ENTRAVISION COMMUNICATIONS CORP
Form 11-K
March 31, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(MARK ONE)

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

OR

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

Commission File Number 1-15997

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Entravision Communications Corporation 2001 Employee Stock Purchase Plan

(Full name of registrant)

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Entravision Communications Corporation

2425 Olympic Boulevard, Suite 6000 West

Santa Monica, California 90404

CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Administrator of Entravision Communications Corporation 2001 Employee Stock Purchase Plan:

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Entravision Communications Corporation 2001 Employee Stock Purchase Plan (the Plan) at December 31, 2007 and 2006 and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Los Angeles, CA
March 31, 2008

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Sponsor and Participants

Entravision Communications Corporation

2001 Employee Stock Purchase Plan

Santa Monica, California

We have audited the accompanying statement of changes in net assets available for benefits of the Entravision Communications Corporation 2001 Employee Stock Purchase Plan for the year ended December 31, 2005. This financial statement is the responsibility of the Plan s management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the changes in net assets available for benefits of the Entravision Communications Corporation 2001 Employee Stock Purchase Plan for the year ended December 31, 2005, in conformity with U.S. generally accepted accounting principles.

Pasadena, California
March 29, 2006

ENTRAVISION COMMUNICATIONS CORPORATION

2001 EMPLOYEE STOCK PURCHASE PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2007	December 31, 2006
ASSET		
Receivable from Plan sponsor	$ 338,840	$ 291,320
LIABILITY		
Distributions due to participants	338,840	291,320
Net assets available for benefits	$	$

See Notes to Financial Statements

ENTRAVISION COMMUNICATIONS CORPORATION

2001 EMPLOYEE STOCK PURCHASE PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Years Ended December 31,		
	2007	**2006**	**2005**
Additions to net assets attributed to:			
Participant contributions	$ 973,168	$ 867,903	$ 918,095
Deductions from net assets attributed to:			
Distributions for purchases of stock	(872,833)	(770,443)	(838,879)
Change in distributions due to participants	(47,521)	36,649	13,186
Withdrawals by participants from Plan	(52,814)	(134,109)	(92,402)
Change in net assets available for benefits			
Net assets available for benefits:			
Beginning			
Ending	$	$	$

See Notes to Financial Statements

ENTRAVISION COMMUNICATIONS CORPORATION

2001 EMPLOYEE STOCK PURCHASE PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Plan

The Entravision Communications Corporation 2001 Employee Stock Purchase Plan (the Plan) is a self-funded contributory stock purchase plan that provides employees the option to purchase Entravision Communications Corporation (Plan sponsor) Class A Common Stock (the stock) at a discounted price. Participants should refer to the Plan document for a more complete description of the Plan s provisions.

General: The Plan was adopted by the Board of Directors of the Plan sponsor on April 4, 2001 to allow eligible employees to purchase Plan sponsor stock (initially 600,000 shares in the aggregate plus an additional 600,000 shares, beginning January 2002, each calendar year for ten calendar years subject to adjustment as provided in the Plan). Eligible employees are employees of the Plan sponsor or any of its designated subsidiaries who have completed at least six months of continuous service as an employee as of an offering date. Two offering periods commence in each calendar year. The offering periods consist of the six-month periods commencing on each February 15 and August 15, during which periods eligible participants may elect to have deducted a portion of their compensation to purchase shares of stock at the end of such offering period. The purchase price of the stock is 85% of the lower of the day preceding the beginning-of-period or end-of-period closing market price. Fair market value is defined as the closing price as reported by the New York Stock Exchange for such date.

A participant may withdraw from the Plan only at the beginning of an offering period, and may not withdraw from the Plan during an offering period. Unless a participant has previously withdrawn from the Plan, shares are issuable on the last day of each offering period. No fractional shares are issued, and any remaining participant balance is carried forward to the next offering period.

Contributions: Contributions to the Plan are made by the participants based on the amount participants elect to have deducted, not to exceed 15% of their compensation. However, no participant may purchase more than 25,000 shares of stock during any offering period. In addition, no participant can purchase stock with a fair market value in excess of $25,000 per calendar year. Contributions are made through payroll deductions. The Plan s first offering period commenced on August 15, 2001 and has had twelve completed periods as of December 31, 2007, in which an aggregate of 712,421 shares of stock were purchased for participants.

Distributions: Distributions represent amounts used to acquire stock for eligible employees. Participants may change their payroll withholding elections only at the beginning of an offering period, and may not change their payroll withholding elections during an offering period. Upon termination of employment for any reason, including death, participation in the Plan terminates immediately and all amounts deducted for such a participant prior to the end of the offering period will be returned in cash and without interest.

Administrative expenses: The Compensation Committee of the Board of Directors of the Plan sponsor administers the Plan. The expenses of administering the Plan are paid by the Plan sponsor.

Vesting and termination: At all times, participants have fully-vested, non-forfeitable rights to all amounts deducted from their compensation. The Plan may be terminated or amended by the Board of Directors of the Plan sponsor at any time, except that it may not increase the number of shares of stock subject to the Plan other than as described above.

Plan accounts: The Plan sponsor maintains Plan accounts on its books in the name of each participant during each offering period. Amounts deducted from a participant s compensation are credited to the participant s Plan account. Such amounts are not held in a separate trust and may be commingled with the Plan sponsor s general assets. No interest is credited on such accounts.

ENTRAVISION COMMUNICATIONS CORPORATION

2001 EMPLOYEE STOCK PURCHASE PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements of the Plan are prepared under the accrual method of accounting.

Purchases of stock: Payments for the purchase of Plan sponsor stock are recorded when the purchases are made at the end of each semi-annual offering period. The fair value of the stock purchases for the year ended December 31, 2007 was $1,138,362.

Participant contributions: Participant contributions, as well as a related receivable from the Plan sponsor, are recorded when amounts are deducted from participants compensation for the purchase of Plan sponsor stock.

Distributions due to participants: Participants may withdraw their contributions to the Plan only at the beginning of an offering period; therefore, all participant contributions not previously expended for stock purchases are recorded as a liability.

Use of estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

Administrative expenses: Administrative expenses of the Plan are paid by the Company.

Note 3. Income Taxes

The right to purchase shares of stock under the Plan is intended to constitute an option granted by the Plan sponsor pursuant to an employee stock purchase plan within the meaning of Section 423 of the Internal Revenue Code (Code), and such shares, for income tax purposes, shall be treated in accordance with the provisions thereof. The Plan is neither qualified under Section 401(a) of the Code nor subject to any of the provisions of the Employee Retirement Income Security Act of 1974.

Participants are not considered to have income for federal income tax purposes as a result of their purchasing shares under the plan. Amounts deducted from participants compensation do not reduce the amount of their income for tax purposes.

Note 4. Plan Amendment

Effective December 31, 2005, the Board of Directors of the Plan sponsor approved certain amendments to the Plan. The amendments provide that participants in the Plan may change their payroll withholding elections or withdraw from the Plan only at the beginning of an offering period, and may no longer change their payroll withholding elections or withdraw from the Plan during an offering period.

Note 5. New Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement on Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of this Statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. Additional disclosures may be required about the inputs used to develop the measurements and the effect of certain of the measurements on changes in net assets for the period. The Plan sponsor is currently evaluating the impact of the adoption of SFAS No. 157 on the Plan s financial statements.

In June 2006, the FASB issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes , an interpretation of the FASB Statement No. 109 (FIN 48). FIN 48 permits and entity to recognized the benefits of uncertain tax position only where the position if more likely than not to be sustained in the event of examination by tax authorities. The maximum tax benefit recognized is limited to the amount that is more that 50% likely to be realized upon ultimate settlement. FIN 48 is effective for fiscal years beginning after December 15, 2006. The adoption of FIN 48 did not have a material impact on the Plan s financial statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

ENTRAVISION COMMUNICATIONS

CORPORATION 2001 EMPLOYEE STOCK PURCHASE PLAN

By: ENTRAVISION COMMUNICATIONS CORPORATION
(Plan Administrator)

By: /s/ John F. DeLorenzo
John F. DeLorenzo
Chief Financial Officer

Date: March 31, 2008