Ferren Eric K
Form 4
February 12, 2019

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
Ferren Eric K

(Last) (First) (Middle)

C/O THE ALLSTATE CORPORATION, 2775 SANDERS ROAD

(Street)

NORTHBROOK, IL 60062

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ALLSTATE CORP [ALL]

3. Date of Earliest Transaction (Month/Day/Year)
02/08/2019

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
SVP, Controller, and CAO

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			

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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities

Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)		Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		(Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	$ 92.46	02/08/2019		A		10,602		(1)	02/08/2029	Common Stock	10,602

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Ferren Eric K C/O THE ALLSTATE CORPORATION 2775 SANDERS ROAD NORTHBROOK, IL 60062			SVP, Controller, and CAO	

Signatures

/s/ Eric K. Ferren	02/12/2019
**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) Option exercisable in three increments, with one third vesting on February 8, 2020, February 8, 2021, and February 8, 2022, with any fractional shares to be rounded as provided for in award agreement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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$

(23,257

)

$

(11,265

)

$

(34,176

)

Other comprehensive income (loss) before reclassifications

135

(5,827

)

—

(5,692

)

Amounts reclassified from AOCI, net of tax

(60

)

—

537

477

Net other comprehensive income (loss)

75

(5,827

)

537

(5,215

)

Balance at December 31, 2016

$

421

$

(29,084

)

$

(10,728

)

$

(39,391

)

76

Explanation of Responses:

The following table presents information about reclassification adjustments out of AOCI:

(in thousands)	Year Ended December 31, 2016	2015	Affected Line Item in the Statement Where Net Income is Presented
Unrealized gains on investments	$(97)	$(112)	Interest income
Tax effect	37	42	Income taxes
	$(60)	$(70)	
Recognized net actuarial loss[1]	$1,440	$1,180	
Amortization of prior service credit[1]	(575)	(552)	
Tax effect	(328)	(159)	Income taxes
	$537	$469	

[1] Amount included in pension expense. Refer to Note 17 – Pension and Postretirement Benefits.

Note 16. Income Taxes

Earnings before income taxes from continuing operations consist of the following:

(in thousands)	Year Ended December 31, 2016	2015	2014
Foreign	$33,611	$35,571	$33,349
United States	31,118	2,364	7,938
Income from continuing operations before income taxes	$64,729	$37,935	$41,287

Significant components of the income tax provision from continuing operations are as follows:

(in thousands)	Year Ended December 31, 2016	2015	2014
Current:			
United States:			
Federal	$3,685	$(876)	$—
State	1,716	1,558	16
Foreign	8,177	9,342	9,824
Total current	13,578	10,024	9,840
Deferred:			
United States:			
Federal	8,427	1,854	(9,486)
State	(598)	(164)	(125)
Foreign	(157)	(1,221)	(120)
Total deferred	7,672	469	(9,731)
Income tax expense	$21,250	$10,493	$109

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The Company is subject to income tax in jurisdictions in which it operates. A reconciliation of the statutory federal income tax rate to the effective tax rate of the Company for the years 2014 – 2016 is as follows:

	Year Ended December 31,					
(in thousands)	2016		2015		2014	
Computed income tax expense at statutory federal income tax rate of 35%	$22,655	35.0%	$13,277	35.0%	$14,450	35.0 %
State income taxes, net of federal provision	292	0.5 %	1,713	4.5 %	227	0.5 %
Foreign tax rate differentials	(882)	(1.4)%	(1,181)	(3.1)%	(1,262)	(3.1)%
U.S. tax on foreign earnings (net of foreign tax credits)	(373)	(0.6)%	(948)	(2.5)%	(2,168)	(5.3)%
Change in valuation allowance	1,230	1.9 %	(944)	(2.5)%	(11,650)	(28.2)%
Proceeds from life insurance	—	—	—	—	(133)	(0.3)%
Return to provision and other adjustments	(2,406)	(3.7)%	(1,557)	(4.1)%	(1,401)	(3.4)%
Other, net	734	1.1 %	133	0.4 %	2,046	5.0 %
Income tax expense	$21,250	32.8%	$10,493	27.7%	$109	0.2 %

The components of deferred income tax assets and liabilities included in the consolidated balance sheets are as follows:

	December 31,	
(in thousands)	2016	2015
Deferred tax assets:		
Tax credit carryforwards	$11,380	$19,529
Pension, compensation, and other employee benefits	22,868	23,212
Provisions for losses	10,235	11,119
Net operating loss carryforward	5,023	4,310
State income taxes	3,790	2,944
Other deferred income tax assets	5,020	3,456
Total deferred tax assets	58,316	64,570
Valuation allowance	(3,998)	(2,837)
Foreign deferred tax assets included above	(1,972)	(2,460)
Net deferred tax assets	52,346	59,273
Deferred tax liabilities:		
Property and equipment	(3,299)	(3,510)
Deferred tax related to life insurance	(5,642)	(5,316)
Goodwill and other intangible assets	(4,535)	(4,038)
Other deferred income tax liabilities	(557)	(1,115)
Total deferred tax liabilities	(14,033)	(13,979)
Foreign deferred tax liabilities included above	2,852	3,471
United States net deferred tax assets	$41,165	$48,765

The Company uses significant judgment in forming conclusions regarding the recoverability of its deferred tax assets and evaluates all available positive and negative evidence to determine if it is more-likely-than-not that the deferred tax assets will be realized. To the extent recovery does not appear likely, a valuation allowance must be recorded. As of December 31, 2016 and 2015, Viad had gross deferred tax assets of $58.3 million and $64.6 million, respectively. These deferred tax assets reflect the expected future tax benefits to be realized upon reversal of deductible temporary differences, and the utilization of net operating loss and tax credit carryforwards.

As of December 31, 2016, the Company has foreign tax credit carryforwards of $2.3 million, of which $2.2 million are U.S. foreign tax credits and $0.1 million are United Kingdom foreign tax credits. The U.S. foreign tax credits are subject to a 10-year carryforward period. Of the $2.2 million, less than $0.1 million will expire in 2021, $0.3 million will expire in 2022, and $1.9 million will expire in 2023. The United Kingdom foreign tax credits may be carried forward indefinitely. As of December 31, 2016, Viad had tax credit carryforwards related to alternative minimum tax of $9.1 million that may be carried forward indefinitely.

As of December 31, 2016 and 2015, Viad had gross state and foreign net operating loss carryforwards of $63.0 million and $56.0 million, respectively, for which the Company had deferred tax assets of $5.0 million and $4.3 million, respectively. The state and foreign net operating loss carryforwards expire on various dates from 2017 through 2035. During 2016, the Company increased its valuation allowance related to state and foreign net operating loss carryforwards by $1.2 million and during 2015, decreased it by $0.8 million. As of December 31, 2016 and 2015, Viad had a valuation allowance of $4.0 million and $2.8 million related to state and foreign net operating loss carryforwards, respectively.

While management believes that the deferred tax assets, net of existing valuation allowances will be utilized in future periods, there are inherent uncertainties regarding the ultimate realization of these assets. It is possible that the relative weight of positive and negative evidence regarding the realization of deferred tax assets may change, which could result in a material increase or decrease in the Company’s valuation allowance. Such a change could result in a material increase or decrease to income tax expense in the period the assessment was made.

Viad has not recorded deferred taxes on certain historical unremitted earnings of its subsidiaries located in Canada, the United Kingdom, and the Netherlands as management intends to reinvest those earnings in operations outside of the United States. As of December 31, 2016, the incremental unrecognized tax liability (net of estimated foreign tax credits) related to those undistributed earnings was approximately $6.8 million. To the extent that circumstances change and it becomes apparent that some or all of those undistributed earnings will be remitted to the U.S., Viad would accrue income taxes attributable to such remittance.

Viad exercises judgment in determining the income tax provision for positions taken on prior returns when the ultimate tax determination is uncertain. Viad classifies liabilities associated with uncertain tax positions as non-current liabilities in its consolidated balance sheets unless they are expected to be paid within the next year. As of December 31, 2016 and 2015, the Company had liabilities associated with uncertain tax positions (including interest and penalties) of $2.7 million and $1.5 million, respectively. Of this amount, $1.2 million was classified as short-term liabilities, as they are expected to be released within the next twelve months and the remainder was classified as non-current liabilities.

During 2016, the Company recognized a net increase of $1.3 million in the liability for continuing operations uncertain tax positions and $0.1 million in accrued interest and penalties related to continuing operations positions. Uncertain tax positions are classified as a component of income tax expense and the impact of the change in uncertain tax positions was less than $0.1 million as of December 31, 2016. The Company expects $0.2 million of the continuing operations uncertain tax positions to be resolved or settled during 2017.

The Company had accrued liabilities for uncertain tax positions for discontinued operations of $0.6 million and accrued interest and penalties of $0.4 million and $0.5 million as of December 31, 2016 and 2015, respectively. The decrease in interest accrued was due to the change in the interest rate applied. Future tax resolutions or settlements that may occur related to these uncertain tax positions would be recorded through discontinued operations (net of tax, if applicable). The Company expects $1.0 million of the discontinued operations uncertain tax positions to be resolved or settled within the next twelve months.

A reconciliation of the liabilities associated with uncertain tax positions (excluding interest and penalties) is as follows:

(in thousands)	Continuing Operations	Discontinued Operations	Total
Balance at December 31, 2013	$ 736	$ 636	$ 1,372
Additions for tax positions taken in prior years	1,019	—	1,019
Reductions for lapse of applicable statutes	(472)	—	(472)
Balance at December 31, 2014	1,283	636	1,919

Additions for tax positions taken in prior years	43	—	43
Reductions for tax positions taken in prior years	(666)	—	(666)
Reductions for lapse of applicable statutes	(353)	—	(353)
Balance at December 31, 2015	307	636	943
Additions for tax positions taken in prior years	1,295	—	1,295
Reductions for lapse of applicable statutes	(43)	—	(43)
Balance at December 31, 2016	$ 1,559	$ 636	$2,195

On December 7, 2016, the U.S. Treasury and the Internal Revenue Service issued final and temporary regulations under Internal Revenue Code §987 to address the tax impact of foreign currency translation gains or losses arising from foreign branch operations that operate in a currency other than the U.S. dollar. The Company evaluated the impact of the regulations under the "Fresh Start Transition Method" described in the regulations. The resulting increase to the deferred tax asset was recorded as a benefit to income tax expense.

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Viad is subject to regular and recurring audits by taxing authorities in jurisdictions in which the Company currently operates or has operated in the past. This includes the United States, Canada, the United Kingdom, Germany, and the Netherlands.

Viad's 2013 through 2016 U.S. federal tax years and various state tax years from 2012 through 2016 remain subject to income tax examinations by tax authorities. The 2006, 2008, and 2010 federal tax years remain subject to adjustment to the extent of federal net operating loss carryback claims, which will expire in 2017. Tax years 2011 through 2016 remain subject to examination by various foreign taxing jurisdictions.

During 2016, 2015, and 2014, cash paid for income taxes was $14.1 million, $10.1 million, and $8.4 million, respectively.

Note 17. Pension and Postretirement Benefits

Domestic Plans

Viad has trusteed, frozen defined benefit pension plans that cover certain employees which are funded by the Company. Viad also maintains certain unfunded defined benefit pension plans which provide supplemental benefits to select management employees. These plans use traditional defined benefit formulas based on years of service and final average compensation. Funding policies provide that payments to defined benefit pension trusts shall be at least equal to the minimum funding required by applicable regulations.

Viad also has certain defined benefit postretirement plans that provide medical and life insurance for certain eligible employees, retirees, and dependents. The related postretirement benefit liabilities are recognized over the period that services are provided by employees. In addition, Viad retained the obligations for these benefits for retirees of certain sold businesses. While the plans have no funding requirements, Viad may fund the plans.

The components of net periodic benefit cost and other amounts recognized in other comprehensive income of Viad's pension plans included the following:

	December 31,		
(in thousands)	2016	2015	2014
Net periodic benefit cost:			
Service cost	$98	$101	$87
Interest cost	1,032	1,018	1,079
Expected return on plan assets	(256)	(380)	(436)
Recognized net actuarial loss	423	492	407
Net periodic benefit cost	1,297	1,231	1,137
Other changes in plan assets and benefit obligations recognized in other comprehensive income:			
Net actuarial loss (gain)	1	(963)	3,418
Reversal of amortization item:			
Net actuarial loss	(423)	(492)	(407)
Total recognized in other comprehensive income (loss)	(422)	(1,455)	3,011
Total recognized in net periodic benefit cost and other comprehensive income (loss)	$875	$(224)	$4,148

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The components of net periodic benefit cost and other amounts recognized in other comprehensive income of Viad's postretirement benefit plans included the following:

(in thousands)	December 31, 2016	2015	2014
Net periodic benefit cost:			
Service cost	$99	$152	$129
Interest cost	573	619	640
Amortization of prior service credit	(503)	(552)	(593)
Recognized net actuarial loss	295	528	166
Net periodic benefit cost	464	747	342
Other changes in plan assets and benefit obligations recognized in other comprehensive income:			
Net actuarial loss (gain)	(790)	(1,248)	1,045
Prior service credit	73	3	(1,283)
Reversal of amortization item:			
Net actuarial loss	(295)	(528)	(166)
Prior service credit	503	552	593
Total recognized in other comprehensive income (loss)	(509)	(1,221)	189
Total recognized in net periodic benefit cost and other comprehensive income (loss)	$(45)	$(474)	$531

The following table indicates the funded status of the plans as of December 31:

	Funded Plans		Unfunded Plans		Postretirement Benefit Plans	
(in thousands)	2016	2015	2016	2015	2016	2015
Change in benefit obligation:						
Benefit obligation at beginning of year	$14,906	$16,012	$10,049	$11,127	$14,573	$16,235
Service cost	—	—	97	101	99	152
Interest cost	629	616	403	402	573	619
Actuarial adjustments	240	(1,013)	(221)	(1,072)	(790)	(1,248)
Plan amendments	—	—	—	—	73	3
Benefits paid	(748)	(709)	(503)	(509)	(909)	(1,188)
Benefit obligation at end of year	15,027	14,906	9,825	10,049	13,619	14,573
Change in plan assets:						
Fair value of plan assets at beginning of year	10,479	11,198	—	—	—	—
Actual return on plan assets	273	(742)	—	—	—	—
Company contributions	412	732	503	509	909	1,188
Benefits paid	(748)	(709)	(503)	(509)	(909)	(1,188)
Fair value of plan assets at end of year	10,416	10,479	—	—	—	—
Funded status at end of year	$(4,611)	$(4,427)	$(9,825)	$(10,049)	$(13,619)	$(14,573)

The net amounts recognized in Viad's consolidated balance sheets under the caption "Pension and postretirement benefits" as of December 31 were as follows:

	Funded Plans		Unfunded Plans		Postretirement Benefit Plans	
(in thousands)	2016	2015	2016	2015	2016	2015

Other current liabilities	$—	$—	$699	$645	$1,094	$1,122
Non-current liabilities	4,611	4,427	9,126	9,404	12,525	13,451
Net amount recognized	$4,611	$4,427	$9,825	$10,049	$13,619	$14,573

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Amounts recognized in accumulated other comprehensive income as of December 31 consisted of:

(in thousands)	Funded Plans 2016	Funded Plans 2015	Unfunded Plans 2016	Unfunded Plans 2015	Postretirement Benefit Plans 2016	Postretirement Benefit Plans 2015	Total 2016	Total 2015
Net actuarial loss	$9,090	$9,202	$2,496	$2,806	$2,710	$3,795	$14,296	$15,803
Prior service credit	—	—	—	—	(1,598)	(2,173)	(1,598)	(2,173)
Subtotal	9,090	9,202	2,496	2,806	1,112	1,622	12,698	13,630
Less tax effect	(3,447)	(3,490)	(947)	(1,064)	(422)	(615)	(4,816)	(5,169)
Total	$5,643	$5,712	$1,549	$1,742	$690	$1,007	$7,882	$8,461

The estimated net actuarial loss for the postretirement benefit plans, that is expected to be amortized from accumulated other comprehensive income into net periodic benefit cost in 2017, is approximately $0.2 million. The estimated prior service credit for the postretirement benefit plans that is expected to be amortized from accumulated other comprehensive income into net periodic benefit credit in 2017 is approximately $0.4 million.

The estimated net actuarial loss for the unfunded and funded benefit plans that is expected to be amortized from accumulated other comprehensive income into net periodic benefit cost in 2017 is approximately $0.1 million and $0.4 million, respectively.

The fair value of the domestic plans' assets by asset class was as follows:

		Fair Value Measurements at December 31, 2016		
(in thousands)	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobserved Inputs (Level 3)
Domestic pension plans:				
Fixed income securities	$5,352	$5,352	$ —	$ —
Equity securities	4,580	4,580	—	—
Cash	280	280	—	—
Other	204	—	204	—
Total	$10,416	$10,212	$ 204	$ —

		Fair Value Measurements at December 31, 2015		
		Quoted Prices in Active	Significant Other Observable	Significant Unobserved Inputs

(in thousands)	Total	Markets (Level 1)	Inputs (Level 2)	(Level 3)
Domestic pension plans:				
Fixed income securities	$5,453	$5,453	$ —	$ —
Equity securities	4,459	4,459	—	—
Cash	357	357	—	—
Other	210	—	210	—
Total	$10,479	$10,269	$ 210	$ —

The Viad Corp Medical Plan maintained a trust account for plan assets invested in various securities. In June 2014, the trust account was closed after all plan assets were liquidated to reimburse Viad Corp for net postretirement medical claims paid. All medical claims are being paid by Viad.

Viad employs a total return investment approach whereby a mix of equities and fixed income securities is used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed income securities. Furthermore, equity securities are diversified across U.S. and non-U.S. stocks, as well as growth and value. Investment risk is measured and monitored on an ongoing basis through quarterly investment portfolio reviews and annual liability measurements.

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Viad utilizes a building-block approach in determining the long-term expected rate of return on plan assets. Historical markets are studied and long-term historical relationships between equity securities and fixed income securities are preserved consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term portfolio return also considers diversification and rebalancing. Peer data and historical returns are reviewed relative to Viad's assumed rates for reasonableness and appropriateness.

The following pension and postretirement benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

(in thousands)	Funded Plans	Unfunded Plans	Postretirement Benefit Plans
2017	$890	$ 713	$ 1,116
2018	$907	$ 738	$ 1,105
2019	$933	$ 749	$ 1,098
2020	$1,001	$ 751	$ 1,078
2021	$963	$ 736	$ 1,039
2022-2026	$4,941	$ 3,405	$ 4,750

Foreign Pension Plans

Certain of Viad's foreign operations also maintain trusteed defined benefit pension plans covering certain employees which are funded by the companies, and unfunded defined benefit pension plans providing supplemental benefits to select management employees. These plans use traditional defined benefit formulas based on years of service and final average compensation. Funding policies provide that payments to defined benefit pension trusts shall be at least equal to the minimum funding required by applicable regulations. The components of net periodic benefit cost and other amounts recognized in other comprehensive income included the following:

	December 31,		
(in thousands)	2016	2015	2014
Net periodic benefit cost:			
Service cost	$488	$503	$413
Interest cost	488	505	631
Expected return on plan assets	(558)	(583)	(640)
Recognized net actuarial loss	162	160	145
Net periodic benefit cost	580	585	549
Other changes in plan assets and benefit obligations recognized in other comprehensive income:			
Net actuarial loss (gain)	158	182	361
Reversal of amortization of net actuarial loss	(162)	(160)	145
Total recognized in other comprehensive income (loss)	(4)	22	506
Total recognized in net periodic benefit cost and other comprehensive income (loss)	$576	$607	$1,055

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The following table represents the funded status of the plans as of December 31:

(in thousands)	Funded Plans 2016	2015	Unfunded Plans 2016	2015
Change in benefit obligation:				
Benefit obligation at beginning of year	$9,744	$12,016	$2,470	$2,756
Service cost	488	503	—	—
Interest cost	400	415	87	89
Actuarial adjustments	395	(176)	105	178
Benefits paid	(818)	(1,115)	(177)	(179)
Translation adjustment	279	(1,899)	1	(374)
Benefit obligation at end of year	10,488	9,744	2,486	2,470
Change in plan assets:				
Fair value of plan assets at beginning of year	9,705	11,747	—	—
Actual return on plan assets	617	377	—	—
Company contributions	795	566	177	179
Benefits paid	(818)	(1,115)	(177)	(179)
Translation adjustment	277	(1,870)	—	—
Fair value of plan assets at end of year	10,576	9,705	—	—
Funded status at end of year	$88	$(39)	$(2,486)	$(2,470)

The net amounts recognized in Viad's consolidated balance sheets under the caption "Pension and postretirement benefits" as of December 31 were as follows:

(in thousands)	Funded Plans 2016	2015	Unfunded Plans 2016	2015
Non-current assets	$(88)	$ —	$—	$—
Other current liabilities	—	—	170	162
Non-current liabilities	—	39	2,316	2,308
Net amount recognized	$(88)	$ 39	$2,486	$2,470

The net actuarial losses for the foreign funded plans as of December 31, 2016 and 2015 were $3.3 million ($2.5 million after-tax) and $3.3 million ($2.5 million after-tax), respectively. The net actuarial losses for the foreign unfunded plans as of December 31, 2016 and 2015 were $0.4 million ($0.3 million after-tax) and $0.4 million ($0.3 million after-tax), respectively.

The fair value information related to the foreign pension plans' assets is summarized in the following tables:

(in thousands)	December 31, 2016	Fair Value Measurements at Reporting Date Using Quoted Prices in Active	Significant Other Observable	Significant Unobserved Inputs

		Markets (Level 1)	Inputs (Level 2)	(Level 3)
Assets:				
Fixed income securities	$ 4,082	$4,082	$ —	$ —
Equity securities	4,518	4,130	388	—
Other	1,976	1,976	—	—
Total	$ 10,576	$10,188	$ 388	$ —

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(in thousands)	December 31, 2015	Fair Value Measurements at Reporting Date Using Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobserved Inputs (Level 3)
Assets:				
Fixed income securities	$ 4,372	$4,372	$ —	$ —
Equity securities	4,908	4,533	375	—
Other	425	425	—	—
Total	$ 9,705	$9,330	$ 375	$ —

The following payments, which reflect expected future service, as appropriate, are expected to be paid:

(in thousands)	Funded Plans	Unfunded Plans
2017	$366	$ 170
2018	$385	$ 169
2019	$387	$ 169
2020	$390	$ 169
2021	$407	$ 168
2022-2026	$2,551	$ 833

Information for Pension Plans with an Accumulated Benefit Obligation in Excess of Plan Assets

The accumulated benefit obligations in excess of plan assets as of December 31 were as follows:

	Domestic Plans			
	Funded Plans		Unfunded Plans	
(in thousands)	2016	2015	2016	2015
Projected benefit obligation	$15,027	$14,906	$9,825	$10,049
Accumulated benefit obligation	$15,027	$14,906	$9,737	$9,934
Fair value of plan assets	$10,416	$10,479	$—	$—

	Foreign Plans			
	Funded Plans		Unfunded Plans	
(in thousands)	2016	2015	2016	2015
Projected benefit obligation	$10,488	$9,744	$2,486	$2,470
Accumulated benefit obligation	$9,906	$9,186	$2,486	$2,470
Fair value of plan assets	$10,576	$9,705	$—	$—

Contributions

In aggregate for both the domestic and foreign plans, the Company anticipates contributing $1.6 million to the funded pension plans, $0.9 million to the unfunded pension plans, and $1.1 million to the postretirement benefit plans in 2017.

Weighted-Average Assumptions

Weighted-average assumptions used to determine benefit obligations as of December 31 were as follows:

	Domestic Plans							
	Funded Plans		Unfunded Plans		Postretirement Benefit Plans		Foreign Plans	
	2016	2015	2016	2015	2016	2015	2016	2015
Discount rate	4.12 %	4.37 %	3.99 %	4.25 %	4.08 %	4.30 %	3.52 %	3.76 %
Rate of compensation increase	N/A	N/A	3.00 %	3.00 %	N/A	N/A	2.34 %	2.31 %

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Weighted-average assumptions used to determine net periodic benefit costs as of December 31 were as follows:

	Domestic Plans							
					Postretirement			
			Unfunded					
	Funded Plans		Plans		Benefit Plans		Foreign Plans	
	2016	2015	2016	2015	2016	2015	2016	2015
Discount rate	4.33%	3.97%	4.25%	3.90%	4.30%	4.00%	3.77%	3.86%
Expected return on plan assets	2.25%	3.33%	N/A	N/A	0.00%	0.00%	4.53%	4.51%
Rate of compensation increase	N/A	N/A	3.00%	3.00%	N/A	N/A	2.34%	2.31%

The assumed health care cost trend rate used in measuring the December 31, 2016 accumulated postretirement benefit obligation was 7.0 percent, declining one-quarter percent each year to the ultimate rate of 4.5 percent by the year 2026 and remaining at that level thereafter. The assumed health care cost trend rate used in measuring the December 31, 2015 accumulated postretirement benefit obligation was 7.0 percent, declining one-quarter percent each year to the ultimate rate of 4.5 percent by the year 2025 and remaining at that level thereafter.

A one-percentage-point increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation as of December 31, 2016 by approximately $1.3 million and the total of service and interest cost components by approximately $0.1 million. A one-percentage-point decrease in the assumed health care cost trend rate for each year would decrease the accumulated postretirement benefit obligation as of December 31, 2016 by approximately $1.1 million and the total of service and interest cost components by approximately $0.1 million.

Multi-employer Plans

Viad contributes to defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The financial risks of participating in these multi-employer pension plans generally include the fact that assets contributed to the plan by one employer may be used to provide benefits to employees of other participating employers. Furthermore, if a participating employer ceases to contribute to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. In addition, if Viad were to discontinue its participation in some of its multi-employer pension plans, the Company may be required to pay those plans a withdrawal liability amount based on the underfunded status of the plan. Viad also contributes to defined contribution plans pursuant to its collective-bargaining agreements, which are generally not subject to the funding risks inherent in defined benefit pension plans. The overall level of Viad’s contributions to its multi-employer plans may significantly vary from year to year based on the demand for union-represented labor to support the Company’s operations. Viad does not have any minimum contribution requirements for future periods pursuant to its collective-bargaining agreements for individually significant multi-employer plans.

Viad’s participation in multi-employer pension plans for 2016 is outlined in the following table. Unless otherwise noted, the most recent Pension Protection Act zone status available in 2016 and 2015 relates to the plan’s year end as of December 31, 2015 and 2014, respectively, and is based on information received from the plan. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The “FIP/RP Status Pending/Implemented” column indicates plans for which a financial improvement plan or a rehabilitation plan is either pending or has been implemented.

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(in thousands)	EIN	Plan No.	Pension Protection Act Zone Status 2016	2015	FIP/RP Status Pending/ Implemented	Viad Contributions 2016	2015	2014	Surcharge Paid	Expiration Date of Collective-Bargaining Agreement(s)
Pension Fund:										
Western Conference of Teamsters Pension Plan	91-6145047	1	Green	Green	No	$6,684	$5,632	$6,369	No	3/31/2020
Southern California Local 831—Employer Pension Fund[1]	95-6376874	1	Green	Green	No	2,805	2,485	2,481	No	8/31/2017
Chicago Regional Council of Carpenters Pension Fund	36-6130207	1	Green	Yellow	Yes	2,532	1,887	1,946	No	5/31/2019
IBEW Local Union No 357 Pension Plan A	88-6023284	1	Green	Green	No	1,402	1,150	1,457	No	6/16/2018
Machinery Movers Riggers & Mach Erect Local 136 Supplemental Retirement Plan[1]	36-1416355	11	Red	Red	Yes	1,203	502	993	Yes	6/30/2019
Central States, Southeast and Southwest Areas Pension Plan	36-6044243	1	Red	Red	Yes	1,151	948	1,018	No	12/31/2018
Electrical Contractors Assoc. Chicago Local Union 134, IBEW Joint Pension Trust of Chicago Plan #2	51-6030753	2	Green	Green	No	845	1,190	1,081	No	6/4/2017
	95-6042875	1	Green	Green	No	791	750	885	No	6/30/2018

Southwest Carpenters Pension Trust										
Southern California IBEW-NECA Pension Fund	95-6392774	1	Yellow	Yellow	Yes	701	835	768	Yes	continuous
New England Teamsters & Trucking Industry Pension	04-6372430	1	Red	Red	Yes	552	381	571	No	3/31/2017
Sign Pictorial & Display Industry Pension Plan(1)	94-6278490	1	Green	Green	No	526	541	439	No	3/31/2018
All other funds(2)						3,585	4,259	3,087		
Total contributions to defined benefit plans						22,777	20,560	21,095		
Total contributions to other plans						2,995	1,428	2,057		
Total contributions to multi-employer plans						$25,772	$21,988	$23,152		

(1) The Company contributed more than 5 percent of total plan contributions for the 2015 and 2014 plan years based on the plans’ Form 5500s.

(2) Represents participation in 39 pension funds during 2016.

Other Employee Benefits

The Company matches U.S. employee contributions to the 401(k) plan with shares of Viad common stock up to 100 percent of the first 3 percent of a participant’s salary plus 50 percent of the next 2 percent. The expense associated with the Company match was $3.9 million, $3.7 million, and $3.3 million for 2016, 2015, and 2014, respectively. Matching contributions are funded from shares of Viad common stock held in treasury.

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Note 18. Restructuring Charges

GES Consolidation

The Company has taken certain restructuring actions designed to reduce the Company's cost structure primarily within GES U.S. and GES International, as well as the elimination of certain positions at the corporate office. The Company implemented a strategic reorganization plan in order to consolidate the separate business units within GES U.S. The Company also consolidated facilities and streamlined its operations in the United States, the United Kingdom, and Germany. As a result, the Company recorded restructuring charges in 2016, 2015, and 2014, primarily consisting of severance and related benefits as a result of workforce reductions and charges related to the consolidation and downsizing of facilities representing the remaining operating lease obligations (net of estimated sublease income) and related costs.

Other Restructurings

The Company recorded restructuring charges in connection with the consolidation of certain support functions at its corporate headquarters and certain reorganization activities within Pursuit. These charges primarily consist of severance and related benefits due to headcount reductions and charges related to the downsizing of facilities.

Changes to the restructuring liability by major restructuring activity are as follows:

	GES Consolidation		Other Restructurings	
(in thousands)	Severance & Employee Benefits	Facilities	Severance & Employee Benefits	Total
Balance at December 31, 2013	$1,240	$3,565	$ 893	$5,698
Restructuring charges (recoveries)	2,358	(828)	107	1,637
Cash payments	(3,055)	(1,376)	(845)	(5,276)
Adjustment to liability	—	(200)	85	(115)
Balance at December 31, 2014	543	1,161	240	1,944
Restructuring charges	1,767	587	602	2,956
Cash payments	(1,514)	(457)	(601)	(2,572)
Adjustment to liability	(45)	—	(7)	(52)
Balance at December 31, 2015	751	1,291	234	2,276
Restructuring charges	3,693	759	731	5,183
Cash payments	(2,170)	(1,150)	(546)	(3,866)
Adjustment to liability	—	192	(3)	189
Balance at December 31, 2016	$2,274	$1,092	$ 416	$3,782

As of December 31, 2016, the liabilities related to severance and employee benefits are expected to be paid by the end of 2018. Additionally, the liability related to future lease payments will be paid over the remaining lease terms for GES. Refer to Note 21 – Segment Information, for information regarding restructuring charges by segment.

Note 19. Leases and Other

Viad has entered into operating leases for the use of certain of its offices, equipment and other facilities. These leases expire over periods up to 40 years. Leases which expire are generally renewed or replaced by similar leases. Some leases contain scheduled rental increases accounted for on a straight-line basis.

As of December 31, 2016, Viad’s future minimum rental payments and related sublease rentals receivable with respect to non-cancelable operating leases with terms in excess of one year were as follows:

(in thousands)	Rental Payments	Receivable Under Subleases
2017	$ 25,829	$ 2,806
2018	21,265	2,778
2019	17,671	1,865
2020	15,230	1,348
2021	7,311	851
Thereafter	9,404	1,277
Total	$ 96,710	$ 10,925

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Net rent expense under operating leases consisted of the following:

(in thousands)	December 31, 2016	2015	2014
Minimum rentals	$48,465	$41,564	$37,707
Sublease rentals	(2,831)	(3,457)	(6,884)
Total rentals, net	$45,634	$38,107	$30,823

The aggregate annual maturities and the related amounts representing interest on capital lease obligations are included in Note 11 – Debt and Capital Lease Obligations.

In addition, as of December 31, 2016, the Company had aggregate purchase obligations of $39.4 million related to various licensing agreements, consulting and other contracted services.

Note 20. Litigation, Claims, Contingencies, and Other

Viad and certain of its subsidiaries are plaintiffs or defendants to various actions, proceedings, and pending claims, some of which involve, or may involve, compensatory, punitive, or other damages. Litigation is subject to many uncertainties and it is possible that some of the legal actions, proceedings, or claims could be decided against Viad. Although the amount of liability as of December 31, 2016 with respect to these matters is not ascertainable, Viad believes that any resulting liability, after taking into consideration amounts already provided for and insurance coverage, will not have a material effect on Viad's business, financial position, or results of operations.

Viad is subject to various U.S. federal, state, and foreign laws and regulations governing the prevention of pollution and the protection of the environment in the jurisdictions in which Viad has or had operations. If the Company has failed to comply with these environmental laws and regulations, civil and criminal penalties could be imposed and Viad could become subject to regulatory enforcement actions in the form of injunctions and cease and desist orders. As is the case with many companies, Viad also faces exposure to actual or potential claims and lawsuits involving environmental matters relating to its past operations. As of December 31, 2016, Viad had recorded environmental remediation liabilities of $3.6 million related to previously sold operations. Although it is a party to certain environmental disputes, Viad believes that any resulting liabilities, after taking into consideration amounts already provided for and insurance coverage, will not have a material effect on the Company's financial position or results of operations.

As of December 31, 2016, Viad had certain obligations under guarantees to third parties on behalf of its subsidiaries. These guarantees are not subject to liability recognition in the consolidated financial statements and relate to leased facilities entered into by Viad's subsidiary operations. The Company would generally be required to make payments to the respective third parties under these guarantees in the event that the related subsidiary could not meet its own payment obligations. The maximum potential amount of future payments that Viad would be required to make under all guarantees existing as of December 31, 2016 would be $9.3 million. These guarantees relate to facilities leased by the Company through September 2021. There are no recourse provisions that would enable Viad to recover from third parties any payments made under the guarantees. Furthermore, there are no collateral or similar arrangements whereby Viad could recover payments.

A significant portion of Viad's employees are unionized and the Company is a party to approximately 100 collective-bargaining agreements, with approximately one-third requiring renegotiation each year. If the Company was unable to reach an agreement with a union during the collective-bargaining process, the union may call for a strike or work stoppage, which may, under certain circumstances, adversely impact the Company's businesses and results of operations. Viad believes that relations with its employees are satisfactory and that collective-bargaining agreements expiring in 2017 will be renegotiated in the ordinary course of business without having a material adverse effect on Viad's operations. The Company entered into showsite and warehouse agreements with the Chicago Teamsters Local 727, effective January 1, 2014, and those agreements contain provisions that allow the parties to re-open negotiation of the agreements on pension-related issues. The Company is in informal discussions regarding those issues with all relevant parties and is working diligently to resolve those issues in a manner that will be reasonable and equitable to employees, customers, and shareholders. Although the Company's labor relations are currently stable, disruptions pending the outcome of the Chicago Teamsters Local 727 negotiations could occur, as they could with any collective-bargaining agreement negotiation, with the possibility of an adverse impact on the operating results of GES.

Viad's businesses contribute to various multi-employer pension plans based on obligations arising under collective-bargaining agreements covering its union-represented employees. Based upon the information available to Viad from plan administrators, management believes that several of these multi-employer plans are underfunded. The Pension Protection Act of 2006 requires pension plans underfunded at certain levels to reduce, over defined time periods, the underfunded status. In addition, under current laws, the termination of a plan, or a voluntary withdrawal from a plan by Viad, or a shrinking contribution base to a plan as a result of the insolvency or withdrawal of other contributing employers to such plan, would require Viad to make payments to such plan for its proportionate share of the plan's unfunded vested liabilities. As of December 31, 2016, the amount of additional funding, if any, that Viad would be required to make related to multi-employer pension plans is not ascertainable.

Viad is self-insured up to certain limits for workers' compensation, employee health benefits, automobile, product and general liability, and property loss claims. The aggregate amount of insurance liabilities (up to the Company's retention limit) related to Viad's continuing operations was $18.9 million as of December 31, 2016 which includes $13.7 million related to workers' compensation liabilities and $5.2 million related to general/auto liability claims. Viad has also retained and provided for certain insurance liabilities in conjunction with previously sold businesses of $3.9 million as of December 31, 2016, related to workers' compensation liabilities. Provisions for losses for claims incurred, including estimated claims incurred but not yet reported, are made based on Viad's historical experience, claims frequency, and other factors. A change in the assumptions used could result in an adjustment to recorded liabilities. Viad has purchased insurance for amounts in excess of the self-insured levels, which generally range from $0.2 million to $0.5 million on a per claim basis. Viad does not maintain a self-insured retention pool fund as claims are paid from current cash resources at the time of settlement. Viad's net cash payments in connection with these insurance liabilities were $5.0 million, $5.6 million, and $4.8 million for the years ended December 31, 2016, 2015, and 2014, respectively.

In addition, as of December 31, 2016, Viad recorded insurance liabilities of $10.5 million related to continuing operations, which represents the amount for which Viad remains the primary obligor after self-insured insurance limits, without taking into consideration the above-referenced insurance coverage. Of this total, $6.9 million related to workers' compensation liabilities and $3.6 million related to general/auto liability claims which are recorded in other deferred items and liabilities in Viad's consolidated balance sheets with a corresponding receivable in other investments.

Note 21. Segment Information

Viad measures profit and performance of its operations on the basis of segment operating income which excludes restructuring charges and recoveries and impairment charges. Intersegment sales are eliminated in consolidation and intersegment transfers are not significant. Corporate activities include expenses not allocated to operations. Depreciation and amortization and share-based compensation expense are the only significant non-cash items for the reportable segments.

Viad’s reportable segments, with reconciliations to consolidated totals, are as follows:

(in thousands)	Year Ended December 31, 2016	2015	2014
Revenue:			
GES:			
U.S.	$826,408	$720,882	$710,835
International	248,503	272,634	249,649
Intersegment eliminations	(20,172)	(16,638)	(16,016)
Total GES	1,054,739	976,878	944,468
Pursuit	153,364	112,170	120,519
Corporate eliminations [(1)]	(3,133)	—	—
Total revenue	$1,204,970	$1,089,048	$1,064,987
Segment operating income:			
GES:			
U.S.	$40,524	$14,563	$21,400
International	9,699	12,211	10,339
Total GES	50,223	26,774	31,739
Pursuit	35,705	27,810	28,127
Segment operating income	85,928	54,584	59,866
Corporate eliminations [(1)]	(743)	—	—
Corporate activities	(10,322)	(9,720)	(14,348)
Operating income	74,863	44,864	45,518
Interest income	1,165	658	305
Interest expense	(5,898)	(4,535)	(2,015)
Restructuring (charges) recoveries:			
U.S.	(2,893)	(541)	278
International	(1,559)	(1,813)	(1,808)
Pursuit	(171)	(200)	41
Corporate	(560)	(402)	(148)
Impairment charges:			
GES International	—	—	(884)
Pursuit	(218)	(96)	—
Income from continuing operations before income taxes	$64,729	$37,935	$41,287

(1) Represents the elimination of intercompany revenue and profit realized by GES for work completed on renovations for Pursuit’s Banff Gondola.

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(in thousands)	December 31, 2016	2015	2014
Assets[(1)]:			
GES:			
U.S.	$380,951	$294,618	$304,727
International	109,705	115,494	116,842
Pursuit	301,941	195,527	199,986
Corporate and other	77,219	85,084	91,424
	$869,816	$690,723	$712,979
Depreciation and amortization:			
GES:			
U.S.	$21,473	$18,658	$16,066
International	8,092	8,435	6,311
Pursuit	12,967	7,974	8,232
Corporate and other	211	164	183
	$42,743	$35,231	$30,792
Capital expenditures:			
GES:			
U.S.	$14,291	$8,066	$14,515
International	5,033	8,366	4,134
Pursuit	31,861	13,107	10,740
Corporate and other[(2)]	(1,370)	300	—
	$49,815	$29,839	$29,389

(1) In accordance with ASU 2015-03, unamortized debt issuance costs are reflected as a direct deduction from the carrying amount of the related debt. The Company adopted the new guidance retrospectively to all prior periods presented in the consolidated financial statements. As a result, $1.6 million and $2.0 million of unamortized debt issuance costs were reclassified from other investments and assets to a reduction of long-term debt on the December 31, 2015 and 2014 consolidated balance sheets, respectively.

(2) The 2016 amount includes an intercompany elimination for work completed by GES on renovations for Pursuit's Banff Gondola.

Geographic Areas

Viad's foreign operations are located principally in Canada, the United Kingdom, Germany, the United Arab Emirates and the Netherlands. GES revenue is designated as domestic or foreign based on the originating location of the product or service. Long-lived assets are attributed to domestic or foreign based principally on the physical location of the assets. Long-lived assets consist of "Property and equipment, net" and "Other investments and assets." The table below presents the financial information by major geographic area:

(in thousands)	December 31, 2016	2015	2014
Revenue:			
United States	$855,304	$726,436	$718,538
EMEA	205,028	220,046	192,674
Canada	144,638	142,566	153,775
Total revenue	$1,204,970	$1,089,048	$1,064,987
Long-lived assets[(1)]:			
United States	$182,611	$139,479	$128,437

EMEA	37,083	15,714	14,215
Canada	104,461	71,677	78,193
Total long-lived assets	$324,155	$226,870	$220,845

(1) In accordance with ASU 2015-03, unamortized debt issuance costs are reflected as a direct deduction from the carrying amount of the related debt. The Company adopted the new guidance retrospectively to all prior periods presented in the consolidated financial statements. As a result, $1.6 million and $2.0 million of unamortized debt issuance costs were reclassified from other investments and assets to a reduction of long-term debt on the December 31, 2015 and 2014 consolidated balance sheets, respectively.

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Note 22. Common Stock Repurchases

Viad previously announced the authorization of its Board of Directors to repurchase shares of the Company's common stock from time to time at prevailing market prices. During 2015, Viad repurchased 141,462 shares on the open market for $3.8 million. No open market repurchases were made during 2016. As of December 31, 2016, 440,540 shares remain available for repurchase. In addition, during 2016, 2015, and 2014, the Company repurchased 25,432 shares at a cost of $0.7 million, 35,649 shares at a cost of $1.0 million, and 72,996 shares at a cost of $1.8 million, respectively, related to tax withholding requirements on vested share-based awards.

Note 23. Discontinued Operations

In 2016, Viad recorded losses from discontinued operations of $0.7 million due to reserve adjustments and legal fees related to previously sold operations. In 2015, Viad recorded losses from discontinued operations of $0.4 million due to reserve adjustments and legal fees related to previously sold operations. In 2014, Viad recorded income from discontinued operations of $13.3 million primarily related to the gain on the possessory interest and personal property at Glacier Park, Inc.

On December 31, 2013, Glacier Park, Inc.'s concession contract with the Park Service to operate lodging, tour and transportation and other hospitality services within Glacier National Park expired. Upon completion of the contract, the Company received cash payments in January 2014 totaling $25.0 million resulting in a pre-tax gain of $21.5 million for the Company's possessory interest. The gain after-tax on the possessory interest was $13.5 million with $2.7 million attributable to the noncontrolling interest. These amounts are included in income (loss) from discontinued operations and net income attributable to noncontrolling interest in Viad's Consolidated Statements of Operations. In September 2014, the Company received $3.0 million in cash for the sale of the remaining personal property assets held for sale at Glacier Park, Inc. This resulted in a gain of approximately $0.7 million, net of tax.

The following summarizes Glacier Park, Inc.'s expired concession contract operating results, which are presented in income (loss) from discontinued operations, net of tax, in Viad's Consolidated Statements of Operations:

(in thousands)	Year Ended December 31, 2014
Costs and expenses	$ (93)
Loss from discontinued operations, before income taxes	(93)
Income tax benefit	45
Loss from discontinued operations, net of tax	(48)
Gain on sale of discontinued operations, net of tax	13,343
Income from discontinued operations	13,295
Income from discontinued operations attributable to noncontrolling interest	(2,825)
Income from discontinued operations attributable to Viad	$ 10,470

For the year ended December 31, 2014, Viad recorded income from discontinued operations, net of tax, of $1.1 million primarily due to additional reserves related to certain liabilities associated with previously sold operations and an insurance recovery.

The following is a reconciliation of net income attributable to the noncontrolling interest:

	Year Ended December 31,

(in thousands)	2016	2015	2014
Income from continuing operations	$526	$442	$388
Income from discontinued operations	—	—	2,825
Net income attributable to noncontrolling interest	$526	$442	$3,213

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Note 24. Selected Quarterly Financial Information (Unaudited)

The following table sets forth selected unaudited consolidated quarterly financial information:

(in thousands, except per share data)	2016 First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2015 First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue:	$241,362	$324,747	$382,465	$256,396	$264,396	$317,035	$255,946	$251,671
Operating income (loss):								
Ongoing operations [1]	$(6,280)	$34,014	$58,917	$(1,466)	$(1,125)	$36,286	$14,571	$4,852
Corporate activities	(1,911)	(2,707)	(2,772)	(2,932)	(2,810)	(1,983)	(1,354)	(3,573)
Restructuring charges	(992)	(975)	(1,697)	(1,519)	(216)	(1,069)	(257)	(1,414)
Impairment charges	—	—	(120)	(98)	—	—	—	(96)
Operating income (loss)	$(9,183)	$30,332	$54,328	$(6,015)	$(4,151)	$33,234	$12,960	$(231)
Income (loss) from continuing operations attributable to Viad	$(6,797)	$19,873	$34,013	$(4,136)	$(1,908)	$22,311	$7,393	$(796)
Net income (loss) attributable to Viad	$(6,983)	$19,509	$33,792	$(4,049)	$(2,056)	$22,389	$7,230	$(957)
Basic and Diluted income (loss) per common share: [2]								
Continuing operations attributable to Viad	$(0.34)	$0.98	$1.68	$(0.21)	$(0.10)	$1.11	$0.37	$(0.04)
Net income (loss) attributable to Viad common stockholders	$(0.35)	$0.96	$1.67	$(0.20)	$(0.10)	$1.12	$0.36	$(0.05)

[1] Represents revenue less costs of services and products sold.
[2] The sum of quarterly income per share amounts may not equal annual income per share due to rounding.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

Viad Corp

Phoenix, Arizona

We have audited the accompanying consolidated balance sheets of Viad Corp and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedule listed in the Index at Item 15. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the 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. 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 audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2016 and 2015, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2016, based on the criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 6, 2017 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Phoenix, Arizona

March 6, 2017

VIAD CORP

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

		Additions		Deductions		
(in thousands)	Balance at Beginning of Year	Charged to Expense	Charged to Other Accounts	Write-Offs	Other[1]	Balance at End of Year
Allowances for doubtful accounts:						
December 31, 2014	877	821	—	(440)	—	1,258
December 31, 2015	1,258	955	574	(1,162)	(32)	1,593
December 31, 2016	1,593	1,355	41	(1,602)	(45)	1,342
Deferred tax valuation allowance:						
December 31, 2014	12,393	95	2,589	(11,782)	—	3,295
December 31, 2015	3,295	—	402	(860)	—	2,837
December 31, 2016	2,837	1,406	—	(176)	(69)	3,998

[1] "Other" primarily includes foreign exchange translation adjustments.

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EXHIBIT INDEX

Exhibit Number		Exhibit Description	Incorporated by Reference Form	Period Ending	Exhibit	Filing Date
3.A		Copy of Restated Certificate of Incorporation of Viad Corp, as amended through July 1, 2004 (SEC File No. 001-11015; SEC Film No. 04961107)	10-Q	6/30/2004	3.A	8/9/2004
3.B		Copy of Bylaws of Viad Corp, as amended through December 5, 2013	8-K		3	12/9/2013
4.A1		Copy of $300,000,000 Amended and Restated Credit Agreement, dated as of December 22, 2014	8-K		4	12/23/2014
4.A2		Copy of Amendment No. 1 to the $300,000,000 Amended and Restated Credit Agreement, dated as of December 22, 2014, effective as of February 24, 2016	8-K		4	3/1/2016
4.A3		Copy of Credit Agreement, dated as of December 28, 2016	8-K		4	1/3/2017
4.B1		Copy of Amended and Restated Pledge and Security Agreement, Guaranty, and Amended and Restated Subsidiary Pledge and Security Agreement dated as of December 22, 2014	8-K		4	12/23/2014
4.B2		Copy of Joinder to Guaranty, dated as of August 31, 2016	8-K		4.A	9/2/2016
4.B3		Copy of Joinder to Amended and Restated Subsidiary Pledge and Security Agreement, dated as of August 31, 2016	8-K		4.B	9/2/2016
10.A1	+	Copy of 2007 Viad Corp Omnibus Incentive Plan, filed as Appendix A to Viad Corp's Proxy Statement for the 2012 Annual Meeting of Shareholders	DEF 14A			4/13/2012
10.A2	+	Copy of Viad Corp Management Incentive Plan, amended as of February 27, 2013, pursuant to the 2007 Viad Corp Omnibus Incentive Plan	8-K		10.C	3/5/2013
10.A3	+	Copy of Viad Corp Performance Unit Incentive Plan, effective as of February 27, 2013, pursuant to the 2007 Viad Corp Omnibus Incentive Plan	8-K		10.D	3/5/2013
10.A4	+	Copy of Amendment to the Viad Corp Performance Unit Incentive Plan, as amended February 27, 2013 pursuant to the 2007 Viad Corp Omnibus Incentive Plan, effective as of February 24, 2016	8-K		10.A	3/1/2016
10.B1	+	Copy of form of Restricted Stock Agreement - Executives, effective as of December 3, 2014, pursuant to the 2007 Viad Corp Omnibus Incentive Plan	8-K		10.A	12/5/2014
10.B2	+	Copy of form of Restricted Stock Agreement - Executives, effective as of March 26, 2014, pursuant to the 2007 Viad Corp Omnibus Incentive Plan	8-K		10.A	3/28/2014
10.B3	+	Copy of form of Restricted Stock Agreement - Executives, effective as of March 23, 2011, pursuant to the 2007 Viad Corp Omnibus Incentive Plan (SEC File No. 001-11015; SEC Film No. 11718936)	8-K		10.B	3/29/2011
10.B4	+	Copy of form of Restricted Stock Agreement for Outside Directors, effective as of February 25, 2008, pursuant to the 2007 Viad Corp Omnibus Incentive Plan (SEC File No. 001-11015; SEC Film No. 08651224)	8-K		10.F	2/28/2008

10.C1	+	Copy of form of Restricted Stock Units Agreement, effective as of March 26, 2014, pursuant to the 2007 Viad Corp Omnibus Incentive Plan	8-K	10.B	3/28/2014
10.D1	+	Copy of form of Performance Unit Agreement, effective as of March 26, 2014, pursuant to the 2007 Viad Corp Omnibus Incentive Plan	8-K	10.C	3/28/2014
10.D2	+	Copy of form of Performance Unit Agreement, effective as of February 24, 2016, pursuant to the 2007 Viad Corp Omnibus Incentive Plan	8-K	10.B	3/1/2016

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Exhibit Number		Exhibit Description	Incorporated by Reference Form	Period Ending	Exhibit	Filing Date
10.E1	+	Copy of form of Non-Qualified Stock Option Agreement, effective as of February 25, 2010, pursuant to the 2007 Viad Corp Omnibus Incentive Plan (SEC File No. 001-110015; SEC Film No. 10640085)	8-K		10.B	2/26/2010
10.E2	+	Copy of form of Incentive Stock Option Agreement, effective as of February 25, 2010, pursuant to the 2007 Viad Corp Omnibus Incentive Plan (SEC File No. 001-110015; SEC Film No. 10640085)	8-K		10.A	2/26/2010
10.F1	+	Copy of form of Viad Corp Executive Severance Plan (Tier I-2013), effective as February 27, 2013	8-K		10.B	3/5/2013
10.F2	+	Copy of forms of Viad Corp Executive Severance Plans (Tier I and II), amended and restated for Code Section 409A as of January 1, 2005 (SEC File No. 001-11015; SEC Film No. 071088413)	8-K		10.B	8/29/2007
10.F3	+	Copy of Amendment No. 1 to Viad Corp Executive Severance Plan (Tier I), effective as of February 26, 2014	8-K		10	3/4/2014
10.F4	+	Copy of Executive Officer Pay Continuation Policy adopted February 7, 2007 (SEC File No. 001-11015; SEC Film No. 07609762)	8-K		10.A	2/13/2007
10.G1	+	Copy of Severance Agreement (No Change in Control) between Viad Corp and Steven W. Moster, effective as of December 3, 2014	8-K		10.B	12/5/2014
10.G2	+	Copy of Severance Agreement (No Change in Control) between Viad Corp and David W. Barry, effective as of April 22, 2015	10-K	12/31/2015	10H.4	3/11/2016
10.G3	+	Copy of Severance Agreement and General Release between Viad Corp and Thomas M. Kuczynski, effective as of April 27, 2016	8-K/A		10	4/22/2016
10.H	+	Copy of Viad Corp Supplemental TRIM Plan, as amended and restated effective January 1, 2005 for Code Section 409A (SEC File No. 001-11015; SEC Film No. 071088413)	8-K		10.E	8/29/2007
10.I1	+	Copy of Viad Corp Supplemental Pension Plan, amended and restated as of January 1, 2005 for Code Section 409A (SEC File No. 001-11015; SEC Film No. 071088413)	8-K		10.A	8/29/2007
10.I2	+	Copy of Viad Corp Defined Contribution Supplemental Executive Retirement Plan, effective as of January 1, 2013	8-K		10.E	3/5/2013
10.J1	+	Summary of Compensation Program of Non-Employee Directors of Viad Corp, effective as of February 23, 2016	10-K	12/31/2015	10.K1	3/11/2016
10.J2	+	Description of Viad Corp Director’s Matching Gift Program (SEC File No. 001-11015; SEC Film No. 572329)	10-K	12/31/1999	10.Q	3/17/2000
10.K	+	Copy of form of Indemnification Agreement between Viad Corp and Directors of Viad Corp, as approved by Viad Corp stockholders on October 16, 1987, as updated to reflect revised company name and gender-neutral references only (SEC File No. 001-11015; SEC Film No. 09642683)	10-K	12/31/2008	10.I	2/27/2009
21	*	List of Subsidiaries of Viad Corp				

23	*	Consent of Independent Registered Public Accounting Firm to the incorporation by reference into specified registration statements on Form S-8 of its report contained in this Annual Report
24	*	Power of Attorney signed by Directors of Viad Corp
31.1	# *	Exhibit of Certification of Chief Executive Officer of Viad Corp pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	# *	Exhibit of Certification of Chief Financial Officer of Viad Corp pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

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Exhibit Number		Exhibit Description	Incorporated by Reference Form	Period Ending	Exhibit	Filing Date
32.1	# **	Additional Exhibit of Certification of Chief Executive Officer of Viad Corp pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
32.2	# **	Additional Exhibit of Certification of Chief Financial Officer of Viad Corp pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
101.INS	*	XBRL Instance Document				
101.SCH	*	XBRL Taxonomy Extension Schema Document				
101.CAL	*	XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	*	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	*	XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	*	XBRL Taxonomy Extension Presentation Linkbase Document				

* Filed herewith
** Furnished herewith.
+ Management contract or compensation plan or arrangement.
# A signed original of this written statement has been provided to Viad Corp and will be retained by Viad Corp and furnished to the Securities and Exchange Commission upon request.

Documents incorporated by reference can be read and copied at the SEC’s public reference section, located in Room 1580, 100 F Street, N.E., Washington, DC 20549, and on the SEC’s Internet site at www.sec.gov.

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