

ENTERCOM COMMUNICATIONS CORP
Form 10-K
March 03, 2014
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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, 2013

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
(State or other jurisdiction of
incorporation or organization)
401 E. City Avenue, Suite 809
Bala Cynwyd, Pennsylvania 19004
(Address of principal executive offices and zip code)
(610) 660-5610
(Registrant's telephone number, including area code)

23-1701044
(I.R.S. Employer
Identification No.)

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

Title of each class	Name of exchange on which registered
Class A Common Stock, par value \$.01 per share	New York Stock Exchange

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

NONE

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

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** x

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** x **No** "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted 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 and post such files). **Yes** x **No** "

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

As of February 19, 2014, the aggregate market value of the Class A common stock held by non-affiliates of the registrant was \$248,745,397 based on the June 28, 2013 closing price of \$9.44 on the New York Stock Exchange on such date.

Class A common stock, \$0.01 par value 31,935,156 Shares Outstanding as of February 19, 2014

(Class A Shares Outstanding includes 1,584,824 unvested and vested but deferred restricted stock units).

Class B common stock, \$0.01 par value 7,197,532 Shares Outstanding as February 19, 2014.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information in the registrant's Definitive Proxy Statement for its 2014 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 April 30, 2014.

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CERTAIN DEFINITIONS

Unless the context requires otherwise, all references in this report to Entercom, we, 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.

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 and Section 21E of the Securities Exchange Act of 1934, as amended.

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, 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.

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PART I

ITEM 1. BUSINESS

We are one of the five largest radio broadcasting companies in the United States with a nationwide portfolio in excess of 100 stations in 23 markets, including San Francisco, Boston, Seattle, Denver, Portland, Sacramento and Kansas City. We were organized in 1968 as a Pennsylvania corporation.

Our Strategy

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

Source Of Revenue

The primary source of revenues for our radio stations is the sale of advertising time to local, regional and national spot advertisers and national network advertisers. 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 national spot commercial airtime on our stations to advertisers outside of our local markets. A growing source of revenue is from station-related digital platforms which allow for enhanced audience interaction and participation as well as integrated advertising.

We believe that radio is an efficient and effective means of reaching specifically identified demographic groups. Our stations are typically classified by their format, such as news, talk, classic rock, 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.

Competition

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

The following are some of the factors that are important to a radio station's competitive position: (i) audience ratings; (ii) program content; (iii) management talent and expertise; (iv) sales talent and expertise; (v) audience characteristics; (vi) signal strength; and (vii) the number and characteristics of other radio stations and other advertising media in the market area.

We believe owning multiple radio stations in a market allows us to provide our listeners with a more diverse programming selection and a more efficient means for our advertisers to reach those listeners. By owning multiple stations in a market, we are also able to operate our stations with more highly skilled local management teams and eliminate duplicative operating and overhead expenses.

Our Radio Stations

We operate with a nationwide portfolio of 23 markets: San Francisco, Boston, Seattle, Denver, Portland, Sacramento, Kansas City, Indianapolis, Milwaukee, Austin, Norfolk, Buffalo, New Orleans, Memphis, Providence, Greensboro, Greenville/Spartanburg, Rochester, Madison, Wichita, Wilkes-Barre/Scranton, Springfield (MA) and Gainesville/Ocala.

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Federal Regulation Of Radio Broadcasting

Overview. The radio broadcasting industry is subject to extensive and changing 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. Certain of our subsidiaries hold the FCC licenses for our stations. While there is no national limit, the number of radio stations that can operate in a given area or market is limited by the number of AM and FM frequencies allotted by the FCC based upon consideration of interference to and from other operating or authorized stations. The FCC's multiple ownership rules further limit the number of stations serving the same area that may be owned or controlled by a single individual or entity. In the largest markets (markets with 45 or more stations), the maximum is eight commercial stations, with no more than five in the same service (that is, AM or FM). In the smallest markets, ownership is limited to the lesser of either five commercial stations or not more than 50% of stations in the market, with no more than three in the same service.

Since the number of stations in a local market may fluctuate from time to time, the number of stations that can be owned by a single individual or entity in a given market can vary over time. Once the FCC approves the ownership of a cluster of stations in a market, that owner may continue to hold those stations under the grandfathering policies, despite a decrease in the number of stations in the market. Market clusters, such as our stations in Greenville and Wilkes-Barre/Scranton, are considered to be grandfathered. If, at the time of a proposed future transaction, a cluster does not comply with the multiple ownership limitations based upon the number of stations then present in the market, the entire cluster cannot be transferred intact to a single party unless the purchaser qualifies as an eligible entity under specified small business standards and meets certain control tests, or the purchaser promises to file an application to assign the excess stations in the market to an eligible entity or to an irrevocable divestiture trust.

Ownership Rules. The FCC sets limits on the number of broadcast stations (including both radio and TV) an entity can own, as well as limits on the common ownership of broadcast stations and newspapers. The FCC is required to review its media ownership rules every four years to determine whether the rules are in the public interest and to repeal or modify any regulation it determines does not meet this criteria. In 2003, the FCC significantly revised its ownership rules which included: (i) cross-media limits that in certain markets eliminated the newspaper-broadcast cross-ownership ban and altered the television-radio cross-ownership limitations; and (ii) a revised manner in which the radio numeric ownership limitations were to be applied, substituting, where available, geographic markets as determined by Neilson Audio. In areas outside of Neilson Audio markets, the relevant radio market for purposes of the rules is determined by overlap of specified signal contours. These changes are the subject of various appeals and review by the current FCC Commissioners.

Ownership Attribution. In the application of the ownership limitations, the FCC generally only considers 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. In instances, as in our case, where there is a single majority voting shareholder, voting stock interests held by other owners in excess of the five percent standard described above are considered to be non-attributable. This exemption remains in effect, but has been under review by the FCC for a number of years.

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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 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. In 2013, the FCC announced that it was open to considering investment proposals from international companies or individuals on a case-by-case basis. Our articles of incorporation prohibit the ownership, voting and transfer of our capital stock in violation of the FCC restrictions, and prohibit the issuance of capital stock or the voting rights such capital stock represents to or for the account of aliens or corporations otherwise subject to control by aliens in excess of the FCC limits.

License Renewal. The licenses issued by the FCC for radio stations are renewable authorizations that are ordinarily granted for an eight-year term. The present period for filing for license renewals began in June 2011 and will conclude in April 2014. A station may continue to operate beyond the expiration date of its license if a timely filed license renewal application is pending.

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. Historically, FCC licenses have generally been renewed.

Petitions to deny the renewal applications of all of our Sacramento radio stations have been filed and are pending. In addition, renewal applications of certain other stations remain pending due to listener complaints. Subject to the resolution of open FCC inquiries, we believe that our licenses will be renewed, although there can be no assurance to that effect. The non-renewal of one or more of our licenses could have a material adverse effect on our business.

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

compliance with the various rules limiting common ownership of media properties in a given market;

the character of the proposed licensee; and

compliance with the Communications Act's limitations on alien ownership as well as compliance with other FCC regulations and policies.

To obtain FCC consent for the assignment or transfer of control of a broadcast license, appropriate applications must be filed with the FCC. Interested parties may file objections or petitions to deny such applications. When evaluating an assignment or transfer application, the FCC is prohibited from considering whether the public interest might be

served by assignment or transfer of the broadcast license to any party other than the one specified in the application. No assignment or transfer application will be granted by the FCC for any station while a renewal application is pending for the station. Once an assignment or transfer application is granted, interested parties have 30 days following public notice of the grant to seek reconsideration of that grant. The FCC usually has an additional ten days within which to set aside the grant on its own motion. The Communications Act permits certain court appeals of a contested grant as well.

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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 and restricts when material it considers indecent can be broadcast. The FCC has greatly intensified its enforcement activities with respect to programming which it considers indecent or profane, including: (i) adopting rules to implement the statutory increase in the maximum fine which may be assessed for the broadcast of indecent or profane programming to \$325,000 for a single violation, up to a maximum of \$3,000,000 for a continuing violation; (ii) imposing fines on a per utterance basis instead of the imposition of a single fine for an entire program; and (iii) repeatedly warning broadcasters that future serious violations may result in the commencement of license revocation proceedings. There are a number of outstanding indecency proceedings in which we are defending our stations' conduct, and there may be other complaints of this nature which have been submitted to the FCC of which we have not yet been notified.

In June 2012, the U.S. Supreme Court upheld a decision of the U.S. Court of Appeals for the Second Circuit involving certain aspects of the FCC's indecency rules. The Supreme Court invalidated violations on fleeting material that predated the FCC's announcement of its change in policy regarding fleeting material. Otherwise the Supreme Court kept the existing indecency rules intact and left for future proceedings all other challenges to those rules.

FCC rules prohibit employment discrimination by broadcast stations on the basis of race, religion, color, national origin and gender. These rules require broadcasters generally to: (i) refrain from discrimination in hiring and promotion; (ii) widely disseminate information about all full-time job openings to all segments of the community to ensure that all qualified applicants have sufficient opportunity to apply for the job; (iii) send job vacancy announcements to recruitment organizations and others in the community indicating an interest in vacancies at the station; and (iv) implement a number of specific recruitment outreach efforts, such as job fairs, internship programs, and interaction with educational and community groups. In addition, the FCC bars discrimination with regard to race or gender in station transactions and has other rules designed to enhance the diversification of station ownership.

The FCC has rules which concern the manner in which on-air contests conducted by a station are announced and conducted, requiring in general that the material rules and terms of the contest be broadcast periodically and that the contest be conducted substantially as announced. The FCC has a pending investigation into a contest at one of our stations. See Part I, Item 3, Legal Proceedings, for further discussion.

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 indecency rules - see discussion above) is currently \$37,500.

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: (1) affect, directly or indirectly, the operation, ownership and profitability of our radio stations; (2) result in the loss of audience

share and advertising revenues for our radio stations; and (3) affect our ability to acquire additional radio stations or to finance those acquisitions. We cannot predict what other matters may be proposed or considered by the FCC or Congress, and we are unable to determine what effect, if any, the adoption of any such restrictions or limitations may have on our operations.

Federal Antitrust Laws. The federal agencies responsible for enforcing the federal antitrust laws, the Federal Trade Commission and the Department of Justice, 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 Federal Trade Commission and the Department of Justice and to observe specified waiting-period requirements before consummating the acquisition.

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HD Radio

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

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

Employees

As of February 14, 2014, we had 1,390 full-time employees and 862 part-time employees. With respect to certain of our stations in our Kansas City and San Francisco markets, we are a party to collective bargaining agreements with SAG-AFTRA, the entity that represents two labor unions: the Screen Actors Guild and the American Federation of Television and Radio Artists. Approximately 11 employees are represented by these collective bargaining agreements. We believe that our relations with our employees are good.

Corporate Governance

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

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

Corporate Governance Guidelines. New York Stock Exchange rules require our Board of Directors 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. Our revenues are typically lowest in the first calendar quarter.

Internet Address And Internet Access To Periodic And Current Reports

You can find more information about us at 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.

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ITEM 1A. RISK FACTORS

Many statements contained in this report are forward-looking in nature. See Note Regarding Forward-Looking Statements at the beginning of this Form 10-K. These statements are based on current plans, intentions or expectations, and actual results could differ materially as we cannot guarantee that we will achieve these plans, intentions or expectations. Among the factors that could cause actual results to differ are the following:

BUSINESS RISKS

Current economic growth remains slow and uneven.

Advertising demand continues to fluctuate and reflects the uneven performance of the general economy. The forces that are dragging the U.S. economic recovery are also negatively impacting advertising demand. Our net revenues decreased in the low single digits in 2013 as compared to the prior year due to sluggish demand for advertising as total radio ad revenues in most of the markets in which we operate declined for the year. In addition, the prior year benefited from the influx of advertising from political candidates and groups primarily due to the high number of state and federal elections during that period.

Due to the continued uncertain pace of economic growth, we cannot predict future revenue trends. Our results of operations are likely to be negatively impacted by delays or reversals in the economic recovery or by future economic downturns. Also, expenditures by advertisers tend to be cyclical, reflecting overall economic conditions. The risks associated with our business will be more acute in periods of a slowing economy or recession, which may be accompanied by a decrease in advertising. A decrease in advertising expenditures can have an adverse effect on our net revenues, profit margins, cash flow, and liquidity, which in turn could further impair our assets.

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

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

We operate in a highly competitive business. Our radio stations compete for audiences and advertising sales, which are our principal source of revenues, directly with other radio stations, as well as with other media, such as broadcast, cable and satellite television, newspapers and magazines, national and local digital services, outdoor advertising and direct mail. Audience ratings and market shares are subject to change, and any decrease in our ratings or market share in a particular market could have a material adverse effect on the revenue 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, an event or series of events, demographic shifts and general broadcast listening trends. Adverse changes in any of these areas or trends could have a material adverse effect on our business and results of operations.

While we already compete in some of our markets with stations with similarly programmed formats, if another radio station in a market were to convert its programming format to a format similar to one of our stations or if an existing competitor were to garner additional market share, our stations could suffer a reduction in ratings and/or advertising revenue and could incur increased promotional and other expenses. Competing companies may be larger and have more financial resources than we do. We cannot be assured that any of our stations will be able to maintain or increase their current audience ratings and advertising revenues.

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

The radio broadcasting industry is subject to rapid technological change, evolving industry standards and the emergence of new media technologies and services. We may lack the resources to acquire new technologies or introduce new services to allow us to compete with these new offerings. Competing technologies and services, some of which are commercial free, include the following:

personal digital audio devices (e.g., mobile phones including smart phones, iPods, iPads, mp3 players, audio via WiFi and WiMAX);

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national and local digital audio services;

satellite-delivered digital radio services;

audio programming by cable systems, direct-broadcast satellite systems, personal communications systems, content available over the Internet and other digital audio broadcast formats;

HD Radio, which provides multi-channel, multi-format digital radio services in the same bandwidth currently occupied by traditional AM and FM radio services; and

low-power FM radio, which could result in additional FM radio broadcast outlets, including additional low-power FM radio signals authorized in December 2010 under the Local Community Radio Act.

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

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 damage our business.

The radio broadcasting industry is subject to extensive regulation by the FCC under the Communications Act of 1934. 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, we cannot be assured 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. A number of our applications to renew our station licenses have been objected to by third parties and remain pending before the FCC. In addition, twelve of our radio stations have license renewal applications pending from the prior eight-year renewal cycle (the 2003-2006 renewal period). The non-renewal, or renewal with substantial conditions or modifications, of one or more of our licenses could have a material adverse effect on us.

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 have a material adverse effect on us. Moreover, these FCC regulations may change over time, and we cannot be assured that changes would not have a material adverse effect on us. We are currently the subject of several pending investigations by the FCC, including one involving a death following a contest at one of our stations.

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 proposed legislation in the past and there could be again in the future that requires radio broadcasters to pay additional fees such as a spectrum fee for the use of the spectrum. In addition, there is proposed legislation which would impose a new royalty fee to record labels and performing artists for use of their recorded music. Currently we pay royalties to song composers and publishers indirectly through third parties. Any proposed legislation that is adopted into law could add an additional layer of royalties to be paid directly to the record labels and artists. While this proposed legislation did not become law, it has been the subject of considerable debate and activity by the broadcast industry and other parties affected by the legislation. It is currently unknown what impact any potential required royalty payments or fees would have on our results of operations, cash flows or financial position.

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

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

The loss of 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 have a material adverse effect on our business.

Our radio stations compete for creative and on-air talent with other radio stations and providers of syndicated media as well as other media, such as broadcast, cable and satellite television, the Internet and satellite radio. Our on-air talent are subject to change, due to competition and for other reasons. Changes in on-air talent could materially and negatively affect our ratings and our ability to attract local and national advertisers, which could in turn adversely affect our revenues.

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

For the year ended December 31, 2013, we generated over 50% of our net revenues in seven of our 23 markets, which were Boston, Denver, Kansas City, Portland, Sacramento, San Francisco and Seattle. 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 have a material adverse effect on our financial position and results of operations and cash flows.

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

Over the past several years, we have incurred impairment losses in our consolidated statement of operations primarily as a result of recording non-cash write-downs of our broadcasting licenses and goodwill. In 2012, 2009 and 2008, we recorded impairments to our broadcasting licenses and goodwill of \$22.3 million, \$67.7 million and \$835.7 million, respectively. As of December 31, 2013, our broadcasting licenses and goodwill comprise 83% of our total assets. The valuation of our broadcasting licenses and goodwill is subjective and based on our estimates and assumptions rather than precise calculations. The fair value measurements for both our broadcast licenses and goodwill use significant unobservable inputs and reflect our own assumptions including market share and profit margin for an average station, growth within a radio market, estimates of costs and losses during early years, potential competition within a radio

market and the appropriate discount rate used in determining fair value. 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.

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We have significant obligations relating to our current operating leases.

There are proposed changes to the accounting guidance that could require us to recognize our current operating leases on the balance sheet. As of December 31, 2013, we had operating lease commitments of approximately \$96.5 million. These leases are classified as operating leases and disclosed in Note 20 in the accompanying notes to the audited consolidated financial statements. Currently, operating leases are classified as off-balance sheet transactions and only the current year operating lease expense is accounted for in the consolidated statements of operations as rent expense. All of our leases, which have been classified as operating leases, require us to make certain estimates at the inception of the lease in order to determine whether the lease is operating or capital. The proposed change would require that substantially all operating leases be recognized as assets (the right to use the leased property) and liabilities (the present value of future lease payments). The effective date has not been determined and may require retrospective adoption. If adopted in its present form, this would result in: (1) an increase in the assets and liabilities reflected on our consolidated balance sheets; and (2) an increase in our interest expense and depreciation and amortization expense and a decrease to our rent expense reflected on our consolidated statements of operations.

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 may be adversely affected and operating results could be harmed. 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, natural disasters, computer system or network failures, viruses or malware, physical or electronic intrusions, unauthorized access and cyber-attacks. 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 have a material adverse effect on our financial position, results of operations and cash flows.

RISKS RELATED TO OUR INDEBTEDNESS

We have indebtedness outstanding which could have an adverse impact on us.

We have outstanding debt as follows: (1) a senior secured credit facility (the Credit Facility) of \$425 million that is comprised of: (a) a \$50 million revolving commitment (the Revolver), of which \$49.6 million was undrawn as of December 31, 2013; and (b) a \$375 million term loan (the Term B Loan), of which \$299.5 million was outstanding as of December 31, 2013; and (2) senior unsecured notes (the Senior Notes) with a principal amount of \$220 million. This debt could have an adverse impact on us. For example, these obligations:

increase our vulnerability in an economic downturn, limit our ability to withstand competitive pressures and reduce our flexibility in responding to changing business and economic conditions;

make it more difficult for us to satisfy our financial obligations;

limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions and general corporate or other purposes;

require us to dedicate a substantial portion of our cash flow from operations to debt service, thereby reducing the availability of cash flow for other purposes;

restrict us from taking advantage of opportunities to grow our business; and

limit or prohibit our ability to pay dividends and make other distributions.

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, 2013, we would not be limited in these borrowings.

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

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

Our Credit Facility, which was entered into in November 2011 and subsequently amended in 2012 and in 2013, and the indenture governing our Senior Notes, which were issued in November 2011, each contain provisions which, under certain circumstances, limit our ability to borrow money; make acquisitions, investments or restricted payments, including without limitation dividends and the repurchase of stock; swap or sell assets; or merge or consolidate with another company. To secure the debt under our Credit Facility, we have pledged substantially all of our assets, including the stock or equity interests of our subsidiaries. The Senior Notes are guaranteed on a senior unsecured basis by the parent and all of our existing subsidiaries.

These debt instruments require us to maintain compliance with specific financial covenants. Our ability to comply with these financial covenants can be affected by operating performance or other events beyond our control, and we cannot be assured that we will comply with these covenants. A default under the indenture governing our Senior Notes or a default under our Credit Facility could cause a cross default. Any event of default, therefore, could have a material adverse effect on our business. Specifically, our Credit Facility requires us to comply with certain financial covenants which are defined terms within the agreement, including: (1) a maximum Consolidated Leverage Ratio that cannot exceed 6.5 times at December 31, 2013, and which decreases over time to 5.5 times at December 31, 2014 and 4.5 times at March 31, 2016 and thereafter; and (2) a minimum Consolidated Interest Coverage Ratio of 1.6 times at December 31, 2013, which increases over time to 2.0 times at September 30, 2015 and thereafter.

Failure to comply with our financial covenants 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 debt and our lenders could proceed against our assets, including the equity interests of our subsidiaries. Under these circumstances, the acceleration of our debt could have a material adverse effect on our business.

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

We operate as a holding company. All of our radio stations are currently owned and operated by our subsidiaries. Entercom Radio, LLC (Radio), our 100% owned finance subsidiary, is the borrower under our Credit Facility and is the issuer of our Senior Notes. All of our station operating subsidiaries and FCC license subsidiaries are subsidiaries of Radio. Further, we guarantee Radio's obligations under the Credit Facility on a senior secured basis (the Senior Notes are guaranteed on an unsecured basis). Radio's subsidiaries are all full and unconditional guarantors jointly and severally under the Credit Facility and the Senior Notes.

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 their debt obligations. Even if our subsidiaries elect to make distributions to us, we cannot be assured that applicable state law and contractual restrictions, including the dividend covenants contained in our Credit Facility, would permit such dividends or distributions.

Our variable rate debt subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our Credit Facility 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 debt, could

correspondingly decrease. As of December 31, 2013, and assuming all revolving loans are fully drawn, a 100 basis point increase in London Interbank Offered Rate (LIBOR) rates as of December 31, 2013 would result in a \$1.0 million increase in annual interest expense on our debt (in this assumption, a 100 basis point increase in LIBOR partially impacted the interest on our Term B Loan as the LIBOR rate on our Term B Loan is subject to a 100 basis point minimum).

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 volatility. We may, however, not maintain interest rate swaps with respect to all of our variable rate debt, and any swaps we enter into may not fully mitigate our interest rate risk.

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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.

Our debt has a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency if, in the rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Any future lowering of our ratings would likely make it more difficult or more expensive for us to obtain additional debt financing.

RISKS ASSOCIATED WITH OUR COMMON STOCK

Our Chairman of the Board and our President and Chief Executive Officer effectively control our Company and own a substantial equity interest in us. Their interests may conflict with your interest.

As of February 19, 2014, Joseph M. Field, our Chairman of the Board, beneficially owned 1,612,656 shares of our Class A common stock and 6,148,282 shares of our Class B common stock, representing approximately 62% of the total voting power of all of our outstanding common stock. As of February 19, 2014, David J. Field, our President and Chief Executive Officer, one of our directors and the son of Joseph M. Field, beneficially owned 3,166,340 shares of our Class A common stock and 749,250 shares of our outstanding Class B common stock, representing approximately 11% of the total voting power of all of our outstanding common stock. Collectively, Joseph M. Field and David J. Field and other members of the Field family beneficially own all of our outstanding Class B common stock. Other members of the Field family and trusts for their benefit also own shares of Class A common stock.

Shares of Class B common stock are transferable only to Joseph M. Field, David J. Field, certain of their family members or trusts for any of their benefit. Upon any other transfer, shares of our Class B common stock automatically convert into shares of our Class A common stock on a one-for-one basis. Shares of our Class B common stock are entitled to ten votes only when Joseph M. Field or David J. Field vote them, subject to certain exceptions when they are restricted to one vote. Joseph M. Field generally is able to control the vote on all matters submitted to a vote of shareholders and, therefore, is able to direct our management and policies, except with respect to those matters when the shares of our Class B common stock are only entitled to one vote and those matters requiring a class vote under the provisions of our articles of incorporation, bylaws or applicable law, including, without limitation, the election of the two Class A directors.

Future sales by Joseph M. Field and/or David J. Field could adversely affect the price of our Class A common stock.

The price for our Class A common stock could fall substantially if Joseph M. Field and/or David J. Field sell in the public market or transfer large amounts of shares, including any shares of our Class B common stock which are automatically converted to Class A common stock when sold (as described in the above paragraph). These sales, or the possibility of such sales, could make it more difficult for us to raise capital by selling equity or equity-related securities in the future.

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

Joseph M. Field controls the decision as to whether a change in control will occur for our Company. There are also 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 for transfers of control of FCC licenses and assignments of FCC licenses is required. These restrictions and limitations could adversely affect the trading price

of our Class A common stock.

Our 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.

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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 downtown or business districts. Our studio and office space leases typically contain lease terms with expiration dates of five to 15 years. Our transmitter/antenna sites, which may include an auxiliary transmitter/antenna as a back-up to the main site, contain lease terms that generally range from five to 30 years, which may include options to renew.

The transmitter/antenna site for each station is generally located so as to provide maximum market coverage. In general, we do not anticipate difficulties in renewing facility or transmitter/antenna site leases or in leasing additional space or sites if required. We have approximately \$13.8 million in aggregate annual minimum rental commitments under real estate leases. Many of these leases contain clauses such as defined contractual increases or cost of living adjustments.

Our principal executive offices are located at 401 E. City Avenue, Suite 809, Bala Cynwyd, Pennsylvania 19004, in 14,061 square feet of leased office space. The lease on these premises is due to expire on October 31, 2016. We generally consider our facilities to be suitable and of adequate size for our current and intended purposes.

ITEM 3. LEGAL PROCEEDINGS

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

Broadcast Licenses

We could face increased costs in the form of fines and a greater risk that we could lose any one or more of our broadcasting licenses if the FCC concludes that programming broadcast by our stations 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 \$325,000 for a single incident, with a maximum fine of up to \$3,000,000 for a continuing violation. In the past, the FCC has issued Notices of Apparent Liability and a Forfeiture Order with respect to several of our stations proposing fines for certain programming which the FCC deemed to have been indecent. These cases are the subject of pending administrative appeals. The FCC has also investigated other complaints from the public that some of our stations broadcast indecent programming. These investigations remain pending. The FCC initiated an investigation into an incident where a person died after participating in a contest at one of our stations and this investigation remains pending. For a further discussion, refer to the risk factors described in Part I, Item 1A, Risk Factors.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

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Our Class A common stock, \$0.01 par value, is listed on the New York Stock Exchange under the symbol ETM. The table below shows, for the quarters indicated, the reported high and low trading prices of our Class A common stock on the New York Stock Exchange.

	Price Range	
	High	Low
Calendar Year 2013		
Fourth Quarter	\$ 10.89	\$ 7.80
Third Quarter	\$ 11.00	\$ 7.68
Second Quarter	\$ 10.13	\$ 6.90
First Quarter	\$ 8.42	\$ 6.99
Calendar Year 2012		
Fourth Quarter	\$ 7.46	\$ 5.99
Third Quarter	\$ 7.36	\$ 5.30
Second Quarter	\$ 6.78	\$ 4.75
First Quarter	\$ 8.63	\$ 5.96

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

Holders

As of February 19, 2014, there were approximately 279 shareholders of record of our Class A common stock. Based upon available information, we believe we have approximately 2,500 beneficial owners of our Class A common stock. There are four 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

We do not currently pay, and have not paid since 2008, dividends on our common stock. The payment of 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 compliance with the restrictions set forth in our Credit Facility and the indenture governing our Senior Notes.

For a summary of these 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 7 in the accompanying notes to the consolidated financial statements.

Table of Contents**Repurchases Of Our Stock**

The following table provides information on our repurchases during the quarter ended December 31, 2013:

Period ⁽¹⁾	(a) Total Number Of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number Of Shares Purchased As Part Of Publicly Announced Plans Or Programs	(d) Maximum Approximate Dollar Value Of Shares That May Yet Be Purchased Under The Plans Or Programs
October 1, 2013 - October 31, 2013		\$		\$
November 1, 2013 - November 30, 2013		\$		\$
December 1, 2013 - December 31, 2013	47,362	\$ 9.95		\$
Total	47,362			

⁽¹⁾ We withheld shares upon the vesting of restricted stock units (RSUs) in order to satisfy employees' tax obligations. As a result, we are deemed to have purchased 47,362 shares at an average price of \$9.95 per share in December 2013.

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2013, the number of securities outstanding 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, 2013

Plan Category	(a) Number Of Shares To Be Issued Upon Exercise	(b) Weighted Average Exercise Price Of Outstanding	(c) Number Of Securities Remaining Available For Future Issuance
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	Of Outstanding Options, Warrants And Rights	Options, Warrants And Rights	Under Equity Compensation Plans (Excluding Column(a))
Equity Compensation Plans Approved by Shareholders:			
Entercom Equity Compensation Plan (1)	557,550	\$ 2.58	3,870,533
Equity Compensation Plans Not Approved by Shareholders:			
None			
Total	557,550		3,870,533

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- (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 of Directors. On January 1, 2014, the Board of Directors elected to forego an increase. As of December 31, 2013: (i) the maximum number of shares authorized under the Plan was 10.3 million shares; and (ii) 3.9 million shares remain available for future grant under the Plan.

For a description of the Entercom Equity Compensation Plan refer to Note 11, Share-Based Compensation, in the accompanying notes to the consolidated financial statements.

Table of Contents**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 of 1933, as amended, or the Securities Exchange Act of 1934, as amended, 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 5-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 Cumulus Media Inc., Emmis Communications Corp., Radio One, Inc. and Beasley Broadcast Group, Inc. An investment of \$100 (with reinvestment of all dividends) is assumed to have been made on December 31, 2008.

Cumulative Five-Year Return Index Of A \$100 Investment

	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13
Entercom Communications Corp.	\$ 100.00	\$ 574.80	\$ 941.46	\$ 500.00	\$ 567.48	\$ 854.47
S&P 500	\$ 100.00	\$ 126.46	\$ 145.51	\$ 148.59	\$ 172.37	\$ 228.19
Peer Group	\$ 100.00	\$ 301.28	\$ 291.40	\$ 225.10	\$ 207.08	\$ 574.99

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ITEM 6. SELECTED FINANCIAL DATA

The selected financial data below as of and for the years ended December 31, 2013 and the four prior years, were derived from our audited consolidated financial statements. The selected financial data for the years ended December 31, 2013, 2012 and 2011 and balance sheets as of December 31, 2013 and 2012 are qualified by reference to, and should be read in conjunction with, the corresponding audited consolidated financial statements, and 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 the years ended December 31, 2010 and 2009 and the balance sheets as of December 31, 2011, 2010 and 2009 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 and other significant events:

In connection with the preparation of our consolidated financial statements for the year ended December 31, 2013, we identified a prior period error in the income taxes reported for the year ended December 31, 2011. We assessed the materiality of this error and concluded that it was not material to any of our previously issued consolidated financial statements. We have revised the affected periods presented herein to reflect the correct accounting. This non-cash item did not impact our operating income or operating cash flows for the current or prior periods and had no impact on our cash taxes. For further discussion, refer to Note 1 in the accompanying notes to the consolidated financial statements.

In years 2012, 2009 and 2008, we incurred impairment losses of \$22.3 million, \$67.7 million and \$835.7 million, respectively, in connection with our review of goodwill and broadcasting licenses. See the notes accompanying the consolidated financial statements for further discussion of the contributing factors to the impairment losses;

We acquired one radio station in each of the years 2012 and 2011;

In 2011, we reversed a full valuation allowance against our deferred tax assets that had been established in 2008. The full valuation allowance was established primarily due to the \$835.7 million impairment loss incurred in 2008 (see Note 13, Income Taxes, in the accompanying notes to the consolidated financial statements for further discussion of the valuation allowance); and

In the fourth quarter of 2011, we refinanced our debt which substantially increased our interest expense in 2012 as our new debt had higher borrowing rates than our prior debt. In addition, we incurred new deferred financing fees as part of the refinancing that were higher than the previous deferred financing fees. Subsequent modifications of our outstanding debt in the fourth quarters of 2012 and 2013 decreased our borrowing rate.

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(amounts in thousands, except per share data)

	Years Ended December 31,				
	2013	2012	2011	2010	2009
Operating Data:					
Net revenues	\$ 377,618	\$ 388,924	\$ 382,727	\$ 391,447	\$ 372,432
Operating (income) expenses:					
Station operating expenses, including non-cash compensation expense	252,596	252,934	264,195	258,896	254,042
Depreciation and amortization	8,545	10,839	11,276	12,660	16,600
Corporate G & A expenses, including non-cash compensation expense	24,381	25,874	26,609	21,954	22,875
Impairment loss	850	22,307			67,676
Merger costs			767		
Net time brokerage agreement fees (income)		238	244		(2)
Net (gain) loss on sale of assets	(1,321)	138	163	228	420
Total operating expenses	285,051	312,330	303,254	293,738	361,611
Operating income (loss)	92,567	76,594	79,473	97,709	10,821
Other (income) expense:					
Net interest expense	44,232	53,446	24,919	30,491	31,171
Other income	(165)	(118)	(32)	(49)	(380)
(Gain) loss on early extinguishment of debt		747	1,144	62	(20,805)
Net loss on investments		123	30	174	966
Net (gain) loss on derivative instruments		(1,346)	1,346		
Total other expense	44,067	52,852	27,407	30,678	10,952
Income (loss) before income taxes (benefit)	48,500	23,742	52,066	67,031	(131)
Income taxes (benefit)	22,476	12,474	(18,988)	20,595	(5,529)
Net income (loss)	\$ 26,024	\$ 11,268	\$ 71,054	\$ 46,436	\$ 5,398

Table of Contents**SELECTED FINANCIAL DATA**

(amounts in thousands, except per share data)

Operating Data (continued):	Years Ended December 31,				
	2013	2012	2011	2010	2009
Net income (loss) per common share basic:	\$ 0.70	\$ 0.31	\$ 1.95	\$ 1.30	\$ 0.15
Net income (loss) per common share diluted:	\$ 0.68	\$ 0.30	\$ 1.88	\$ 1.23	\$ 0.15
Weighted average shares basic	37,418	36,906	36,369	35,712	35,321
Weighted average shares diluted	38,301	37,810	37,764	37,679	36,403
Cash Flows Data:					
Cash flows related to:					
Operating activities	\$ 63,349	\$ 69,702	\$ 85,525	\$ 90,410	\$ 73,902
Investing activities	\$ (4,583)	\$ (29,359)	\$ (14,284)	\$ (4,262)	\$ (2,062)
Financing activities	\$ (55,458)	\$ (35,045)	\$ (71,384)	\$ (93,131)	\$ (65,373)
	2013	2012	2011	2010	2009
Balance Sheet Data:					
Cash and cash equivalents	\$ 12,231	\$ 8,923	\$ 3,625	\$ 3,768	\$ 10,751
Intangibles and other assets	774,893	777,885	779,495	756,583	754,506
Total assets	912,688	920,358	919,269	901,025	935,186
Senior secured debt, including current portion	299,500	352,592	385,121	650,148	729,173
Senior unsecured notes, senior subordinated notes and other	217,624	229,959	229,713	12,610	19,189
Deferred tax liabilities and other long-term liabilities	70,519	41,455	23,152	42,378	30,065
Total shareholders equity	298,393	269,494	253,688	170,667	113,952

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

Overview

We are one of the five largest radio broadcasting companies in the United States, with a nationwide portfolio in excess of 100 stations in 23 markets, including San Francisco, Boston, Seattle, Denver, Portland, Sacramento and Kansas City.

A radio broadcasting company derives its revenues primarily from the sale of broadcasting time to local and national advertisers. Net revenues are gross revenues minus agency commissions. The revenues are determined by the advertising rates charged and the number of advertisements broadcast. We maximize our revenues by managing the inventory of advertising spots available for broadcast, which can vary throughout the day but is consistent over time. Advertising rates are primarily based on four factors:

a station's audience share in the demographic groups targeted by advertisers as measured principally by periodic reports issued by Nielson Audio;

the number of radio stations in the market competing for the same demographic groups;

the supply of, and demand for, radio advertising time, both nationally and in the region in which the station operates; and

the market's size based upon available radio advertising revenue.

In 2013, we generated the majority of our net revenues from local advertising, which is sold primarily by each individual local radio station's sales staff, and the next largest amount from national advertising, which is sold by an independent advertising sales representative. Local and national revenues include revenues from the sale of advertising on our stations' websites, the sale of advertising during audio streaming of our radio stations over the Internet, and e-commerce. We generated the balance of our 2013 revenues principally from network compensation and non-spot revenue.

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

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

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.

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

You should read the following discussion and analysis of our financial condition and results in conjunction with our consolidated financial statements and related notes included elsewhere in this report. The following results of operations include a discussion of the year ended December 31, 2013 as compared to the prior year and a discussion of the year ended December 31, 2012 as compared to the prior year.

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We evaluate net revenues, station operating expenses and operating income by comparing the performance of stations owned or operated by us throughout a relevant period to the performance of those same stations in the prior period whether or not owned or operated by us. Same station comparisons are used by us and those in the industry to assess the effect of acquisitions and dispositions on our operations throughout the periods measured. For those acquisitions and dispositions that management considers material, we include these stations in our same station computations. None of the acquisitions noted below were considered material.

On May 1, 2012, we commenced operations under a time brokerage agreement (TBA) for KBLX-FM, a station in the San Francisco, California market. On June 28, 2012, we acquired KBLX-FM for \$25.0 million in cash.

On January 19, 2011, we commenced operations under a TBA for KUFX-FM, a station in the San Jose, California, market. During January 2011, we began simulcasting the format of KUFX-FM on the frequency of one of our three San Francisco stations owned and operated by us, thereby providing a complement to the signal coverage of the KUFX-FM format in the San Francisco metropolitan market. On February 28, 2011, we acquired KUFX-FM for \$9.0 million in cash.

Results Of Operations

Year ended December 31, 2013 compared to the year ended December 31, 2012

The following significant factors affected our results of operations for the year ended December 31, 2013 as compared to the prior year:

During each of the fourth quarters of 2013 and 2012, our Term B Loan was modified that reduced interest rates on outstanding debt upon which interest is computed thereby lowering our interest expense.

During the second quarter of 2013, we recorded a non-cash gain of \$1.6 million on the sale of certain towers under sale and leaseback accounting.

In the third quarter of 2012, we recorded a \$2.0 million music royalty expense credit as a result of an industry settlement with Broadcast Music Inc. (BMI) for fees paid in prior years.

In June 2012, we acquired KBLX-FM, a station in the San Francisco, California, market, for \$25.0 million in cash. We commenced operations of KBLX-FM under a TBA on May 1, 2012 that increased our revenues, station operating expenses, depreciation and amortization expense and interest expense.

During the second quarter of 2012, we recorded an impairment loss of \$22.3 million in our Boston market as a result of a write-down in the carrying value of our broadcasting licenses.

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	YEARS ENDED DECEMBER 31,		
	2013	2012	% Change
	(dollars in millions)		
NET REVENUES	\$ 377.6	\$ 388.9	(3%)
OPERATING EXPENSE:			
Station operating expenses	252.6	252.9	(0%)
Depreciation and amortization expense	8.5	10.8	(21%)
Corporate general and administrative expenses	24.4	25.9	(6%)
Other operating expenses	(0.4)	22.7	
Total operating expense	285.1	312.3	(9%)
OPERATING INCOME (LOSS)	92.5	76.6	21%
OTHER (INCOME) EXPENSE:			
Net interest expense	44.2	53.4	(17%)
Other income and expense	(0.1)	(0.5)	
TOTAL OTHER EXPENSE	44.1	52.9	(17%)
INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)	48.4	23.7	104%
INCOME TAXES (BENEFIT)	22.4	12.4	81%
NET INCOME (LOSS)	\$ 26.0	\$ 11.3	130%

Net Revenues

Net revenues were down versus the prior year due to sluggish demand for advertising as total radio ad revenues in the markets in which we operate declined for the year. In addition, the prior year benefited from the influx of advertising from political candidates and groups primarily due to the high number of state and federal elections during that period.

Net revenues increased the most for our stations in the Kansas City and Memphis markets, offset by revenue decreases for our stations located in the Boston and Norfolk markets. Net revenues were favorably impacted by: (1) our acquisition of KBLX-FM, San Francisco, which we began operating on May 1, 2012 under a TBA; and (2) our joint sales agreement that was effective July 1, 2012 with two Gainesville stations not owned by us.

Station Operating Expenses

Station operating expenses remained flat primarily as this year's expenses benefited from certain cost reduction initiatives and a reduction in certain variable sales costs that were dependent on the decline in net revenues. This was offset by a benefit to last year's expense of a \$2.0 million music royalty expense credit as a result of an industry settlement with BMI for fees paid by us to BMI in prior years.

Depreciation And Amortization Expense

Depreciation and amortization expense decreased in 2013 primarily due to a trend of lower capital expenditure requirements over the past several years.

Corporate General And Administrative Expenses

Corporate general and administrative expenses decreased primarily due to a decline in non-cash equity compensation expense of \$1.6 million and a decrease in management bonus incentives of \$0.9 million. The decrease was offset by an increase in deferred compensation expense of \$0.8 million, as our deferred compensation liability generally tracks movements in the stock market.

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Operating Income

Operating income increased as the prior year included an impairment loss of \$22.3 million in our Boston market in connection with our review of broadcasting licenses and goodwill. Operating income also increased due to: (1) a \$2.3 million decrease in depreciation and amortization expense; and (2) a \$1.5 million decrease in corporate general and administrative expenses.

The increase in operating income was offset by a decrease in net revenues of \$11.3 million.

Interest Expense

The decrease in interest expense was primarily due to: (1) lower interest rates as a result of the November 2012 modification to our Term B Loan; and (2) lower outstanding debt upon which interest is computed.

The Term B Loan was further modified during the fourth quarter of 2013 which is expected to contribute in 2014 to lower interest expense on outstanding debt.

Income Before Income Taxes

The increase was primarily attributable to: (1) an increase in operating income as the prior year's operating income was negatively impacted by an impairment loss of \$22.3 million; and (2) a decrease in interest expense. The increase was offset by a decrease in net revenues.

Income Taxes

Income Tax Rate For The Year Ended December 31, 2013

The income tax rate was 46.3%, which includes an adjustment for expenses that are not deductible for tax purposes, an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill and tax benefit shortfalls associated with share-based awards.

Income Tax Rate For The Year Ended December 31, 2012

The income tax rate was 52.5%, which includes adjustments for expenses that are not deductible for tax purposes, and the recognition of tax benefits related to discrete items arising during the period. Our 2012 annual tax rate before discrete items was higher than the expected low 40% range primarily due to the negative impact of the impairment loss recorded in the second quarter of 2012.

Estimated Income Tax Rate For 2014

We estimate that our 2014 annual tax rate before discrete items, which may fluctuate from quarter to quarter, will be in the low 40% range. We anticipate that our rate in 2014 could be affected primarily by: (1) changes in the level of income in any of our taxing jurisdictions; (2) adding facilities 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; (3) the effect of recording changes in our liabilities for uncertain tax positions; (4) taxes in certain states that are dependent on factors other than taxable income; (5) the limitations on the deduction of cash and certain non-cash compensation expense for certain key employees; and (6) any tax benefit shortfall associated with share-based awards. Our annual effective tax rate may

also be materially impacted by: (i) tax expense associated with non-amortizable assets such as broadcasting licenses and goodwill; (ii) regulatory changes in certain states in which we operate; (iii) changes in the expected outcome of tax audits; (iv) changes in the estimate of expenses that are not deductible for tax purposes; and (v) 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 determination.

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Net Deferred Tax Liabilities

As of December 31, 2013 and 2012, our total net deferred tax liabilities were \$41.4 million and \$19.0 million, respectively. Our net deferred tax liabilities primarily relate to differences between book and tax bases of certain of our indefinite-lived intangibles (broadcasting licenses and goodwill). Under accounting guidance, we do not amortize our indefinite-lived intangibles for financial statement purposes, but instead test them annually for impairment. 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: (1) become impaired; or (2) 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 (without consideration for any impairment loss in future periods).

Net Income

The increase in net income was primarily due to the impact to the prior year of an impairment loss, net of income taxes.

Results Of Operations

Year ended December 31, 2012 compared to the year ended December 31, 2011

The following significant factors affected our results of operations for the year ended December 31, 2012 as compared to the prior year:

In connection with the preparation of our consolidated financial statements for the year ended December 31, 2013, we identified a prior period error in the income taxes reported for the year ended December 31, 2011. We assessed the materiality of this error and concluded that it was not material to any of our previously issued consolidated financial statements. We have revised the affected period presented herein to reflect the correct accounting. This non-cash item did not impact our operating income or operating cash flows for the current or prior periods and had no impact on our cash taxes. For further discussion, refer to Note 1 in the accompanying notes to the consolidated financial statements.

In the third quarter of 2012, we recorded a \$2.0 million music royalty expense credit as a result of an industry settlement with BMI for fees paid in prior years.

In June 2012, we acquired KBLX-FM, a station in the San Francisco, California, market for \$25.0 million in cash. We commenced operations of KBLX-FM under a TBA on May 1, 2012 that increased our revenues and station operating expenses. With the acquisition of the station on June 1, 2012, our depreciation and amortization expense and interest expense increased.

During the second quarter of 2012, we recorded an impairment loss of \$22.3 million in our Boston market as a result of a write-down in the carrying value of our broadcasting licenses.

During November 2011, we refinanced our existing debt by entering into a new senior secured credit facility (as later modified in November 2012 that resulted in a 125 basis point decrease in LIBOR under our Term B Loan) and issued new unsecured senior notes that: (1) increased our interest expense due to: (a) an increase in borrowing rates incurred under these agreements on our outstanding debt; and (b) an increase in deferred financing expense, which will be amortized over the terms of the new debt agreements; and (2) resulted in a loss on extinguishment of debt.

During the second quarter of 2011, management determined that on a more likely than not realization basis, a full valuation allowance against our deferred tax assets was no longer required. Based on this assessment, management reversed the valuation allowance, which was a significant factor in the reduction of our income tax expense in 2011.

On February 28, 2011, we acquired KUFX-FM, a station in the San Jose, California, market for \$9.0 million in cash. We began operating this station on January 19, 2011 under a TBA that in 2011 increased our station operating expenses, depreciation and amortization expense and interest expense.

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	YEARS ENDED DECEMBER 31,		
	2012	2011	% Change
	(dollars in millions)		
NET REVENUES	\$ 388.9	\$ 382.7	2%
OPERATING EXPENSE:			
Station operating expenses	252.9	264.2	(4%)
Depreciation and amortization expense	10.8	11.3	(4%)
Corporate general and administrative expenses	25.9	26.6	(3%)
Other operating expenses	22.7	1.1	
Total operating expense	312.3	303.2	3%
OPERATING INCOME (LOSS)	76.6	79.5	(4%)
OTHER (INCOME) EXPENSE:			
Net interest expense	53.4	24.9	114%
Other income and expense	(0.5)	2.5	
TOTAL OTHER EXPENSE	52.9	27.4	93%
INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)	23.7	52.1	(55%)
INCOME TAXES (BENEFIT)	12.4	(19.0)	165%
NET INCOME (LOSS)	\$ 11.3	\$ 71.1	(84%)

Net Revenues

Net revenues increased in 2012 primarily due to growth during the second half of 2012. This growth was due to operational improvements from stations reformatted in 2011, the contribution of political revenue, and incremental revenues from an acquisition during the second quarter of 2012.

Net revenues increased the most for our stations in the Indianapolis, New Orleans and Norfolk markets, offset by revenue decreases for stations in our Austin and Portland markets. Net revenues for stations in our Boston market, which were down for the year, experienced revenue growth during the second half of 2012. Net revenues in San Francisco were favorably impacted by our acquisition of KBLX-FM which we began operating on May 1, 2012.

Station Operating Expenses

Station operating expenses decreased primarily due to cost reduction initiatives and an industry settlement with BMI resulting in an expense credit of \$2.0 million.

Depreciation And Amortization Expense

Depreciation and amortization expense decreased in 2012 primarily due to a trend of lower capital expenditure requirements over the past several years.

Corporate General And Administrative Expenses

Corporate general and administrative expenses decreased primarily due to a decline in non-cash equity compensation expense of \$1.7 million. In the first quarter of 2011, certain equity awards were issued and vested in that quarter which increased non-cash compensation expense.

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The decrease was offset by an increase in deferred compensation expense of \$0.7 million, as our deferred compensation liability generally tracks movements in the stock market, and an increase in legal expenses of \$0.7 million.

Operating Income

Operating income declined primarily due to an impairment loss of \$22.3 million in our Boston market in connection with our annual review of broadcasting licenses during the second quarter of 2012.

The decrease in operating income was offset by: (1) a reduction in station operating expenses; and (2) a reduction of \$0.7 million in merger costs.

Interest Expense

The increase in interest expense was primarily due to higher interest rates under our Senior Notes and our new financing agreement which we entered into during the fourth quarter of 2011 and which was subsequently modified during the fourth quarter of 2012.

The rates are higher under our senior secured credit facility (*Credit Facility*) as compared to our prior credit facility (*Former Facility*). For example, under the *Former Facility*, the applicable borrowing rate was a function of the London Interbank Offered Rate (*LIBOR*) plus 0.5% to 2.5%. By contrast, under the present *Credit Facility*, as modified, the applicable borrowing rate is a function of LIBOR plus 4.5% to 5.0% for the revolving credit facility (*Revolver*) and LIBOR plus 3.5% to 3.75% for the term loan (*Term B Loan*) (prior to the *Term B* modification, the applicable borrowing rate was LIBOR plus 4.75% to 5.0%). The *Term B Loan* includes a LIBOR floor of 1.25%. The unsecured senior notes (*Senior Notes*) bear interest at 10.5% annually. Our *Credit Facility* and the *Former Facility* are variable rate debt.

The weighted average variable interest rate as of December 31, 2012 and 2011 (before taking into account the subsequent year's impact of the Company's outstanding derivative interest rate instruments), was 5.01% and 6.24%, respectively.

Income Before Income Taxes (Benefit)

The decrease was primarily attributable to the decrease in operating income and an increase in net interest expense.

Income Taxes (Benefit)

Income Tax Rate For The Year Ended December 31, 2012

The income tax rate was 52.5%, which includes adjustments for expenses that are not deductible for tax purposes, and the recognition of tax benefits related to discrete items arising during the period. Our 2012 annual tax rate before discrete items was higher than the expected low 40% range primarily due to the negative impact of the impairment loss recorded in the second quarter of 2012.

Income Tax Rate For The Year Ended December 31, 2011

The income tax rate was 36.5%. The income tax rate in 2011 would have been in the low 40% range if we excluded primarily the impact of the valuation allowance reversal.

During the second quarter of 2011, management determined that, on a more likely than not realization basis, a full valuation allowance against our deferred tax assets was no longer required. The deferred tax asset valuation allowance was initially established in 2008 as we were impacted by the economic downturn during this period which resulted in impairments to our broadcast licenses and goodwill in 2007 and 2008. These impairment losses negatively impacted our three-year cumulative income.

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Contributing to management's assessment during the second quarter of 2011 that a full valuation allowance was no longer required, were sufficient positive indicators such as, but not limited to: (1) the then present economic conditions (as compared to the economic conditions when the valuation allowance was established); (2) a recent return to net profitability due to the absence of impairment losses; and (3) management's expectation of future profitability, including available future taxable income under the current tax law to realize all of the tax benefits for deductible temporary differences and carryforwards.

The recoverability of our net deferred tax assets was assessed utilizing projections based on current operations. The projections reflected a significant decrease in the tax amortization in the early years of the carryforward period as a significant portion of our intangible assets will be fully amortized. These projections indicated that the recoverability of the net deferred tax assets was not dependent on material improvements to operations, material asset sales or other non-routine transactions.

Net Income

The net change was primarily attributable to the impairment loss, the increase in interest expense and for the reasons described under Income Taxes (Benefit).

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 of our broadcasting licenses and goodwill was performed in the second quarter of 2013. We may be required to retest prior to our next annual evaluation, which could result in a material impairment. As of December 31, 2013, no interim impairment test was required for our broadcasting licenses and goodwill.

Liquidity And Capital Resources

Liquidity

Over the past several years, we have used a significant portion of our cash flow to reduce our indebtedness. We may from time to time seek to repurchase and retire our outstanding debt 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 amounts involved may be material.

We may also use our capital resources to repurchase shares of our Class A common stock, pay dividends to our shareholders and to purchase radio station assets. Generally, our cash requirements are funded from one or a combination of internally generated cash flow and borrowings under our credit agreements.

As of December 31, 2013, we had \$299.5 million outstanding under our Credit Facility and \$220 million principal amount of our Senior Notes. In addition, we have outstanding a \$0.4 million letter of credit. During the year ended December 31, 2013, we decreased our outstanding debt by \$53.0 million (excluding the impact of amortization of the Original Issue Discount on our Senior Notes). During the year ended 2012, we decreased our outstanding debt by \$32.5 million. As of December 31, 2013, we had \$12.2 million in cash and cash equivalents.

The Refinancing

The Credit Facility

On November 23, 2011, we entered into a credit agreement with a syndicate of lenders for a \$425 million Credit Facility that was comprised of: (a) a \$50 million Revolver that matures on November 23, 2016; and (b) a \$375 million Term B Loan that matures on November 23, 2018. The Term B Loan amortizes in quarterly installments of \$0.8 million and any remaining principal and interest is due at maturity (except for certain mandatory principal prepayments of Excess Cash Flow and other events as described below). As of December 31, 2013, there was no amount outstanding under the Revolver and \$299.5 million under the Term B Loan.

The undrawn amount of the Revolver was \$49.6 million as of December 31, 2013. 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, 2013, we would not be limited in these borrowings.

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The Term B Loan requires: (1) mandatory prepayments equal to 50% of Excess Cash Flow, as defined within the agreement, subject to incremental step-downs depending on the Consolidated Leverage Ratio; and (2) mandatory prepayments from certain events such as the sale of certain property or the issuance of debt. Under the Term B Loan, an Excess Cash Flow payment is due in the first quarter of each year based on the Excess Cash Flow and Leverage Ratio for the prior year. The Excess Cash Flow payment, which would be due in the first quarter of 2014, is considered to have been fully paid as of December 31, 2013 as we made sufficient pre-payments in 2013 using cash from operating activities.

As of December 31, 2013, we are in compliance with all financial covenants and all other terms of the Credit Facility in all material respects. Our ability to maintain compliance with our covenants will be highly dependent on our results of operations. A default under our Credit Facility or the indenture governing our Senior Notes could cause a cross default in the other instrument. Any event of default could have a material adverse effect on our business and financial condition.

We believe that over the next 12 months we can continue to maintain our compliance with these covenants. 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, together with available borrowings under the Revolver, will be sufficient to permit us to meet our liquidity requirements over the next 12 months, including our debt repayments. As a result, we have not been required to rely upon, and we do not anticipate being required to rely upon, the Revolver to fund our operations.

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 the acceleration of the maturity of all outstanding debt. Under these circumstances, the acceleration of our debt could have a material adverse effect on our business. We may seek from time to time to amend our Credit Facility or obtain other funding or additional financing, which may result in higher interest rates.

The Credit Facility requires us to maintain compliance with certain financial covenants which are defined terms within the agreement, including:

a maximum Consolidated Leverage Ratio that cannot exceed 6.5 times at December 31, 2013, 5.5 times at December 31, 2014 and which decreases over time to 4.5 times at March 31, 2016 and thereafter; and

a minimum Consolidated Interest Coverage Ratio of 1.6 times at December 31, 2013, which increases over time to 2.0 times at September 30, 2015 and thereafter.

As of December 31, 2013, our Consolidated Leverage Ratio was 4.8 times and our Consolidated Interest Coverage Ratio was 2.7 times.

On December 2, 2013 and on November 27, 2012, the Term B Loan was amended, which reduced our interest rates on outstanding debt. Under the amended Term B Loan and depending on the Consolidated Leverage Ratio, we may elect an interest rate per annum equal to: (1) LIBOR plus fees of 3.00% (prior to the December 2, 2013 amendment, the interest rate ranged from LIBOR plus fees from 3.5% to 5.0%); and (2) the Base Rate plus fees of 2.00% (prior to the December 2, 2013 amendment, the interest rate ranged from the Base Rate plus fees from 2.5% to 4.0%). The Term B Loan includes a LIBOR floor of 1.00% (prior to the December 2, 2013 amendment, the LIBOR floor was 1.25%).

Under the Revolver and depending on the Consolidated Leverage Ratio, we may elect an interest rate per annum equal to: (1) LIBOR plus fees that can range from 4.5% to 5.0%; or (2) the Base Rate plus fees that can range from 3.5% to 4.0%, where the Base Rate is the highest of: (a) the administrative agent's prime rate; (b) the Federal Funds Rate plus 0.5%; and (c) LIBOR plus 1.0%. In addition, the Revolver requires us to pay a commitment fee of 0.5% per annum for the unused amount of the Revolver.

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We expect that we may use the Revolver to: (1) provide for working capital; and (2) provide for general corporate purposes, including capital expenditures and any or all of the following (subject to certain restrictions): repurchases of Class A common stock, repurchases of our Senior Notes, dividends, investments and acquisitions. The Credit Facility is secured by a pledge of 100% of the capital stock and other equity interest 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 Term B Loan amendment in December 2013 was treated as a loan modification and we: (1) recorded deferred financing costs of \$1.0 million that will be amortized over the remaining life of the Term B Loan under the effective interest rate method; and (2) maintained unamortized deferred financing costs of \$6.8 million that will continue to be amortized over the remaining life of the Term B Loan under the effective interest rate method. There was no extinguishment of debt as all lenders participated at the same commitment level and agreed to the terms of the amendment. We also incurred third-party costs of under \$0.1 million that were expensed.

We treated the Term B Loan amendment in November 2012 under modification accounting and we: (1) recorded deferred financing costs of \$1.1 million that will be amortized over the remaining life of the Term B Loan under the effective interest rate method; and (2) maintained unamortized deferred financing costs of \$9.0 million that will continue to be amortized over the remaining life of the Term B Loan under the effective interest rate method. We also recorded a loss on the extinguishment of debt of \$0.7 million for those lenders who either participated at a reduced commitment level or for those lenders who did not agree to the terms of the amendment. We also incurred third-party costs of \$0.1 million that were expensed.

The initial borrowing in November 2011 under the Term B Loan was treated as new debt while the Revolver was treated as a debt modification. As a result, unamortized deferred financing costs were adjusted during the fourth quarter of 2011 as follows: (1) the Former Facility's term loan unamortized deferred financing costs of \$0.3 million were written off as a net loss on extinguishment of debt; and (2) the Former Facility's revolving credit unamortized deferred financing costs of \$0.8 million were written off as a net loss on extinguishment of debt and \$0.3 million of unamortized deferred financing costs were deferred (to be amortized on a straight-line basis over the term of the Revolver). In addition, we recorded new deferred financing costs of: (i) \$12.8 million for the Term B Loan that will be amortized under the effective interest rate method over the term; and (ii) \$1.2 million for the Revolver that will be amortized under the straight-line method over the term.

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The following table presents the computations of our Consolidated Leverage Ratio and Consolidated Interest Coverage Ratio as defined under our Credit Facility as of December 31, 2013:

Consolidated Leverage Ratio Computations:**(amounts in thousands, except ratios)****Numerator: Consolidated Funded Indebtedness**

Senior debt outstanding	\$ 299,500
Senior Notes at maturity	220,000
Letter of credit outstanding	370
Total debt outstanding	519,870
Less cash available, not to exceed \$40 million	(12,231)
Consolidated Funded Indebtedness	\$ 507,639

Denominator: Consolidated Operating Cash Flow

Net income	\$ 26,024
Income taxes	22,476
Depreciation and amortization	8,545
Impairment loss	850
Interest expense	44,238
Non-cash compensation expense	4,270
Deferred non-cash charges	2,748
Unusual gains not in the ordinary course of business	(1,946)
Pro forma effect for tower disposition as of beginning of period	(395)

Consolidated Operating Cash Flow	\$ 106,810
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Consolidated Leverage Ratio	4.8
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Consolidated Interest Coverage Ratio Computations:**(amounts in thousands, except ratios)****Numerator: Consolidated Operating Cash Flow** \$ 106,810**Denominator: Consolidated Interest Charges**

Interest expense	\$ 44,235
Less: interest expense associated with the tower transaction	(394)
Less: interest income and certain deferred financing expense	(4,144)

Consolidated Interest Charges	\$ 39,697
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Consolidated Interest Coverage Ratio	2.7
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The Senior Notes

Simultaneously with entering into the Credit Facility, on November 23, 2011 we issued 10.5% unsecured senior notes, or the Senior Notes, which mature on December 1, 2019 in the amount of \$220 million. We received net proceeds of \$212.7 million, which includes a discount of \$2.9 million and deferred financing costs of \$6.1 million, which will be amortized over the term under the effective interest rate method.

Interest on the Senior Notes accrues at the rate of 10.5% per annum and is payable semi-annually in arrears on June 1 and December 1 of each year. The Senior Notes may be redeemed at any time on or after December 1, 2015 at a redemption price of 105.25% of their principal amount plus accrued interest. The redemption price decreases to 102.625% of their principal amount plus accrued interest on or after December 1, 2016 and 100% on or after December 1, 2017. The Senior Notes are unsecured and rank: (1) senior in right of payment to our future subordinated debt; (2) equally in right of payment with all of our existing and future senior debt; (3) effectively subordinated to our existing and future secured debt (including the debt under our Credit Facility), to the extent of the value of the collateral securing such debt; and (4) 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.

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In addition to the parent, Entercom Communications Corp., all of the Company's existing subsidiaries (other than Entercom Radio, LLC, which is a finance subsidiary and is the issuer of the Senior Notes), jointly and severally guaranteed the Senior Notes. Under certain covenants, our subsidiary guarantors are restricted from paying dividends or distributions in excess of amounts defined under the Senior Notes, and the subsidiary guarantors are limited in their ability to incur additional indebtedness under certain restrictive covenants.

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

Our Former Credit Agreement

Our Former Facility consisted of: (1) a revolving credit facility of \$650 million, of which \$535.5 million was outstanding and paid in full through the refinancing on November 23, 2011; and (2) a term loan of \$400 million, of which \$60.0 million was outstanding and paid in full through the refinancing on November 23, 2011. The interest rates under the Former Facility were dependent on the Consolidated Leverage Ratio. We could elect an interest rate equal to: (1) the LIBOR Rate plus fees that ranged from 0.50% to 2.50%; or (2) the Base Rate plus fees that ranged from 0% to 1.5%, where the Base Rate was the highest of: (a) the Federal Funds Rate plus 0.5%; (b) the LIBOR Rate plus 1.0%; and (c) the Prime Rate.

Finance Method Lease Obligation

On June 23, 2013, we eliminated our finance method lease obligation of \$12.6 million and recorded a current and deferred gain on the disposition of the towers of \$1.6 million and \$9.9 million, respectively. We recorded this transaction during the second quarter of 2013 as a non-cash reduction of debt and non-cash recognition of gain.

As background, in 2009, we completed the sale of certain tower facilities for \$12.6 million in cash. At the same time, we entered into leases for space on these towers for use by our radio stations. The agreement of sale provided for a possible earn-out to us of additional cash consideration, depending on whether the buyer met certain revenue targets. The period during the earn-out constituted a continuing involvement by us that precluded sale and leaseback accounting during the period of the earn-out and we recorded a finance method lease obligation. On June 23, 2013, the earn-out period ended, and it was determined that we were not entitled to receive any additional compensation.

Operating Activities

Net cash flows provided by operating activities were \$63.3 million and \$69.7 million for the years ended December 31, 2013 and 2012, respectively. The cash flows from operating activities decreased primarily due to the decrease in net revenues of \$11.3 million, offset by a \$9.2 million decrease in interest expense as a result of: (1) a decline in the average interest rate used to compute interest on outstanding debt, primarily due to the modification to the Term B Loan during the fourth quarter of 2012; and (2) a decline in the outstanding debt upon which interest is computed.

Net cash flows provided by operating activities were \$69.7 million and \$85.5 million for the years ended December 31, 2012 and 2011, respectively. The cash flows from operating activities decreased primarily due to the increase in interest expense associated with the refinancing of our outstanding debt during the fourth quarter of 2011.

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Investing Activities

For the year ended December 31, 2013, net cash flows used in investing activities were \$4.6 million, which primarily reflect the additions to property and equipment. For the years ended December 31, 2012 and 2011, net cash flows used in investing activities were \$29.4 million and \$14.3 million, respectively, which primarily reflect the purchase of radio station assets of \$25.3 million and \$9.0 million, respectively, as well as additions to property and equipment.

Financing Activities

For the years ended December 31, 2013, 2012 and 2011, net cash flows used in financing activities were \$55.5 million, \$35.0 million and \$71.4 million, respectively.

For the years ended December 31, 2013, 2012 and 2011, the cash flows used in financing activities primarily reflect the net repayment of debt of \$53.0 million, \$32.5 million and \$47.9 million, respectively.

Income Taxes

During the years ended December 31, 2013, 2012 and 2011, we paid a nominal amount in income taxes (state income taxes) as we have benefited from the tax deductions available on acquired assets, which are primarily intangible assets such as broadcasting licenses and goodwill. We anticipate that it will not be necessary to make any additional quarterly estimated federal, and most state, income tax payments for 2014, based upon projected quarterly taxable income and our ability to utilize federal and state net operating loss carryforwards.

Dividends

We do not currently pay and have not paid dividends on our common stock since early in 2008. 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 our Credit Facility and the Indenture governing our Notes.

Under our Credit Facility, we have \$40 million available for dividends, share repurchases, investments and debt repurchases, which can be used when our pro forma Consolidated Leverage Ratio is less than or equal to 6.0 times (or the maximum permitted at the time if lower). The amount available can increase over time based upon our financial performance and the incremental amount in excess of \$40 million can be used when our pro forma Consolidated Leverage Ratio is less than or equal to 5.0 times (or the maximum permitted at the time if lower). There are certain other limitations that apply to its use.

See Liquidity under Part II, Item 7, Management's Discussion And Analysis Of Financial Condition And Results Of Operations, and Note 7 in the accompanying notes to the consolidated financial statements.

Share Repurchase Programs

Any share repurchase program is subject to the approval of our Board of Directors. Such approval would be dependent on many factors, including but not limited to, market conditions and restrictions under our Credit Facility and the indenture governing our Senior Notes. New share repurchase programs could be commenced at any time without prior notice.

Capital Expenditures

Capital expenditures for the years ended December 31, 2013, 2012 and 2011 were \$4.3 million, \$3.7 million and \$5.7 million, respectively. We anticipate that capital expenditures in 2014 will be between \$7.0 million and \$8.0 million.

Credit Rating Agencies

In connection with our refinancing during November 2011, we received credit ratings from Standard and Poor's and Moody's Investor Services. On a continuing basis, these and other rating agencies may evaluate our debt 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.

Table of Contents**Contractual Obligations**

The following table reflects a summary of our contractual obligations as of December 31, 2013:

Contractual Obligations:	Total	Payments Due By Period			
		Less Than 1 Year	1 To 3 Years	3 To 5 Years	More Than 5 Years
		(amounts in thousands)			
Long-term debt obligations ⁽¹⁾	\$ 714,137	\$ 38,035	\$ 75,710	\$ 359,730	\$ 240,662
Operating lease obligations ⁽²⁾	96,481	13,798	27,033	22,246	33,404
Purchase obligations ⁽³⁾	196,752	73,447	107,612	15,277	416
Other long-term liabilities ⁽⁴⁾	70,519	836	2,888	2,656	64,139
Total	\$ 1,077,889	\$ 126,116	\$ 213,243	\$ 399,909	\$ 338,621

- (1) The total amount reflected in the above table includes principal and interest.
- (a) Our Credit Facility had outstanding debt in the amount of \$299.5 million as of December 31, 2013. 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 if we do not maintain certain covenants 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) Certain leases include contingent rents for common area maintenance. These amounts are included in minimum operating lease commitments when it is probable that the expense has been incurred and the amount is reasonably measurable.
- (3) (a) We have purchase obligations of \$194.7 million including contracts primarily for on-air personalities, sports programming rights, ratings services, music licensing fees, equipment maintenance and certain other operating contracts.
- (b) In addition to the above, we have \$2.1 million in liabilities related to: (i) construction obligations of \$1.7 million; and (ii) our obligation to provide a \$0.4 million letter of credit.
- (4) Included within total other long-term liabilities of \$70.5 million are deferred income tax liabilities of \$44.3 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 13, Income Taxes, in the accompanying notes to the consolidated financial statements for a discussion of deferred tax liabilities, including liabilities for unrecognized tax positions.

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Off-Balance Sheet Arrangements

As of December 31, 2013 and as of the date this report was filed, we did not have any material off-balance sheet transactions, arrangements, or obligations, including contingent obligations.

Market Capitalization

As of December 31, 2013 and 2012, our total market capitalization was \$404.7 million and \$268.2 million, respectively, which was \$106.3 million higher and \$1.3 million lower, respectively, than our book equity value on those dates. As of December 31, 2013 and 2012, our stock price was \$10.51 per share and \$6.98 per share, respectively. See Note 4, Intangible Assets And Goodwill, in the accompanying notes to the consolidated financial statements for a discussion of impairment losses, which reduced our book equity value.

Intangibles

As of December 31, 2013, approximately 83% 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 in the accompanying consolidated financial statements.

Critical Accounting Policies

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

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

Revenue Recognition

We recognize revenue from the sale of commercial broadcast time to advertisers when the commercials are broadcast, subject to meeting certain conditions such as persuasive evidence that an arrangement exists, the price is fixed and determinable and collection is reasonably assured. These criteria are generally met at the time an advertisement is broadcast, and the revenue is recorded net of advertising agency commission. Based upon past experience, the use of these criteria has been a reliable method to recognize revenues.

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Allowance For Doubtful Accounts

We record an allowance for doubtful accounts for estimated losses resulting from our customers' failure to make payments to us. We specifically review historical write-off activity by market, large customer concentrations, customer creditworthiness, the economic conditions of the customer's industry, and changes in our customer payment practices when evaluating the adequacy of the allowance for doubtful accounts. Our historical estimates have been a reliable method to estimate future allowances. Our historical reserves have generally ranged between 3% and 5% of our outstanding receivables. Recently, our accounts receivable reserve has been trending downward to the lower part of this range due to an improvement in our collection efforts and the expectation that we will continue to experience similar results.

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 in the low 40% range. When these items are excluded, our effective tax rate has been in the low 40% range over the last several years.

In 2013, our tax rate was 46.3% which decreased as compared to the 52.5% rate in the prior year. The income tax rate in the prior year was higher than expected due to the negative impact to income before income taxes of the \$22.3 million impairment loss recorded during the second quarter of 2012. Our tax rate of 36.5% in 2011 was primarily impacted by management's determination during the second quarter of 2011 that, on a more likely than not realization basis, a full valuation allowance was no longer required. The deferred tax asset valuation allowance was initially established in 2008 as we were impacted by the economic downturn during this period which resulted in impairments to our broadcast licenses and goodwill in 2007 and 2008. These impairment losses impacted our three-year cumulative income.

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% increase in our estimated tax rate as of December 31, 2013 would be an increase in income tax expense of \$0.5 million and a decrease in net income of \$0.5 million (net income per basic and diluted share of \$0.01) for the year ended December 31, 2013.

Table of Contents***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, 2013, we have recorded approximately \$757.4 million in radio broadcasting licenses and goodwill, which represents 83% of our total assets at 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. In 2012, 2009 and 2008, we recorded impairment losses of \$22.3 million, \$67.7 million and \$835.7 million, respectively, for radio broadcasting licenses and goodwill.

We believe our estimate of the value of our radio broadcasting licenses and goodwill assets is a critical 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

We perform our broadcasting license impairment test by evaluating our broadcasting licenses for impairment using the direct method at the market level. Each market's broadcasting licenses are combined into a single unit of accounting for the purpose of testing impairment, as the broadcasting licenses in each market are operated as a single asset. We determine the fair value of broadcasting licenses in each of our markets by relying on 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 and reflects expectations of industry observers and includes judgments about future performance using industry normalized information for an average station within a certain market. These assumptions include, but are not limited to: (1) the discount rate; (2) the market share and profit margin of an average station within a market based upon market size and station type; (3) the forecast growth rate of each radio market; (4) the estimated capital start-up costs and losses incurred during the early years; (5) the likely media competition within the market area; (6) the tax rate; and (7) future terminal values. Changes in our estimates of the fair value of these assets could result in material future period write-downs in the carrying value of our broadcasting licenses and goodwill assets.

The methodology used by us in determining our key estimates and assumptions was applied consistently to each market. Of the seven variables identified above, we believe that the assumptions in items (1) through (3) above are the most important to the determination of fair value.

We completed our annual impairment test for broadcasting licenses during the second quarter of 2013 and determined that the fair value of the broadcasting licenses was more than the carrying value in each of our markets and, as a result, we did not record an impairment loss.

The following table reflects the estimates and assumptions used in the second quarter of 2013 as compared to the second quarter of 2012, the date of the most recent prior impairment test:

Estimates And Assumptions	
Second Quarter	Second Quarter

	2013	2012
Discount rate	9.8%	10.0%
Operating profit margin ranges expected for average stations in the markets where the Company operates	25.0% to 41.0%	20.7% to 40.9%
Long-term revenue growth rate range of the Company's markets	1.5% to 2.0%	1.5% to 2.0%

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**Units Of Accounting As Of December 31, 2013
Based Upon The Valuation As Of June 30, 2013
Percentage Range By Which Fair Value Exceeds Carrying
Value**

	0% To 5%	Greater Than 5% To 10%	Greater Than 10% To 15%	Greater Than 15%
Number of units of accounting	3	5	3	9
Carrying value (in thousands)	\$ 186,951	\$ 271,733	\$ 86,294	\$ 171,769

Broadcasting Licenses Valuation At Risk

As a result of the second quarter 2013 impairment test of our broadcasting licenses, there were eight units of accounting where the fair value exceeded their carrying value by 10% or less as of June 30, 2013. In aggregate, these eight units of accounting have a carrying value of \$458.7 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.

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 recognize impairment charges, which could be material, in future periods.

The table above presents the percentage within a range by which the fair value exceeded the carrying value of our radio broadcasting licenses as of December 31, 2013 for 20 units of accounting where the carrying value of the licenses is considered material to our financial statements (20 geographical markets). Rather than presenting the percentage separately for each unit of accounting, management's opinion is that this table in summary form is more meaningful to the reader in assessing the recoverability of the broadcasting licenses. In addition, the units of accounting are not disclosed with the specific market name as such disclosure could be competitively harmful to us.

Goodwill

We perform our annual goodwill impairment test during the second quarter of each year by evaluating our goodwill for each reporting unit. We determined that a radio market is a reporting unit and, in total, we assessed goodwill at 19 separate reporting units (four of our 23 reporting units have no goodwill recorded as of June 30, 2013). If the fair value of any reporting unit is less than the amount reflected in the balance sheet, an indication exists that the amount of goodwill attributed to a reporting unit may be impaired, and we are required to perform a second step of the impairment test. In the second step, we compare the amount reflected in the balance sheet to the implied fair value of the reporting unit's goodwill, determined by allocating the reporting unit's fair value to all of its assets and liabilities in a manner similar to a purchase price allocation.

To determine the fair value, we use a market approach and, when appropriate, an income approach for each reporting unit. The market approach compares recent sales and offering prices of similar properties. The income approach uses the subject property's income generated over a specified time and capitalized at an appropriate market rate to arrive at an indication of the most probable selling price.

In step one of our goodwill analysis, we considered the results of the market approach and the income approach in computing the fair value of our reporting units. In the market approach, we applied an estimated market multiple of between seven and a half times and eight times to each reporting unit's operating performance to calculate the fair value. This multiple was consistent with the multiple applied to all markets in the second quarter of 2012.

Management believes that these approaches are an appropriate measurement given the current market valuations of broadcast radio stations together with the historical market transactions, including those in recent months. Factors contributing to the determination of the reporting unit's operating performance were historical performance and management's estimates of future performance.

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In the income approach, we utilized the discounted cash flow method to calculate the fair value of the reporting unit (the key estimates and assumptions are included in the table below).

The following table reflects certain key estimates and assumptions applied to each of our markets that were used in the second quarter of 2013 and in the second quarter of 2012, the date of the most recent prior impairment test:

	Estimates And Assumptions	
	Second Quarter 2013	Second Quarter 2012
Discount rate	9.80%	10.0%
Long-term revenue growth rate range of the Company's markets	1.5% to 2.0%	1.5% to 2.0%
Market multiple used in step one of the market valuation approach	7.5x to 8.0x	7.5x to 8.0x

The results of step one indicated that it was not necessary to perform the second step analysis in any of the markets tested. As a result of the step one test, no impairment loss was recorded during the second quarter of 2013. We performed a reasonableness test by comparing the fair value results for goodwill (by using the implied multiple based on our cash flow performance and our current stock price) to prevailing radio broadcast transaction multiples.

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

The table below presents the percentage within a range by which the fair value exceeded the carrying value of the reporting unit as of June 30, 2013 for 19 reporting units under step one of the goodwill impairment test during the second quarter of 2013. Rather than presenting the percentage separately for each reporting unit, management's opinion is that this table in summary form is more meaningful to the reader in assessing the recoverability of the reporting unit, including goodwill. In addition, the reporting units are not disclosed with the specific market name as such disclosure could be competitively harmful to us.

	Reporting Units As Of December 31, 2013			
	Based Upon The Valuation As Of June 30, 2013			
	Percentage Range By Which Fair Value Exceeds Carrying Value			
	0% To	Greater Than 5%	Greater Than 10%	Greater Than
5%	To 10%	To 15%	15%	
Number of reporting units	2	1		16
Carrying value (in thousands)	\$ 136,653	\$ 127,532	\$	\$ 509,989

Goodwill Valuation At Risk

As a result of the second quarter 2013 impairment test of our goodwill, there were three reporting units that exceeded the carrying value by 10% or less as of June 30, 2013. In aggregate, these three reporting units have a carrying value of \$264.2 million, of which \$4.4 million is goodwill. Future impairment charges may be required on these, or other of our reporting units, as the discounted cash flow and market-based models are subject to change based upon our performance, our stock price, peer company performance and their stock prices, overall market conditions, and the state of the credit markets.

Table of Contents***Sensitivity Of Key Broadcasting Licenses And Goodwill Assumptions***

If we were to assume a 100 basis point change in certain of our key assumptions (a reduction in the long-term revenue growth rate, a reduction in the operating performance cash flow margin and an increase in the weighted average cost of capital) used to determine the fair value of our broadcasting licenses and goodwill using the income approach during the second quarter of 2013, the following would be the incremental impact:

Sensitivity Analysis ⁽¹⁾			
	Results Of Long-Term Revenue Growth Rate Decrease	Results Of Operating Performance Cash Flow Margin Decrease	Results Of Weighted Average Cost Of Capital Increase
(amounts in thousands)			
<u>Broadcasting Licenses</u>			
Incremental broadcasting licenses impairment	\$ 22,512	\$ 2,896	\$ 55,260
<u>Goodwill ⁽²⁾</u>			
Incremental goodwill impairment	\$ 9,688	\$	\$ 18,937

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

(2) The sensitivity goodwill analysis is computed using data from testing goodwill using the income approach under step 1.

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

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

The discount rate to be used by a typical market participant reflects the risk inherent in future cash flows for the broadcast industry. The same discount rate was used for each of our markets. The discount rate is calculated by weighting the required returns on interest-bearing debt 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 4, Intangible Assets And Goodwill, in the accompanying notes to the consolidated financial statements, for a discussion of intangible assets and goodwill.

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For a more comprehensive list of our accounting policies, see Note 2, Significant Accounting Policies, accompanying the consolidated financial statements included in our latest annual report on Form 10-K for the year ended December 31, 2013. Note 2 to the consolidated financial statements included with Form 10-K contains several other policies, including policies governing the timing of revenue recognition, that are important to the preparation of our consolidated financial statements, but do not meet the SEC's definition of critical accounting policies because they do not involve subjective or complex judgments. In addition, for further discussion of new accounting policies that were effective for us on January 1, 2013, see the new accounting standards under Note 2 to the accompanying notes to the consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates on our variable rate senior debt. If the borrowing rates under LIBOR were to increase 1% above the current rates as of December 31, 2013, our interest expense on our senior debt, other than the Revolver, would increase \$0.5 million on an annual basis as our Term Loan provides for a minimum LIBOR floor. The interest expense on our outstanding Revolver would be subject to variable interest rates. If our entire Revolver were outstanding as of December 31, 2013 and LIBOR increased by 1% above the current rates as of December 31, 2013, our interest expense would increase by \$1.0 million. From time to time, we may seek to limit our exposure to interest rate volatility through the use of interest rate hedging instruments.

Assuming LIBOR remains flat, interest expense in 2014 should be lower due to a reduction in interest rates on our outstanding debt as a result of the debt modification to our Credit Facility during the fourth quarter of 2013 and a decline in our outstanding debt upon which interest is computed.

As of December 31, 2013, there were no interest rate transactions outstanding.

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

Our cash equivalents are money market instruments consisting of short-term government securities and repurchase agreements that are fully collateralized by government securities. We do not believe that we have any material credit exposure with respect to these assets.

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

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

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

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

None.

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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) of the Securities Exchange Act of 1934) that are designed to ensure that: (1) information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms; and (2) such information is accumulated and communicated to our management, including our Chief Executive Officer and 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.

We carried out an evaluation, under the supervision of and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of December 31, 2013. Based on the foregoing, our President/Chief Executive Officer and Executive Vice President/Chief Financial Officer concluded that, as of December 31, 2013, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes In Internal Controls

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 of Directors, 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.

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.

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Management has used the framework set forth in the report entitled Internal Control Integrated Framework (1992) published by the Committee of Sponsoring Organizations (COSO) 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, 2013. The effectiveness of the Company s internal control over financial reporting as of December 31, 2013 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears under Item 15.

David J. Field, President and Chief Executive Officer

Stephen F. Fisher, Executive Vice President Chief Financial Officer

ITEM 9B. OTHER INFORMATION

None.

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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 2014 Annual Meeting of Shareholders, which we expect to file with the Securities and Exchange Commission prior to April 30, 2014.

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 2014 Annual Meeting of Shareholders, which we expect to file with the Securities and Exchange Commission prior to April 30, 2014.

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 2014 Annual Meeting of Shareholders, which we expect to file with the Securities and Exchange Commission prior to April 30, 2014.

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 2014 Annual Meeting of Shareholders, which we expect to file with the Securities and Exchange Commission prior to April 30, 2014.

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 2014 Annual Meeting of Shareholders, which we expect to file with the Securities and Exchange Commission prior to April 30, 2014.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

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

Document	Page
Consolidated Financial Statements	
<u>Report of Independent Registered Public Accounting Firm</u>	47
Consolidated Financial Statements	
<u>Balance Sheets as of December 31, 2013 and December 31, 2012</u>	48
<u>Statements of Operations for the Years Ended December 31, 2013, 2012 and 2011</u>	49
<u>Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2013, 2012 and 2011</u>	50
<u>Statements of Shareholders' Equity for the Years Ended December 31, 2013, 2012 and 2011</u>	51
<u>Statements of Cash Flows for the Years Ended December 31, 2013, 2012 and 2011</u>	53
<u>Notes to Consolidated Financial Statements</u>	55
<u>Index to Exhibits</u>	109

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(b) Exhibits

Exhibit Number	Description
3.01	Amended and Restated Articles of Incorporation of the Entercom Communications Corp. (1)
3.02	Amended and Restated Bylaws of the Entercom Communications Corp. (2)
4.01	Credit Agreement, dated as of November 23, 2011, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (3) (Originally filed as Exhibit 4.1)
4.02	First Amendment To Credit Agreement, dated as of November 27, 2012, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (4) (Originally filed as Exhibit 4.02)
4.03	Second Amendment To Credit Agreement, dated as of December 2, 2013, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (5)
4.04	Indenture, dated as of November 23, 2011, by and among Entercom Radio, LLC, as the Issuer, the Note Guarantors (as defined therein) and Wilmington Trust, National Association, as trustee. (3) (Originally filed as Exhibit 4.2)
4.05	Form of Note. (3) (Originally filed as Exhibit 4.3)
10.01	Amended and Restated Employment Agreement, dated December 23, 2010, between Entercom Communications Corp. and David J. Field. (6) (Originally filed as Exhibit 10.01)
10.02	Employment Agreement, dated July 1, 2007, between Entercom Communications Corp. and Joseph M. Field. (7)
10.03	First Amendment To Employment Agreement, dated December 15, 2008, between Entercom Communications Corp. and Joseph M. Field. (8)
10.04	Employment Agreement, dated December 23, 2010, between Entercom Communications Corp. and Stephen F. Fisher. (6) (Originally filed as Exhibit 10.04)
10.05	Entercom Non-Employee Director Compensation Policy adopted May 18, 2010. (8)
10.06	Employment Agreement, dated as of January 1, 2013 between Entercom Communications Corp. and Andrew P. Sutor, IV. (10)
10.07	Employment Agreement, dated June 12, 2013, between Entercom Communications Corp. and Louise C. Kramer. (11)

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10.08	Amended and Restated Entercom Equity Compensation Plan. (12)
10.09	Entercom Annual Incentive Plan. (13)
21.01	Information Regarding Subsidiaries of Entercom Communications Corp. (5)
23.01	Consent of PricewaterhouseCoopers LLP. (5)
31.01	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. (5)
31.02	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. (5)
32.01	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. (14)
32.02	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. (14)
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

- (1) Incorporated by reference to Exhibit 3.01 to our Amendment to Registration Statement on Form S-1, as filed on January 27, 1999 (File No. 333-61381), Exhibit 3.1 of our Current Report on Form 8-K as filed on December 21, 2007 and Exhibit 3.02 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, as filed on August 5, 2009.
- (2) Incorporated by reference to Exhibit 3.01 to our Current Report on Form 8-K filed on February 21, 2008.

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- (3) Incorporated by reference to an exhibit (as indicated above) to our Current Report on Form 8-K filed on November 25, 2011.
- (4) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2012, as filed on February 27, 2013.
- (5) Filed herewith.
- (6) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2010, as filed on February 9, 2011.
- (7) Incorporated by reference to Exhibit 10.02 to our Quarterly Report on Form 10-Q/A for the quarter ended September 30, 2007, as filed on November 21, 2007.
- (8) Incorporated by reference to Exhibit 10.04 to our Annual Report on Form 10-K for the year ended December 31, 2008, as filed on February 26, 2009.
- (9) Incorporated by reference to Exhibit 10.04 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010, as filed on August 2, 2010.
- (10) Incorporated by reference to Exhibit 10.01 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, as filed on May 9, 2013.
- (11) Incorporated by reference to Exhibit 10.01 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, as filed on August 7, 2013.
- (12) Incorporated by reference to Exhibit A to our Proxy Statement on Schedule 14A filed on March 18, 2011.
- (13) Incorporated by reference to Exhibit 10.02 to our Current Report on Form 8-K filed on May 19, 2008.
- (14) These exhibits are submitted as accompanying this Annual Report on Form 10-K and shall not be deemed to be filed as part of such Annual Report on Form 10-K.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders

of Entercom Communications Corp.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows present fairly, in all material respects, the financial position of Entercom Communications Corp. and its subsidiaries at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

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

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania

March 3, 2014

Table of Contents**CONSOLIDATED FINANCIAL STATEMENTS OF ENTERCOM COMMUNICATIONS CORP.****ENTERCOM COMMUNICATIONS CORP.****CONSOLIDATED BALANCE SHEETS****(amounts in thousands, except share data)**

	DECEMBER 31, 2013	DECEMBER 31, 2012
ASSETS:		
Cash and cash equivalents	\$ 12,231	\$ 8,923
Accounts receivable, net of allowance for doubtful accounts	71,818	70,955
Prepaid expenses, deposits and other	4,326	3,649
Prepaid and refundable federal and state income taxes	41	47
Deferred tax assets	2,850	7,222
Total current assets	91,266	90,796
Net property and equipment	44,439	51,677
Radio broadcasting licenses	718,542	718,656
Goodwill	38,850	39,103
Assets held for sale	2,090	
Deferred charges and other assets, net of accumulated amortization	17,501	20,126
TOTAL ASSETS	\$ 912,688	\$ 920,358
LIABILITIES:		
Accounts payable	\$ 200	\$ 400
Accrued expenses	13,729	14,205
Other current liabilities	12,723	12,253
Financing method lease obligations, current portion		12,610
Long-term debt, current portion	3,000	9,808
Total current liabilities	29,652	49,276
Long-term debt, net of current portion	514,124	560,133
Deferred tax liabilities	44,272	26,226
Other long-term liabilities	26,247	15,229
Total long-term liabilities	584,643	601,588
Total liabilities	614,295	650,864

CONTINGENCIES AND COMMITMENTS**SHAREHOLDERS EQUITY:**

Preferred stock \$0.01 par value; authorized 25,000,000 shares; no shares issued and outstanding

Class A common stock \$.01 par value; voting; authorized 200,000,000 shares; issued and outstanding 31,308,194 in 2013 and 31,226,047 in 2012	313	312
Class B common stock \$.01 par value; voting; authorized 75,000,000 shares; issued and outstanding 7,197,532 in 2013 and 2012	72	72
Class C common stock \$.01 par value; nonvoting; authorized 50,000,000 shares; no shares issued and outstanding		
Additional paid-in capital	604,721	601,847
Accumulated deficit	(306,713)	(332,737)
Total shareholders' equity	298,393	269,494
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 912,688	\$ 920,358

See notes to consolidated financial statements.

Table of Contents**ENTERCOM COMMUNICATIONS CORP.****CONSOLIDATED STATEMENTS OF OPERATIONS**

(amounts in thousands, except share and per share data)

	YEARS ENDED DECEMBER 31,		
	2013	2012	2011
NET REVENUES	\$ 377,618	\$ 388,924	\$ 382,727
OPERATING EXPENSE:			
Station operating expenses, including non-cash compensation expense	252,596	252,934	264,195
Depreciation and amortization expense	8,545	10,839	11,276
Corporate general and administrative expenses, including non-cash compensation expense	24,381	25,874	26,609
Impairment loss	850	22,307	
Merger and acquisition costs			767
Net time brokerage agreement (income) fees		238	244
Net (gain) loss on sale or disposal of assets	(1,321)	138	163
Total operating expense	285,051	312,330	303,254
OPERATING INCOME (LOSS)	92,567	76,594	79,473
OTHER (INCOME) EXPENSE:			
Net interest expense	44,232	53,446	24,919
Net (gain) loss on extinguishment of debt		747	1,144
Net (gain) loss on derivative instruments		(1,346)	1,346
Net (gain) loss on investments		123	30
Other income	(165)	(118)	(32)
TOTAL OTHER EXPENSE	44,067	52,852	27,407
INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)	48,500	23,742	52,066
INCOME TAXES (BENEFIT)	22,476	12,474	(18,988)
NET INCOME (LOSS)	\$ 26,024	\$ 11,268	\$ 71,054
NET INCOME (LOSS) PER SHARE BASIC	\$ 0.70	\$ 0.31	\$ 1.95
NET INCOME (LOSS) PER SHARE DILUTED	\$ 0.68	\$ 0.30	\$ 1.88
WEIGHTED AVERAGE SHARES:			
Basic	37,417,807	36,906,468	36,369,410

Diluted	38,301,495	37,809,646	37,763,965
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See notes to consolidated financial statements.

Table of Contents**ENTERCOM COMMUNICATIONS CORP.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)****(amounts in thousands)**

	YEARS ENDED DECEMBER 31,		
	2013	2012	2011
NET INCOME (LOSS)	\$ 26,024	\$ 11,268	\$ 71,054
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES (BENEFIT):			
Net unrealized gain (loss) on derivatives, net of taxes (benefit)			7,277
COMPREHENSIVE INCOME (LOSS)	\$ 26,024	\$ 11,268	\$ 78,331

See notes to consolidated financial statements.

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ENTERCOM COMMUNICATIONS CORP.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY
YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
(amounts in thousands, except share data)

	Common Stock		Class B Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated	Total
	Class A Shares	Amount				(Accumulated Deficit)	Other Comprehensive Income (Loss)	
Balance, December 31, 2010	30,700,568	\$ 307	7,367,532	\$ 74	\$ 592,643	\$ (415,080)	\$ (7,277)	\$ 170,667
Net income (loss)						71,054		71,054
Conversion of Class B common stock to Class A common stock	170,000	2	(170,000)	(2)				
Compensation expense related to granting of stock options					462			462
Compensation expense related to granting of restricted stock units	416,906	4			7,205			7,209
Exercise of stock options	53,625				71			71
Purchase of vested employee restricted stock units	(297,098)	(3)			(3,054)			(3,057)
Forfeitures of dividend equivalents						5		5
Net unrealized gain (loss) on derivatives							7,277	7,277
Balance, December 31, 2011	31,044,001	310	7,197,532	72	597,327	(344,021)		253,688
Net income (loss)						11,268		11,268
Compensation expense related to granting of stock options					210			210
	280,072	3			5,541			5,544

Compensation expense related to granting of restricted stock units							
Exercise of stock options	101,350	1			134		135
Purchase of vested employee restricted stock units	(199,376)	(2)			(1,365)		(1,367)
Forfeitures of dividend equivalents						16	16
Balance, December 31, 2012	31,226,047	312	7,197,532	72	601,847	(332,737)	269,494

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ENTERCOM COMMUNICATIONS CORP.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY
YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
(amounts in thousands, except share data)

	Common Stock		Class B	Additional	Retained	Accumulated	Other	Total
	Class A	Class B						
	Shares	Amount	Shares	Amount	Capital	(Accumulated Deficit)	(Loss)	
Net income (loss)						26,024		26,024
Compensation expense related to granting of stock options					41			41
Compensation expense related to granting of restricted stock units	96,560	1			4,228			4,229
Exercise of stock options	171,625	2			243			245
Purchase of vested employee restricted stock units	(186,038)	(2)			(1,638)			(1,640)
Balance, December 31, 2013	31,308,194	\$ 313	7,197,532	\$ 72	\$ 604,721	\$ (306,713)	\$	\$ 298,393

See notes to consolidated financial statements.

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ENTERCOM COMMUNICATIONS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

	YEARS ENDED DECEMBER		
	2013	31, 2012	2011
OPERATING ACTIVITIES:			
Net income (loss)	\$ 26,024	\$ 11,268	\$ 71,054
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	8,545	10,839	11,276
Amortization of deferred financing costs (including original issue discount)	4,144	4,651	3,592
Net deferred taxes (benefit) and other	22,422	13,296	(17,345)
Provision for bad debts	824	390	1,672
Net (gain) loss on sale or disposal of assets	(1,251)	138	163
Non-cash stock-based compensation expense	4,270	5,754	7,671
Net (gain) loss on investments		123	30
Net (gain) loss on derivatives		(1,346)	1,346
Deferred rent	206	516	191
Unearned revenue long-term	(82)	(15)	5
Net loss on extinguishment of debt		747	1,144
Deferred compensation	2,380	1,762	727
Impairment loss	850	22,307	
Accretion expense, net of asset retirement obligation payments	18	(87)	88
Other income	(165)	(118)	(32)
Changes in assets and liabilities:			
Accounts receivable	(1,678)	(2,138)	208
Prepaid expenses and deposits	(743)	1,692	(6)
Prepaid and refundable income taxes		271	493
Accounts payable and accrued liabilities	(952)	(535)	524
Accrued interest expense	(523)	302	2,926
Accrued liabilities long-term	(1,140)	(772)	(739)
Prepaid expenses long-term	200	657	537
Net cash provided by (used in) operating activities	63,349	69,702	85,525
INVESTING ACTIVITIES:			
Additions to property and equipment	(4,325)	(3,688)	(5,712)
Proceeds from sale of property, equipment, intangibles and other assets	8	29	231
Purchases of radio station assets		(25,325)	(9,000)
Deferred charges and other assets	(475)	(857)	(1,185)
Proceeds from investments and capital projects	209	482	32
Station acquisition deposits and costs			1,350

Net cash provided by (used in) investing activities	(4,583)	(29,359)	(14,284)
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ENTERCOM COMMUNICATIONS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

	YEARS ENDED DECEMBER 31,		
	2013	2012	2011
FINANCING ACTIVITIES:			
Deferred financing expenses related to the bank facility, finance method lease obligations and senior unsecured notes	(1,040)	(1,241)	(19,937)
Borrowing under the revolving senior debt	33,000	36,000	587,500
Net proceeds from the senior unsecured notes			217,078
Payments of long-term debt	(86,023)	(68,529)	(852,527)
Proceeds from the exercise of stock options	245	135	71
Purchase of vested employee restricted stock units	(1,640)	(1,367)	(3,057)
Payment of dividend equivalents on vested restricted stock units		(43)	(512)
Net cash provided by (used in) financing activities	(55,458)	(35,045)	(71,384)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,308	5,298	(143)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,923	3,625	3,768
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 12,231	\$ 8,923	\$ 3,625
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest	\$ 41,010	\$ 48,568	\$ 18,393
Income taxes	\$ 69	\$ 99	\$ 82

See notes to consolidated financial statements.

Table of Contents**ENTERCOM COMMUNICATIONS CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011****1. BASIS OF PRESENTATION AND ORGANIZATION**

Nature Of Business Entercom Communications Corp. (the Company) is one of the five largest radio broadcasting companies in the United States with a nationwide portfolio in excess of 100 stations in 23 markets, including San Francisco, Boston, Seattle, Denver, Portland, Sacramento and Kansas City.

Revision Of Prior Period Financial Statements

In connection with the preparation of the Company's consolidated financial statements for the year ended December 31, 2013, the Company identified and corrected a prior period error relating to the timing difference on the recognition of a gain on the sale of certain towers. For tax purposes, the gain was reported in the 2009 tax year, but was deferred for book purposes. The timing difference created a deferred tax asset that would be reversed at such time as the gain was reported for book purposes. Since all deferred tax assets were fully reserved in 2009 and in 2010 with a valuation allowance, there was no income statement impact in the years 2009 or 2010. When the Company reversed its full valuation allowance in 2011, the release created an income tax benefit, which is reflected as an adjustment in the table below.

The Company assessed the materiality of this error and concluded that it was not material to its previously issued consolidated financial statements. The Company has revised all affected periods presented herein to reflect the correct accounting for this tax benefit. This non-cash item did not impact the Company's operating income or operating cash flows for the current or prior periods and has no impact on the Company's cash taxes.

The following table presents the effects of the revision on the Company's consolidated statement of operation for the period presented:

	Year Ended December 31, 2011		
	As		
	Previously Reported	Adjustment	As Revised
	(amounts in thousands, except per share data)		
Income taxes (benefit)	\$ (14,211)	\$ (4,777)	\$ (18,988)
Net income (loss)	\$ 66,277	\$ 4,777	\$ 71,054
Net income per share:			
Basic	\$ 1.82	\$ 0.13	\$ 1.95
Diluted	\$ 1.76	\$ 0.12	\$ 1.88

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The following table presents the effects of the revision on the Company's balance sheet for the periods presented:

	December 31, 2011		
	As		
	Previously Reported	Adjustment	As Revised
	(amounts in thousands)		
Deferred tax liabilities	\$ 13,550	\$ (4,777)	\$ 8,773
Total long-term liabilities	\$ 638,985	\$ (4,777)	\$ 634,208
Total liabilities	\$ 670,358	\$ (4,777)	\$ 665,581
Accumulated deficit	\$ (348,798)	\$ 4,777	\$ (344,021)
Total shareholders' equity	\$ 248,911	\$ 4,777	\$ 253,688

	December 31, 2012		
	As		
	Previously Reported	Adjustment	As Revised
	(amounts in thousands)		
Deferred tax assets	\$ 2,445	\$ 4,777	\$ 7,222
Total current assets	\$ 86,019	\$ 4,777	\$ 90,796
Total assets	\$ 915,581	\$ 4,777	\$ 920,358
Accumulated deficit	\$ (337,514)	\$ 4,777	\$ (332,737)
Total shareholders' equity	\$ 264,717	\$ 4,777	\$ 269,494
Total liabilities and shareholders' equity	\$ 915,581	\$ 4,777	\$ 920,358

The following table presents the effects of the revision on the Company's consolidated statement of cash flows for the period presented:

	Year Ended December 31, 2011		
	As		
	Previously Reported	Adjustment	As Revised
	(amounts in thousands)		

Net income (loss)	\$ 66,277	\$ 4,777	\$ 71,054
Net deferred taxes (benefit) and other	\$(12,568)	\$ (4,777)	\$ (17,345)

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) in connection with the pending acquisition or disposition of radio stations and the requirement to consolidate a VIE may apply, depending on the facts and circumstances related to each transaction. As of December 31, 2013, the consolidation requirements as a VIE (see Note 20, Contingencies, Guarantor Arrangements And Commitments) did not apply as there were no pending transactions.

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Reportable Segment The Company operates under one reportable business segment, radio broadcasting, for which segment disclosure is consistent with the management decision-making process that determines the allocation of resources and the measuring of performance. Radio stations serving the same geographic area, which may be comprised of a city or combination of cities, are referred to as markets or as distinct operating segments. The Company has 23 operating segments. These operating segments are aggregated to create 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: (1) asset impairments, including broadcasting licenses and goodwill; (2) income tax valuation allowances; (3) uncertain tax positions; (4) allowance for doubtful accounts; (5) self-insurance reserves; (6) fair value of equity awards; (7) estimated lives for tangible and intangible assets; (8) fair value measurements for financial instruments such as interest rate hedging transactions; and (9) contingency and litigation reserves. 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 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: (1) income (loss) from continuing operations; (2) income (loss) from discontinued operations; (3) extraordinary items; (4) other comprehensive income (loss); (5) the cumulative effects of accounting changes; and (6) other charges or credits recorded directly to shareholders' equity. See Note 13 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.

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

	Property And Equipment Years Ended December 31,		
	2013	2012	2011
	(amounts in thousands)		
Depreciation expense	\$ 7,543	\$ 9,903	\$ 10,325

As of December 31, 2013, the Company had construction commitments outstanding of \$1.7 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	2013	2012
			(amounts in thousands)	
Land, land easements and land improvements		15	\$ 12,750	\$ 16,640
Buildings	20	40	22,660	21,535
Equipment	3	40	118,180	123,979
Furniture and fixtures	5	10	13,945	14,690
Leasehold improvements	shorter of economic life or lease term		21,442	21,485
			188,977	198,329
Accumulated depreciation			(145,193)	(148,605)
			43,784	49,724
Capital improvements in progress			655	1,953
Net property and equipment			\$ 44,439	\$ 51,677

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 4 for further discussion. 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.

During the second quarter of 2013, the Company conducted an evaluation of useful lives for longer-lived assets, such as broadcast towers and buildings. As a result of this review, the Company determined that based on current facts and circumstances, future acquisitions may warrant the use of longer lives anywhere between 15 years and 40 years.

Revenue Recognition Revenue from the sale of commercial broadcast time to advertisers is recognized when the commercials are broadcast. Revenues presented in the consolidated financial statements are reflected on a net basis, after the deduction of advertising agency fees by the advertising agencies, usually at a rate of 15% of gross revenues. Promotional fees are recognized as services are rendered. Advertiser payments received in advance of when the commercials are broadcast are recorded as unearned revenue.

The Company derives revenues through e-commerce by selling discount certificates for advertiser goods and services directly to the Company's listeners through the use of the Company's station websites. In this business model, the Company shares a portion of the e-commerce sales with the advertiser. The Company reports these revenues on a net basis after deducting the portion of the sales that were shared with the advertiser.

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

	Balance Sheet Location	Unearned Revenues	
		December 31, 2013	2012
(amounts in thousands)			
Current	Accrued compensation and other current liabilities	\$ 317	\$ 291
Long-term	Other long-term liabilities	\$ 43	\$ 125

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. The Company also maintains deposit accounts with financial institutions. At times, such deposits may exceed FDIC insurance limits.

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. In connection with the Company's debt: (1) in December 2013 and in November 2012, the Company recorded deferred debt issuance costs in connection with debt modifications; and (2) in November 2011, the Company recorded deferred debt issuance costs and an original issue discount in connection with its debt refinancing (debt modification for its revolving credit facility). See Note 7 for further discussion for the amount of deferred financing expense and original issue discount that was included in interest expense in the accompanying consolidated statements of operations.

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. In connection with the Company's November 2012 debt modification and November 2011 debt refinancing, the Company recorded debt extinguishment costs. See Note 7 for a discussion of any debt extinguishments associated with the Company's long-term debt.

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

Time Brokerage Agreement (Income) Fees TBA fees or income consist of fees paid or received under agreements which permit an acquirer to program and market stations prior to an acquisition. The Company sometimes enters into a TBA agreement prior to the consummation of station acquisitions and dispositions. The Company may also enter into a Joint Sales Agreement (JSA) to market, but not to program, a station for a defined period of time.

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. Barter valuation is based upon management's estimate of the fair value of the products, supplies and services received. See Note 15, Supplemental Cash Flow Disclosures On

Non-Cash Investing And Financing 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 a direct value 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 4.

Asset Retirement Obligations The Company reasonably estimates the fair value of an asset retirement obligation. For an asset retirement obligation that is conditional (uncertainty about the timing and/or method of settlement), the Company factors into its fair value measurement a probability factor as the obligation depends upon a future event that may or may not be within the control of the Company. The Company's asset retirement obligations are not significant when compared to its net outstanding property and equipment.

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Accrued Compensation Certain types of employee compensation, which amounts are included in the balance sheets under accrued compensation and other current liabilities, are paid in subsequent periods. See Note 6 for amounts reflected in the balance sheets.

Cash And Cash Equivalents Cash and cash equivalents consist primarily of amounts held on deposit with financial institutions, including investments held in financial institutions in immediately available money market accounts and all highly liquid debt instruments with initial maturities of three months or less.

Derivative Financial Instruments The Company follows accounting guidance for its derivative financial instruments, including certain derivative instruments embedded in other contracts, and hedging activities (for further discussion, see Note 9).

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 6.

Share-Based Compensation The Company records compensation expense for all share-based payment awards made to employees and directors, at estimated fair values. 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 11.

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. 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 also provides certain quantitative and qualitative disclosures for those investments that are impaired (other than temporarily) at the balance sheet date and for those investments for which an impairment has not been recognized.

Advertising And Promotion Costs Costs of media advertising and associated production costs are expensed when incurred.

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 Recoveries The Company recognizes insurance recoveries when all of the contingencies related to the insurance claims have been satisfied.

Sports Programming Costs 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. The Company allocates that portion of sports programming costs that are related to sponsorship and marketing activities to sales and marketing expenses on a straight-line basis over the term of the agreement.

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 Contingencies under Note 20.

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Software Costs The Company capitalizes direct internal and external costs incurred to develop internal-use software during the application development state. 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.

Reclassifications Certain reclassifications have been made to the prior years' financial statements to conform to the presentation in the current year.

Recent Accounting Standards

Netting Of Unrecognized Tax Benefits Against Tax Assets

In June 2013, the accounting guidance was modified to require the netting of unrecognized tax benefits against a deferred tax asset for a loss or other carryforward that would apply in the settlement of uncertain tax positions. This guidance is effective for the Company beginning January 1, 2014 and can be applied on a prospective basis. The Company anticipates that the adoption of this guidance will not have a material effect on the presentation of the Company's consolidated financial statements as the Company's current presentation conforms to this new guidance.

Obligations Resulting From Joint And Several Liability Arrangements

In February 2013, the accounting guidance was amended for obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date. The amendments provide guidance on the recognition, measurement, and disclosure of obligations resulting from joint and several liability arrangements, including debt arrangements, other contractual obligations, and settled litigation and judicial rulings, for which the total amount of the obligation is fixed at the reporting date. The amendment is effective for the Company beginning January 1, 2014 and should be applied retrospectively. The Company does not expect that the adoption of these provisions will have a significant impact on the Company's consolidated financial statements.

Amounts Reclassified Out Of Accumulated Other Comprehensive Income

In February 2013, the accounting guidance was modified with respect to how to report the effect of a significant reclassification out of accumulated other comprehensive income. This guidance was effective for the Company as of January 1, 2013 and was applied prospectively. The adoption of this guidance did not materially change the presentation of the Company's consolidated financial statements.

Balance Sheet Disclosures About Offsetting Assets And Liabilities

In December 2011, the accounting guidance was revised to modify disclosures regarding financial and derivative instruments. Entities are required to provide both net and gross information for these assets and liabilities in order to provide for comparability with international accounting standards. This guidance, which was effective for the Company as of January 1, 2013, was applied retrospectively. The adoption of this guidance did not materially change the presentation of the Company's consolidated financial statements.

3. ACCOUNTS RECEIVABLE AND RELATED ALLOWANCE FOR DOUBTFUL ACCOUNTS

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. Estimates of the allowance for doubtful accounts are recorded based on management's judgment of the collectability of the accounts receivable based on historical information, relative improvements or deteriorations in the age of the accounts receivable and changes in current economic conditions.

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The accounts receivable balances and reserve for doubtful accounts are presented in the following table as of the periods indicated:

	Net Accounts Receivable	
	December 31,	
	2013	2012
	(amounts in thousands)	
Accounts receivable	\$ 74,231	\$ 73,658
Allowance for doubtful accounts	(2,413)	(2,703)
Accounts receivable, net of allowance for doubtful accounts	\$ 71,818	\$ 70,955

See the table in Note 6 for the amounts outstanding as of the periods indicated for accounts receivable credits.

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

Year Ended	Changes In Allowance For Doubtful Accounts			
	Balance At Beginning Of Year	Additions Charged To Costs And Expenses	Deductions From Reserves	Balance At End Of Year
	(amounts in thousands)			
December 31, 2013	\$ 2,703	\$ 824	\$ (1,114)	\$ 2,413
December 31, 2012	3,319	390	(1,006)	2,703
December 31, 2011	3,127	1,672	(1,480)	3,319

4. INTANGIBLE ASSETS AND GOODWILL**(A) Indefinite-Lived Intangibles**

Goodwill and certain intangible assets are not amortized. 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 goodwill and certain intangibles (such as broadcasting licenses), then a charge is recorded to the results of operations.

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 broadcasting licenses for the periods indicated:

**Broadcasting Licenses
Carrying Amount**

	2013	2012
	(amounts in thousands)	
Beginning of period balance as of January 1,	\$ 718,656	\$ 715,902
Impairment loss		(22,307)
Acquisitions		25,061
Dispositions	(114)	
Ending period balance as of December 31,	\$ 718,542	\$ 718,656

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The following table presents the changes in goodwill for each of the periods indicated:

	Goodwill Carrying Amount	
	2013	2012
	(amounts in thousands)	
Goodwill balance before cumulative loss on impairment as of January 1,	\$ 164,718	\$ 164,506
Accumulated loss on impairment as of January 1,	(125,615)	(125,615)
Goodwill beginning balance after cumulative loss on impairment as of January 1,	39,103	38,891
Acquisitions		212
Dispositions	(253)	
Goodwill ending balance as of December 31,	\$ 38,850	\$ 39,103

Broadcasting Licenses Impairment Test

The Company performs 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 direct method.

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 Company determines the fair value of the broadcasting licenses in each of its markets by relying on 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 and reflects expectations of industry observers and includes judgments about future performance using industry normalized information for an average station within a certain market. These assumptions include, but are not limited to: (1) the discount rate; (2) the market share and profit margin of an average station within a market, based upon market size and station type; (3) the forecast growth rate of each radio market; (4) the estimated capital start-up costs and losses incurred during the early years; (5) the likely media competition within the market area; (6) the tax rate; and (7) future terminal values.

The methodology used by the Company in determining its key estimates and assumptions was applied consistently to each market. Of the seven variables identified above, the Company believes that the assumptions in items (1) through (3) above are the most important to the determination of fair value.

Broadcasting License Impairment Testing During The Quarter Ended June 30, 2013

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.

The following table reflects the estimates and assumptions used in the second quarter of 2013 as compared to the second quarter of 2012, the date of the most recent prior impairment test:

	Estimates And Assumptions	
	Second Quarter 2013	Second Quarter 2012
Discount rate	9.8%	10.0%
Operating profit margin ranges expected for average stations in the markets where the Company operates	25.0% to 41.0%	20.7% to 40.9%
Long-term revenue growth rate range of the Company's markets	1.5% to 2.0%	1.5% to 2.0%

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

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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.

There were no events or circumstances since the second quarter of 2013 that indicated an interim review of broadcasting licenses was required.

Broadcasting License Impairment Testing During The Second Quarter Ended June 30, 2012

The Company completed its annual impairment test for broadcasting licenses and determined that the fair value of its broadcasting licenses in Boston was less than the amount reflected in the balance sheet. The impairment was principally due to a change in the relative market share attributable to the different classes of broadcast license signals in the Boston market. As a result, the Company recorded an impairment loss of \$22.3 million.

The following table reflects the estimates and assumptions used in the second quarter of 2012 as compared to the second quarter of 2011, the date of the most recent prior impairment test:

	Estimates And Assumptions	
	Second Quarter 2012	Second Quarter 2011
Discount rate	10.0%	10.0%
Operating profit margin ranges expected for average stations in the markets where the Company operates	20.7% to 40.9%	19.5% to 41.5%
Long-term revenue growth rate range of the Company's markets	1.5% to 2.0%	1.5% to 2.0%

Broadcasting License Impairment Testing During The Second Quarter Ended June 30, 2011

During the second quarter of 2011, the Company completed its annual impairment test for broadcasting licenses and determined that the fair value of its broadcasting licenses was in excess of the carrying value for each of the Company's markets and, accordingly, no impairment was recorded.

The following table reflects the estimates and assumptions used in the second quarter of 2011 as compared to the second quarter of 2010, the date of the prior impairment test:

	Estimates And Assumptions	
	Second Quarter 2011	Fourth Quarter 2010
Discount rate	10.0%	10.0%
Operating profit margin ranges expected for average stations in the markets where the Company operates	19.5% to 41.5%	21.0% to 42.5%

Long-term revenue growth rate range of the Company's markets	1.5% to 2.0%	1.5% to 2.0%
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Goodwill Impairment Test

The Company performs its annual goodwill impairment test during the second quarter of each year by evaluating its goodwill for each reporting unit.

The Company has determined that a radio market is a reporting unit and, in total, the Company assesses goodwill at 19 separate reporting units (4 of the Company's 23 reporting units have no goodwill). If the fair value of any reporting unit is less than the amount reflected on the balance sheet, an indication exists that the amount of goodwill attributed to a reporting unit may be impaired, and the Company is required to perform a second step of the impairment test. In the second step, the Company compares the amount reflected on the balance sheet to the implied fair value of the reporting unit's goodwill, determined by allocating the reporting unit's fair value to all of its assets and liabilities in a manner similar to a purchase price allocation.

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To determine the fair value, the Company uses a market approach and, when appropriate, an income approach for each reporting unit. The market approach compares recent sales of similar broadcast radio stations. The income approach uses the subject property's income generated over a specified time and capitalized at an appropriate market rate to arrive at an indication of the most probable selling price.

In September 2011, the accounting guidance for how an entity tests goodwill for impairment was revised. The revised guidance allows an entity to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. An entity is no longer required to calculate the fair value of a reporting unit unless the entity determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. This guidance was available but not used for the Company's annual goodwill testing.

Goodwill Impairment Testing During The Second Quarter Ended June 30, 2013

The results of step one indicated that it was not necessary to perform the second step analysis in any of the 19 reporting units that contained goodwill.

The Company also performed a reasonableness test on the fair value results for goodwill on a combined basis by comparing the amount to the Company's enterprise value based upon its stock price. The Company determined that the results were reasonable.

In step one of the Company's goodwill analysis, the Company considered the results of the market approach and the income approach in computing the fair value of the Company's reporting units. In the market approach, the Company applied an estimated market multiple to each reporting unit's operating profit to calculate the fair value. In the income approach, the Company utilized the discounted cash flow methodology to calculate the fair value of the reporting unit (the key estimates and assumptions are included in the table below). Management believes that these approaches are commonly used and appropriate methodologies for valuing broadcast radio stations. Factors contributing to the determination of the reporting unit's operating performance were historical performance and/or management's estimates of future performance.

The following table reflects certain key estimates and assumptions applied to each of the Company's markets that were used in the impairment test:

	Estimates And Assumptions	
	Second Quarter 2013	Second Quarter 2012
Discount rate	9.8%	10.0%
Long-term revenue growth rate range of the Company's markets	1.5% to 2.0%	1.5% to 2.0%
Market multiple used in step one of the market valuation approach	7.5x to 8.0x	7.5x to 8.0x

During the second quarter testing, the results of step one indicated that it was not necessary to perform the second step analysis in any of the 19 reporting units that contained goodwill.

If actual market conditions are less favorable than those projected by the industry or the Company, or if events occur or circumstances change that would reduce the fair value of the Company's goodwill below the amount reflected in the

balance sheet, the Company may be required to conduct an interim test and possibly recognize impairment charges, which could be material, in future periods.

There were no events or circumstances since the Company's second quarter annual goodwill test that required the Company to test the carrying value of its goodwill.

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The results of step one indicated that it was not necessary to perform the second step analysis in any of the markets tested, as the fair values for the goodwill in all of the Company's markets were in excess of the carrying values. As a result of the step one test, no impairment loss was recorded during the second quarter of 2012.

The Company also performed a reasonableness test on the fair value results for goodwill on a combined basis for the Company by comparing it to the enterprise value of the Company based upon the Company's stock price. The Company determined that the results were reasonable.

In step one of the Company's goodwill analysis, the Company considered the results of the market approach and the income approach, when appropriate, in computing the fair value of the Company's reporting units. In the market approach, the Company applied an estimated market multiple to each reporting unit's operating performance to calculate the fair value. In the income approach, the Company utilized the discounted cash flow methodology to calculate the fair value of the reporting unit (the key estimates and assumptions are included in the table below). Management believes that these approaches are commonly used and appropriate methodologies for valuing broadcast radio stations. Factors contributing to the determination of the reporting unit's operating performance were historical performance and management's estimate of future performance.

The following table reflects certain key estimates and assumptions applied to each of the Company's markets that were used in the second quarter of 2012 and in the second quarter of 2011, the date of the most recent prior impairment test:

	Estimates And Assumptions	
	Second Quarter 2012	Second Quarter 2011
Discount rate	10.0%	10.0%
Long-term revenue growth rate range of the Company's markets	1.5% to 2.0%	1.5% to 2.0%
Market multiple used in step one of the market valuation approach	7.5x to 8.0x	7.5x to 8.0x

Goodwill Impairment Testing During The Second Quarter Ended June 30, 2011

The results of step one indicated that it was not necessary to perform the second step analysis in any of the markets tested, as the fair values for all of the Company's markets were above book value. As a result of the step one test, no impairment loss was recorded during the second quarter of 2011.

The Company also performed a reasonableness test on the fair value results for goodwill on a combined basis for the Company by comparing it to the enterprise value of the Company based upon the Company's stock price. The Company determined that the results were reasonable.

In step one of the Company's goodwill analysis, the Company considered the results of the market approach and the income approach, when appropriate, in computing the fair value of the Company's reporting units. In the market approach, the Company applied an estimated market multiple to each reporting unit's operating performance to calculate the fair value. In the income approach, the Company utilized the discounted cash flow methodology to calculate the fair value of the reporting units (the key estimates and assumptions are included in the table below).

Management believes that these approaches are commonly used and appropriate methodologies for valuing broadcast radio stations. Factors contributing to the determination of the reporting unit's operating performance were historical performance and management's estimate of future performance.

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The following table reflects certain key estimates and assumptions applied to each of the Company's markets that were used in the second quarter of 2011 and in the second quarter of 2010, the date of the prior impairment test:

	Estimates And Assumptions	
	Second Quarter 2011	Second Quarter 2010
Discount rate	10.0%	10.0%
Long-term revenue growth rate range of the Company's markets	1.5% to 2.0%	1.5% to 2.0%
Market multiple used in step one of the market valuation approach	7.5x to 8.0x	7.5x to 8.0x

(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 the years ended December 31, 2013, 2012 and 2011, the Company reviewed the carrying value and the useful lives of these assets and determined they were appropriate.

See Note 5 for: (1) a listing of the assets comprising definite-lived assets, which are included in deferred charges and other assets on the balance sheets; (2) the amount of amortization expense for definite-lived assets; and (3) the Company's estimate of amortization expense for definite-lived assets in future periods.

5. DEFERRED CHARGES AND OTHER ASSETS

Deferred charges and other assets, including definite-lived intangible assets, consist of the following as of the periods indicated:

	Deferred Charges And Other Assets						
	December 31,						
	2013		2012		2011		Period Of Amortization
	Asset	Reserve	Net	Asset	Reserve	Net	
	(amounts in thousands)						
Deferred contracts and other agreements	\$ 1,788	\$ 1,277	\$ 511	\$ 1,788	\$ 1,177	\$ 611	Term of contract
Leasehold premium	846	474	372	1,732	1,215	517	Less than 1 year
Other definitive lived assets	833	823	10	833	769	64	3 years
Total definite-lived intangibles	3,467	2,574	893	4,353	3,161	1,192	
Debt issuance costs	23,154	9,734	13,420	22,115	5,864	16,251	Term of debt
Prepaid assets long-term	600		600	800		800	
Software costs and other	4,889	2,301	2,588	11,116	9,233	1,883	

\$ 32,110 \$ 14,609 \$ 17,501 \$ 38,384 \$ 18,258 \$ 20,126

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The following table presents the various categories of amortization expense for the periods indicated, including deferred financing expense which is reflected as interest expense:

	Amortization Expense		
	For The Years Ended December 31,		
	2013	2012	2011
	(amounts in thousands)		
Definite-lived assets	\$ 203	\$ 240	\$ 284
Deferred financing expense	3,870	4,405	3,567
Software costs	800	696	667
 Total amortization expense for deferred charges and other assets	 \$ 4,873	 \$ 5,341	 \$ 4,518

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

	Future Amortization Expense		
	Total	Definite-Lived	
		Other	Assets
	(amounts in thousands)		
<u>Years ending December 31,</u>			
2014	\$ 5,154	\$ 5,005	149
2015	4,188	4,080	108
2016	3,092	3,010	82
2017	1,411	1,341	70
2018	1,064	996	68
Thereafter	1,386	970	416
 Total	 \$ 16,295	 \$ 15,402	 \$ 893

6. OTHER CURRENT AND LONG-TERM LIABILITIES***Other Current Liabilities***

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

	Other Current Liabilities	
	December 31,	
	2013	2012
	(amounts in thousands)	
Accrued compensation	\$ 5,418	\$ 4,820

Accounts receivable credits	1,547	1,894
Advertiser obligations	1,123	1,083
Accrued interest payable	2,910	3,432
Other	1,725	1,024
	\$ 12,723	\$ 12,253

Other Long-Term Liabilities Deferred Rent Liabilities

Under the Company's leases, the Company recognizes: (1) escalated rents, including any rent-free periods, on a straight-line basis over the term of the lease for those lease agreements where the Company receives the right to control the use of the entire leased property at the beginning of the lease term; (2) amortization expense over the shorter of the economic lives of the leasehold assets or the lease term, excluding any lease renewals unless the lease renewals are reasonably assured; (3) landlord incentive payments to the Company as deferred rent that is amortized as reductions to lease rent expense over the lease term; and (4) rental costs associated with ground or building operating leases, that are incurred during a construction period, as rental expense.

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For those leasehold improvements acquired in a business combination or acquired subsequent to lease inception, the amortization period is based on the lesser of the useful life of the leasehold improvements or the period of the lease including all renewal periods that are reasonably assured of exercise at the time of the acquisition.

The following table reflects deferred rent liabilities included under other long-term liabilities as of the periods indicated:

	Deferred Rent Liabilities	
	December 31,	
	2013	2012
	(amounts in thousands)	
Deferred rent liabilities	\$ 4,313	\$ 4,107

7. LONG-TERM DEBT

Long-term debt, including financing method lease obligations, was comprised of the following as of the periods indicated:

	Long-Term Debt	
	December 31,	
	2013	2012
	(amounts in thousands)	
Credit Facility		
Revolver, due November 23, 2016 (A)	\$	\$ 5,000
Term B Loan, due November 23, 2018 (A)	299,500	347,500
Senior Notes		
10.5% senior unsecured notes, due December 1, 2019 (B)	220,000	220,000
Other		
Financing Method Lease Obligations (C)		12,610
Other		92
Total	519,500	585,202
Current amount of long-term debt	(3,000)	(9,808)
Current amount of finance method lease obligations		(12,610)
Unamortized original issue discount	(2,376)	(2,651)
Total long-term debt	\$ 514,124	\$ 560,133
Outstanding standby letter of credit	\$ 370	\$ 570

(A) Senior Debt***The Credit Facility***

As of December 31, 2013, the amount outstanding under the term loan component (the Term B Loan) of the Company s senior secured credit facility (the Credit Facility) was \$299.5 million. There was no amount outstanding under the revolving credit facility component (the Revolver) of the Company s Credit Facility. The maximum available amount of the Revolver, which includes the impact of an outstanding letter of credit, was \$49.6 million as of December 31, 2013. The amount of the Revolver actually available to the Company is a function of covenant compliance at the time of borrowing.

On November 23, 2011, the Company entered into a credit agreement with a syndicate of lenders for a \$425 million Credit Facility that was comprised of: (a) a \$50 million Revolver that matures on November 23, 2016; and (b) a \$375 million Term B Loan that matures on November 23, 2018.

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The Company used the proceeds from the Revolver, the Term B Loan and the issuance of 10.5% senior unsecured notes (the Senior Notes) to pay all of the outstanding debt under its former credit agreement (the Former Facility), along with transaction costs for both the Credit Facility and the Senior Notes. The Company expects it may use the Revolver to: (1) provide for working capital; and (2) provide for general corporate purposes, including capital expenditures and any or all of the following (subject to certain restrictions): repurchases of Class A common stock, repurchases of the Company's Senior Notes, dividends, investments and acquisitions. The Credit Facility is secured by a pledge of 100% of the capital stock and other equity interest in all of the Company's wholly owned subsidiaries. In addition, the Credit Facility is secured by a lien on substantially all of the Company's assets, with limited exclusions (including the Company's real property). 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 Loan requires mandatory prepayments equal to 50% of Excess Cash Flow, as defined within the agreement, subject to incremental step-downs to 0%, depending on the Consolidated Leverage Ratio. The Excess Cash Flow payment is due in the first quarter of each year and the amount of the payment is based on the Excess Cash Flow and Leverage Ratio for the prior year. The Company estimates that the Excess Cash Flow payment, which would be due in the first quarter of 2014, has been considered to be fully paid as the Company made sufficient pre-payments in 2013 using cash from operating activities.

As of December 31, 2013, the Company is in compliance with all financial covenants and all other terms of the Credit Facility in all material respects. The Company's ability to maintain compliance with its covenants is highly dependent on its results of operations. Management believes that over the next 12 months the Company can continue to maintain compliance. The Company's operating cash flow is positive, and management believes that it is adequate to fund the Company's operating needs and mandatory debt repayments under the Company's Credit Facility. Management believes that cash on hand and cash from operating activities, together with available borrowings under the Revolver, will be sufficient to permit the Company to meet its liquidity requirements over the next 12 months, including its debt repayments. As a result, the Company has not been required to rely upon, and the Company does not anticipate being required to rely upon, the Revolver to fund its operations.

The Credit Facility requires the Company to maintain compliance with certain financial covenants which are defined terms within the agreement, including:

a maximum Consolidated Leverage Ratio that cannot exceed 6.5 times as of December 31, 2013 and 5.5 times as of December 31, 2014, which decreases over time to 4.5 times as of March 31, 2016 and thereafter; and

a minimum Consolidated Interest Coverage Ratio of 1.6 times as of December 31, 2013 and 1.75 times as of December 31, 2014, which increases over time to 2.0 times as of September 30, 2015 and thereafter.

On December 2, 2013 and on November 27, 2012, the Term B Loan was amended, with each amendment further reducing the interest rates. Under the December 2, 2013 amendment of the Term B Loan and depending on the Consolidated Leverage Ratio, the Company may elect an interest rate per annum equal to: (1) the Eurodollar London Interbank Offered Rate (LIBOR) plus fees of 3.00% (prior to the December 2, 2013 amendment, the interest rate ranged from LIBOR plus fees of 3.5% to 5.0%); and (2) the Base Rate plus fees of 2.00% (prior to the December 2, 2013 amendment, the interest rate ranged from the Base Rate plus fees of 2.5% to 4.0%). The Term B Loan includes a LIBOR floor of 1.00% (prior to the December 2, 2013 amendment, the LIBOR floor was 1.25%).

Under the Revolver and depending on the Consolidated Leverage Ratio, the Company may elect an interest rate per annum equal to: (1) LIBOR plus fees that can range from 4.5% to 5.0%; or (2) the Base Rate plus fees that can range from 3.5% to 4.0%, where the Base Rate is the highest of: (a) the administrative agent's prime rate; (b) the Federal Funds Rate plus 0.5%; and (c) LIBOR plus 1.0%. In addition, the Revolver requires the Company to pay a commitment fee of 0.5% per annum for the unused amount of the Revolver.

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Failure to comply with the Company's financial covenants or other terms of its Credit Facility and any subsequent failure to negotiate and obtain any required relief from its lenders could result in a default under the Company's Credit Facility. Any event of default could have a material adverse effect on our business and financial condition. In addition, a default under either the Company's Credit Facility or the indenture governing the Company's Senior Notes could cause a cross default in the other instrument and result in the acceleration of the maturity of all outstanding debt. Under these circumstances, the acceleration of the Company's debt 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, 2013, the Company's Consolidated Leverage Ratio was 4.8 times versus a covenant limit of 6.5 times and the Consolidated Interest Coverage Ratio was 2.7 times versus a covenant minimum of 1.6 times. These covenants become more restrictive over time.

The Term B Loan amendment in December 2013 was reflected as a loan modification and the Company: (1) recorded deferred financing costs of \$1.0 million (including the lender's legal costs) that will be amortized over the remaining life of the Term B Loan under the effective interest rate method; and (2) maintained unamortized deferred financing costs of \$6.8 million that will continue to be amortized over the remaining life of the Term B Loan under the effective interest rate method. The Company did not record any loss on extinguishment of debt as all lenders participated at the same commitment level and agreed to the terms of the amendment. The Company also incurred third-party costs of less than \$0.1 million, which were expensed.

The Company treated the 2012 amendment under modification accounting and the Company: (1) recorded deferred financing costs of \$1.1 million (including the lender's legal costs) that will be amortized over the remaining life of the Term B Loan under the effective interest rate method; and (2) maintained unamortized deferred financing costs of \$9.0 million that will continue to be amortized over the remaining life of the Term B Loan under the effective interest rate method. The Company also recorded a loss on the extinguishment of debt of \$0.7 million for those lenders who either participated at a reduced commitment level or for those lenders who did not agree to the terms of the amendment. The Company also incurred third-party costs of \$0.1 million that were expensed.

In connection with the debt refinancing during the fourth quarter of 2011, the Term B Loan was treated as new debt while the Revolver was treated as debt extinguishment and modification. As a result, unamortized deferred financing costs were adjusted as follows: (1) \$0.3 million under the Former Facility's term loan were written off as a net loss on extinguishment of debt; (2) \$0.8 million under the Former Facility's revolving credit were written off as a net loss on extinguishment of debt; and (3) \$0.3 million of unamortized deferred financing costs under the Former Facility's revolving credit were deferred (to be amortized on a straight-line basis over the term of the Revolver). In addition, the Company recorded new deferred financing costs of: (i) \$12.8 million for the Term B Loan that will be amortized under the effective interest rate method over the term; and (ii) \$1.2 million for the Revolver that will be amortized under the straight-line method over the term.

The Company's Former Credit Agreement

The Company's Former Facility consisted of: (1) a revolving credit facility of \$650 million, of which \$535.5 million was outstanding and paid in full as of the refinancing on November 23, 2011; and (2) a term loan of \$400 million, of which \$60.0 million was outstanding and paid in full as of the refinancing on November 23, 2011.

Depending on the Consolidated Leverage Ratio, the Company could elect an interest rate equal to: (1) the LIBOR Rate plus fees that ranged from 0.50% to 2.50%; or (2) the Base Rate plus fees that ranged from 0% to 1.5%, where the Base Rate was the highest of: (a) the Federal Funds Rate plus 0.5%; (b) the LIBOR Rate plus 1.0%; and (c) the

Prime Rate.

(B) Senior Unsecured Debt

The Senior Notes

Simultaneously with entering into the Credit Facility on November 23, 2011, the Company issued \$220 million of 10.5% unsecured Senior Notes, which mature on December 1, 2019. The Company received net proceeds of \$212.7 million, which included a discount of \$2.9 million, and incurred deferred financing costs of \$6.1 million. These amounts are amortized over the term under the effective interest rate method. Interest on the Senior Notes is payable semi-annually in arrears on June 1 and December 1 of each year.

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The Senior Notes are in minimum denominations of \$2,000. The Senior Notes may be redeemed at any time on or after December 1, 2015 at a redemption price of 105.25% of principal amount plus accrued interest. The redemption price decreases to 102.625% of principal amount plus accrued interest on or after December 1, 2016 and 100% on or after December 1, 2017. The Senior Notes are unsecured and rank: (1) senior in right of payment to the Company's future subordinated debt; (2) equally in right of payment with all of the Company's existing and future senior debt; (3) 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 (4) 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.

Financial statements of the subsidiaries are not included in accordance with Rule 3-10 of Regulation S-X as:

(1) Entercom Communications Corp. after excluding all subsidiaries (the Parent Company), has no independent assets or operations; (2) Entercom Radio, LLC (Radio) is a 100% owned finance subsidiary of the Parent Company; (3) the Parent Company has guaranteed the Credit Facility and Senior Notes; (4) all of the Parent Company's direct and indirect subsidiaries other than Radio have guaranteed the Credit Facility and Senior Notes; (5) all of the guarantees are full and unconditional (subject to the customary automatic release provisions); and (6) all of the guarantees are joint and several.

Radio, which is a wholly owned subsidiary of the Parent Company, holds the ownership interest in various subsidiary companies that own the operating assets, including broadcasting licenses, permits, authorizations and cash royalties. Radio is the borrower under the Credit Facility and is the issuer of the Senior Notes. The assets securing both the Credit Facility and the Senior Notes 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 Senior Notes, and the subsidiary guarantors are limited in their ability to incur additional indebtedness under certain restrictive covenants. See Note 20 for financial statements of parent.

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

(C) Net Interest Expense

The components of net interest expense are as follows:

	Net Interest Expense		
	Years Ended December 31,		
	2013	2012	2011
	(amounts in thousands)		
Interest expense	\$ 40,091	\$ 47,412	\$ 14,790
Amortization of deferred financing costs	3,870	4,405	3,567
Amortization of original issue discount of senior notes	274	246	25
Interest expense on interest rate hedging agreements		1,392	6,568
Interest income and other investment income	(3)	(9)	(31)
Total net interest expense	\$ 44,232	\$ 53,446	\$ 24,919

The weighted average interest rate under the Credit Facility (before taking into account the fees on the unused portion of the Revolver) was: (1) 4.00% as of December 31, 2013; and (2) 5.01% as of December 31, 2012.

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In September 2009, the Company entered into an agreement to sell certain tower facilities and lease back most of these tower sites for use by the Company's radio stations. This transaction was accounted for under the financing method as described more fully under Note 8.

(E) Interest Rate Transactions

As of December 31, 2013 and 2012, there were no derivative interest rate transactions outstanding.

The Company from time-to-time enters into interest rate transactions from time to time with different lenders to diversify its risk associated with interest rate fluctuations of its variable rate debt. See Note 9 for the accounting for these transactions. Under these transactions, the Company agrees with other parties (participating members of the Company's Credit Facility) 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.

The Company's credit exposure under these hedging agreements, or similar agreements the Company may enter into in the future, is the cost of replacing such agreements in the event of nonperformance by the Company's counterparty. For those interest rate transactions that may be entered into with the same counterparty, the Company will enter into a master netting agreement that would allow, under certain circumstances, the Company and the counterparty to settle financial assets and liabilities on a net basis.

(F) 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		
	Credit Facility	Senior Notes	Total
	(amounts in thousands)		
<u>Years ending December 31:</u>			
2014	\$ 3,000	\$	\$ 3,000
2015	3,000		3,000
2016	3,000		3,000
2017	3,000		3,000
2018	287,500		287,500
Thereafter		220,000	220,000
Total	\$ 299,500	\$ 220,000	\$ 519,500

(G) Outstanding Letters Of Credit

The Company is required to maintain a standby letter of credit, in connection with insurance coverage as described in Note 20.

(H) Guarantor and Non-Guarantor Financial Information

Radio, which is a wholly owned subsidiary of Entercom Communications Corp., holds the ownership interest in various subsidiary companies that own the operating assets, including broadcasting licenses, permits and authorizations. Radio (1) is the borrower under the Credit Facility, as described in Note 7(A); and (2) is the issuer of the Senior Notes, as described in Note 7(B). As of December 31, 2013, Entercom Communications Corp. and each direct and indirect subsidiary of Radio is a guarantor of Radio's obligations under both the Credit Facility and the Senior Notes.

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Separate condensed consolidating financial information is not included as Entercom Communications Corp. does not have independent assets or operations, Radio is a 100% owned finance subsidiary of Entercom Communications Corp., and all guarantees by Entercom Communications Corp. and its guarantor subsidiaries are full, unconditional (subject to the customary automatic release provisions), joint and several under its Credit Facility and are full, unconditional, joint and several under its Senior Notes.

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

Under the indenture governing the Senior Notes, Radio is permitted to make distributions to Entercom Communications Corp. in amounts, as defined, that are required to pay Entercom Communications Corp.'s overhead costs and other costs associated with conducting the operations of Radio and its subsidiaries.

(I) Debt Extinguishment

The following table presents for the periods indicated the amount of gain or loss recorded on debt extinguishment along with the amount of debt that was retired early:

	Debt Extinguishment		
	Years Ended December 31,		
	2013	2012	2011
	(amounts in thousands)		
Write-off of unamortized deferred financing costs	\$	\$ 747	\$ 1,144
Amount of debt retired early	\$ 69	\$	\$ 595,500

8. TOWER SALE AND LEASEBACK

In 2009, the Company completed the sale of certain tower facilities for \$12.6 million in cash. At the same time, the Company entered into leases for space on these towers for use by the Company's radio stations. The sale agreement included the opportunity for additional cash consideration for the Company through an earn-out which would be paid to the Company if the buyer met agreed upon revenue targets during the earn-out period. The earn-out constituted a continuing involvement by the Company that precluded sale and leaseback accounting until the earn-out period was complete. As a result of its continuing involvement in the tower facilities, the Company recorded a \$12.6 million finance method lease obligation when the cash from the sale was received. On June 23, 2013, the earn-out period ended, and it was determined that the Company was not entitled to receive any additional compensation.

With the earn-out complete, the Company applied the guidance under sale and leaseback accounting during the second quarter of 2013. As a result, the Company eliminated its finance method lease obligation of \$12.6 million and recorded a current and deferred gain of \$1.6 million and \$9.9 million, respectively. Both the elimination of the finance method lease obligation and the recording of the gain were non-cash. The current gain is included in the statement of operations under net (gain) loss on sale or disposal of assets. The deferred gain will be amortized on a straight-line basis over the remaining life of the lease, which was 16.5 years as of June 2013, and during this period the gain will be reflected as a net (gain) loss on sale or disposal of assets. As of December 31, 2013, the Company recorded on the balance sheet \$0.6 million of deferred gain as a short-term liability under other current liabilities and \$9.0 million of

deferred gain as a long-term liability under other long-term liabilities. All of the leases were accounted for as operating leases.

As background, in connection with the sale of the towers and the Company's continuing involvement as described above, the Company classified this transaction under the financing method as \$12.6 million in finance method lease obligations. Under the financing method: (1) the assets and accumulated depreciation remained on the consolidated balance sheet and continued to be depreciated; (2) no gain was recognized for book purposes (the gain was recognized in 2009 for tax purposes); (3) proceeds of \$12.6 million received by the Company from these transactions were recorded as a finance method lease liability; and (4) transaction costs of \$0.2 million were recorded as deferred financing expense, which was amortized over 42 months.

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Payments under these leases over the partial lease term of 42 months were applied as payments of imputed interest at an approximate interest rate of 5.5%. The earn-out component of this transaction enabled the Company to participate in the upside potential of these sites as the new owner (whose primary business is managing tower sites) was better suited to maximize the value of these sites through new third-party tenants.

Minimum rental commitments at December 31, 2013 for these non-cancellable leases are included within the operating lease commitment table under Note 20.

The following table presents property and equipment held under financing method leases, by major category, which represented components of property and equipment included in the balance sheet under property and equipment for the period presented:

	Net Property And Equipment Held Under Finance Method Lease Obligations December 31, 2012 (amounts in thousands)	
Land and land improvements	\$	843
Building		358
Leasehold improvements		11
Equipment		3,863
Leasehold premium		885
Total		5,960
Less accumulated depreciation		(4,785)
Property and equipment held under financing method leases, net	\$	1,175

The following table presents, for the periods indicated, the amount of: (1) depreciation expense attributable to assets held under financing method leases; and (2) the interest expense associated with financing method lease obligations:

	Years Ended December 31, 2013 2012 2011 (amounts in thousands)		
Interest expense for financing method lease obligations	\$ 385	\$ 749	\$ 719
Depreciation expense attributable to assets held under financing method	\$ 76	\$ 192	\$ 199

9. DERIVATIVE AND HEDGING ACTIVITIES

The Company from time to time enters into derivative financial instruments, including interest rate exchange agreements (Swaps) and interest rate collar agreements (Collars), to manage its exposure to fluctuations in interest rates under the Company s variable rate debt.

As of December 31, 2013 and 2012, there were no derivative interest rate transactions outstanding.

Table of Contents***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. 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 17) 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).

During the period of an interest rate hedging agreement, the outstanding amount of the Company's variable rate debt is expected to be greater than the notional amount of the derivative rate hedging transactions. These transactions are typically tied to LIBOR. Under a fixed rate swap, the Company pays a fixed rate on a notional amount to the counterparty, and the counterparty pays to the Company a variable rate on the notional amount equal to LIBOR. A Collar establishes two separate agreements: an upper limit equal to LIBOR, or cap, and a lower limit equal to LIBOR, or floor.

Hedge Accounting Treatment

The following interest rate transactions received hedge accounting treatment, which continued throughout their terms:

Expired Derivatives**Year Ended December 31, 2011**

Type	Of	Notional	Effective Date	Collar	Fixed LIBOR Rate	Expiration Date
Hedge		Amount				

(amounts

(in millions)

Swap	\$ 150.0	January 28, 2008	n/a	3.03%	January 28, 2011
Collar	100.0	February 28, 2008	[Cap	4.00%	February 28, 2011
			Floor	2.14%	
Swap	125.0	March 28, 2008	n/a	2.91%	September 28, 2011
	375.0				

Table of Contents***Non-Hedge Accounting Treatment***

For the following hedge, the Company recognized non-hedge accounting treatment for the period from November 23, 2011 through May 28, 2012 (the Company received hedge accounting treatment prior to November 23, 2011). In connection with the refinancing on November 23, 2011, this hedge, which was not terminated, no longer received hedge accounting treatment as the hedge was not effective due to the refinancing. As a result, the Company reclassified, as of November 23, 2011, all amounts remaining in accumulated other comprehensive income to the statement of operations.

Expired Derivative**Year Ended December 31, 2012**

Type	Notional Amount (amounts)	Effective Date	Collar	Fixed LIBOR Rate	Expiration Date
Swap	(in millions) \$ 100.0	May 28, 2008	n/a	3.62%	May 28, 2012

The following is a summary of the gains (losses) related to the Company's cash flow hedges for the periods indicated:

Description	Years Ended December 31,	
	2012	2011
Type Of Derivative Designated As A Cash Flow Hedge	Interest Rate	Interest Rate
Amount Of Gain (Loss) Recognized In OCI	\$	\$ 5,643
Location Of Gain (Loss) Reclassified From Accumulated OCI To Statement Of Operations	Interest Expense	Interest Expense
Amount Of Gain (Loss) Reclassified From Accumulated OCI To Statement Of Operations	\$	\$ (1,634)
Location Of Gain (Loss) In Statement Of Operations	Interest Expense	Interest Expense
Amount Of Gain (Loss) In Statement Of Operations Due To Ineffectiveness	\$ 1,346	\$ 288

The gains and losses were recorded to the statement of comprehensive income (loss) as these derivatives qualified for hedge accounting treatment (except as disclosed above under Non-Hedge Accounting Treatment). The fair value of these derivatives 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 transaction's counterparty for assets and the creditworthiness of the Company for liabilities).

As of November 23, 2011, the remaining amount in accumulated other comprehensive income related to these derivatives was reclassified to the statement of operations.

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The following table presents the accumulated net derivative gain (loss) recorded in the statements of other comprehensive income (loss):

	Fair Value Of Accumulated Derivatives Outstanding December 31, 2011 Assets (Liabilities) (amounts in thousands)
Beginning balance as of January 1	\$ (7,277)
Net unrealized gain (loss) on derivatives, net of taxes (benefit)	7,277
Ending balance as of December 31	\$

10. SHAREHOLDERS EQUITY***Conversion Of 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 or 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.

During the year ended 2011, Joseph M. Field contributed to charitable entities 170,000 Class B shares. Upon the transfer of these shares, they were automatically converted to shares of Class A common stock.

Dividends

The Company does not currently pay and has not paid dividends on its common stock since 2008. 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 Credit Facility.

Under the Credit Facility, the Company has \$40 million available for dividends, share repurchases, investments and debt repurchases, which can be used when its pro forma Consolidated Leverage Ratio is less than or equal to 6.0 times (or the maximum permitted at the time if lower). The amount available can increase over time based upon the Company's financial performance and the incremental amount in excess of \$40 million can be used when its pro forma Consolidated Leverage Ratio is less than or equal to 5.0 times (or the maximum permitted at the time if lower). There are certain other limitations that apply to its use.

Dividend Equivalents

The Company's grants of restricted stock units (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 as of the periods indicated:

	Balance Sheet Location	Dividend Equivalent Liabilities December 31,	
		2013	2012
(amounts in thousands)			
Long-term	Other long-term liabilities	\$ 221	\$ 221

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The following table presents the amount of dividend equivalents that were paid to the holders of RSUs that vested (there was no tax benefit recognized to paid-in capital as a result of the dividend equivalents payment):

	Years Ended December 31,		
	2013	2012	2011
	(amounts in thousands)		
Dividend equivalents paid	\$	\$ 43	\$ 512
Tax benefit recognized in paid-in capital	\$	\$	\$

Deemed Repurchase Of Vested RSUs

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,		
	2013	2012	2011
	(amounts in thousands)		
Shares of stock deemed repurchased	186	199	297
Amount recorded as financing activity	\$ 1,640	\$ 1,367	\$ 3,057

11. 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. On January 1, 2014, the Board of Directors elected to forego an increase in the shares available for grant. As of January 1, 2014, the shares available for grant were 3.9 million shares.

The Plan includes certain performance criteria for purposes of satisfying expense deduction requirements for income tax purposes.

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: (1) using the Company's stock price for RSUs; and (2) 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. Estimated forfeitures are revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Table of Contents**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, 2013
RSUs outstanding as of:	December 31, 2012	1,481,268			
RSUs awarded		360,667			
RSUs released		(547,342)			
RSUs forfeited		(264,107)			
RSUs outstanding as of:	December 31, 2013	1,030,486	\$	1.2	\$ 10,830,408
RSUs vested and expected to vest as of:	December 31, 2013	975,327	\$	1.2	\$ 9,336,358
RSUs exercisable (vested and deferred) as of:	December 31, 2013	86,996	\$		\$ 914,328
Weighted average remaining recognition period in years				2.1	
Unamortized compensation expense, net of estimated forfeitures			\$ 4,919,275		

The following table presents additional information on RSU activity for the periods indicated:

	Years Ended December 31,					
	2013		2012		2011	
	Shares	Amount	Shares	Amount	Shares	Amount
	(amounts in thousands)					
RSUs issued	361	\$ 2,906	307	\$ 2,133	445	\$ 4,721
RSUs forfeited service based	(64)	(685)	(26)	(235)	(28)	(474)
RSUs forfeited market based	(200)	(2,110)				
Net RSUs issued and increase (decrease) to paid-in capital	97	\$ 111	281	\$ 1,898	417	\$ 4,247
RSUs vested and released	547		659		886	

RSUs With Service And Market Conditions

During the fourth quarter of 2010, the Company issued RSUs with service and market conditions where these shares vest upon the performance of the Company's stock over a defined measurement period. The market condition allows for vesting of portions of the award if certain shareholder performance targets are met. 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 fulfilled.

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The following table presents the changes in outstanding RSUs with market conditions:

	Years Ended December 31,		
	2013	2012	2011
(amounts in thousands, except years)			
<u>Reconciliation Of RSUs With Market Conditions</u>			
Beginning of period balance	200	300	300
Number of RSUs granted			
Number of RSUs forfeited	(200)		
Number of RSUs vested		(100)	
End of period balance		200	300

Option Activity

The following table presents the option activity during the current year ended under the Plan:

	Period Ended	Number Of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Intrinsic Value As Of December 31, 2013
Options outstanding as of:	December 31, 2012	742,550	\$ 2.39		
Options granted		5,000	8.72		
Options exercised		(171,625)	1.43		
Options forfeited		(3,625)	1.34		
Options expired		(14,750)	8.70		
Options outstanding as of:	December 31, 2013	557,550	\$ 2.58	5.0	\$ 4,692,120
Options vested and expected to vest as of:	December 31, 2013	557,040	\$ 2.57	5.0	\$ 4,691,207
Options vested and exercisable as of:	December 31, 2013	552,550	\$ 2.52	5.0	\$ 4,683,170
Weighted average remaining recognition period in years		3.6			
Unamortized compensation expense, net of estimated forfeitures			\$ 25,091		

The following table summarizes significant ranges of outstanding and exercisable options as of the current period:

Range Of Exercise Prices		Options Outstanding			Options Exercisable		
		Number Of Options Outstanding December 31, 2013	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Of Options Exercisable December 31, 2013	Weighted Average Exercise Price	
From	To						
\$ 1.34	\$ 1.34	501,175	5.1	\$ 1.34	501,175	\$ 1.34	
\$ 2.02	\$ 11.78	47,375	5.3	\$ 9.02	42,375	\$ 9.06	
\$ 33.90	\$ 48.21	9,000	0.8	\$ 37.72	9,000	\$ 37.72	
\$ 1.34	\$ 48.21	557,550	5.0	\$ 2.58	552,550	\$ 2.52	

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

Other Option Disclosures	Years Ended December 31,					
	2013		2012		2011	
	From	To	From	To	From	To
Exercise price range of options issued	\$ 8.72	\$ 8.72	\$	\$	\$	\$
Upon vesting, period to exercise	1	10				
Fair value per option issued	\$ 6.07		\$		\$	
	(amounts in thousands)					
Intrinsic value of options exercised	\$ 1,228		\$ 508		\$ 528	
Tax benefit from options exercised ⁽¹⁾	\$ 466		\$ 192		\$ 209	
Cash received from exercise price of options exercised	\$ 245		\$ 135		\$ 71	
Number of options granted	5					

⁽¹⁾ Amount excludes impact from suspended income tax benefits and/or valuation allowances.

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: (1) the term by using the simplified plain-vanilla method as the Company's employee exercise history may not be indicative for estimating future exercises; (2) a historical volatility over a period commensurate with the expected term, with the observation of the volatility on a daily basis; (3) 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 (4) an annual dividend yield based upon the Company's most recent quarterly dividend at the time of grant.

The fair value of each option grant, using the Black-Scholes option-pricing model, was estimated on the date of each grant. The following table presents the range of the assumptions used to determine the fair value over the periods

indicated:

	Option Valuation Estimates		
	Years Ended December 31,		
	2013	2012	2011
Expected life (years)	6.3		
Expected volatility factor (%)	78.8	no options	no options
Risk-free interest rate (%)	2.0	issued	issued
Expected dividend yield (%)			

Table of Contents***Recognized Non-Cash Stock-Based Compensation Expense***

The following summarizes recognized non-cash stock-based compensation expense, which consists primarily of RSUs:

	Years Ended December 31,		
	2013	2012	2011
	(amounts in thousands)		
Station operating expenses	\$ 766	\$ 584	\$ 776
Corporate general and administrative expenses	3,504	5,170	6,895
Stock-based compensation expense included in operating expenses	4,270	5,754	7,671
Income tax benefit ⁽¹⁾	1,080	1,540	2,107
Net stock-based compensation expense	\$ 3,190	\$ 4,214	\$ 5,564

⁽¹⁾ Amount excludes impact from suspended income tax benefits and/or valuation allowances.

12. 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: (1) if the RSUs with service conditions were fully vested (using the treasury stock method); (2) if all of the Company's outstanding stock options that are in-the-money were exercised (using the treasury stock method); and (3) if the RSUs with service and market conditions were considered contingently issuable.

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 matters voted by Joseph Field or David Field.

For the periods indicated, the following tables present the computations of basic and diluted net income (loss) per share:

Computation Of Net Income (Loss) Per Share
Year Ended December 31, 2013
(amounts in thousands, except share and per share data)

	Net Income (Loss)	Shares	Net Income (Loss) Per Share
Basic net income (loss) per common share:	\$ 26,024	37,417,807	\$ 0.70
Impact of dilutive equity awards		883,688	
Diluted net income (loss) per common share:	\$ 26,024	38,301,495	\$ 0.68

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**Computation Of Net Income (Loss) Per Share
Year Ended December 31, 2012
(amounts in thousands, except share and per
share data)**

	Net Income (Loss)	Shares	Net Income (Loss) Per Share
Basic net income (loss) per common share:	\$ 11,268	36,906,468	\$ 0.31
Impact of dilutive equity awards		903,178	
Diluted net income (loss) per common share:	\$ 11,268	37,809,646	\$ 0.30

**Computation Of Net Income (Loss) Per Share
Year Ended December 31, 2011
(amounts in thousands, except share and per
share data)**

	Net Income (Loss)	Shares	Net Income (Loss) Per Share
Basic net income (loss) per common share:	\$ 71,054	36,369,410	\$ 1.95
Impact of dilutive equity awards		1,394,555	
Diluted net income (loss) per common share:	\$ 71,054	37,763,965	\$ 1.88

Incremental Shares Disclosed As Anti-Dilutive

For the periods indicated, the following table provides the incremental shares excluded as they were anti-dilutive under the treasury stock method:

	Impact Of Equity Awards Years Ended December 31,		
	2013	2012	2011
Dilutive or anti-dilutive for all potentially dilutive equivalent shares	dilutive	dilutive	dilutive
Excluded shares as anti-dilutive under the treasury stock method			
Price range of options excluded: from	\$ 10.52	\$ 6.43	\$ 8.21

Price range of options excluded: to	\$ 48.21	\$ 48.21	\$ 48.21
Options excluded	37	46	54
RSUs with service conditions	4	939	945
RSUs with service and market conditions		200	200
Total RSUs excluded	4	1,139	1,145

13. INCOME TAXES

Effective Tax Rate Overview

The Company's effective income tax rate may be impacted by: (1) changes in the level of income in any of the Company's taxing jurisdictions; (2) changes in the statutes and rules applicable to taxable income in the jurisdictions in which the Company operates; (3) changes in the expected outcome of income tax audits; (4) changes in the estimate of expenses that are not deductible for tax purposes; (5) income taxes in certain states where the states' current taxable income is dependent on factors other than the Company's consolidated net income; and (6) 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.

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An impairment loss for financial statement purposes will result in an income tax benefit during the period incurred as the amortization of broadcasting licenses and goodwill is deductible for income tax purposes.

Expected And Reported Income Taxes (Benefit)

Income tax expense (benefit) computed using the United States federal statutory rates is reconciled to the reported income tax expense (benefit) as follows:

	Years Ended December 31,		
	2013	2012	2011
	(amounts in thousands)		
Federal statutory income tax rate	35%	35%	35%
Computed tax expense (benefit) at federal statutory rates on income (loss) before income taxes (benefit)	\$ 16,975	\$ 8,310	\$ 18,223
State income tax expense (benefit), net of federal benefit	3,399	2,274	(1,421)
Non-recognition of expense due to full valuation allowance	54	203	
Valuation allowance current year activity			(41,721)
Reversal of net tax on derivative liability			2,547
Tax benefit shortfall associated with share-based awards	997	412	2,061
Nondeductible expenses and other	1,051	1,275	1,323
Income taxes (benefit)	\$ 22,476	\$ 12,474	\$ (18,988)

For The Year Ended December 31, 2013

The effective income tax rate was 46.3%. This rate was higher than the federal statutory rate of 35% primarily due to the combination of: (1) an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill; and (2) an adjustment for expenses that are not deductible for tax purposes. In addition, the effective tax rate increased due to a tax benefit shortfall associated with share-based awards.

For the Year Ended December 31, 2012

The effective income tax rate was 52.5%. This rate was higher than the federal statutory rate of 35% primarily due to the combination of: (1) a reduction in income before income taxes as a result of the impairment loss of \$22.3 million recorded in the second quarter of 2012; (2) an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill; and (3) an adjustment for expenses that are not deductible for tax purposes. The rate was reduced by a tax benefit associated with a reduction in liabilities for uncertain tax positions due to the expiration of the statute of limitations in certain jurisdictions.

For the Year Ended December 31, 2011

The effective income tax rate was 36.5%. The difference between the federal statutory rate of 35% and the effective tax rate was primarily due to a reversal of the full valuation allowance against the Company's deferred tax assets for

the reasons as described below under Valuation Allowance For Deferred Tax Assets.

Table of Contents***Income Tax Expense***

Income tax expense (benefit) for the years ended December 31, 2013, 2012 and 2011 is summarized as follows:

	Years Ended December 31,		
	2013	2012	2011
Current:			
Federal	\$	\$	\$
State	54	(822)	(1,643)
Total current	54	(822)	(1,643)
Deferred:			
Federal	19,051	10,481	(18,531)
State	3,371	2,815	1,186
Total deferred	22,422	13,296	(17,345)
Total income taxes (benefit)	\$ 22,476	\$ 12,474	\$ (18,988)

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.

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The tax effects of significant temporary differences that comprise the net deferred tax assets and liabilities are as follows:

	December 31,	
	2013	2012
	(amounts in thousands)	
Deferred tax assets:		
Employee benefits	\$ 857	\$ 877
Deferred compensation	476	72
Provision for doubtful accounts	947	1,060
Deferred gain on tower transaction	236	4,955
Other	567	480
Total current deferred tax assets before valuation allowance	3,083	7,444
Valuation allowance	(195)	(209)
Total current deferred tax assets net	2,888	7,235
Federal and state income tax loss carryforwards	115,130	93,199
Share-based compensation	2,136	2,969
Investments impairments	490	490
Lease rental obligations	2,058	2,296
Deferred compensation	4,112	3,291
Deferred gain on tower transaction	3,525	
Other non-current	1,086	1,165
Total non-current deferred tax assets before valuation allowance	128,537	103,410
Valuation allowance	(20,043)	(18,124)
Total non-current deferred tax assets net	108,494	85,286
Total deferred tax assets	\$ 111,382	\$ 92,521
Deferred tax liabilities:		
Advertiser broadcasting obligations	\$ (38)	\$ (13)
Total current deferred tax liabilities	(38)	(13)
Deferral of gain recognition on the extinguishment of debt	(7,657)	(7,642)
Property, equipment and certain intangibles (other than broadcasting licenses and goodwill)	4,318	1,901
Broadcasting licenses and goodwill	(149,427)	(105,771)

Total non-current deferred tax liabilities	(152,766)	(111,512)
Total deferred tax liabilities	\$ (152,804)	\$ (111,525)
Total net deferred tax liabilities	\$ (41,422)	\$ (19,004)

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, the Company's experience with operating loss carryforwards not expiring unused and any ownership change limitations under Internal Revenue Code Section 382 on the Company's future income that can be used to offset historic losses.

	December 31,	
	2013	2012
	(amounts in thousands)	
Liabilities for uncertain tax positions		
Tax	\$ 67	\$ 67
Interest and penalties	132	121
Total	\$ 199	\$ 188

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.

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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,		
	2013	2012	2011
	(amounts in thousands)		
Tax expense (income)	\$	\$ (617)	\$ (990)
Interest and penalties (income)	11	(309)	(717)
Total income taxes (benefit) from uncertain tax positions	\$ 11	\$ (926)	\$ (1,707)

The increase in liabilities for uncertain tax positions for the year ended December 31, 2013 primarily reflects the addition of interest related to existing uncertain tax positions.

For those years with a decrease, the liabilities for uncertain tax positions primarily reflect the expiration of statutes of limitation for certain tax jurisdictions.

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

	Years Ended December 31,		
	2013	2012	2011
	(amounts in thousands)		
Beginning of year balance	\$ (7,690)	\$ (8,180)	\$ (7,738)
Prior year positions			
Gross Increases		(733)	
Gross Decreases		858	708
Current year positions			
Gross Increases			(1,431)
Gross Decreases			
Settlements with tax authorities			
Reductions due to statute lapse		365	281
End of year balance	\$ (7,690)	\$ (7,690)	\$ (8,180)
Ending liability balance included above that was reflected as an offset to deferred tax assets	\$ (7,623)	\$ (7,623)	\$ (7,495)

The gross amount of the Company's unrecognized tax benefits is reflected in the above table which, if recognized, would impact the Company's effective income tax rate in the period of recognition. The total amount of unrecognized tax benefits could increase or decrease within the next 12 months for a number of reasons including the expiration of statutes of limitations, audit settlements and tax examination activities.

As of December 31, 2013, there were no 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.

Table of Contents***Federal And State Income Tax Audits***

The Company is subject to federal and state 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. During the fourth quarter of 2010, the Company concluded an audit by the IRS with no proposed adjustment for the tax years of 2004 through 2008. 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 And Refunds

The following table provides the amount of income tax payments and income tax refunds for the periods indicated:

	Years Ended December 31,		
	2013	2012	2011
	(amounts in thousands)		
State income tax payments	\$ 69	\$ 99	\$ 82
Federal and state income tax refunds ⁽¹⁾	\$ 5	\$ 256	\$ 492

- ⁽¹⁾ The tax refunds in 2011 were primarily comprised of refunds resulting from federal tax legislation during the fourth quarter of 2009 that allowed the Company to carryback its 2008 net operating loss for five years rather than for two years.

Net Operating Loss Carryforwards

The Company reversed a full valuation allowance against its deferred tax assets during 2011. The Company has recorded a valuation allowance, however, for certain of its state net operating loss carryforwards (NOLs) as the Company does not expect to obtain a benefit in future periods. 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 Internal Revenue Code and similar state provisions.

Windfall tax benefits will be recognized for book purposes and recorded to paid-in capital only when realized. The Company does not recognize a deferred tax asset for unrealized tax benefits associated with the tax deductions in excess of the compensation recorded (excess tax benefit). The Company applies the with and without approach for utilization of tax attributes upon realization of NOLs in the future. This method allocates stock-based compensation benefits last among other tax benefits recognized. The NOLs reflected in the following table exclude these windfall

stock compensation deductions.

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	Net Operating Losses December 31, 2013		
	NOLs	Suspended Windfall	NOL Expiration Period
	(amounts in thousands)		(in years)
Federal NOL carryforwards	\$ 257,187	\$ 8,824	2030 to 2034
State NOL carryforwards	\$ 549,737	\$ 8,174	2014 to 2033
State income tax credit	\$ 1,248		to 2018

14. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The Company's accumulated comprehensive income (loss) consists of net income (loss) and other items recorded directly to the equity accounts.

The following table summarizes the types of other comprehensive income (loss) recorded to the statements of comprehensive income (loss) for the periods indicated:

Category	Accumulated Other Comprehensive Income (Loss)	
	Year Ended December 31, 2011	
	(amounts in thousands)	
Accumulated other comprehensive income (loss) beginning balance	\$	(7,277)
Interest Rate Derivatives		
Prior period correction		5,998
Net gain (loss) on derivatives		5,643
Income (taxes) benefit		(2,149)
Net gain (loss) on derivatives, net of taxes and before valuation allowance		9,492
Valuation allowance (decrease) increase		
Net gain (loss), net of taxes		9,492
Reclassification to the income statement due to hedge ineffectiveness		(2,215)
Net activity		7,277
Accumulated other comprehensive income (loss) ending balance	\$	

15. SUPPLEMENTAL CASH FLOW DISCLOSURES ON NON-CASH INVESTING AND FINANCING ACTIVITIES

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

	Years Ended December 31,		
	2013	2012	2011
	(amounts in thousands)		
Barter revenues	\$ 3,821	\$ 3,403	\$ 3,847
Barter expenses	\$ 3,766	\$ 3,573	\$ 3,955
Retirement of finance method lease obligations and other	\$ 12,679	\$	\$

Table of Contents**16. 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.

Benefit Plan Disclosures	Years Ended December 31,		
	2013	2012	2011
	(amounts in thousands)		
Deferred compensation			
Beginning of period balance	\$ 8,377	\$ 6,824	\$ 6,622
Employee compensation deferrals	369	805	790
Employee compensation payments	(297)	(210)	(534)
Increase (decrease) in plan fair value	2,010	958	(54)
End of period balance	\$ 10,459	\$ 8,377	\$ 6,824

401(k) Savings Plan

The Company has a savings plan which is intended to be qualified under Section 401(k) of the Internal Revenue 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.

Effective July 1, 2011, the Company reinstated its discretionary matching contribution, which was suspended in 2008. The contribution is subject to certain conditions.

The following table presents for the periods indicated the Company's contribution to the 401(k) Plan:

	Years Ended December 31,		
	2013	2012	2011
	(amounts in thousands)		
401(k) savings plan expense	\$ 851	\$ 881	\$ 477

17. 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: (1) certain tangible and intangible assets subject to impairment testing as described in Note 4; (2) deemed deferred compensation plans as described in Note 16; (3) financial instruments as described in Note 7; (4) lease abandonment liabilities; (5) interest rate derivative transactions as described under Note 9; and (6) investments in cash equivalents.

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).

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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 tables set forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis. The financial assets and liabilities 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 assets and liabilities and their placement within the fair value hierarchy levels.

Description	December 31, 2013			
	Total	Value Measurements At Reporting Date Using Quoted Prices In Active Markets For Identical Assets Or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities				
Deferred compensation ⁽¹⁾	\$ 10,459	\$ 10,459	\$	\$

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Description	December 31, 2012 Value Measurements At Reporting Date Using Quoted Prices In Active Markets			
	Total	For Identical Assets Or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash equivalents ⁽²⁾	\$ 6,695	\$ 6,695	\$	\$
Liabilities				
Deferred compensation ⁽¹⁾	\$ 8,377	\$ 8,377	\$	\$
Lease abandonment liability ⁽³⁾ :				
Short-term	\$ 72	\$	\$ 72	\$
Long-term	\$ 609	\$	\$ 609	\$

- (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. The deferred compensation plan liability is valued based on quoted market prices of the underlying investments. The Company classifies its non-qualified deferred compensation plan liability as Level 1.
- (2) Cash equivalents, which are included under current assets as cash and cash equivalents, are invested in institutional money market funds. This investment is considered a Level 1 measurement, using quoted prices in active markets for identical investments.
- (3) The Company's lease abandonment liability is recorded at fair value on a recurring basis. The Company uses Level 2 inputs for its valuation methodology, as the fair value of the underlying lease is based on expected future cash flows which are adjusted for a nonperformance risk by the Company. The Company reflects the short-term lease abandonment liability under current liabilities and long-term lease abandonment liability under other long-term liabilities. As a result of a sub-lease of this space in 2013, the Company eliminated this liability.

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.

For The Years Ended December 31, 2013 And 2011

The Company reviewed the fair value of its broadcasting licenses, goodwill and net property and equipment and other intangibles, and concluded that these assets were not impaired as the fair value of these assets equaled or exceeded their carrying values.

Table of Contents**For The Year Ended December 31, 2012**

Included in the following table are the major categories of assets measured at fair value on a non-recurring basis along with the fair value measurement of the impairment loss recognized:

Description	Assets Subject To Non-Recurring Fair Value Measurement December 31, 2012 Based Upon The Valuation As Of June 30, 2012 Fair Value Measurements Using Quoted Prices In Active Markets For Identical Assets Or Liabilities				For The Year Ended December 31, 2012 Impairment Loss
	Total	(Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
(amounts in thousands)					
Radio broadcasting licenses	\$ 100,512	\$	\$	\$ 100,512	\$ 22,307

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: (1) cash and cash equivalents (other than the cash equivalents separately identified under this Note as a Level 1 measurement); (2) accounts receivable; and (3) 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, 2013		December 31, 2012	
Carrying Value	Fair Value	Carrying Value	Fair Value
(amounts in thousands)			

Credit Facility ⁽¹⁾	\$ 299,500	\$ 301,559	\$ 352,500	\$ 356,686
Senior Notes ⁽²⁾	\$ 217,624	\$ 248,635	\$ 217,349	\$ 241,257
Finance method lease obligations ⁽³⁾	\$		\$ 12,610	
Letter of credit ⁽⁴⁾	\$ 370		\$ 570	

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 Credit Facility was based on quoted prices for similar instruments and is considered a Level 2 measurement.
- (2) 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.
- (3) The Company does not believe it is practicable to estimate the fair value of the finance method lease obligation. This transaction was completed during the second quarter of 2013 and fully written off.
- (4) The Company does not believe it is practicable to estimate the fair value of the outstanding standby letter of credit and does not expect any material loss since the performance of the letter of credit is not likely to be required.

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18. ASSETS HELD FOR SALE

Land 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. In the second quarter of 2013, management determined that it had met all of the criteria to reflect certain land it no longer used as held for sale. As of December 31, 2013, the Company classified land in the amount of \$2.1 million as assets held for sale. The land formerly served as a transmitter site in one of the Company's markets.

Impairment Of Assets Held For Sale

Long-lived assets considered held for sale are stated at the lower of carrying value or fair value less the cost to sell. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the second quarter of 2013, the Company determined that the carrying value of land it was holding for sale was in excess of the fair value less the cost to sell. The Level 3 fair value measurement was determined using a third party's offer as representative of the fair value. The third party's offer was accepted by the Company in early July 2013. As a result, the Company recorded an impairment of \$0.9 million during the second quarter of 2013.

19. ACQUISITIONS AND OTHER

The Company consummated acquisitions of radio stations under the purchase method of accounting, and the purchase price was allocated to the assets based upon their respective fair values as determined as of the purchase date. The purchase price for acquisitions consummated subsequent to 2008 excludes transaction costs.

Acquisitions For The Year Ended December 31, 2013

There were no acquisitions during the current year.

Acquisition For The Year Ended December 31, 2012

San Francisco, California

On June 28, 2012, the Company acquired the assets of KBLX-FM, a radio station in the San Francisco, California, market for a purchase price of \$25.0 million in cash, of which \$7.0 million was paid from cash available from operating cash flow and \$18.0 was borrowed under the Company's Revolver. The Company commenced operations under a TBA effective May 1, 2012.

In connection with this acquisition, the Company recorded goodwill of \$0.2 million, which is fully deductible for tax purposes, and indefinite-lived intangible assets in the form of broadcasting licenses of \$24.8 million. The acquisition of this station was not material to the Company's results of operations for any of the periods presented herein.

Including this acquisition, the Company owns four radio stations in the San Francisco market and one station in the San Jose market. Management believes that the addition of KBLX-FM to the Company's cluster of existing stations in this market will allow the Company to compete more effectively by sharing certain synergies in sales, programming and administration.

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Acquisition For The Year Ended December 31, 2011

San Jose, California

On February 28, 2011, the Company acquired the assets of KUFX-FM, a radio station in the San Jose, California, market for \$9.0 million in cash, of which \$1.4 million was paid as a deposit in December 2010. The source of the funds used to complete this transaction was as follows: (1) \$7.6 million from funds borrowed under the Company's Former Facility; and (2) \$1.4 million related to the December 2010 deposit from funds available from operating cash flow. In December 2010, the Company entered into an asset purchase agreement and a TBA under which the Company commenced operations on January 19, 2011. In connection with this acquisition, the Company recorded goodwill of \$0.7 million, which is fully deductible for tax purposes, and indefinite-lived intangible assets in the form of broadcasting licenses of \$8.1 million. The acquisition of this station was not material to the Company's results of operations for the year ended December 31, 2011.

Other

Acquired Unfavorable Lease Liability

In connection with the acquisition of KUFX-FM, the Company acquired an unfavorable lease for studio space in San Jose, California, with lease terms significantly above market. The unfavorable lease liability was recorded in other liabilities and has a remaining life of approximately 7.5 years as of the acquisition date. The unfavorable lease liability is amortized on a straight-line basis over the life of the lease.

Merger Costs

During the first quarter of 2011, the Company incurred legal and advisory expenses of \$0.8 million associated with its unsuccessful effort to acquire a large radio group operator. These expenses are reflected as merger and acquisition costs in the consolidated statements of operations.

Acquisition Related Lease Abandonment Costs

During the second quarter of 2013, the Company entered into a sublease for previously abandoned studio space. As a result, the Company eliminated a lease abandonment liability of \$0.7 million and recorded a reduction to station operating expenses of \$0.6 million, net of broker's commission.

As background, in connection with the Company's acquisition on February 28, 2011 of KUFX-FM, San Jose, California, a lease was assumed for surplus studio space. The Company recorded a lease abandonment expense of \$0.8 million during the first quarter of 2011. Lease abandonment costs include lease liabilities offset by estimated sublease income. Due to soft rental conditions at the time of the acquisition, including a higher than normal vacancy rate that was expected to continue throughout the remaining term of the lease, the Company did not include an estimate to sublease any of the space. The lease abandonment liability was discounted using a credit risk adjusted basis utilizing the estimated rental cash flows over the remaining term of the agreement. The lease expires during the third quarter of 2018.

20. CONTINGENCIES, GUARANTOR ARRANGEMENTS 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.

Table of Contents**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 one of these policies, the Company is required to maintain a letter of credit in the amount of \$0.4 million.

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 Federal Communications Commission (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 \$325,000 for a single incident, with a maximum fine of up to \$3,000,000 for a continuing violation. In the past, the FCC has issued Notices of Apparent Liability and a Forfeiture Order with respect to several of the Company's stations proposing fines for certain programming which the FCC deemed to have been indecent. These cases are the subject of pending administrative appeals. The FCC has also investigated other complaints from the public that some of the Company's stations broadcast indecent programming. These investigations remain pending. The FCC initiated an investigation into an incident where a person died after participating in a contest at one of the Company's stations and this investigation remains pending. The Company has determined that, at this time, the amount of potential fines and penalties, if any, is not fixed or determinable.

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. Certain licenses were not renewed prior to the renewal date. 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.

Commitments**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. For the period prior to July 1, 2013, rental expense does not include any payments made in connection with financing method lease obligations as described under Note 8, Tower Sale And Leaseback.

The following table provides the Company's rent expense for the periods indicated:

Years Ended December 31,		
2013	2012	2011
(amounts in thousands)		

Rent Expense	\$ 13,226	\$ 12,748	\$ 12,719
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The Company also has various commitments under the following types of contracts: (1) operating leases; (2) sports programming; (3) on-air talent; and (4) other contracts with aggregate minimum annual commitments as of December 31, 2013 as follows:

Years ending December 31,	Operating Leases	Programming And Related Contracts	Total
	(amounts in thousands)		
2014	\$ 13,798	\$ 72,235	\$ 86,033
2015	13,675	57,438	71,113
2016	13,358	49,240	62,598
2017	12,197	14,321	26,518
2018	10,049	956	11,005
Thereafter	33,404	416	33,820
	\$ 96,481	\$ 194,606	\$ 291,087

Guarantor Arrangements

The Company recognizes, at the inception of a guarantee, a liability for the fair value of the obligation undertaken by issuing the guarantee. The following is a summary of agreements that the Company has determined are within the scope of guarantor arrangements:

The Company enters into indemnification agreements in the ordinary course of business. Under these agreements, the Company typically indemnifies, holds harmless, and agrees to reimburse the indemnified party for losses suffered or incurred by the indemnified party. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited. The Company believes that the estimated fair value of these agreements is minimal. Accordingly, the Company has not recorded liabilities for these agreements as of December 31, 2013.

Under the Company's Credit Facility, the Company is required to reimburse lenders for any increased costs that they may incur in the event of a change in law, rule or regulation resulting in their reduced returns from any change in capital requirements. The Company cannot estimate the potential amount of any future payment under this provision, nor can the Company predict if such an event will ever occur.

In connection with many of the Company's acquisitions, the Company enters into time brokerage agreements or local marketing agreements for specified periods of time, usually six months or less, whereby the Company typically indemnifies the owner and operator of the radio station, their employees, agents and contractors from liability, claims and damages arising from the activities of operating the radio station under such agreements. The maximum potential amount of any future payments the Company could be required to make for any such previous indemnification obligations is indeterminable at this time. The Company has

not, however, previously incurred any significant costs to defend lawsuits or settle claims relating to any such indemnification obligation.

Financial Statements Of Parent

The condensed financial data of the Parent Company has been prepared in accordance with Rule 12-04 of Regulation S-X. The Parent Company's financial data includes the financial data of Entercom Communications Corp., excluding all subsidiaries.

The most significant restrictions on the payment of dividends by Radio (as contemplated by Rule 4-08(e) of Regulation S-X) are set forth in the Credit Facility and the indenture governing the Senior Notes.

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Under both the Credit Facility and the indenture governing the Senior Notes, Radio is permitted to make distributions to the Parent Company in amounts, as defined, as follow: (a) amounts which are required to pay the Parent Company's reasonable overhead costs, including income taxes and other costs associated with conducting the operations of Radio and its subsidiaries; and (b) certain amounts which qualify as Restricted Payments. With respect to the Credit Facility, the permitted Restricted Payment is generally \$40 million plus Cumulative Retained Excess Cash Flow. The Company's ability to make a Restricted Payment in these amounts under the Credit Facility is a function of its leverage ratio. With respect to the indenture governing the Senior Notes, the permitted Restricted Payment is generally \$60 million plus a variable amount. The variable amount is a function of the Company's EBITDA and the Company's leverage ratio.

Effectively all of Radio's assets are subject to these distribution limitations to Parent.

The following tables set forth the condensed financial data (other than the statements of shareholders' equity and statements of comprehensive income as these statements are not condensed) of the Parent Company:

the balance sheets as of December 31, 2013 and 2012;

the statements of operations for the years ended December 31, 2013, 2012 and 2011;

the statements of comprehensive income (loss) for the years ended December 31, 2013, 2012 and 2011;

the statements of shareholders' equity for the years ended December 31, 2013, 2012 and 2011; and

the statements of cash flows for the years ended December 31, 2013, 2012 and 2011.

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ENTERCOM COMMUNICATIONS CORP.
CONDENSED PARENT COMPANY BALANCE SHEETS

(amounts in thousands)

	2013	2012
ASSETS		
Current Assets	\$ 4,330	\$ 1,968
Property And Equipment Net	727	895
Deferred Charges And Other Assets Net	2,564	1,991
Investment In Subsidiaries / Intercompany	328,116	289,361
TOTAL ASSETS	\$ 335,737	\$ 294,215
LIABILITIES AND SHAREHOLDERS EQUITY		
Current Liabilities	\$ 11,317	\$ 9,697
Long Term Liabilities	26,027	15,024
Total Liabilities	37,344	24,721
Shareholders Equity:		
Class A, B and C Common Stock	385	384
Additional Paid-In Capital	604,721	601,847
Accumulated Deficit	(306,713)	(332,737)
Total shareholders equity	298,393	269,494
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 335,737	\$ 294,215

See notes to condensed Parent Company financial statements.

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ENTERCOM COMMUNICATIONS CORP.
CONDENSED PARENT COMPANY INCOME STATEMENTS

(amounts in thousands)

	YEARS ENDED DECEMBER		
	2013	31, 2012	2011
NET REVENUES	\$ 615	\$ 659	\$ 652
OPERATING (INCOME) EXPENSE:			
Depreciation and amortization expense	1,122	920	852
Corporate general and administrative expenses	24,229	25,717	26,464
Merger and acquisition costs			767
Net (gain) loss on sale or disposal of assets	(1,954)		(28)
Total operating expense	23,397	26,637	28,055
OPERATING INCOME (LOSS)	(22,782)	(25,978)	(27,403)
Net interest expense, including amortization of deferred financing expense	1	(46)	59
Other income	(165)	(118)	(32)
Income from equity investment in subsidiaries	(71,118)	(49,556)	(79,496)
TOTAL OTHER (INCOME) EXPENSE	(71,282)	(49,720)	(79,469)
INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)	48,500	23,742	52,066
INCOME TAXES (BENEFIT)	22,476	12,474	(18,988)
NET INCOME (LOSS)	\$ 26,024	\$ 11,268	\$ 71,054

See notes to condensed Parent Company financial statements.

Table of Contents**ENTERCOM COMMUNICATIONS CORP.****PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME (LOSS)****(amounts in thousands)**

	YEARS ENDED DECEMBER 31,		
	2013	2012	2011
NET INCOME (LOSS)	\$ 26,024	\$ 11,268	\$ 71,054
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES (BENEFIT):			
Net unrealized gain (loss) on derivatives, net of taxes (benefit)			7,277
COMPREHENSIVE INCOME (LOSS)	\$ 26,024	\$ 11,268	\$ 78,331

See notes to Parent Company financial statements.

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ENTERCOM COMMUNICATIONS CORP.
PARENT COMPANY STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
(amounts in thousands, except share data)

	Common Stock		Additional		Retained	Accumulated	Total	
	Class A Shares	Class B Amount	Class B Shares	Class A Amount	Paid-in Capital	Earnings (Accumulated Deficit)		Other Comprehensive Income (Loss)
Balance, December 31, 2010	30,700,568	\$ 307	7,367,532	\$ 74	\$ 592,643	\$ (415,080)	\$ (7,277)	\$ 170,667
Net income (loss)						71,054		71,054
Conversion of Class B common stock to Class A common stock	170,000	2	(170,000)	(2)				
Compensation expense related to granting of stock options					462			462
Compensation expense related to granting of restricted stock units	416,906	4			7,205			7,209
Exercise of stock options	53,625				71			71
Purchase of vested employee restricted stock units	(297,098)	(3)			(3,054)			(3,057)
Forfeitures of dividend equivalents						5		5
Net unrealized gain (loss) on derivatives							7,277	7,277
Balance, December 31, 2011	31,044,001	310	7,197,532	72	597,327	(344,021)		253,688
Net income (loss)						11,268		11,268
Compensation expense related to granting of stock options					210			210
Compensation expense related to	280,072	3			5,541			5,544

granting of restricted stock units							
Exercise of stock options	101,350	1			134		135
Purchase of vested employee restricted stock units	(199,376)	(2)			(1,365)		(1,367)
Forfeitures of dividend equivalents						16	16
Balance, December 31, 2012	31,226,047	312	7,197,532	72	601,847	(332,737)	269,494

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ENTERCOM COMMUNICATIONS CORP.
PARENT COMPANY STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011

(amounts in thousands, except share data)

	Common Stock		Additional Paid-in Capital	Retained	Accumulated	Total	
	Class A Shares	Class B Amount		Earnings (Accumulated Deficit)	Other Comprehensive Income (Loss)		
Net income (loss)				26,024		26,024	
Compensation expense related to granting of stock options			41			41	
Compensation expense related to granting of restricted stock units	96,560	1	4,228			4,229	
Exercise of stock options	171,625	2	243			245	
Purchase of vested employee restricted stock units	(186,038)	(2)	(1,638)			(1,640)	
Balance, December 31, 2013	31,308,194	\$ 313	7,197,532	\$ 72	\$ 604,721	\$ (306,713)	\$ 298,393

See notes to Parent Company financial statements.

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ENTERCOM COMMUNICATIONS CORP.
CONDENSED PARENT COMPANY STATEMENTS OF CASH FLOWS

(amounts in thousands)

	YEARS ENDED DECEMBER		
	2013	31, 2012	2011
OPERATING ACTIVITIES:			
Net cash provided by (used in) operating activities	\$ (18,167)	\$ (16,074)	\$ (16,974)
INVESTING ACTIVITIES:			
Additions to property and equipment	1,893	(500)	(349)
Deferred charges and other assets	4,668	(842)	(1,154)
Proceeds (distributions) from investments in subsidiaries	13,033	18,712	21,810
Net cash provided by (used in) investing activities	19,594	17,370	20,307
FINANCING ACTIVITIES:			
Proceeds from the exercise of stock options	245	135	71
Purchase of vested employee restricted stock units	(1,640)	(1,367)	(3,057)
Payment of dividend equivalents on vested restricted stock units		(43)	(512)
Net cash provided by (used in) financing activities	(1,395)	(1,275)	(3,498)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	32	21	(165)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	269	248	413
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 301	\$ 269	\$ 248

See notes to condensed Parent Company financial statements.

Accounting Policies

The Parent Company follows the accounting policies as described in Note 2 except that the Parent Company accounts for its investment in its subsidiaries using the equity method.

Debt For a discussion of debt obligations of the Company, refer to Note 7.

Other For further information, reference should be made to the notes to the consolidated financial statements of the Company.

21. SUBSEQUENT EVENTS

Events occurring after December 31, 2013, 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.

22. SUMMARIZED QUARTERLY FINANCIAL DATA (Unaudited)

The following table presents unaudited operating results for each quarter within the two most recent years. The Company believes that all necessary adjustments, consisting only of normal recurring adjustments, have been included in the amounts stated below to present fairly the following quarterly results when read in conjunction with the financial statements included elsewhere in this report. Results of operations for any particular quarter are not necessarily indicative of results of operations for a full year. The Company's financial results are also not comparable from quarter to quarter due to: (1) the seasonality of revenues, with revenues usually the lowest in the first quarter of each year; (2) the modifications to the Company's Credit Facility during the fourth quarters of 2012 and 2013 that reduced interest rates on outstanding debt resulting in a decrease to interest expense, as described in Note 7, Long-Term Debt; (3) the impairment of broadcast licenses recorded in the second quarter of 2012; and (4) the Company's acquisition of a radio station as described in Note 19, Acquisitions And Other.

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	Quarters Ended			
	December 31	September 30	June 30	March 31
(amounts in thousands, except per share data)				
2013				
Net revenues	\$ 99,583	\$ 98,436	\$ 101,239	\$ 78,360
Operating income	\$ 29,241	\$ 23,286	\$ 28,268	\$ 11,772
Net income (loss)	\$ 9,507	\$ 6,875	\$ 9,893	\$ (251)
Basic net income (loss) per common share ⁽¹⁾	\$ 0.25	\$ 0.18	\$ 0.26	\$ (0.01)
Weighted average basic common shares outstanding	37,471	37,386	37,344	37,138
Diluted net income (loss) per common share ⁽¹⁾	\$ 0.25	\$ 0.18	\$ 0.26	\$ (0.01)
Weighted average diluted common and common equivalent shares outstanding	38,336	38,153	38,103	37,138

	Quarters Ended			
	December 31	September 30	June 30 ⁽²⁾	March 31
(amounts in thousands, except per share data)				
2012				
Net revenues	\$ 102,092	\$ 102,295	\$ 104,571	\$ 79,966
Operating income	\$ 30,951	\$ 29,385	\$ 5,368	\$ 10,890
Net income (loss)	\$ 7,347	\$ 8,177	\$ (3,207)	\$ (1,049)
Basic net income (loss) per common share ⁽¹⁾	\$ 0.20	\$ 0.22	\$ (0.09)	\$ (0.03)
Weighted average basic common shares outstanding	36,935	36,735	36,686	36,483
Diluted net income (loss) per common share ⁽¹⁾	\$ 0.19	\$ 0.22	\$ (0.09)	\$ (0.03)
Weighted average diluted common and common equivalent shares outstanding	37,837	37,548	36,686	36,483

- (1) Basic and diluted net income per share is computed independently for each quarter and the full year based upon respective average shares outstanding. Therefore, the sum of the quarterly per share amounts may not equal the annual per share amounts reported.
- (2) During the second quarter of 2012, the Company recognized an impairment loss of \$22.3 million as a result of a write-down in the carrying value of the broadcasting licenses in its Boston market.

Table of Contents**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 Bala Cynwyd, Pennsylvania, on March 3, 2014.

**ENTERCOM COMMUNICATIONS
CORP.**

By: /s/ DAVID J. FIELD

David J. Field, President, Chief Executive Officer
(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		March 3,
David J. Field	President, Chief Executive Officer and a Director	2014
Principal Financial Officer:		
/s/ STEPHEN F. FISHER		March 3,
Stephen F. Fisher	Executive Vice President and Chief Financial Officer	2014
Principal Accounting Officer:		
/s/ EUGENE D. LEVIN		March 3,
Eugene D. Levin	Vice President, Treasurer and Controller	2014
Directors:		
/s/ JOSEPH M. FIELD		March 3,
Joseph M. Field	Chairman of the Board	2014
/s/ DAVID J. BERKMAN		March 3,
David J. Berkman	Director	2014

/s/ DANIEL E. GOLD	Director	March 3, 2014
Daniel E. Gold		
/s/ ROBERT S. WIESENTHAL	Director	March 3, 2014
Robert S. Wiesenthal		
/s/ JOEL HOLLANDER	Director	March 3, 2014
Joel Hollander		

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Exhibit Number	Description
3.01	Amended and Restated Articles of Incorporation of the Entercom Communications Corp. (1)
3.02	Amended and Restated Bylaws of the Entercom Communications Corp. (2)
4.01	Credit Agreement, dated as of November 23, 2011, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (3) (Originally filed as Exhibit 4.1)
4.02	First Amendment To Credit Agreement, dated as of November 27, 2012, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (4) (Originally filed as Exhibit 4.02)
4.03	Second Amendment To Credit Agreement, dated as of December 2, 2013, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (5)
4.04	Indenture, dated as of November 23, 2011, by and among Entercom Radio, LLC, as the Issuer, the Note Guarantors (as defined therein) and Wilmington Trust, National Association, as trustee. (3) (Originally filed as Exhibit 4.2)
4.05	Form of Note. (3) (Originally filed as Exhibit 4.3)
10.01	Amended and Restated Employment Agreement, dated December 23, 2010, between Entercom Communications Corp. and David J. Field. (6) (Originally filed as Exhibit 10.01)
10.02	Employment Agreement, dated July 1, 2007, between Entercom Communications Corp. and Joseph M. Field. (7)
10.03	First Amendment To Employment Agreement, dated December 15, 2008, between Entercom Communications Corp. and Joseph M. Field. (8)
10.04	Employment Agreement, dated December 23, 2010, between Entercom Communications Corp. and Stephen F. Fisher. (6) (Originally filed as Exhibit 10.04)
10.05	Entercom Non-Employee Director Compensation Policy adopted May 18, 2010. (8)
10.06	Employment Agreement, dated as of January 1, 2013 between Entercom Communications Corp. and Andrew P. Sutor, IV. (10)
10.07	

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Employment Agreement, dated June 12, 2013, between Entercom Communications Corp. and Louise C. Kramer. (11)

10.08	Amended and Restated Entercom Equity Compensation Plan. (12)
10.09	Entercom Annual Incentive Plan. (13)
21.01	Information Regarding Subsidiaries of Entercom Communications Corp. (5)
23.01	Consent of PricewaterhouseCoopers LLP. (5)
31.01	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. (5)
31.02	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. (5)
32.01	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. (14)
32.02	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. (14)
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

- (1) Incorporated by reference to Exhibit 3.01 to our Amendment to Registration Statement on Form S-1, as filed on January 27, 1999 (File No. 333-61381), Exhibit 3.1 of our Current Report on Form 8-K as filed on December 21, 2007 and Exhibit 3.02 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, as filed on August 5, 2009.
- (2) Incorporated by reference to Exhibit 3.01 to our Current Report on Form 8-K filed on February 21, 2008.

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- (3) Incorporated by reference to an exhibit (as indicated above) to our Current Report on Form 8-K filed on November 25, 2011.
- (4) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2012, as filed on February 27, 2013.
- (5) Filed herewith.
- (6) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2010, as filed on February 9, 2011.
- (7) Incorporated by reference to Exhibit 10.02 to our Quarterly Report on Form 10-Q/A for the quarter ended September 30, 2007, as filed on November 21, 2007.
- (8) Incorporated by reference to Exhibit 10.04 to our Annual Report on Form 10-K for the year ended December 31, 2008, as filed on February 26, 2009.
- (9) Incorporated by reference to Exhibit 10.04 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010, as filed on August 2, 2010.
- (10) Incorporated by reference to Exhibit 10.01 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, as filed on May 9, 2013.
- (11) Incorporated by reference to Exhibit 10.01 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, as filed on August 7, 2013.
- (12) Incorporated by reference to Exhibit A to our Proxy Statement on Schedule 14A filed on March 18, 2011.
- (13) Incorporated by reference to Exhibit 10.02 to our Current Report on Form 8-K filed on May 19, 2008.
- (14) These exhibits are submitted as accompanying this Annual Report on Form 10-K and shall not be deemed to be filed as part of such Annual Report on Form 10-K.