ENTERCOM COMMUNICATIONS CORP
Form 10-Q
May 05, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2015

or

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

For the transition period from__________to__________

Commission File Number: 001-14461

Entercom Communications Corp.

(Exact name of registrant as specified in its charter)

Pennsylvania	**23-1701044**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification no.)**

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)

(Former name, former address and former fiscal year, if changed since last report)

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 þ No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, 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 þ No ¨

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

Large accelerated filer	¨	Accelerated filer	þ
Non-accelerated filer	¨	Smaller reporting company	¨

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

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date.

Class A common stock, $0.01 par value 32,404,168 Shares Outstanding as of April 24, 2015

(Class A Shares Outstanding include 1,555,137 unvested and vested but deferred restricted stock units)

Class B common stock, $0.01 par value	7,197,532 Shares Outstanding as of April 24, 2015.

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Private Securities Litigation Reform Act Safe Harbor Statement

In addition to historical information, this report contains 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.

Forward-looking statements 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. You should not place undue reliance on these forward-looking statements, which reflect our view only as of the date of this report. We undertake no 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.

Key risks to our company are described in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 2, 2015 and as may be supplemented by the risks described under Part II, Item 1A, of our quarterly reports on Form 10-Q and in our Current Reports on Form 8-K.

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PART I

FINANCIAL INFORMATION

ITEM 1. Financial Statements

ENTERCOM COMMUNICATIONS CORP.

CONDENSED CONSOLIDATED BALANCE SHEETS

(amounts in thousands)

(unaudited)

	MARCH 31, 2015	DECEMBER 31, 2014
ASSETS:		
Cash	$ 46,580	$ 31,540
Accounts receivable, net of allowance for doubtful accounts	58,779	70,249
Prepaid expenses, deposits and other	7,423	5,937
Prepaid and refundable federal and state income taxes	30	30
Deferred tax assets	2,248	2,248
Total current assets	115,060	110,004
Net property and equipment	44,955	44,662
Radio broadcasting licenses	718,992	718,992
Goodwill	38,850	38,850
Assets held for sale	868	868
Deferred charges and other assets, net of accumulated amortization	12,166	13,239
TOTAL ASSETS	$ 930,891	$ 926,615
LIABILITIES:		
Accounts payable	$ 214	$ 324
Accrued expenses	14,213	13,938
Other current liabilities	18,823	13,499
Long-term debt, current portion	31,260	3,000
Total current liabilities	64,510	30,761
Long-term debt, net of current portion	448,001	476,929
Deferred tax liabilities	63,531	63,470
Other long-term liabilities	26,117	26,434

Total long-term liabilities	537,649	566,833
Total liabilities	602,159	597,594
CONTINGENCIES AND COMMITMENTS		
SHAREHOLDERS EQUITY:		
Preferred stock		
Class A, B and C common stock	396	391
Additional paid-in capital	608,314	608,515
Accumulated deficit	(279,978)	(279,885)
Total shareholders equity	328,732	329,021
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	$ 930,891	$ 926,615

See notes to condensed consolidated financial statements.

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ENTERCOM COMMUNICATIONS CORP.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

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

(unaudited)

	THREE MONTHS ENDED 2015	THREE MONTHS ENDED 2014
NET REVENUES	$ 78,420	$ 78,235
OPERATING EXPENSE:		
Station operating expenses, including non-cash compensation expense	59,367	57,961
Depreciation and amortization expense	1,955	1,974
Corporate general and administrative expenses, including non-cash compensation expense	6,279	6,416
Merger and acquisition costs	1,723	
Net (gain) loss on sale or disposal of assets	(157)	(40)
Total operating expense	69,167	66,311
OPERATING INCOME (LOSS)	9,253	11,924
OTHER (INCOME) EXPENSE:		
Net interest expense	9,279	9,903
Other expense (income)		(55)
TOTAL OTHER EXPENSE	9,279	9,848
INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)	(26)	2,076
INCOME TAXES (BENEFIT)	67	713
NET INCOME (LOSS)	$ (93)	$ 1,363
NET INCOME (LOSS) PER SHARE BASIC	$	$ 0.04
NET INCOME (LOSS) PER SHARE DILUTED	$	$ 0.04
WEIGHTED AVERAGE SHARES:		
Basic	38,026,469	37,660,123
Diluted	38,026,469	38,501,319

See notes to condensed consolidated financial statements.

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ENTERCOM COMMUNICATIONS CORP.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY

THREE MONTHS ENDED MARCH 31, 2015 AND YEAR ENDED DECEMBER 31, 2014

(amounts in thousands, except share data)

(unaudited)

	Common Stock				Additional	Retained Earnings	
	Class A		Class B		Paid-in	(Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit)	Total
Balance, December 31, 2013	31,308,194	$ 313	7,197,532	$ 72	$ 604,721	$ (306,713)	$ 298,393
Net income (loss)						26,823	26,823
Compensation expense related to granting of stock awards	638,102	7			5,225		5,232
Exercise of stock options	57,500				82		82
Purchase of vested employee restricted stock units	(141,502)	(1)			(1,513)		(1,514)
Forfeitures of dividend equivalents						5	5
Balance, December 31, 2014	31,862,294	319	7,197,532	72	608,515	(279,885)	329,021
Net income (loss)						(93)	(93)
Compensation expense related to granting of stock awards	632,102	6			1,105		1,111
Exercise of stock options	8,750				31		31
Purchase of vested employee restricted stock units	(113,234)	(1)			(1,337)		(1,338)
Balance, March 31, 2015	32,389,912	$ 324	7,197,532	$ 72	$ 608,314	$ (279,978)	$ 328,732

See notes to condensed consolidated financial statements.

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ENTERCOM COMMUNICATIONS CORP.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

(unaudited)

	THREE MONTHS ENDED MARCH 31, 2015	2014
OPERATING ACTIVITIES:		
Net income (loss)	$ (93)	$ 1,363
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,955	1,974
Amortization of deferred financing costs (including original issue discount)	789	1,160
Net deferred taxes (benefit) and other	67	713
Provision for bad debts	274	299
Net (gain) loss on sale or disposal of assets	(157)	(37)
Non-cash stock-based compensation expense	1,111	1,208
Deferred rent	160	238
Unearned revenue long-term		(21)
Deferred compensation	480	400
Accretion expense, net of asset retirement obligation adjustments	4	6
Other income		(55)
Changes in assets and liabilities:		
Accounts receivable	11,196	10,751
Prepaid expenses and deposits	(1,487)	(2,434)
Accounts payable and accrued liabilities	78	264
Accrued interest expense	5,758	5,673
Accrued liabilities long-term	(913)	(661)
Prepaid expenses long-term	116	200
Net cash provided by (used in) operating activities	19,338	21,041
INVESTING ACTIVITIES:		
Additions to property and equipment	(1,994)	(1,633)
Proceeds from sale of property, equipment, intangibles and other assets	7	15
Deferred charges and other assets	(254)	(415)
Proceeds from investments and capital projects		55
Net cash provided by (used in) investing activities	(2,241)	(1,978)

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ENTERCOM COMMUNICATIONS CORP.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

(unaudited)

	THREE MONTHS ENDED MARCH 31, 2015	2014
FINANCING ACTIVITIES:		
Borrowing under the revolving senior debt		2,500
Payments of long-term debt	(750)	(27,000)
Proceeds from the exercise of stock options	31	26
Purchase of vested employee restricted stock units	(1,338)	(890)
Net cash provided by (used in) financing activities	(2,057)	(25,364)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,040	(6,301)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	31,540	12,231
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 46,580	$ 5,930
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 2,861	$ 3,070
Income taxes	$ 16	$ 1

See notes to condensed consolidated financial statements.

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ENTERCOM COMMUNICATIONS CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2015 AND 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT POLICIES

The condensed consolidated interim unaudited financial statements included herein have been prepared by Entercom Communications Corp. and its subsidiaries (collectively, the Company) in accordance with: (i) generally accepted accounting principles (U.S. GAAP) for interim financial information; and (ii) the instructions of the Securities and Exchange Commission (the SEC) for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for annual financial statements. In the opinion of management, the financial statements reflect all adjustments considered necessary for a fair statement of the results of operations and financial position for the interim periods presented. All such adjustments are of a normal and recurring nature. The Company s results are subject to seasonal fluctuations and, therefore, the results shown on an interim basis are not necessarily indicative of results for a full year.

This Form 10-Q should be read in conjunction with the financial statements and related notes included in the Company s audited financial statements as of and for the year ended December 31, 2014 and filed with the SEC on March 2, 2015, as part of the Company s Annual Report on Form 10-K. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations.

There have been no material changes from Note 2, Significant Accounting Policies, as described in the notes to the Company s financial statements contained in its Form 10-K for the year ended December 31, 2014 that was filed with the SEC on March 2, 2015.

Recent Accounting Pronouncements

All new accounting pronouncements that are in effect that may impact the Company s financial statements have been implemented. The Company does not believe that there are any other new accounting pronouncements that have been issued, other than a few of those listed below or those included in the notes to the Company s financial statements contained in its Form 10-K for the year ended December 31, 2014 that was filed with the SEC on March 2, 2015, that might have a material impact on the Company s financial position, results of operations or cash flows.

Fees Paid In A Cloud Computing Arrangement

In April 2015, the accounting guidance was revised to identify when a cloud computing service includes a software license that is to be capitalized and treated consistently with the acquisition of other software licenses. This guidance is effective for the Company as of January 1, 2016. The Company is currently evaluating this guidance, but does not anticipate it will have a material impact on its financial statements.

Debt Issuance Costs

In April 2015, the accounting guidance was amended to modify the presentation of debt issuance costs on the balance sheet by requiring that all costs, including incremental third party costs, be reflected as an offset to the associated debt liability rather than as a deferred charge. This guidance is effective for the Company as of January 1, 2016. The impact of this guidance to the Company will be for balance sheet presentation purposes only and will have no impact on the Company s results of operations, cash flows or financial condition.

Consolidation

In February 2015, the accounting guidance for consolidation was amended that revises the analysis and reduces the need to consolidate certain entities. This guidance is effective for the Company as of January 1, 2016. The Company does not anticipate that this accounting guidance will have any material effect on the Company s results of operations, cash flows or financial condition.

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2. INTANGIBLE ASSETS AND GOODWILL

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

There was no change in the carrying value of broadcasting licenses or goodwill since the year ended December 31, 2014.

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.

There were no events or circumstances since the Company s prior year second quarter annual broadcasting licenses test that required the Company to re-test the carrying value of its broadcasting licenses.

Goodwill Impairment Test

The Company performs its annual goodwill impairment test during the second quarter of each year by assessing goodwill in each of the Company s markets after determining that a radio market is a reporting unit.

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

Interim Testing

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

3. OTHER CURRENT LIABILITIES

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

	Other Current Liabilities	
	March 31, 2015	December 31, 2014
	(amounts in thousands)	
Accrued compensation	$ 4,852	$ 5,783
Accounts receivable credits	2,997	2,398
Advertiser obligations	1,090	928
Accrued interest payable	8,535	2,777

Other	1,349	1,613
Total other current liabilities	$ 18,823	$ 13,499

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4. LONG-TERM DEBT

(A) Senior Debt

The Credit Facility

As of March 31, 2015, the amount outstanding under the term loan component (the Term B Loan) of the Company s senior secured credit facility (the Credit Facility) was $261.3 million and no amount was outstanding under the revolving credit facility component (the Revolver) of the Credit Facility. The maximum available amount under the Revolver, which includes the impact of outstanding letters of credit, was $49.4 million as of March 31, 2015. 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 initially 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 requires 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. The Excess Cash Flow payment is due in the first quarter of each year for the prior year. An estimate of this payment that is due next year, net of any prepayments made through March 31, 2015, is included under the current portion of long-term debt. The Company expects to fund the payment using cash from operating activities.

As of March 31, 2015, 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. 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. 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.

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 the Company s business and financial condition. In addition, a default under either the Company s Credit Facility or the indenture governing the Company s 10.5% senior unsecured notes (the Senior Notes) could cause a cross default in the other and result in the acceleration of the maturity of all outstanding debt. 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 on its debt.

As of March 31, 2015, the Company s Consolidated Leverage Ratio was 4.5 times versus a covenant limit of 5.25 times and the Consolidated Interest Coverage Ratio was 2.9 times versus a covenant minimum of 1.75 times. These covenants become more restrictive over time.

(B) Senior Unsecured Debt

The Senior Notes

Simultaneously with entering into the Credit Facility on November 23, 2011, the Company issued $220.0 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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(C) Net Interest Expense

The components of net interest expense are as follows:

	Net Interest Expense Three Months Ended March 31,	
	2015	2014
	(amounts in thousands)	
Interest expense	$ 8,490	$ 8,743
Amortization of deferred financing costs	707	1,087
Amortization of original issue discount of senior notes	82	73
Total net interest expense	$ 9,279	$ 9,903

5. SHARE-BASED COMPENSATION

Under the Entercom Equity Compensation Plan (the Plan), the Company is authorized to issue share-based compensation awards to key employees, directors and consultants.

Restricted Stock Units (RSUs) 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 March 31, 2015
RSUs outstanding as of:	December 31, 2014	1,258,685			
RSUs awarded		645,601			
RSUs released		(336,229)			
RSUs forfeited		(13,499)			
RSUs outstanding as of:	March 31, 2015	1,554,558	$	1.7	$ 18,887,880
RSUs vested and expected to vest as of:	March 31, 2015	1,414,787	$	1.6	$ 16,161,731
RSUs exercisable (vested and deferred) as of:	March 31, 2015	84,603	$		$ 1,027,926
Weighted average remaining recognition period in years		2.4			

Unamortized compensation expense, net of estimated forfeitures	$ 10,435,775

RSUs With Service And Market Conditions

During the first quarters of 2015 and 2014, the Company issued RSUs with service and market conditions that are included in the above table. These shares vest if: (1) the Company s stock achieves certain shareholder performance targets over a defined measurement period; and (2) the employee fulfills a minimum service period. The compensation expense is recognized even if the market conditions are not satisfied and are only reversed in the event the service period is not met, as all of the conditions need to be satisfied. These RSUs, which are included in the RSU activity table, are amortized over the longest of the explicit, implicit or derived service periods, which is one to two years.

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

	Three Months Ended March 31, 2015	Year Ended December 31, 2014
	(amounts in thousands, except per share data)	
Reconciliation Of RSUs With Market Conditions		
Beginning of period balance	290	
Number of RSUs granted	165	290
Number of RSUs forfeited		
Number of RSUs vested	(193)	
End of period balance	262	290
Average fair value of RSUs issued with market conditions	$ 8.39	$ 6.90

The fair value of RSUs with service conditions is estimated using the Company s stock price on the date of the grant. To determine the fair value of RSUs with service and market conditions, the Company used the Monte Carlo simulation lattice model. The Company s determination of the fair value was based on the number of shares granted, the Company s stock price on the date of grant and certain assumptions regarding a number of highly complex and subjective variables. If other reasonable assumptions were used, the results could differ.

The specific assumptions used for this valuation are as follows:

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Expected Volatility Structure (1)	34% to 39%	39% to 51%
Risk Free Interest Rate (2)	0.1% to 1.1%	0.1% to 0.4%
Dividend Yield (3)	0.0%	0.0%

(1) Expected Volatility Term Structure The Company estimated the volatility term structure using: (1) the historical volatility of its stock; and (2) the implied volatility provided by its traded options from a trailing month s average of the closing bid-ask price quotes.

(2) Risk-Free Interest Rate The Company estimated the risk-free interest rate based upon the implied yield available on U.S. Treasury issues using the Treasury bond rate as of the date of grant.

(3) Dividend Yield The Company calculated the dividend yield at the time of grant based upon the Company s most recent history of not paying a dividend on its common stock.

RSUs With Performance Conditions

In addition to the RSUs included in the table above summarizing the changes in RSUs under the Plan, the Company issued eleven thousand RSUs during 2014 with performance conditions at an average fair market value of $9.60 per share. As of March 31, 2015, three thousand RSUs expired unvested.

Vesting of performance-based awards, if any, will be dependent upon the achievement of certain performance targets. If the performance standards are not achieved, all unvested shares will expire and any accrued expense will be reversed. The Company determines the requisite service period on a case-by-case basis to determine the expense recognition period for non-vested performance based RSUs. The fair value is determined based upon the closing price of the Company s common stock on the date of grant.

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The Company applies a quarterly probability assessment in computing its non-cash compensation expense and any change in the estimate is reflected as a cumulative adjustment to expense in the quarter of the change.

As of March 31, 2015, no non-cash compensation expense was accrued and no performance RSUs vested.

Option Activity

The following table provides summary information related to the exercise of stock options:

Option Exercise Data	Three Months Ended March 31, 2015	2014
	(amounts in thousands)	
Intrinsic value of options exercised	$ 72	$ 135
Tax benefit from options exercised (1)	$ 27	$ 51
Cash received from exercise price of options exercised	$ 31	$ 26

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

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

	Period Ended	Number Of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Intrinsic Value As Of March 31, 2015
Options outstanding as of:	December 31, 2014	486,675	$ 2.11		
Options granted					
Options exercised		(8,750)	3.60		
Options forfeited					
Options expired		(1,000)	33.90		
Options outstanding as of:	March 31, 2015	476,925	$ 2.02	3.9	$ 4,830,724
Options vested and expected to vest as of:	March 31, 2015	476,670	$ 2.02	3.9	$ 4,829,850
Options vested and exercisable as of:	March 31, 2015	473,175	$ 1.97	3.9	$ 4,817,862
Weighted average remaining recognition period in years		2.4			

Unamortized compensation expense, net of estimated forfeitures	$	15,338

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

		Options Outstanding			Options Exercisable	
Range Of Exercise Prices From	To	Number Of Options Outstanding March 31, 2015	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Of Options Exercisable March 31, 2015	Weighted Average Exercise Price
$1.34	$ 1.34	436,925	3.9	$ 1.34	436,925	$ 1.34
$2.02	$ 11.78	40,000	4.0	$ 9.46	36,250	$ 9.54
$1.34	$ 11.78	476,925	3.9	$ 2.02	473,175	$ 1.97

Recognized Non-Cash Stock-Based Compensation Expense

The following non-cash stock-based compensation expense, which is comprised primarily of RSUs, is included in each of the respective line items in our statement of operations:

	Three Months Ended March 31,	
	2015	2014
	(amounts in thousands)	
Station operating expenses	$ 177	$ 135
Corporate general and administrative expenses	934	1,073
Stock-based compensation expense included in operating expenses	1,111	1,208
Income tax benefit [1]	413	353
Net stock-based compensation expense	$ 698	$ 855

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

6. NET INCOME (LOSS) PER COMMON SHARE

The following table presents the computations of basic and diluted net income (loss) per share:

	Three Months Ended	
	March 31, 2015	March 31, 2014
	(amounts in thousands, except share and per share data)	

	Net Income (Loss)	Shares	Net Income (Loss) Per Share	Net Income (Loss)	Shares	Net Income (Loss) Per Share
Basic net income (loss) per common share:	$ (93)	38,026,469	$	$ 1,363	37,660,123	$ 0.04
Impact of dilutive equity awards					841,196	
Diluted net income (loss) per common share:	$ (93)	38,026,469	$	$ 1,363	38,501,319	$ 0.04

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Incremental Shares Disclosed As Anti-Dilutive

The following table provides the incremental shares excluded as they were anti-dilutive under the treasury stock method:

Impact Of Equity Awards	Three Months Ended March 31, 2015	2014
	(amounts in thousands, except per share data)	
Dilutive or anti-dilutive for all potentially dilutive equivalent shares	anti-dilutive	dilutive
Excluded shares as anti-dilutive when reporting a net loss	935	
Excluded shares as anti-dilutive under the treasury stock method:		
Options		33
Price range of options: from	$	$ 10.08
Price range of options: to	$	$ 35.05
RSUs with service conditions	207	
Excluded RSUs with service and market conditions as market conditions not met	262	290
Excluded RSUs with service and performance conditions as performance conditions not met	8	

7. INCOME TAXES

Tax Rate For The Three Months Ended March 31, 2015

The effective income tax rate was not a meaningful percentage number for the three months ended March 31, 2015, which was impacted by discrete tax expense from: (1) legislation that increased the deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill; and (2) a tax benefit shortfall associated with share-based awards. The impact of discrete items to the income tax rate is typically substantially greater in the first quarter of the year as income before taxes is the lowest as compared to subsequent quarters.

Tax Rate For The Three Months Ended March 31, 2014

The effective income tax rate was 34.3% for the three months ended March 31, 2014, which was less than expected primarily due to a discrete tax benefit from legislatively reduced income tax rates in certain states. This rate decrease was offset by an adjustment for expenses that are not deductible for tax purposes and an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill.

Net Deferred Tax Assets And Liabilities

As of March 31, 2015 and December 31, 2014, net deferred tax liabilities were $61.3 million and $61.2 million, respectively. The income tax accounting process to determine the deferred tax liabilities involves estimating 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 period in which the differences are expected to affect taxable income. The Company estimated the current exposure by assessing the temporary differences and computing the provision for income taxes by applying the estimated effective tax rate to income.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Of Financial Instruments Subject To Fair Value Measurements

Recurring Fair Value Measurements

The following table sets forth the Company s financial assets and/or liabilities that were accounted for at fair value on a recurring basis and are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value and its placement within the fair value hierarchy levels.

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Description	Value Measurements At Reporting Date March 31, 2015	December 31, 2014
	(amounts in thousands)	
Liabilities		
Deferred compensation Level 1[1]	$ 10,970	$ 11,017

(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.

Fair Value Of Financial Instruments Subject To Disclosures

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; (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:

	March 31, 2015		December 31, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(amounts in thousands)			
Credit Facility [1]	$ 261,250	$ 260,597	$ 262,000	$ 261,345
Senior Notes [2]	$ 218,011	$ 238,177	$ 217,929	$ 237,134
Letters of credit [3]	$ 620		$ 620	

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 this instrument 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 outstanding standby letters of credit and does not expect any material loss since the performance of the letters of credit is not likely to be required.

9. 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. As of March 31, 2015, the Company classified $0.9 million as assets held for sale, which primarily reflects land and a building that the Company formerly used as its main studio facility in one of its markets and a co-located tower/antenna structure for two of its AM radio stations that the Company plans to relocate to other suitable sites.

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10. CONTINGENCIES AND COMMITMENTS

Contingencies

The Company is subject to various outstanding claims which arise in the ordinary course of business and to other legal proceedings. Management anticipates that any potential liability of the Company, which may arise out of or with respect to these matters, will not materially affect the Company s financial position, results of operations or cash flows. There were no material changes from the contingencies listed in the Company s Form 10-K, filed with the SEC on March 2, 2015.

Commitments

Pending Acquisition

On December 7, 2014, the Company entered into a Stock Purchase Agreement (SPA) with The Lincoln National Life Insurance Company to acquire the stock of one of its subsidiaries, Lincoln Financial Media Company (Lincoln), that indirectly holds the assets and liabilities of 15 radio stations serving the Atlanta, Denver, Miami and San Diego radio markets. The purchase price is $105.0 million of which $77.5 million will be paid in cash and $27.5 million will be paid with the Company s new issuance of perpetual convertible preferred stock. Other than in Denver, the Company does not currently operate any stations in these markets. The SPA provides for a step-up in basis for tax purposes. Merger and acquisition related costs of $1.7 million were expensed as a separate line item in the statement of operations for the three months ended March 31, 2015.

The Department Of Justice (DOJ) is one of several agencies responsible for enforcing the federal antitrust laws. In connection with the Company s acquisition of Lincoln, the Company filed the required notice with the DOJ in December 2014 (and refiled this notice in January 2015). In February 2015, the DOJ issued the Company a request for additional information and documentary material, often referred to as a second request.

Concurrently with entering into the SPA, the Company also entered into a time brokerage agreement (TBA). The TBA may only commence after the DOJ has completed its review of this transaction. During the period of the TBA, which terminates upon the closing of this transaction, the Company will include the net revenues, station operating expenses and TBA fees associated with operating these stations in the Company s consolidated financial statements. The payment of the TBA fees is in exchange for the Company s retention of the operating profits or losses from the operation of these stations during the TBA period.

Upon commencement of the TBA, the Company believes that Lincoln will be a variable interest entity (VIE) and that the Company will be the primary beneficiary as the Company may absorb the profits and losses from the operation of the VIE during the period of the TBA. Effective upon the commencement of the TBA, the Company expects to consolidate the assets and liabilities of the VIE within its consolidated financial statements, using fair values for the assets and liabilities as if the Company had closed on this transaction. The equity investment by Lincoln in the VIE would be reflected as a non-controlling interest. The assets of the Company s consolidated VIE can only be used to settle the obligations of the VIE, and may not be sold, or otherwise disposed of, except for assets sold or replaced with others of like kind or value. There is a lack of recourse by the beneficial interest holders of the VIE against the Company s general creditors.

11. SUBSEQUENT EVENTS

Events occurring after March 31, 2015, 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.

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ITEM 2. Management s Discussion And Analysis Of Financial Condition And Results Of Operations

In preparing the discussion and analysis contained in this Item 2, we presume that readers have read or have access to the discussion and analysis contained in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the SEC) on March 2, 2015. In addition, you should read the following discussion and analysis of our financial condition and results of operations 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 three months ended March 31, 2015 as compared to the three months ended March 31, 2014. Our results of operations during the relevant periods represent the operations of the radio stations owned or operated by us.

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. There were no acquisitions or dispositions considered material during the periods measured.

Results Of Operations For The Year-To-Date

The following significant factors affected our results of operations for the three months ended March 31, 2015 as compared to the three months ended March 31, 2014:

During the first quarter of 2015, we incurred merger and acquisition costs of $1.7 million related to our pending acquisition from The Lincoln National Life Insurance Company of Lincoln Financial Media Company, one of its subsidiaries (Lincoln) that indirectly holds the assets and liabilities of 15 radio stations serving the Atlanta, Denver, Miami and San Diego radio markets.

Three Months Ended March 31, 2015 As Compared To The Three Months Ended March 31, 2014

	THREE MONTHS ENDED MARCH 31,		
	2015	**2014**	**% Change**
	(dollars in millions)		
NET REVENUES	$ 78.4	$ 78.2	0%
OPERATING EXPENSE:			
Station operating expenses	59.4	58.0	2%
Depreciation and amortization expense	2.0	2.0	0%
Corporate general and administrative expenses	6.3	6.4	(2%)
Merger and acquisition costs	1.7		nmf
Other operating expenses	(0.2)	(0.1)	(100%)
Total operating expense	69.2	66.3	4%
OPERATING INCOME (LOSS)	9.2	11.9	(23%)
OTHER (INCOME) EXPENSE:			
Net interest expense	9.2	9.9	(7%)
Other income and expense		(0.1)	100%

TOTAL OTHER EXPENSE	9.2	9.8	(6%)
INCOME (LOSS) BEFORE INCOME TAXES		2.1	(100%)
INCOME TAXES (BENEFIT)	0.1	0.7	(86%)
NET INCOME (LOSS)	$ (0.1)	$ 1.4	(107%)

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Net Revenues

Net revenues were flat as advertising demand continues to fluctuate and reflects the uneven performance of the general economy. Also, last year benefited from the influx of advertising from political candidates and groups primarily due to certain state and local elections during that period.

Net revenues increased the most for our stations in the Boston and Portland markets, offset by revenue decreases for our stations located in the Denver and Seattle markets.

Station Operating Expenses

Station operating expenses increased for the current year period primarily due to the continuing investment and development within our markets of SmartReach Digital, a digital marketing initiative that provides our customers with a broad range of marketing solutions.

Depreciation And Amortization Expense

Depreciation and amortization expense was flat as compared to the prior year.

Corporate General And Administrative Expenses

Corporate general and administrative expenses decreased primarily due to a decrease in non-cash compensation expense of $0.1 million.

Operating Income

Operating income decreased primarily due to merger and acquisition costs and increased station operating expenses.

Interest Expense

The decrease in interest expense was primarily due to lower outstanding debt upon which interest is computed as our variable interest rates remained consistent year over year.

Income Before Income Taxes (Benefit)

The decrease was primarily attributable to a decrease in operating income, offset by a decrease in interest expense.

Income Taxes (Benefit)

Tax Rate For The Three Months Ended March 31, 2015

The effective income tax rate was not a meaningful percentage number for the three months ended March 31, 2015, which was impacted by discrete tax expense from: (1) a recent state legislative change that increased the deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill; and (2) a tax benefit shortfall associated with share-based awards. The impact of discrete items to the income tax rate is typically substantially greater in the first quarter of the year as income before taxes is the lowest as compared to subsequent quarters.

Tax Rate For The Three Months Ended March 31, 2014

The effective income tax rate was 34.3% for the three months ended March 31, 2014, which was less than expected primarily due to a discrete tax benefit from legislatively reduced income tax rates in certain states. This rate decrease was offset by an adjustment for expenses that are not deductible for tax purposes and an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill.

Net Deferred Tax Liabilities

As of March 31, 2015 and December 31, 2014, our net deferred tax liabilities were $61.3 million and $61.2 million, respectively. The deferred tax liabilities primarily relate to differences between the book and tax bases of our broadcasting licenses and goodwill.

Net Income (Loss)

The decrease in net income was primarily attributable to the reasons described above under Income Before Income Taxes (Benefit) and Income Taxes (Benefit).

Liquidity And Capital Resources

Liquidity

As of March 31, 2015, we had $261.3 million outstanding under our senior secured credit facility (the Credit Facility) and $220.0 million in principal for our 10.5% senior unsecured notes (the Senior Notes). In addition, we had $0.6 million in outstanding letters of credit. As of March 31, 2015, we had $46.6 million in cash and cash equivalents. For the three months ended March 31, 2015, we increased our outstanding cash by $15.0 million. We expect that this cash on hand will be one of several sources used to fund the Lincoln acquisition.

The Credit Facility

On November 23, 2011, we entered into a new credit agreement with a syndicate of lenders for a $425 million Credit Facility, which was initially comprised of: (a) a $50 million revolving credit facility (the Revolver) that matures on November 23, 2016; and (b) a $375 million term loan (the Term B Loan) that matures on November 23, 2018. The Term B Loan presently 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).

The undrawn amount of the Revolver was $49.4 million as of March 31, 2015. 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 March 31, 2015, we would not be limited in these borrowings.

The Term B Loan requires 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. The Excess Cash Flow payment is due in the first quarter of each year. An estimate of this payment, net of any prepayments made through March 31, 2015, is included under the current portion of long-term debt. We expect to fund the payments using cash from operating activities.

As of March 31, 2015, 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. Any event of default could have a material adverse effect on our business and financial condition.

Our operating cash flow remains positive, and we believe that it is adequate to fund our operating needs. 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. We believe that over the next 12 months we can continue to maintain our compliance with these covenants. 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.

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.

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Credit Facility s Financial Covenants

As of March 31, 2015, our Consolidated Leverage Ratio was 4.5 times versus a covenant maximum of 5.25 times and our Consolidated Interest Coverage Ratio was 2.9 times versus a covenant minimum of 1.75 times. These covenants become more restrictive over time.

The following tables present the computations as defined under our Credit Facility:

Consolidated Leverage Ratio Computations:	
(amounts in thousands, except ratios)	
Numerator: Consolidated Funded Indebtedness	
Senior debt outstanding	$ 261,250
Senior Notes at maturity	220,000
Letters of credit outstanding	620
Total debt outstanding	481,870
Less cash outstanding, not to exceed $40 million	(40,000)
Consolidated Funded Indebtedness	$ 441,870
Denominator: Consolidated Operating Cash Flow	
Net income	$ 25,367
Income taxes	19,265
Depreciation and amortization	7,775
Interest expense	38,195
Non-cash compensation expense	5,135
Deferred non-cash charges	3,983
Unusual gains not in the ordinary course of business	(602)
Consolidated Operating Cash Flow	$ 99,118
Consolidated Leverage Ratio	4.46

Consolidated Interest Coverage Ratio Computations:	
(amounts in thousands, except ratios)	
Numerator: Consolidated Operating Cash Flow	$ 99,118
Denominator: Consolidated Interest Charges	
Interest expense	$ 38,195
Less: Interest income and certain deferred financing expense	(3,791)
Consolidated Interest Charges	$ 34,404
Consolidated Interest Coverage Ratio	2.88

The Senior Notes

Simultaneously with entering into the Credit Facility on November 23, 2011, we issued the Senior Notes which mature on December 1, 2019 in the amount of $220.0 million. Interest on the Senior Notes is payable semi-annually in arrears on June 1 and December 1 of each year.

In addition to the parent, Entercom Communications Corp., all of our 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.

Pending Acquisition Lincoln

On December 7, 2014, we entered into a stock purchase agreement (SPA) with The Lincoln National Life Insurance Company to acquire the stock of Lincoln Financial Media Company, one of its subsidiaries that indirectly holds the assets and liabilities of 15 radio stations serving the Atlanta, Denver, Miami and San Diego radio markets. The purchase price is $105.0 million of which $77.5 million will be paid in cash and $27.5 million will be paid with a new issuance of perpetual cumulative convertible preferred stock. Other than in Denver, we do not currently operate any stations in these markets. The SPA provides for a step-up in basis for tax purposes. Merger and acquisition related costs of $1.7 million were expensed as a separate line item in the statement of operations for the three months ended March 31, 2015.

The Department Of Justice (DOJ) is one of several agencies responsible for enforcing the federal antitrust laws. In connection with our acquisition of Lincoln, we filed the required notice with the DOJ in December 2014 (and refiled this notice in January 2015). In February 2015, the DOJ issued us a request for additional information and documentary material, often referred to as a second request.

Concurrently with entering into the SPA, we also entered into a time brokerage agreement (TBA). The TBA may only commence after the DOJ has completed its review of this transaction. During the period of the TBA, which terminates upon the closing of this transaction, we will include the net revenues, station operating expenses and TBA fees associated with operating these stations in our consolidated financial statements. The payment of the TBA fees is in exchange for our retention of the operating profits or losses from the operation of these stations during the TBA period.

Upon commencement of the TBA, we believe that Lincoln will be a variable interest entity (VIE) and that we will be the primary beneficiary as we may absorb the profits and losses from the operation of the VIE during the period of the TBA. Effective upon the commencement of the TBA, we expect to consolidate the assets and liabilities of the VIE within our consolidated financial statements, using fair values for the assets and liabilities as if we had closed on this transaction. The equity investment by Lincoln in the VIE would be reflected as a non-controlling interest. The assets of our consolidated VIE can only be used to settle the obligations of the VIE, and may not be sold, or otherwise disposed of, except for assets sold or replaced with others of like kind or value. There is a lack of recourse by the beneficial interest holders of the VIE against our general creditors.

Pending Issuance Of Perpetual Convertible Preferred Stock

The perpetual convertible preferred stock we expect to issue upon the acquisition of Lincoln would rank senior to common stock in our capital structure. The payment of dividends on the preferred stock and the repayment of the liquidation preference of the preferred stock will take preference over any dividends or other payments to our common stockholders. The preferred stock is convertible by Lincoln into a fixed number of shares after a three-year waiting period. At certain times (including the first three years after issuance), we can redeem the preferred shares in cash at a price of 100%. The dividend rate on the preferred stock increases over time from 6% to 12%.

Operating Activities

Net cash flows provided by operating activities were $19.3 million and $21.0 million for the three months ended March 31, 2015 and 2014, respectively. The cash flows from operating activities decreased primarily as a result of

$1.7 million in merger and acquisition costs associated with our acquisition of Lincoln.

Investing Activities

Net cash flows used in investing activities were $2.2 million and $2.0 million for the three months ended March 31, 2015 and 2014, respectively.

For the three months ended March 31, 2015 and 2014, the cash used in investing activities primarily reflects the additions to property and equipment of $2.0 million and $1.6 million, respectively.

Financing Activities

Net cash flows used in financing activities were $2.1 million and $25.4 million for the three months ended March 31, 2015 and 2014, respectively.

For the three months ended March 31, 2015 the cash flows used in financing activities primarily reflect purchase of vested employee restricted stock units of $1.3 million and the reduction to our net borrowings of $0.8 million. For the three months ended 2014, the cash flows used in financing activities primarily reflect the reduction of our net borrowings of $24.5 million.

Dividends

We do not currently pay, and have not paid for the past several years, any dividends on our common stock. 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, the Indenture governing our Senior Notes and our new issuance of perpetual convertible preferred stock.

Income Taxes

During the three months ended March 31, 2015, we paid a nominal amount in state income taxes. We anticipate that our estimated federal or state income tax payments for the remainder of 2015 based upon available net operating loss carryovers, existing prepayments and expected quarterly income subject to tax will be approximately $0.1 million.

Capital Expenditures

Capital expenditures for the three months ended March 31, 2015 were $2.0 million. We anticipate that total capital expenditures in 2015 will be between $8.0 million and $9.0 million.

Contractual Obligations

There have been no material changes from the contractual obligations listed in our Form 10-K for the year ended December 31, 2014, filed with the SEC on March 2, 2015.

Off-Balance Sheet Arrangements

As of March 31, 2015, we had no off-balance sheet arrangements, other than as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on March 2, 2015.

Future Impairments

We may find it necessary to take impairment charges in future periods based on conditions at that time. Any such impairment could be material.

Critical Accounting Policies

There have been no material changes to our critical accounting policies from the information provided in Part II, Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations, under the heading Critical Accounting Policies in our Annual Report on Form 10-K for the year ended December 31, 2014 and filed with the SEC on March 2, 2015.

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ITEM 3. Quantitative And Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates on our variable rate senior debt (the Term B Loan and Revolver). If the borrowing rates under London Interbank Offered Rate (LIBOR) were to increase 1% above the current rates as of March 31, 2015, our interest expense on: (1) our Term B Loan would increase $0.5 million on an annual basis as our Term Loan provides for a minimum LIBOR floor; and (2) our Revolver would increase by $0.5 million, assuming our entire Revolver was outstanding as of March 31, 2015. 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 2015 could be higher due to an anticipated net increase in our outstanding debt upon which interest is computed if our pending transaction with Lincoln closes in 2015.

As of March 31, 2015, there were no interest rate hedging transactions outstanding.

From time to time, we invest in cash equivalents that are money market instruments consisting of short-term government securities and repurchase agreements that are fully collateralized by government securities. When such investments are made, we do not believe that we have any material credit exposure with respect to these assets. As of March 31, 2015, we did not have any investments in money market instruments.

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

See also additional disclosures regarding liquidity and capital resources made under Liquidity and Capital Resources in Part 1, Item 2, above.

ITEM 4. 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 Exchange Act) that are designed to ensure that: (i) information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms; and (ii) 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 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 the end of the period covered by this report. Based on the foregoing, our President/Chief Executive Officer and Executive Vice President/Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

Changes In Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II

OTHER INFORMATION

ITEM 1. Legal Proceedings

There were no material developments relating to the legal proceedings described in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission on March 2, 2015.

ITEM 1A. Risk Factors

There have been no material changes to the Risk Factors described in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission on March 2, 2015.

ITEM 2. Unregistered Sales Of Equity Securities And Use Of Proceeds

The following table provides information on our repurchases during the quarter ended March 31, 2015:

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
January 1, 2015 - January 31, 2015	7,644	$ 12.36		$
February 1, 2015 - February 28, 2015	89,608	$ 11.83		$
March 1, 2015 - March 31, 2015	15,982	$ 11.50		$
Total	113,234			

(1) As a result of our withholding shares to satisfy employee tax obligations related to the vesting of restricted stock units during the three months ended March 31, 2015, we are deemed to have repurchased the following shares

withheld to satisfy employees tax obligations: 7,644 shares at an average price of $12.36 per share in January 2015; 89,608 shares at an average price of $11.83 per share in February 2015 and 15,982 shares at an average price of $11.50 in March 2015. These shares are included in the table above.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

N/A

ITEM 5. Other Information

None.

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ITEM 6. Exhibits

Exhibit Number	Description
3.01	Amended and Restated Articles of Incorporation of the Entercom Communications Corp. as further amended on December 19, 2007 and May 15, 2009. (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) (Originally filed as Exhibit 4.03)
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	Entercom Non-Employee Director Compensation Policy adopted February 19, 2015. (6)
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. (7)
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. (7)
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. (8)
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. (8)
101.INS	XBRL Instance Document (7)
101.SCH	XBRL Taxonomy Extension Schema Document (7)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (7)
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (7)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (7)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (7)

(1) Incorporated by reference to Exhibit 3.01 of 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 of 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 of our Current Report on Form 8-K as filed on February 21, 2008.

(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) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2013, as filed on March 3, 2014.

(6) Incorporated by reference to Exhibit 10.01 to our Current Report on Form 8K as filed on February 19, 2015.

(7) Filed herewith.

(8) These exhibits are submitted herewith as accompanying this Quarterly Report on Form 10-Q and shall not be deemed to be filed as part of such Quarterly Report on Form 10-Q.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	ENTERCOM COMMUNICATIONS CORP. (Registrant)
Date: May 5, 2015	/S/ David J. Field Name: David J. Field Title: President and Chief Executive Officer (principal executive officer)
Date: May 5, 2015	/S/ Stephen F. Fisher Name: Stephen F. Fisher Title: Executive Vice President and Chief Financial Officer (principal financial officer)

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EXHIBIT INDEX

Exhibit Number	Description
3.01	Amended and Restated Articles of Incorporation of the Entercom Communications Corp. as further amended on December 19, 2007 and May 15, 2009. (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) (Originally filed as Exhibit 4.03)
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	Entercom Non-Employee Director Compensation Policy adopted February 19, 2015. (6)
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. (7)
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. (7)
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. (8)
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. (8)
101.INS	XBRL Instance Document (7)
101.SCH	XBRL Taxonomy Extension Schema Document (7)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (7)
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (7)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (7)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (7)

(1)

Incorporated by reference to Exhibit 3.01 of 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 of 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 of our Current Report on Form 8-K as filed on February 21, 2008.

(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) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2013, as filed on March 3, 2014.

(6) Incorporated by reference to Exhibit 10.01 to our Current Report on Form 8K as filed on February 19, 2015.

(7) Filed herewith.

(8) These exhibits are submitted herewith as accompanying this Quarterly Report on Form 10-Q and shall not be deemed to be filed as part of such Quarterly Report on Form 10-Q.