impairment charges, which may be material, in future periods.

Goodwill Impairment Test

The Company historically performed its annual goodwill impairment test during the second quarter of each year by assessing goodwill for its single reporting unit on a consolidated basis.

In prior years, the Company determined that each individual radio market was a reporting unit and the Company assessed goodwill in each of the Company's markets. Under the amended guidance, if the fair value of any reporting unit was less than the amount reflected on the balance sheet, the Company would recognize an impairment charge for the amount by which the carrying amount exceeded the reporting unit's fair value. The loss recognized would not exceed the total amount of goodwill allocated to the reporting unit.

As a result of the change to a single operating segment in 2018, the Company reassessed its reporting unit determination in 2018. Following the Company's Merger with CBS Radio in November 2017, the Company's radio broadcasting operations increased from 28 radio markets to 48 radio markets. Each market was a component one level beneath the single operating segment. Since each market was economically similar, all 48 markets were aggregated into a single reporting unit for the goodwill impairment assessment conducted in 2018.

In response to the realignment in the Company's operating segments and reporting units, the Company considered whether the event represented a triggering event for interim goodwill impairment testing. During the three months ended June 30, 2018, and prior to conducting the prior year annual impairment testing described below, the Company made an evaluation, based on factors such as each reporting unit's total market share and changes in operating cash flow margins, and concluded that it was more likely than not that the fair value of each of the Company's reporting units exceeded their carrying values at the time of the realignment.

The annual impairment assessment conducted during the second quarter of 2018 indicated that the fair value of the Company's goodwill exceeded its carrying value. Accordingly, no impairment charge was recorded.

Subsequent to the annual impairment test conducted during the second quarter of 2018, the Company continued to monitor the impairment indicators listed above and determined that a sustained decrease in the Company's share price required the Company to conduct an interim impairment assessment on its goodwill. Due to changes in facts and circumstances, the Company revised its estimates with respect to its estimated operating profit margins and long-term revenue growth rates used in the impairment assessment. As a result of its interim impairment assessment conducted in the fourth quarter of 2018, the Company recorded a $317.1 million impairment ($314.4 million, net of tax) on its goodwill. The interim impairment assessment conducted on its goodwill in the fourth quarter of 2018 followed the same methodology used in the annual impairment assessment conducted in the second quarter of 2018.

During the second quarter of 2019, however, the Company voluntarily changed the date of its annual goodwill impairment test date from April 1 to December 1. In response to the changing of the annual goodwill impairment test date, during the three months ended June 30, 2019, the Company made an evaluation based on factors such as changes in the Company's long-term growth rate, changes in the Company's operating cash flow margin, and trends in the Company's market capitalization, and concluded that it was more likely than not that the fair value of the Company's goodwill exceeded its carrying value at the time of the change in impairment test date. The change in the annual impairment testing date did not delay, accelerate or avoid an impairment charge.

During the three months ended September 30, 2019, the Company considered key factors and circumstances that could have potentially indicated a need to conduct an interim impairment assessment. Such factors and circumstances included, but were not limited to: (i) forecasted financial information; (ii) discount rates; (iii) long-term growth rates; (iv) the Company's stock price; and (v) analyst expectations. After giving consideration to all available evidence arising from these facts and circumstances, the Company concluded that it did not have a requirement to perform an interim impairment test for goodwill.

As a result of disposition activity in 2019, the Company now operates in 47 radio markets. Each market is a component one level beneath the single operating segment. Since each market is economically similar, all 47 markets were aggregated into a single broadcast reporting unit for the current year goodwill impairment assessment. As a result of the acquisition of Pineapple and Cadence 13 in 2019, the Company significantly increased its podcasting operations. Cadence 13 and Pineapple represent a single podcasting division one level beneath the single operating segment. Since the operations are economically similar, Cadence 13 and Pineapple were aggregated into a single podcasting reporting unit.

All of the Company's goodwill was subject to the annual impairment test conducted in the fourth quarter of the current year. For the goodwill acquired in the Cadence 13 Acquisition and the Pineapple Acquisition, similar valuation techniques that were applied in the valuation of goodwill under purchase price accounting were also used in the annual impairment testing process. The valuation of the acquired goodwill approximated fair value.

Methodology

In connection with the Company’s current year annual, prior year annual and prior year interim impairment goodwill impairment assessment, the Company used an income approach in computing the fair value of the Company. This approach utilized a discounted cash flow method by projecting the Company’s income over a specified time and capitalizing at an appropriate market rate to arrive at an indication of the most probable selling price. Potential impairment is identified by comparing the fair value of the Company's reporting unit to its carrying value, including goodwill. Cash flow projections for the reporting unit include significant judgments and assumptions relating to projected operating profit margin (including revenue and expense growth rates) and the discount rate. Management believes that this approach is commonly used and is an appropriate methodology for valuing the Company. Factors contributing to the determination of the Company’s operating performance were historical performance and/or management’s estimates of future performance.

The Assumptions And Results - Goodwill

The following table reflects the estimates and assumptions used in the interim and annual goodwill impairment assessments of each year:

	Estimates And Assumptions				
	Fourth Quarter 2019	Fourth Quarter 2018	Second Quarter 2018	Second Quarter 2017	Second Quarter 2016
Discount rate	8.50 %	9.00 %	9.00 %	9.25 %	9.5 %

The annual impairment assessment conducted during the fourth quarter of the current year indicated that the fair value of the Company's goodwill was less than its carrying value.

All of the Company's goodwill at the broadcast reporting unit was subject to the annual impairment test conducted in the fourth quarter of the current year. The annual impairment assessment indicated the fair value of the Company's goodwill attributable to the broadcast reporting unit was less than its carrying value. Accordingly, the Company recorded a $537.4 million impairment charge ($519.6 million, net of tax) on its goodwill during the fourth quarter of 2019.

If actual market conditions are less favorable than those projected by the industry or the Company, or if events occur or circumstances change that would reduce the fair value of the Company’s goodwill below the amount reflected in the balance sheet, the Company may be required to conduct an interim test and possibly recognize impairment charges, which could be material, in future periods.

(B) Definite-Lived Intangibles

The Company has definite-lived intangible assets that consist of advertiser lists and customer relationships, and acquired advertising contracts. These assets are amortized over the period for which the assets are expected to contribute to the Company’s future cash flows and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For 2019, 2018 and 2017, the Company reviewed the carrying value and the useful lives of these assets and determined they were appropriate.

See Note 8, Other Assets, for: (i) a listing of the assets comprising definite-lived assets, which are included in other assets on the balance sheets; (ii) the amount of amortization expense for definite-lived assets; and (iii) the Company’s estimate of amortization expense for definite-lived assets in future periods.

8. OTHER ASSETS

Other assets consist of the following:

	Other Assets December 31, 2019 Asset	2019 Accumulated Amortization	2019 Net	2018 Asset	2018 Accumulated Amortization	2018 Net	Period Of Amortization
	(amounts in thousands)						
Deferred contracts	$ 1,362	$ 1,213	$ 149	$ 1,588	$ 1,390	$ 198	Term of contract
Leasehold premium	—	—	—	17,028	2,440	14,588	Term of contract
Advertiser lists and customer relationships	29,281	15,399	13,882	29,332	10,780	18,552	3 to 5 years
Other definite-lived assets	15,108	7,588	7,520	7,600	6,601	999	Term of contract
Total definite-lived intangibles	45,751	24,200	21,551	55,548	21,211	34,337	
Debt issuance costs	2,466	97	2,369	619	52	567	Term of debt
Prepaid assets - long-term	2,983	—	2,983	4,259	—	4,259	
Software costs and other	27,876	11,594	16,282	24,589	7,555	17,034	
	$ 79,076	$ 35,891	$ 43,185	$ 85,015	$ 28,818	$ 56,197	

The following table presents the various categories of amortization expense, including deferred financing costs which are reflected as interest expense:

	Amortization Expense Other Assets For The Years Ended December 31, 2019	2018	2017
	(amounts in thousands)		
Definite-lived assets	$ 7,140	$ 12,132	$ 1,240
Deferred financing expense	4,866	3,189	2,333
Software costs	6,325	3,447	1,091
Total	$ 18,331	$ 18,768	$ 4,664

The following table presents the Company's estimate of amortization expense, for each of the five succeeding years for: (1) other assets; and (2) definite-lived assets:

	Future Amortization Expense Total	Other	Definite-Lived Assets
Years ending December 31,	(amounts in thousands)		
2020	$ 14,973	$ 7,930	$ 7,043
2021	12,379	5,455	6,924
2022	7,920	2,144	5,776
2023	415	400	15
2024	399	399	—
Thereafter	—	—	—
Total	$ 36,086	$ 16,328	$ 19,758

9. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following as of the periods indicated:

	Other Current Liabilities	
	December 31,	
	2019	2018
	(amounts in thousands)	
Accrued compensation	$ 28,871	$ 31,192
Accounts receivable credits	3,798	5,743
Advertiser obligations	4,095	4,190
Accrued interest payable	9,882	6,007
Unearned revenue	9,894	22,692
Unfavorable lease liabilities	—	2,852
Unfavorable sports liabilities	4,634	4,634
Accrued benefits	6,321	8,646
Non-income tax liabilities	1,685	6,748
Income taxes payable	3,925	10,558
Other	3,732	15,176
Total other current liabilities	$ 76,837	$ 118,438

During the third quarter of 2018, the Company disposed of certain property that the Company considered as surplus to its operations and that resulted in significant gains reportable for tax purposes. The income taxes payable generated from these gains and losses are included within the current portion of income taxes payable in the schedule above. Upon the successful completion of a like-kind exchange under Section 1031 of the Code, a portion of the income taxes payable generated from these gains were reclassified to a deferred tax liability. Refer to Note 22, Contingencies And Commitments, for additional information.

10. OTHER LONG-TERM LIABILITIES

Other long-term liabilities consist of the following as of the periods indicated:

	Other Long-Term Liabilities	
	December 31,	
	2019	2018
	(amounts in thousands)	
Deferred compensation	$ 33,229	$ 30,928
Unfavorable lease liabilities	—	9,367
Unfavorable sports liabilities	13,001	17,633
Unearned revenue	2,113	1,138
Deferred rent liabilities	—	17,671
Other	3,186	12,431
Total other long-term liabilities	$ 51,529	$ 89,168

11. LONG-TERM DEBT

Long-term debt was comprised of the following as of December 31, 2019:

	Long-Term Debt December 31, 2019	2018
	(amounts in thousands)	
Credit Facility		
Revolver	$ 117,000	$ 180,000
Term B-1 Loan, due November 17, 2024	—	1,291,700
Term B-2 Loan, due November 17, 2024	770,000	—
Plus unamortized premium	1,968	2,470
	888,968	1,474,170
Senior Notes		
7.250% senior unsecured notes, due October 17, 2024	400,000	400,000
Plus unamortized premium	11,732	14,158
	411,732	414,158
Notes		
6.500% notes, due May 1, 2027	425,000	—
Plus unamortized premium	5,000	—
	430,000	—
Other Debt		
Other	873	912
Total debt before deferred financing costs	1,731,573	1,889,240
Current amount of long-term debt	(16,377)	—
Deferred financing costs (excludes the revolving credit)	(18,082)	(17,037)
Total long-term debt, net of current debt	$ 1,697,114	$ 1,872,203
Outstanding standby letters of credit	$ 5,862	$ 5,862

(A) Senior Debt

Refinancing – CBS Radio (Now Entercom Media Corp.) Indebtedness

In connection with the Merger, the Company assumed CBS Radio's (now Entercom Media Corp.'s) indebtedness outstanding under: (i) a credit agreement (the "Credit Facility") among CBS Radio (now Entercom Media Corp.), the guarantors named therein, the lenders named therein, and JPMorgan Chase Bank, N.A., as administrative agent; and (ii) the senior notes (described below).

On March 3, 2017, CBS Radio (now Entercom Media Corp.) entered into an amendment to the Credit Facility, to, among other things, create a tranche of Term B-1 Loans (the "Term B-1Tranche") in an aggregate principal amount not to exceed $500 million. The Term B-1Tranche was governed by the Credit Facility and was scheduled to mature on November 17, 2024.

Immediately prior to the Merger, the Credit Facility was comprised of a revolving credit facility and a term B loan. On the closing date of the Merger and the refinancing, the term B loan was converted into the Term B-1Tranche and both were simultaneously refinanced ("Term B-1 Loan").

As a result of the refinancing activities described above, in the fourth quarter of 2017: (i) the Company refinanced its then-outstanding indebtedness; (ii) fully redeemed its outstanding perpetual cumulative convertible preferred stock ("Preferred"); (iii) wrote off $3.1 million of unamortized deferred financing costs; and (iv) recorded a loss on the extinguishment of debt of $4.1 million. The loss included the write off of deferred financing expense, a loss on the early retirement of the Preferred, and certain fees paid to lenders in connection with the refinancing activities.

2019 Refinancing Activities - The Notes

During the second quarter of 2019, the Company and its finance subsidiary, Entercom Media Corp., issued $325.0 million in aggregate principal amount of senior secured second-lien notes due 2027 (the "Notes") under an Indenture dated as of April 30, 2019 (the "Base Indenture").

Interest on the Notes accrues at the rate of 6.500% per annum and is payable semi-annually in arrears on May 1 and November 1 of each year. Until May 1, 2022, only a portion of the Notes may be redeemed at a price of 106.500% of their principal amount plus accrued interest. On or after May 1, 2022, the Notes may be redeemed, in whole or in part, at a price of 104.875% of their principal amount plus accrued interest. The prepayment premium continues to decrease over time to 100% of their principal amount plus accrued interest.

The Company used net proceeds of the offering, along with cash on hand and $89.0 million borrowed under its Revolver, to repay $425.0 million of existing indebtedness under the Company's Term B-1 Loan.

In connection with this refinancing activity described above, during the second quarter of 2019, the Company: (i) wrote off $1.6 million of unamortized deferred financing costs associated with the Term B-1 Loan; (ii) wrote off $0.2 million of unamortized premium associated with the Term B-1 Loan; and (iii) recorded $3.9 million of new deferred financing costs which will be amortized over the term of the Notes under the effective interest rate method.

During the fourth quarter of 2019, the Company and its finance subsidiary, Entercom Media Corp., issued $100.0 million of additional 6.500% senior secured second-lien notes due 2027 (the "Additional Notes"). The Additional Notes were issued as additional notes under the Base Indenture, as supplemented by a first supplemental indenture, dated December 13, 2019 (the "First Supplemental Indenture"), and, together with the Base Indenture (the "Indenture"). The Additional Notes are treated as a single series with the $325.0 million Notes (together, with the Additional Notes, the "Notes") and have substantially the same terms as the Notes. The Additional Notes were issued at a price of 105.0% of their principal amount, plus accrued interest from November 1, 2019. The premium on the Notes will be amortized over the term under the effective interest rate method. As of any reporting period, the unamortized premium on the Notes is reflected on the balance sheet as an addition to the $425.0 million Notes.

The Company used net proceeds of the Additional Notes offering to repay $96.7 million of existing indebtedness under the Company's Term B-1 Loan. Contemporaneous with this partial pay-down of the Term B-1 Loan, the Company replaced the remaining amount outstanding under the Term B-1 Loan with a Term B-2 loan (the "Term B-2 Loan").

In connection with this refinancing activity described above, during the fourth quarter of 2019, the Company: (i) wrote off $0.3 million of unamortized deferred financing costs associated with the Term B-1 Loan; and (ii) recorded $3.8 million of new deferred financing costs.

The Notes are fully and unconditionally guaranteed on a senior secured second-lien basis by most of the direct and indirect subsidiaries of Entercom Media Corp. The Notes and the related guarantees are secured on a second-lien priority basis by liens on substantially all of the assets of Entercom Media Corp. and the guarantors.

A default under the Company's Notes could cause a default under the Company's Credit Facility or Senior Notes. Any event of default, therefore, could have a material adverse effect the Company's business and financial condition.

The Notes are not a registered security and there are no plans to register the Notes as a security in the future. As a result, Rule 3-10 of Regulation S-X promulgated by the SEC is not applicable and no separate financial statements are required for the guarantor subsidiaries as of December 31, 2019, and 2018 and for the years ended December 31, 2019, 2018 and 2017.

The Credit Facility

Immediately following the refinancing activities described above, the Credit Facility, as amended, was comprised of a $250.0 million Revolver and a $770.0 million Term B-2 Loan.

On December 13, 2019, the Company executed an amendment to the Credit Facility ("Amendment No. 4") which, among other things,: (i) replaced the Term B-1 Loans with the Term B-2 Loan; (ii) established a new class of revolving credit commitments from a portion of its existing Revolver with a later maturity date; and (iii) made certain other amendments to the Credit Facility.

The Company executed Amendment No. 4 which established a new class of revolving credit commitments from a portion of its existing revolving commitments with a later maturity date than the revolving credit commitments immediately prior to the effectiveness of the amendment. All but one of the original lenders in the Revolver agreed to extend the maturity date from November 17, 2022, to August 19, 2024.

As a result, approximately $227.3 million (the "New Class Revolver") of the $250.0 million Revolver has a maturity date of August 19, 2024, and approximately $22.7 million (the "Original Class Revolver") of the $250.0 million Revolver has a maturity date of November 17, 2022.

The Original Class Revolver provides for interest based upon the Base Rate or LIBOR plus a margin. The Base Rate is the highest of: (i) the administrative agent's prime rate; (ii) the Federal Reserve Bank of New York's Rate plus 0.5%; or (iii) the one month LIBOR Rate plus 1.0%.. The margin may increase or decrease based upon the Consolidated Net Secured Leverage Ratio as defined in the agreement. The initial margin is at LIBOR plus 2.25% or the Base Rate plus 1.25%.

The New Class Revolver provides for interest based upon the Base Rate or LIBOR plus a margin. The margin may increase or decrease based upon the Consolidated Net First-Lien Leverage Ratio as defined in the agreement. The initial margin is LIBOR plus 2.00% or the prime rate plus 1.00%.

In addition, the Original Class Revolver requires the payment of a commitment fee ranging from 0.375% per annum to of 0.5% per annum on the unused amount and the New Class Revolver requires the payment of a commitment fee ranging from 0.375% per annum to 0.5% per annum on the unused amount. As of December 31, 2019, the amount available under the Revolver, which includes the impact of outstanding letters of credit, was $127.1 million.

The Company expects to use the Revolver to: (i) provide for working capital; and (ii) provide for general corporate purposes, including capital expenditures and any or all of the following (subject to certain restrictions): repurchase of Class A common stock, dividends, investments and acquisitions. In addition, the Credit Facility is secured by a lien on substantially all of the assets (including material real property) of Entercom Media Corp. and its subsidiaries with limited exclusions. Most of the Company's subsidiaries, jointly and severally guaranteed the Credit Facility. The assets securing the Credit Facility are subject to customary release provisions which would enable the Company to sell such assets free and clear of encumbrance, subject to certain conditions and exceptions.

The Term B-2 Loan has a maturity date of November 17, 2024 and provides for interest based upon LIBOR plus 2.5% or the Base Rate plus 1.5%.

The Term B-2 Loan amortizes, commencing on March 31, 2020: (i) with equal quarterly installments of principal in annual amounts equal to 1.0% of the original principal amount of the Term B-2 Loan; and (ii) mandatory yearly prepayments based upon a percentage of Excess Cash Flow as defined in the agreement.

The Term B-2 Loan requires mandatory prepayments equal to a percentage of Excess Cash Flow, subject to incremental step-downs, depending on the Consolidated Net Secured Leverage Ratio. The Excess Cash Flow payment is based on the Excess Cash Flow and Consolidated Net Secured Leverage Ratio for the prior year.

The Credit Facility has usual and customary covenants including, but not limited to, a net first-lien leverage ratio, restricted payments and the incurrence of additional debt. Specifically, the Credit Facility requires the Company to comply with a certain financial covenant which is a defined term within the agreement, including a maximum Consolidated Net First-Lien Leverage Ratio that cannot exceed 4.0 times at December 31, 2019. In certain circumstances, if the Company consummates additional acquisition activity permitted under the terms of the Credit Facility, the Consolidated Net First-Lien Leverage Ratio will be increased to 4.5 times for a one year period following the consummation of such permitted acquisition. As of December 31, 2019, the Company's Consolidated Net First Lien Leverage Ratio was 2.5 times.

Failure to comply with the Company's financial covenant or other terms of its Credit Facility and any subsequent failure to negotiate and obtain any required relief from its lenders could result in a default under the Company's Credit Facility. Any event of default could have a material adverse effect on the Company's business and financial condition. The acceleration of the Company's debt repayment could have a material adverse effect on its business. The Company may seek from time to time to amend its Credit Facility or obtain other funding or additional funding, which may result in higher interest rates.

As of December 31, 2019, the Company is in compliance with the financial covenant and all other terms of the Credit Facility in all material respects. The Company's ability to maintain compliance with its covenant is highly dependent on its results of operations.

Entercom Media Corp., which is a wholly-owned subsidiary of the Company, holds the ownership interest in various subsidiary companies that own the operating assets, including broadcasting licenses, permits, authorizations and cash royalties. Entercom Media Corp. is the borrower under the Credit Facility. The assets securing the Credit Facility are subject to customary release provisions which would enable the Company to sell such assets free and clear of encumbrance, subject to certain conditions and exceptions.

Under certain covenants, the Company's subsidiary guarantors are restricted from paying dividends or distributions in excess of amounts defined under the Credit Facility, and the subsidiary guarantors are limited in their ability to incur additional indebtedness under certain restrictive covenants.

(B) Senior Unsecured Debt

The Senior Notes

Simultaneously with entering into the Merger and assuming the Credit Facility on November 17, 2017, the Company also assumed the 7.250% unsecured senior notes (the "Senior Notes") that were subsequently modified and mature on October 17, 2024, in the amount of $400.0 million. The Senior Notes were originally issued by CBS Radio (now Entercom Media Corp.) on October 17, 2016. The deferred financing costs and debt premium on the Senior Notes will be amortized over the term under the effective interest rate method. As of any reporting period, the amount of any unamortized debt finance costs and debt premium costs are reflected on the balance sheet as a subtraction and an addition to the $400.0 million liability, respectively.

Interest on the Senior Notes accrues at the rate of 7.250% per annum and is payable semi-annually in arrears on May 1 and November 1 of each year.

The Senior Notes may be redeemed on or after November 1, 2019, at a redemption price of 105.438% of their principal amount plus accrued interest. The redemption price decreases to 103.625% of their principal amount plus accrued interest on or after November 1, 2020, 101.813% of their principal amount plus accrued interest on or after November 1, 2021, and 100% of their principal amount plus accrued interest on or after November 1, 2022.

The Senior Notes are unsecured and rank: (i) senior in right of payment to the Company's future subordinated debt; (ii) equally in right of payment with all of the Company's existing and future senior debt; (iii) effectively subordinated to the Company's existing and future secured debt (including the debt under the Company's Credit Facility), to the extent of the value of the collateral securing such debt; and (iv) structurally subordinated to all of the liabilities of the Company's subsidiaries that do not guarantee the Senior Notes, to the extent of the assets of those subsidiaries.

Most of the Company's existing subsidiaries jointly and severally guaranteed the Senior Notes.

A default under the Company's Senior Notes could cause a default under the Company's Credit Facility or the Notes. Any event of default, therefore, could have a material adverse effect on the Company's business and financial condition.

The Company may from time to time seek to repurchase or retire its outstanding debt through open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, the Company's liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

The Senior Notes are not a registered security and there are no plans to register the Company's Senior Notes as a security in the future. As a result, Rule 3-10 of Regulation S-X promulgated by the SEC is not applicable and no separate financial statements are required for the guarantor subsidiaries as of December 31, 2019 and 2018 and for the years ended December 31, 2019, 2018 and 2017.

(C) Net Interest Expense

The components of net interest expense are as follows:

	Net Interest Expense		
	Years Ended December 31,		
	2019	2018	2017
	(amounts in thousands)		
Interest expense	$ 100,757	$ 101,497	$ 31,266
Amortization of deferred financing costs	3,085	3,189	2,333
Amortization of original issue discount (premium) of senior notes	(2,928)	(2,862)	(962)
Interest income and other investment income	(811)	(703)	(116)
Total net interest expense	$ 100,103	$ 101,121	$ 32,521

The weighted average interest rate under the Credit Facility (before taking into account the fees on the unused portion of the Revolver) was: (i) 4.3% as of December 31, 2019; and (ii) 5.2% as of December 31, 2018.

(D) Interest Rate Transactions

As of December 31, 2018, there were no derivative interest rate transactions outstanding. During the quarter ended June 30, 2019, the Company entered into an interest rate collar transaction in the notional amount of $560.0 million to hedge the Company's exposure to fluctuations in interest rates on its variable-rate debt. Refer to Note 12, Derivative and Hedging Activities, for additional information.

The Company from time to time enters into interest rate transactions with different lenders to diversify its risk associated with interest rate fluctuations of its variable rate debt. Under these transactions, the Company agrees with other parties to exchange, at specified intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to an agreed notional principal amount against the variable debt.

(E) Aggregate Principal Maturities

The minimum aggregate principal maturities on the Company's outstanding debt (excluding any impact from required principal payments based upon the Company's future operating performance) are as follows:

	Principal Debt Maturities					
	Term B-2 Loan	Revolver	Senior Notes	Notes	Other	Total
	(amounts in thousands)					
Years ending December 31						
2020	$ 16,377	$ —	$ —	$ —	$ 30	$ 16,407
2021	7,700	—	—	—	30	7,730
2022	7,700	10,636	—	—	30	18,366
2023	7,700	—	—	—	30	7,730
2024	7,700	106,364	—	—	30	114,094
Thereafter	722,823	—	400,000	425,000	723	1,548,546
Total	$ 770,000	$ 117,000	$ 400,000	$425,000	$ 873	$ 1,712,873

(F) Outstanding Letters of Credit

The Company is required to maintain standby letters of credit in connection with insurance coverage as described in Note 22, Contingencies And Commitments.

(G) Guarantor and Non-Guarantor Financial Information

As of December 31, 2019, most of the direct and indirect subsidiaries of Entercom Media Corp. are guarantors of Entercom Media Corp.'s obligations under the Credit Facility, the Notes and the Senior Notes. Under certain covenants, the Company's subsidiary guarantors are restricted from paying dividends or distributions in excess of amounts defined under the Notes and the Senior Notes, and the subsidiary guarantors are limited in their ability to incur additional indebtedness under certain restricted covenants.

The Company's borrowing agreements contain restrictions on its ability to pay dividends to its parent under certain facts and circumstances. As of December 31, 2019, these restrictions did not apply.

Under the Credit Facility, Entercom Media Corp. is permitted to make distributions to Entercom Communications Corp., which are required to pay Entercom Communications Corp.'s reasonable overhead costs, including income taxes, and other costs associated with conducting the operations of Entercom Media Corp. and its subsidiaries.

12. DERIVATIVE AND HEDGING ACTIVITIES

The Company from time to time enters into derivative financial instruments, such as interest rate collar agreements ("Collars"), to manage its exposure to fluctuations in interest rates under the Company's variable rate debt.

Accounting For Derivative Instruments and Hedging Activities

The Company recognizes at fair value all derivatives, whether designated in hedging relationships or not, in the balance sheet as either net assets or net liabilities. The accounting for changes in the fair value of a derivative, including certain derivative instruments embedded in other contracts, depends on the intended use of the derivative and the resulting designation. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and the hedged item are recognized in the statement of operations. If the derivative is designated as a cash flow hedge, changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in the statement of operations when the hedged item affects net income. If a derivative does not qualify as a hedge, it is marked to fair value through the statement of operations. Any fees associated with these derivatives are amortized over their term. Cash flows from derivatives are classified in the statement of cash flows within the same category as the cash flows from the items subject to designated hedge or undesignated (economic) hedge relationships. Under these derivatives, the differentials to be received or paid are recognized as an adjustment to interest expense over the life of the contract. In the event the cash flow hedges are terminated early, any amount previously included in comprehensive income (loss) would be reclassified as interest expense to the statement of operations as the forecasted transaction settles.

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes ongoing effectiveness assessments by relating all derivatives that are designated as fair value or cash flow hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. The Company's derivative activities, all of which are for purposes other than trading, are initiated within the guidelines of corporate risk-management policies. The Company reviews the correlation and effectiveness of its derivatives on a periodic basis.

The fair value of these derivatives is determined using observable market based inputs (a Level 2 measurement, as described in Note 20, Fair Value Of Financial Instruments) and the impact of credit risk on a derivative's fair value (the creditworthiness of the Company's counterparty for assets and the creditworthiness of the Company for liabilities).

Hedge Accounting Treatment

During the quarter ended June 30, 2019, the Company entered into a derivative rate hedging transaction in the aggregate notional amount of $560.0 million to manage interest rate risk on the Company's variable rate debt. During the period of the hedging relationship, the beginning and ending balance of the Company's variable rate debt was greater than the notional amount of the derivative rate hedging transaction. This transaction is tied to the one-month LIBOR interest rate. Under the Collar transaction, two separate agreements are established with an upper limit, or cap, and a lower limit, or floor, for the Company's LIBOR borrowing rate. As of December 31, 2019, the Company had the following derivative outstanding, which was designated as a cash flow hedge that qualified for hedge accounting treatment:

Type Of Hedge	Notional Amount	Effective Date	Collar	Fixed LIBOR Rate	Expiration Date	Notional Amount Decreases	Amount After Decrease
	(amounts in millions)						(amounts in millions)
						Jun. 29, 2020	$ 460.0
			Cap	2.75%		Jun. 28, 2021	$ 340.0
Collar	$ 560.0	Jun. 25, 2019	Floor	0.402%	Jun. 28, 2024	Jun. 28, 2022	$ 220.0
						Jun. 28, 2023	$ 90.0
Total	$ 560.0						

For the year ended December 31, 2019, the Company recorded the net change in the fair value of this derivative as a loss of $(0.2) million (net of a tax benefit of $0.1 million as of December 31, 2019) to the statement of comprehensive income (loss). The fair value of this derivative was determined using observable market-based inputs (a Level 2 measurement) and the impact of credit risk on a derivative's fair value (the creditworthiness of the Company for liabilities). As of December 31, 2019, the fair value of these derivatives was a liability of $(0.2) million, and is recorded as other long-term liabilities on the balance sheet. The Company does not expect to reclassify any portion of this amount to the statement of operations over the next twelve months.

During the year ended December 31, 2018, the Company had no derivatives that qualified for hedge accounting treatment.

The following table presents the accumulated derivative gain (loss) recorded in other comprehensive income (loss) as of December 31, 2019, and December 31, 2018:

	Accumulated Derivative Gain (Loss)	
Description	**December 31, 2019**	**December 31, 2018**
	(amounts in thousands)	
Accumulated derivative unrealized gain (loss)	$ (139)	$ —

The following table presents the accumulated net derivative gain (loss) recorded in other comprehensive income (loss) for the years ended December 31, 2019, 2018 and 2017:

Other Comprehensive Income (Loss)					
Net Change in Accumulated Derivative Unrealized Gain (Loss)			**Net Amount of Accumulated Derivative Gain (Loss) Reclassified to the Consolidated Statement of Operations**		
Years Ended December 31,					
2019	**2018**	**2017**	**2019**	**2018**	**2017**
(amounts in thousands)					
$ (139)	$ —	$ —	$ —	$ —	$ —

13. IMPAIRMENT LOSS

The following table presents the various categories of impairment loss:

	Impairment Loss		
	For The Years Ended December 31,		
	2019	2018	2017
	(amounts in thousands)		
Broadcasting licenses	$ —	$ 148,564	$ —
Goodwill	537,353	317,138	441
ROU Asset	5,956	—	—
Property and equipment and other	$ 2,148	$ 28,286	$ 511
Total	$ 545,457	$ 493,988	$ 952

Refer to Note 7, Intangible Assets And Goodwill, and Note 20, Fair Value Of Financial Instruments, for additional information on impairment losses recognized.

14. SHAREHOLDERS' EQUITY

Class B Common Stock

Shares of Class B common stock are transferable only to Joseph M. Field, David J. Field, certain of their family members, their estates and trusts for any of their benefit. Upon any other transfer, shares of Class B common stock automatically convert into shares of Class A common stock on a one-for-one basis.

In connection with the Merger, during 2017, certain members of the Field family caused to be converted an aggregate of 3,152,333 shares of Class B common stock to Class A common stock in accordance with the provisions for voluntary conversion of Class B common stock pursuant to Section 10(e)(i) of the Company's Articles of Incorporation.

Dividends

On August 9, 2019, the Company's Board of Directors reduced the annual stock dividend program to $0.08 per share. The Company expects quarterly dividend payments to approximate $2.7 million per quarter. Any future dividends will be at the discretion of the Board of Directors based upon the relevant factors at the time of such consideration, including, without limitation, compliance with the restrictions set forth in the Company's Credit Facility, the Notes and the Senior Notes.

On November 2, 2017, the Company's Board of Directors approved an increase to the Company's annual common stock dividend program from $0.30 per share to $0.36 per share, beginning with the dividend paid in the fourth quarter of 2017, with payments that approximated $12.4 million per quarter.

During the second quarter of 2016, the Company's Board of Directors commenced an annual $0.30 per share common stock dividend program, with payments that approximated $2.9 million per quarter. In addition to the quarterly dividend, the Company paid a special one-time cash dividend of $0.20 per share of common stock on August 30, 2017. Pursuant to the Merger Agreement, the Company agreed not to declare or pay any dividends or make other distributions in respect of any shares of the Company's capital stock, except for the Company's regular quarterly cash dividend. The special one-time cash dividend, which approximated $7.8 million, was permitted under the Merger Agreement.

Under the Credit Facility, the Notes and the Senior Notes, the Company may be restricted in the amount available for dividends, share repurchases, investments, and debt repurchases in the future based upon its Consolidated Net First-Lien Leverage Ratio. The amount available can increase over time based upon the Company's financial performance and used when its Consolidated Net First-Lien Leverage Ratio is less than or equal to the maximum Secured Leverage Ratio permitted at the time. There are certain other limitations that apply to its use.

The following table presents a summary of the Company's dividend activity during the past two years ending December 31, 2019:

Equity Type	Payment Date	Dividends per Share	Aggregate Payment Amount
Common stock	March 28, 2018	$ 0.090	$ 12,440,990
	June 28, 2018	$ 0.090	$ 12,475,445
	September 14, 2018	$ 0.090	$ 12,486,825
	December 14, 2018	$ 0.090	$ 12,366,985
	March 28, 2019	$ 0.090	$ 12,430,279
	June 28, 2019	$ 0.090	$ 12,486,441
	September 13, 2019	$ 0.020	$ 2,676,900
	December 16, 2019	$ 0.020	$ 2,679,826

Dividend Equivalents

The Company's grants of RSUs include the right, upon vesting, to receive a cash payment equal to the aggregate amount of dividends, if any, that holders would have received on the shares of common stock underlying their RSUs if such RSUs had been vested during the period.

The following table presents the amounts accrued and unpaid on unvested RSUs:

	Balance Sheet Location	Dividend Equivalent Liabilities December 31, 2019	2018
		(amounts in thousands)	
Short-term	Other current liabilities	$ 811	$ 1,279
Long-term	Other long-term liabilities	913	1,041
Total		$ 1,724	$ 2,320

Deemed Stock Repurchase When RSUs Vest

Upon vesting of RSUs, a tax obligation is created for both the employer and the employee. Unless employees elect to pay their tax withholding obligations in cash, the Company withholds shares of stock in an amount sufficient to cover their tax withholding obligations. The withholding of these shares by the Company is deemed to be a repurchase of its stock.

The following table provides summary information on the deemed repurchase of vested RSUs:

	Years Ended December 31, 2019	2018	2017
	(amounts in thousands)		
Shares of stock deemed repurchased	459	506	169
Amount recorded as financing activity	$ 2,905	$ 5,186	$ 2,565

Employee Stock Purchase Plan

The Company's Entercom Employee Stock Purchase Plan (the "ESPP") allows participants to purchase the Company's stock at a price equal to 85% of the market value of such shares on the purchase date. The maximum number of shares authorized to be issued under the ESPP is 1.0 million. Pursuant to this plan, the Company does not record compensation expense to the employee as income subject to tax on the difference between the market value and the purchase price, as this plan was designed to meet the requirements of Section 423(b) of the Code. The Company recognizes the 15% discount in the Company's consolidated statements of operations as non-cash compensation expense.

Pursuant to the CBS Radio Merger Agreement, the Company agreed not to issue or authorize any shares of its capital stock until the earlier of the termination of the CBS Radio Merger Agreement or the consummation of the Merger. As a result, the Company effectively suspended the ESPP during the second quarter of 2017. There were no shares purchased and the Company did not recognize any non-cash compensation expense in connection with the ESPP during the second, third or fourth quarters of 2017. The Company resumed the ESPP in the first quarter of 2018.

	Years Ended December 31,		
	2019	2018	2017
	(amounts in thousands)		
Number of shares purchased	335	228	15
Non-cash compensation expense recognized	$ 234	$ 252	$ 32

Share Repurchase Program

On November 2, 2017, the Company's Board of Directors announced a share repurchase program (the "2017 Share Repurchase Program") to permit the Company to purchase up to $100.0 million of the Company's issued and outstanding shares of Class A common stock through open market purchases. Shares repurchased by the Company under the 2017 Share Repurchase Program will be at the discretion of the Company based upon the relevant factors at the time of such consideration, including, without limitation, compliance with the restrictions set forth in the Company's Credit Facility, the Notes and the Senior Notes.

During the year ended December 31, 2019, the Company repurchased 5.0 million shares of Class A common stock at an aggregate average price of $3.67 per share for a total of $18.3 million.

15. NET INCOME (LOSS) PER COMMON SHARE

Net income per common share is calculated as basic net income per share and diluted net income per share. Basic net income per share excludes dilution and is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted net income per share is computed in the same manner as basic net income after assuming issuance of common stock for all potentially dilutive equivalent shares, which includes the potential dilution that could occur: (i) if the RSUs with service conditions were fully vested (using the treasury stock method); (ii) if all of the Company's outstanding stock options that are in-the-money were exercised (using the treasury stock method); (iii) if the RSUs with service and market conditions were considered contingently issuable; and (iv) if the RSUs with service and performance conditions were considered contingently issuable. The Company considered whether the options to purchase Class A common stock in connection with the ESPP were potentially dilutive and concluded there were no dilutive shares as all options are automatically exercised at the balance sheet date.

The Company considered the allocation of undistributed net income for multiple classes of common stock and determined that it was appropriate to allocate undistributed net income between the Company's Class A and Class B common stock on an equal basis. For purposes of making this determination, the Company's charter provides that the holders of Class A and Class B common stock have equal rights and privileges except with respect to voting on most other matters where Class B shares voted by Joseph Field or David Field have a 10 to 1 super vote.

The following tables present the computations of basic and diluted net income (loss) per share from continuing operations and discontinued operations:

	Year Ended December 31,		
	2019	2018	2017
	(amounts in thousands, except share and per share data)		
Basic Income (Loss) Per Share			
Numerator			
Net income available to the Company - continuing operations	$ (420,212)	$ (362,587)	$ 233,013
Preferred stock dividends	—	—	2,015
Net income available to common shareholders from continuing operations	(420,212)	(362,587)	230,998
Income (loss) from discontinued operations, net of tax	—	1,152	836
Net income (loss) available to common shareholders	$ (420,212)	$ (361,435)	$ 231,834
Denominator			
Basic weighted average shares outstanding	136,967,455	138,069,608	51,392,899
Net Income (Loss) Per Common Share - Basic:			
Net income (loss) from continuing operations per share available to common shareholders - Basic	$ (3.07)	$ (2.63)	$ 4.49

	2019	2018	2017
Net income (loss) from discontinued operations per share available to common shareholders - Basic	—	0.01	0.02
Net income (loss) per share available to common shareholders - Basic	$ (3.07)	$ (2.62)	$ 4.51
Diluted Income (Loss) Per Share			
Numerator			
Net income available to the Company - continuing operations	$ (420,212)	$ (362,587)	$ 233,013
Preferred stock dividends	—	—	2,015
Net income available to common shareholders from continuing operations	(420,212)	(362,587)	230,998
Income (loss) from discontinued operations, net of tax	—	1,152	836
Net income (loss) available to common shareholders	$ (420,212)	$ (361,435)	$ 231,834
Denominator			
Basic weighted average shares outstanding	136,967,455	138,069,608	51,392,899
Effect of RSUs and options under the treasury stock method	—	—	1,492,257
Diluted weighted average shares outstanding	136,967,455	138,069,608	52,885,156
Net Income (Loss) Per Common Share - Diluted:			
Net income (loss) from continuing operations per share available to common shareholders - Diluted	$ (3.07)	$ (2.63)	$ 4.37
Net income (loss) from discontinued operations per share available to common shareholders - Diluted	—	0.01	0.02
Net income (loss) per share available to common shareholders - Diluted	$ (3.07)	$ (2.62)	$ 4.38

Disclosure of Anti-Dilutive Shares

The following table presents those shares excluded as they were anti-dilutive:

	Impact Of Equity Awards		
	Years Ended December 31,		
	2019	2018	2017
	(amounts in thousands, except per share data)		
Dilutive or anti-dilutive for all potentially dilutive equivalent shares	anti-dilutive	anti-dilutive	dilutive
Excluded shares as anti-dilutive under the treasury stock method:			
Options excluded	543	564	548
Price range of options excluded: from	$ 9.66	$ 6.43	$ 11.69
Price range of options excluded: to	$ 13.98	$ 13.98	$ 13.98
RSUs with service conditions	2,953	1,394	163
Excluded RSUs with service and market conditions as market conditions not met	70	226	336
Excluded RSUs with service and performance conditions until performance criteria is probable	—	—	—
Excluded preferred stock as anti-dilutive under the as if method	—	—	—
Excluded shares as anti-dilutive when reporting a net loss	331	755	—

16. SHARE-BASED COMPENSATION

Equity Compensation Plan

Under the Entercom Equity Compensation Plan (the “Plan”), the Company is authorized to issue share-based compensation awards to key employees, directors and consultants. The RSUs and options that have been issued generally vest over periods of up to four years. The options expire ten years from the date of grant. The Company issues new shares of Class A common stock upon the exercise of stock options and the later of vesting or issuance of RSUs.

On January 1 of each year, the number of shares of Class A common stock authorized under the Plan is automatically increased by 1.5 million, or a lesser number as may be determined by the Company's Board of Directors. The amount of shares available for grant automatically increased by 1.5 million on January 1, 2019, and January 1, 2018. As of December 31, 2019, the shares available for grant were 1.6 million shares.

The Plan included certain performance criteria for purposes of satisfying expense deduction requirements for income tax purposes. This expense deduction exemption does not apply under the new tax legislation that was enacted during the fourth quarter of 2017 and was effective as of January 1, 2018.

Accounting for Share-Based Compensation

The measurement and recognition of compensation expense, for all share-based payment awards made to employees and directors, is based on estimated fair values. The fair value is determined at the time of grant: (i) using the Company's stock price for RSUs; and (ii) using the Black Scholes model for options. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in the Company's consolidated statements of operations. Forfeitures are recognized as they occur.

RSU Activity

The following is a summary of the changes in RSUs under the Plan during the current period:

	Period Ended	Number of Restricted Stock Units	Weighted Average Purchase Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value as of December 31, 2019
		(amounts in thousands)			
RSUs outstanding as of:	December 31, 2018	3,685			
RSUs awarded		1,955			
RSUs released		(1,456)			
RSUs forfeited		(323)			
RSUs outstanding as of:	December 31, 2019	3,861	$ —	1.3	$ 17,993
RSUs vested and expected to vest as of:	December 31, 2019	3,861	$ —	1.3	$ 17,993
RSUs exercisable (vested and deferred) as of:	December 31, 2019	41	$ —	—	$ 193
Weighted average remaining recognition period in years		2.2			
Unamortized compensation expense		$ 19,840			

The following table presents additional information on RSU activity:

	Years Ended December 31,					
	2019		2018		2017	
	Shares	Amount	Shares	Amount	Shares	Amount
	(amounts in thousands, except per share)					
RSUs issued	1,955	$ 12,926	1,292	$ 10,078	3,064	$ 35,628
RSUs forfeited - service	(323)	(1,753)	(396)	(1,228)	(379)	(1,117)
Net RSUs issued and increase (decrease) to paid-in capital	1,632	$ 11,173	896	$ 8,850	2,685	$ 34,511
Weighted average grant date fair value per share	$ 6.61		$ 9.71		$ 13.42	
Fair value of shares vested per share	$ 10.72		$ 11.07		$ 10.76	
RSUs vested and released	1,456		1,496		474	

RSUs With Service and Market Conditions

The Company issued RSUs with service and market conditions that are included in the table above. These shares vest if: (i) the Company's stock achieves certain shareholder performance targets over a defined measurement period; and (ii) the employee fulfills a minimum service period. The compensation expense is recognized even if the market conditions are not satisfied and are only reversed in the event the service period is not met, as all of the conditions need to be satisfied. These RSUs are amortized over the longest of the explicit, implicit or derived service periods, which range from approximately one to three years.

The following table presents the changes in outstanding RSUs with market conditions:

	Years Ended December 31,		
	2019	2018	2017
	(amounts in thousands, except per share data)		
Reconciliation of RSUs with Service And Market Conditions			
Beginning of period balance	226	650	630
Number of RSUs granted	—	—	70
Number of RSUs forfeited	(156)	(110)	—
Number of RSUs vested	—	(314)	(50)
End of period balance	70	226	650
Weighted average fair value of RSUs granted with market conditions	$ —	$ —	$ 9.81

The fair value of RSUs with service conditions is estimated using the Company's closing stock price on the date of the grant. To determine the fair value of RSUs with service and market conditions, the Company used the Monte Carlo simulation lattice model. The Company's determination of the fair value was based on the number of shares granted, the Company's stock price on the date of grant and certain assumptions regarding a number of highly complex and subjective variables. If other reasonable assumptions were used, the results could differ.

The specific assumptions used for these valuations are as follows:

	Years Ended December 31,		
	2019	2018	2017
Expected Volatility Structure (1)	—	— %	54 %
Risk Free Interest Rate (2)	—	— %	1.8 %
Annual Dividend Payment Per Share (Constant) (3)	—	— %	3.3 %

(1) Expected Volatility Term Structure - The Company estimated the volatility term structure using: (i) the historical volatility of its stock; and (ii) the implied volatility provided by its traded options from a trailing month's average of the closing bid-ask price quotes.

(2) Risk-Free Interest Rate - The Company estimated the risk-free interest rate based upon the implied yield available on U.S. Treasury issues using the Treasury bond rate as of the date of grant.

(3) Annual Dividend Payment Per Share (Constant) - The Company assumed the historical dividend yield in effect at the date of the grant.

RSUs with Service and Performance Conditions

In addition to the RSUs included in the table above summarizing the activity in RSUs under the Plan, the Company issued RSUs with both service and performance conditions. Vesting of performance-based awards, if any, is dependent upon the achievement of certain performance targets. If the performance standards are not achieved, all unvested shares will expire and any accrued expense will be reversed. The Company determines the requisite service period on a case-by-case basis to determine the expense recognition period for non-vested performance based RSUs. The fair value is determined based upon the closing price of the Company's common stock on the date of grant. The Company applies a quarterly probability assessment in computing its non-cash compensation expense and any change in the estimate is reflected as a cumulative adjustment to expense in the quarter of the change.

There was no activity in 2019, 2018, or 2017. As of December 31, 2019, no non-cash compensation expense was recognized for RSUs with performance conditions.

Option Activity

The following table presents the option activity during the current year ended under the Plan:

	Period Ended	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Intrinsic Value as of December 31, 2019
Options outstanding as of:	December 31, 2018	755,210	$ 9.42		
Options granted		—	—		
Options exercised		(180,300)	1.34		
Options forfeited		—	—		
Options expired		(32,328)	10.21		
Options outstanding as of:	December 31, 2019	542,582	$ 12.06	0.9	$ —
Options vested and expected to vest as of:	December 31, 2019	542,582	$ 12.06	0.9	$ —
Options vested and exercisable as of:	December 31, 2019	542,582	$ 12.06	0.9	$ —
Weighted average remaining recognition period in years		0			
Unamortized compensation expense		$ —			

The following table summarizes significant ranges of outstanding and exercisable options as of the current period:

Range of Exercise Prices		Options Outstanding			Options Exercisable	
From	To	Number of Options Outstanding December 31, 2019	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number of Options Exercisable December 31, 2019	Weighted Average Exercise Price
$9.66	$ 9.66	201,875	0.9	$ 9.66	201,875	$ 9.66
$13.11	$ 13.98	340,707	0.9	$ 13.48	340,707	$ 13.48
$9.66	$ 13.98	542,582	0.9	$ 12.06	542,582	$ 12.06

The following table provides summary information on the granting and vesting of options:

Option Issuance and Exercise Data	Years Ended December 31,					
	2019		2018		2017	
	(amounts in thousands except for per share and years)					
	From	To	From	To	From	To
Exercise price range of options issued	$ 1.34	$ 1.34	$ 1.34	$ 2.02	$ 1.34	$ 11.31
Upon vesting, period to exercise in years	1	10	1	10	1	10
Fair value per share upon grant	$ —		$ —		$ 4	
Number of options granted	—		—		686	
Intrinsic value per share upon exercise	$ 7.06		$ 7.33		$ 7.24	
Intrinsic value of options exercised	$ 1,272		$ 829		$ 60	

Tax benefit from options exercised	$ 73	$ 220	$ 21
Cash received from exercise price of options exercised	$ 244	$ 153	$ 42

Valuation Of Options

The Company estimates the fair value of option awards on the date of grant using an option-pricing model. The Company used the straight-line single option method for recognizing compensation expense, which was reduced for estimated forfeitures based on awards ultimately expected to vest. The Company's determination of the fair value of share-based payment awards on the date of grant using an option-pricing model is affected by the Company's stock price, as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. Option-pricing models were developed for use in estimating the value of traded options that have no vesting or hedging restrictions and are fully transferable. The Company's stock options have certain characteristics that are different from traded options, and changes in the subjective assumptions could affect the estimated value.

For options granted, the Company used the Black-Scholes option-pricing model and determined: (i) the term by using the simplified plain-vanilla method as the Company's employee exercise history may not be indicative for estimating future exercises; (ii) a historical volatility over a period commensurate with the expected term, with the observation of the volatility on a daily basis; (iii) a risk-free interest rate that was consistent with the expected term of the stock options and based on the U.S. Treasury yield curve in effect at the time of the grant; and (iv) an annual dividend yield based upon the Company's most recent quarterly dividend at the time of grant.

In connection with the Merger, the Company applied the above described valuation methodologies to determine the fair value for those options assumed as part of the Merger in 2017.

Recognized Non-Cash Stock-Based Compensation Expense

The following non-cash stock-based compensation expense, which is related primarily to RSUs, is included in each of the respective line items in the Company's statement of operations:

	Years Ended December 31,		
	2019	2018	2017
	(amounts in thousands)		
Station operating expenses	$ 4,673	$ 6,855	$ 1,694
Corporate general and administrative expenses	11,511	8,294	7,873
Stock-based compensation expense included in operating expenses	16,184	15,149	9,567
Income tax benefit (1)	3,703	3,160	3,328
After-tax stock-based compensation expense	$ 12,481	$ 11,989	$ 6,239

(1) Amounts exclude impact from any compensation expense subject to Section 162(m) of the Code, which is nondeductible for income tax purposes.

17. INCOME TAXES

Effective Tax Rate - Overview

The Company's effective income tax rate may be impacted by: (i) changes in the level of income in any of the Company's taxing jurisdictions; (ii) changes in the statutes, rules and tax rates applicable to taxable income in the jurisdictions in which the Company operates; (iii) changes in the expected outcome of income tax audits; (iv) changes in the estimate of expenses that are not deductible for tax purposes; (v) income taxes in certain states where the states' current taxable income is dependent on factors other than the Company's consolidated net income; and (vi) adding facilities in states that on average have different income tax rates from states in which the Company currently operates and the resulting effect on previously reported temporary differences between the tax and financial reporting bases of the Company's assets and liabilities. The Company's annual effective tax rate may also be materially impacted by tax expense associated with non-amortizable assets such as broadcasting licenses and goodwill and changes in the deferred tax valuation allowance.

An impairment loss for financial statement purposes will result in an income tax benefit during the period incurred as the amortization of some portion of the Company's broadcasting licenses and goodwill is deductible for income tax purposes.

Expected and Reported Income Taxes (Benefit)

Income tax expense (benefit) from continuing operations computed using the United States federal statutory rates is reconciled to the reported income tax expense (benefit) from continuing operations as follows:

	Years Ended December 31,		
	2019	2018	2017
	(amounts in thousands)		
Federal statutory income tax rate	21 %	21 %	35 %
Computed tax expense at federal statutory rates on income before income taxes	$ (80,432)	$ (77,016)	$ (8,425)
State income tax expense, net of federal benefit	13,661	(4,779)	23,045
Goodwill impairment	98,910	64,465	—
Valuation allowance current year activity	(321)	(2,593)	2,395
Tax impact of share-based awards	950	872	1,383
Transaction costs	105	391	8,477
Recognized gain on Exchange Transactions	—	—	6,435
U.S. federal income tax reform	—	883	(291,497)
Tax benefit shortfall associated with share-based awards	—	—	—
Taxable gain on sale of radio stations	—	5,511	—
Nondeductible expenses and other	4,333	8,113	1,102
Income taxes	$ 37,206	$ (4,153)	$ (257,085)

Effective Income Tax Rates

The effective income tax rate was (9.7)% for 2019. This rate was lower than the federal statutory rate of 21% primarily due to an impairment on the Company’s goodwill during the fourth quarter of 2019 which is not deductible for income tax purposes. The income tax rate is lower than in previous years primarily due to an increase in the impairment charge recorded on the Company's goodwill in 2019.

The effective income tax rate was 1.1% for 2018. This rate was lower than the federal statutory rate of 21% primarily due to an impairment on the Company's goodwill during the fourth quarter of 2018 which is not deductible for income tax purposes. The income tax rate is lower than in previous years primarily due to an income tax benefit resulting from the Tax Cuts and Jobs Act ("TCJA") that was enacted on December 22, 2017, which reduced the U.S. federal corporate tax rate from the previous rate of 35% to 21%. The Company’s deferred tax balances were re-measured using the new federal income tax rate.

The effective income tax rate for 2017 was significantly impacted by an income tax benefit resulting from the TCJA that was enacted on December 22, 2017, which reduced the U.S. federal corporate tax rate from the previous rate of 35% to 21%. The Company's deferred tax balances were re-measured using the new federal income tax rate.

Income Tax Expense

Income tax expense (benefit) for each year is summarized in the table below. The table does not include income tax expense from discontinued operations of $0.7 million and $0.5 million in 2018 and 2017, respectively.

	Years Ended December 31,		
	2019	2018	2017
Current:			
Federal	$ 20,751	$ 38,481	$ 5,178
State	11,685	17,836	1,289
Total current	32,436	56,317	6,467
Deferred:			
Federal	(837)	(37,678)	(295,467)
State	5,607	(22,792)	31,915
Total deferred	4,770	(60,470)	(263,552)
Total income taxes (benefit)	$ 37,206	$ (4,153)	$ (257,085)

Deferred Tax Assets and Deferred Tax Liabilities

The income tax accounting process to determine the Company's deferred tax assets and liabilities involves estimating all temporary differences between the tax and financial reporting bases of the Company's assets and liabilities based on tax laws and statutory tax rates applicable to the period in which the differences are expected to affect taxable income. These estimates include assessing the likely future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Changes to these estimates could have a future impact on the Company's financial position or results of operations.

At December 31, 2017, the Company calculated the accounting for the tax effects of enactment of TCJA as written, and made a reasonable estimate of the effects on the existing deferred tax balances. The Company recorded an estimated income tax benefit from continuing operations of $291.5 million to adjust the Company's deferred income tax balances as a result of the reduced corporate income tax rate. The estimated amounts are included as components of income tax expense from continuing operations.

To determine the Company's estimated amounts, the Company re-measured its deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally a 21% federal tax rate and its related impact on the state tax rate.

The Company completed its assessment of the impact of the TCJA as of December 22, 2018. In connection with this final assessment of the impact of the TCJA, the Company recorded an additional $0.9 million income tax benefit from continuing operations during 2018.

The components of deferred tax assets and liabilities as of December 31, 2019 and 2018, are as detailed below.

	December 31,	
	2019	2018
	(amounts in thousands)	
Deferred tax assets:		
Federal and state income tax loss carryforwards	70,982	81,368
Share-based compensation	4,221	3,382
Investments - impairments	350	347
Lease rental obligations	4,709	15,080
Deferred compensation	10,253	9,097
Deferred gain on tower transaction	—	1,732
Debt fair value adjustment	4,987	4,390
Reserves	—	—
Property, equipment and certain intangibles (other than broadcasting licenses and goodwill)	—	—
Lease liability	77,722	—

Employee benefits	2,011	2,396
Provision for doubtful accounts	4,671	4,406
Other non-current	2,432	5,799
Total deferred tax assets before valuation allowance	182,338	127,997
Valuation allowance	(25,440)	(25,761)
Total deferred tax assets	$ 156,898	$ 102,236
Deferred tax liabilities:		
Advertiser broadcasting obligations	$ —	$ 47
Lease ROU asset	(69,243)	—
Property, equipment and certain intangibles	(43,788)	(49,662)
Broadcasting licenses and goodwill	(593,525)	(598,603)
Total deferred tax liabilities	$ (706,556)	$ (648,218)
Total net deferred tax liabilities	$ (549,658)	$ (545,982)

Valuation Allowance for Deferred Tax Assets

Judgment is required in estimating valuation allowances for deferred tax assets. Deferred tax assets are reduced by a valuation allowance if an assessment of their components indicates that it is more likely than not that all or some portion of these assets will not be realized. The realization of a deferred tax asset ultimately depends on the existence of sufficient taxable income in the carryforward periods under tax law. The Company periodically assesses the need for valuation allowances for deferred tax assets based on more-likely-than-not realization threshold criteria. In the Company's assessment, appropriate consideration is given to all positive and negative evidence related to the realization of the deferred tax assets. This assessment considers, among other matters, forecasts of future profitability, the duration of statutory carryforward periods and any ownership change limitations under Section 382 of the Code on the Company's future income that can be used to offset historic losses.

For 2019, the Company's ability to utilize net operating loss carryforwards ("NOLs") will be limited under Section 382 of the Code as a result of the CBS Radio Merger. For federal income tax purposes, the acquisition of CBS Radio (now Entercom Media Corp.) was treated as a reverse acquisition which caused the Company to undergo an ownership change under Section 382 of the Code. The utilization of these NOLs in future years will be subject to an annual limitation. In addition, Entercom Media Corp. has federal NOLs that are subject to a separate IRC Section 382 annual limitation.

As changes occur in the Company's assessments regarding its ability to recover its deferred tax assets, the Company's tax provision is increased in any period in which the Company determines that the recovery is not probable.

The following table presents the changes in the deferred tax asset valuation allowance for the periods indicated:

Year Ended	Balance at Beginning of Year	Increase (Decrease) Charged (Credited) to Income Taxes (Benefit)	Increase (Decrease) Charged (Credited) to Balance Sheet	Purchase Accounting	Balance At End Of Year
	(amounts in thousands)				
December 31, 2019	$ 25,761	$ (321)	$ —	$ —	$ 25,440
December 31, 2018	37,154	(11,393)	—	—	25,761
December 31, 2017	12,861	17,785	151	6,357	37,154

Liabilities for Uncertain Tax Positions

The Company recognizes liabilities for uncertain tax positions based on whether evidence indicates that it is more likely than not that the position will be sustained on audit. It is inherently difficult and subjective to estimate such amounts, as this requires the Company to estimate the probability of various possible outcomes. The Company reevaluates these uncertain tax positions on a quarterly basis. Changes in assumptions may result in the recognition of a tax benefit or an additional charge to the tax provision.

The Company classifies interest and penalties that are related to income tax liabilities as a component of income tax expense. The income tax liabilities and accrued interest and penalties are presented as non-current liabilities, as payments are not anticipated within one year of the balance sheet date. These non-current income tax liabilities are recorded in other long-term liabilities in the consolidated balance sheets.

The Company's liabilities for uncertain tax positions are reflected in the following table:

	December 31, 2019	December 31, 2018
	(amounts in thousands)	
Liabilities for uncertain tax positions		
Tax	$ —	$ 370
Total	$ —	$ 370

The amounts for interest and penalties expense reflected in the statements of operations were eliminated in the statements of cash flows under net deferred taxes (benefit) and other as no cash payments were made during these periods.

The following table presents the expense (income) for uncertain tax positions, which amounts were reflected in the consolidated statements of operations as an increase (decrease) to income tax expense:

	Years Ended December 31, 2019	2018	2017
	(amounts in thousands)		
Tax expense (income)	$ —	$ —	$ —
Interest and penalties (income)	—	—	—
Total income taxes (benefit) from uncertain tax positions	$ —	$ —	$ —

The decrease in liabilities for uncertain tax positions for 2019 is related to the lapse of statutes of limitations.

The following table presents the gross amount of changes in unrecognized tax benefits:

	Years Ended December 31, 2019	2018	2017
	(amounts in thousands)		
Beginning of year balance	$ (7,285)	$ (7,820)	$ (7,138)
Prior year positions			
Gross Increases	—	—	(710)
Gross Decreases	—	—	—
Current year positions			
Gross Increases	—	—	—
Gross Decreases	—	—	—
Settlements with tax authorities	—	—	—
Reductions due to statute lapse	566	535	28
End of year balance	$ (6,719)	$ (7,285)	$ (7,820)
Ending liability balance included above that was reflected as an offset to deferred tax assets	$ (6,719)	$ (6,915)	$ (7,110)

The gross amount of the Company's unrecognized tax benefits is reflected in the above table which, if recognized, would impact the Company's effective income tax rate in the period of recognition. The total amount of unrecognized tax benefits could increase or decrease within the next 12 months for a number of reasons including the expiration of statutes of limitations, audit settlements and tax examination activities.

As of December 31, 2019, there were no significant unrecognized net tax benefits (exclusive of interest and penalties) that over the next 12 months are subject to the expiration of various statutes of limitation. Interest and penalties accrued on uncertain tax positions are released upon the expiration of statutes of limitations.

Federal and State Income Tax Audits

The Company is subject to federal, state and local income tax audits from time to time that could result in proposed assessments. Management believes that the Company has made sufficient tax provisions for tax periods that are within the statutory period of limitations not previously audited and that are potentially open for examination by the taxing authorities.

Potential liabilities associated with these years will be resolved when an event occurs to warrant closure, primarily through the completion of audits by the taxing jurisdictions, or if the statute of limitations expires. To the extent audits or other events result in a material adjustment to the accrued estimates, the effect would be recognized during the period of the event. There can be no assurance, however, that the ultimate outcome of audits will not have a material adverse impact on the Company's financial position, results of operations or cash flows.

The Company cannot predict with certainty how these audits will be resolved and whether the Company will be required to make additional tax payments, which may include penalties and interest. For most states where the Company conducts business, the Company is subject to examination for the preceding three to six years. In certain states, the period could be longer.

Income Tax Payments, Refunds and Credits

For federal taxation purposes, the TCJA repealed the Alternative Minimum Tax ("AMT") for corporations. Accordingly, the Company did not make any AMT payments in 2018 or 2019. The Company is now subject to regular corporate income tax.

The following table provides the amount of income tax payments and income tax refunds for the periods indicated:

	Years Ended December 31,		
	2019	2018	2017
	(amounts in thousands)		
Federal and state income tax payments	$ 39,100	$ 54,217	$ 2,030

Net Operating Loss Carryforwards

As a result of the Merger with CBS Radio on November 17, 2017, changes in the cumulative ownership percentages triggered a significant limitation in its NOL carryforward utilization.

The Company's ability to use its federal NOL and credit carryforwards is subject to annual limitations as defined in Section 382 of the Code. Entercom Media Corp. also had federal NOLs that are subject to a separate IRS Section 382 limitation. As a result, the Company has recorded a valuation allowance against a portion of its federal NOLs as it anticipates utilizing $209.2 million of its NOL carryovers.

The Company has recorded a valuation allowance for its state NOLs as the Company does not expect to obtain a benefit in future periods. In addition, utilization in future years of the NOL carryforwards may be subject to limitations due to the changes in ownership provisions under Section 382 of the Code and similar state provisions.

The Company will continue to assess the ability of these carryforwards to be realized in subsequent periods.

The NOLs in the following table reflect an estimate of the NOLs for the 2019 tax filing year as these returns will not be filed until later in 2020:

	Net Operating Losses	
	December 31, 2019	
	NOLs	NOL Expiration Period
	(amounts in thousands)	(in years)
Federal NOL carryforwards	$ 214,387	2030 to 2033
State NOL carryforwards	$ 502,156	2020 to 2035

18. SUPPLEMENTAL CASH FLOW DISCLOSURES ON NON-CASH ACTIVITIES

The following table provides non-cash disclosures during the periods indicated:

	Years Ended December 31,		
	2019	2018	2017
	(amounts in thousands)		
Operating Activities			
Barter revenues	$ 16,914	$ 19,365	$ 10,898
Barter expenses	$ 16,741	$ 19,324	$ 9,440
Transition services costs incurred in the integration of CBS Radio	$ —	$ 5,456	$ 1,917
Reduction to the transition services asset	$ —	$ (5,456)	$ (1,917)
Financing Activities			
Increase in paid-in capital from the issuance of RSUs	$ 12,926	$ 10,078	$ 35,628
Decrease in paid-in capital from the forfeiture of RSUs	(1,753)	(1,228)	(1,117)
Net paid-in capital of RSUs issued (forfeited)	$ 11,173	$ 8,850	$ 34,511
Dividend accrued on perpetual cumulative convertible preferred stock	$ —	$ —	$ —
Debt assumed in a business combination or merger	$ —	$ —	$ 1,387,500
Investing Activities			
Cash acquired through consolidation (deconsolidation) of a VIE	$ —	$ —	$ (302)
Noncash additions to property and equipment and intangibles	$ 803	$ 818	$ 2,213
Net radio station assets given up in a market	$ 22,795	$ —	$ 124,500
Net radio station assets acquired in a market	$ 22,500	$ —	$ 124,500
Fair value of net assets acquired through the issuance of common stock	$ —	$ —	$ 1,168,848

19. EMPLOYEE SAVINGS AND BENEFIT PLANS

Deferred Compensation Plans

The Company provides certain of its employees and the Board of Directors with an opportunity to defer a portion of their compensation on a tax-favored basis. The obligations by the Company to pay these benefits under the deferred compensation plans represent unsecured general obligations that rank equally with the Company's other unsecured indebtedness. Amounts deferred under these plans were included in other long-term liabilities in the consolidated balance sheets. Any change in the deferred compensation liability for each period is recorded to corporate general and administrative expenses and to station operating expenses in the statement of operations. Further contributions under these plans have been frozen beginning with any contribution elections covering the 2018 year.

	Years Ended December 31,		
Benefit Plan Disclosures	2019	2018	2017
	(amounts in thousands)		
Deferred compensation			
Beginning of period balance	$ 30,928	$ 40,995	$ 10,875
Assumption of deferred compensation in Merger	—	—	27,057
Employee compensation deferrals	15	384	840
Employee compensation payments	(3,826)	(8,709)	(1,184)
Increase (decrease) in plan fair value	6,112	(1,742)	3,407
End of period balance	$ 33,229	$ 30,928	$ 40,995

401(k) Savings Plan

The Company has a savings plan which is intended to be qualified under Section 401(k) of the Code. The plan is a defined contribution plan, available to all eligible employees, and allows participants to contribute up to the legal maximum of their eligible compensation, not to exceed the maximum tax-deferred amount allowed by the Internal Revenue Service. The Company's discretionary matching contribution is subject to certain conditions. The Company's contributions for 2019, 2018 and 2017 were $5.6 million, $6.1 million and $2.9 million, respectively.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments Subject to Fair Value Measurements

The Company has determined the types of financial assets and liabilities subject to fair value measurement are: (i) certain tangible and intangible assets subject to impairment testing as described in Note 7, Intangible Assets And Goodwill; (ii) financial instruments as described in Note 11, Long-Term Debt; (iii) deemed deferred compensation plans as described in Note 19, Employee Savings And Benefit Plans; (iv) lease abandonment liabilities as described in Note 3, Business Combinations; and (v) interest rate derivative transactions that are outstanding from time to time as described in Note 12, Derivative And Hedging Activities.

The fair value is the price that would be received upon the sale of an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent to the inputs of the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reported date.

Level 3 – Pricing inputs include significant inputs that are generally less observable than objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. At each balance sheet date, the Company performs an analysis of all instruments and includes in Level 3 all of those whose fair value is based on significant unobservable inputs.

Recurring Fair Value Measurements

The following table sets forth the Company's financial assets and/or liabilities that were accounted for at fair value on a recurring basis and are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value and its placement within the fair value hierarchy levels. During the periods presented, there were no transfers between fair value hierarchical levels.

	Fair Value Measurements At Reporting Date				
Description	**Balance at December 31, 2019**	**Quoted prices in active markets Level 1**	**Significant other observable inputs Level 2**	**Significant unobservable inputs Level 3**	**Measured at Net Asset Value as a Practical Expedient (2)**
	(amounts in thousands)				
Liabilities					
Deferred compensation plan liabilities (1)	$ 33,229	$ 25,592	$ —	$ —	$ 7,637
Interest rate cash flow hedge (3)	$ 189	$ —	$ 189	$ —	$ —

Description	**Balance at December 31, 2018**	**Quoted prices in active markets Level 1**	**Significant other observable inputs**	**Significant unobservable inputs Level 3**	**Measured at Net Asset Value as a Practical Expedient (2)**
	(amounts in thousands)				
Liabilities					
Deferred compensation plan liabilities (1)	$ 30,928	$ 23,476	$ —	$ —	$ 7,452

(1) The Company's deferred compensation liability, which is included in other long-term liabilities, is recorded at fair value on a recurring basis. The unfunded plan allows participants to hypothetically invest in various specified investment options.

(2) The fair value of underlying investments in collective trust funds is determined using the net asset value ("NAV") provided by the administrator of the fund as a practical expedient. The NAV is determined by each fund's trustee based upon the fair value of the underlying assets owned by the fund, less liabilities, divided by outstanding units. In accordance with appropriate accounting guidance, these investments have not been classified in the fair value hierarchy.

(3) The Company's interest rate collar, which is included in other long-term liabilities, is recorded at fair value on a recurring basis. The derivatives are not exchange listed and therefore the fair value is estimated using models that reflect the contractual terms of the derivative, yield curves, and the credit quality of the counterparties. The models also incorporate the Company's creditworthiness in order to appropriately reflect non-performance risk. Inputs are generally observable and do not contain a high level of subjectivity.

Non-Recurring Fair Value Measurements

The Company has certain assets that are measured at fair value on a non-recurring basis and are adjusted to fair value only when the carrying values are more than the fair values. The categorization of the framework used to price the assets is considered Level 3, due to the subjective nature of the unobservable inputs used to determine the fair value.

As discussed in Note 7, Intangible Assets And Goodwill, the Company voluntarily changed the date of its annual impairment test for its broadcasting licenses and goodwill. As a result of this change, the Company did not determine the fair value of its broadcasting licenses and goodwill during the quarter ended June 30, 2019.

During the fourth quarter of 2019, the Company reviewed the fair value of its broadcasting licenses and goodwill. As a result of this assessment, the Company concluded that its broadcasting licenses were not impaired as the fair value of these assets exceeded their carrying value. As a result of this assessment, the Company concluded that its goodwill attributable to its broadcast reporting unit was impaired as the fair value was less than its carrying value. Accordingly, the Company recorded a $537.4 million impairment charge ($519.6 million, net of tax) on its goodwill in the fourth quarter of 2019.

During the quarter ended June 30, 2018, the Company reviewed the fair value of its broadcasting licenses and goodwill, and concluded that its broadcasting licenses were not impaired as the fair value of these assets exceeded their carrying value. During the second quarter of 2018, the Company concluded that the fair value of goodwill exceeded the carrying value of goodwill and determined that no goodwill impairment charge was required.

Subsequent to the annual impairment test conducted during the second quarter of 2018, the Company determined that a sustained decrease in the Company's share price required the Company to conduct an interim impairment assessment on its broadcasting licenses and goodwill. This interim impairment assessment conducted during the fourth quarter of 2018 indicated that the carrying value of the Company's broadcasting licenses and goodwill exceeded their respective carrying amount. Accordingly, the Company recorded a $147.9 million impairment charge ($108.8 million, net of tax) on its broadcasting licenses and a $317.1 million impairment charge ($314.4 million, net of tax) on its goodwill in the fourth quarter of 2018. Refer to Note 7, Intangible Assets And Goodwill, for additional information.

There were no events or changes in circumstances which indicated the Company's investments, property and equipment, or other intangible assets may not be recoverable, other than as described below.

The Company performs reviews of its ROU assets for impairment when evidence exists that the carrying value of an asset may not be recoverable. During the fourth quarter of 2019, the Company recorded a $6.0 million impairment charge related to ROU asset impairment. The impairment charge was recognized within the impairment loss line item on the consolidated statement of operations. Refer to Note 13, Impairment Loss, for additional information.

During the fourth quarter of 2019, the Company recorded a $2.2 million impairment charge related to impairment of property and equipment. The impairment charge was recorded within the impairment loss line item on the consolidated statement of operations. Refer to Note 13, Impairment Loss, for additional information.

During the second quarter of 2018, the Company recorded a $2.1 million impairment charge related to assets expected to be disposed of in one of its markets. The impairment charge was recognized within the impairment loss line item on the consolidated statement of operations. Refer to Note 13, Impairment Loss, for additional information.

During the second quarter of 2018, events or circumstances changed which indicated that a portion of the Company's assets which had been classified as held for sale may not be recoverable. Accordingly, the Company estimated the fair value of these assets and recognized an impairment charge of $26.9 million. The impairment charge was recognized within the impairment loss line item on the consolidated statement of operations. Refer to Note 21, Assets Held For Sale And Discontinued Operations, and Note 13, Impairment Loss, for additional information.

Fair Value of Financial Instruments Subject to Disclosures

The estimated fair value of financial instruments is determined using the best available market information and appropriate valuation methodologies. Considerable judgment is necessary, however, in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented are not necessarily indicative of the amounts that the Company could realize in a current market exchange, or the value that ultimately will be realized upon maturity or disposition. The use of different market assumptions may have a material effect on the estimated fair value amounts.

The carrying amount of the following assets and liabilities approximates fair value due to the short maturity of these instruments: (i) cash and cash equivalents; (ii) accounts receivable; and (iii) accounts payable, including accrued liabilities.

The following table presents the carrying value of financial instruments and, where practicable, the fair value as of the periods indicated:

	December 31, 2019		December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(amounts in thousands)			
Term B Loans (1)	$ 770,000	$ 774,813	$ 1,291,700	$ 1,243,261
Revolver (2)	$ 117,000	$ 117,000	$ 180,000	$ 180,000
Senior Notes (3)	$ 400,000	$ 423,250	$ 400,000	$ 378,000
Notes (4)	$ 425,000	$ 454,750	$ —	$ —
Other debt (5)	$ 873		$ 912	
Letters of credit (4)	$ 5,862		$ 5,862	

The following methods and assumptions were used to estimate the fair value of financial instruments:

(1) The Company's determination of the fair value of the Term B-2 Loans was based on quoted prices for these instruments and is considered a Level 2 measurement as the pricing inputs are other than quoted prices in active markets.

(2) The fair value of the Revolver was considered to approximate the carrying value as the interest payments are based on LIBOR rates that reset periodically. The Revolver is considered a Level 2 measurement as the pricing inputs are other than quoted prices in active markets.

(3) The Company utilizes a Level 2 valuation input based upon the market trading prices of the Senior Notes to compute the fair value as these Senior Notes are traded in the debt securities market. The Senior Notes are considered a Level 2 measurement as the pricing inputs are other than quoted prices in active markets.

(4) The Company utilizes a Level 2 valuation input based upon the market trading prices of the Notes to compute the fair value as these Notes are traded in the debt securities market. The Notes are considered a Level 2 measurement as the pricing inputs are other than quoted prices in active markets.

(5) The Company does not believe it is practicable to estimate the fair value of the other debt or the outstanding standby letters of credit.

Investments Valued Under the Measurement Alternative

The Company holds investments in privately held companies that are not exchange-traded and therefore not supported with observable market prices. The Company does not have significant influence over the investees. The amended accounting guidance for financial instruments, provides an alternative to measure equity securities without readily determinable fair values at cost less impairment (if any), plus or minus observable price changes from an identical or similar investment of the same issuer (the "measurement alternative"). The Company elected the measurement alternative for its qualifying equity securities.

The Company's investments are recognized on the consolidated balance sheet at their cost basis, which represents the amount the Company paid to acquire the investments.

The Company periodically evaluates the carrying value of its investments, when events and circumstances indicate that the carrying amount of the assets may not be recoverable. The Company considers investee financial performance and other information received from the investee companies, as well as any other available estimates of the fair value of the investee companies in its evaluation.

If certain impairment indicators exist, the Company determines the fair value of its investments. If the Company determines the carrying value of an investment exceeds its fair value, the Company writes down the value of the investment to its fair value. The fair value of the investments are not adjusted if there are no identified adverse events or changes in circumstances that may have a material effect on the fair value of the investment.

Since its initial date of investment, the Company has not identified any events or changes in circumstances which would require the Company to estimate the fair value of its investments. Accordingly, there has been no impairment in the Company's investments measured under the measurement alternative. Additionally, there have been no returns of capital or changes resulting from observable price changes in orderly transactions. As a result, the investments measured under the measurement alternative continue to be presented at their original cost basis on the consolidated balance sheets.

There was no material change in the carrying value of the Company's cost-method investments since the year ended December 31, 2018, other than as described below.

During the second quarter of 2019, the Company purchased a minority ownership interest in AnalyticOwl, a company whose attribution platform facilitates tracking for broadcast advertising, for $1.5 million.

During the fourth quarter of 2019, the Company purchased a minority ownership interest in The Action Network, a media company featuring news, information and an industry-leading app focused on sports betting and fantasy content, for $0.30 million.

During the fourth quarter of 2019, the Company completed its acquisition of Cadence 13 by purchasing the remaining shares of Cadence 13 that it did not already own. The Company initially acquired a 45% interest in Cadence 13 in July 2017. In connection with this acquisition, the Company remeasured its previously held equity interest in Cadence 13 to fair value, removed the investment in Cadence 13 from its records, recognized the identifiable asset and liabilities of Cadence 13 as of the date of acquisition, and recognized a gain of $5.3 million.

The following table presents the Company's investments valued under the measurement alternative:

	Investments Valued Under the Measurement Alternative	
	December 31,	
	2019	2018
	(amounts in thousands)	
Investment balance before cumulative impairment as of January 1,	$ 11,205	$ 9,955
Accumulated impairment as of January 1,	—	—
Investment beginning balance after cumulative impairment as of January 1,	11,205	9,955
Removal of investment in connection with step acquisition	(9,700)	—
Acquisition of interest in a privately held company	1,800	1,250
Ending period balance	$ 3,305	$ 11,205

21. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets Held for Sale

Long-lived assets to be sold are classified as held for sale in the period in which they meet all the criteria for the disposal of long-lived assets. The Company measures assets held for sale at the lower of their carrying amount or fair value less cost to sell. Additionally, the Company determined that these assets comprise operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company.

On November 17, 2017, in order to facilitate the Merger, the Company assigned assets to a trust and the trust subsequently entered into two separate LMAs with Bonneville which became effective upon the closing of the Merger. Under the terms of the LMAs, Bonneville began operating four stations in Sacramento, California and four stations in San Francisco, California. On August 2, 2018, the Company entered into an asset purchase agreement with Bonneville to dispose of the eight radio stations for $141.0 million in cash. The LMAs terminated on September 21, 2018, upon the consummation of a final agreement to divest the stations as required under a DOJ consent order agreed to by the Company, as a condition to complete the Merger. Of the eight radio stations placed in the trust, three were originally owned by the Company and the remaining five were originally owned by CBS Radio. The Company conducted an analysis and determined the assets of the eight radio stations met the criteria to be classified as held for sale, pending disposition. The five CBS Radio stations met the criteria to be classified within discontinued operations, pending disposition.

As of December 31, 2018, the Company entered into an agreement with a third party to dispose of land and land improvements, buildings and equipment. The Company conducted an analysis and determined the assets met the criteria to be classified as held for sale. In aggregate, these assets had a carrying value of approximately $19.6 million. In the first quarter of 2019, the Company completed this sale for $24.5 million in cash. The Company recognized a gain on the sale, net of sale commissions and other expenses, of approximately $4.5 million.

As of February 13, 2019, the Company entered into an agreement with Cumulus under which the Company exchanged three of its stations in Indianapolis, Indiana for two Cumulus stations in Springfield, Massachusetts, and one Cumulus station in

New York City, New York. The Company and Cumulus began programming the respective stations under an LMA on March 1, 2019. The Company conducted an analysis and determined the assets exchanged to Cumulus met the criteria to be classified as held for sale at March 31, 2019. The Cumulus Exchange closed in the second quarter of 2019 and the Company recognized a loss on the exchange of approximately $1.8 million.

On May 1, 2019, the Company entered into an agreement with a third party to dispose of land, buildings, equipment and broadcasting licenses in Victor Valley, California. The Company conducted an analysis and determined the assets met the criteria to be classified as held for sale at June 30, 2019. In aggregate, these assets had a carrying value of $1.1 million. The sale closed in the third quarter of 2019 and the Company recognized a loss of $0.1 million.

On May 9, 2019, the Company entered into an agreement with a third party to dispose of land and buildings in Miami, Florida. The Company conducted an analysis and determined the assets met the criteria to be classified as held for sale at June 30, 2019. In aggregate, these assets had a carrying value of $2.2 million. The sale closed in the third quarter of 2019 and the Company recognized a loss of $0.1 million.

During the third quarter of 2019, the Company entered into negotiations with a third party to dispose of land and buildings in Miami, Florida. The Company conducted an analysis and determined the assets met the criteria to be classified as held for sale at September 30, 2019. In aggregate, these assets had a carrying value of $1.9 million. The sale closed in the fourth quarter of 2019 and the Company recognized a loss of $0.4 million.

During the fourth quarter of 2019, the Company entered into an agreement with a third party to dispose of equipment and a broadcasting license in Boston, Massachusetts. The Company conducted an analysis and determined the assets met the criteria to be classified as held for sale at December 31, 2019. In aggregate, these assets had a carrying value of $10.2 million. This transaction is expected to close within one year.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company determined the fair value of the assets held for sale related to the Bonneville LMA by utilizing an offer from a third party for the bundle of assets. This is considered a Level 3 measurement. Based upon the agreed-upon price in the asset purchase agreement, the Company determined that the carrying value of these assets was greater than the fair value. During the second quarter of 2018, the Company recorded a non-cash impairment charge of $25.6 million to reflect the change in the carrying value of these assets held for sale from $165.9 million to $140.3 million and to reduce the carrying value of these assets to the recoverable value. During the third quarter of 2018, the Company closed on this sale, which resulted in a loss of approximately $0.2 million to the Company.

The major categories of these assets held for sale are as follows:

	Assets Held for Sale	
	December 31, 2019	December 31, 2018
	(amounts in thousands)	
Land and land improvements	$ —	$ 2,645
Building	—	1,053
Leasehold improvements	—	—
Equipment	48	15,905
Net property and equipment	48	19,603
Radio broadcasting licenses	10,140	—
Other intangibles	—	—
Goodwill	—	—
Total intangibles	10,140	—
Net assets held for sale	$ 10,188	$ 19,603

Discontinued Operations

The results of operations for several radio stations acquired from CBS, which were never a part of the Company's continuing operations as these radio stations have been disposed, were classified as discontinued operations for the period commencing after the Merger.

Refer to Note 3, Business Combinations, and elsewhere within this Note, for additional information on the Bonneville Transaction.

The following table presents the results of operations of the discontinued operations:

	Years Ended December 31,		
	2019	2018	2017
	(amounts in thousands)		
Net broadcast revenues	$ —	$ —	$ 5,494
Station operating expenses	—	—	4,749
Depreciation and amortization expense	—	—	9
Net time brokerage agreement (income) fees	—	1,765	(652)
Total operating expenses	—	—	4,106
Income before income taxes	—	1,765	1,388
Income taxes	—	613	552
Income from discontinued operations, net of income taxes	$ —	$ 1,152	$ 836

22. CONTINGENCIES AND COMMITMENTS

Contingencies

The Company is subject to various outstanding claims which arise in the ordinary course of business and to other legal proceedings. Management anticipates that any potential liability of the Company, which may arise out of or with respect to these matters, will not materially affect the Company's financial position, results of operations or cash flows.

FCC Matter

In January 2019, the Company received the first of three letters of inquiry from the FCC staff in response to a complaint from an individual who claimed to have purchased time on three Company stations in Buffalo, but was not charged the lowest unit rate. The Company cooperated with the FCC in this matter and timely responded to these letters of inquiry, which also addressed the timeliness of the Company's compliance with respect to the political file record keeping obligations for its Buffalo stations. On October 10, 2019, the Company met with the FCC staff and was advised that the lowest unit rate inquiry was concluded. At the same meeting, however, the FCC staff advised the Company that it had separately conducted a more extensive investigation into the timeliness of the Company's compliance with respect to the political file record keeping obligations for all of the Company's stations. The Company is in discussions with the FCC staff with respect to this investigation. The Company has assessed the FCC staff's allegations with respect to the Company's compliance with these filing obligations and the underlying facts and will continue to cooperate with the FCC and engage in discussions as to a potential conclusion or settlement of the matter. The Company is unable to reasonably estimate the ultimate outcome that will result from this matter at this time. The Company determined that this matter had an immaterial impact on the current period. The Company does not currently expect that the final resolution of this matter in future periods will have a material effect on the financial position of the Company. However, it is reasonably possible that such a resolution could have a material effect on the Company's results of operations for a given reporting period.

Like-Kind Exchange Proceeds

During the third quarter of 2018, the Company disposed of certain property that the Company considered as surplus to its operations and that resulted in significant gains reportable for tax purposes. In order to minimize the tax impact on a certain portion of these taxable gains, the Company created an entity that serves as a QI for tax purposes and that holds the net sales proceeds of $70.2 million from these transactions. The Company used a portion of these funds in a tax-free exchange by using the net sales proceeds from relinquished property for the purchase of replacement property. This entity was treated as a VIE and is included in the Company's 2018 consolidated financial statements as the Company was considered the primary beneficiary.

The use of a QI in a like-kind exchange enables the Company to effectively minimize its current tax liability in connection with certain asset dispositions. In connection with these transactions, the Company sold: (i) a parcel of land in Chicago, Illinois in 2018 for net proceeds of $45.5 million; and (ii) a former studio building in Los Angeles, California in 2018 for net proceeds of $24.7 million. These net sales proceeds were deposited into the account of the QI to comply with requirements under Section 1031 of the Code to execute a like-kind exchange and are reflected as restricted cash on the Company's consolidated balance sheet as of December 31, 2018. Restrictions on these deposits lapsed during the first quarter of 2019.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheet that aggregate to the total of the same such amounts shown in the consolidated statement of cash flows:

	Cash, Cash Equivalents and Restricted Cash	
	December 31,	
	2019	2018
	(amounts in thousands)	
Cash and cash equivalents	$ 20,393	$ 122,893
Restricted cash	—	69,365
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 20,393	$ 192,258

Insurance

The Company uses a combination of insurance and self-insurance mechanisms to mitigate the potential liabilities for workers' compensation, general liability, property, directors' and officers' liability, vehicle liability and employee health care benefits. Liabilities associated with the risks that are retained by the Company are estimated, in part, by considering claims experience, demographic factors, severity factors, outside expertise and other actuarial assumptions. Under these policies, the Company is required to maintain letters of credit.

Broadcast Licenses

The Company could face increased costs in the form of fines and a greater risk that the Company could lose any one or more of its broadcasting licenses if the FCC concludes that programming broadcast by a Company station was obscene, indecent or profane and such conduct warrants license revocation. The FCC's authority to impose a fine for the broadcast of such material is $414,454 for a single incident, with a maximum fine of up to $3,825,726 for a continuing violation. The Company has determined that, at this time, the amount of potential fines and penalties, if any, cannot be estimated.

The Company has filed, on a timely basis, renewal applications for those radio stations with radio broadcasting licenses that are subject to renewal with the FCC. The Company's costs to renew its licenses with the FCC are nominal and are expensed as incurred rather than capitalized. From time to time, the renewal of certain licenses may be delayed. The Company continues to operate these radio stations under their existing licenses until the licenses are renewed. The FCC may delay the renewal pending the resolution of open inquiries. The affected stations are, however, authorized to continue operations until the FCC acts upon the renewal applications. Currently, all of the Company's licenses have been renewed or we have timely filed license renewal applications.

The FCC initiated an investigation in January 2007, related to a contest at one of the Company's stations. In October 2016, the FCC designated for a hearing whether the Company operated this station in the public interest and whether such station's license should be renewed. In February 2017, the Company permanently discontinued operation of the station and returned the station's broadcasting license to the FCC for cancellation, in order to facilitate the Merger. As a result, the Company recorded a $13.5 million loss in the statement of operations in net gain/loss on sale or disposal of assets in 2017.

Licenses

The Radio Music Licensing Committee (the "RMLC"), of which the Company is a represented participant: (i) entered into an industry-wide settlement with American Society of Composers, Authors and Publishers ("ASCAP"), resulting in a new license made available to RMLC members, that became effective January 1, 2017, for a five-year term; (ii) is currently seeking reasonable terms and fees for a new license that would be retroactively effective to January 1, 2017, from Broadcast Music, Inc. ("BMI") through settlement negotiations and potential rate court proceedings; (iii) is currently subject to arbitration proceedings with SESAC, Inc. ("SESAC") to determine fair and reasonable fees that would be effective January 1, 2019; and (iv) commencing on January 1, 2017, entered into a series of interim licenses with Global Music Rights ("GMR"), the most current of which expires March 31, 2020. The RMLC filed a motion in the U.S. District Court for the Eastern District of Pennsylvania against GMR in November 2016 arguing that GMR is a monopoly demanding monopoly prices and asking the Court to subject GMR to an antitrust consent decree. GMR filed a counterclaim in the U.S. District Court for the Central District of California and a motion to dismiss the RMLC's claim in the U.S. District Court for the Eastern District of Pennsylvania. There have been subsequent claims and counterclaims to establish jurisdiction. In 2019, all claims between the RMLC and GMR were transferred to the U.S. District Court of California.

The United States Copyright Royalty Board will be initiating a proceeding in March 2020 that will establish the royalty rates the Company pays under federal statutory license for the public performance of sound recordings on the Internet for 2021-2026.

Leases and Other Contracts

Rental expense is incurred principally for office and broadcasting facilities. Certain of the leases contain clauses that provide for contingent rental expense based upon defined events such as cost of living adjustments and/or maintenance costs in excess of pre-defined amounts.

The Company also has rent obligations under sale and leaseback transactions whereby the Company sold certain of its radio broadcasting towers to third parties for cash in return for long-term leases on these towers. These sale and leaseback obligations are listed in the future minimum annual commitments table. The Company sold these towers as operating these towers to maximize tower rental income was not part of the Company's core strategy.

The following table provides the Company's rent expense for the periods indicated:

	Years Ended December 31,		
	2019	2018	2017
	(amounts in thousands)		
Rent expense	$ 58,947	$ 53,948	$ 23,742

The Company also has various commitments under the following types of contracts:

	Future Minimum Annual Commitments			
	Rent Under Operating Leases	Sale Leaseback Operating Leases	Programming and Related Contracts	Total
	(amounts in thousands)			
Years ending December 31,				
2020	$ 47,024	$ 2,274	$ 163,392	$ 212,690
2021	47,208	2,342	108,286	157,836
2022	41,838	2,412	70,752	115,002
2023	38,064	2,485	48,775	89,324
2024	35,088	2,196	7,304	44,588
Thereafter	123,612	10,459	6,158	140,229
	$ 332,834	$ 22,168	$ 404,667	$ 759,669

23. SUBSEQUENT EVENTS

Events occurring after December 31, 2019, and through the date that these consolidated financial statements were issued, were evaluated to ensure that any subsequent events that met the criteria for recognition have been included, and are as follows:

On February 14, 2020, the Company entered into an agreement with EMF to sell Boston, Massachusetts station WAAF-FM for $10.8 million in cash. EMF began programming WAAF-FM on February 22, 2020 under a network affiliation agreement. The assets were classified within assets held for sale as of December 31, 2019. The transaction is expected to close in the second quarter of 2020.

24. SUMMARIZED QUARTERLY FINANCIAL DATA (Unaudited)

The following table presents unaudited operating results for each quarter within the two most recent years. The Company believes that all necessary adjustments, consisting only of normal recurring adjustments, have been included in the amounts stated below to present fairly the following quarterly results when read in conjunction with the financial statements included elsewhere in this report. Results of operations for any particular quarter are not necessarily indicative of results of operations for a full year. The Company's financial results are also not comparable from quarter to quarter due to the Company's acquisitions and dispositions activities as described in Note 3, Business Combinations, and due to the seasonality of revenues, with revenues usually the lowest in the first quarter of each year.

	Quarters Ended			
	December 31	September 30	June 30	March 31
	(amounts in thousands, except per share data)			
2019				
Net revenues	$ 414,118	$ 386,141	$ 380,665	$ 309,005
Operating income	$ (455,492)	$ 79,490	$ 64,762	$ 30,383
Net income (loss) available to the Company from continuing operations	$ (487,537)	$ 38,208	$ 25,992	$ 3,125
Preferred stock dividend	$ —	$ —	$ —	$ —
Net income available to common shareholders from continuing operations	$ (487,537)	$ 38,208	$ 25,992	$ 3,125
Income (loss) from discontinued operations, net of income taxes	$ —	$ —	$ —	$ —
Net income (loss) available to common shareholders	$ (487,537)	$ 38,208	$ 25,992	$ 3,125
Net income (loss) from continuing operations per share - basic (1)	$ (3.64)	$ 0.28	$ 0.19	$ 0.02
Net income (loss) from discontinued operations, net of tax, per share - basic (1)	$ —	$ —	$ —	$ —
Net income (loss) available to common shareholders per share - basic (1)	$ (3.64)	$ 0.28	$ 0.19	$ 0.02
Weighted average common shares outstanding - basic	133,985	136,449	138,760	138,099
Net income (loss) from continuing operations per share - diluted (1)	$ (3.64)	$ 0.28	$ 0.19	$ 0.02
Net income (loss) from discontinued operations, net of tax, per share - diluted (1)	$ —	$ —	$ —	$ —
Net income (loss) available to common shareholders per share - diluted (1)	$ (3.64)	$ 0.28	$ 0.19	$ 0.02
Weighted average common shares outstanding - diluted	133,985	136,453	139,074	138,523
Preferred stock dividends declared and paid	$ —	$ —	$ —	$ —
Common stock dividends declared and paid	$ 2,679	$ 2,677	$ 12,487	$ 12,430

	Quarters Ended			
	December 31	September 30	June 30	March 31
	(amounts in thousands, except per share data)			
2018				
Net revenues	$ 411,375	$ 378,508	$ 372,124	$ 300,560
Operating income	$ (377,593)	$ 78,733	$ 27,552	$ 5,689
Income (loss) available to the Company from continuing operations	$ (386,568)	$ 36,590	$ 1,597	$ (14,206)
Preferred stock dividend	$ —	$ —	$ —	$ —
Net income available to common shareholders from continuing operations	$ (386,568)	$ 36,590	$ 1,597	$ (14,206)
Income (loss) from discontinued operations, net of income taxes	$ (378)	$ 358	$ 844	$ 328
Net income (loss) available to common shareholders	$ (386,946)	$ 36,948	$ 2,441	$ (13,878)
Net income (loss) from continuing operations per share - basic (1)	$ (2.80)	$ 0.26	$ 0.01	$ (0.10)
Net income (loss) from discontinued operations, net of tax, per share - basic (1)	$ —	$ —	$ —	$ —
Net income (loss) available to common shareholders per share - basic (1)	$ (2.80)	$ 0.27	$ 0.02	$ (0.10)
Weighted average common shares outstanding - basic	138,033	138,740	138,639	138,939
Net income (loss) from continuing operations per share - diluted (1)	$ (2.80)	$ 0.26	$ 0.01	$ (0.10)
Net income (loss) from discontinued operations, net of tax, per share - diluted (1)	$ —	$ —	$ —	$ —
Net income (loss) available to common shareholders per share - diluted (1)	$ (2.80)	$ 0.27	$ 0.02	$ (0.10)
Weighted average common shares outstanding - diluted	138,033	139,103	139,263	138,939
Preferred stock dividends declared and paid	$ —	$ —	$ —	$ —
Common stock dividends declared and paid	$ 12,367	$ 12,486	$ 12,475	$ 12,441

(1) Income (loss) from continuing operations per share, income (loss) from discontinued operations per share, and net income (loss) per share are computed independently for each quarter and the full year based upon respective average shares outstanding. Therefore, the sum of the quarterly per share amounts may not equal the annual per share amounts reported.

(b) Index to Exhibits

Exhibit Number	Description
3.1 #	Amended and Restated Articles of Incorporation of Entercom Communications Corp. (Incorporated by reference to Exhibit 3.01 to Entercom's Amendment to Registration Statement on Form S-1, as filed on January 27, 1999 (File No. 333-61381)).
3.2 #	Articles of Amendment to the Articles of Incorporation of Entercom Communications Corp. (Incorporated by reference to Exhibit 3.1 of Entercom's Current Report on Form 8-K as filed on December 21, 2007).
3.3 #	Articles of Amendment to the Articles of Incorporation of Entercom Communications Corp. (Incorporated by reference to Exhibit 3.02 to Entercom's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, as filed on August 5, 2009).
3.4 #	Articles of Amendment to the Articles of Incorporation of Entercom Communications Corp. dated November 17, 2017. (Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on November 17, 2017).
3.5 #	Amended and Restated Bylaws of Entercom Communications Corp. (Incorporated by reference to Exhibit 3.1 to Entercom's Current Report on Form 8-K filed on October 24, 2019).
4.1 #	Indenture for Senior Notes, dated as of October 17, 2016, by and among Entercom Media Corp. (formerly CBS Radio, Inc.), the guarantors named therein, and Deutsche Bank Trust Company Americas, as trustee. (Incorporated by reference to Exhibit 4.2 of Entercom's Registration Statement on Form S-4 (File No. 333-
4.2 #	Supplemental Indenture, dated as of November 17, 2017, by and among Entercom Radio, LLC, the other guarantor parties named therein, and Deutsche Bank Trust Company Americas, as trustee. (Incorporated by reference to Exhibit 4.2 to Entercom's Current Report on Form 8-K filed on November 17, 2017).
4.3 #	Supplemental Indenture, dated December 8, 2017, by and between Entercom Media Corp. (formerly CBS Radio Inc.), and Deutsche Bank Trust Company Americas, as trustee (Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on December 11, 2017).
4.4 #	First Supplemental Indenture, dated December 13, 2019, by and between Entercom Media Corp. (formerly CBS Radio Inc.), and Deutsche Bank Trust Company Americas, as trustee. (Incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed on December 16, 2019).
4.5 #	Indenture for Senior Secured Second-Lien Notes due May 1, 2027, by and among Entercom Media Corp., the guarantors named therein, and Deutsche Bank Trust Company Americas, as trustee. (Incorporated by reference to Exhibit 4.1 to Entercom's Current Report on Form 8-K filed on May 1, 2019).
4.6 #	Form of 6.500% Senior Secured Second-Lien Note due 2027 (included in Exhibit 4.1) (Incorporated by reference to Exhibit 4.2 to Entercom's Current Report on Form 8-K filed on May 1, 2019).
4.7 #	First Supplemental Indenture, dated as of December 13, 2019, by and among Entercom Media Corp., the guarantors named therein, and Deutsche Bank Trust Company Americas, as trustee. (Incorporated by reference to Exhibit 4.2 to Entercom's Current Report on Form 8-K filed on December 16, 2019).
10.1 #	Credit Agreement, dated as of October 17, 2016, as amended by Amendment No. 1 on March 3, 2017, as amended by Amendment No. 2 on November 17, 2017, as amended by Amendment No. 3 on April 30, 2019, and as amended by Amendment No. 4 on December 13, 2019 by an among Entercom Media Corp. (formerly CBS Radio Inc.), each of the guarantors party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent. (Incorporated by reference to Exhibit 10.1, (Exhibit A thereof which is a restatement of the Credit Agreement with all amendments) to Entercom's Current Report on Form 8-K filed on December 16, 2019).
10.2 #	Tax Matters Agreement, by and between CBS Corporation and Entercom Communications Corp., dated as of November 16, 2017. (Incorporated by reference to Exhibit 2.10 to Entercom's Current Report on Form 8-K filed on November 17, 2017).
10.3 #	Employment Agreement, dated April 22, 2017, between Entercom Communications Corp. and David J. Field. (Incorporated by reference to Exhibit 10.1 to Entercom's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, as filed on August 5, 2016).
10.4 #	First Amendment to Employment Agreement, November 16, 2017, between Entercom Communications Corp. and David J. Field. (Incorporated by reference to Exhibit 10.3 to Entercom's Current Report on Form 8-K filed on November 17, 2017).

10.5 # Waiver Agreement April 19, 2017, between Entercom Communications Corp. and David J. Field. (Incorporated by reference to Exhibit 10.3 to Entercom's Quarterly Report on Form 10Q for the quarter ended June 30, 2017, filed on August 4, 2017).

10.6 # Second Amendment to Employment Agreement, dated October 11, 2018, between Entercom Communications Corp. and David J. Field (Incorporated by reference to Exhibit 10.8 to Entercom's Annual Report on Form 10-K for the year ended December 31, 2018, as filed on February 27, 2019).

10.7 # Acknowledgment, Consent and Agreement of David J. Field, dated October 23, 2019. (Incorporated by reference to Exhibit 10.1 to Entercom's Current Report on Form 8-K filed on October 24, 2019).

10.8 # Employment Agreement, dated March 20, 2017, between Entercom Communications Corp. and Richard J. Schmaeling. (Incorporated by reference to Exhibit 10.4 to Entercom's Quarterly Report on Form 10Q for the quarter ended March 31, 2017, filed on May 9, 2017).

10.9 # Acknowledgment, Consent and Agreement of Richard J. Schmaeling, dated October 23, 2019. (Incorporated by reference to Exhibit 10.2 to Entercom's Current Report on Form 8-K filed on October 24, 2019).

10.10 # Employment Agreement, dated July 18, 2017, between Entercom Communications Corp. and Louise C. "Weezie" Kramer. (Incorporated by reference to Exhibit 10.1 to Entercom's Quarterly Report on Form 10Q for the quarter ended September 30, 2017, filed on November 6, 2017).

10.11 # Acknowledgment, Consent and Agreement of Louise C. Kramer, dated October 23, 2019. (Incorporated by reference to Exhibit 10.3 to Entercom's Current Report on Form 8-K filed on October 24, 2019).

10.12 # Employment Agreement, dated May 15, 2017, between Entercom Communications Corp. and Andrew P. Sutor. (Incorporated by reference to Exhibit 10.2 to Entercom's Quarterly Report on Form 10Q for the quarter ended June 30, 2017, filed on August 4, 2017).

10.13 * First Amendment to Employment Agreement, dated February 20, 2020, between Entercom Communications Corp. and Andrew P. Sutor. (Filed herewith).

10.14 # Acknowledgment, Consent and Agreement of Andrew P. Sutor, dated October 23, 2019. (Incorporated by reference to Exhibit 10.5 to Entercom's Current Report on Form 8-K filed on October 24, 2019).

10.15 # Employment Agreement, dated October 11, 2018, between Entercom Communications Corp. and Robert Philips. (Incorporated by reference to Exhibit 10.12 to Entercom's Current Report on Form 10-K for the year ended December 31, 2018, as filed on February 27, 2019).

10.16 # Acknowledgment, Consent and Agreement of Robert Philips, dated October 23, 2019. (Incorporated by reference to Exhibit 10.4 to Entercom's Current Report on Form 8-K filed on October 24, 2019).

10.17 # Employment Agreement, July 1, 2007, between Entercom Communications Corp. and Joseph M. Field. (Incorporated by reference to Exhibit 10.2 to Entercom's Quarterly Report on Form 10Q/A for the quarter ended September 30, 2007, filed on August 5, 2007).

10.18 # First Amendment to Employment Agreement, December 15, 2008, between Entercom Communications Corp. and Joseph M. Field. (Incorporated by reference to Exhibit 10.4 to Entercom's Annual Report on Form 10-K for the year ended December 31, 2008, filed on February 26, 2009).

10.19 # Second Amendment to Employment Agreement, May 10, 2017, between Entercom Communications Corp. and Joseph M. Field. (Incorporated by reference to Exhibit 10.3 to Entercom's Quarterly Report on Form 10Q for the quarter ended June 30, 2017, filed on August 4, 2017).

10.20 # Entercom Non-Employee Director Compensation Policy adopted May 10, 2017. (Incorporated by reference to Exhibit 10.1 to Entercom's Current Report on Form 8-K filed on May 16, 2017).

10.21 # Amended and Restated Entercom Equity Compensation Plan. (Incorporated by reference to Exhibit A to Entercom's Proxy Statement on Schedule 14A, filed on March 7, 2014).

10.22 # Entercom Annual Incentive Plan. (Incorporated by reference to Exhibit A to Entercom's Proxy Statement on Schedule 14A, filed on March 17, 2017).

10.23 # Entercom 2016 Employee Stock Purchase Plan. (Incorporated by reference to Exhibit A to Entercom's Proxy Statement on Schedule 14A, filed on March 18, 2016).

21.1 * Information Regarding Subsidiaries of Entercom Communications Corp. Filed herewith.

23.1 *	Consent of PricewaterhouseCoopers LLP. Filed herewith.
31.1 *	Certification of President and Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a), as created by Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.
31.2 *	Certification of Executive Vice President and Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a), as created by Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.
32.1 **	Certification of President and Chief Executive Officer pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 **	Certification of Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

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* Filed herewith
\# Incorporated by reference.
** Furnished herewith. Exhibit is "accompanying" this report and shall not be deemed to be "filed" herewith.

ITEM 16. FORM 10-K SUMMARY PAGE

Not Presented.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in Philadelphia, Pennsylvania, on March 2, 2020.

ENTERCOM COMMUNICATIONS CORP.

By: /s/ DAVID J. FIELD

David J. Field, Chairman, Chief Executive Officer and President
(principal executive officer)

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	CAPACITY	DATE
Principal Executive Officer:		
/s/ DAVID J. FIELD David J. Field	Chairman, Chief Executive Officer and President	March 2, 2020
Principal Financial Officer:		
/s/ RICHARD J. SCHMAELING Richard J. Schmaeling	Executive Vice President and Chief Financial Officer	March 2, 2020
Principal Accounting Officer:		
/s/ ELIZABETH BRAMOWSKI Elizabeth Bramowski	Principal Accounting Officer and Controller	March 2, 2020
Directors:		
/s/ DAVID J. FIELD David J. Field	Director, Chairman of the Board	March 2, 2020
/s/ JOSEPH M. FIELD Joseph M. Field	Chairman Emeritus	March 2, 2020
/s/ DAVID J. BERKMAN David J. Berkman	Director	March 2, 2020
/s/ SEAN R. CREAMER Sean R. Creamer	Director	March 2, 2020
/s/ JOEL HOLLANDER Joel Hollander	Director	March 2, 2020
/s/ MARK R. LANEVE Mark R. Laneve	Director	March 2, 2020
/s/ DAVID LEVY David Levy	Director	March 2, 2020
/s/ SUSAN K. NEELY Susan K. Neely	Director	March 2, 2020
/s/ STEFAN M. SELIG Stefan M. Selig	Director	March 2, 2020

Entercom Communications Corp.
Corporate Information

Directors

David J. Field
Chairman of the Board

Joseph M. Field
Chairman Emeritus

David J. Berkman
Independent Lead Director

Sean R. Creamer

Joel Hollander

Louise C. Kramer

Mark R. LaNeve

David Levy

Susan K. Neely

Stefan M. Selig

Information Requests

Richard J. Schmaeling
Executive Vice President & Chief Financial Officer
(610) 660-5686

Independent Auditors for FY 2019

PricewaterhouseCoopers LLP
Two Commerce Square, Suite 1700
2001 Market Street
Philadelphia, PA 19103-7042
Gina Gin, Partner
(267) 330-3000

Officers

David J. Field
President & Chief Executive Officer

Joseph M. Field
Chairman Emeritus

Richard J. Schmaeling
Executive Vice President & Chief Financial Officer

Louise C. Kramer
Chief Operating Officer

Andrew P. Sutor, IV
Executive Vice President, General Counsel & Secretary

Robert Philips
Chief Revenue Officer & President of Entercom Audio Networks

Stock Trading

Class A Common Stock of Entercom Communications Corp. is traded on the New York Stock Exchange under the Symbol “ETM”.

Shareholder Records

Shareholders desiring to change the name, address or ownership of stock, to report lost certificates or to consolidate accounts, should contact Entercom Communications Corp.’s transfer agent.

Transfer Agent

American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038
(800) 937-5449
www.amstock.com