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, 2020

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
Series A Junior Participating Convertible Preferred Stock, par value $0.01 per share		
Series B Junior Participating Convertible Preferred Stock, par value $0.01 per share		

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 has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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, 2020, was $160,624,907 based on the closing price of $1.38 on the New York Stock Exchange on such date. The market value of the registrant's Class B common stock is not included in the above value as there is no active market for such stock.

Class A common stock, $0.01 par value 136,836,055 shares outstanding as of February 12, 2021
(Class A shares outstanding includes 5,277,228 unvested and vested but deferred restricted stock units).
Class B common stock, $0.01 par value 4,045,199 shares outstanding as February 12, 2021.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information in the registrant's Definitive Proxy Statement for its 2021 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.

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.

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 2020 publication of Nielsen’s Radio Markets; Population, Rankings and Information.

PART I

ITEM 1. BUSINESS

Entercom is a leading, multi-platform audio content and entertainment company. As the leading creator of live, original, local, premium audio content in the United States and the nation's unrivaled leader in local sports radio and news, we are home to the nation's most influential collection of podcasts, digital and broadcast content, and premium live events. Through our multi-channel platform, we engage our consumers each month with highly immersive content and experiences. Available in every major U.S. market, we deliver compelling live and on-demand content and experiences from voices and influencers our communities trust. Our robust portfolio of assets and integrated solutions help advertisers take advantage of the burgeoning audio opportunity through targeted reach and conversion, brand amplification and local activation - all at a national scale.

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 our broadcast, digital, podcast and event platform, delivering the power of local connection on a national scale. Our nationwide footprint of radio stations includes positions in all of the top 16 markets and 21 of the top 25 markets. We were organized in 1968 as a Pennsylvania corporation.

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 cumulative audience, 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 podcaster Cadence13, Inc. ("Cadence13") by purchasing the remaining shares in Cadence13 that we did not already own. We initially acquired a 45% interest in Cadence13 in July 2017. Through our strategic acquisitions of Pineapple and Cadence13, we are one of the country's top three podcasters in the United States 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 Cadence13 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 28.8 million registered users.

Our Strategy

Our strategy focuses on accelerating growth by capitalizing on scale, efficiencies and operating expertise to consistently deliver 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 leading 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 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 our talented high achievers can grow and thrive.

Sources 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 Cadence13 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.

We sell advertising at live and local events hosted by us across the country. We also earn revenues from attendee-driven ticket sales and merchandise sales.

We also sell sponsorships including, but not limited to, naming rights related to our programs and studios. In these arrangements, we earn revenues from mentioning or displaying of sponsors' name, logo, product information, slogan or descriptions of the sponsors' goods or services in acknowledgement of their support.

Competition

The radio broadcasting and podcasting industries are highly competitive. We compete for listeners and advertising revenue with other radio stations, podcasters, and audio companies. Specifically, we 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.

We believe our robust portfolio of assets and integrated solutions offer advertisers today's most engaged audiences through targeted reach, brand amplification and local activation at a national scale, which allows us to compete effectively against other broadcast radio operators and other media.

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 Federal Communications Commission (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. 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.

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.

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

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 ($419,353 for a single violation, up to a maximum of $3,870,946 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.

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 $51,827.

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; or (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 U.S. Department of Justice ("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.

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, is known as “HD Radio.” 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.

Human Capital

As of December 31, 2020, we had 3,524 full-time employees and 2,513 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 ("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 ("WGAE") and Writers Guild of America West ("WGAW"). With respect to certain of our stations in our Chicago, Los Angeles, New York City, Philadelphia, San Francisco, and St. Louis markets, we are a party to collective bargaining agreements with the International Brotherhood of Electrical Workers ("IBEW"). We believe that our relations with our employees are good.

We believe that our future success largely depends upon our continued ability to attract and retain highly skilled employees. We provide our employees with competitive salaries and bonuses, opportunities for equity ownership, development programs that enable continued learning and growth, and an employment package that promotes well-being across all aspects of their lives, including health care, retirement planning and paid time off.

We value diversity at all levels and continue to focus on extending our diversity and inclusion initiatives across our entire workforce. Our Diversity, Equity and Inclusion ("DEI") Task Force is dedicated to serving our communities and making positive, meaningful impact through: (i) building a more diverse organization; (ii) strengthening our culture of inclusion and respect; and (iii) fostering a more just, equitable and inclusive nation. We recently established a fellowship program which will create fellowship roles for recent college graduates emphasizing diverse candidates to fill key openings across our organization. The fellowship program is a structured one-year job assignment complete with coaching, mentoring and career development experiences to foster a rapid learning and growth environment among the cohort, while increasing the successful integration of early career talent within our team.

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:

RISKS RELATED TO OUR BUSINESS

The effects of the current novel coronavirus ("COVID-19") global pandemic on our operations and the operations of our customers, have had, and may continue to have, a material adverse effect on our business, financial condition, results of operations, or cash flows.

In December 2019, a novel strain of coronavirus ("COVID-19") surfaced which resulted in an outbreak of infections throughout the world, which has affected operations and global supply chains. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. Our business and operations have been, and may continue to be, materially and adversely affected by the effects of COVID-19. Governments, public institutions, and other organizations throughout the world have taken certain emergency measures to combat its spread, including implementation of travel bans, restrictions and limitations on social gatherings, closures of factories, schools, public buildings, and businesses and the implementation of alternative work arrangements. While certain of these measures have been relaxed or reversed to varying degrees throughout the world, many have been subsequently reinstated, adding an additional layer of uncertainty. These emergency measures have had and are expected to continue to have an adverse effect on our business and operations. While the full impact of this pandemic is not yet known, we have taken proactive actions in an effort to mitigate its effects and are continually assessing its effects on our business.

The COVID-19 pandemic has had, and will continue to have, a widespread and broad reaching effect on the economy and has had adverse impacts on national and local businesses that we currently rely on with respect to our operations, which has resulted and could continue to result in a decrease in advertising spend and/or heighten the risk with respect to the collectability of our accounts receivable. In 2020, we experienced declines in advertising revenues as a result of the suspension of the National Hockey League and National Basketball Association seasons, the substantially shortened Major League Baseball season and the cancellation of the National Football League preseason in 2020 and the reduction of games in 2021 as well as reductions in event revenues as a result of the cancellation of concerts and other live events due to the current limitations on social gatherings and stay-at-home orders in place. We believe these limitations on social gatherings, sporting events and live events will continue to adversely impact our operations in 2021.

Additionally, our Credit Facility requires us to maintain compliance with a maximum Consolidated Net First Lien Leverage Ratio (as defined in the Credit Facility) that cannot exceed 4.0 times. Under certain limited 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 as a result of the COVID-19 pandemic. 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. In the third quarter of 2020, we amended our Credit Facility which resulted in a covenant holiday through December 31, 2020. Additionally, the amendment allows use of the second, third and fourth quarter of 2019 EBITDA figures in place of the second, third and fourth quarter of 2020 EBITDA figures for purposes of calculating the Consolidated Net First Lien Leverage ratio when the covenant resumed in 2021. The amendment also added a new minimum liquidity covenant of $75.0 million until December 31, 2021, or such earlier date as we may elect. We may seek from time to time to further amend our Credit Facility or obtain other funding or additional funding, which may result in higher interest rates on our debt. However, we may not be able to do so on terms that are acceptable or to the extent necessary to avoid a default, depending upon conditions in the credit markets, the length and depth of the market reaction to the COVID-19 pandemic and our ability to compete in this environment.

The extent to which our results continue to be affected by COVID-19 will largely depend on future developments, which cannot be accurately predicted and are uncertain, including, but not limited to, the duration, scope and severity of the COVID-19 pandemic, any additional resurgences or COVID-19 variants; the ability to effectively and widely manufacture and distribute vaccines, the public's perception of the safety of the vaccines and their willingness to take the vaccines; the effect of the COVID-19 pandemic on our customers and the ability of our clients to meet their payment terms; the public's willingness to attend live events; and the pace of recovery when the pandemic subsides. The COVID-19 pandemic has had, and may continue to have, a material adverse effect on our business, financial condition, results of operations, or cash flows, as well as heighten the other risks discussed in this Item 1A, Risk Factors.

Our results may be impacted by economic trends.

As discussed above, our net revenues decreased in 2020 as compared to 2019 primarily as a result of the COVID-19 pandemic. Our net revenues increased in 2019 as compared to 2018 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 operations may be adversely affected by changes in programming and competition for advertising revenues.

We operate in a highly competitive business. We 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.

We cannot predict the competitive effect of changes in audio content distribution or changes in technology.

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 may have on us or on our financial condition, results of operations and cash flows.

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. 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.

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.

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 and podcasting operations compete for creative and on-air talent with other radio stations, audio companies and other media, such as broadcast, cable and satellite television, digital media and satellite radio. Our program talent are subject to change, due to competition and other reasons. Changes in program 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 and October 2015, CBS Radio was named as a defendant in two separate putative class action lawsuits in federal court in California that were subsequently consolidated in an action entitled ABS Entertainment, Inc. et al. v. CBS Corporation et al. (the "ABS matter"). In May 2016, the California trial court granted summary judgment in CBS Radio's favor: (a) striking the class certification claims; and (b) determining that CBS Radio had publicly performed post-1972 digitally remastered recordings, recordings which were derivative works sufficiently original to be copyrightable, and thus those works were governed exclusively by federal, not California, law. In August 2018, the Court of Appeals for the Ninth Circuit reversed the District Court. A petition for rehearing en banc, filed on September 18, 2018, was denied, although a particular aspect of the panel's decision was amended prior to remand to the District Court. While on remand, a separate matter that involves parties unrelated to the company, Flo & Eddie, Inc. v. Sirius XM Radio, Inc., (the "Sirius XM matter") progressed to the Ninth Circuit, raising the issue of whether California law recognizes a public performance right for pre-1972 Recordings. The Company and the plaintiffs in the ABS matter agreed that, because the Sirius XM matter might fully resolve or greatly simplify the issues in the ABS matter, the parties agreed to dismiss the ABS matter without prejudice and toll it, pending the outcome of the Sirius XM matter.

An adverse decision in the ABS matter 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 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. From time to time, we are the subject of investigations by the FCC in the normal course of business.

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 2020, we generated over 50% of our as reported net revenues from 11 of our markets, which were Atlanta, Boston, Chicago, Dallas, Detroit, Los Angeles, Miami, 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, during the fourth quarter of 2019 in connection with our annual impairment assessment, during the second and third quarters of 2020 as a result of interim impairment assessments, and during the fourth quarter of 2020 in connection with our annual impairment assessment. As of December 31, 2020, our broadcasting licenses and goodwill comprised approximately 70% of our total assets.

The interim impairment assessments conducted during the second and third quarters of 2020 indicated that the fair value of our broadcasting licenses was less than their respective carrying amounts for certain of our markets. Accordingly, we recorded an impairment loss of $4.1 million, ($3.0 million, net of tax) and $11.8 million, ($8.7 million, net of tax), respectively.

The annual impairment assessment conducted during the fourth quarter of 2020 indicated that the fair value of our broadcasting licenses was less than their respective carrying amounts for certain of our markets. Accordingly, we recorded an impairment loss of $246.0 million, ($180.4 million, net of tax)

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 our broadcasting licenses 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.

As a result of the large impairment loss recorded during the fourth quarter of 2019, our remaining goodwill is attributable solely to recent acquisitions. The fair value of acquired goodwill is based upon our estimates of the fair values using an income approach. Our fair value analysis contains assumptions based on past experience, reflects expectations of industry observers and includes judgments about future performance using industry normalized information.

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, 2020, we had future operating lease commitments of approximately $324.3 million that are disclosed in Note 23, 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. The FCC has threatened on more than one occasion to initiate license revocation proceedings against a broadcast licensee who commits a "serious" indecency violation. Further, broadcasting obscene, indecent or profane programming, may potentially subject broadcasters to license revocation, renewal or qualification proceedings. We may in the future become subject to inquiries or proceedings related to our stations. To the extent that these 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, which could have a material adverse effect on our business.

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, 2020, we had a senior secured credit agreement (the “Credit Facility”) of $1.0 billion that is comprised of: (a) a term B-2 loan (the “Term B-2 Loan”) with $754.0 million outstanding at December 31, 2020; and (b) a $250.0 million senior secured revolving credit facility (the “Revolver”), of which $114.7 million was outstanding at December 31, 2020. In addition to the Credit Facility, we also have outstanding $400.0 million aggregate principal amount of 7.250% senior notes due November 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 $129.2 million as of December 31, 2020. 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, 2020, 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: (i) limited in how we conduct our business; (ii) unable to raise additional debt or equity financing to operate during general economic or business downturns; and/or (iii) 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: (i) limit our ability to borrow money; (ii) make acquisitions, investments or restricted payments, including without limitation dividends and the repurchase of stock; (iii) swap or sell assets; or (iv) 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. Under certain limited 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 as a result of the COVID-19 pandemic. 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.

As discussed above in the Risks Related To Our Business section, in the third quarter of 2020, we amended our Credit Facility which resulted in a covenant holiday through December 31, 2020.

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 operating assets 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 operating subsidiaries and our FCC license subsidiary are direct or indirect 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, 2020, 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 $6.4 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, 2020.

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, 2020, we had $754.0 million outstanding under the Term B-2 Loan and $114.7 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: (i) sales of assets; (ii) sales of equity; (iii) reduction or delay of capital expenditures, strategic acquisitions, investments and alliances; or (iv) 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, President and Chief Executive Officer and our Chairman Emeritus 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 12, 2021, David J. Field, our Chairman, President and Chief Executive Officer, and one of our directors, beneficially owned 3,404,462 shares of our Class A common stock and 2,749,250 shares of our Class B common stock, representing approximately 18.0% of the total voting power of all of our outstanding common stock. As of February 12, 2021, Joseph M. Field, our Chairman Emeritus and one of our directors, and the father of David J. Field, beneficially owned 14,433,547 shares of our Class A common stock and 1,295,949 shares of our Class B common stock, representing approximately 15.9% of the total voting power of all of our outstanding common stock. David J. Field and Joseph M. 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.

Our Class B common stock is entitled to ten votes per share when voted by David J. Field and Joseph M. Field, subject to certain limited exceptions when they are either limited to zero votes (i.e., the election of Class A Directors) or one vote (i.e., a going private transaction where David J. Field or Joseph M. Field participate). David J. Field and Joseph M. Field are 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 New York Stock Exchange ("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.

If we are not in compliance with the continued listing standards of the NYSE, our common stock may be delisted, which could have a material adverse effect on the liquidity of our common stock.

Our common stock is currently traded on the NYSE. Our common stock may fail to comply with the minimum average closing price requirement for continued listing on that market if the average closing price of our common stock falls below the required $1.00 per share minimum over any 30 consecutive trading-day period.

On April 3, 2020, the closing price for our common stock fell below $1.00 per share. Since May 14, 2020, our closing stock price has been above $1.00 per share.

Although we are currently in compliance with all applicable continued listing requirements and have received no contradictory notification from the New York Stock Exchange, further dramatic declines in the stock market may lead to further declines in the price of our common stock. We continually monitor our compliance with the New York Stock Exchange's continued listing requirements. There can be no assurance that we will be able to comply with the minimum closing price requirement, or any other requirement in the future.

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 5 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 5 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, 2020, we had approximately $324.3 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. Refer to Item 1A Risk Factors, above for additional discussion on ongoing legal proceedings. 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.

Music Licensing

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, 2021. 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 hearings to determine the royalty rates for the public digital performance of sound recordings on the Internet under federal statutory license for the 2021-2026 royalty period (the "Web V Proceedings"), originally scheduled for March 2020, were rescheduled due to the COVID-19 pandemic and held virtually in August 2020. As of the date of this filing, the CRB has not yet released its determination of rates resulting from the Web V Proceedings.

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 12, 2021, there were approximately 519 shareholders of record of our Class A common stock. Based upon available information, we believe we have approximately 21,500 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.

Dividends

On November 2, 2017, our Board approved an increase to the annual dividend program from $0.30 per share 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, with payments that approximated $2.7 million per quarter. Following the payment of the quarterly dividend for the first quarter of 2020, we suspended our quarterly dividend program. 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.

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 12, 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 2020 that were not registered under the Securities Act.

Repurchases of Our Stock

The following table provides information on our repurchases (or deemed repurchases) of stock during the quarter ended December 31, 2020:

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 (2)
October 1, 2020 - October 31, 2020	—	$ —	—	$ 41,578,230
November 1, 2020 - November 30, 2020 (1)	12,236	$ 2.16	—	$ 41,578,230
December 1, 2020 - December 31, 2020 (1)	24,093	$ 2.43	—	$ 41,578,230
Total	36,329		—	

(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) 12,236 shares at an average price of $2.16 in November 2020; and (ii) 24,093 shares at an average price of $2.43 per share in December 2020.

(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 Class A 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, 2020. As of December 31, 2020, $41.6 million is available for future share repurchases under the 2017 Share Repurchase Program.

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2020, the number of securities outstanding upon the exercise of outstanding options under our equity compensation plans, 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, 2020

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))
	(amounts in thousands)		
Equity Compensation Plans Approved by Shareholders:			
Entercom Equity Compensation Plan[1,2]	609	$ 3.81	1,152,894 [3]
Equity Compensation Plans Not Approved by Shareholders:			
Entercom Acquisition Compensation Plan[4]	200	$ 0.42	2,729,938
Total	809		3,882,832

For a description of the Plan, refer to Note 17, Share-Based Compensation, in the accompanying notes to our audited consolidated financial statements.

[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. The amount of shares available for grant automatically increased by 1.5 million on January 1, 2020, January 1, 2019, and January 1, 2018. As of December 31, 2020: (i) the maximum number of shares authorized under the Plan was 17.8 million shares; and (ii) (0.3 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, 2021, to 1.2 million shares.

[2] In connection with the completion of the CBS Radio Merger, the shares available under the Plan was increased by 2,941,525 pursuant to New York Stock Exchange Listed Company Manual Rule 303A.08. The addition of these shares, which are included in the total shares available for future issuance, was not required to be approved by the Company's shareholders, but are available pursuant to a plan approved by shareholders.

[3] Management determined that presenting the number of shares available for future issuance under the Plan as of January 1, 2021, was more meaningful to users of the financial statements.

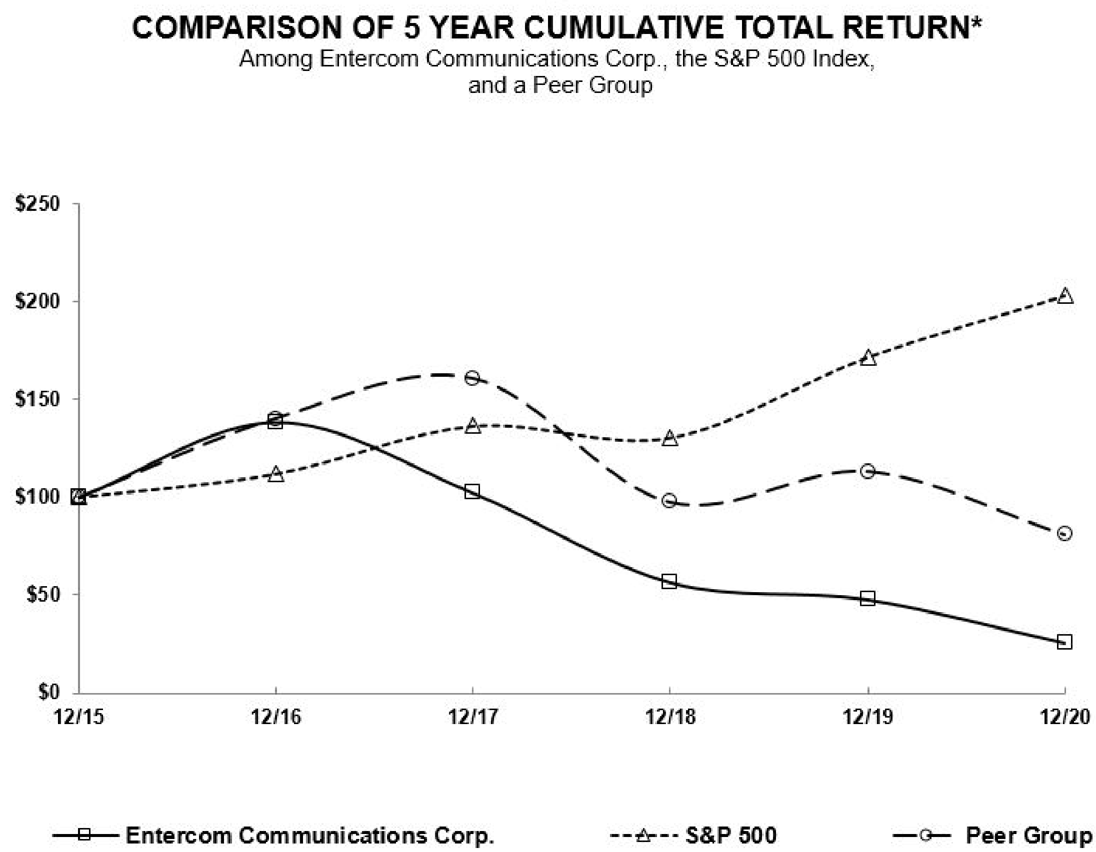
[4] On November 9, 2020, the Company completed the acquisition of sports data and iGaming affiliate platform QL Gaming Group ("QLGG") (the "QLGG Acquisition"). In connection with the QLGG Acquisition, the Company assumed an equity compensation plan that was in place at QLGG. This plan (the "QLGG 2017 Incentive Compensation Plan") was assumed pursuant to New York Stock Exchange Listed Company Manual Rule 303A.08 and did not require approval by the Company's shareholders.

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; and (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 “Peer Group”). An investment of $100 (with reinvestment of all dividends) is assumed to have been made on December 31, 2015.

Cumulative Five-Year Return Index Of A $100 Investment



* $100 invested on 12/31/15 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

	12/15	12/16	12/17	12/18	12/19	12/20
Entercom Communications Corp.	**100.00**	**138.52**	**102.40**	**56.72**	**47.97**	**25.79**
S&P 500	**100.00**	**111.96**	**136.40**	**130.42**	**171.49**	**203.04**
Peer Group	**100.00**	**140.20**	**160.72**	**97.61**	**113.30**	**81.12**

ITEM 6. SELECTED FINANCIAL DATA

The selected financial data below, as of and for the year ended 2020 and the four prior years, were derived from our audited consolidated financial statements. The selected financial data for 2020, 2019 and 2018 and balance sheets as of December 31, 2020, and 2019 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 2017 and 2016 and the balance sheets as of December 31, 2018, 2017 and 2016 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,				
	2020	2019	2018	2017	2016
Operating Data:					
Net revenues	$ 1,060,898	$ 1,489,929	$ 1,462,567	$ 592,884	$ 464,771
Operating (income) expenses:					
Station operating expenses	907,796	1,086,617	1,099,278	443,512	323,270
Depreciation and amortization	50,231	45,331	44,288	15,546	9,793
Corporate general and administrative expenses	64,560	84,304	69,492	47,859	33,328
Integration costs	491	4,297	25,372	—	—
Restructuring charges	11,981	6,976	5,830	16,922	—
Impairment loss	264,432	545,457	493,988	952	254
Merger and acquisition costs	553	941	3,014	41,313	708
Other expenses related to financing	—	4,397	—	2,213	565
Net time brokerage agreement fees (income)	—	106	(918)	130	417
Net (gain) loss on sale or disposal of assets	(139)	(7,640)	(12,158)	11,853	(1,621)
Total operating expenses	1,299,905	1,770,786	1,728,186	580,300	366,714
Operating income (loss)	(239,007)	(280,857)	(265,619)	12,584	98,057
Other (income) expense:					
Net interest expense	87,096	100,103	101,121	32,521	36,639
Other income	—	—	—	—	(2,299)
(Gain) loss on early extinguishment of debt	—	2,046	—	4,135	10,858
Total other expense	87,096	102,149	101,121	36,656	45,198
Income (loss) before income taxes (benefit)	(326,103)	(383,006)	(366,740)	(24,072)	52,859
Income taxes (benefit)	(83,879)	37,206	(4,153)	(257,085)	14,794
Net income available to the Company - continuing operations	(242,224)	(420,212)	(362,587)	233,013	38,065
Preferred stock dividend	—	—	—	(2,015)	(1,901)
Net income available to common shareholders - continuing operations	(242,224)	(420,212)	(362,587)	230,998	36,164

Income (loss) from discontinued operations, net of taxes (benefit)	—	—	1,152	836	—
Net income (loss) attributable to common shareholders	$ (242,224)	$ (420,212)	$ (361,435)	$ 231,834	$ 36,164
Net Income (Loss) Per Common Share - Basic:					
Income (loss) from continuing operations	$ (1.80)	$ (3.07)	$ (2.63)	$ 4.49	$ 0.94
Income (loss from discontinued operations, net of taxes (benefit)	$ —	—	0.01	0.02	—
Net income (loss) per common share - basic	$ (1.80)	$ (3.07)	$ (2.62)	$ 4.51	$ 0.94
Net Income (Loss) Per Common Share - Diluted:					
Income (loss) from continuing operations	$ (1.80)	$ (3.07)	$ (2.63)	$ 4.37	$ 0.91
Income (loss from discontinued operations, net of taxes (benefit)	$ —	—	0.01	0.02	—
Net income (loss) per common share - diluted	$ (1.80)	$ (3.07)	$ (2.62)	$ 4.38	$ 0.91
Weighted average shares - basic	134,571	136,967	138,070	51,393	38,500
Weighted average shares - diluted	134,571	136,967	138,070	52,885	39,568
Cash Flows Data:					
Cash flows related to:					
Operating activities	$ 85,226	$ 132,188	$ 102,249	$ 29,112	$ 72,030
Investing activities	$ (51,659)	$ (90,516)	$ 141,478	$ 17,310	$ 495
Financing activities	$ (22,996)	$ (213,537)	$ (85,636)	$ (59,098)	$ (34,851)
Other Data:					
Common stock dividends declared and paid	$ 2,692	$ 30,273	$ 49,770	$ 29,296	$ 8,666
Cash dividends declared per common share	$ 0.020	$ 0.220	$ 0.360	$ 0.515	$ 0.225
Perpetual cumulative convertible preferred stock dividends declared and paid	$ —	$ —	$ —	$ 2,574	$ 1,788

	December 31,				
	2020	**2019**	**2018**	**2017**	**2016**
Balance Sheet Data:					
Cash, cash equivalents and restricted cash	$ 30,964	$ 20,393	$ 192,258	$ 34,167	$ 46,843
Total assets	3,288,757	3,643,678	4,020,358	4,539,201	1,076,233
Senior secured debt and other, including current portion	871,222	889,841	1,475,082	1,475,974	480,087
Senior Notes	409,306	411,732	414,158	416,584	—
Notes	429,318	430,000	—	—	—
Deferred tax liabilities and other long-term liabilities	531,142	601,187	635,150	717,356	119,759
Perpetual cumulative convertible preferred stock (mezzanine)	—	—	—	—	27,732
Total shareholders’ equity	$ 644,738	881,443	1,334,260	$ 1,764,360	393,374

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

Overview

Management's discussion and analysis ("MD&A") of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related footnotes contained in Item 15 of this Annual Report on Form 10-K, as well as the information set forth in Item 1A, Risk Factors.

The MD&A, as well as various other sections of the Annual Report, contains and refers to statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. For more information, refer to the "Note Regarding Forward-Looking Statements".

Our Business

We are the leading creator of live, original, local, premium audio content in the United States and the nation's unrivaled leader in local sports radio and news. Home to the nation's most influential collection of podcasts, digital and broadcast content, and premium live experiences, we engage 170 million consumers each month. Available in every major U.S. market, we deliver compelling live and on-demand content and experiences from voices and influencers our communities trust. Our robust portfolio of assets and integrated solutions help advertisers take advantage of the burgeoning audio opportunity through targeted reach and conversion, brand amplification and local activation - all at a national scale.

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 our broadcast, digital, podcast and event platform, delivering the power of local connection on a national scale. Our nationwide footprint of radio stations includes positions in all of the top 16 markets and 21 of the top 25 markets. We were organized in 1968 as a Pennsylvania corporation.

Our results are based upon our aggregate performance. The following are some of the factors that impact our 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, digital competitors and other advertising media in the market area.

As opportunities arise, we may, on a selective basis, change or modify a station's format or digital content due to changes in listeners' tastes or changes in a competitor's format or content. This could have an initial negative impact on 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.

We derive our 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. Our local sales staff generates the majority of our 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 2020, we generated the majority of our net revenues from local advertising, which is sold primarily by each individual local radio station's sales staff. The next largest amount of revenues was from our suite of digital products. Digital revenues include: (i) providing targeted advertising through the sale of streaming and display advertisements on our national platforms, RADIO.COM and eventful.com, and our station websites; (ii) the sale of embedded advertisements in our owned and operated podcasts and other on-demand content; and (iii) production fees for the creation of podcasts.

The next largest amount of revenues is derived 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 2020 revenues principally from network compensation, sponsorships and event revenues, and other revenues. Network revenues include the sale of air-time on our Entercom Audio Network. Sponsorships and event revenues include the sale of advertising space at live and local events across the country as well as naming rights to our programs and studios. Other revenues include on-site promotions and endorsements from talent as well as trade and barter revenues.

Our most significant 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.

Results Of Operations

The year 2020 as compared to the year 2019

The following significant factors affected our results of operations for 2020 as compared to 2019 and 2018:

COVID-19 Pandemic

In December 2019, a novel strain of coronavirus ("COVID-19") surfaced which resulted in an outbreak of infections throughout the world. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic has led to emergency measures to combat its spread, including government-issued stay-at-home orders, implementation of travel bans, restrictions and limitations on social gatherings, closures of factories, schools, public buildings and businesses and the implementation of alternative work arrangements. While certain of these measures have been relaxed or reversed to varying degrees throughout the world, many have been subsequently reinstated, adding an additional layer of uncertainty. These emergency measures have had and are expected to continue to have an adverse effect on our business and operations. While the full impact of this pandemic is not yet known, we have taken proactive actions in an effort to mitigate its effects and are continually assessing its effects on our business, including how it has and will continue to impact advertisers, professional sports and live events.

We experienced strong revenue growth in January and February. In March 2020, we began to experience adverse effects due to the pandemic. During the second quarter of 2020, we experienced significant declines in revenue performance. April revenues were most significantly impacted and we began to experience sequential month over month improvement in our revenue performance in May through December.

We are currently unable to predict the full extent of the impact that the COVID-19 pandemic will have on our financial condition, results of operations and cash flows in future periods due to numerous uncertainties, but to date, it has been material and we believe the impact will continue to be material throughout 2021. However, we believe we are well positioned to fully participate in the recovery and the attractive growth opportunities in the audio space.

We presently believe that the COVID-19 pandemic and its related economic impact has:

- caused a decline in national and local advertising revenues;
- caused a decline in revenues on our sports stations as a result of the temporary suspension of the National Hockey League and National Basketball Association seasons as well as the substantially shortened Major League Baseball season and the cancellation of the National Football League preseason games in 2020 and the reduction of games in 2021, which was largely offset by the pro-rata reduction of our play-by-play sports rights fee obligations under virtually all of our agreements;
- adversely affected our event revenues due to the cancellation of many of our events scheduled during the second, third and fourth quarters of 2020, mitigated by the ability to eliminate the associated event costs;
- increased bad debt expense due to an inability of some of our clients to meet their payment terms; and
- caused elevated employee medical claims costs

The following proactive actions were taken by management in an effort to partially offset the above:

- temporary salary reductions implemented across senior management and the broader organization;
- temporary freezing of contractual salary increases in 2020;
- furlough and termination of select employees;

- suspension of new employee hiring, travel and entertainment, 401(k) matching program, employee stock purchase program, and quarterly dividend program; and
- reduction of sales and promotions spend as well as consulting and other discretionary expenses.

The extent to which the COVID-19 pandemic impacts our business, operations and financial results is inherently uncertain and will depend on numerous evolving factors that we may not be able to accurately predict.

Impairment Loss

In response to a change in facts and circumstances, we conducted interim impairment assessments on our broadcasting licenses during the second quarter of 2020 and during the third quarter of 2020, which resulted in a recognition of a $4.1 million impairment loss ($3.0 million, net of tax) and an $11.8 million impairment loss ($8.7 million, net of tax), respectively.

In connection with our annual impairment assessment conducted during the fourth quarter of 2020, we continued to evaluate the appropriateness of the key assumptions used to develop the fair values of our broadcasting licenses. After further consideration of the impact that the COVID-19 pandemic continues to have on the broadcast industry, we concluded it was appropriate to revise the discount rate used. This change, which resulted in an increase to our discount rate used, was made to reflect current rates that a market participant could expect and further addressed forecast risk that exists as a result of the COVID-19 pandemic. We will continue to monitor these relevant factors to determine if any changes in key inputs in the valuation of our broadcasting licenses is warranted.

In the fourth quarter of 2020, we conducted our annual impairment assessment on our broadcasting licenses. As a result of this assessment, we determined the carrying value of our broadcasting licenses was impaired in certain markets and we recorded a $246.0 million impairment charge ($180.4 million, net of tax) on our broadcasting licenses during the fourth quarter of 2020. This large impairment was primarily attributable to the change to the discount rate discussed above.

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 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.

QL Gaming Group Acquisition

In November 2020, we completed the acquisition of sports data and iGaming affiliate platform QL Gaming Group ("QLGG") in an all cash deal for approximately $32 million (the "QLGG Acquisition"). Based upon the timing of this transaction, our consolidated financial statements for the year ended December 31, 2020, reflect the results of QLGG for a portion of the period after the completion of the QLGG Acquisition. Our consolidated financial statements for the years ended December 31, 2019, and December 31, 2018, do not reflect the results of QLGG.

Cadence13 Acquisition

In October 2019, we completed an acquisition of podcaster Cadence13, Inc. ("Cadence13") by purchasing the remaining shares in Cadence13 that we did not already own (the "Cadence13 Acquisition"). We initially acquired a 45% interest in Cadence13 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 Cadence13 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, 2020, reflect the results of Cadence13. Our consolidated financial statements for the year ended December 31, 2019, reflect the results of

Cadence13 for the portion of the period after the completion of the Cadence13 Acquisition. Our consolidated financial statements for the year ended December 31, 2018, do not reflect the results of Cadence13.

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, 2020, reflect the results of Pineapple. Our consolidated financial statements for the year ended December 31, 2019, reflect the results of Pineapple for the 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, 2020, reflect the results of the stations acquired in the Cumulus Exchange and do not reflect the results of our divested stations. Our consolidated financial statements for the year ended December 31, 2019: (i) reflect the results of the acquired stations for the 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 the 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.

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 $0.5 million, $4.3 million and $25.4 million during the years ended December 31, 2020, December 31, 2019, and December 31, 2018, respectively. Amounts were expensed as incurred and are included in integration costs.

In connection with the COVID-19 pandemic and the Merger, we incurred restructuring charges, including workforce reductions and other restructuring costs of $12.0 million, $7.0 million and $5.8 million during the years ended December 31, 2020, December 31, 2019, and December 31, 2018, respectively. Amounts were expensed as incurred and are included in restructuring charges.

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 "Initial Notes"). Interest on the Initial 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 Initial 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 Initial Notes (together with the Initial Notes, the "Notes") and have substantially the same terms as the Initial 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 a Term B-2 loan (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, 2020, we disposed of: (i) equipment and a broadcasting license in Boston, Massachusetts; and (ii) property and equipment and two broadcasting licenses in Greensboro, North Carolina. Collectively, this activity resulted in a gain of approximately $0.1 million.

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 Cadence13, we remeasured our previously held equity interest to fair value and recognized a gain of $5.3 million.

	YEARS ENDED DECEMBER 31,		
	2020	2019	% Change
		(dollars in millions)	
NET REVENUES	$ 1,060.9	$ 1,489.9	(29)%
OPERATING EXPENSE:			
Station operating expenses	907.8	1,086.6	(16)%
Depreciation and amortization expense	50.2	45.3	11 %
Corporate general and administrative expenses	64.6	84.3	(23)%
Integration costs	0.5	4.3	(88)%
Restructuring charges	12.0	7.0	71 %
Impairment loss	264.4	545.5	(52)%
Merger and acquisition costs	0.5	0.9	(44)%
Other expenses related to financing	—	4.4	(100)%
Other operating (income) expenses	(0.1)	(7.5)	(99)%
Total operating expense	1,299.9	1,770.8	(27)%
OPERATING INCOME (LOSS)	(239.0)	(280.9)	(15)%
NET INTEREST EXPENSE	87.1	100.1	(13)%
OTHER (INCOME) EXPENSE	—	2.0	(100)%
INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)	(326.1)	(383.0)	(15)%
INCOME TAXES (BENEFIT)	(83.9)	37.2	(326)%
NET INCOME (LOSS)	$ (242.2)	$ (420.2)	(42)%

Net Revenues

Revenues decreased compared to prior year primarily due to a decrease in advertising spending in connection with the economic slowdown triggered by the COVID-19 pandemic. Specifically, the temporary suspension of the National Hockey League ("NHL") and National Basketball Association ("NBA") seasons, as well as the substantially shortened Major League Baseball ("MLB") season and the cancellation of the National Football League ("NFL") preseason games contributed to a decline in revenues from our sports stations. The MLB and the NBA restarted their abbreviated seasons in late July, the NHL restarted their season in August, and the NFL started their season in September, which contributed to an improvement in revenues from our sports stations in the third quarter. Additionally, the cancellation of events scheduled for the second quarter, third quarter, and fourth quarter of 2020 contributed to a decline in our event revenues. We experienced strong revenue growth in January and February. In March 2020, we experienced adverse effects due to the COVID-19 pandemic. These adverse effects continued throughout the second quarter, third quarter, and fourth quarter.

Partially offsetting this decrease, net revenues were positively impacted by: (i) the full-year operations of Cadence13; (ii) the full-year operations of Pineapple; and (iii) growth in our political spot revenues and network revenues. Net revenues decreased the most for our stations located in the Los Angeles and New York City markets.

Station Operating Expenses

Station operating expenses decreased compared to prior year primarily due to: (i) a reduction of play-by-play rights fees associated with our sports rights contracts; (ii) our proactive response to reduce expenses, and offset reductions in revenue due to COVID-19, including: (a) temporary salary reductions, (b) temporary freezing of contractual salary increases, (c) furlough and termination of select employees, and (d) suspension of new employee hiring, travel and entertainment, 401(k) matching program, and employee stock purchase plan; (iii) reductions in revenues which resulted in a corresponding reduction in variable sales-related expenses; and (iv) reductions in operating costs from operating our stations more efficiently due to synergies recognized.

Station operating expenses included non-cash compensation expense of $2.3 million and $4.7 million for the years ended December 31, 2020, and December 31, 2019, respectively.

Depreciation and Amortization Expense

Depreciation and amortization expense increased compared to prior year primarily due to an increase in capital expenditures in 2019 and the amortization of definite lived intangible assets acquired in 2019. The increase in capital expenditures in 2019 was primarily due to the build out of our new corporate headquarters, 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 decreased primarily as a result of: (i) our proactive response to reduce expenses, and offset reductions in revenue due to COVID-19, including: (a) temporary salary reductions, (b) temporary freezing of contractual salary increases, (c) furlough and termination of select employees, and (d) suspension of new employee hiring, travel and entertainment, 401(k) matching program, and employee stock purchase plan; and (ii) our integration related cost synergy actions.

Corporate, general and administrative expenses included non-cash compensation expense of $6.9 million and $11.5 million for the years ended December 31, 2020 and December 31, 2019, respectively.

Integration Costs

Integration costs were incurred during the years ended December 31, 2020, and December 31, 2019, as a result of the Merger. These costs primarily consisted of ongoing costs related to effectively combining and incorporating CBS Radio into our operations. Based on the timing of the Merger, integration activities primarily occurred in 2017 and 2018 and were reduced significantly in 2019 and 2020.

Restructuring Charges

We incurred restructuring charges in 2020 primarily in response to the COVID-19 pandemic. These costs primarily included workforce reduction charges. We incurred restructuring charges in 2019 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

We conducted interim impairment assessments on our broadcasting licenses during the second and third quarter of the current year. As a result of the interim impairment assessments, we determined that the fair value of our broadcasting licenses was less than their carrying value in certain markets and we recorded a cumulative non-cash impairment charge on our broadcasting licenses of $16.0 million ($11.7 million, net of tax).

The annual impairment assessment conducted during the fourth quarter of 2020 indicated that the fair value of our broadcasting licenses was less than their carrying value in certain markets. As a result, we recorded a non-cash impairment charge on our broadcasting licenses of $246.0 million ($180.4 million, net of tax) in the fourth quarter of 2020.

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.

Merger and Acquisition Costs

Merger and acquisition costs include legal, professional, and other advisory services and are expensed as incurred. These costs are reflective of the volume of merger and acquisition activity in a given year.

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, 2020, we completed: (i) the sale of equipment and a broadcasting license in Boston, Massachusetts and recognized a gain of approximately $0.2 million; and (ii) the sale of property and equipment and two broadcasting licenses in Greensboro, North Carolina, and recognized a loss of approximately $0.1 million.

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 Cadence13, 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.

Interest Expense

During the year ended December 31, 2020, we incurred $13.0 million less in interest expense as compared to the year ended December 31, 2019. 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, 2020, and 2019 was 2.6% and 4.3%, 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 Taxes (Benefit)

The Company recognized an income tax benefit at an effective income tax rate of 25.7% for 2020. This rate was higher than the federal statutory rate of 21% primarily due to the impact of state and local income taxes.

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 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%.

On March 27, 2020, the United States enacted the Coronavirus Aid Relief and Economic Security Act (the "CARES Act"). The CARES Act is an emergency economic stimulus package that includes spending and tax breaks to strengthen the United States economy and fund a nationwide effort to curtail the effects of the COVID-19 pandemic. The CARES Act includes significant business tax provisions that, among other things, includes the removal of certain limitations on the utilization of net operating losses, increases the loss carry back period for certain losses to five years, and increases the ability to deduct interest expense, as well as amending certain provisions of the previously enacted Tax Cuts and Jobs Act. We are continuing to assess the impact that the CARES Act may have on future income tax expense.

On December 27, 2020, President Trump signed into law the Consolidated Appropriations Act, 2021, (the "Appropriations Act") an additional stimulus package providing financial relief for individuals and small business. The Appropriations Act contains a variety of tax provisions, including full expensing of business meals in 2021 and 2022, and expansion of the employee retention tax credit. We do not currently expect the Appropriations Act to have a material tax impact.

Estimated Income Tax Rate For 2021

We estimate that our 2021 annual tax rate before discrete items, which may fluctuate from quarter to quarter, will be between 28% and 30%. 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 2021 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, 2020, and 2019, our total net deferred tax liabilities were $473.4 million and $549.7 million, respectively. The decrease in deferred tax liabilities was primarily the result of the recognition of an impairment loss on our broadcasting licenses in the fourth quarter of 2020. 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.

Results Of Operations

The year 2019 as compared to the year 2018

The discussion of our results of operations for the year ended December 31, 2019, compared to the year ended December 31, 2018, 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 March 2, 2020.

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 2020 indicated that the fair value of our broadcasting licenses was less than their respective carrying amounts for certain markets. Accordingly, we recorded a $246.0 million impairment charge ($180.4 million, net of tax) on our broadcasting licenses in the fourth quarter of 2020.

As discussed in the Broadcasting Licenses Valuation at Risk section below, we have 41 units of accounting where the fair value of broadcasting licenses exceeded their carrying value by 10% or less. In aggregate, these 41 units of accounting have a carrying value of $2,160.6 million as of December 31, 2020. 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

Liquidity

Although we have been, and expect to continue to be, negatively impacted by the COVID-19 pandemic, we anticipate that our business will continue to generate sufficient cash flow from operating activities and we believe that these cash flows, together with our existing cash and cash equivalents and our ability to obtain future external financing, will be sufficient for us to meet our current and long-term liquidity and capital requirements. However, our ability to maintain adequate liquidity is dependent upon a number of factors, including our revenue, macroeconomic conditions, the length and severity of business disruptions caused by the COVID-19 pandemic, our ability to contain costs and to collect accounts receivable, and various other factors, many of which are beyond our control Moreover, if the COVID-19 pandemic continues to create significant disruptions in the credit or financial markets, or impacts our credit ratings, it could adversely affect our ability to access capital on attractive terms, if at all. We also expect the timing of certain priorities to be impacted, such as the pace of our debt reduction efforts and the delay of certain capital projects. During the third quarter of 2020, we amended our senior secured credit agreement (the "Credit Facility") which resulted in a covenant holiday through December 31, 2020.

The Credit Facility as amended, is comprised of the $250.0 million Revolver and a $770.0 million Term B-2 Loan. During the year ended December 31, 2020, we: (i) borrowed the full amount available under our Revolver as a precautionary measure to preserve financial flexibility during the COVID-19 pandemic; (ii) subsequently made elective payments against the outstanding balance of the Revolver; and (iii) made required excess cash flow payments and quarterly amortization payments due under the Term B-2 Loan in the amount of $16.0 million.

As of December 31, 2020, we had $754.0 million outstanding under the Term B-2 Loan and $114.7 million outstanding under the Revolver. In addition, we had $6.2 million in outstanding letters of credit.

As of December 31, 2020, total liquidity was $160.2 million which was comprised of $129.2 million available under the Revolver and $31.0 million in cash and cash equivalents. For the year ended December 31, 2020, we reduced our outstanding debt by $18.3 million due to the previously discussed draw under our Revolver and subsequent repayments. In connection with our outstanding indebtedness, we have restrictions on 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, 2020, the Company had capital expenditure commitments outstanding of $0.4 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.

Amendment and Repricing – 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).

On April 30, 2019, Entercom Media Corp. amended the financial covenant in its Senior Secured Credit Agreement such that the calculation of Consolidated Net First Lien Leverage Ratio only includes first lien secured debt. Accordingly, the Notes (described below) are not included in the financial covenant calculation.

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 and retire our outstanding indebtedness through open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend upon prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

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 "Initial 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 Initial Notes (together, with the Additional Notes, the "Notes") and have substantially the same terms as the Initial 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, 2020, and 2019 and for the years ended December 31, 2020, 2019 and 2018.

The Credit Facility - Amendment No. 4

On December 13, 2019, 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 and the New Class Revolver require 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, 2020, the amount available under the Revolver, which includes the impact of outstanding letters of credit, was $129.2 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: (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., 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, 2020, 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 our Credit Facility and any subsequent failure to negotiate and obtain any required relief from our 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 Credit Facility - Amendment No. 5

On July 20, 2020, Entercom Media Corp, our wholly-owned subsidiary, entered into an amendment ("Amendment No. 5") to the Credit Agreement, dated October 17, 2016 (as previously amended, the "Existing Credit Agreement" and, as amended by Amendment No. 5, the "Credit Agreement"), with the guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent. Amendment No. 5, among other things:

(a) amended our financial covenants under the Credit Agreement by: (i) suspending the testing of the Consolidated Net First Lien Leverage Ratio (as defined in the Credit Agreement) through the Test Period (as defined in the Credit Agreement) ending December 31, 2020; (ii) adding a new minimum liquidity covenant of $75.0 million until December 31, 2021, or such earlier date as we may elect (the "Covenant Relief Period"); and (iii) imposing certain restrictions during the Covenant Relief Period, including among other things, certain limitations on incurring additional indebtedness and liens, making restricted payments or investments, redeeming notes and entering into certain sale and lease-back transactions;

(b) increased the interest rate and/or fees under the Credit Agreement during the Covenant Relief Period applicable to: (i) 2024 Revolving Credit Loans (as defined in the Credit Agreement) to (x) in the case of Eurodollar Rate Loans (as defined in the Credit Agreement), a customary Eurodollar rate formula plus a margin of 2.50% per annum, and (y) in the case of Base Rate Loans (as defined in the Credit Agreement), a customary base rate formula plus a margin of 1.50% per annum, and (ii) Letter of Credit (as defined in the Credit Agreement) fees to 2.50% times the daily maximum amount available to be drawn under any such Letter of Credit; and

(c) modified the definition of Consolidated EBITDA by setting fixed amounts for the fiscal quarters ending June 30, 2020, September 30, 2020, and December 31, 2020, for purposes of testing compliance with the Consolidated Net First Lien Leverage Ratio financial covenant during the Covenant Relief Period, which fixed amounts correspond to the Borrower's Consolidated EBITDA as reported under the Existing Credit Agreement for the Test Period ended March 31, 2020, for the fiscal quarters ending June 30, 2019, September 30, 2019, and December 31, 2019, respectively.

The 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 November 1, 2024, in the amount of $400.0 million (the "Senior Notes"). 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, 2021, at a redemption price of 101.813% of their principal amount plus accrued interest. The redemption price decreases to 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, 2020, and 2019 and for the years ended December 31, 2020, 2019 and 2018.

Operating Activities

Net cash flows provided by operating activities were $85.2 million and $132.2 million for 2020 and 2019, respectively.

The cash flows from operating activities decreased primarily due to a decrease in net income, as adjusted for certain non-cash charges and income tax benefits, of $184.7 million.

This decrease was partially offset by: (i) a reduction in net investment in working capital of $122.5 million; and (ii) an increase in the adjustments to reconcile net income to net cash provided by operating activities of $15.2 million.

The reduction in net investment in working capital was primarily due to the timing of: (i) collections of accounts receivable; (ii) settlements of prepaid expenses; (iii) settlements of accounts payable and accrued liabilities; (iv) settlements of other long-term liabilities; and (v) settlements of accrued interest expense.

The increase in adjustments to reconcile net income to net cash provided by operating activities was primarily due to: (i) an increase in provision for bad debts of $11.8 million; (ii) a reduction in gains on disposals of assets of $7.5 million; and (iii) an increase in depreciation and amortization expense of $4.9 million.

These increases in adjustments to reconcile net income to net cash provided by operating activities were partially offset by reductions in: (i) non-cash stock-based compensation expense of $4.7 million; (ii) gains in the deferred compensation plan of $2.5 million; and (iii) the loss on extinguishment of debt of $2.1 million.

Investing Activities

Net cash flows used in operating activities were $51.7 million and $90.5 million for 2020 and 2019, respectively.

During 2020, net cash flows used in investing activities decreased primarily due to: (i) a reduction in additions to property and equipment and intangibles of $47.1 million; (ii) a reduction in purchases of audio assets of $8.5 million; and (iii) a reduction of purchases of investments in privately held companies of $1.8 million. These reductions were partially offset by a reduction in proceeds from the sale of dispositions of assets of $18.5 million.

Financing Activities

Net cash flows used in financing activities were $23.0 million and $213.5 million for 2020 and 2019, respectively.

During 2020, net cash flows used in financing activities decreased primarily due to: (i) a reduction in payments of long-term debt of $505.7 million; (ii) an increase in the borrowing under the revolving senior debt of $37.1 million; (iii) a reduction in the payment of dividends on common stock of $27.6 million; (iv) a reduction in the payments of revolving senior debt of $23.6 million; (v) a reduction in repurchases of common stock of $18.3 million; and (vi) a reduction in payment for debt issuance costs of $7.7 million. These reductions were partially offset by a reduction in the proceeds from issuance of long-term debt of $430.0 million.

Income Taxes

During 2020, we paid approximately $2.7 million in state income taxes. We did not make any federal income tax payments in 2020 primarily as a result of: (i) the availability of net operating losses ("NOLs") to offset federal tax due; and (ii) our taxable loss position.

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

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. Following the payment of the quarterly dividend for the first quarter of 2020, we suspended our quarterly dividend program. 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.

See Liquidity under Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and Note 12, 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, the Notes and the Senior Notes.

During the year ended December 31, 2020, we did not repurchase any shares under the 2017 Share Repurchase Program. 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. As of December 31, 2020, $41.6 million is available for future share repurchase under the 2017 Share Repurchase Program.

Capital Expenditures

Capital expenditures for 2020, 2019, and 2018 were $30.8 million, $77.9 million, and $41.8 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, 2020:

	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)	$ 2,074,578	$ 85,345	$ 194,314	$ 1,332,005	$ 462,914
Operating lease obligations (2)	324,344	52,721	95,775	72,727	103,121
Purchase obligations (3)	315,684	156,591	116,918	42,175	—
Other long-term liabilities (4)	531,142	—	22,548	—	508,594
Total	$ 3,245,748	$ 294,657	$ 429,555	$ 1,446,907	$ 1,074,629

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

a. Our Credit Facility had outstanding indebtedness in the amount of $754.0 million under our Term B-2 Loan and $114.7 million outstanding under our Revolver as of December 31, 2020. 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 $531.1 million are deferred income tax liabilities of $473.4 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 18, 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, 2020, 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, 2020. 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, 2020, and 2019, our total equity market capitalization was $340.8 million and $621.4 million, respectively, which was $303.9 million lower and $260.0 million lower, respectively, than our book equity value on those dates. As of December 31, 2020, and 2019, our stock price was $2.47 per share and $4.64 per share, respectively.

Intangibles

As of December 31, 2020, 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 and Estimates

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

We generate revenue from the sale to advertisers of various services and products, including but not limited to: (i) spot revenues; (ii) digital advertising; (iii) network revenues; (iv) sponsorship and event revenues; and (v) other 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 spot revenues, digital advertising, and network revenues we recognize revenue at the point in time when the advertisement is broadcast. For event revenues, we recognize revenues at a point in time, as the event occurs. For sponsorship revenues, we recognize revenues over the length of the sponsorship agreement. For trade and barter transactions, revenue is recognized at the point in time when the promotional advertising is aired.

For bundled packages, we account 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 we separately sell the commercial broadcast time, digital advertising, or digital product and marketing solutions.

Revenue is derived primarily from the sale of commercial airtime to local and national advertisers. We recognize revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

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.

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 28% and 30%. 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, 2020, would be a change in income tax benefit, and a change in net income (loss) of $3.3 million. This change in income tax benefit would result in a change of $0.02 to net income (loss) per basic and diluted share for 2020.

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, 2020, we have recorded approximately $2,291.2 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.

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.

For goodwill, we use qualitative and quantitative approaches when testing goodwill for impairment. We perform a qualitative evaluation of events and circumstances impacting each reporting unit to determine the likelihood of goodwill impairment. Based on that qualitative evaluation, if we determine it is more likely than not that the fair value of a reporting unit exceeds its carrying amount, no further evaluation is necessary. Otherwise, we perform a quantitative goodwill impairment test. We perform quantitative goodwill impairment tests for reporting units at least once every three years.

Interim Impairment Assessment

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, respectively. 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.

Subsequent to the annual impairment test conducted during the fourth quarter of 2019, we continued to monitor these factors listed above. Due to the current economic and market conditions related to the COVID-19 pandemic, and a contraction in the expected future economic and market conditions utilized in the annual impairment test conducted in the fourth quarter of 2019, we determined that the changes in circumstances warranted an interim impairment assessment on our broadcasting licenses during the second quarter of the current year. Due to changes in facts and circumstances, we revised our estimates with respect to projected operating performance and discount rates used in the interim impairment assessment.

Subsequent to the interim impairment assessment conducted during the second quarter of the current year, we continued to monitor these factors listed above. Due to the current economic and market conditions related to the COVID-19 pandemic, and a further contraction in the expected future economic and market conditions utilized in the interim impairment assessment conducted in the second quarter of the current year, primarily a decrease in market-specific revenue forecasts, we determined that changes in circumstances warranted an interim impairment assessment on certain of our broadcasting license during the third quarter of the current year.

After assessing the totality of events and circumstances listed above, we determined that it was more likely than not that the fair value of our goodwill, which at the time of assessment was solely attributable to the goodwill acquired in the Cadence13 Acquisition and the Pineapple Acquisition, was greater than its carrying amount. Accordingly, we did not conduct an interim impairment test on our goodwill during the current year.

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 and interim broadcasting license impairment tests 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 2019, 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.

Subsequent to the annual impairment test conducted during the fourth quarter of 2019, we continued to monitor these factors listed above. Due to the current economic and market conditions related to the COVID-19 pandemic, and a contraction in the expected future economic and market conditions utilized in the annual impairment test conducted in the fourth quarter of 2019, we determined that the changes in circumstances warranted an interim impairment assessment on our broadcasting licenses during the second quarter of 2020. Due to changes in facts and circumstances, we revised our estimates with respect to projected operating performance and discount rates used in the interim impairment assessment. During the second quarter of 2020, we completed an interim impairment test for our broadcasting licenses and determined that the fair value of our broadcasting licenses was less than the amount reflected in the balance sheet for certain of our markets and, accordingly, recorded an impairment loss of \$4.1 million, (\$3.0 million, net of tax).

Subsequent to the interim impairment assessment conducted during the second quarter of 2020, we continued to monitor these factors listed above. Due to the current economic and market conditions related to the COVID-19 pandemic, and a further contraction in the expected future economic and market conditions utilized in the interim impairment assessment conducted in the second quarter of 2020, primarily a decrease in market-specific revenue forecasts, we determined that changes in circumstances warranted an interim impairment assessment on certain of our broadcasting license during the third quarter of 2020. During the third quarter of 2020, we completed an interim impairment test for certain of our broadcasting licenses and determined that the fair value of our broadcasting licenses was less than the amount reflected in the balance sheet for certain of our markets and, accordingly, recorded an impairment loss of \$11.8 million, (\$8.7 million, net of tax).

In connection with our annual impairment assessment conducted during the fourth quarter of 2020, we continued to evaluate the appropriateness of the key assumptions used to develop the fair values of our broadcasting licenses. After further consideration of the impact that the COVID-19 pandemic continues to have on the broadcast industry, we concluded it was appropriate to revise the discount rate used. This change, which resulted in an increase to our discount rate used, was made to reflect current rates that a market participant could expect and further addressed forecast risk that exists as a result of the COVID-19 pandemic. We will continue to monitor these relevant factors to determine if any changes in key inputs in the valuation of our broadcasting licenses is warranted. During the fourth quarter of 2020, we completed our annual impairment test for broadcasting licenses and determined that the fair value of our broadcasting licenses was less than the amount reflected on the balance sheet for certain of our markets and, accordingly, recorded an impairment loss of \$246.0 million (\$180.4 million, net of tax). As a result of this impairment charge, we wrote down the carrying value of our broadcasting licenses in 38 markets.

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 interim and annual broadcasting licenses impairment assessments of each year:

	Estimates And Assumptions					
	Fourth Quarter 2020	Third Quarter 2020	Second Quarter 2020	Fourth Quarter 2019	Fourth Quarter 2018	Second Quarter 2018
Discount rate	8.50%	7.50%	8.00%	8.50%	9.00%	9.00%
Operating profit margin ranges expected for average stations in the markets where the Company operates	20% to 36%	24% to 36%	22% to 36%	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 0.6%	0.0% to 0.7%	0.0% to 0.8%	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 COVID-19 pandemic increases the uncertainty with respect to such market and economic conditions and, as such, increases the risk of future impairment.

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 1, 2020, for 43 units of accounting (43 geographical markets) where the carrying value of the licenses is considered material to our financial statements. Markets with an immaterial carrying values were excluded.

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. As discussed above, as a result of the annual impairment assessment conducted in the fourth quarter of 2020, we wrote down the carrying value of our broadcasting licenses in 38 markets. 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, 2020 Based Upon the Valuation as of December 1, 2020 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	40	1	—	2
Carrying value (in thousands)	$ 2,109,834	$ 50,777	$ —	$ 67,815

Broadcasting Licenses Valuation at Risk

After the annual impairment test conducted on our broadcasting licenses in the fourth quarter of 2020 in which 38 market were written down to fair value, the results indicated that there were 41 units of accounting where the fair value exceeded their carrying value by 10% or less. In aggregate, these 41 units of accounting have a carrying value of $2,160.6 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 impairment for the consolidated Company as a single reporting unit.

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 were operating in 47 radio markets as of the fourth quarter 2019 impairment assessment. Each market was a component one level beneath the single operating segment. Since each market was economically similar, all 47 markets were aggregated into a single broadcast reporting unit for the fourth quarter 2019 goodwill impairment assessment. As a result of the acquisition of Pineapple and Cadence13 in 2019, we significantly increased our podcasting operations. Cadence13 and Pineapple represent a single podcasting division one level beneath the single operating segment. Since the operations are economically similar, Cadence13 and Pineapple were aggregated into a single reporting unit.

All of our goodwill was subject to the annual impairment test conducted in the fourth quarter of 2019. 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 during the fourth quarter of 2019. As a result of this impairment, we do not have any goodwill attributable to our broadcast reporting unit. For the goodwill acquired in the Cadence13 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.

In November 2020, we completed the QLGG Acquisition. QLGG represents a separate division one level beneath the single operating segment and its own reporting unit. For the goodwill acquired in the QLGG 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.

The podcast reporting unit goodwill, primarily consisting of acquired goodwill from the Cadence13 Acquisition and Pineapple Acquisition was subject to a qualitative annual impairment test conducted in the fourth quarter of 2020. As a result of the qualitative impairment test, we determined it was more likely than not that the fair value of the goodwill attributable to the podcast reporting unit exceeded their respective carrying amounts primarily due to revenue and operating results meeting or exceeding the acquisition date forecasts. Accordingly, no quantitative impairment assessment was conducted and no impairment was recorded.

Methodology

In connection with our prior year interim and annual goodwill impairment assessments at the broadcast reporting unit, 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 interim and annual goodwill impairment assessments at the broadcast reporting unit:

	Estimates And Assumptions			
	Fourth Quarter 2020	Fourth Quarter 2019	Fourth Quarter 2018	Second Quarter 2018
Discount rate	not applicable	8.50%	9.00%	9.00%

We believe we have made reasonable estimates and assumptions to calculate the fair value of our goodwill.

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 as of December 31, 2020 is limited to the goodwill acquired in the Cadence13 Acquisition and the Pineapple Acquisition in 2019 and the goodwill acquired in the QLGG Acquisition in 2020.

Future impairment charges may be required on our goodwill, 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 our remaining goodwill, which could be material, in future periods.

Sensitivity of Key Broadcasting Licenses Assumptions

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, the following would be the incremental impact:

Sensitivity Analysis (1)	Percentage Decrease in Broadcasting Licenses Fair Value
Increase the discount rate from 8.5% to 9.5%	16 %
Reduction in forecasted growth rate (including long-term growth rate) to 0%	4 %
Reduction in operating profit margin by 10%	13 %

(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 for impairment purposes using the Greenfield model, management uses publicly available information on industry expectations rather than management's own estimates, which could differ. The publicly available market information is then allocated based on Company-specific market share. 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. If the outlook for the radio industry's growth declines, then operating profit margins in the broadcasting license fair value analysis would be negatively impacted, which would decrease the value of the broadcasting licenses.

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 8, 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.

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). From time to time, we may seek to limit our exposure to interest rate volatility through the use of interest rate hedging instruments.

If the borrowing rates under LIBOR were to increase 1% above the current rates as of December 31, 2020, our interest expense on: (i) our Term B-2 Loan would increase $6.4 million on an annual basis, including any increase or decrease in interest expense associated with the use of derivative hedging instruments as described below; and (ii) our Revolver would increase by $2.5 million, assuming our entire Revolver was outstanding as of December 31, 2020.

Assuming LIBOR remains flat, interest expense in 2021 versus 2020 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	Effective Date	Collar	Fixed LIBOR Rate	Expiration Date	Notional Amount Decreases	Amount After Decrease
	(amounts in millions)						(amounts in millions)
			Cap	2.75%		Jun. 28, 2021	$ 340.0
Collar	$ 460.0	Jun. 25, 2019	Floor	0.402%	Jun. 28, 2024	Jun. 28, 2022	$ 220.0
						Jun. 28, 2023	$ 90.0
Total	$ 460.0						

The fair value (based upon current market rates) of the rate hedging transaction is included as derivative instruments in long-term liabilities as the maturity dates on this instrument are greater than one year. The fair value of the hedging transaction is affected by a combination of several factors, including the change in the one-month LIBOR rate. Any increase in the one-month LIBOR rate results in a more favorable valuation, while any decrease in the one-month LIBOR rate results in a less favorable valuation.

Our credit exposure under our hedging agreements, 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, but we could recognize a loss in the event of nonperformance. Our derivative instrument liability as of December 31, 2020 was $2.4 million

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, 2020, and December 31, 2019, we did not have any investments in money market instruments.

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 Grant Thornton 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, 2020. The effectiveness of the Company's internal control over financial reporting as of December 31, 2020, has been audited by Grant Thornton 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 2021 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 2021 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 2021 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 2021 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 2021 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.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Entercom Communications Corp. (a Pennsylvania corporation) and subsidiaries (the "Company") as of December 31, 2020, the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity, and cash flows for the year ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations and its cash flows for the year ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated March 1, 2021 expressed an unqualified opinion.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the 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 financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

FCC Broadcast License Impairment Test

As described further in Note 8 to the financial statements, the Company's consolidated radio broadcast licenses balance was approximately $2.2 billion as of December 31, 2020. Management conducts its annual impairment test as of December 1 of each year. If there are changes in market conditions, events, or circumstances that occur during the interim periods that indicate the carrying value of its radio broadcast licenses may be impaired, management may conduct an interim test. The radio broadcast licenses are evaluated for impairment at the market level by comparing the fair value of the radio broadcast licenses to their carrying value. The Company identified two interim triggering events during the year and performed impairment tests during the quarters ended June 30, 2020 and September 30, 2020 and performed its annual impairment test as of December 1, 2020. These impairment tests resulted in a cumulative impairment charge of approximately $262.0 million during 2020. 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 the radio broadcasting licenses. Management's cash flow projections for its radio broadcast licenses included significant judgments and assumptions relating to projected annual revenues by market, long-term revenue growth rates of the market, market share and operating margin of an average comparable station based on relative size of the market and station type from start-up to maturity, and the discount rate. We identified the radio broadcast licenses impairment tests as a critical audit matter.

The principal considerations for our determination that the radio broadcast licenses impairment tests are a critical audit matter are due to the significant judgment required by management when developing the inputs and assumptions utilized in the fair value measurement of the Company's radio broadcast licenses. The subjectivity of the estimates increases the level of estimation uncertainty, auditor judgement and level of effort to evaluate management's evidence supporting projected cash flow assumptions, including assumptions such as projected annual revenues by market, long-term revenue growth rates of the market, market share and operating margin of an average comparable station based on relative size of the market and station type from start-up to maturity, and the discount rate. In addition, the audit procedures involved the use of firm specialists with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence.

Our audit procedures related to the broadcast licenses impairment tests included the following, among others.

- Evaluated the design and tested the operating effectiveness of key controls relating to the impairment tests, including controls over the identification of interim triggering events and the annual valuation of the Company’s radio broadcast licenses. These procedures included, among others, testing management’s process over the development of the fair value estimate, review of the key inputs and assumptions in the fair value calculations and evaluation of the competency and objectivity of management’s specialist.
- Evaluated the reasonableness of management’s interim triggering event conclusions.
- Tested the mathematical accuracy of the discounted cash flow model utilized by the Company and the completeness, accuracy and relevance of underlying data used in the model.
- Evaluated the reasonableness of the significant inputs and assumptions including projected annual revenues by market, long-term revenue growth rates of the market, market share and operating margin of an average comparable station based on relative size of the market and station type from start-up to maturity, by considering the past performance of the subject market, the consistency of the forecast as compared to external market and industry data, and the consistency of these assumptions with evidence obtained in other areas of the audit. Firm specialists with specialized skill and knowledge were used to review the appropriateness of the model employed by the Company, evaluate the reasonableness of the Company’s discounted cash flow model and the discount rate.

We have served as the Company’s auditor since 2020.

/s/ Grant Thornton LLP
Los Angeles, California
March 1, 2021

Report of Independent Registered Public Accounting Firm

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

Opinion on the Internal Control Over Financial Reporting

We have audited the internal control over financial reporting of Entercom Communications Corp. (a Pennsylvania corporation) and subsidiaries (the "Company") as of December 31, 2020, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2020, and our report dated March 1, 2021 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

/s/ Grant Thornton LLP
Los Angeles, California
March 1, 2021

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the consolidated balance sheet of Entercom Communications Corp. and its subsidiaries (the "Company") as of December 31, 2019, and the related consolidated statements of operations, of comprehensive income (loss), of shareholders' equity and of cash flows for each of the two years in the period ended December 31, 2019, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As discussed in Note 7 and Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019 and the manner in which it accounts for revenue from contracts with customers in 2018.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements 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 of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits 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. We believe that our audits provide a reasonable basis for our opinion.

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

We served as the Company's auditor from 2002 to 2020.

CONSOLIDATED FINANCIAL STATEMENTS OF ENTERCOM COMMUNICATIONS CORP.

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

	DECEMBER 31, 2020	DECEMBER 31, 2019
ASSETS:		
Cash	$ 30,964	$ 20,393
Accounts receivable, net of allowance for doubtful accounts	276,102	378,912
Prepaid expenses, deposits and other	47,504	25,375
Total current assets	354,570	424,680
Investments	3,305	3,305
Net property and equipment	340,318	350,666
Operating lease right-of-use assets	236,903	259,613
Radio broadcasting licenses	2,229,016	2,508,121
Goodwill	62,215	43,920
Assets held for sale	21,407	10,188
Other assets, net of accumulated amortization	41,023	43,185
TOTAL ASSETS	$ 3,288,757	$ 3,643,678
LIABILITIES:		
Accounts payable	$ 13,776	$ 5,961
Accrued expenses	59,828	76,078
Other current liabilities	73,997	76,837
Operating lease liabilities	40,439	35,335
Long-term debt, current portion	5,488	16,377
Total current liabilities	193,528	210,588
Long-term debt, net of current portion	1,689,949	1,697,114
Operating lease liabilities, net of current portion	229,400	253,346
Net deferred tax liabilities	473,398	549,658
Other long-term liabilities	57,744	51,529
Total long-term liabilities	2,450,491	2,551,647
Total liabilities	2,644,019	2,762,235
CONTINGENCIES AND COMMITMENTS		
SHAREHOLDERS' EQUITY:		
Class A common stock $0.01 par value; voting; authorized 200,000,000 shares; issued and outstanding 136,913,375 in 2020 and 133,867,621 in 2019	1,369	1,339
Class B common stock $0.01 par value; voting; authorized 75,000,000 shares; issued and outstanding 4,045,199 in 2020 and 2019	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	1,662,155	1,655,781
Retained earnings (accumulated deficit)	(1,017,037)	(775,578)
Accumulated other comprehensive income (loss)	(1,789)	(139)
Total shareholders' equity	644,738	881,443
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 3,288,757	$ 3,643,678

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,		
	2020	**2019**	**2018**
NET REVENUES	$ 1,060,898	$ 1,489,929	$ 1,462,567
OPERATING EXPENSE:			
Station operating expenses	907,796	1,086,617	1,099,278
Depreciation and amortization expense	50,231	45,331	44,288
Corporate general and administrative expenses	64,560	84,304	69,492
Integration costs	491	4,297	25,372
Restructuring charges	11,981	6,976	5,830
Impairment loss	264,432	545,457	493,988
Merger and acquisition costs	553	941	3,014
Other expenses related to financing	—	4,397	—
Net time brokerage agreement (income) fees	—	106	(918)
Net (gain) loss on sale or disposal of assets	(139)	(7,640)	(12,158)
Total operating expense	1,299,905	1,770,786	1,728,186
OPERATING INCOME (LOSS)	(239,007)	(280,857)	(265,619)
NET INTEREST EXPENSE	87,096	100,103	101,121
Net (gain) loss on extinguishment of debt	—	2,046	—
OTHER (INCOME) EXPENSE	—	2,046	—
INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)	(326,103)	(383,006)	(366,740)
INCOME TAXES (BENEFIT)	(83,879)	37,206	(4,153)
NET INCOME (LOSS) - CONTINUING OPERATIONS	(242,224)	(420,212)	(362,587)
Income from discontinued operations, net of income taxes (benefit)	—	—	1,152
NET INCOME (LOSS)	$ (242,224)	$ (420,212)	$ (361,435)
Net income (loss) from continuing operations per share - Basic and Diluted	$ (1.80)	$ (3.07)	$ (2.63)
Net income (loss) from discontinued operations per share - Basic and Diluted	$ —	$ —	$ 0.01
NET INCOME (LOSS) PER SHARE - BASIC AND DILUTED	$ (1.80)	$ (3.07)	$ (2.62)
WEIGHTED AVERAGE SHARES:			
Basic	134,570,672	136,967,455	138,069,608
Diluted	134,570,672	136,967,455	138,069,608

See notes to consolidated financial statements.

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

	YEARS ENDED December 31,		
	2020	2019	2018
NET INCOME (LOSS)	$ (242,224)	$ (420,212)	$ (361,435)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES (BENEFIT):			
Net unrealized gain (loss) on derivatives, net of taxes (benefit)	(1,650)	(139)	—
COMPREHENSIVE INCOME (LOSS)	$ (243,874)	$ (420,351)	$ (361,435)

See notes to condensed consolidated financial statements.

ENTERCOM COMMUNICATIONS CORP.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(amounts in thousands, except share data)

	Common Stock							
	Class A		Class B		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Shares	Amount				
Balance, December 31, 2017	139,675,781	$ 1,397	4,045,199	$ 40	$ 1,737,132	$ 25,791	$ —	$ 1,764,360
Net income (loss)	—	—	—	—	—	(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 Employee Stock Purchase	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)	—	—	—	—	—	(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	—	—	—	—	—	—	(139)	(139)
Application of amended leasing	—	—	—	—	—	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
Net income (loss)	—	—	—	—	—	(242,224)	—	(242,224)
Compensation expense related to granting of stock awards	3,389,801	34	—	—	11,100	—	—	11,134
Issuance of common stock related to the ESPP	165,756	1	—	—	239	—	—	240
Purchase of vested employee restricted stock units	(509,803)	(5)	—	—	(1,522)	—	—	(1,527)
Payment of dividends on common stock	—	—	—	—	(3,443)	—	—	(3,443)
Dividend equivalents, net of forfeitures	—	—	—	—	—	765	—	765
Net unrealized gain (loss) on derivatives	—	—	—	—	—	—	(1,650)	(1,650)
Balance, December 31, 2020	136,913,375	$ 1,369	4,045,199	$ 40	$ 1,662,155	$ (1,017,037)	(1,789)	$ 644,738

See notes to consolidated financial statements.

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

	YEARS ENDED DECEMBER 31,		
	2020	2019	2018
OPERATING ACTIVITIES:			
Net income (loss)	$ (242,224)	$ (420,212)	$ (361,435)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	50,231	45,331	44,288
Net amortization of deferred financing costs (net of original issue discount and debt premium)	586	157	327
Net deferred taxes (benefit) and other	(76,260)	5,407	(61,798)
Provision for bad debts	16,349	4,549	8,909
Net (gain) loss on sale or disposal of assets	(139)	(7,640)	(12,158)
Non-cash stock-based compensation expense	11,134	15,882	15,149
Net loss on extinguishment of debt	—	2,046	—
Deferred compensation	3,578	6,118	(1,357)
Impairment loss	264,432	545,457	493,988
Accretion expense (income), net of asset retirement obligation adjustments	—	65	60
Changes in assets and liabilities (net of effects of acquisitions, dispositions, consolidation, and deconsolidation of Variable Interest Entities (VIEs)):			
Accounts receivable	86,662	(30,856)	1,777
Prepaid expenses, deposits and other	(22,041)	(283)	1,431
Accounts payable, accrued expenses and other current liabilities	(8,800)	(27,777)	1,217
Accrued interest expense	(77)	3,875	(6,278)
Accrued liabilities - long-term	822	(9,931)	(21,871)
Prepaid expenses - long-term	973	—	—
Net cash provided by (used in) operating activities	85,226	132,188	102,249
INVESTING ACTIVITIES:			
Additions to property and equipment	(29,630)	(70,476)	(29,837)
Proceeds from sale of property, equipment, intangibles and other assets	10,817	29,321	185,761
Purchases of businesses and audio assets	(31,639)	(40,136)	(71,434)
Additions to amortizable intangible assets	(1,207)	(7,425)	(11,949)
Purchases of investments	—	(1,800)	(1,250)
Proceeds from sale of property reflected as restricted cash	—	—	70,187
Net cash provided by (used in) investing activities	(51,659)	(90,516)	141,478

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

	YEARS ENDED DECEMBER 31,		
	2020	**2019**	**2018**
FINANCING ACTIVITIES:			
Proceeds from issuance of long-term debt	—	430,000	—
Borrowing under the revolving senior debt	231,121	194,000	80,000
Payments of long-term debt	(15,994)	(521,700)	(81,348)
Payments of revolving senior debt	(233,394)	(257,000)	—
Payment for debt issuance costs	—	(7,691)	—
Proceeds from issuance of employee stock plan	240	1,329	1,428
Proceeds from the exercise of stock options	—	244	153
Purchase of vested employee restricted stock units	(1,527)	(2,905)	(5,186)
Payment of dividends on common stock	(2,692)	(30,273)	(49,770)
Payment of dividend equivalents on vested restricted stock units	(750)	(1,201)	(873)
Repurchase of common stock	—	(18,340)	(30,040)
Net cash provided by (used in) financing activities	(22,996)	(213,537)	(85,636)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	10,571	(171,865)	158,091
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	20,393	192,258	34,167
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	$ 30,964	$ 20,393	$ 192,258
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest	$ 86,263	$ 101,155	$ 96,843
Income taxes	$ 2,724	$ 39,100	$ 54,217

See notes to consolidated financial statements.

ENTERCOM COMMUNICATIONS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020, 2019, AND 2018

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 21 of the top 25 markets.

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, 2020 and 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, 2020, 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. 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, 2020 or 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.

See Note 22, 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 merger and acquisition activity in November 2017 (the "Merger"), 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 neither 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 18, 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,		
	2020	2019	2018
	(amounts in thousands)		
Depreciation expense	$ 33,618	$ 31,866	$ 28,709

As of December 31, 2020, the Company had capital expenditure commitments outstanding of $0.4 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	2020	2019
Land, land easements and land improvements	0	15	$ 104,671	$ 107,281
Buildings	20	40	36,101	34,777
Equipment	3	40	216,347	210,872
Furniture and fixtures	5	10	19,896	19,393
Other	*	*	44	44
Leasehold improvements	*	*	106,642	98,833
			483,701	471,200
Accumulated depreciation			(192,147)	(163,416)
			291,554	307,784
Capital improvements in progress			48,764	42,882
Net property and equipment			$ 340,318	$ 350,666

* 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 8, 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) spot revenues; (ii) digital advertising; (iii) network revenues; (iv) sponsorship and event revenues; and (v) other revenues.

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 Note 5, Revenue, for additional information on the Company's revenue. Refer to Note 5, Revenue, Note 10, Other Current Liabilities, and Note 11, Other Long-Term Liabilities, for additional information on unearned revenue.

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

	Balance Sheet Location	Unearned Revenues December 31, 2020	Unearned Revenues December 31, 2019
		(amounts in thousands)	
Current	Other current liabilities	$ 15,651	$ 9,894
Long-term	Other long-term liabilities	$ 1,294	$ 2,113

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 12, 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. Refer to Note 12, Long-Term Debt, for further discussion of the 2019 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, and April 30, 2019, 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 12, Long-Term Debt for a discussion of the Company's long-term debt.

Time Brokerage Agreement (Income) Fees – Time Brokerage Agreement ("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 19, 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 8, Intangible Assets And Goodwill.

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 which were reflected as restricted cash at December 31, 2018, as the Company was temporarily restricted in its ability to access these funds. 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 or December 31, 2020. As of December 31, 2020 and December 31, 2019, the Company had no other cash equivalents on hand.

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 11, 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 23, Contingencies and Commitments, for a discussion of the Company's leases.

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 17, 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, 2020, and 2019, 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 indicate 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 21, 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, 2020, 2019, and 2018, the costs incurred were $1.2 million, $7.1 million, and $3.6 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 23, 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.

Income Taxes

In December 2019, the accounting guidance for income taxes was amended to modify accounting for certain income tax transactions. The amended accounting guidance made changes to, among other items, accounting for intraperiod tax allocations and interim period tax accounting where the year-to-date loss exceeds the expected annual loss. The Company implemented the amended accounting guidance for income taxes on January 1, 2020, without a need to make an adjustment to retained earnings. There was no impact to previously reported results of operations for any interim period.

Measurement of Credit Losses

In June 2016, the accounting guidance for the measurement of credit losses on financial instruments was amended to provide financial statement users with more information about the expected credit losses on financial instruments and other commitments to extend credit. The amended guidance replaced the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to determine credit loss estimates. The amended guidance eliminated the probable initial recognition threshold and, in turn, reflects an entity's current estimate of all expected credit losses. The amended guidance does not specify the method for measuring expected credit losses, and the Company is permitted to apply methods that reasonably reflect its expectations of the credit loss estimate. The Company implemented the amended accounting guidance for measurement of credit losses on January 1, 2020, without a need to make an adjustment to retained earnings. There was no impact to previously reported results of operations for any interim period.

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. The Company has consistently applied its accounting policies to all periods presented in these consolidated financial statements. Refer to Note 5, Revenue, 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.

2020 QL Gaming Group Acquisition

On November 9, 2020, the Company completed the acquisition of sports data and iGaming affiliate platform QL Gaming Group ("QLGG") in an all cash deal for approximately $32 million (the "QLGG Acquisition"). Based upon the timing of the QLGG Acquisition, the Company's consolidated financial statements for the year ended December 31, 2020, reflect the results of QLGG for the portion of the period after the completion of the QLGG Acquisition. The Company's consolidated financial statements for the years ended December 31, 2019 and 2018 do not reflect the results of QLGG.

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 consideration paid and the fair value of net assets acquired was recorded as goodwill. The Company recorded goodwill on its books. Management believes that this acquisition provides the Company with an opportunity to benefit from acquired technology, customer relationships, technical knowledge and trade secrets.

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. 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. 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				
Net property and equipment	$	8	3	7
Other assets, net of accumulated amortization		14,608	3	10
Goodwill		18,323	non-amortizing	
Total intangible and other assets		32,931		
Deferred tax liabilities		(1,348)		
Net working capital		12		
Preliminary fair value of net assets acquired	$	31,603		

2020 Dispositions

During the second quarter of 2020, the Company entered into an agreement with Truth Broadcasting Corporation ("Truth") to dispose of property and equipment and two broadcasting licenses in Greensboro, North Carolina. During the fourth quarter of 2020, the Company completed this sale for $0.4 million in cash. The Company reported a loss, net of expenses, of approximately $0.1 million. As a result of this sale, the Company no longer maintains a presence in the Greensboro, North Carolina market. Refer to Note 22, Assets Held For Sale And Discontinued Operations for additional information.

2019 Cadence13 Acquisition

On October 16, 2019, the Company completed its acquisition of Cadence13, Inc. ("Cadence13") by purchasing the remaining shares in Cadence13 that it did not already own. The Company initially acquired a 45% interest in Cadence13 in July 2017. The Company acquired the remaining interest in Cadence13 for a purchase price of $24.3 million in cash plus working capital (The "Cadence13 Acquisition").

In connection with this step acquisition of Cadence13, the Company remeasured its previously held equity interest to fair value and recognized a gain of $5.3 million and removed the investment in Cadence13 from its records. Upon completion of the Cadence13 Acquisition, the Company recorded the assets acquired and liabilities assumed at fair value.

Based on the timing of the Cadence13 Acquisition, the Company's consolidated financial statements for the year ended December 31, 2020 reflect the results of Cadence13's operations. The Company's consolidated financial statements for the year ended December 31, 2019, reflect the results of Cadence13's operations for the portion of the period after the completion of the Cadence13 Acquisition. The Company's consolidated financial statements for the year ended December 31, 2018 do not reflect the results of Cadence13's operations.

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 consideration paid and the fair value of net 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 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. The following table reflects the final allocation of the purchase price to the assets acquired and liabilities assumed.

	Final Value (amounts in thousands)
Assets	
Net property and equipment	$ 654
Total tangible property	654
Operating lease right-of-use asset	62
Deferred tax asset	2,900
Other assets, net of accumulated amortization	5,977
Goodwill	31,392
Total intangible and other assets	40,331
Operating lease liabilities	(985)
Net working capital	(757)
Final fair value of net assets acquired	$ 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, 2020, reflect the results of Pineapple's operations. The Company's consolidated financial statements for the year ended December 31, 2019, reflect the results of Pineapple's operations for the portion of the period after the completion of the Pineapple Acquisition. The Company's consolidated financial statements for the year ended December 31, 2018, do not reflect the results of Pineapple's operations.

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 consideration paid and the fair value of net 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 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. The following table reflects the final allocation of the purchase price to the assets acquired and liabilities assumed.

	Final Value (amounts in thousands)
Assets	
Accounts receivable, net of allowance for doubtful accounts	$ 997
Other assets, net of accumulated amortization	1,793
Goodwill	12,445
Total assets	15,235
Other current liabilities	238
Accounts payable	30
Total liabilities	$ 268
Final fair value of net assets acquired	$ 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, 2020: (i) reflect the results of the acquired stations; and (ii) do not reflect the results of the divested stations. The Company's consolidated financial statements for the year ended December 31, 2019: (i) reflect the results of the acquired stations for the 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 the portion of the period until the commencement date of the LMAs. The Company's 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.

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 consideration paid and the fair value of net 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 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 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. The following table reflects the final allocation of the purchase price to the assets acquired.

	Final Value (amounts in thousands)
Assets	
Net property and equipment	$ 844
Total tangible property	844
Radio broadcasting licenses	19,576
Goodwill	2,080
Total intangible and other assets	21,656
Total assets	$ 22,500
Final fair value of net assets acquired	$ 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 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 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. The following table reflects the final allocation of the purchase price of the assets acquired.

	Final Value (amounts in thousands)
Assets	
Net property and equipment	$ 981
Total tangible property	981
Other assets, net of accumulated amortization	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
Final 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 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 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. The following table reflects the final allocation of the purchase price to the assets acquired.

	Final Value (amounts in thousands)
Assets	
Net property and equipment	$ 1,558
Total tangible property	1,558
Radio broadcasting licenses	12,785
Goodwill	332
Other assets, net of accumulated amortization	325
Total intangible and other assets	13,442
Total assets	$ 15,000
Final fair value of assets acquired	$ 15,000

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.

Integration Costs

The Company incurred integration costs of $0.5 million, $4.3 million, and $25.4 million during the years ended December 31, 2020, 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, 2020, December 31, 2019, and December 31, 2018, assumes that: (i) the acquisition in 2020 had occurred as of January 1, 2019; (ii) the acquisitions in 2019 had occurred as of January 1, 2018; and (iii) the acquisitions and certain dispositions in 2018 had occurred as of January 1, 2017.

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		
	2020	2019	2018
	(amounts in thousands, except per share data)		
	Pro Forma	Pro Forma	Pro Forma
Net revenues	$ 1,062,689	$ 1,530,524	$ 1,501,146
Income (loss) from continuing operations	$ (242,509)	$ (426,500)	$ (361,879)
Income (loss) from discontinued operations	$ —	$ —	$ 1,152
Net income (loss)	$ (242,509)	$ (426,500)	$ (360,727)
Income (loss) from continuing operations per common share - basic	$ (1.80)	$ (3.11)	$ (2.62)
Income (loss) from discontinued operations per common share - basic	$ —	$ —	$ 0.01
Net income (loss) per common share - basic	$ (1.80)	$ (3.11)	$ (2.61)
Income (loss) from continuing operations per common share - diluted	$ (1.80)	$ (3.11)	$ (2.62)
Income (loss) from discontinued operations per common share - diluted	$ —	$ —	$ 0.01
Net income (loss) per common share - diluted	$ (1.80)	$ (3.11)	$ (2.61)
Weighted shares outstanding basic	134,571	136,967	138,070
Weighted shares outstanding diluted	134,571	136,967	138,070

4. RESTRUCTURING CHARGES

Restructuring Charges

The following table presents the components of restructuring charges.

	Years Ended December 31		
	2020	2019	2018
	(amounts in thousands)		
Costs to exit duplicative contracts	$ —	$ —	$ 229
Workforce reduction	11,885	6,171	3,599
Other restructuring costs	96	805	2,002
Total restructuring charges	$ 11,981	$ 6,976	$ 5,830

Restructuring Plan

During the first quarter of 2020, the Company initiated a restructuring plan to help mitigate the adverse impact that the COVID-19 pandemic is having on financial results and business operations. The Company continues to evaluate what, if any, further actions may be necessary related to the COVID-19 pandemic.

During the fourth quarter of 2017, the Company initiated a restructuring plan as a result of the integration of radio stations acquired from CBS Radio Inc. ("CBS Radio") 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.

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 2023. Of the restructuring charges unpaid and outstanding at December 31, 2020, approximately $0.8 million relates to the CBS Radio restructuring plan.

	Years Ended December 31, 2020	2019
	(amounts in thousands)	
Restructuring charges and lease abandonment costs, beginning balance	$ 4,251	$ 7,077
Additions	11,981	6,976
Payments	(13,244)	(9,802)
Restructuring charges and lease abandonment costs unpaid and outstanding	2,988	4,251
Restructuring charges and lease abandonment costs - noncurrent portion	(812)	(1,483)
Restructuring charges and lease abandonment costs - current portion	$ 2,176	$ 2,768

5. REVENUE

Nature Of Goods And Services

The Company generates revenue from the sale to advertisers of various services and products, including but not limited to: (i) spot revenues; (ii) digital advertising; (iii) network revenues; (iv) sponsorship and event revenues; and (v) other 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.

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 recognizes revenue based on the gross amount invoiced to the customer or the net amount retained by the company if a third party is involved.

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 spot revenues, digital advertising, and network revenues the Company recognizes revenue at the point in time when the advertisement is broadcast. For event revenues, the Company recognizes revenues at a point in time, as the event occurs. For sponsorship revenues, the Company recognizes revenues over the length of the sponsorship agreement. 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.

Spot Revenues

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 Revenues

The Company provides targeted advertising through the sale of streaming and display advertisements on its national platforms, RADIO.COM and eventful.com, and its station websites. Performance obligations include delivery of advertisements over the Company's platforms or delivery of targeted advertisements directly to consumers. The Company recognizes revenue at a point in time when the advertisements are delivered and the performance obligations are satisfied. Revenues are recorded on a net basis, after the deduction of advertising agency fees by the advertising agencies.

Through its acquisition of Cadence13, the Company embeds advertisements in its owned and operated podcasts and other on-demand content. Performance obligations include delivery of advertisements. The Company recognizes revenue at a point in time when the advertisements are delivered and the performance obligations are satisfied. Revenues are recorded on a net basis, after the deduction of advertising agency fees by the advertising agencies.

Through its acquisition of Pineapple, the Company creates podcasts, for which it earns production fees. Performance obligations include the delivery of episodes. These revenues are fixed based upon contractually agreed upon terms. The Company recognizes revenue over the term of the production contract.

Network Revenues

The Company sells air-time on the Company's Entercom Audio Network. 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.

Sponsorship and Event Revenues

The Company sells advertising space at live and local events hosted by the Company across the country. The Company also earns revenues from attendee-driven ticket sales and merchandise sales. Performance obligations include the presentation of the advertisers' branding in highly visible areas at the event. These revenues are recognized at a point in time, as the event occurs and the performance obligations are satisfied.

The Company also sells sponsorships including, but not limited to, naming rights related to its programs or studios. Performance obligations include the mentioning or displaying of the sponsors' name, logo, product information, slogan or neutral descriptions of the sponsors' goods or services in acknowledgement of their support. These revenues are fixed based upon contractually agreed upon terms. The Company recognizes revenue over the length of the sponsorship agreement based upon the fair value of the deliverables included.

Other Revenues

The Company earns revenues from on-site promotions and endorsements from talent. Performance obligations include the broadcasting of such endorsement at specifically identifiable days and dayparts or at various local events. The Company recognizes revenue at a point in time when the performance obligations are satisfied.

The Company earns trade and barter revenue by providing advertising broadcast time in exchange for certain products, supplies, and services. The Company includes the value of such exchanges in both 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 (unbilled receivables) and contract liabilities (unearned revenue) 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 $3.8 million and $5.1 million as of December 31, 2020, and December 31, 2019, respectively.

Description	December 31, 2020	December 31, 2019
	(amounts in thousands)	
Receivables, included in “Accounts receivable net of allowance for doubtful accounts”	$ 272,321	$ 376,504
Unearned revenue - current	15,651	9,894
Unearned revenue - noncurrent	1,294	2,113

Changes in Contract Balances

The timing of revenue recognition, billings and cash collections results in accounts receivable (billed or unbilled), 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, 2020 Unearned Revenue (amounts in thousands)
Beginning balance on January 1, 2020	$ 12,007
Revenue recognized during the period that was included in the beginning balance of contract liabilities	(10,692)
Additional amounts received during period	15,630
Ending balance	$ 16,945

Disaggregation of revenue

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

	Years Ended December 31,		
	2020	2019	2018
Revenue by Source	(amounts in thousands)		
Spot revenues	$ 705,743	$ 1,092,029	$ 1,099,549
Digital revenues	189,988	146,274	119,020
Network revenues	80,346	75,629	44,197
Sponsorships and event revenues	42,478	102,385	115,846
Other revenues	42,343	73,612	83,955
Net revenues	$ 1,060,898	$ 1,489,929	$ 1,462,567

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 has contracts with customers which will result in the recognition of revenue beyond one year. From these contracts, the Company expects to recognize $1.3 million of revenue in excess of one year.

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 6, 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. 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.

6. 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,	
	2020	2019
	(amounts in thousands)	
Accounts receivable	$ 295,013	$ 396,427
Allowance for doubtful accounts and sales reserves	(18,911)	(17,515)
Accounts receivable, net of allowance for doubtful accounts and sales reserves	$ 276,102	$ 378,912

See the table in Note 10, 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, 2020	$ 8,265	$ 16,349	$ (10,156)	$ 14,458
December 31, 2019	9,419	4,549	(5,703)	8,265
December 31, 2018	3,885	8,909	(3,375)	9,419

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, 2020	$ 9,250	$ 8,768	$ (13,566)	$ 4,452
December 31, 2019	$ 7,271	$ 11,394	$ (9,415)	$ 9,250
December 31, 2018	$ 390	$ 14,254	$ (7,373)	$ 7,271

7. LEASES

Leasing Guidance

The accounting guidance for leases was modified in 2019 to increase transparency and comparability among organizations by requiring the recognition of Right-of-Use ("ROU") assets and lease liabilities on the consolidated balance sheets. 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, 2020, 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 a 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	
	For the Years Ended December 31,	
	2020	2019
	(amounts in thousands)	
Operating lease cost	$ 49,061	$ 50,169
Variable lease cost	10,575	9,691
Short-term lease cost	—	182
Total lease cost	$ 59,636	$ 60,042

Supplemental Cash Flow

Supplemental cash flow information related to leases was as follows:

Description	For the Years Ended December 31, 2020	2019
	(amounts in thousands)	
Cash paid for amounts included in measurement of lease liabilities		
Operating cash flows from operating leases	$ 53,237	$ 52,056
Right-of-use assets obtained in exchange for lease obligations		
Operating leases [1]	$ 11,851	$ 315,377

(1) ROU assets obtained in exchange for lease obligations in 2019 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, 2020	December 31, 2019
	(amounts in thousands)	
Operating Leases		
Operating leases right-of-use assets	$ 236,903	$ 259,613
Operating lease liabilities (current)	$ 40,439	$ 35,335
Operating lease liabilities (noncurrent)	$ 229,400	$ 253,346
Total operating lease liabilities	$ 269,839	$ 288,681

	December 31, 2020	December 31, 2019
Weighted Average Remaining Lease Term		
Operating leases	8 years	8 years
Weighted Average Discount Rate		
Operating leases	4.9 %	4.9 %

Maturities

The aggregate maturities of the Company’s lease liabilities as of December 31, 2020, are as follows:

	Lease Maturities
	Operating Leases
	(amounts in thousands)
Years ending Years ending December 31:	
2021	$ 52,721
2022	50,100
2023	45,675
2024	39,785
2025	32,942
Thereafter	103,121
Total lease payments	324,344
Less: imputed interest	(54,505)
Total	$ 269,839

As of December 31, 2020, the Company has not entered into any leases that have not yet commenced.

8. 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.

For goodwill, the Company uses qualitative and quantitative approaches when testing goodwill for impairment. The Company performs a qualitative evaluation of events and circumstances impacting each reporting unit to determine the likelihood of goodwill impairment. Based on that qualitative evaluation, if the Company determines it is more likely than not that the fair value of a reporting unit exceeds its carrying amount, no further evaluation is necessary. Otherwise, the Company performs a quantitative goodwill impairment test. The Company performs quantitative goodwill impairment tests for reporting units at least once every three years.

The annual impairment assessment conducted during the fourth quarter of the current year indicated that the fair value of the Company's broadcasting licenses was less than the amount reflected in the balance sheet for certain of the Company's markets. Accordingly, the Company recorded a $246.0 million impairment charge ($180.4 million, net of tax) on its broadcasting licenses during the fourth quarter of 2020.

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.

There were material changes in the carrying value of broadcasting licenses and goodwill during the year ended December 31, 2020, primarily as a result of: (i) the impairment losses recorded in the second, third and fourth quarters of 2020; (ii) assets held for sale activities described further in Note 22, Assets Held For Sale And Discontinued Operations; and (iii) acquisitions 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, 2020	December 31, 2019
	(amounts in thousands)	
Broadcasting licenses balance as of January 1,	$ 2,508,121	$ 2,516,625
Disposition of radio stations (see Note 3, 22)	(432)	(17,940)
Acquisitions (see Note 3)	—	19,576
Loss on impairment (See Note 14)	(261,929)	—
Assets held for sale (see Note 22)	(16,744)	(10,140)
Ending period balance	$ 2,229,016	$ 2,508,121

The following table presents the changes in goodwill.

	Goodwill Carrying Amount	
	December 31, 2020	December 31, 2019
	(amounts in thousands)	
Goodwill balance before cumulative loss on impairment as of January 1,	$ 1,024,467	$ 982,663
Accumulated loss on impairment as of January 1,	(980,547)	(443,194)
Goodwill beginning balance after cumulative loss on impairment as of January 1,	43,920	539,469
Loss on impairment (see Note 14)	—	(537,353)
Dispositions (see Note 3)	—	(4,862)
Acquisitions (see Note 3)	18,323	46,666
Measurement period adjustments to acquired goodwill	(28)	—
Ending period balance	$ 62,215	$ 43,920
Goodwill balance before cumulative loss on impairment as of December 31,	$ 1,042,762	$ 1,024,467
Accumulated loss on impairment as of December 31,	(980,547)	(980,547)
Goodwill ending balance as of December 31,	$ 62,215	$ 43,920

Interim Impairment Assessment

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, respectively. The 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.

Subsequent to the annual impairment test conducted during the fourth quarter of 2019, the Company continued to monitor these factors listed above. Due to the current economic and market conditions related to the COVID-19 pandemic, and a contraction in the expected future economic and market conditions utilized in the annual impairment test conducted in the fourth quarter of 2019, the Company determined that the changes in circumstances warranted an interim impairment assessment on its broadcasting licenses during the second quarter of the current year. Due to changes in facts and circumstances, the Company revised its estimates with respect to projected operating performance and discount rates used in the interim impairment assessment.

Subsequent to the interim impairment assessment conducted during the second quarter of the current year, the Company continued to monitor these factors listed above. Due to the current economic and market conditions related to the COVID-19 pandemic, and a further contraction in the expected future economic and market conditions utilized in the interim impairment assessment conducted in the second quarter of the current year, primarily a decrease in market-specific revenue forecasts, the Company determined that changes in circumstances warranted an interim impairment assessment on certain of its broadcasting licenses during the third quarter of the current year.

After assessing the totality of events and circumstances listed above, the Company determined that it was more likely than not that the fair value of the Company's goodwill, which at the time of assessment was solely attributable to the goodwill acquired in the Cadence13 Acquisition and the Pineapple Acquisition, was greater than its carrying amount. Accordingly, the Company did not conduct an interim impairment test on its goodwill during the current year.

Annual 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. Subsequent to the Company's annual impairment test conducted during the second quarter of 2018, the Company recorded a $0.7 million impairment charge related to a potential disposal of assets in one of its markets.

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 (discussed below). 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, 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 2019, 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.

During the second quarter of the current year, the Company completed an interim impairment test for its broadcasting licenses at the market level using the Greenfield method. As a result of this interim impairment assessment, the Company determined that the fair value of its broadcasting licenses was less than the amount reflected in the balance sheet for certain of the Company’s markets and, accordingly, recorded an impairment loss of $4.1 million, ($3.0 million, net of tax).

During the third quarter of the current year, the Company completed an interim impairment test for certain of its broadcasting licenses at the market level using the Greenfield method. As a result of this interim impairment assessment, the Company determined that the fair value of its broadcasting licenses was less than the amount reflected in the balance sheet for certain of the Company's markets and, accordingly, recorded an impairment loss of $11.8 million, ($8.7 million, net of tax).

In connection with the Company's annual impairment assessment conducted during the fourth quarter of 2020, the Company continued to evaluate the appropriateness of the key assumptions used to develop the fair values of its broadcasting licenses. After further consideration of the impact that the COVID-19 pandemic continues to have on the broadcast industry, the Company concluded it was appropriate to revise the discount rate used. This change, which resulted in an increase to the discount rate used, was made to reflect current rates that a market participant could expect and further addressed forecast risk that exists as a result of the COVID-19 pandemic.

During the fourth quarter of the current year, the Company completed its annual impairment test for broadcasting licenses at the market level using the Greenfield method. As a result of this annual impairment assessment, the Company determined that the fair value of its broadcasting licenses was less than the amount reflected in the balance sheet for certain of the Company's markets and, accordingly, recorded an impairment loss of $246.0 million, ($180.4 million, net of tax).

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 Greenfield method 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 2020	Third Quarter 2020	Second Quarter 2020	Fourth Quarter 2019	Fourth Quarter 2018	Second Quarter 2018
Discount rate	8.50 %	7.50 %	8.00 %	8.50 %	9.0 %	9.0 %
Operating profit margin ranges for average stations in markets where the Company operates	20% to 36%	24% to 36%	22% to 36%	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 0.6%	0.0% to 0.7%	0.0% to 0.8%	0.0% to 0.8%	0.0% to 0.9%	0.5% to 1.0%

The Company believes it 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. The COVID-19 pandemic increases the uncertainty with respect to such market and economic conditions and, as such, increases the risk of future impairment.

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. 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 acquisition activity 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 2018 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, 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 was operating in 47 radio markets. Each market was a component one level beneath the single operating segment. Since each market was economically similar, all 47 markets were aggregated into a single broadcast reporting unit for the prior year goodwill impairment assessment. As a result of the acquisition of Pineapple and Cadence13 in 2019, the Company significantly increased its podcasting operations. Cadence13 and Pineapple represent a single podcasting division one level beneath the single operating segment. Since the operations are economically similar, Cadence13 and Pineapple were aggregated into a single podcasting reporting unit.

All of the Company's goodwill at the broadcast reporting unit was subject to the annual impairment test conducted in the fourth quarter of 2019. 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. As a result of this impairment charge, the Company no longer has any goodwill attributable to its broadcasting reporting unit.

In November 2020, the Company completed the QLGG Acquisition. QLGG represents a separate division one level beneath the single operating segment and its own reporting unit. For the goodwill acquired in the QLGG 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.

The podcast reporting unit goodwill, primarily consisting of acquired goodwill from the Cadence13 Acquisition and the Pineapple Acquisition, was subject to a qualitative annual impairment test conducted in the fourth quarter of the 2020. As a result of the qualitative impairment test, the Company determined it was more likely than not that the fair value of the goodwill acquired in the Cadence13 Acquisition and the Pineapple Acquisition exceeded their respective carrying amounts. Accordingly, no quantitative impairment assessment was conducted and no impairment was recorded.

Methodology

In connection with the Company's prior year annual and prior year interim goodwill impairment assessments at the broadcasting reporting unit, the Company used an income approach in computing the fair value of the Company's goodwill. 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 2020	Fourth Quarter 2019	Fourth Quarter 2018	Second Quarter 2018
Discount rate	not applicable	8.50 %	9.00 %	9.00 %

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 on its goodwill, 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 2020, 2019 and 2018, the Company reviewed the carrying value and the useful lives of these assets and determined they were appropriate.

See Note 9, 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.

9. OTHER ASSETS

Other assets consist of the following:

	Other Assets						
	December 31,						
	2020			2019			
	Asset	Accumulated Amortization	Net	Asset	Accumulated Amortization	Net	Period Of Amortization
	(amounts in thousands)						
Deferred contracts	$ 1,362	$ 1,263	$ 99	$ 1,362	$ 1,213	$ 149	Term of contract
Advertiser lists and customer relationships	31,674	20,405	11,269	29,281	15,399	13,882	3 to 5 years
Other definite-lived assets	16,199	9,543	6,656	15,108	7,588	7,520	Term of contract
Total definite-lived intangibles	49,235	31,211	18,024	45,751	24,200	21,551	
Debt issuance costs	3,122	405	2,717	2,466	97	2,369	Term of debt
Prepaid assets - long-term	2,009	—	2,009	2,983	—	2,983	
Software costs and other	34,203	15,930	18,273	27,876	11,594	16,282	
	$ 88,569	$ 47,546	$ 41,023	$ 79,076	$ 35,891	$ 43,185	

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,		
	2020	2019	2018
	(amounts in thousands)		
Definite-lived assets	$ 8,861	$ 7,140	$ 12,132
Deferred financing expense	3,981	4,866	3,189
Software costs	7,752	6,325	3,447
Total	$ 20,594	$ 18,331	$ 18,768

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

	Future Amortization Expense		
	Total	Other	Definite-Lived Assets
Years ending December 31,	(amounts in thousands)		
2021	$ 14,248	$ 6,423	$ 7,825
2022	11,239	4,587	6,652
2023	3,646	2,797	849
2024	2,815	2,698	117
2025	2,152	2,035	117
Thereafter	671	—	671
Total	$ 34,771	$ 18,540	$ 16,231

10. OTHER CURRENT LIABILITIES

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

	Other Current Liabilities December 31,	
	2020	2019
	(amounts in thousands)	
Accrued compensation	$ 25,264	$ 28,871
Accounts receivable credits	1,683	3,798
Advertiser obligations	4,844	4,095
Accrued interest payable	9,804	9,882
Unearned revenue	15,651	9,894
Unfavorable sports liabilities	4,634	4,634
Accrued benefits	6,944	6,321
Non-income tax liabilities	1,332	1,685
Income taxes payable	—	3,925
Other	3,841	3,732
Total other current liabilities	$ 73,997	$ 76,837

11. OTHER LONG-TERM LIABILITIES

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

	Other Long-Term Liabilities	
	December 31,	
	2020	2019
	(amounts in thousands)	
Deferred compensation	$ 33,474	$ 33,229
Unfavorable sports liabilities	8,359	13,001
Unearned revenue	1,294	2,113
Other	14,617	3,186
Total other long-term liabilities	$ 57,744	$ 51,529

12. LONG-TERM DEBT

Long-term debt was comprised of the following as of December 31, 2020:

	Long-Term Debt	
	December 31,	
	2020	2019
	(amounts in thousands)	
Credit Facility		
Revolver	$ 114,727	$ 117,000
Term B-2 Loan, due November 17, 2024	754,006	770,000
Plus unamortized premium	1,681	1,968
	870,414	888,968
Senior Notes		
7.250% senior unsecured notes, due November 1, 2024	400,000	400,000
Plus unamortized premium	9,306	11,732
	409,306	411,732
Notes		
6.500% notes, due May 1, 2027	425,000	425,000
Plus unamortized premium	4,318	5,000
	429,318	430,000
Other Debt		
Other	808	873
Total debt before deferred financing costs	1,709,846	1,731,573
Current amount of long-term debt	(5,488)	(16,377)
Deferred financing costs (excludes the revolving credit)	(14,409)	(18,082)
Total long-term debt, net of current debt	$ 1,689,949	$ 1,697,114
Outstanding standby letters of credit	$ 6,229	$ 5,862

(A) Senior Debt

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 "Initial Notes") under an Indenture dated as of April 30, 2019 (the "Base Indenture").

Interest on the Initial 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 Initial Notes may be redeemed at a price of 106.500% of their principal amount plus accrued interest. On or after May 1, 2022, the Initial 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 revolving credit facility (the "Revolver"), to repay $425.0 million of existing indebtedness under the Company's term loan outstanding at that time (the "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 Initial 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 Initial Notes (together, with the Additional Notes, the "Notes") and have substantially the same terms as the Initial 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, 2020, and 2019 and for the years ended December 31, 2020, 2019 and 2018.

The Credit Facility

Immediately following the refinancing activities described above, the Company's credit agreement (the "Credit Facility") 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 and the New Class Revolver require 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, 2020, the amount available under the Revolver, which includes the impact of outstanding letters of credit, was $129.2 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: (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., 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. In certain limited 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.

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.

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.

Credit Facility - Amendment No. 5

On July 20, 2020, Entercom Media Corp., a wholly-owned subsidiary of the Company, entered into an amendment ("Amendment No. 5") to the Credit Agreement, dated October 17, 2016 (as previously amended, the "Existing Credit Agreement" and, as amended by Amendment No. 5, the "Credit Agreement"), with the guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent. Amendment No. 5, among other things:

(a) amended the Company's financial covenants under the Credit Agreement by: (i) suspending the testing of the Consolidated Net First Lien Leverage Ratio (as defined in the Credit Agreement) through the Test Period (as defined in the Credit Agreement) ending December 31, 2020; (ii) adding a new minimum liquidity covenant of $75.0 million until December 31, 2021, or such earlier date as the Company may elect (the "Covenant Relief Period"); and (iii) imposing certain restrictions during the Covenant Relief Period, including among other things, certain limitations on incurring additional indebtedness and liens, making restricted payments or investments, redeeming notes and entering into certain sale and lease-back transactions;

(b) increased the interest rate and/or fees under the Credit Agreement during the Covenant Relief Period applicable to: (i) 2024 Revolving Credit Loans (as defined in the Credit Agreement) to (x) in the case of Eurodollar Rate Loans (as defined in the Credit Agreement), a customary Eurodollar rate formula plus a margin of 2.50% per annum, and (y) in the case of Base Rate Loans (as defined in the Credit Agreement), a customary base rate formula plus a margin of 1.50% per annum, and (ii) Letter of

Credit (as defined in the Credit Agreement) fees to 2.50% times the daily maximum amount available to be drawn under any such Letter of Credit; and

(c) modified the definition of Consolidated EBITDA by setting fixed amounts for the fiscal quarters ending June 30, 2020, September 30, 2020, and December 31, 2020, for purposes of testing compliance with the Consolidated Net First Lien Leverage Ratio financial covenant during the Covenant Relief Period, which fixed amounts correspond to the Borrower's Consolidated EBITDA as reported under the Existing Credit Agreement for the Test Period ended March 31, 2020, for the fiscal quarters ending June 30, 2019, September 30, 2019, and December 31, 2019, respectively.

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, 2020, 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. The cash available from the Revolver is dependent on the Company’s Consolidated Net First-Lien Leverage Ratio at the time of such borrowing.

(B) Senior Unsecured Debt

The Senior Notes

In connection with a business combination which occurred in 2017, the Company assumed 7.250% unsecured senior notes (the “Senior Notes”) that were subsequently modified and mature on November 1, 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, 2020, at a redemption price of 103.625% of their principal amount plus accrued interest. The redemption price decreases to 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, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018.

(C) Net Interest Expense

The components of net interest expense are as follows:

	Net Interest Expense		
	Years Ended December 31,		
	2020	2019	2018
	(amounts in thousands)		
Interest expense	$ 86,579	$ 100,757	$ 101,497
Amortization of deferred financing costs	3,981	3,085	3,189
Amortization of original issue discount (premium) of senior notes	(3,395)	(2,928)	(2,862)
Interest income and other investment income	(69)	(811)	(703)
Total net interest expense	$ 87,096	$ 100,103	$ 101,121

The weighted average interest rate under the Credit Facility (before taking into account the fees on the unused portion of the Revolver) was: (i) 2.6% as of December 31, 2020; and (ii) 4.3% as of December 31, 2019.

(D) Interest Rate Transactions

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 13, 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						
2021	$ 5,488	$ —	$ —	$ —	$ 30	$ 5,518
2022	5,488	22,727	—	—	30	28,245
2023	5,488	—	—	—	30	5,518
2024	737,542	92,000	400,000	—	30	1,229,572
2025	—	—	—	—	30	30
Thereafter	—	—	—	425,000	658	425,658
Total	$ 754,006	$ 114,727	$ 400,000	$ 425,000	$ 808	$ 1,694,541

(F) Outstanding Letters of Credit

The Company is required to maintain standby letters of credit in connection with insurance coverage as described in Note 23, Contingencies And Commitments.

(G) Guarantor and Non-Guarantor Financial Information

As of December 31, 2020, 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, 2020, 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.

13. 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 21, 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, 2020, 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)
			Cap	2.75%		Jun. 28, 2021	$ 340.0
Collar	$ 460.0	Jun. 25, 2019	Floor	0.402%	Jun. 28, 2024	Jun. 28, 2022	$ 220.0
						Jun. 28, 2023	$ 90.0
Total	$ 460.0						

For the year ended December 31, 2020, the Company recorded the net change in the fair value of this derivative as a loss of $(2.3) million (net of a tax benefit of $0.6 million as of December 31, 2020) 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, 2020, the fair value of these derivatives was a liability of $2.4 million, and is recorded as other long-term liabilities on the balance sheet. The Company expects to reclassify $1.1 million of this amount to the consolidated 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, 2020, and December 31, 2019:

	Accumulated Derivative Gain (Loss)	
Description	**December 31, 2020**	**December 31, 2019**
	(amounts in thousands)	
Accumulated derivative unrealized gain (loss)	$ (1,789)	$ (139)

The following table presents the accumulated net derivative gain (loss) recorded in other comprehensive income (loss) for the years ended December 31, 2020, 2019 and 2018:

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,					
2020	**2019**	**2018**	**2020**	**2019**	**2018**
(amounts in thousands)					
$ (1,650)	$ (139)	$ —	$ 663	$ —	$ —

Undesignated Derivatives

The Company is subject to equity market risks due to changes in the fair value of the notional investments selected by its employees as part of its non-qualified deferred compensation plans. During the quarter ended June 30, 2020, the Company entered into a Total Return Swap ("TRS") in order to manage the equity market risks associated with its non-qualified deferred compensation plan liabilities. The Company pays a floating rate, based on LIBOR, on the notional amount of the TRS. The TRS is designed to substantially offset changes in its non-qualified deferred compensation plan's liabilities due to changes in the value of the investment options made by employees. As of December 31, 2020, the notional investments underling the TRS amounted to $25.6 million. The contract term of the TRS is through April 2021 and is settled on a monthly basis, therefore limiting counterparty performance risk. The Company did not designate the TRS as an accounting hedge. Rather, the Company records all changes in the fair value of the TRS to earnings to offset the market value changes of its non-qualified deferred compensation plan liabilities.

For the year ended December 31, 2020, the Company recorded the net change in the fair value of the TRS in station operating expenses and corporate, general and administrative expenses in the amount of a $6.6 million benefit. Of this amount, a $2.6 million benefit was recorded in corporate, general and administrative expenses and a $4.0 million benefit was recorded in station operating expenses.

14. IMPAIRMENT LOSS

The following table presents the various categories of impairment loss:

	Impairment Loss		
	For The Years Ended December 31,		
	2020	2019	2018
	(amounts in thousands)		
Broadcasting licenses	$ 261,929	$ —	$ 148,564
Goodwill	—	537,353	317,138
ROU Asset	1,064	5,956	—
Property and equipment and other	$ 1,439	$ 2,148	$ 28,286
Total	$ 264,432	$ 545,457	$ 493,988

Refer to Note 8, Intangible Assets And Goodwill, and Note 21, Fair Value Of Financial Instruments, for additional information on impairment losses recognized.

15. 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.

Dividends

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.

On August 9, 2019, the Company's Board of Directors reduced the annual stock dividend program to $0.08 per share. Quarterly dividend payments approximated $2.7 million per quarter. Following the payment of the quarterly dividend for the first quarter of 2020, the Company suspended its quarterly dividend program. 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.

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, 2020:

Equity Type	Payment Date	Dividends per Share	Aggregate Payment Amount
Common stock	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
	March 27, 2020	$ 0.020	$ 2,692,213

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, 2020	2019
		(amounts in thousands)	
Short-term	Other current liabilities	$ 437	$ 811
Long-term	Other long-term liabilities	477	913
Total		$ 914	$ 1,724

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, 2020	2019	2018
	(amounts in thousands)		
Shares of stock deemed repurchased	510	459	506
Amount recorded as financing activity	$ 1,527	$ 2,905	$ 5,186

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. Following the purchase of shares under the ESPP for the first quarter of 2020, the Company temporarily suspended the ESPP.

	Years Ended December 31, 2020	2019	2018
	(amounts in thousands)		
Number of shares purchased	166	335	228
Non-cash compensation expense recognized	$ 43	$ 234	$ 252

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, 2020, the Company did not repurchase any shares under the 2017 Share Repurchase Program. 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. During the year ended December 31, 2018, the Company repurchased 3.2 million shares of Class A common stock at an average price of $9.11 per share for a total of $29.4 million. As of December 31, 2020, $41.6 million is available for future share repurchases under the 2017 Share Repurchase Program.

Shareholder Rights Agreement

On April 20, 2020, the Company entered into a Rights Agreement between the Company and American Stock Transfer & Trust Company, LLC, as Rights Agent (as amended from time to time, the "Rights Agreement"), which was previously approved by the Board of Directors of the Company (the "Board of Directors").

In connection with the Rights Agreement, a dividend was declared of one preferred stock purchase right (each, a "Class A Right") for each share of the Company's Class A common stock, par value $0.01 per share (the "Class A Common Stock"), and one preferred stock purchase right (each, a "Class B Right" and, together with the Class A Rights, the "Rights") for each share of the Company's Class B common stock, par value $0.01 per share (the "Class B Common Stock" and, together with the Class A Common Stock, the "Common Stock"), outstanding at the close of business on May 5, 2020 (the "Record Date").

Once the Rights become exercisable, each Right will entitle the holder of each Class A Right to purchase one one-thousandth of a share of the Company's Series A Junior Participating Convertible Preferred Stock, par value $0.01 per share (the "Series A Preferred"), and, with respect to each Class B Right, one one-thousandth of a share of the Company's Series B Junior Participating Convertible Preferred Stock, par value $0.01 per share (the "Series B Preferred"), at a price of $6.06 per one one-thousandth of a share of Series A Preferred or Series B Preferred, as applicable (in each case, the "Purchase Price"). At the election of the Board of Directors, shares of Series A Preferred and Series B Preferred are convertible into shares of Class A Common Stock and Class B Common Stock, respectively.

The Rights will expire on April 20, 2021, subject to the Company's right to extend such date, unless earlier redeemed or exchanged by the Company or terminated. The rights have an immaterial fair value.

In the event that a person becomes an Acquiring Person (as defined in the Rights Agreement, an "Acquiring Person") or if the Company were the surviving corporation in a merger with an Acquiring Person or any affiliate or associate of, or any person acting in concert with, an Acquiring Person and shares of Common Stock were not changed or exchanged in such merger, each holder of a Right, other than Rights that are or were acquired or beneficially owned by the Acquiring Person (which Rights will thereafter be void), will thereafter have the right to receive upon exercise that number of one-thousandths of a share of Series A Preferred or Series B Preferred, as applicable, equal to the number of shares of Class A Common Stock having a market value of two times the then current Purchase Price of one Right. In the event that, after a person has become an Acquiring Person, the Company were acquired in a merger or other business combination transaction or more than 50% of its assets or earning power were sold, proper provision shall be made so that each holder of a Right shall thereafter have the right to receive, upon exercise at the then current Purchase Price of the Right, that number of shares of common stock of the acquiring company which at the time of such transaction would have a market value of two times the then current Purchase Price of one Right.

At any time after a person becomes an Acquiring Person and prior to the earlier of one of the events described in the last sentence of the previous paragraph or the acquisition by such Acquiring Person acquiring 50% or more of the then outstanding Class A Common Stock, the Board of Directors may cause the Company to exchange the Rights (other than Rights owned by an Acquiring Person which have become void), in whole or in part, for shares of Series A Preferred or Series B Preferred, as applicable, at an exchange rate of one one-thousandth of a share of Series A Preferred per Class A Right and one one-thousandth of a share of Series B Preferred per Class B Right.

In the event that the Company receives a Qualifying Offer (as defined in the Rights Agreement), the holders of record of at least 10% or more of the shares of Common Stock then outstanding may submit to the Board of Directors a written demand requesting that the Board of Directors call a special meeting of the Company's shareholders for the purpose of voting on whether or not to exempt such Qualifying Offer from the terms of the Rights agreement. Upon the effective date of the exemption of the Rights, the right to exercise the Rights with respect to the Qualifying Offer will terminate.

The Rights are designed to assure that all of the Company's shareholders receive fair and equal treatment in the event of any proposed takeover of the Company. The Rights will cause substantial dilution to a person or group that acquires 10% (15% in the case of a passive institutional investor) or more of the Class A Common Stock on terms not approved by the Board of Directors. The adoption of the Rights Agreement was not a taxable event and did not have any material impact on the Company's financial reporting

16. 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,		
	2020	2019	2018
	(amounts in thousands, except share and per share data)		
Basic Income (Loss) Per Share			
Numerator			
Net income (loss) - continuing operations	(242,224)	(420,212)	(362,587)
Income (loss) from discontinued operations, net of tax	—	—	1,152
Net income (loss)	$ (242,224)	$ (420,212)	$ (361,435)
Denominator			
Basic weighted average shares outstanding	134,570,672	136,967,455	138,069,608
Net Income (Loss) Per Common Share - Basic:			
Net income (loss) from continuing operations per share - Basic	$ (1.80)	$ (3.07)	$ (2.63)
Net income (loss) from discontinued operations per share - Basic	—	—	0.01
Net income (loss) per share - Basic	$ (1.80)	$ (3.07)	$ (2.62)
Diluted Income (Loss) Per Share			
Numerator			
Net income (loss) - continuing operations	(242,224)	(420,212)	(362,587)
Income (loss) from discontinued operations, net of tax	—	—	1,152
Net income (loss)	$ (242,224)	$ (420,212)	$ (361,435)
Denominator			
Basic weighted average shares outstanding	134,570,672	136,967,455	138,069,608
Effect of RSUs and options under the treasury stock method	—	—	—
Diluted weighted average shares outstanding	134,570,672	136,967,455	138,069,608
Net Income (Loss) Per Common Share - Diluted:			
Net income (loss) from continuing operations per share - Diluted	$ (1.80)	$ (3.07)	$ (2.63)
Net income (loss) from discontinued operations per share - Diluted	—	—	0.01
Net income (loss) per share - Diluted	$ (1.80)	$ (3.07)	$ (2.62)

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,		
	2020	2019	2018
	(amounts in thousands, except per share data)		
Dilutive or anti-dilutive for all potentially dilutive equivalent shares	anti-dilutive	anti-dilutive	anti-dilutive
Excluded shares as anti-dilutive under the treasury stock method:			
Options excluded	609	543	564
Price range of options excluded: from	$ 3.54	$ 9.66	$ 6.43
Price range of options excluded: to	$ 13.98	$ 13.98	$ 13.98
RSUs with service conditions	2,689	2,953	1,394
Excluded RSUs with service and market conditions as market conditions not met	—	70	226
Excluded shares as anti-dilutive when reporting a net loss	139	331	755

17. 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, 2020, January 1, 2019, and January 1, 2018. As of December 31, 2020, the shares available for grant were (0.3) 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.

The QLGG 2017 Incentive Compensation Plan

In connection with the QLGG Acquisition, the Company assumed an equity compensation plan that was in place at QLGG. This plan (the "QLGG 2017 Incentive Compensation Plan") was assumed pursuant to New York Stock Exchange Listed Company Manual Rule 303A.08 and did not require approval by the Company's shareholders. Outstanding RSUs and options under the QLGG 2017 Incentive Compensation Plan are included in the amounts below.

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, 2019	3,861			
RSUs awarded	December 31, 2020	3,793			
RSUs released	December 31, 2020	(1,712)			
RSUs forfeited	December 31, 2020	(403)			
RSUs outstanding as of:	December 31, 2020	5,539	$ —	1.3	$ 13,572
RSUs vested and expected to vest as of:	December 31, 2020	5,539	$ —	1.3	$ 13,572
RSUs exercisable (vested and deferred) as of:	December 31, 2020	41	$ —	0	$ 101
Weighted average remaining recognition period in years		2.0			
Unamortized compensation expense		$ 17,352			

The following table presents additional information on RSU activity:

	Years Ended December 31,					
	2020		2019		2018	
	Shares	Amount	Shares	Amount	Shares	Amount
	(amounts in thousands, except per share data)					
RSUs issued	3,793	$ 10,073	1,955	$ 12,926	1,292	$ 10,078
RSUs forfeited - service based	(403)	(624)	(323)	(1,753)	(396)	(1,228)
Net RSUs issued and increase (decrease) to paid-in capital	3,390	$ 9,449	1,632	$ 11,173	896	$ 8,850
Weighted average grant date fair value per share	$ 2.66		$ 6.61		$ 9.71	
Fair value of shares vested per share	$ 7.53		$ 10.72		$ 11.07	
RSUs vested and released	1,712		1,456		1,496	

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. 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,		
	2020	2019	2018
	(amounts in thousands, except per share data)		
Reconciliation of RSUs with Service And Market Conditions			
Beginning of period balance	70	226	650
Number of RSUs forfeited	(70)	(156)	(110)
Number of RSUs vested	—	—	(314)
End of period balance	—	70	226
Weighted average fair value of RSUs granted with market conditions	$ —	$ —	$ —

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.

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 2020, 2019, or 2018. As of December 31, 2020, 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:

	Period Ended	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Intrinsic Value as of December 31, 2020
	(amounts in thousands, except per share data)				
Options outstanding as of:	December 31, 2019	543	$ 12.06		
Options granted	December 31, 2020	66	5.40		
Options assumed in the QLGG Acquisition	December 31, 2020	200	0.42		
Options outstanding as of:	December 31, 2020	809	$ 8.63	3.6	$ 406
Options vested and expected to vest as of:	December 31, 2020	809	$ 8.63	3.6	$ 406
Options vested and exercisable as of:	December 31, 2020	562	$ 11.66	3.3	$ 41
Weighted average remaining recognition period in years		1.2			
Unamortized compensation expense		$ 219			

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, 2020	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number of Options Exercisable December 31, 2020	Weighted Average Exercise Price
$0.17	$ 7.01	266,747	4.5	$ 1.67	18,968	$ 0.30
$9.66	$ 13.98	542,582	3.2	$ 12.06	542,582	$ 12.06
$0.17	$ 13.98	809,329	3.6	$ 8.63	561,550	$ 11.66

The following table provides summary information on the granting and vesting of options:

Option Issuance and Exercise Data	Years Ended December 31, 2020		2019		2018	
	(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
Upon vesting, period to exercise in years	0	0	1	10	1	10
Fair value per share upon grant	$ —		$ —		$ —	
Number of options granted	—		—		—	
Intrinsic value per share upon exercise	$ —		$ 7.06		$ 7.33	
Intrinsic value of options exercised	$ —		$ 1,272		$ 829	
Tax benefit from options exercised	$ —		$ 73		$ 220	
Cash received from exercise price of options exercised	$ —		$ 244		$ 153	

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 QLGG Acquisition in 2020.

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,		
	2020	2019	2018
	(amounts in thousands)		
Station operating expenses	$ 2,348	$ 4,673	$ 6,855
Corporate general and administrative expenses	6,907	11,511	8,294
Stock-based compensation expense included in operating expenses	9,255	16,184	15,149
Income tax benefit (1)	2,222	3,703	3,160
After-tax stock-based compensation expense	$ 7,033	$ 12,481	$ 11,989

(1) Amounts exclude impact from any compensation expense subject to Section 162(m) of the Code, which is nondeductible for income tax purposes.

18. 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,		
	2020	2019	2018
	(amounts in thousands)		
Federal statutory income tax rate	21 %	21 %	21 %
Computed tax expense at federal statutory rates on income before income taxes	$ (68,602)	$ (80,432)	$ (77,016)
State income tax expense, net of federal benefit	(18,538)	13,661	(4,779)
Goodwill impairment	—	98,910	64,465
Valuation allowance current year activity	—	(321)	(2,593)
Tax impact of share-based awards	1,424	950	872
Transaction costs	19	105	391
U.S. federal income tax reform	—	—	883
Taxable gain on sale of radio stations	—	—	5,511
Nondeductible expenses and other	1,818	4,333	8,113
Income taxes	$ (83,879)	$ 37,206	$ (4,153)

Effective Income Tax Rates

The Company recognized an income tax benefit at an effective income tax rate of 25.7% for 2020. This rate was higher than the federal statutory rate of 21% primarily due to the impact of state and local income taxes.

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.

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 in 2018.

	Years Ended December 31,		
	2020	2019	2018
Current:			
Federal	$ (5,542)	$ 20,751	$ 38,481
State	(1,359)	11,685	17,836
Total current	(6,901)	32,436	56,317
Deferred:			
Federal	(54,886)	(837)	(37,678)
State	(22,092)	5,607	(22,792)
Total deferred	(76,978)	4,770	(60,470)
Total income taxes (benefit)	$ (83,879)	$ 37,206	$ (4,153)

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.

The components of deferred tax assets and liabilities as of December 31, 2020 and 2019, are as detailed below.

	December 31, 2020	December 31, 2019
	(amounts in thousands)	
Deferred tax assets:		
Federal and state income tax loss carryforwards	$ 88,815	$ 70,982
Share-based compensation	3,432	4,221
Investments - impairments	350	350
Lease rental obligations	3,469	4,709
Deferred compensation	8,938	10,253
Debt fair value adjustment	4,081	4,987
Reserves	514	—
Lease liability	71,968	77,722
Employee benefits	1,673	2,011
Provision for doubtful accounts	5,043	4,671
Other non-current	8,193	2,432
Total deferred tax assets before valuation allowance	196,476	182,338
Valuation allowance	(24,399)	(25,440)
Total deferred tax assets	$ 172,077	$ 156,898
Deferred tax liabilities:		
Lease ROU asset	(63,186)	(69,243)
Property, equipment and certain intangibles	(49,908)	(43,788)
Broadcasting licenses and goodwill	(532,381)	(593,525)
Total deferred tax liabilities	$ (645,475)	$ (706,556)
Total net deferred tax liabilities	$ (473,398)	$ (549,658)

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 2020, 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 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, 2020	$ 25,440	$ (1,041)	$ —	$ —	$ 24,399
December 31, 2019	25,761	(321)	—	—	25,440
December 31, 2018	37,154	(11,393)	—	—	25,761

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,	
	2020	2019
	(amounts in thousands)	
Liabilities for uncertain tax positions		
Interest and penalties	$ 868	$ —
Total	$ 868	$ —

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,		
	2020	2019	2018
	(amounts in thousands)		
Interest and penalties (income)	868	—	—
Total income taxes (benefit) from uncertain tax positions	$ 868	$ —	$ —

The following table presents the gross amount of changes in unrecognized tax benefits:

	Years Ended December 31,		
	2020	2019	2018
	(amounts in thousands)		
Beginning of year balance	$ (6,719)	$ (7,285)	$ (7,820)
Prior year positions			
Reductions due to statute lapse	231	566	535
End of year balance	$ (6,488)	$ (6,719)	$ (7,285)
Ending liability balance included above that was reflected as an offset to deferred tax assets	$ (6,488)	$ (6,719)	$ (6,915)

The gross amount of the Company's unrecognized tax benefits is reflected in the above table which, if recognized, may 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, 2020, 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, 2019 or 2020. 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,		
	2020	2019	2018
	(amounts in thousands)		
Federal and state income tax payments	$ 2,724	$ 39,100	$ 54,217

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 $277.7 million of its NOL carryovers.

The Company has recorded a valuation allowance for its pre-Merger 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 2020 tax filing year as these returns will not be filed until later in 2021:

	Net Operating Losses December 31, 2020 NOLs (amounts in thousands)	NOL Expiration Period (in years)
Federal NOL carryforwards	$ 283,776	2030 to indefinite
State NOL carryforwards	$ 535,603	2021 to indefinite

19. SUPPLEMENTAL CASH FLOW DISCLOSURES ON NON-CASH ACTIVITIES

The following table provides non-cash disclosures during the periods indicated:

	Years Ended December 31, 2020	2019	2018
	(amounts in thousands)		
Operating Activities			
Barter revenues	$ 9,616	$ 16,914	$ 19,365
Barter expenses	$ 9,604	$ 16,741	$ 19,324
Transition services costs incurred in the integration of CBS Radio	$ —	$ —	$ 5,456
Reduction to the transition services asset	$ —	$ —	$ (5,456)
Financing Activities			
Increase in paid-in capital from the issuance of RSUs	$ 10,073	$ 12,926	$ 10,078
Decrease in paid-in capital from the forfeiture of RSUs	(624)	(1,753)	(1,228)
Net paid-in capital of RSUs issued (forfeited)	$ 9,449	$ 11,173	$ 8,850
Investing Activities			
Noncash additions to property and equipment and intangibles	$ 2,901	$ 803	$ 818
Net radio station assets given up in a market	$ —	$ 22,795	$ —
Net radio station assets acquired in a market	$ —	$ 22,500	$ —

20. 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.

Benefit Plan Disclosures	Years Ended December 31, 2020	2019	2018
	(amounts in thousands)		
Deferred compensation			
Beginning of period balance	$ 33,229	$ 30,928	$ 40,995
Employee compensation deferrals	—	15	384
Employee compensation payments	(3,333)	(3,826)	(8,709)
Increase (decrease) in plan fair value	3,578	6,112	(1,742)
End of period balance	$ 33,474	$ 33,229	$ 30,928

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 2020, 2019 and 2018 were $2.2 million, $5.6 million and $6.1 million, respectively. As discussed above, in response to the COVID-19 pandemic, the Company temporarily suspended its 401(k) matching program in 2020.

21. 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 8, Intangible Assets And Goodwill; (ii) financial instruments as described in Note 12, Long-Term Debt; (iii) deemed deferred compensation plans as described in Note 20, Employee Savings And Benefit Plans; (iv) lease abandonment liabilities ; and (v) interest rate derivative transactions that are outstanding from time to time as described in Note 13, 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, 2020	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)	$ 33,474	$ 27,040	$ —	$ —	$ 6,434
Interest rate cash flow hedge (3)	$ 2,439	$ —	$ 2,439	$ —	$ —

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	$ —	$ —

(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.

During the second, third and fourth quarters of 2020, the Company conducted interim and annual impairment assessments on its broadcasting licenses. As a result of these impairment assessments, the Company determined the fair values of the broadcasting licenses were less than their respective carrying values. Accordingly, the Company recorded impairment charges in the second, third and fourth quarters of 2020. Refer to Note 8, Intangible Assets and Goodwill, for additional information.

During the fourth quarter of 2020, the Company conducted a qualitative impairment assessment on its goodwill attributable to the podcast reporting unit. As a result of the qualitative impairment test, the Company determined it was more likely than not that the fair value of the goodwill attributable to the podcast reporting unit exceeded their respective carrying amounts. Refer to Note 8, Intangible Assets and Goodwill, for additional information.

For the goodwill acquired in the QLGG 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. Refer to Note 8, Intangible Assets and Goodwill, for additional information.

As discussed in Note 8, 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 conducted an annual impairment assessment on its broadcasting licenses and goodwill. As a result of this impairment 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 an impairment charge on its goodwill in the fourth quarter of 2019. Refer to Note 8, Intangible Assets And Goodwill, for additional information.

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 an impairment charge on its broadcasting licenses and goodwill in the fourth quarter of 2018. Refer to Note 8, 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 review of its ROU assets for impairment when evidence exists that the carrying value of an asset may not be recoverable. During the first quarter of 2020, the Company recorded a $1.1 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 14, Impairment Loss, for additional information.

During the fourth quarter of 2020, the Company recorded a $1.4 million impairment charge related to computer software. The impairment charge was recognized within the impairment loss line item on the consolidated statement of operations. Refer to Note 14, Impairment Loss, for additional information.

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 14, 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 14, 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 14, 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 14, 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, 2020		December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(amounts in thousands)			
Term B Loans (1)	$ 754,006	$ 737,041	$ 770,000	$ 774,813
Revolver (2)	$ 114,727	$ 114,727	$ 117,000	$ 117,000
Senior Notes (3)	$ 400,000	$ 398,000	$ 400,000	$ 423,250
Notes (4)	$ 425,000	$ 429,250	$ 425,000	$ 454,750
Other debt (5)	$ 808		$ 873	
Letters of credit (5)	$ 6,229		$ 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 Loan 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 is 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 change in the carrying value of the Company's cost-method investments since the year ended December 31, 2020. The following table presents the Company's investments valued under the measurement alternative:

	Investments Valued Under the Measurement Alternative	
	December 31,	
	2020	2019
	(amounts in thousands)	
Investment balance before cumulative impairment as of January 1,	$ 3,305	$ 11,205
Accumulated impairment as of January 1,	—	—
Investment beginning balance after cumulative impairment as of January 1,	3,305	11,205
Removal of investment in connection with step acquisition	—	(9,700)
Acquisition of interest in a privately held company	—	1,800
Ending period balance	$ 3,305	$ 3,305

22. 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.

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. In the second quarter of 2020, the Company completed this sale for $10.8 million in cash. The Company recognized a gain on the sale, net of commissions and other expenses, of approximately $0.2 million.

During the second quarter of 2020, the Company entered into an agreement with Truth Broadcasting Corporation ("Truth") to dispose of property and equipment and two broadcasting licenses in Greensboro, North Carolina. 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 $0.5 million. The Company entered into a time brokerage agreement ("TBA") with Truth where Truth commenced operations of the two stations on September 28, 2020. During the period of the TBA, the Company excluded net revenues and station operating expenses associated with the two stations in the Company's consolidated financial statements. In the fourth quarter of 2020, the Company completed this sale for $0.4 million in cash. The Company recognized a loss on the sale, net of expenses, of approximately $0.1 million.

During the fourth quarter of 2020, the Company announced that it entered into an exchange agreement with Urban One, Inc. ("Urban One") pursuant to which the Company will exchange its four station cluster in Charlotte, North Carolina for one station in St. Louis, Missouri, one station in Washington, D.C., and one station in Philadelphia, Pennsylvania (the "Urban One Exchange"). The Company conducted an analysis and determined the assets met the criteria to be classified as held for sale at December 31, 2020. In aggregate, these assets had a carrying value of $21.4 million. The Company and Urban One began programming the respective stations under LMAs on November 23, 2020. During the period of the LMAs, the Company excluded net revenues and station operating expenses associated with the four station cluster in Charlotte, North Carolina in the Company's consolidated financial statements and included net revenues and station operating expenses associated with the stations in St. Louis, Missouri, Washington, D.C., and Philadelphia, Pennsylvania. The Urban One Exchange is expected to close in the first quarter of 2021.

The major categories of these assets held for sale are as follows:

	Assets Held for Sale	
	December 31, 2020	December 31, 2019
	(amounts in thousands)	
Net property and equipment	4,686	48
Radio broadcasting licenses	16,744	10,140
Operating lease right-of-use assets	1,292	—
Operating lease liabilities	(1,315)	—
Net assets held for sale	$ 21,407	$ 10,188

Discontinued Operations

The results of operations for several radio stations acquired from CBS Corporation ("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.

The following table presents the results of operations of the discontinued operations:

	Years Ended December 31,		
	2020	2019	2018
	(amounts in thousands)		
Net time brokerage agreement (income) fees	—	—	1,765
Total operating expenses	—	—	—
Income before income taxes	—	—	1,765
Income taxes	—	—	613
Income from discontinued operations, net of income taxes	$ —	$ —	$ 1,152

23. 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 Federal Communications Commission (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.

On July 22, 2020, the Company and the FCC entered into a consent decree for the purpose of terminating the FCC's 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. Under the terms of the consent decree, which constitutes a final settlement with respect to the investigation, the FCC determined that no civil penalty was warranted. Additionally, the Company agreed to implement a comprehensive compliance plan and provide periodic compliance reports to the FCC.

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 $419,353 for a single incident, with a maximum fine of up to $3,870,946 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.

Music Licensing

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, 2021. 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 hearings to determine the royalty rates for the public digital performance of sound recordings on the Internet under federal statutory license for the 2021-2026 royalty period (the "Web V Proceedings"), originally scheduled for March 2020, were rescheduled due to the COVID-19 pandemic and held virtually in August 2020. As of the date of this filing, the CRB has not yet released its determination of rates resulting from the Web V Proceedings.

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,		
	2020	2019	2018
	(amounts in thousands)		
Rent expense	$ 58,656	$ 58,947	$ 53,948

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,				
2021	$ 50,379	$ 2,342	$ 82,066	$ 134,787
2022	47,688	2,412	65,174	115,274
2023	43,190	2,485	49,894	95,569
2024	37,589	2,196	25,675	65,460
2025	30,713	2,229	16,500	49,442
Thereafter	94,891	8,230	—	103,121
	$ 304,450	$ 19,894	$ 239,309	$ 563,653

24. SUBSEQUENT EVENTS

Events occurring after December 31, 2020, 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.

(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).
3.6 #	Amendment No. 1 to Amended and Restated Bylaws of Entercom Communications Corp. (Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on May 7, 2020).
3.7 #	Statement with Respect to Shares, filed with the Pennsylvania Department of State on July 16, 2015. (Incorporated by reference to an Exhibit 3.1 to our Current Report on Form 8-K filed on July 17, 2015)
3.8 #	Statement with Respect to Shares for Series A Junior Participating Convertible Preferred Stock of Entercom Communications Corp., filed with the Department of State of the Commonwealth of Pennsylvania on April 21, 2020. (Incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K dated April 21, 2020 of Entercom Communications Corp.).
3.9 #	Statement with Respect to Shares for Series B Junior Participating Convertible Preferred Stock of Entercom Communications Corp., filed with the Department of State of the Commonwealth of Pennsylvania on April 21, 2020. (Incorporated by reference to Exhibit 3.2 of the Current Report on Form 8-K dated April 21, 2020 of Entercom Communications Corp.).
3.10 #	Rights Agreement, dated April 20, 2020, between Entercom Communications Corp. and American Stock Transfer & Trust Company, LLC, which includes the Statement with Respect to Shares for Series A Junior Participating Convertible Preferred Stock as Exhibit A-1, the Statement with Respect to Shares for Series B Junior Participating Convertible Preferred Stock as Exhibit A-2, the Form of Right Certificate as Exhibit B-1, the Form of Right Certificate as Exhibit B-2 and the Summary of Rights to Purchase Preferred Stock as Exhibit C. (Incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K dated April 21, 2020 of Entercom Communications Corp.).
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. 333-217273)).
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 #	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).
4.5 #	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).
4.6 #	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).

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 # Amendment No. 5, dated July 20, 2020, to the Credit Agreement, dated October 17, 2016 (as amended), among Entercom Media Corp., 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 to Entercom's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, as filed on November 9, 2020

10.3 # 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).

10.4 # Employment Agreement, dated April 22, 2016, 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).

10.5 # 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).

10.6 # 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).

10.7 # 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).

10.8 # 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).

10.9 # 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).

10.10 # 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).

10.11 * Employment Agreement dated May 5, 2020, between Entercom Communications Corp. and Susan R. Larkin. (Filed herewith).

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. (Incorporated by reference to Exhibit 10.13 to Entercom's Annual Report on Form 10-K for the year ended December 31, 2019, filed on March 2, 2020).

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 * Employment Agreement, dated March 5, 2020, between Entercom Communications Corp. and Robert Philips. (Filed herewith).

10.17 #	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).
10.18 #	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).
10.19 #	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).
10.20 #	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).
10.21 #	Entercom Non-Employee Director Compensation Policy adopted April 6, 2020. (Incorporated by reference to Exhibit 10.01 to Entercom's Current Report on Form 8-K filed on April 9, 2020).
10.22 #	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).
10.23 #	Entercom Annual Incentive Plan. (Incorporated by reference to Exhibit A to Entercom's Proxy Statement on Schedule 14A, filed on March 17, 2017).
10.24 #	QLGG 2017 Stock Incentive Plan (Incorporated by reference to Exhibit 99.1 to of Entercom’s Registration Statement on Form S-8 (File No. 333-250100)).
10.25 #	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 Grant Thornton LLP. Filed herewith
23.2 *	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	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101)

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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 1, 2021.

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 1, 2021
Principal Financial Officer:		
/s/ RICHARD J. SCHMAELING Richard J. Schmaeling	Executive Vice President and Chief Financial Officer	March 1, 2021
Principal Accounting Officer:		
/s/ ELIZABETH BRAMOWSKI Elizabeth Bramowski	Principal Accounting Officer and Controller	March 1, 2021
Directors:		
/s/ DAVID J. FIELD David J. Field	Director, Chairman of the Board	March 1, 2021
/s/ JOSEPH M. FIELD Joseph M. Field	Chairman Emeritus	March 1, 2021
/s/ DAVID J. BERKMAN David J. Berkman	Director	March 1, 2021
/s/ SEAN R. CREAMER Sean R. Creamer	Director	March 1, 2021
/s/ JOEL HOLLANDER Joel Hollander	Director	March 1, 2021
/s/ LOUISE C. KRAMER Louise C. Kramer	Directors	March 1, 2021
/s/ MARK R. LANEVE Mark R. LaNeve	Director	March 1, 2021
/s/ DAVID LEVY David Levy	Director	March 1, 2021
/s/ SUSAN K. NEELY Susan K. Neely	Director	March 1, 2021
/s/ MONIQUE L. NELSON Monique L. Nelson	Director	March 1, 2021
/s/ STEFAN M. SELIG Stefan M. Selig	Director	March 1, 2021