Sands David
Form 4
December 17, 2010

FORM 4

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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Sands David

(Last) (First) (Middle)

C/O HENRY BROS. ELECTRONICS, INC., 17-01 POLLITT DRIVE

(Street)

FAIRLAWN, NJ 07410

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Henry Bros. Electronics, Inc. [HBE]

3. Date of Earliest Transaction (Month/Day/Year)
12/15/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/15/2010		D		14,000	D	$ 8.2 (1)	0	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
				Code	V	(A)	(D)						

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Sands David C/O HENRY BROS. ELECTRONICS, INC. 17-01 POLLITT DRIVE FAIRLAWN, NJ 07410	X			

Signatures

/s/ David Sands	12/17/2010
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Disposed of pursuant to that certain Agreement and Plan of Merger, dated as of October 5, 2010, by and among Kratos Defense & Security Solutions, Inc., a Delaware corporation, Hammer Acquisition Inc., a Delaware corporation and the Issuer, as amended, whereby holders of the Issuer's common stock are entitled to receive $8.20 per share, without interest, for each share of common stock they hold.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. d 0.75pt #000000;white-space:nowrap;">

$

225,183

Land

N/A

126,926

127,625

Leasehold improvements

term of lease

27,573

29,114

Studio and transmission equipment

5-15

555,389

539,788

Computer equipment

3-5

97,180

96,487

Furniture and fixtures

7

18,720

18,876

Vehicles

5

38,398

35,211

Construction in progress

N/A

74,924

21,236

Explanation of Responses:

1,170,380

1,093,520

Less: accumulated depreciation

(438,842

)

(359,382

)

Property and equipment, net

$

731,538

$

734,138

The increase in property and equipment primarily relates to spectrum repack projects, routine purchases of property and equipment, less disposals, and business acquisitions (see Note 3).

Property under capital lease with a cost of $5.8 million was included in leasehold improvements as of each of December 31, 2018 and 2017. Property under capital lease with a cost of $5.2 million was included in studio and transmission equipment as of each of December 31, 2018 and 2017.

5. Intangible Assets and Goodwill

Intangible assets subject to amortization consisted of the following, as of December 31 (dollars in thousands):

	Estimated useful life, in years	2018			2017		
		Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Network affiliation agreements	15	$1,977,825	$(575,860)	$1,401,965	$1,971,170	$(461,345)	$1,509,825
Other definite-lived intangible assets	1-20	246,137	(156,179)	89,958	193,089	(121,288)	71,801
Other intangible assets		$2,223,962	$(732,039)	$1,491,923	$2,164,259	$(582,633)	$1,581,626

The increases in network affiliation agreements and other definite-lived intangible assets relate to Company acquisitions (see Note 3).

In the fourth quarter of 2018, management reviewed the recoverability of other definite-lived intangible assets attributable to two of Nexstar's digital businesses as a result of shortfalls from operating forecasts and increased levels of competition. Based on the analysis of estimated undiscounted future pre-tax cash flows expected to result from the use of these assets, management determined that their carrying values were recoverable as of December 31, 2018. No other events or circumstances were noted in 2018 that would indicate impairment.

In the fourth quarter of 2017, management reviewed the recoverability of other definite-lived intangible assets attributable to Nexstar’s digital businesses and recognized total impairment charges of $8.5 million.

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The following table presents the Company’s estimate of amortization expense for each of the five succeeding fiscal years and thereafter for definite-lived intangible assets as of December 31, 2018 (in thousands):

2019	$140,793
2020	130,335
2021	119,559
2022	114,147
2023	112,954
Thereafter	874,135
	$1,491,923

The changes in the carrying amounts of goodwill and FCC licenses for the years ended December 31, 2018 and 2017 are as follows (in thousands):

	Goodwill			FCC Licenses		
	Gross	Accumulated Impairment	Net	Gross	Accumulated Impairment	Net
Balances as of December 31, 2016	$534,557	$ (61,253)	$473,304	$591,945	$ (49,421)	$542,524
Acquisitions and consolidation of VIEs (See Notes 2 and 3)	1,701,719	-	1,701,719	1,244,386	-	1,244,386
Nexstar Divestitures (See Note 3)	(22,823)	2,861	(19,962)	(19,744)	2,011	(17,733)
Deconsolidation of a VIE	(698)	-	(698)	(1,539)	-	(1,539)
Impairment	-	(11,517)	(11,517)	-	-	-
Balances as of December 31, 2017	2,212,755	(69,909)	2,142,846	1,815,048	(47,410)	1,767,638
Acquisitions and consolidation of VIEs (See Notes 2 and 3)	45,019	-	45,019	10,630	-	10,630
Impairment	-	(19,911)	(19,911)	-	-	-
Balances as of December 31, 2018	$2,257,774	$ (89,820)	$2,167,954	$1,825,678	$ (47,410)	$1,778,268

As discussed in Note 2, the Company has one broadcast business reporting unit and four digital reporting units for purposes of annual goodwill impairment review as of December 31, 2018. The Company’s annual impairment review of FCC Licenses is performed at the station market level.

In the fourth quarter of 2018, the Company performed its annual impairment tests on goodwill and FCC licenses attributable to the broadcast business using the qualitative analysis approach and concluded that it was more likely than not that their fair values would sufficiently exceed the carrying amounts.

In the fourth quarter of 2018, management performed quantitative impairment tests on two of its digital reporting units as a result of shortfalls from operating forecasts and increased levels of competition. The quantitative analyses were performed using a combination of a discounted cash flows analysis and market revenue multiples analysis, including the following key assumptions: (i) compound annual growth rate ranging from 4.4% to 5.0% based on management projections and industry trends, (ii) operating profit margins in the initial year ranging from 1.1% to 5.9% driven by planned development activities, increasing to 6.3% to 13.7% reflecting a mature operating model, (iii) discount rate of 15.0% based on an analysis of digital media companies, (iv) income tax rate of 21.0% to 28.7% based on statutory federal and blended state tax rates, (v) terminal growth rate of 2.5% based on a mature company in the digital media industry and (vi) market revenue multiples, adjusted for the reporting units' forecasted operating performance, ranging from 0.2 to 0.4. The Company's quantitative impairment tests resulted in total impairment charges of $19.9 million. For the remaining two digital reporting units, the Company performed its annual impairment tests using the qualitative analysis approach and concluded that it was more likely than not that their fair values would sufficiently exceed the carrying amounts. As of December 31, 2018, three of the Company's digital reporting units had no remaining goodwill balance and one digital reporting unit acquired in January 2018 had a goodwill balance of $42.1 million.

In the fourth quarter of 2017, management performed the one-step quantitative impairment tests on each of its three digital reporting units as a result of shortfalls from operating forecasts and increased levels of competition. The Company's analyses resulted in total impairment charges of $11.5 million. As of December 31, 2017, the total remaining goodwill of digital businesses was $19.9 million.

6. Accrued Expenses

Accrued expenses consisted of the following, as of December 31 (in thousands):

	2018	2017
Compensation and related taxes	$44,269	$44,775
Network affiliation fees	21,916	68,197
Other	77,665	62,968
	$143,850	$175,940

7. Debt

Long-term debt consisted of the following, as of December 31 (in thousands):

	2018	2017
Term loans, net of financing costs and discount of $37,679 and $57,547, respectively	$2,407,490	$2,791,875
Revolving loans	5,628	3,000
6.125% Senior unsecured notes due 2022, net of financing costs of $1,556 and $1,992, respectively	273,444	273,008
5.875% Senior unsecured notes due 2022, plus premium of $6,233 and $8,102, respectively	406,233	408,102
5.625% Senior unsecured notes due 2024, net of financing costs of $11,792 and $13,525, respectively	888,208	886,475
	3,981,003	4,362,460
Less: current portion	(96,093)	(92,808)
	$3,884,910	$4,269,652

Nexstar Senior Secured Credit Facility

On January 16, 2018, Nexstar borrowed $44.0 million from its revolving credit facility to partially fund the acquisition of LKQD (See Note 3). Through June 2018, Nexstar repaid in full the outstanding principal balance under its revolving loan for total payments of $44.0 million.

On July 27, 2018, Nexstar reallocated $5.6 million of its unused revolving loan credit facility to Marshall.

On October 26, 2018, Nexstar amended its senior secured credit facility. The amendment extended the maturity date of Term Loan A and revolving credit facility from July 19, 2022 to October 26, 2023 and reduced the applicable margin portion of the interest rates by 25 basis points for Term Loan B, Term Loan A and revolving credit facility. The maturity date of Term Loan B did not change (January 17, 2024). Nexstar also borrowed an additional $150.0 million Term Loan A under its amended senior secured credit facility. The proceeds were used to partially repay the outstanding principal balance of Nexstar’s Term Loan B of $150.0 million.

Through December 2018, Nexstar prepaid a total of $360.0 million in principal balance under its Term Loan B, funded by cash on hand. During the year ended December 31, 2018, Nexstar repaid scheduled maturities of $36.2 million of its Term Loan A.

The refinancing of loans and prepayments of debt during 2018 resulted in a total loss of extinguishment of debt of $11.6 million, representing the write-off of unamortized debt financing costs and debt discounts.

On November 30, 2018, Nexstar received committed financing up to a maximum of $6.4 billion from a group of commercial banks to provide the debt financing to consummate its proposed merger with Tribune and the refinancing of certain of the existing indebtedness of Tribune and related transactions. The merger has been approved by the boards of directors of both companies and is projected to close late in the third quarter of 2019, subject to the approval of the merger by the stockholders of Tribune, FCC approval, other regulatory approvals and satisfaction of other customary closing conditions. See Note 3 for additional information.

As of December 31, 2018, Nexstar's Term Loan B and Term Loan A, net of financing costs and discounts, had balances of $1.289 billion and $825.1 million, respectively. As of December 31, 2017, Nexstar's Term Loan B and Term Loan A, net of financing costs and discounts, had balances of $1.782 billion and $711.0 million, respectively. No amounts were outstanding under the revolving credit facility as of each of the years then ended.

Interest rates are selected at Nexstar's option and the applicable margin is adjusted quarterly as defined in Nexstar's amended credit agreement. The interest rate of Nexstar's Term Loan A was 4.27% and 3.56% as of December 31, 2018 and 2017, respectively, and the interest rate of Nexstar's Term Loan B was 4.77% and 4.06% as of December 31, 2018 and 2017, respectively. The interest rate on Nexstar's revolving credit facility was 4.27% and 3.56% as of December 31, 2018 and 2017, respectively. Interest is payable periodically based on the type of interest rate selected. Additionally, Nexstar is required to pay quarterly commitment fees on the unused portion of its revolving loan commitment of 0.5% per annum.

Mission Senior Secured Credit Facility

On October 26, 2018, Mission amended its senior secured credit facility. The amendment extended the maturity date of Mission's revolving credit facility from July 19, 2022 to October 26, 2023 and reduced the applicable margin portion of the interest rates by 25 basis points for the Term Loan B and revolving credit facility. The loan refinancing resulted in a loss on extinguishment of debt of $0.5 million, representing the write-off of unamortized debt financing costs.

During the year ended December 31, 2018, Mission repaid scheduled maturities of $2.3 million of its Term Loan B.

As of December 31, 2018 and 2017, Mission's Term Loan B, net of financing costs and discounts, had balances of $224.6 million and $225.7 million, respectively, and none outstanding under its revolving credit facility as of each of the years then ended.

Terms of the Mission senior secured credit facility, including repayment, maturity and interest rates, are the same as the terms of the Nexstar senior secured facility described above. Interest rates are selected at Mission's option and the applicable margin is adjusted quarterly as defined in Mission's amended credit agreement. The interest rate of Mission's Term Loan B was 4.77% and 4.06% as of December 31, 2018 and 2017, respectively. The interest rate on Mission's revolving loans was 4.27% and 3.56% as of December 31, 2018 and 2017, respectively.

Marshall Senior Secured Credit Facility

On June 28, 2018, Marshall amended its senior secured credit facility. The amendment refinanced the then outstanding principal balances of Marshall's Term Loan A and revolving credit facility of $48.8 million and $3.0 million, respectively. The refinancing was funded by Marshall's new Term Loan A of $51.8 million which Nexstar continues to guarantee. The amendment also extended the maturity date of Marshall's Term Loan A to December 1, 2019.

On July 27, 2018, Marshall drew the full $5.6 million revolving loan facility reallocated from Nexstar and used the funds to partially repay its outstanding Term Loan A.

During the year ended December 31, 2018, Marshall repaid $1.8 million scheduled maturities of its Term Loan A.

As of December 31, 2018 and 2017, Marshall's Term Loan A, net of financing costs and discounts, had balances of $45.4 million and $49.6 million, respectively, and $5.6 million and $3.0 million outstanding under its revolving credit facility as of each of the years then ended. As of December 31, 2018, all of Marshall's outstanding debts are classified as current liabilities in the accompanying Consolidated Balance Sheet.

Interest rates are selected at Marshall’s option and the applicable margin is adjusted quarterly as defined in Marshall’s amended credit agreement. The interest rate on Marshall’s Term Loan A and revolving credit facility was 4.52% and 3.56% as of December 31, 2018 and 2017, respectively. Interest is payable periodically based on the type of interest rate selected. Additionally, Marshall is required to pay quarterly commitment fees on the unused portion of its revolving loan commitment of 0.5% per annum. Marshall had no unused revolving credit facility as of each of the years then ended.

Shield Senior Secured Credit Facility

On October 26, 2018, Shield amended its senior secured credit facility. The amendment extended the maturity date of its Term Loan A from July 19, 2022 to October 26, 2023 and reduced the applicable margin portion of the interest rates by 25 basis points.

During the year ended December 31, 2018, Shield repaid $1.2 million scheduled maturities of its Term Loan A.

As of December 31, 2018 and 2017, Shield’s Term Loan A, net of financing costs and discounts, had a balance of $22.6 million and $23.8 million, respectively.

Terms of the Shield senior secured credit facility, including repayment, maturity and interest rates, are the same as the terms of the Nexstar senior secured credit facility described above. Interest rates are selected at Shield’s option and the applicable margin is adjusted quarterly as defined in Shield’s amended credit agreement. The interest rate on Shield’s Term Loan A was 4.27% and 3.56% as of December 31, 2018 and 2017, respectively.

Unused Commitments and Borrowing Availability

The Company had $166.4 million of total unused revolving loan commitments under the respective Nexstar and Mission senior secured credit facilities, all of which was available for borrowing, based on the covenant calculations as of December 31, 2018. The Company's ability to access funds under the senior secured credit facilities depends, in part, on its compliance with certain financial covenants. As of December 31, 2018, the Company was in compliance with its financial covenants.

On November 30, 2018, Nexstar received committed financing up to a maximum of $6.4 billion from a group of commercial banks to provide the debt financing to consummate its proposed merger with Tribune and the refinancing of certain of the existing indebtedness of Tribune and related transactions. The merger has been approved by the boards of directors of both companies and is projected to close late in the third quarter of 2019, subject to the approval of the merger by the stockholders of Tribune, FCC approval, other regulatory approvals and satisfaction of other customary closing conditions. See Note 3 for additional information.

5.875% Notes

As part of Nexstar's merger with Media General on January 17, 2017, Nexstar assumed the $400.0 million 5.875% Senior Notes due 2022 previously issued by Media General's subsidiary.

The 5.875% Notes will mature on November 15, 2022. Interest on the 5.875% Notes is payable semiannually in arrears on May 15 and November 15 of each year. The 5.875% Notes were issued pursuant to an Indenture, dated as of November 5, 2014 (the "5.875% Indenture"). The 5.875% Notes are senior unsecured obligations of Nexstar and certain of Nexstar's future 100% owned subsidiaries, subject to certain customary release provisions.

The 5.875% Notes are senior obligations of Nexstar but junior to the secured debt, to the extent of the value of the assets securing such debt. The 5.875% Notes rank equal to the 5.625% Notes and the 6.125% Notes.

At any time on or after November 15, 2017, Nexstar may redeem the 5.875% Notes, in whole or in part, at the redemption prices set forth in the 5.875% Indenture. At any time before August 1, 2019, Nexstar may also redeem the 5.875% Notes at 105.875% of the aggregate principal amount at a redemption price, plus accrued and unpaid interest, if any, to the date of redemption, with the net cash proceeds from equity offerings, provided that (1) at least $200.0 million aggregate principal amount of 5.875% Notes issued under the 5.875% Indenture remains outstanding after each such redemption and (2) the redemption occurs within 90 days after the closing of the note offering.

Upon the occurrence of a change of control (as defined in the 5.875% Indenture), each holder of the 5.875% Notes may require Nexstar to repurchase all or a portion of the 5.875% Notes in cash at a price equal to 101.0% of the aggregate principal amount to be repurchased, plus accrued and unpaid interest, if any, thereon to the date of repurchase.

The 5.875% Indenture contains covenants that limit, among other things, Nexstar's ability to (1) incur additional debt, (2) make certain restricted payments, (3) consummate specified asset sales, (4) enter into transactions with affiliates, (5) create liens, (6) pay dividends or make other distributions, (7) repurchase or redeem capital, (8) merge or consolidate with another person and (9) enter new lines of business.

The 5.875% Indenture provides for customary events of default (subject in certain cases to customary grace and cure periods), which include nonpayment, breach of covenants in the 5.875% Indenture, payment defaults or acceleration of other indebtedness, a failure to pay certain judgments, certain events of bankruptcy and insolvency and any guarantee of the 5.875% Notes that ceases to be in full force and effect with certain exceptions specified in the 5.875%

Indenture. Generally, if an event of default occurs, the Trustee or holders of at least 25% in principal amount of the then outstanding notes may declare the principal of and accrued but unpaid interest, including additional interest, on all the notes to be due and payable.

5.625% Notes

On July 27, 2016, Nexstar completed the issuance and sale of $900.0 million of 5.625% Notes at par. The proceeds were used to partially fund Nexstar's merger with Media General consummated on January 17, 2017 (See Note 3).

The 5.625% Notes will mature on August 1, 2024. Interest on the 5.625% Notes is payable semiannually in arrears on February 1 and August 1 of each year. The 5.625% Notes were issued pursuant to an Indenture, dated as of July 27, 2016 (the "5.625% Indenture"). The 5.625% Notes are senior unsecured obligations of Nexstar and are guaranteed by Mission and certain of Nexstar's and Mission's future 100% owned subsidiaries, subject to certain customary release provisions.

The 5.625% Notes are senior obligations of Nexstar and Mission but junior to the secured debt to the extent of the value of the assets securing such debt. The 5.625% Notes rank equal to the 5.875% Notes and the 6.125% Notes.

Nexstar has the option to redeem all or a portion of the 5.625% Notes at any time prior to August 1, 2019 at a price equal to 100% of the principal amount redeemed plus accrued and unpaid interest to the redemption date plus applicable premium as of the date of redemption. At any time on or after August 1, 2019, Nexstar may redeem the 5.625% Notes, in whole or in part, at the redemption prices set forth in the 5.625% Indenture. At any time prior to August 1, 2019, Nexstar may also redeem up to 40% of the aggregate principal amount at a redemption price of 105.625%, plus accrued and unpaid interest, if any, to the date of redemption, with the net cash proceeds from equity offerings.

Upon the occurrence of a change in control (as defined in the 5.625% Indenture), each holder of the 5.625% Notes may require Nexstar to repurchase all or a portion of the 5.625% Notes in cash at a price equal to 101.0% of the aggregate principal amount to be repurchased, plus accrued and unpaid interest, if any, thereon to the date of repurchase.

The 5.625% Indenture contains covenants that limit, among other things, Nexstar's ability to (1) incur additional debt, (2) pay dividends or make other distributions or repurchases or redeem its capital stock, (3) make certain investments, (4) create liens, (5) merge or consolidate with another person or transfer or sell assets, (6) enter into restrictions affecting the ability of Nexstar's restricted subsidiaries to make distributions, loans or advances to it or other restricted subsidiaries, (7) prepay, redeem or repurchase certain indebtedness and (8) engage in transactions with affiliates.

The 5.625% Indenture provides for customary events of default (subject in certain cases to customary grace and cure periods), which include nonpayment, breach of covenants in the Indenture, payment defaults or acceleration of other indebtedness, a failure to pay certain judgments and certain events of bankruptcy and insolvency. Generally, if an event of default occurs, the Trustee or holders of at least 25% in principal amount of the then outstanding 5.625% Notes may declare the principal of and accrued but unpaid interest, including additional interest, on all the 5.625% Notes to be due and payable.

In 2016, Nexstar recorded $15.7 million in legal, professional and underwriting fees related to the issuance of the 5.625% Notes, which were recorded as debt finance costs and are being amortized over the term of the 5.625% Notes. Debt financing costs are netted against the carrying amount of the related debt.

6.125% Senior Unsecured Notes

On January 29, 2015, Nexstar completed the issuance and sale of $275.0 million 6.125% Notes at par.

The 6.125% Notes will mature on February 15, 2022. Interest on the 6.125% Notes is payable semiannually in arrears on February 15 and August 15 of each year commencing on August 15, 2015. The 6.125% Notes were issued pursuant to an Indenture, dated as of January 29, 2015 (the "6.125% Indenture"). The 6.125% Notes are senior unsecured obligations of Nexstar and are guaranteed by Mission and certain of Nexstar's and Mission's future 100% owned subsidiaries, subject to certain customary release provisions.

The 6.125% Notes are senior obligations of Nexstar and Mission but junior to the secured debt, including the Nexstar Facility, the Mission Facility and the Marshall Facility to the extent of the value of the assets securing such debt. The 6.125% Notes rank equal to the 5.625% Notes and 5.875% Notes.

Nexstar has the option to redeem all or a portion of the 6.125% Notes at any time after February 15, 2018 at the redemption prices set forth in the 6.125% Indenture. At any time before February 15, 2018, Nexstar may also redeem up to 40% of the aggregate principal amount at a redemption price of 106.125%, plus accrued and unpaid interest, if any, to the date of redemption, with the net cash proceeds from equity offerings.

Upon the occurrence of a change in control (as defined in the 6.125% Indenture), each holder of the 6.125% Notes may require Nexstar to repurchase all or a portion of the 6.125% Notes in cash at a price equal to 101.0% of the aggregate principal amount to be repurchased, plus accrued and unpaid interest, if any, thereon to the date of repurchase.

The 6.125% Indenture contains covenants that limit, among other things, Nexstar’s ability to (1) incur additional debt, (2) pay dividends or make other distributions or repurchases or redeem its capital stock, (3) make certain investments, (4) create liens, (5) merge or consolidate with another person or transfer or sell assets, (6) enter into restrictions affecting the ability of Nexstar’s restricted subsidiaries to make distributions, loans or advances to it or other restricted subsidiaries; prepay, redeem or repurchase certain indebtedness and (7) engage in transactions with affiliates.

The 6.125% Indenture provides for customary events of default (subject in certain cases to customary grace and cure periods), which include nonpayment, breach of covenants in the Indenture, payment defaults or acceleration of other indebtedness, a failure to pay certain judgments and certain events of bankruptcy and insolvency. Generally, if an event of default occurs, the Trustee or holders of at least 25% in principal amount of the then outstanding 6.125% Notes may declare the principal of and accrued but unpaid interest, including additional interest, on all the 6.125% Notes to be due and payable.

In 2015, Nexstar recorded $3.0 million in legal, professional and underwriting fees related to the issuance of the 6.125% Notes, which were recorded as debt finance costs and amortized over the term of the 6.125% Notes. Debt financing costs are netted against the carrying amount of the related debt.

Collateralization and Guarantees of Debt

The Company's credit facilities described above are collateralized by a security interest in substantially all the combined assets, excluding FCC licenses and the other assets of consolidated VIEs unavailable to creditors of Nexstar (See Note 2). Nexstar guarantees full payment of all obligations incurred under the Mission, Marshall and Shield senior secured credit facilities in the event of their default. Mission and Nexstar Digital, a wholly-owned subsidiary of Nexstar, are guarantors of Nexstar's senior secured credit facility. Mission is also a guarantor of Nexstar's 6.125% Notes and the 5.625% Notes but does not guarantee Nexstar's 5.875% Notes. Nexstar Digital does not guarantee any of the notes. Marshall and Shield are not guarantors of any debt within the group.

In consideration of Nexstar's guarantee of the Mission senior secured credit facility, Mission has granted Nexstar purchase options to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent. These option agreements (which expire on various dates between 2021 and 2028) are freely exercisable or assignable by Nexstar without consent or approval by Mission. The Company expects these option agreements to be renewed upon expiration.

Debt Covenants

The Nexstar credit agreement (senior secured credit facility) contains a covenant which requires Nexstar to comply with a maximum consolidated first lien net leverage ratio of 4.25 to 1.00. The financial covenant, which is formally calculated on a quarterly basis, is based on the combined results of the Company. The Mission, Marshall and Shield amended credit agreements do not contain financial covenant ratio requirements but do provide for default in the event Nexstar does not comply with all covenants contained in its credit agreement. As of December 31, 2018, the Company was in compliance with its financial covenants.

Fair Value of Debt

The aggregate carrying amounts and estimated fair values of the Company's debt were as follows, as of December 31 (in thousands):

	2018		2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Term loans[1]	$2,407,490	$2,389,439	$2,791,875	$2,852,199
Revolving loans[1]	5,628	5,528	3,000	2,985
6.125% Senior unsecured notes[2]	273,444	275,688	273,008	284,625
5.875% Senior unsecured notes[2]	406,233	397,000	408,102	415,500
5.625% Senior unsecured notes[2]	888,208	837,000	886,475	925,875

(1) The fair value of senior secured credit facilities is computed based on borrowing rates currently available to the Company for bank loans with similar terms and average maturities. These fair value measurements are considered

Level 3, as significant inputs to the fair value calculation are unobservable in the market.

(2) The fair value of Nexstar's fixed rate debt is estimated based on bid prices obtained from an investment banking firm that regularly makes a market for these financial instruments. These fair value measurements are considered Level 2, as quoted market prices are available for low volume trading of these securities.

Debt Maturities

The scheduled maturities of the Company's debt, excluding the unamortized financing costs, discounts and premium, as of December 31, 2018 are summarized as follows (in thousands):

2019	$96,093
2020	44,910
2021	61,961
2022	762,536
2023	624,616
Thereafter	2,435,681
	$4,025,797

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8. Retirement and Postretirement Plans

The Company has a funded, qualified non-contributory defined benefit retirement plan which covers certain employees and former employees. Additionally, there are non-contributory unfunded supplemental executive retirement and ERISA excess plans which supplement the coverage available to certain executives. All of these retirement plans are frozen. The Company also has a retiree medical savings account plan which reimburses eligible retired employees for certain medical expenses and an unfunded plan that provides certain health and life insurance benefits to retired employees who were hired prior to 1992.

The Company uses a December 31 measurement date for its pension and other postretirement benefit plans (“OPEB”). The Company recognizes the underfunded status of these plan liabilities on its Consolidated Balance Sheet. The funded status of a plan represents the difference between the fair value of plan assets and the related plan projected benefit obligation. Changes in the funded status are recognized in other comprehensive income and amortized into comprehensive income over a five year term.

Benefit Obligations

The following table provides a reconciliation of the changes in the plans’ benefit obligations for the periods January 17, 2017 to December 31, 2017 and January 1, 2018 to December 31, 2018 (in thousands):

	2018 Pension Benefits	OPEB	2017 Pension Benefits	OPEB
Change in benefit obligation:				
Benefit obligation at beginning of period	$460,862	$23,374	$562,197	$22,601
Service cost	-	16	-	22
Interest cost	13,965	689	14,981	695
Participant contributions	-	20	-	48
Plan settlements[(1)]	-	-	(40,235)	-
Divestiture transfer[(2)]	-	-	(60,032)	-
Actuarial (gain) loss	(21,568)	(1,362)	11,301	1,431
Benefit payments	(29,559)	(1,328)	(27,350)	(1,423)
Benefit obligation at end of period[(3)(4)]	$423,700	$21,409	$460,862	$23,374

(1) In December 2017, the Company offered terminated vested participants of the legacy Media General Retirement Plan an opportunity to receive a lump sum payout in settlement of their retirement plan liability. Approximately one third of the roughly 2,200 participants elected to do so, resulting in $39.0 million in payouts from plan

assets. The Company recognized an immediate gain of $1.2 million in 2017 related to this settlement and included it as an offset against pension expense in the Consolidated Statements of Operations and Comprehensive Income.

(2) Upon the consummation of the Media General transaction, approximately $60 million of the benefit obligation related to the Company's retirement plan was transferred to Graham Media Group, Inc., as part of the Media General Divestitures discussed in Note 3.

(3) Unless required, the Company’s policy is to fund benefits under the supplemental executive retirement, ERISA Excess, and all postretirement benefits plans as claims and premiums are paid. As of December 31, 2018, the benefit obligation related to the supplemental executive retirement and ERISA Excess plans included in the preceding table was approximately $51.9 million.

(4) As of December 31, 2018, the pension benefit obligation includes $371.8 million that is substantially funded by plan assets. These plan assets cover approximately 89% of the benefit obligation.

The Plans’ benefit obligations were determined using the following assumptions:

	2018 Pension Benefits	OPEB	2017 Pension Benefits	OPEB
Discount rate	4.12%	4.06 %	3.49%	3.47 %
Compensation increase rate	-	2.00 %	-	3.00 %

Plan Assets

The following table provides a reconciliation of the changes in the fair value of the plans' assets for the periods January 17, 2017 to December 31, 2017 and January 1, 2018 to December 31, 2018 (in thousands):

	2018 Pension Benefits	OPEB	2017 Pension Benefits	OPEB
Change in plan assets:				
Fair value of plan assets at beginning of period	$381,455	$-	$394,526	$-
Actual return on plan assets	(25,108)	-	49,853	-
Employer contributions	4,126	1,308	4,661	1,375
Participant contributions	-	20	-	48
Plan settlements	-	-	(40,235)	-
Benefit payments	(29,559)	(1,328)	(27,350)	(1,423)
Fair value of plan assets at end of period	$330,914	$-	$381,455	$-

Under the fair value hierarchy, $49.2 million and $57.6 million of the Company's retirement plan assets as of December 31, 2018 and 2017, respectively, fall under Level 1 (quoted prices in active markets). The Company also utilizes common collective trust funds as the remaining investment vehicle for its defined benefit plans. A Common Collective Trust Fund is a pooled fund operated by a bank or trust company for investment of the assets of various organizations and individuals in a well-diversified portfolio. Investments in Common Collective Trust Funds are stated at the fair value as determined by the issuer based on the fair value of the underlying investments (Net Asset Value or "NAV"). As of December 31, 2018 and 2017, respectively, $281.7 million and $323.8 million of the plan assets were measured at NAV.

The asset allocation for the Company's funded retirement plans at the end of 2018, and the asset allocation range for 2019, by asset category, are as follows:

	Asset Allocation	Percentage of Plan Assets at Year End
Asset Category	2019	2018
Equity securities	40%	35%
Fixed income securities/cash	60%	64%
Other	-	1%
Total		100%

As the plan sponsor of the funded retirement plans, the Company's investment strategy is to achieve a rate of return on the plans' assets that, over the long-term, will fund the plans' benefit payments and will provide for other required amounts in a manner that satisfies all fiduciary responsibilities. A determinant of the plans' returns is the asset allocation policy. The Company's investment policy provides ranges (3-23% U.S. large cap equity, 0-13% U.S. small/mid cap equity, 0-19% international/global equity, 0-17% other equity, 50-70% fixed income and 0-10% cash) for the plans' long-term asset mix. The Company periodically (at least annually) reviews and rebalances the asset mix if necessary. The Company also reviews the plans' overall asset allocation to determine the proper balance of securities by market capitalization, value or growth, U.S., international or global or the addition of other asset classes.

The plans' investment policy is reviewed frequently and administered by an investment consultant. Periodically, the Company evaluates each investment with the investment consultant to determine if the overall portfolio has performed satisfactorily when compared to the defined objectives, similarly invested portfolios and specific market indices. The policy contains general guidelines for prohibited transactions such as:

- borrowing of money
- purchase of securities on margin
- short sales
- pledging any securities except loans of securities that are fully-collateralized
- purchase or sale of futures or options for speculation or leverage

Restricted transactions include:

- purchase or sale of commodities, commodity contracts or illiquid interests in real estate or mortgages
- purchase of illiquid securities such as private placements
- use of various futures and options for hedging or for taking limited risks with a portion of the portfolio's assets

Investments in Common Collective Trust Funds do not have any unfunded commitments, and do not have any applicable liquidation periods or defined terms and periods to be held. The portfolios offer daily liquidity; however, they request 5 business days' notice for both withdrawals and redemptions. Strategies of the Common Collective Trust Funds by major category are as follows:

- Equity Common Collective Trusts are primarily invested in funds seeking investment results that correspond to the total return performance of their respective benchmarks in both the U.S. and International markets.
- Fixed Income Common Collective Trusts are primarily invested in funds with an investment objective to provide investment returns through fixed-income and commingled investment vehicles that seek to outperform their respective benchmarks.
- Real Estate and Real Asset Common Collective Trusts seek to achieve high current return and long-term capital growth by investing in equity securities of real estate investment trusts that seek to outperform their respective benchmarks.

Funded Status

The following table provides a statement of the funded status of the plans at December 31 (in thousands):

	2018 Pension Benefits	OPEB	2017 Pension Benefits	OPEB
Amounts recorded in the balance sheet:				
Current liabilities	$(4,091)	$(1,883)	$(3,714)	$(1,882)
Noncurrent liabilities	(88,695)	(19,526)	(75,693)	(21,492)
Funded status	$(92,786)	$(21,409)	$(79,407)	$(23,374)

The following table provides a summary of the Company's accumulated other comprehensive income (loss) related to pension and other postretirement benefit plans prior to any deferred tax effects (in thousands):

OPEB

	Pension Benefits	
January 17, 2017	$-	$-
Actuarial gain (loss)	9,733	(1,433)
December 31, 2017	9,733	(1,433)
Actuarial (loss) gain	(29,074)	1,471
December 31, 2018	$(19,341)	$38

The estimated net loss for the other postretirement benefit plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2019 is $46 thousand. There is no prior service cost or transition obligation recognized in accumulated other comprehensive income.

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Expected Cash Flows

The following table includes amounts that are expected to be contributed to the plans by the Company, in thousands. It additionally reflects benefit payments that are made from the plans' assets as well as those made directly from the Company's assets, and it includes the participants' share of the costs, which is funded by participant contributions. The amounts in the table are actuarially determined and reflect the Company's best estimate given its current knowledge including the impact of recent pension funding relief legislation. Actual amounts could be materially different.

	Pension Benefits	OPEB
Employer Contributions		
2019 to participant benefits	$4,091	$1,883
Expected Benefit Payments		
2019	$30,520	$1,883
2020	30,169	1,877
2021	29,901	1,865
2022	29,579	1,838
2023	29,470	1,815
2024-2028	141,763	8,013

Net Periodic Benefit Cost

The following table provides the components of net periodic benefit cost (credit) for the plans for the periods January 17, 2017 to December 31, 2017 and January 1, 2018 to December 31, 2018 (in thousands):

	2018 Pension Benefits	OPEB	2017 Pension Benefits	OPEB
Service cost	$-	$ 16	$-	$ 22
Interest cost	13,965	689	14,981	695
Expected return on plan assets	(25,534)	-	(27,658)	-
Amortization of net loss	-	109	-	-
Settlement gain recognized	-	-	(1,160)	-
Net periodic benefit cost (credit)	$(11,569)	$ 814	$(13,837)	$ 717

The Company anticipates recording an aggregate net periodic benefit credit of $5.6 million for its pension and other benefits in 2019, as the expected return on plan assets exceeds estimated interest cost. An interest crediting rate of 2.30% was assumed for 2018 to determine net periodic benefit costs for LIN TV's supplemental retirement plan. This rate is assumed to increase to 3.20% in 2019 and to 4.00% thereafter compounded annually.

The net periodic costs for the Company's pension and other benefit plans were determined using the following assumptions:

	2018 Pension Benefits	OPEB	2017 Pension Benefits	OPEB
Discount rate	3.49%	3.42 %	3.87%	3.80 %
Expected return on plan assets	7.00%	-	7.25%	-
Compensation increase rate	-	2.00 %	-	3.00 %

The reasonableness of the expected return on the funded retirement plan assets was assessed with the assistance of an investment consultant, but all assumptions were reviewed by management. Their proprietary model simulates possible capital market scenarios based on the current economic environment and their capital market assumptions to come up with expected returns for the portfolio based on the current asset allocation.

Defined Contribution Plans

The Company has established retirement savings plans under Section 401(k) of the Internal Revenue Code (the “Plans”). The Plans cover substantially all Company employees who meet the minimum age and service requirements and allow participants to defer a portion of their annual compensation on a pre-tax basis. Employer contributions to the Plans may be made at the discretion of management of the Company. During the years ended December 31, 2018, 2017 and 2016, Nexstar contributed $8.5 million, $4.2 million and $1.6 million, respectively, to the Plans. The Company also sponsors a Supplemental 401(k) plan as previously described.

The Company has a Supplemental Income Deferral Plan for which certain employees, including executive officers, were eligible. The plan provides benefits to highly compensated employees in circumstances in which the maximum limits established under the ERISA and the Internal Revenue Code prevent them from receiving Company contributions. The amounts recorded by the Company for these plans for 2018 is nominal.

9. Common Stock

The holders of Class A common stock are entitled to one vote per share and the holders of Class B common stock are entitled to 10 votes per share. Holders of Class A common stock and Class B common stock generally vote together as a single class on all matters submitted to a vote of the stockholders. Holders of Class C common stock have no voting rights.

The common stockholders are entitled to receive cash dividends, subject to the rights of holders of any series of preferred stock, on an equal per share basis. The Nexstar Facility provides limits on the amounts of dividends the Company may pay to stockholders over the term of the Nexstar Credit Agreement.

On January 25, 2019, the board of directors declared a quarterly cash dividend for 2019 beginning in the first quarter. See Note 18 for additional information.

In 2018, 2017 and 2016, the board of directors declared annual cash dividends of $1.50 per share, $1.20 per share and $0.96 per share, respectively, of Nexstar’s outstanding Class A common stock. The dividends were paid in equal quarterly installments.

On April 26, 2018, Nexstar’s Board of Directors approved an additional $200 million increase in Nexstar’s share repurchase authorization to repurchase its Class A common stock. As of December 31, 2018, the remaining available amount under the share repurchase authorization was $201.9 million, inclusive of the 2018 additional authorization and the remaining balance under the prior authorization. Share repurchases may be made from time to time in open market transactions, block trades or in private transactions. There is no minimum number of shares that is required to be repurchased and the repurchase program may be suspended or discontinued at any time without prior notice. In 2018, Nexstar repurchased a total of 751,920 shares of Class A common stock for $50.5 million, funded by cash on hand. In 2017, Nexstar repurchased a total of 1,689,132 shares of Class A common stock for $99.0 million, funded by cash on hand.

During the years ended December 31, 2018, 2017 and 2016, 411,752 shares, 680,511 shares and 116,821 shares, respectively, of Class A common stock were reissued from treasury to fulfill stock option exercises and vesting of restricted stock units.

In connection with the acquisition of Media General on January 17, 2017, Nexstar issued 15,670,094 shares of Class A common stock and reissued 560,316 shares of Class A common stock from treasury. See Note 3 for additional information.

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10. Stock-Based Compensation Plans

Stock-Based Compensation Expense

The Company measures compensation cost related to stock options based on the grant-date fair value of the awards, calculated using the Black-Scholes option-pricing model. The compensation cost related to time-based restricted stock units (“RSUs”) and performance-based restricted stock units (“PSUs”) is based on the market price of the stock on the date of the award. The fair values of the stock options and RSUs are recognized ratably over their respective vesting periods. The fair values of PSUs are recognized when it is probable that the performance conditions will be achieved.

In 2017, Nexstar issued 228,438 replacement stock options in connection with its acquisition of Media General (See Note 3). There were no stock options granted in 2018 and 2016. The assumptions used in calculating the fair values of options granted during the year ended December 31, 2017 was as follows:

Expected volatility	32.4% to 47.7%
Risk-free interest rates	0.5% to 2.2%
Expected life	0.2 to 7 years
Dividend yields	1.9%
Weighted-average grant date fair value per share	$46.85

The expected volatility assumptions used for stock option grants were based on Nexstar’s historical volatility rates over a period approximating the expected life of the options. The expected term assumption is calculated utilizing Nexstar’s historical exercise and post-vesting cancellation experience combined with expectations developed over outstanding options. The risk-free interest rates used are based on the daily U.S. Treasury yield curve rate in effect at the time of the grant having a period commensurate with the expected term assumption. The expected dividend yield is based on the current annual dividend divided by the stock price on the date of grant.

The Company recognized stock-based compensation expense of $31.3 million, $24.1 million and $11.4 million for the years ended December 31, 2018, 2017 and 2016, respectively. As of December 31, 2018, there was $65.1 million of total unrecognized compensation cost related to stock options and restricted stock units, expected to be recognized over a weighted-average period of 2.43 years.

Stock-Based Compensation Plans

Nexstar has two stock-based compensation plans that provide for the granting of stock options, stock appreciation rights, RSUs and PSUs to directors, employees or consultants of Nexstar: the 2015 Long-Term Equity Incentive Plan, approved by Nexstar’s majority stockholders on June 11, 2015 (the “2015 Plan”) and the 2012 Long-Term Equity Incentive Plan, approved by Nexstar’s majority stockholders on September 26, 2012 (the “2012 Plan”). A maximum of 2,500,000 shares and 1,500,000 shares of Nexstar’s Class A common stock can be issued under the 2015 Plan and the 2012 Plan, respectively. No new awards are granted under equity incentive plans prior to these plans but any unissued available shares can be issued under the 2012 Plan.

At December 31, 2018, 853,813 shares remained available for future grants, of which 836,063 shares and 17,750 shares were available under the 2015 Plan and the 2012 Plan, respectively. Nexstar utilizes any available treasury stock or issues new shares of its Class A common stock when options are exercised or restricted stock units vest.

Stock Options

Options are granted with an exercise price at least equal to the fair market value of the underlying shares of common stock on the date of the grant, vest over a range of four to five years and expire ten years from the date of grant. Except as otherwise determined by the compensation committee or with respect to the termination of a participant's services in certain circumstances, including a change of control, no option may be exercised within six months of the date of the grant. Upon the employee's termination, all nonvested options are forfeited immediately and any unexercised vested options are cancelled from 30 to 180 days following the termination date.

The following table summarizes activity and information related to stock options for the year ended December 31, 2018:

	Outstanding Options				Non-Vested Options	
	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (thousands)	Shares	Weighted-Average Grant-Date Fair Value
Outstanding as of December 31, 2017	1,960,459	$ 23.48	5.06	107,273	256,875	$ 31.75
Granted	-	$ -			-	$ -
Exercised	(141,660)	$ 42.66			-	$ -
Vested	-	$ -			(206,875)	$ 31.82
Forfeited/cancelled	(9,531)	$ 35.19				$ -
Balances as of December 31, 2018	1,809,268	$ 21.92	4.05	$ 102,625	50,000	$ 31.45
Exercisable as of December 31, 2018	1,759,268	$ 21.20	4.00	$ 101,049		
Fully vested and expected to vest as of December 31, 2018	1,809,268	$ 21.92	4.05	$ 102,625		

Aggregate intrinsic value represents the difference between the closing market price of Nexstar’s common stock on the last day of the fiscal period, which was $78.64 on December 31, 2018, and the stock option exercise prices multiplied by the number of options outstanding. For the years ended December 31, 2018, 2017 and 2016, the aggregate intrinsic value of options exercised, on their respective exercise dates, was $5.0 million, $34.1 million and $2.3 million, respectively. For the years ended December 31, 2018, 2017 and 2016, the aggregate fair value of options vested was $6.6 million, $17.6 million and $9.0 million, respectively.

Time-Based Restricted Stock Units

The RSUs vest over a range of two to five years from the date of the award. All unvested RSUs are forfeited immediately upon the employee’s termination for any reason other than change of control. The following table summarizes activity and information related to RSUs for the year ended December 31, 2018:

	Unvested Shares	Weighted-Average Grant-Date Fair Value
Unvested as of December 31, 2017	1,090,125	$ 63.09
Awarded	525,000	$ 64.42
Vested	(310,125)	$ 61.89
Forfeited/cancelled	(48,625)	$ 63.96
Unvested as of December 31, 2018	1,256,375	$ 63.91

Performance-Based Restricted Stock Units

The vesting of the PSUs is contingent on the continued service of the grantee and the achievement of specific performance metrics (generally over a three-year period) designated by the Board of Directors of the Company. All unvested PSUs are forfeited immediately upon the employee's termination for any reason other than change of control. The following table summarizes activity and information related to PSUs for the year ended December 31, 2018:

	Unvested Shares	Weighted-Average Grant-Date Fair Value
Unvested as of December 31, 2017	50,000	$ 45.24
Awarded	142,500	$ 67.13
Vested	(25,000)	$ 45.24
Forfeited/cancelled	-	$ -
Unvested as of December 31, 2018	167,500	$ 63.86

11. Income Taxes

The income tax expense (benefit) consisted of the following components for the years ended December 31 (in thousands):

	2018	2017	2016
Current tax expense (benefit):			
Federal	$102,516	$190,743	$12,054
State	29,761	38,499	10,927
	132,277	229,242	22,981
Deferred tax (benefit) expense:			
Federal	7,997	(438,281)	53,094
State	4,406	(24,904)	1,497
	12,403	(463,185)	54,591
Income tax (benefit) expense	$144,680	$(233,943)	$77,572

The following is a reconciliation of the federal statutory income tax rate to income tax expense for the years ended December 31 (in thousands):

	2018	2017	2016
Federal income tax at the statutory rate	$111,915	$84,476	$59,735
State and local taxes, net of federal benefit	27,123	10,676	7,697
Nondeductible compensation	2,858	6,375	709
Nontaxable proceeds on station divestiture	-	(9,146)	-
Nondeductible earnout payments	-	-	1,415
Nondeductible acquisition costs	-	3,901	12
Nondeductible meals and entertainment	2,047	1,546	504
Nondeductible goodwill impairment	1,532	3,577	5,276
Domestic production activities deduction	-	(11,178)	-
Excess tax benefit on stock-based compensation	(750)	(8,106)	-
Disposition of nondeductible goodwill	-	3,279	-
Impact of federal tax rate reduction	-	(322,193)	-
Change in beginning of year valuation allowance	1,430	1,635	-
Other	(1,475)	1,215	2,224
Income tax (benefit) expense	$144,680	$(233,943)	$77,572

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the “Act”) was signed into law making significant changes to the Internal Revenue Code. The Act reduces the federal corporate income tax rate from 35% to 21% effective for tax years beginning after December 31, 2017. Although the federal corporate income tax rate reduction is only effective for tax periods beginning after December 31, 2017, ASC 740 requires the Company to remeasure the existing net deferred tax liability in the period of enactment. The Act also provides for immediate expensing of 100% of the costs of qualified property that are incurred and placed in service during the period from September 27, 2017 to December 31, 2022. Beginning January 1, 2023, the immediate expensing provision is phased down by 20% per year until it is completely phased out as of January 1, 2027. Additionally, effective January 1, 2018, the Act modifies the executive compensation deduction limitation and imposes possible limitations on the deductibility of interest expense. As a result of these provisions of the Act, the Company’s deduction related to executive compensation and interest expense could be limited in future years.

Staff Accounting Bulletin No. 118 (“SAB 118”), issued by the SEC on December 22, 2017, provides guidance to assist filers in accounting for the impact of the enactment of the Tax Cuts and Jobs Act (the “Act”). SAB 118 outlines the approach companies may take if they determine that the necessary information is not available (in reasonable detail) to evaluate, compute and prepare accounting entries to recognize the effects of the Act by the time the financial statements are required to be filed. Companies may use this approach when the timely determination of some or all of the income tax effect(s) from the Act is incomplete by the due date of the financial statements. The SAB divides items into three different buckets: 1. Items where there is sufficient time and information to complete the accounting as of the reporting date. 2. Items where provisional estimates can be reasonably determined as of the reporting date. 3. Items where a reasonable estimate cannot be determined as of the reporting date. SAB 118 allows filers to make measurement period adjustments for up to 12 months for items where an estimate has been used or a reasonable estimate could not be determined as of the reporting date.

The Company completed its analysis through the measurement period. During the measurement period, based upon Treasury Regulations issued in 2018, the deductibility of officer stock compensation under 162(m) was adjusted. There were no other changes.

The components of the net deferred tax asset (liability) were as follows, as of December 31 (in thousands):

	2018	2017
Deferred tax assets:		
Net operating loss carryforwards	$46,189	$51,802
Compensation	14,085	15,574
Rent	1,916	2,173
Pension	30,679	28,033
Other	13,270	12,732
Total deferred tax assets	106,139	110,314
Valuation allowance for deferred tax assets	(3,071)	(2,155)
Total deferred tax assets	103,068	108,159
Deferred tax liabilities:		
Property and equipment	(72,703)	(72,423)
Other intangible assets	(291,673)	(312,460)
Goodwill	(37,455)	(31,062)
FCC licenses	(318,562)	(305,293)
Other	(13,070)	(4,854)
Total deferred tax liabilities	(733,463)	(726,092)
Net deferred tax liabilities	$(630,395)	$(617,933)

As of December 31, 2018, the Company had a valuation allowance related to deferred tax assets of $3.1 million which was not likely to be realized, an increase of $1.4 million from December 31, 2017. During the year ended December 31, 2018, the valuation allowance increased primarily due to the Company's belief, based upon consideration of the positive and negative evidence, that certain deferred tax assets related to one of the VIEs were not likely to be realized.

As of December 31, 2018, the Company's reserve for uncertain tax positions totaled approximately $12.5 million. For the years ended December 31, 2018, 2017 and 2016 there were $12.5 million, $23.3 million and $3.7 million of gross unrecognized tax benefits, respectively, that would reduce the effective tax rate if the underlying tax positions were sustained or settled favorably.

A reconciliation of the beginning and ending balances of the gross liability for uncertain tax positions is as follows (in thousands):

	2018	2017	2016
Uncertain tax position liability at the beginning of the year	$23,258	$3,677	$3,677
Increases resulting from merger transaction	432	22,605	-
Increases related to tax positions taken during the current period	45	1,847	-
Increases related to tax positions taken during prior periods	1,497	-	-
Decreases related to tax positions taken during prior periods	(12,496)	(2,440)	-
Decreases related to settlements with taxing authorities	-	(806)	-

Decreases related to expiration of statute of limitations	(194)	(1,625)	-
Uncertain tax position liability at the end of the year	$12,542	$23,258	$3,677

There can be no assurance that the outcomes from any tax examinations will not have a significant impact on the amount of such liabilities, which could have an impact on the operating results or financial position of the Company.

Interest expense and penalties related to the Company's uncertain tax positions are reflected as a component of income tax benefit (expense) in the Company's Consolidated Statements of Operations and Comprehensive Income.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Company is subject to U.S. federal tax examinations for years after 2014. Additionally, any NOLs that were generated in prior years and utilized in the current year or future years may also be subject to examination by the Internal Revenue Service. Generally, the Company is subject to state tax examination for years after 2014 and any NOLs that were generated in prior years and utilized in the current year or future years may also be subject to examination.

The Company has gross federal and state income tax NOL carryforwards of $148.6 million and $301.8 million, respectively, which are available to reduce future taxable income if utilized before their expiration. The federal NOLs expire through 2038 if not utilized. Section 382 of the Internal Revenue Code of 1986, as amended, generally imposes an annual limitation on the amount of NOLs that may be used to offset taxable income when a corporation has undergone significant changes in stock ownership. Ownership changes are evaluated as they occur and could limit the ability to use NOLs. As of December 31, 2018, the Company does not expect any NOLs to expire as a result of Section 382 limitations.

The ability to use NOLs is also dependent upon the Company’s ability to generate taxable income. The NOLs could expire before the Company generates sufficient taxable income. To the extent the Company’s use of NOLs is significantly limited, the Company’s income could be subject to corporate income tax earlier than it would if it were able to use NOLs, which could have a negative effect on the Company’s financial results and operations. Changes in ownership are largely beyond the Company’s control and the Company can give no assurance that it will continue to have realizable NOLs.

12. FCC Regulatory Matters

Television broadcasting is subject to the jurisdiction of the FCC under the Communications Act of 1934, as amended (the “Communications Act”). The Communications Act prohibits the operation of television broadcasting stations except under a license issued by the FCC, and empowers the FCC, among other things, to issue, revoke, and modify broadcasting licenses, determine the location of television stations, regulate the equipment used by television stations, adopt regulations to carry out the provisions of the Communications Act and impose penalties for the violation of such regulations. The FCC’s ongoing rule making proceedings could have a significant future impact on the television industry and on the operation of the Company’s stations and the stations to which it provides services. In addition, the U.S. Congress may act to amend the Communications Act or adopt other legislation in a manner that could impact the Company’s stations, the stations to which it provides services and the television broadcast industry in general.

The FCC has adopted rules with respect to the final conversion of existing low power and television translator stations to digital operations, which must be completed by July 2021.

Media Ownership

The FCC is required to review its media ownership rules every four years and to eliminate those rules it finds no longer serve the “public interest, convenience and necessity.”

In August 2016, the FCC adopted a Second Report and Order (the “2016 Ownership Order”) concluding the agency’s 2010 and 2014 quadrennial reviews. The 2016 Ownership Order (1) retained the then-existing local television ownership rule and radio/television cross-ownership rule with minor technical modifications, (2) extended the ban on common ownership of two top-four television stations in a market to network affiliation swaps, (3) retained the then-existing ban on newspaper/broadcast cross-ownership in local markets while considering waivers and providing an exception for failed or failing entities, (4) retained the dual network rule, (5) made JSA relationships attributable interests and (6) defined a category of sharing agreements designated as SSAs between stations and required public disclosure of those SSAs (while not considering them attributable).

The 2016 Ownership Order reinstated a rule that attributed another in-market station toward the local television ownership limits when one station owner sells more than 15% of the second station's weekly advertising inventory under a JSA (this rule had been previously adopted in 2014 but was vacated by the U.S. Court of Appeals for the Third Circuit (the "Third Circuit")). Parties to JSAs entered into prior to March 31, 2014 were permitted to continue to operate under those JSAs until September 30, 2025.

Nexstar and other parties filed petitions seeking reconsideration of various aspects of the 2016 Ownership Order. On November 16, 2017, the FCC adopted an order (the "Reconsideration Order") addressing the petitions for reconsideration. The Reconsideration Order (1) eliminated the rules prohibiting newspaper/broadcast cross-ownership and limiting television/radio cross-ownership, (2) eliminated the requirement that eight or more independently-owned television stations remain in a local market for common ownership of two television stations in that market to be permissible, (3) retained the general prohibition on common ownership of two "top four" stations in a local market but provided for case-by-case review, (4) eliminated the television JSA attribution rule, and (5) retained the SSA definition and disclosure requirement for television stations. These rule modifications took effect on February 7, 2018, when the Third Circuit denied a mandamus petition which had sought to stay their effectiveness. The Reconsideration Order remains subject to appeals before the Third Circuit.

In December 2018, the FCC initiated its 2018 quadrennial review with the issuance of a Notice of Proposed Rulemaking. Among other things, the FCC seeks comment on all aspects of the local television ownership rule's implementation and whether the current version of the rule remains necessary in the public interest. Comments and reply comments in the 2018 quadrennial review are due in the first and second quarters of 2019.

The FCC's media ownership rules limit the percentage of U.S. television households which a party may reach through its attributable interests in television stations to 39% on a nationwide basis. Historically, the FCC has counted the ownership of an ultra-high frequency ("UHF") station as reaching only 50% of a market's percentage of total national audience. On August 24, 2016, the FCC adopted a Report and Order abolishing this "UHF discount" for the purposes of a licensee's determination of compliance with the 39% national cap, and that rule change became effective in October 2016. On April 20, 2017, the FCC adopted an order on reconsideration that reinstated the UHF discount. That order stated that the FCC would launch a comprehensive rulemaking later in 2017 to evaluate the UHF discount together with the national ownership limit. The FCC initiated that proceeding in December 2017, and comments and reply comments were filed in the first and second quarters of 2018. The FCC's April 2017 reinstatement of the UHF discount became effective on June 15, 2017. A petition for review of the FCC's order reinstating the UHF discount was filed in a federal appeals court, and Nexstar intervened in the litigation in support of the FCC. On July 25, 2018, the federal court dismissed the appeal for lack of standing. Nexstar is in compliance with the 39% national cap limitation without the UHF discount and, therefore, with the UHF discount as well.

Spectrum

The FCC is in the process of repurposing a portion of the broadcast television spectrum for wireless broadband use. Pursuant to federal legislation enacted in 2012, the FCC conducted an incentive auction for the purpose of making additional spectrum available to meet future wireless broadband needs. Under the auction statute and rules, certain television broadcasters accepted bids from the FCC to voluntarily relinquish all or part of their spectrum in exchange for consideration, and certain wireless broadband providers and other entities submitted successful bids to acquire the relinquished television spectrum. Over the next several years, television stations that are not relinquishing their spectrum are being "repacked" into the frequency band still remaining for television broadcast use.

The incentive auction commenced on March 29, 2016 and officially concluded on April 13, 2017. Ten of Nexstar's stations and one station owned by Vaughan, a consolidated VIE, accepted bids to relinquish their spectrum. On July 21, 2017, the Company received $478.6 million of gross proceeds from the FCC related to the incentive auction. These were recorded as liability to surrender spectrum asset pending the relinquishment of spectrum assets or conversion from UHF to VHF. Of the 11 total stations that accepted bids, one station went off the air in November 2017 and the associated spectrum asset and liability to surrender spectrum, both amounting to $34.6 million, were derecognized in the fourth quarter of 2017. The station that went off the air is not expected to have a significant impact on the Company's future financial results because it is located in a remote rural area of the country and the Company has other stations which serve the same area. Of the remaining ten stations, eight have ceased broadcasting on their previous channels and implemented channel sharing agreements. As a result, the associated spectrum asset and liability to surrender spectrum, both amounting to $314.1 million, were derecognized in the second quarter of 2018. The remaining two stations will move to VHF channels and must vacate their current channels by September 2019 and May 2020, respectively.

The majority of the Company's television stations did not accept bids to relinquish their television channels. Of those stations, 61 full power stations owned by Nexstar and 17 full power stations owned by VIEs have been assigned to new channels in the reduced post-auction television band. These "repacked" stations are required to construct and license the necessary technical modifications to operate on their newly assigned channels and must cease operating on their former channels by deadlines which the FCC has established and which are no later than July 13, 2020. Congress has allocated up to an industry-wide total of $2.75 billion to reimburse television broadcasters, MVPDs and other parties for costs reasonably incurred due to the repack. This allocation includes $1 billion added to the TV Broadcaster Relocation Fund as part of the Consolidated Appropriations Act, 2018. This fund is not available to reimburse repacking costs for stations which are surrendering their spectrum and entering into channel sharing relationships. Broadcasters and MVPDs have submitted estimates to the FCC of their reimbursable costs. As of February 6, 2019, these costs were approximately $1.9 billion, and the FCC has indicated that it expects those costs to rise. During the years ended December 31, 2018 and 2017, the Company spent a total of $26.8 million and $2.6 million, respectively, in capital expenditures related to station repack which were recorded as assets under the property and equipment caption in the accompanying Consolidated Balance Sheets. In 2018, the Company received $29.4 million in reimbursements from the FCC related to these expenditures which were recorded as operating income in the accompanying Consolidated Statements of Operations and Comprehensive Income. There were no reimbursements received related to station repack in 2017. The Company cannot determine if the FCC will be able to fully reimburse its repacking costs as this is dependent on certain factors, including the Company’s ability to incur repacking costs that are equal to or less than the FCC’s allocation of funds to the Company and whether the FCC will have available funds to reimburse the Company for additional repacking costs that it previously may not have anticipated. Whether the FCC will have available funds for additional reimbursements will also depend on the repacking costs that will be incurred by other broadcasters, MVPDs and other parties that are also seeking reimbursements.

The reallocation of television spectrum to broadband use may be to the detriment of the Company’s investment in digital facilities, could require substantial additional investment to continue current operations, and may require viewers to invest in additional equipment or subscription services to continue receiving broadcast television signals. The Company cannot predict the impact of the incentive auction and subsequent repacking on its business.

Exclusivity/Retransmission Consent

On March 3, 2011, the FCC initiated a Notice of Proposed Rulemaking which among other things asked for comment on eliminating the network non-duplication and syndicated exclusivity protection rules, which may permit MVPDs to import out-of-market television stations in certain circumstances.

In March 2014, the FCC adopted a further notice of proposed rulemaking which sought additional comment on the elimination or modification of the network non-duplication and syndicated exclusivity rules. The FCC's possible elimination or modification of the network non-duplication and syndicated exclusivity protection rules may affect the Company's ability to sustain its current level of retransmission consent revenues or grow such revenues in the future and could have an adverse effect on the Company's business, financial condition and results of operations. The Company cannot predict the resolution of the FCC's network non-duplication and syndicated exclusivity proposals, or the impact of these proposals.

On December 5, 2014, federal legislation directed the FCC to commence a rulemaking to "review its totality of the circumstances test for good faith [retransmission consent] negotiations." The FCC commenced this proceeding in September 2015 and comments and reply comments were submitted. In July 2016, the then-Chairman of the FCC publicly announced that the agency would not adopt additional rules in this proceeding. However, the proceeding remains open.

Further, certain online video distributors and other OTTDs have begun streaming broadcast programming over the Internet. In June 2014, the U.S. Supreme Court held that an OTTD's retransmissions of broadcast television signals without the consent of the broadcast station violate copyright holders' exclusive right to perform their works publicly as provided under the Copyright Act. In December 2014, the FCC issued a Notice of Proposed Rulemaking proposing to interpret the term "MVPD" to encompass OTTDs that make available for purchase multiple streams of video programming distributed at a prescheduled time and seeking comment on the effects of applying MVPD rules to such OTTDs. Comments and reply comments were filed in 2015. Although the FCC has not classified OTTDs as MVPDs to date, several OTTDs have signed agreements for retransmission of local stations within their markets and others are actively seeking to negotiate such agreements.

13. Commitments and Contingencies

Merger Agreement with Tribune

On November 30, 2018, Nexstar entered into a definitive merger agreement with Tribune to acquire the latter's outstanding equity and equity-based awards for $46.50 per share in a cash transaction. The estimated total purchase price is valued at $6.4 billion, consisting of the merger cash consideration and the refinancing of Tribune's outstanding debt. The merger has been approved by the boards of directors of both companies and is projected to close late in the third quarter of 2019, subject to (i) the approval of the merger by the stockholders of Tribune, (ii) FCC approval, (iii) other regulatory approvals (including expiration of the applicable HSR waiting period) and (iv) satisfaction of other customary closing conditions. On November 30, 2018, Nexstar received committed financing up to a maximum of $6.4 billion from a group of commercial banks to provide the debt financing to consummate the merger and the refinancing of certain of the existing indebtedness of Tribune and related transactions. See Note 3 for additional information.

Broadcast Rights Commitments

Broadcast rights acquired for cash under license agreements are recorded as an asset and a corresponding liability at the inception of the license period. Future minimum payments for license agreements for which the license period has not commenced and no asset or liability has been recorded are as follows as of December 31, 2018 (in thousands):

2019	$46,118
2020	35,731
2021	20,090
2022	12,740
2023	78
	$114,757

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Operating Leases

The Company leases office space, vehicles, towers, antenna sites, studio and other operating equipment under noncancelable operating lease arrangements expiring through June 2114. Rent expense recorded in the Company's Consolidated Statements of Operations and Comprehensive Income for such leases was $22.8 million, $24.6 million and $12.7 million for the years ended December 31, 2018, 2017 and 2016, respectively. Future minimum lease payments under these operating leases are as follows as of December 31, 2018 (in thousands):

2019	$22,179
2020	19,841
2021	16,794
2022	13,573
2023	11,108
Thereafter	37,577
	$121,072

Capital Leases

The Company leases certain equipment, tower facilities and other real estate properties under noncancelable lease arrangements. These contracts were accounted for as capital leases and included in property and equipment (See Note 4). The future minimum lease payments under these agreements as of December 31, 2018 are as follows (in thousands):

2019	$1,766
2020	1,795
2021	1,843
2022	1,803
2023	1,818
Thereafter	15,202
	24,227
Less: Amount representing interest	7,323
	$16,904

Guarantee of Mission, Marshall and Shield Debt

Nexstar and its subsidiaries guarantee full payment of all obligations incurred under the Mission, Marshall and Shield senior secured credit facilities. In the event that Mission, Marshall or Shield are unable to repay amounts due, Nexstar will be obligated to repay such amounts. The maximum potential amount of future payments that Nexstar would be required to make under these guarantees would be generally limited to the borrowings outstanding. As of December 31, 2018, Mission had a maximum commitment of $227.6 million under its senior secured credit facility, of which $224.6 million of debt was outstanding, Marshall had used all its commitment under its senior secured credit facility and had outstanding obligations of $51.1 million, and Shield had also used all of its commitment and had outstanding obligations of $22.6 million. Based on the terms of the credit agreements, Mission's outstanding debt is due January 2024, Marshall's outstanding debt is due December 2019 and Shield's outstanding debt is due October 2023. Marshall's debt is included in the current liabilities in the accompanying December 31, 2018 Consolidated Balance Sheet. The other debts guaranteed by Nexstar are long-term debt obligations of Mission and Shield.

Indemnification Obligations

In connection with certain agreements that the Company enters into in the normal course of its business, including local service agreements, business acquisitions and borrowing arrangements, the Company enters into contractual arrangements under which the Company agrees to indemnify the third party to such arrangement from losses, claims and damages incurred by the indemnified party for certain events as defined within the particular contract. Such indemnification obligations may not be subject to maximum loss clauses and the maximum potential amount of future payments the Company could be required to make under these indemnification arrangements may be unlimited. Historically, payments made related to these indemnifications have been insignificant and the Company has not incurred significant costs to defend lawsuits or settle claims related to these indemnification agreements.

Collective Bargaining Agreements

As of December 31, 2018, certain technical, production and news employees at 14 of the Company's stations are covered by collective bargaining agreements. The Company believes that employee relations are satisfactory and has not experienced any work stoppages at any of its stations. However, there can be no assurance that the collective bargaining agreements will be renewed in the future or that the Company will not experience a prolonged labor dispute, which could have a material adverse effect on its business, financial condition, or results of operations.

Litigation

From time to time, the Company is involved with claims that arise out of the normal course of its business. In the opinion of management, any resulting liability with respect to these claims would not have a material adverse effect on the Company's financial position or results of operations.

On March 16, 2018, a group of companies including Nexstar (the "Defendants") received a Civil Investigative Demand from the Antitrust Division of the DOJ regarding an investigation into the exchange of certain information related to the pacing of sales related to the same period in the prior year among broadcast stations in some DMAs in alleged violation of federal antitrust law. Other Defendants entered into a proposed consent decree with the DOJ on November 6, 2018. Without admitting any wrongdoing, Nexstar agreed to settle the matter with the DOJ on December 5, 2018. The DOJ filed an amended complaint adding Nexstar to the consent decree on December 13, 2018. The consent decree, which settles any claims by the government of alleged violations of federal antitrust laws in connection with the alleged information sharing, does not include any financial penalty. Pursuant to the consent decree, we have agreed not to exchange certain non-public information with other stations operating in the same DMA except in certain cases, to implement certain antitrust compliance measures and to monitor and report on compliance with the consent decree.

On July 30, 2018, Clay, Massey & Associates, PC filed an antitrust class action complaint in the U.S. District Court for the Northern District of Illinois on behalf of itself and all others similarly situated against Gray Television, Inc., Hearst Communications, Nexstar Media Group, Inc., Tegna Inc., Tribune Media Company and Sinclair Broadcast Group, Inc. The lawsuit alleges unlawful coordination between broadcast television station owners to artificially increase prices of television spot advertisements in violation of Section 1 of the Sherman Act (15 U.S.C. §1). Nexstar has since been named in 15 similar complaints, including ten in the Northern District of Illinois, three in the Southern District of New York, and two in the District of Maryland. Each complaint includes similar allegations and claims a violation of Section 1 of the Sherman Act. One, filed in the District of Maryland, also alleges violations of state antitrust and consumer protection statutes and a claim for unjust enrichment.

On October 9, 2018, these cases were consolidated in a multi-district litigation in the District Court for the Northern District of Illinois captioned *In Re: Local TV Advertising Antitrust Litigation*, No. 1:18-cv-06785 ("MDL Litigation"). On January 23, 2019, the Court in the MDL Litigation appointed plaintiffs' lead and liaison counsel. The MDL Litigation is ongoing. Nexstar denies the allegations against it and will defend its advertising practices as necessary.

14. Segment Data

The Company evaluates the performance of its operating segments based on net revenue and operating income. The Company's broadcast segment includes television stations and related community focused websites that Nexstar owns, operates, programs or provides sales and other services to in various markets across the United States. The other activities of the Company include corporate functions, digital businesses and eliminations.

Segment financial information is included in the following tables for the periods presented (in thousands):

Year Ended December 31, 2018	Broadcast	Other	Consolidated
Net revenue	$2,612,531	$154,165	$2,766,696
Depreciation	89,312	20,477	109,789
Amortization of intangible assets	126,850	22,556	149,406
Income (loss) from operations	918,401	(160,622)	757,779
Goodwill	2,125,479	42,475	2,167,954
Assets	6,622,604	439,426	7,062,030

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Year Ended December 31, 2017	Broadcast	Other	Consolidated
Net revenue	$2,306,404	$125,562	$2,431,966
Depreciation	85,913	14,745	100,658
Amortization of intangible assets	147,328	12,172	159,500
Income (loss) from operations	694,967	(189,342)	505,625
Goodwill	2,122,935	19,911	2,142,846
Assets	6,723,685	757,962	7,481,647

Year Ended December 31, 2016	Broadcast	Other	Consolidated
Net revenue	$1,040,704	$62,486	$1,103,190
Depreciation	44,313	6,987	51,300
Amortization of intangible assets	33,079	13,493	46,572
Income (loss) from operations	372,496	(85,188)	287,308

The following table presents the disaggregation of the Company’s revenue under ASC 606 for the periods presented. Comparative 2017 and 2016 revenues are presented in accordance with the Company’s historical accounting standard prior to the adoption of ASC 606 (in thousands):

Year Ended December 31, 2018	Broadcast	Other	Consolidated
Local	$797,709	$-	$797,709
National	292,211	-	292,211
Political	251,209	-	251,209
Retransmission compensation	1,121,081	-	1,121,081
Digital	107,054	154,105	261,159
Other	26,425	60	26,485
Trade revenue	16,842	-	16,842
Net revenue	$2,612,531	$154,165	$2,766,696

Year Ended December 31, 2017	Broadcast	Other	Consolidated
Local	$805,360	$-	$805,360
National	302,657	-	302,657
Political	26,865	-	26,865
Retransmission compensation	995,790	-	995,790
Digital	101,286	125,466	226,752
Other	17,765	96	17,861
Trade and barter revenue	56,681	-	56,681
Net revenue	$2,306,404	$125,562	$2,431,966

Year Ended December 31, 2016	Broadcast	Other	Consolidated

Local	$344,356	$-	$ 344,356
National	122,319	-	122,319
Political	92,262	-	92,262
Retransmission compensation	394,038	-	394,038
Digital	35,944	62,431	98,375
Other	6,093	55	6,148
Trade and barter revenue	45,692	-	45,692
Net revenue	$1,040,704	$62,486	$ 1,103,190

The Company is a television broadcasting and digital media company focused on the acquisition, development and operation of television stations and interactive community websites and digital media services in medium-sized markets in the United States.

Advertising revenue (local, national, political and digital) is positively affected by national and regional political campaigns, and certain events such as the Olympic Games or the Super Bowl. Company stations' advertising revenue is generally highest in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and retail advertising in the period leading up to, and including, the holiday season. In addition, advertising revenue is generally higher during even-numbered years when congressional and presidential elections occur, and advertising is aired during the Olympic Games.

The Company receives compensation from MVPDs and OTTDs in return for the consent to the retransmission of the signals of its television stations. Retransmission compensation is recognized at the point in time the broadcast signal is delivered to the distributors and is based on a price per subscriber.

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Beginning in 2018, the Company no longer recognizes barter revenue (and the related barter expense) resulting from the exchange of advertising time for certain program material. During the year ended December 31, 2017, the Company recognized barter revenue (and barter expense) of $42.5 million. During the year ended December 31, 2016, the Company recognized barter revenue (and barter expense) of $34.7 million. These are included in the trade and barter revenue line in the tables above.

15. Condensed Consolidating Financial Information

The following condensed consolidating financial information presents the financial position, results of operations and cash flows of the Company, including its wholly-owned subsidiaries and its consolidated VIEs. This information is presented in lieu of separate financial statements and other related disclosures pursuant to Regulation S-X Rule 3-10 of the Securities Exchange Act of 1934, as amended, “Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered.”

The Nexstar column presents the parent company’s financial information, excluding consolidating entities. The Nexstar Broadcasting column presents the financial information of Nexstar Broadcasting, Inc. (“Nexstar Broadcasting”), a wholly-owned subsidiary of Nexstar and issuer of the 5.625% Notes, the 6.125% Notes and the 5.875% Notes. The Mission column presents the financial information of Mission, an entity which Nexstar Broadcasting is required to consolidate as a VIE (See Note 2). The Non-Guarantors column presents the combined financial information of Nexstar Digital and other VIEs consolidated by Nexstar Broadcasting (See Note 2).

Nexstar Broadcasting’s outstanding 5.875% Notes are fully and unconditionally guaranteed, jointly and severally, by Nexstar, subject to certain customary release provisions. These notes are not guaranteed by any other entities.

Nexstar Broadcasting’s outstanding 5.625% Notes and 6.125% Notes are fully and unconditionally guaranteed, jointly and severally, by Nexstar and Mission, subject to certain customary release provisions. These notes are not guaranteed by any other entities.

The indentures governing the 5.625% Notes and the 6.125% Notes are not registered but require consolidating information that presents the guarantor information.

As discussed in Note 2, the Company adopted ASU No. 2016-15 on a retrospective basis which reclassified the cash flow classification of certain payments for contingent consideration related to an acquisition in 2017 from financing activities to operating activities and payments received for the settlement of corporate-owned life insurance claims from operating activities to investing activities. The Company also adopted ASU No. 2016-18 on a retrospective basis which impacted the cash flow treatment of transfers between cash, cash equivalents and restricted cash in 2017. Further, the Company adopted ASU No. 2017-07 on a retrospective basis which requires the presentation of the net periodic benefit costs, other than the current service costs, in the income statement separately from the service cost component and outside the subtotal of income from operations. The effects of these adoptions were reflected in the accompanying Condensed Consolidating Statement of Operations for the year ended December 31, 2017 and the Condensed Consolidating Statement of Cash Flows for the years ended December 31, 2017 and 2016.

CONDENSED CONSOLIDATING BALANCE SHEET

As of December 31, 2018

(in thousands)

	Nexstar	Nexstar Broadcasting	Mission	Non-Guarantors	Eliminations	Consolidated Company
ASSETS						
Current assets:						
Cash and cash equivalents	$-	$105,665	$10,798	$28,652	$-	$145,115
Accounts receivable	-	466,270	12,857	68,158	-	547,285
Amounts due from consolidated entities	-	88,987	77,521	-	(166,508)	-
Spectrum asset	-	52,002	-	-	-	52,002
Other current assets	-	17,420	1,655	3,598	-	22,673
Total current assets	-	730,344	102,831	100,408	(166,508)	767,075
Investments in subsidiaries	1,119,605	108,884	-	-	(1,228,489)	-
Amounts due from consolidated entities	782,365	-	-	-	(782,365)	-
Property and equipment, net	-	696,910	19,867	14,833	(72)	731,538
Goodwill	-	1,970,692	33,187	164,075	-	2,167,954
FCC licenses	-	1,620,610	43,102	114,556	-	1,778,268
Other intangible assets, net	-	1,365,159	13,712	113,052	-	1,491,923
Other noncurrent assets	-	116,660	4,421	4,191	-	125,272
Total assets	$1,901,970	$6,609,259	$217,120	$511,115	$(2,177,434)	$7,062,030
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)						
Current liabilities:						
Current portion of debt	$-	$41,477	$2,285	$52,331	$-	$96,093
Accounts payable	-	47,574	2,357	17,897	-	67,828
Amounts due to consolidated entities	-	-	-	166,508	(166,508)	-
Liability to surrender spectrum asset	-	52,002	-	-	-	52,002
Other current liabilities	299	155,023	4,441	28,486	-	188,249
Total current liabilities	299	296,076	9,083	265,222	(166,508)	404,172
Debt	-	3,641,193	222,354	21,363	-	3,884,910
Amounts due to consolidated entities	-	559,057	-	223,519	(782,576)	-
Deferred tax liabilities	62	624,869	-	8,949	-	633,880
Other noncurrent liabilities	-	255,228	6,820	8,036	-	270,084
Total liabilities	361	5,376,423	238,257	527,089	(949,084)	5,193,046
Total Nexstar Media Group, Inc. stockholders' equity (deficit)	1,901,609	1,232,836	(21,137)	(32,184)	(1,228,350)	1,852,774

Noncontrolling interests in consolidated						
variable interest entities	-	-	-	16,210	-	16,210
Total liabilities and stockholders' equity (deficit)	$1,901,970	$6,609,259	$217,120	$511,115	$(2,177,434)	$7,062,030

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CONDENSED CONSOLIDATING BALANCE SHEET

As of December 31, 2017

(in thousands)

	Nexstar	Nexstar Broadcasting	Mission	Non-Guarantors	Eliminations	Consolidated Company
ASSETS						
Current assets:						
Cash and cash equivalents	$-	$ 90,860	$ 9,524	$ 15,268	$-	$ 115,652
Accounts receivable	-	484,096	14,717	64,130	-	562,943
Amounts due from consolidated entities	-	55,417	92,923	-	(148,340)	-
Spectrum asset	-	279,069	-	26,695	-	305,764
Other current assets	-	64,256	2,070	5,533	-	71,859
Total current assets	-	973,698	119,234	111,626	(148,340)	1,056,218
Investments in subsidiaries	617,297	109,354	-	-	(726,651)	-
Amounts due from consolidated entities	970,207	-	-	-	(970,207)	-
Property and equipment, net	-	697,898	18,454	17,861	(75)	734,138
Goodwill	-	1,959,386	33,187	150,273	-	2,142,846
FCC licenses	-	1,615,830	43,102	108,706	-	1,767,638
Other intangible assets, net	-	1,476,297	15,841	89,488	-	1,581,626
Other noncurrent assets	-	189,303	2,645	7,233	-	199,181
Total assets	$ 1,587,504	$ 7,021,766	$ 232,463	$ 485,187	$ (1,845,273)	$ 7,481,647
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)						
Current liabilities:						
Current portion of debt	$-	$ 36,243	$ 2,314	$ 54,251	$-	$ 92,808
Accounts payable	-	24,293	1,090	5,753	-	31,136
Liability to surrender spectrum asset	-	286,740	-	27,347	-	314,087
Amounts due to consolidated entities	-	-	-	148,340	(148,340)	-
Other current liabilities	-	192,827	13,310	26,535	-	232,672
Total current liabilities	-	540,103	16,714	262,226	(148,340)	670,703
Debt	-	4,024,129	223,428	22,095	-	4,269,652
Amounts due to consolidated entities		714,408	-	256,010	(970,418)	-
Deferred tax liabilities	-	613,227	-	6,214	-	619,441
Other noncurrent liabilities	-	322,572	7,626	10,343	-	340,541
Total liabilities	-	6,214,439	247,768	556,888	(1,118,758)	5,900,337
Total Nexstar Media Group, Inc. stockholders' equity (deficit)	1,587,504	807,327	(15,305)	(82,397)	(726,515)	1,570,614

Noncontrolling interests in consolidated						
variable interest entities	-	-	-	10,696	-	10,696
Total liabilities and stockholders' equity (deficit)	$1,587,504	$7,021,766	$232,463	$485,187	$(1,845,273)	$7,481,647

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CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME

Year Ended December 31, 2018

(in thousands)

	Nexstar	Nexstar Broadcasting	Mission	Non-Guarantors	Eliminations	Consolidated Company
Net broadcast revenue (including trade)	$-	$ 2,495,780	$ 69,227	$ 201,689	$ -	$ 2,766,696
Revenue between consolidated entities	31,758	91,257	39,997	74,367	(237,379)	-
Net revenue	31,758	2,587,037	109,224	276,056	(237,379)	2,766,696
Operating expenses (income):						
Direct operating expenses, excluding depreciation and amortization	-	890,378	40,861	193,061	(6,383)	1,117,917
Selling, general, and administrative expenses, excluding depreciation and amortization	37,568	559,024	4,965	40,633	(62,257)	579,933
Local service agreement fees between consolidated entities	-	77,482	55,650	35,607	(168,739)	-
Amortization of broadcast rights	-	57,022	1,584	2,736	-	61,342
Amortization of intangible assets	-	118,068	2,129	29,209	-	149,406
Depreciation	-	99,526	3,171	7,092	-	109,789
Reimbursement from the FCC related to station repack	-	(23,933)	(2,818)	(2,630)	-	(29,381)
Goodwill and intangible assets impairment	-	-	-	19,911	-	19,911
Total operating expenses	37,568	1,777,567	105,542	325,619	(237,379)	2,008,917
(Loss) income from operations	(5,810)	809,470	3,682	(49,563)	-	757,779
Interest expense, net	-	(206,267)	(11,101)	(3,626)	-	(220,994)
Loss on extinguishment of debt	-	(11,647)	(452)	(21)	-	(12,120)
Pension and other postretirement plans credit, net	-	10,755	-	-	-	10,755
Other expenses	-	(2,475)	-	-	-	(2,475)
Equity in income of subsidiaries	408,006	-	-	-	(408,006)	-
Income (loss) before income taxes	402,196	599,836	(7,871)	(53,210)	(408,006)	532,945
Income tax (expense) benefit	(1,231)	(153,871)	2,042	8,380	-	(144,680)
Net income (loss)	400,965	445,965	(5,829)	(44,830)	(408,006)	388,265
Net loss attributable to noncontrolling interests	-	-	-	1,212	-	1,212
	$400,965	$ 445,965	$ (5,829)	$ (43,618)	$ (408,006)	$ 389,477

Net income (loss) attributable to Nexstar						
Net income (loss)	$400,965	$445,965	$(5,829)	$(44,830)	$(408,006)	$388,265
Other comprehensive income:						
Change in unrecognized amounts included in pension and other postretirement benefit						
obligations, net of tax benefit of $7,147	-	(20,456)	-	-	-	(20,456)
Total comprehensive income (loss)	400,965	425,509	(5,829)	(44,830)	(408,006)	367,809
Comprehensive loss attributable to noncontrolling interests	-	-	-	1,212	-	1,212
Comprehensive income (loss) attributable to Nexstar	$400,965	$425,509	$(5,829)	$(43,618)	$(408,006)	$369,021

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CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME

Year Ended December 31, 2017

(in thousands)

	Nexstar	Nexstar Broadcasting	Mission	Non-Guarantors	Eliminations	Consolidated Company
Net broadcast revenue (including trade and barter)	$-	$2,160,330	$70,592	$201,044	$-	$2,431,966
Revenue between consolidated entities	-	71,434	36,580	38,272	(146,286)	-
Net revenue	-	2,231,764	107,172	239,316	(146,286)	2,431,966
Operating expenses (income):						
Direct operating expenses, excluding depreciation and amortization	-	793,606	35,820	167,690	(3,711)	993,405
Selling, general, and administrative expenses, excluding depreciation and amortization	-	582,314	4,168	43,423	(24,799)	605,106
Local service agreement fees between consolidated entities	-	51,859	35,500	30,417	(117,776)	-
Amortization of broadcast rights	-	92,888	5,645	6,870	-	105,403
Amortization of intangible assets	-	137,808	2,422	19,270	-	159,500
Depreciation	-	91,791	2,342	6,525	-	100,658
Goodwill and intangible assets impairment				19,985		19,985
Gain on disposal of stations, net	-	(57,716)	-	-	-	(57,716)
Total operating expenses	-	1,692,550	85,897	294,180	(146,286)	1,926,341
Income (loss) from operations	-	539,214	21,275	(54,864)	-	505,625
Interest expense, net	-	(226,853)	(10,135)	(4,207)	-	(241,195)
Loss on extinguishment of debt	-	(32,523)	(2,133)	(226)	-	(34,882)
Pension and other postretirement plans credit, net	-	13,120	-	-	-	13,120
Other expenses	-	(1,284)	-	-	-	(1,284)
Equity in income of subsidiaries	471,363	-	-	-	(471,363)	-
Income (loss) before income taxes	471,363	291,674	9,007	(59,297)	(471,363)	241,384
Income tax benefit (expense)	-	219,460	(3,400)	17,883	-	233,943
Net income (loss)	471,363	511,134	5,607	(41,414)	(471,363)	475,327
Net income attributable to noncontrolling interests	-	-	-	(330)	-	(330)
Net income (loss) attributable to Nexstar	$471,363	$511,134	$5,607	$(41,744)	$(471,363)	$474,997

Net income (loss)	$471,363	$511,134	$5,607	$(41,414)	$(471,363)	$475,327
Other comprehensive income:						
Change in unrecognized amounts included in pension and other postretirement benefit obligations, net of tax of $2,160	-	6,140	-	-	-	6,140
Total comprehensive income (loss)	471,363	517,274	5,607	(41,414)	(471,363)	481,467
Comprehensive income attributable to noncontrolling interests	-	-	-	(330)	-	(330)
Comprehensive income (loss) attributable to Nexstar	$471,363	$517,274	$5,607	$(41,744)	$(471,363)	$481,137

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CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME

Year Ended December 31, 2016

(in thousands)

	Nexstar	Nexstar Broadcasting	Mission	Non-Guarantors	Eliminations	Consolidated Company
Net broadcast revenue (including trade and barter)	$-	$ 939,333	$61,402	$ 102,455	$ -	$ 1,103,190
Revenue between consolidated entities	-	34,436	42,930	11,942	(89,308)	-
Net revenue	-	973,769	104,332	114,397	(89,308)	1,103,190
Operating expenses:						
Direct operating expenses, excluding depreciation and amortization	-	284,866	30,278	67,067	(214)	381,997
Selling, general, and administrative expenses, excluding depreciation and amortization	-	246,698	3,611	18,822	(5,525)	263,606
Local service agreement fees between consolidated entities	-	49,202	18,000	16,367	(83,569)	-
Amortization of broadcast rights	-	47,990	5,567	3,588	-	57,145
Amortization of intangible assets	-	27,394	2,544	16,634	-	46,572
Depreciation	-	45,173	2,400	3,727	-	51,300
Goodwill impairment	-	186	-	15,076	-	15,262
Total operating expenses	-	701,509	62,400	141,281	(89,308)	815,882
Income (loss) from operations	-	272,260	41,932	(26,884)	-	287,308
Interest expense, net	-	(104,231)	(10,251)	(1,599)	-	(116,081)
Other expenses	-	(555)	-	-	-	(555)
Equity in income of subsidiaries	72,193	-	-	-	(72,193)	-
Income (loss) before income taxes	72,193	167,474	31,681	(28,483)	(72,193)	170,672
Income tax (expense) benefit	-	(69,149)	(12,337)	3,914	-	(77,572)
Net income (loss)	72,193	98,325	19,344	(24,569)	(72,193)	93,100
Net income attributable to noncontrolling interests	-	-	-	(1,563)	-	(1,563)
Net income (loss) attributable to Nexstar	72,193	98,325	19,344	(26,132)	(72,193)	91,537
Comprehensive income (loss) attributable to Nexstar	$72,193	$ 98,325	$19,344	$ (26,132)	$ (72,193)	$ 91,537

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CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended December 31, 2018

(in thousands)

	Nexstar	Nexstar Broadcasting	Mission	Non-Guarantors	Eliminations	Consolidated Company
Cash flows from operating activities	$ -	$ 709,446	$ 4,810	$ 22,611	$ -	$ 736,867
Cash flows from investing activities:						
Purchases of property and equipment	-	(93,181)	(4,044)	(9,021)	-	(106,246)
Spectrum repack reimbursements	-	23,933	2,818	2,630	-	29,381
Deposits and payments for acquisitions	-	(103,976)	-	-	-	(103,976)
Other investing activities	-	5,322	-	5	-	5,327
Net cash used in investing activities	-	(167,902)	(1,226)	(6,386)	-	(175,514)
Cash flows from financing activities:						
Proceeds from long-term debt	-	194,000	-	57,387	-	251,387
Repayments of long-term debt	-	(590,247)	(2,310)	(60,454)	-	(653,011)
Common stock dividends paid	(68,629)	-	-	-	-	(68,629)
Purchase of treasury stock	(50,524)	-	-	-	-	(50,524)
Inter-company payments	118,121	(118,121)	-	-	-	-
Other financing activities	1,032	(12,371)	-	226	-	(11,113)
Net cash used in financing activities	-	(526,739)	(2,310)	(2,841)	-	(531,890)
Net increase in cash, cash equivalents and restricted cash	-	14,805	1,274	13,384	-	29,463
Cash, cash equivalents and restricted cash at beginning of period	-	90,860	9,524	15,268	-	115,652
Cash, cash equivalents and restricted cash at end of period	$ -	$ 105,665	$ 10,798	$ 28,652	$ -	$ 145,115

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CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended December 31, 2017

(in thousands)

	Nexstar	Nexstar Broadcasting	Mission	Non-Guarantors	Eliminations	Consolidated Company
Cash flows from operating activities	$-	$82,532	$4,692	$21,867	$ -	$109,091
Cash flows from investing activities:						
Purchases of property and equipment	-	(62,056)	(700)	(9,705)	-	(72,461)
Deposits and payments for acquisitions	-	(2,974,454)	(800)	-	-	(2,975,254)
Proceeds from sale of a station	-	481,946	-	-	-	481,946
Proceeds received to relinquish spectrum		478,608				478,608
Other investing activities	-	20,374	100	402	-	20,876
Net cash used in investing activities	-	(2,055,582)	(1,400)	(9,303)	-	(2,066,285)
Cash flows from financing activities:						
Proceeds from long-term debt	-	3,249,575	230,609	53,797	-	3,533,981
Repayments of long-term debt	-	(1,640,088)	(227,051)	(55,190)	-	(1,922,329)
Premium paid on debt extinguishment	-	(18,050)	-	-	-	(18,050)
Payments for debt financing costs	-	(48,235)	(3,804)	-	-	(52,039)
Purchase of noncontrolling interests	-	(66,901)	-	-	-	(66,901)
Payments for contingent consideration	-	(258,647)	-	(956)	-	(259,603)
Common stock dividends paid	(55,892)	-	-	-	-	(55,892)
Purchase of treasury stock	(99,008)	-	-	-	-	(99,008)
Inter-company payments	150,844	(150,844)	-	-	-	-
Other financing activities	4,056	(6,529)	-	(319)	-	(2,792)
Net cash provided by (used in) financing activities	-	1,060,281	(246)	(2,668)	-	1,057,367
Net (decrease) increase in cash, cash equivalents and restricted cash	-	(912,769)	3,046	9,896	-	(899,827)
Cash, cash equivalents and restricted cash at beginning of period	-	1,003,629	6,478	5,372	-	1,015,479
Cash, cash equivalents and restricted cash at end of period	$-	$90,860	$9,524	$15,268	$ -	$115,652

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CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended December 31, 2016

(in thousands)

	Nexstar	Nexstar Broadcasting	Mission	Non-Guarantors	Eliminations	Consolidated Company
Cash flows from operating activities	$-	$ 274,472	$5,370	$ 4,411	$ -	$ 284,253
Cash flows from investing activities:						
Purchases of property and equipment	-	(28,326)	(241)	(3,303)	-	(31,870)
Deposits and payments for acquisitions	-	(103,970)	-	-	-	(103,970)
Other investing activities	-	718	-	-	-	718
Net cash used in investing activities	-	(131,578)	(241)	(3,303)	-	(135,122)
Cash flows from financing activities:						
Proceeds from long-term debt	-	958,000	-	-	-	958,000
Repayments of long-term debt	-	(73,155)	(2,335)	(4,650)	-	(80,140)
Common stock dividends paid	(29,445)	-	-	-	-	(29,445)
Payments for debt financing costs	-	(20,024)	(683)	-	-	(20,707)
Inter-company payments	28,220	(28,220)	-	-	-	-
Other financing activities	1,225	(3,358)	-	(2,643)	-	(4,776)
Net cash provided by (used in) financing activities	-	833,243	(3,018)	(7,293)	-	822,932
Net increase (decrease) in cash, cash equivalents and restricted cash	-	976,137	2,111	(6,185)	-	972,063
Cash, cash equivalents and restricted cash at beginning of period	-	27,492	4,367	11,557	-	43,416
Cash, cash equivalents and restricted cash at end of period	$-	$ 1,003,629	$6,478	$ 5,372	$ -	$ 1,015,479

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16. Unaudited Quarterly Data

	Three Months Ended			
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
	(in thousands, except per share amounts)			
Net revenue	$615,336	$660,323	$693,015	798,022
Income from operations	117,616	174,494	192,893	272,776
Income before income taxes	64,845	119,870	135,071	213,159
Net income attributable to Nexstar	48,122	87,732	100,514	153,109
Basic net income per common share	$1.04	$1.92	$2.21	$3.36
Basic weighted average shares outstanding	46,075	45,631	45,552	45,619
Diluted net income per common share	$1.01	$1.86	$2.12	$3.22
Diluted weighted average shares outstanding	47,685	47,147	47,338	47,482

	Three Months Ended			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
	(in thousands, except per share amounts)			
Net revenue	$540,317	$626,115	$611,870	$653,664
Income from operations	107,520	135,529	125,916	136,660
(Loss) income before income taxes	(997)	80,777	74,085	87,519
Net income attributable to Nexstar	6,049	43,992	46,475	378,481
Basic net income per common share	$0.14	$0.94	$1.01	$8.27
Basic weighted average shares outstanding	44,200	46,931	46,107	45,754
Diluted net income per common share	$0.13	$0.91	$0.98	$8.03
Diluted weighted average shares outstanding	45,419	48,195	47,452	47,149

As discussed in Note 2, the Company adopted ASU No. 2017-07 on a retrospective basis which requires the presentation of the net periodic benefit costs, other than the current service costs, in the income statement separately and outside the subtotal of income from operations. The effects of this adoption in fiscal year 2017 are reflected in the unaudited quarterly data table above.

17. Valuation and Qualifying Accounts

Allowance for Doubtful Accounts Rollforward

		Additions
	Balance at	

	Beginning of Period	Charged to Costs and Expenses	Deductions[1]	Balance at End of Period
Year Ended December 31, 2018	$ 13,358	$ 10,707	$ (10,907)	$ 13,158
Year Ended December 31, 2017	5,805	10,263	(2,710)	13,358
Year Ended December 31, 2016	5,369	4,160	(3,724)	5,805

(1) Uncollectible accounts written off, net of recoveries.

18. Subsequent Events

On January 25, 2019, Nexstar's Board of Directors declared a quarterly dividend of $0.45 per share of its Class A common stock. The dividend was paid on February 22, 2019 to stockholders of record on February 8, 2019.

On January 28, 2019, Nexstar completed the acquisition of KHII and paid the remaining purchase price of $6.4 million, funded by cash on hand. See Note 3 for additional information.

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