A. H. Belo Corp
Form 10-Q
November 03, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended: September 30, 2015

OR

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

Commission file no. 1-33741

A. H. Belo Corporation

(Exact name of registrant as specified in its charter)

Delaware	38-3765318
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

P. O. Box 224866, Dallas, Texas 75222-4866	(214) 977-8200
(Address of principal executive offices, including zip code)	(Registrant's telephone number, including area code)

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

None

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer:	Accelerated filer:	Non-accelerated filer: (Do not check if a smaller reporting company)	Smaller reporting company:

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

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

Class	Outstanding at October 30, 2015
Common Stock, $.01 par value	21,545,545

Total Common Stock consists of 19,158,036 shares of Series A Common Stock and 2,387,509 shares of Series B Common Stock.

A. H. BELO CORPORATION

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PART I

Item 1. Financial Information

A. H. Belo Corporation and Subsidiaries

Condensed Consolidated Statements of Operations

In thousands, except share and per share amounts (unaudited)	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Net Operating Revenue				
Advertising and marketing services	$ 39,184	$ 36,941	$ 114,281	$ 114,918
Circulation	20,279	21,219	62,133	63,458
Printing, distribution and other	7,445	7,763	22,606	21,200
Total net operating revenue	66,908	65,923	199,020	199,576
Operating Costs and Expense				
Employee compensation and benefits	29,041	24,265	81,649	78,151
Other production, distribution and operating costs	30,562	29,846	93,037	87,930
Newsprint, ink and other supplies	7,266	7,910	23,275	24,012
Depreciation	2,780	3,341	8,695	10,099
Amortization	361	61	1,107	121
Total operating costs and expense	70,010	65,423	207,763	200,313
Operating income (loss)	(3,102)	500	(8,743)	(737)
Other Income (Expense), Net				
Income (loss) on equity method investments, net	(564)	(953)	(288)	17,206
Other income (loss), net	(489)	3,878	(912)	4,136
Total other income (expense), net	(1,053)	2,925	(1,200)	21,342
Income (Loss) from Continuing Operations Before Income Taxes	(4,155)	3,425	(9,943)	20,605
Income tax provision (benefit)	(188)	1,156	(5,601)	3,475
Income (Loss) from Continuing Operations	(3,967)	2,269	(4,342)	17,130
Income from discontinued operations	—	643	—	3,766
Income (loss) related to the divestiture of discontinued operations, net	(52)	17,134	(62)	17,109
Tax expense from discontinued operations	—	1,652	—	1,698
Gain (Loss) from Discontinued Operations, Net	(52)	16,125	(62)	19,177
Net Income (Loss)	(4,019)	18,394	(4,404)	36,307

Net loss attributable to noncontrolling interests	(63)	(50)	(219)	(80)
Net Income (Loss) Attributable to A. H. Belo Corporation	$ (3,956)	$ 18,444	$ (4,185)	$ 36,387
Per Share Basis				
Basic and Diluted				
Continuing operations	$ (0.18)	$ 0.10	$ (0.19)	$ 0.74
Discontinued operations	—	0.74	—	0.87
Net income (loss) attributable to A. H. Belo Corporation	$ (0.18)	$ 0.84	$ (0.19)	$ 1.61
Weighted average shares outstanding				
Basic	21,651,670	21,890,754	21,721,875	21,927,920
Diluted	21,651,670	21,991,716	21,721,875	22,039,248

See accompanying Notes to Condensed Consolidated Financial Statements.

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A. H. Belo Corporation and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income (Loss)

	Three Months Ended September 30,		Nine Months Ended September 30,	
In thousands (unaudited)	2015	2014	2015	2014
Net Income (Loss)	$ (4,019)	$ 18,394	$ (4,404)	$ 36,307
Other Comprehensive Income (Loss), Net of Tax:				
Amortization of net actuarial (gain) loss	313	(173)	938	(520)
Total other comprehensive income (loss)	313	(173)	938	(520)
Comprehensive Income (Loss)	(3,706)	18,221	(3,466)	35,787
Comprehensive loss attributable to noncontrolling interests	(63)	(50)	(219)	(80)
Total Comprehensive Income (Loss) Attributable to A. H. Belo Corporation	$ (3,643)	$ 18,271	$ (3,247)	$ 35,867

See accompanying Notes to Condensed Consolidated Financial Statements.

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A. H. Belo Corporation and Subsidiaries

Condensed Consolidated Balance Sheets

In thousands, except share amounts (unaudited)	September 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	$ 79,681	$ 158,171
Accounts receivable (net of allowance of $1,464 and $1,262 at September 30, 2015 and December 31, 2014, respectively)	32,259	34,396
Inventories	3,163	4,901
Prepaids and other current assets	12,097	8,422
Deferred income taxes, net	49	—
Assets of discontinued operations	—	565
Total current assets	127,249	206,455
Property, plant and equipment, at cost	445,095	472,186
Less accumulated depreciation	(394,115)	(410,597)
Property, plant and equipment, net	50,980	61,589
Intangible assets, net	11,539	656
Goodwill	34,085	24,582
Investments	1,738	2,572
Other assets	2,556	2,893
Total assets	$ 228,147	$ 298,747
Liabilities and Shareholders’ Equity		
Current liabilities:		
Accounts payable	$ 12,522	$ 12,904
Accrued compensation and benefits	10,040	8,233
Dividends payable	—	50,148
Other accrued expense	4,685	14,227
Advance subscription payments	15,356	15,894
Total current liabilities	42,603	101,406
Long-term pension liabilities	61,455	65,859
Other post-employment benefits	2,523	2,656
Deferred income taxes	577	530
Other liabilities	1,805	2,277
Total liabilities	108,963	172,728
Noncontrolling interests - redeemable	1,263	—
Shareholders’ equity:		
Preferred stock, $.01 par value; Authorized 2,000,000 shares; none issued	—	—
Common stock, $.01 par value; Authorized 125,000,000 shares		

Series A: issued 20,515,326 and 20,341,501 shares at September 30, 2015		
and December 31, 2014, respectively	205	203
Series B: issued 2,387,509 and 2,388,237 shares at September 30, 2015		
and December 31, 2014, respectively	24	24
Treasury stock, Series A, at cost; 1,314,588 and 944,636 shares held at September 30, 2015		
and December 31, 2014, respectively	(10,676)	(8,087)
Additional paid-in capital	500,472	499,320
Accumulated other comprehensive loss	(56,429)	(57,367)
Accumulated deficit	(317,817)	(308,330)
Total shareholders' equity attributable to A. H. Belo Corporation	115,779	125,763
Noncontrolling interests	2,142	256
Total shareholders' equity	117,921	126,019
Total liabilities and shareholders' equity	$ 228,147	$ 298,747

See accompanying Notes to Condensed Consolidated Financial Statements.

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A. H. Belo Corporation and Subsidiaries

Condensed Consolidated Statements of Shareholders' Equity

In thousands, except share amounts (unaudited)	Common Stock Shares Series A	Shares Series B	Amount	Additional Paid-in Capital	Treasury Stock Shares Series A	Amount	Accumulated Other Comprehensive Loss	Accumulated Deficit	Non-controlling Interests	Total
Balance at December 31, 2013	19,931,599	2,397,155	$ 223	$ 496,682	(495,200)	$ (3,113)	$ (15,093)	$ (310,099)	$ 176	$ 168,
Net income (loss)	—	—	—	—	—	—	—	36,387	(80)	36,3
Other comprehensive loss	—	—	—	—	—	—	(520)	—	—	(520
Capital contributions of noncontrolling interests	—	—	—	—	—	—	—	—	232	232
Treasury stock purchases	—	—	—	—	(326,249)	(3,542)	—	—	—	(3,54
Issuance of shares for restricted stock units	210,522	—	2	(2)	—	—	—	—	—	—
Issuance of shares for stock option exercises	178,192	—	2	859	—	—	—	—	—	861
Income tax benefit on options and RSUs	—	—	—	873	—	—	—	—	—	873
Share-based compensation	—	—	—	756	—	—	—	—	—	756
Conversion of Series B to Series A	8,864	(8,864)	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	(39,225)	—	(39,2
Balance at September 30, 2014	20,329,177	2,388,291	$ 227	$ 499,168	(821,449)	$ (6,655)	$ (15,613)	$ (312,937)	$ 328	$ 164,
Balance at December 31, 2014	20,341,501	2,388,237	$ 227	$ 499,320	(944,636)	$ (8,087)	$ (57,367)	$ (308,330)	$ 256	$ 126,
Net loss	—	—	—	—	—	—	—	(4,185)	(219)	(4,40
Other comprehensive	—	—	—	—	—	—	938	—	—	938

income										
Capital contributions by noncontrolling interests	—	—	—	—	—	—	—	—	2,105	2,10
Treasury stock purchases	—	—	—	—	(369,952)	(2,589)	—	—	—	(2,58
Issuance of shares for restricted stock units	155,097	—	2	(2)	—	—	—	—	—	—
Issuance of shares for stock option exercises	18,000	—	—	71	—	—	—	—	—	71
Income tax benefit on options and RSUs	—	—	—	546	—	—	—	—	—	546
Share-based compensation	—	—	—	537	—	—	—	—	—	537
Conversion of Series B to Series A	728	(728)	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	(5,302)	—	(5,30
Balance at September 30, 2015	20,515,326	2,387,509	$ 229	$ 500,472	(1,314,588)	$ (10,676)	$ (56,429)	$ (317,817)	$ 2,142	$ 117,

See accompanying Notes to Condensed Consolidated Financial Statements.

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A. H. Belo Corporation and Subsidiaries

Condensed Consolidated Statements of Cash Flows

In thousands (unaudited)	Nine Months Ended September 30, 2015	2014
Operating Activities		
Net Income (Loss)	$ (4,404)	$ 36,307
Adjustments to reconcile net income (loss) to net cash (used for) provided by operations:		
Net (income) loss from discontinued operations	62	(19,177)
Depreciation and amortization	9,802	10,220
Net periodic benefit and contributions related to employee benefit plans	(3,425)	(13,125)
Equity method investment losses	1,334	(19,077)
Share-based compensation	528	698
Deferred income taxes	(3,978)	915
Gain on investment related activity, net	(1,046)	(1,669)
(Gain) loss on disposal of fixed asset	810	(867)
Other operating activities	675	(651)
Changes in working capital and other operating assets and liabilities, net	(9,203)	2,401
Net cash used for continuing operations	(8,845)	(4,025)
Net cash (used for) provided by discontinued operations	(23)	6,386
Net cash (used for) provided by operating activities	(8,868)	2,361
Investing Activities		
Acquisitions	(14,111)	—
Proceeds from the sale or disposal of fixed assets	5,911	3,401
Capital expenditures, net	(4,546)	(4,594)
Other investment related proceeds	1,046	23,166
Purchase of investments	(500)	(2,279)
Net cash (used for) provided by continuing investing activities	(12,200)	19,694
Net cash provided by discontinued investing activities	-	44,799
Net cash (used for) provided by investing activities	(12,200)	64,493
Financing Activities		
Dividends paid	(55,450)	(39,225)
Purchase of treasury stock	(2,589)	(3,542)
Net proceeds from exercise of stock options	71	861
Income tax benefit on options and RSUs	546	873
Capital contributions by noncontrolling interests	-	49
Net cash used for financing activities	(57,422)	(40,984)
Net increase (decrease) in cash and cash equivalents	(78,490)	25,870
Cash and cash equivalents at beginning of period	158,171	82,193

Cash and cash equivalents at end of period	$ 79,681	$ 108,063
Supplemental Disclosures		
Income tax paid, net of refunds	$ 11,599	$ 2,203
Noncash investing and financing activities:		
Noncash contributions by noncontrolling interests	$ 3,368	$ 183
Impairment of equity method investment	$ —	$ 934

See accompanying Notes to Condensed Consolidated Financial Statements.

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A. H. Belo Corporation and Subsidiaries

Notes to Condensed Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Description of Business. A. H. Belo Corporation and subsidiaries ("A. H. Belo" or the "Company"), headquartered in Dallas, Texas, is a leading local news and information publishing company with commercial printing, distribution and direct mail capabilities, as well as expertise in emerging media and marketing services. With a continued focus on extending the Company's media platform, A. H. Belo is able to deliver news and information in innovative ways to a broad spectrum of audiences with diverse interests and lifestyles.

The Company publishes The Dallas Morning News (www.dallasnews.com), Texas' leading newspaper and winner of nine Pulitzer Prizes; the Denton Record-Chronicle (www.dentonrc.com), a daily newspaper operating in Denton, Texas, and various niche publications targeting specific audiences. A. H. Belo also offers digital and other business marketing solutions as well as event marketing.

Basis of Presentation. These consolidated financial statements include the accounts of A. H. Belo and its subsidiaries. The Company follows the guidance set by the Financial Accounting Standards Board ("FASB") or other authoritative accounting standards-setting bodies. Under Accounting Standards Codification ("ASC") 810 – Consolidation, the Company determines whether subsidiaries, joint ventures, partnerships and other arrangements should be consolidated. Transactions between the consolidated companies are eliminated and noncontrolling interests in less than wholly-owned subsidiaries are reflected in the consolidated financial statements. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. In the opinion of management, all adjustments considered necessary for a fair presentation are included. All dollar amounts are presented in thousands, except per share amounts, unless the context requires otherwise.

Presentation of current and prior period amounts in the consolidated financial statements and notes thereto reflect continuing operations of the Company, unless otherwise noted. Amounts presented for 2014 are exclusive of results related to discontinued operations as well as prior year results of businesses subsequently acquired in 2015.

New Accounting Pronouncements. The FASB issued the following Accounting Standards Updates ("ASU") which could have potential impact to the Company's financial statements:

ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance generally clarifies the principles for recognizing revenue and develops a common revenue standard for GAAP and International Financial Reporting Standards. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes the most current revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The update is effective for fiscal years and interim periods beginning after December 15, 2016, and interim periods in those years. In the second quarter of 2015, the FASB deferred the effective date of the standard by one year to December 15, 2017. The Company is currently evaluating the impact this update will have on its recognition and presentation of revenues within the consolidated statements of operations.

ASU 2014-15, Presentation of Financial Statements - Going Concern (Subtopic 205-40). This standard provides guidance around management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related disclosures. The new standard is effective for fiscal years and interim periods beginning after December 15, 2016. Early adoption is permitted. The Company does not anticipate the adoption of this standard to have a material impact on the presentation of the consolidated financial statements or disclosures.

ASU 2015-02, Consolidation (Topic 810). This update modifies requirements for consolidating certain legal entities. The standard removes the previous presumption that a general partner controls a limited partnership, revises when fees paid to a decision maker or service provider are a variable interest, and places additional emphasis on risk of loss in determining a controlling financial interest. The standard is effective for fiscal years and interim periods beginning after December 15, 2015, with early adoption permitted. The Company is currently evaluating the impact this update will have on its consolidation of legal entities within the consolidated financial statements.

ASU 2015-04, Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets (ASC 715) This update provides clarification on the accounting for contributions to a defined benefit plan and significant events requiring remeasurement, such as settlements or curtailments, that occur during the period between a month-end measurement date and the employers' fiscal year-end. The standard is effective for fiscal years and interim periods beginning after December 15, 2015. The Company is currently evaluating the impact this update will have on the consolidated financial statements and related disclosures.

ASU 2015-05, Goodwill and Other - Internal-Use Software (Subtopic 350-40). This update clarifies requirements for a customer's accounting for fees paid in a cloud computing arrangement. The standard stipulates that if a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The standard is effective for fiscal years and interim periods beginning after December 15, 2015, with early adoption permitted. The Company must elect to adopt either retrospectively or prospectively. The Company is currently evaluating the impact this update will have on the consolidated financial statements and related disclosures.

Note 2: Acquisitions

On January 2, 2015, the Company acquired an 80 percent voting interest in DMV Digital Holdings Company, Inc. ("DMV") which holds all outstanding ownership interests of three Dallas-based businesses, Distribion, Inc., Vertical Nerve, Inc. and CDFX, LLC (d/b/a MarketingFX). These businesses specialize in marketing automation, search engine marketing, direct mail and promotional products, respectively. This acquisition complements and expands the product and service offerings currently available to A. H. Belo clients, thereby strengthening the Company's diversified product portfolio and allowing for greater penetration in a competitive advertising market.

The Company's interest in DMV was acquired for a cash purchase price of $14,111, net of $152 cash acquired. Transaction costs related to the purchase are a component of other production, distribution and operating costs and totaled $1,288, of which $725 were incurred in 2015. The estimated fair value of the acquired businesses totaled $17,478, of which $3,368 was attributed to noncontrolling interests. Approximately $693 of goodwill acquired is expected to be deductible for tax purposes. As further discussed in Note 11 – Contingencies, the contribution agreement included provisions for two pro-rata dividends and an embedded put arrangement with certain noncontrolling shareholders of DMV. The Company is in the process of finalizing the business valuation and its allocation to underlying assets and liabilities. The preliminary allocation of the purchase price, which is subject to adjustment upon finalization, is summarized as follows:

		Estimated Fair Value
Working capital, net of acquired cash	$	(79)
Property, plant and equipment		57
Other intangible assets		11,990
Goodwill		9,503
Deferred income tax liabilities		(3,993)
	$	17,478

Operating results of the businesses acquired have been included in the Condensed Consolidated Statements of Operations from the acquisition date forward. Revenue from marketing services is recognized at the time services are delivered. For arrangements that include multiple deliverables, revenue and upfront fees are allocated to each unit of accounting based on their relative fair values. For the three and nine months ended September 30, 2015, operating results included $2,370 and $6,124 of net operating revenue and a pretax loss of $65 and $308 before adjusting for noncontrolling interests, respectively. Pro forma results of the Company, assuming the acquisition had occurred at the beginning of each period presented, would not be materially different from the results reported.

Note 3: Discontinued Operations and Sales of Assets

Discontinued Operations. On September 3, 2014, The Providence Journal Company, a wholly-owned subsidiary of the Company, completed a transaction for the (i) sale of substantially all of the assets comprising the newspaper operations of The Providence Journal and related real property located in Providence, Rhode Island, and (ii) assumption of certain liabilities by LMG Rhode Island Holdings, Inc. (“LMG”), a subsidiary of New Media Investment Group Inc. The purchase price and working capital adjustment was $48,654 and the Company recorded a pretax gain on the sale of $17,134 during the three and nine months ended September 30, 2014.

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Upon completion of this divestiture, the Company no longer owns the newspaper operations in Providence, Rhode Island. The Company continues to hold and market for sale certain land in Providence, Rhode Island. The Company also retains the obligation for the A. H. Belo Pension Plan II, which provides benefits to employees of The Providence Journal Company.

As a result of the above transaction, the activity and balance of The Providence Journal is presented as discontinued operations. During the three and nine months ended September 30, 2014, income from discontinued operations included revenues of $15,079 and $58,591, respectively, and expenses of $14,436 and $54,825, respectively, related to The Providence Journal. The Company adjusted the gain on the sale of The Providence Journal in the three and nine months ended September 30, 2015, by $(52) and $(62), respectively.

Other Dispositions. On June 19, 2015, the Company completed the sale of the land and building which served as the administrative headquarters of The Providence Journal. Net proceeds of $6,119 were received upon closing of the transaction, generating a loss of $265. Also during the third quarter of 2015, the Company demolished the existing structures on another owned property in Providence, Rhode Island generating a loss of $412.

Note 4: Goodwill and Intangible Assets

As presented in Note 2 – Acquisitions, the Company acquired $9,503 of goodwill and $11,990 of finite-lived intangible assets during the nine months ended September 30, 2015, in connection with its acquisition of DMV. Amortization expense of $274 and $840 was recorded for the three and nine months ended September 30, 2015, respectively. The identification, valuation and amortization of these assets is not complete and is subject to adjustment upon finalization. The finite-lived intangible assets are presented below as Other intangible assets, gross.

Goodwill recorded from the Company's previous acquisitions, exclusive of DMV, had a carrying value of $24,582 as of September 30, 2015 and December 31, 2014. Finite-lived intangible assets from previous acquisitions consisted primarily of customer relationships, amortized over an estimated useful life of three years. The carrying value of finite-lived intangible assets, exclusive of DMV, was $389 and $656 as of September 30, 2015 and December 31, 2014, respectively. Amortization expense related to customer relationships from previous acquisitions was $87 and $267 for the three and nine months ended September 30, 2015 and $61 and $121 for the three and nine months ended September 30, 2014, respectively.

The carrying value of finite-lived intangible assets is set forth in the table below.

	September 30, 2015	December 31, 2014
Customer relationships, gross	$ 975	$ 975
Other intangible assets, gross	11,990	—
Finite-lived intangible assets, gross	12,965	975
Accumulated amortization	(1,426)	(319)
Finite-lived intangible assets, net	$ 11,539	$ 656

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Note 5: Investments and Other Assets

Investments. Investment interests in various entities which are recorded under the equity method or cost method of accounting, or consolidated if the Company holds a controlling financial interest. Under the equity method, the Company records its share of the investee's earnings or losses each period as a component of other income, net, in the consolidated statements of operations. Under the cost method, the Company records earnings or losses when such amounts are realized. The Company evaluates the recoverability of its investments each period and estimates the fair value of its investments if identified events or circumstances indicate a significant adverse effect on the carrying value. Net gains on equity method investments were $564 and $953 for the three months ended September 30, 2015 and 2014, respectively, and $288 and $17,206 for the nine months ended September 30, 2015 and 2014, respectively. The table below sets forth the Company's investments.

	September 30, 2015	December 31, 2014
Equity method investments	$ 306	$ 1,640
Cost method investments	1,432	932
Total investments	$ 1,738	$ 2,572

Equity method investments - Investments recorded under the equity method of accounting include the following:

· Wanderful Media, LLC ("Wanderful") - The Company owns a 13.0 percent interest in Wanderful, which operates FindnSave.com, a digital shopping platform where consumers can find national and local retail goods and services for sale. This platform combines local media participation with advanced search and database technology to allow consumers to view local advertised offers and online sales circulars or search for an item and receive a list of local advertisers and the price and terms offered for the searched item. It also utilizes location-based technology and incentives to drive consumers to retailer locations.

During the nine months ended September 30, 2014, the Company determined that an other-than-temporary decline occurred in the value of its investment in Wanderful Media after evaluating the estimated fair value of the investee as determined by an independent valuation specialist, which resulted in an impairment charge of $934. The Company attributes the impairment primarily to a decline in business related to Wanderful Media's legacy products. An additional contribution of $1,909 was made during the nine months ended September 30, 2014, to provide capital for development of new product offerings as Wanderful Media established its market presence.

- Classified Ventures, LLC (“Classified Ventures”) - The Company owned a 3.3 percent interest in Classified Ventures through its sale date in the fourth quarter of 2014. The principal businesses of Classified Ventures included the operations of cars.com and apartments.com. During the nine months ended September 30, 2014, Classified Ventures sold the operations related to apartments.com and the Company recorded a gain of $18,479 related to the transaction. On October 1, 2014, the Company completed a transaction with Gannett Co. Inc. and other unit holders of Classified Ventures whereby Gannett acquired all membership interests from the unit holders of Classified Ventures, resulting in a gain on the sale of $77,092 during the fourth quarter of 2014. At December 31, 2014, the Company recorded a receivable of $3,280 for escrow funds held by Classified Ventures related to the sale of its membership interests, which were collected in October 2015. Additional proceeds totaling