CEDAR FAIR L P
Form 10-Q
May 09, 2014
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)

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

For the quarterly period ended March 30, 2014
OR

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

For the transition period from to .
Commission file number 1-9444
CEDAR FAIR, L.P.
(Exact name of registrant as specified in its charter)

DELAWARE	34-1560655
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Cedar Point Drive, Sandusky, Ohio 44870-5259
(Address of principal executive offices) (Zip Code)
(419) 626-0830
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§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 x No o

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

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

Title of Class	Units Outstanding As Of May 1, 2014
Units Representing Limited Partner Interests	55,837,975

Table of Contents

CEDAR FAIR, L.P.
INDEX
FORM 10 - Q

Table of Contents

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	3/30/2014	12/31/2013	3/31/2013
ASSETS			
Current Assets:			
Cash and cash equivalents	$8,867	$118,056	$10,038
Receivables	19,630	21,333	13,342
Inventories	38,264	26,080	39,063
Current deferred tax asset	26,653	9,675	36,022
Prepaid advertising	20,101	2,228	16,396
Other current assets	9,919	9,125	11,319
	123,434	186,497	126,180
Property and Equipment:			
Land	279,992	283,313	301,469
Land improvements	349,245	350,869	338,777
Buildings	581,525	584,659	587,603
Rides and equipment	1,485,418	1,494,112	1,446,904
Construction in progress	85,854	44,550	63,509
	2,782,034	2,757,503	2,738,262
Less accumulated depreciation	(1,248,072)	(1,251,740)	(1,167,410)
	1,533,962	1,505,763	1,570,852
Goodwill	233,528	238,089	243,653
Other Intangibles, net	38,920	39,471	40,323
Other Assets	43,391	44,807	34,648
	$1,973,235	$2,014,627	$2,015,656
LIABILITIES AND PARTNERS’ EQUITY			
Current Liabilities:			
Current maturities of long-term debt	$1,450	$—	$6,300
Accounts payable	45,028	13,222	37,443
Deferred revenue	70,148	44,521	66,184
Accrued interest	10,073	23,201	8,339
Accrued taxes	6,452	19,481	9,000
Accrued salaries, wages and benefits	24,519	29,200	20,182
Self-insurance reserves	22,696	23,653	23,557
Other accrued liabilities	4,896	5,521	7,867
	185,262	158,799	178,872
Deferred Tax Liability	157,281	158,113	154,587
Derivative Liability	27,789	26,662	31,031
Other Liabilities	7,755	11,290	7,685
Long-Term Debt:			
Revolving credit loans	55,000	—	96,000
Term debt	617,400	618,850	623,700
Notes	901,957	901,782	901,255
	1,574,357	1,520,632	1,620,955

Commitments and Contingencies (Note 10)			
Partners' Equity:			
Special L.P. interests	5,290	5,290	5,290
General partner	1	2	—
Limited partners, 55,835, 55,716 and 55,712 units outstanding at March 30, 2014, December 31, 2013 and March 31, 2013, respectively	29,537	148,847	36,550
Accumulated other comprehensive loss	(14,037)	(15,008)	(19,314)
	20,791	139,131	22,526
	$1,973,235	$2,014,627	$2,015,656

The accompanying Notes to Unaudited Condensed Consolidated Financial Statements are an integral part of these statements.

3

Table of Contents

CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except per unit amounts)

	Three months ended		Twelve months ended	
	3/30/2014	3/31/2013	3/30/2014	3/31/2013
Net revenues:				
Admissions	$19,067	$20,023	$646,051	$620,422
Food, merchandise and games	16,386	16,692	355,799	346,374
Accommodations and other	5,013	5,084	131,389	115,259
	40,466	41,799	1,133,239	1,082,055
Costs and expenses:				
Cost of food, merchandise, and games revenues	4,985	5,037	91,720	95,998
Operating expenses	80,350	76,657	476,037	456,775
Selling, general and administrative	21,404	21,039	152,777	141,366
Depreciation and amortization	4,307	4,786	122,008	127,013
Gain on sale of other assets	—	—	(8,743)	(6,625)
Loss on impairment / retirement of fixed assets, net	997	600	2,936	30,844
	112,043	108,119	836,735	845,371
Operating income (loss)	(71,577)	(66,320)	296,504	236,684
Interest expense	24,732	25,763	102,040	109,579
Net effect of swaps	371	9,211	(1,957)	8,689
Loss on early debt extinguishment	—	34,573	—	34,573
Unrealized/realized foreign currency loss	17,184	8,958	37,167	8,152
Other income	(73)	(40)	(187)	(92)
Income (loss) before taxes	(113,791)	(144,785)	159,441	75,783
Provision (benefit) for taxes	(30,251)	(35,659)	25,651	17,638
Net income (loss)	(83,540)	(109,126)	133,790	58,145
Net income (loss) allocated to general partner	(1)	(1)	1	1
Net income (loss) allocated to limited partners	$(83,539)	$(109,125)	$133,789	$58,144
Net income (loss)	$(83,540)	$(109,126)	$133,790	$58,145
Other comprehensive income (loss), (net of tax):				
Cumulative foreign currency translation adjustment	1,621	301	4,076	1,839
Unrealized income (loss) on cash flow hedging derivatives	(650)	8,885	1,201	8,685
Other comprehensive income (loss), (net of tax)	971	9,186	5,277	10,524
Total comprehensive income (loss)	$(82,569)	$(99,940)	$139,067	$68,669
Basic earnings per limited partner unit:				
Weighted average limited partner units outstanding	55,500	55,854	55,531	55,694
Net income (loss) per limited partner unit	$(1.51)	$(1.95)	$2.41	$1.04
Diluted earnings per limited partner unit:				
Weighted average limited partner units outstanding	55,500	55,854	55,910	56,056
Net income (loss) per limited partner unit	$(1.51)	$(1.95)	$2.39	$1.04

The accompanying Notes to Unaudited Condensed Consolidated Financial Statements are an integral part of these statements.

Table of Contents

CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 30, 2014
(In thousands)

	Three months ended 3/30/14
Limited Partnership Units Outstanding	
Beginning balance	55,716
Limited partnership unit options exercised	7
Issuance of limited partnership units as compensation	112
	55,835
Limited Partners' Equity	
Beginning balance	$148,847
Net loss	(83,539)
Partnership distribution declared ($0.70 per limited partnership unit)	(39,091)
Expense recognized for limited partnership unit options	223
Tax effect of units involved in option exercises and treasury unit transactions	(568)
Issuance of limited partnership units as compensation	3,665
	29,537
General Partner's Equity	
Beginning balance	2
Net loss	(1)
	1
Special L.P. Interests	5,290
Accumulated Other Comprehensive Income (Loss)	
Cumulative foreign currency translation adjustment:	
Beginning balance	5
Current period activity, net of tax ($932)	1,621
	1,626
Unrealized loss on cash flow hedging derivatives:	
Beginning balance	(15,013)
Current period activity, net of tax $106	(650)
	(15,663)
	(14,037)
Total Partners' Equity	$20,791

The accompanying Notes to Unaudited Condensed Consolidated Financial Statements are an integral part of this statement.

Table of Contents

CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three months ended		Twelve months ended	
	3/30/2014	3/31/2013	3/30/2014	3/31/2013
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES				
Net income (loss)	$(83,540)	(109,126)	$133,790	58,145
Adjustments to reconcile net income to net cash from operating activities:				
Depreciation and amortization	4,307	4,786	122,008	127,013
Loss on early debt extinguishment	—	34,573	—	34,573
Loss on impairment / retirement of fixed assets, net	997	600	2,936	30,844
Gain on sale of other assets	—	—	(8,743)	(6,625)
Net effect of swaps	371	9,211	(1,957)	8,689
Non-cash expense	21,546	13,867	50,679	22,127
Net change in working capital	(6,338)	7,057	1,031	18,152
Net change in other assets/liabilities	(20,599)	(29,635)	9,338	5,029
Net cash from (for) operating activities	(83,256)	(68,667)	309,082	297,947
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES				
Sale of other assets	—	—	15,297	16,058
Capital expenditures	(40,342)	(35,829)	(124,826)	(103,262)
Net cash for investing activities	(40,342)	(35,829)	(109,529)	(87,204)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES				
Net borrowings (payments) on revolving credit loans	55,000	96,000	(41,000)	(59,004)
Term debt borrowings	—	630,000	—	630,000
Note borrowings	—	500,000	—	500,000
Term debt payments, including early termination penalties	—	(1,131,100)	(11,150)	(1,156,100)
Distributions paid to partners	(39,091)	(34,820)	(147,728)	(101,482)
Exercise of limited partnership unit options	—	28	24	57
Payment of debt issuance costs	—	(23,491)	242	(23,491)
Excess tax benefit from unit-based compensation expense	(568)	(127)	414	1,519
Net cash from (for) financing activities	15,341	36,490	(199,198)	(208,501)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(932)	(786)	(1,526)	477
CASH AND CASH EQUIVALENTS				
Net increase (decrease) for the period	(109,189)	(68,792)	(1,171)	2,719
Balance, beginning of period	118,056	78,830	10,038	7,319
Balance, end of period	$8,867	$10,038	$8,867	$10,038
SUPPLEMENTAL INFORMATION				
Cash payments for interest expense	$36,966	$31,291	$96,509	$102,703
Interest capitalized	406	516	1,500	1,086
Cash payments for income taxes, net of refunds	605	1,952	13,475	3,597

The accompanying Notes to Unaudited Condensed Consolidated Financial Statements are an integral part of these statements.

Table of Contents

CEDAR FAIR, L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED MARCH 30, 2014 AND MARCH 31, 2013

The accompanying unaudited condensed consolidated financial statements have been prepared from the financial records of Cedar Fair, L.P. (the Partnership) without audit and reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary to fairly present the results of the interim periods covered in this report.

Due to the highly seasonal nature of the Partnership’s amusement and water park operations, the results for any interim period are not indicative of the results to be expected for the full fiscal year. Accordingly, the Partnership has elected to present financial information regarding operations and cash flows for the preceding fiscal twelve-month periods ended March 30, 2014 and March 31, 2013 to accompany the quarterly results. Because amounts for the fiscal twelve months ended March 30, 2014 include actual 2013 season operating results, they may not be indicative of 2014 full calendar year operations.

(1) Significant Accounting and Reporting Policies:

The Partnership’s unaudited condensed consolidated financial statements for the periods ended March 30, 2014 and March 31, 2013 included in this Form 10-Q report have been prepared in accordance with the accounting policies described in the Notes to Consolidated Financial Statements for the year ended December 31, 2013, which were included in the Form 10-K filed on February 26, 2014. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (the Commission). These financial statements should be read in conjunction with the financial statements and the notes thereto included in the Form 10-K referred to above.

New Accounting Pronouncements

In February 2013, the FASB issued ASU 2013-04, “Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date,” which requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at the reporting date, as the sum of the following:

- The amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors.
- Any additional amount the reporting entity expects to pay on behalf of its co-obligors.

The guidance in this Update also requires an entity to disclose the nature and amount of the obligation as other information about those obligations. The amendments in the Update are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013, however early adoption is permitted. The Partnership adopted this guidance in the first quarter of 2014 and the December 31, 2013 and March 31, 2013 Unaudited Condensed Consolidating Balance Sheets in Note 12 reflect the effect of the adoption of this guidance.

On July 18, 2013, the FASB issued ASU 2013-11 "Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (a consensus of the FASB Emerging Issues Task Force)". The ASU provides guidance on financial statement presentation of an unrecognized tax benefit ("UTB") when a net operating loss ("NOL") carryforward, a similar tax loss, or a tax credit carryforward exists. The FASB’s objective in issuing this ASU is to eliminate diversity in practice resulting from a lack of guidance on this topic in current U.S. GAAP. Under the ASU, an entity must present a UTB, or a portion of a UTB, in the financial statements as a reduction to a deferred tax asset ("DTA") for an NOL carryforward, a similar tax loss, or a tax credit carryforward except when:

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An NOL carryforward, a similar tax loss, or a tax credit carryforward is not available as of the reporting date under the governing tax law to settle taxes that would result from the disallowance of the tax position.

- The entity does not intend to use the DTA for this purpose (provided that the tax law permits a choice).

If either of these conditions exists, an entity should present a UTB in the financial statements as a liability and should not net the UTB with a DTA. New recurring disclosures are not required because the ASU does not affect the recognition or measurement of uncertain tax positions under ASC 740. The ASU's amendments are effective for fiscal years beginning after December 15, 2013, and interim periods within those years. The Partnership adopted this guidance in the first quarter of 2014 and it did not impact its consolidated financial statements.

Table of Contents

(2) Interim Reporting:
The Partnership owns and operates eleven amusement parks, three separately gated outdoor water parks, one indoor water park and five hotels. Virtually all of the Partnership’s revenues from its seasonal amusement parks, as well as its outdoor water parks and other seasonal resort facilities, are realized during a 130- to 140-day operating period beginning in early May, with the major portion concentrated in the third quarter during the peak vacation months of July and August. Knott's Berry Farm is open daily on a year-round basis. Castaway Bay is generally open daily from Memorial Day to Labor Day, plus a limited daily schedule for the balance of the year.
To assure that these highly seasonal operations will not result in misleading comparisons of current and subsequent interim periods, the Partnership has adopted the following accounting and reporting procedures for its seasonal parks: (a) revenues on multi-day admission tickets are recognized over the estimated number of visits expected for each type of ticket and are adjusted periodically during the season, (b) depreciation, advertising and certain seasonal operating costs are expensed during each park’s operating season, including certain costs incurred prior to the season which are amortized over the season, and (c) all other costs are expensed as incurred or ratably over the entire year.

(3) Long-Lived Assets:
Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances that would indicate that the carrying value of the assets may not be recoverable. In order to determine if an asset has been impaired, assets are grouped and tested at the lowest level for which identifiable, independent cash flows are available. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include, among others: a significant decline in expected future cash flows; a sustained, significant decline in equity price and market capitalization; a significant adverse change in legal factors or in the business climate; unanticipated competition; and slower growth rates. Any adverse change in these factors could have a significant impact on the recoverability of these assets and could have a material impact on our consolidated financial statements.

The long-lived operating asset impairment test involves a two-step process. The first step is a comparison of each asset group's carrying value to its estimated undiscounted future cash flows expected to result from the use of the assets, including disposition. Projected future cash flows reflect management's best estimates of economic and market conditions over the projected period, including growth rates in revenues and costs, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates and future estimates of capital expenditures. If the carrying value of the asset group is higher than its undiscounted future cash flows, there is an indication that impairment exists and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of the asset group to its carrying value in a manner consistent with the highest and best use of those assets.

The Partnership estimates fair value of operating assets using an income, market, and/or cost approach. The income approach uses an asset group's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital reflective of current market conditions. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The cost approach is based on the amount currently required to replace the service capacity of an asset adjusted for obsolescence. If the implied fair value of the assets is less than their carrying value, an impairment charge is recorded for the difference.

Non-operating assets are evaluated for impairment based on changes in market conditions. When changes in market conditions are observed, impairment is estimated using a market-based approach. If the estimated fair value of the non-operating assets is less than their carrying value, an impairment charge is recorded for the difference.

At the end of the third quarter of 2012, the Partnership concluded based on 2012 operating results and updated forecasts, that a review of the carrying value of operating long-lived assets at Wildwater Kingdom was warranted. After performing its review, the Partnership determined that a portion of the park's fixed assets were impaired. Also, at the end of the third quarter of 2012, the Partnership concluded that market conditions had changed on the adjacent non-operating land of Wildwater Kingdom. After performing its review of the updated market value of the land, the Partnership determined the land was impaired. The Partnership recognized a total of $25.0 million of fixed-asset impairment during the third quarter of 2012 which was recorded in "Loss on impairment / retirement of fixed assets, net" on the condensed consolidated statement of operations.

Table of Contents

(4) Goodwill and Other Intangible Assets:

In accordance with the applicable accounting rules, goodwill is not amortized, but, along with indefinite-lived trade-names, is evaluated for impairment on an annual basis or more frequently if indicators of impairment exist. As of March 30, 2014, there were no indicators of impairment. The Partnership's annual testing date is December 31. The Partnership tested goodwill and other indefinite-lived intangibles for impairment on December 31, 2013 and no impairment was indicated.

A summary of changes in the Partnership's carrying value of goodwill for the three months ended March 30, 2014 and March 31, 2013 is as follows:

(In thousands)	Goodwill (gross)	Accumulated Impairment Losses	Goodwill (net)
Balance at December 31, 2012	$326,089	$(79,868)	$246,221
Foreign currency translation	(2,568)	—	(2,568)
Balance at March 31, 2013	$323,521	$(79,868)	$243,653
Balance at December 31, 2013	$317,957	$(79,868)	$238,089
Foreign currency translation	(4,561)	—	(4,561)
Balance at March 30, 2014	$313,396	$(79,868)	$233,528

At March 30, 2014, December 31, 2013, and March 31, 2013 the Partnership's other intangible assets consisted of the following:

March 30, 2014	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
(In thousands)			
Other intangible assets:			
Trade names	$38,424	$—	$38,424
License / franchise agreements	881	385	496
Total other intangible assets	$39,305	$385	$38,920
December 31, 2013			
(In thousands)			
Other intangible assets:			
Trade names	$39,070	$—	$39,070
License / franchise agreements	800	399	401
Total other intangible assets	$39,870	$399	$39,471
March 31, 2013			
(In thousands)			
Other intangible assets:			
Trade names	$39,858	$—	$39,858
License / franchise agreements	834	369	465
Total other intangible assets	$40,692	$369	$40,323

Estimated amortization expense is expected to total less than $75,000 in each year from 2014 through 2018.

(5) Long-Term Debt:

In July 2010, the Partnership issued $405 million of 9.125% senior unsecured notes, maturing in 2018, in a private placement, including $5.6 million of Original Issue Discount ("OID") to yield 9.375%. Concurrently with this offering, the Partnership entered into a new $1,435 million credit agreement (the "2010 Credit Agreement"), which included a $1,175 million senior secured term loan facility and a $260 million senior secured revolving credit facility. The net proceeds from the offering of the notes, along with borrowings under the 2010 Credit Agreement, were used to repay in full all amounts outstanding under the previous credit

9

Table of Contents

facilities. The facilities provided under the 2010 Credit Agreement were collateralized by substantially all of the assets of the Partnership.

The Partnership's $405 million of senior unsecured notes pay interest semi-annually in February and August, with the principal due in full on August 1, 2018. The notes may be redeemed, in whole or in part, at any time prior to August 1, 2014 at a price equal to 100% of the principal amount of the notes redeemed plus a “make-whole” premium together with accrued and unpaid interest, if any, to the redemption date. Thereafter, the notes may be redeemed, in whole or in part, at various prices depending on the date redeemed.

In February 2011, the Partnership amended the 2010 Credit Agreement (as so amended, the “Amended 2010 Credit Agreement”) and extended the maturity date of the term loan portion of the credit facilities by one year. The extended U.S. term loan was scheduled to mature in December 2017 and bore interest at a rate of LIBOR plus 300 bps, with a LIBOR floor of 100 bps.

In March 2013, the Partnership issued $500 million of 5.25% senior unsecured notes, maturing in 2021, in a private placement, with no OID. Concurrently with this offering, the Partnership entered into a new $885 million credit agreement (the "2013 Credit Agreement"), which included a $630 million senior secured term loan facility and a $255 million senior secured revolving credit facility. The terms of the senior secured term loan facility include a maturity date of March 6, 2020 and bear interest at a rate of LIBOR plus 250 bps with a LIBOR floor of 75 bps. The term loan amortizes at $6.3 million annually. The net proceeds from the notes and borrowings under the 2013 Credit Agreement were used to repay in full all amounts outstanding under the previous credit facilities. The facilities provided under the 2013 Credit Agreement are collateralized by substantially all of the assets of the Partnership.

Terms of the 2013 Credit Agreement include a revolving credit facility of a combined $255 million. Under the 2013 Credit Agreement, the Canadian portion of the revolving credit facility has a sub-limit of $15 million. U.S. denominated and Canadian denominated loans made under the revolving credit facility bear interest at a rate of LIBOR plus 225 bps (with no LIBOR floor). The revolving credit facility is scheduled to mature in March 2018 and also provides for the issuance of documentary and standby letters of credit. The 2013 Credit Agreement requires the Partnership to pay a commitment fee of 38 bps per annum on the unused portion of the credit facilities.

The 2013 Credit Agreement requires the Partnership to maintain specified financial ratios, which if breached for any reason, including a decline in operating results, could result in an event of default under the agreement. The most restrictive of these ratios is the Consolidated Leverage Ratio which is measured quarterly on a trailing-twelve month basis. The Consolidated Leverage Ratio was set at 6.25x consolidated total debt (excluding the revolving debt)-to-Consolidated EBITDA at the end of the first quarter in 2014, and the ratio will decrease by 0.25x each second quarter beginning with the second quarter of 2014 until it reaches 5.25x. As of March 30, 2014, the Partnership’s Consolidated Leverage Ratio was 3.63x, providing $175.2 million of consolidated EBITDA cushion on the ratio as of the end of the first quarter. The Partnership was in compliance with all other covenants under the 2013 Credit Agreement as of March 30, 2014.

The 2013 Credit Agreement also includes provisions that allow the Partnership to make restricted payments of up to $60 million annually, so long as no default or event of default has occurred and is continuing. These restricted payments are not subject to any specific covenants. Additional restricted payments are allowed to be made based on an Excess-Cash-Flow formula, should the Partnership’s pro-forma Consolidated Leverage Ratio be less than or equal to 5.00x. Per the terms of the indenture governing the Partnership's notes maturing in 2018, which is more restrictive than the indenture governing the Partnership's notes maturing in 2021, we can make restricted payments of $20 million annually so long as no default or event of default has occurred and is continuing, and our ability to make additional restricted payments in 2013 and beyond is permitted should the Partnership's pro forma trailing-twelve-month Total-Indebtedness-to-Consolidated-Cash-Flow Ratio be less than or equal to 4.75x.

The Partnership's $500 million of senior unsecured notes pay interest semi-annually in March and September, with the principal due in full on March 15, 2021. The notes may be redeemed, in whole or in part, at any time prior to March 15, 2016 at a price equal to 100% of the principal amount of the notes redeemed plus a “make-whole” premium together with accrued and unpaid interest, if any, to the redemption date. Thereafter, the notes may be redeemed, in whole or in part, at various prices depending on the date redeemed. Prior to March 15, 2016, up to 35% of the notes may be redeemed with the net cash proceeds of certain equity offerings at 105.25%.

As market conditions warrant, the Partnership may from time to time repurchase debt securities issued by the Partnership, in privately negotiated or open market transactions, by tender offer, exchange offer or otherwise.

Table of Contents

(6) Derivative Financial Instruments:
Derivative financial instruments are used within the Partnership's overall risk management program to manage certain interest rate and foreign currency risks. By utilizing a derivative instrument to hedge our exposure to LIBOR rate changes, the Partnership is exposed to credit risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. To mitigate this risk, hedging instruments are placed with a counterparty that the Partnership believes poses minimal credit risk.
The Partnership does not use derivative financial instruments for trading purposes.

We have entered into several interest rate swaps that fix all of our variable rate term-debt payments. As of March 30, 2014, we have $800 million of variable-rate debt to fixed rates swaps that mature in December 2015 and fix LIBOR at a weighted average rate of 2.38%. These swaps have been de-designated as cash flow hedges. During the third quarter and fourth quarter of 2013, we entered into four forward-starting interest rate swap agreements that will effectively convert $500 million of variable-rate debt to fixed rates beginning in December of 2015. These swaps, which were designated as cash flow hedges, mature on December 31, 2018 and fix LIBOR at a weighted average rate of 2.94%.
Fair Value of Derivative Instruments and the Classification in Condensed Consolidated Balance Sheet:

(In thousands)	Condensed Consolidated Balance Sheet Location	Fair Value as of March 30, 2014	Fair Value as of December 31, 2013	Fair Value as of March 31, 2013
Derivatives designated as hedging instruments:				
Interest rate swaps	Derivative Liability	$(6,657)	$(3,916)	$(23,388)
Total derivatives designated as hedging instruments		$(6,657)	$(3,916)	$(23,388)
Derivatives not designated as hedging instruments:				
Interest rate swaps	Derivative Liability	$(21,132)	$(22,746)	$(7,643)
Total derivatives not designated as hedging instruments		$(21,132)	$(22,746)	$(7,643)
Net derivative liability		$(27,789)	$(26,662)	$(31,031)

Derivatives Designated as Hedging Instruments
Changes in fair value of highly effective hedges are recorded as a component of accumulated other comprehensive loss in the unaudited condensed consolidated balance sheets. Any ineffectiveness is recognized immediately in income. Amounts recorded as a component of accumulated other comprehensive loss are reclassified into earnings in the same period the forecasted transactions affect earnings. As of March 30, 2014 we have no amounts that are forecasted to be reclassified into earnings in the next twelve months. As of March 31, 2013, $600 million of our portfolio qualified for hedge accounting and the fair value of these swaps are reflected in the above table. Subsequently, these derivatives were de-designated in the third quarter of 2013, as the hedge effectiveness testing indicated that these swaps would be ineffective throughout the remaining periods until maturity.
Derivatives Not Designated as Hedging Instruments
Certain interest rate swap contracts were deemed ineffective in prior years and no longer qualified for hedge accounting. As a result of discontinued hedge accounting, the instruments are prospectively adjusted to fair value each reporting period through Net effect of swaps on the unaudited condensed consolidated statements of operations and comprehensive income. The amounts that were previously recorded as a component of accumulated other comprehensive loss prior to the de-designation are reclassified to earnings and a corresponding realized gain or loss will be recognized when the forecasted cash flow occurs. As of March 30, 2014, approximately $11.8 million of losses remain in accumulated comprehensive loss related to the effective cash flow hedge contracts prior to de-designation. We estimate that losses of $7.9 million will be reclassified to earnings within the next 12 months. As of March 31, 2013, $200 million of the derivative portfolio did not qualify for hedge accounting as the amount of

variable rate debt decreased to less than the total amount of our derivative portfolio, and the fair value of these swaps are reflected in the above table.

Table of Contents

The following table presents our derivative portfolio along with their notional amounts and their fixed interest rates.

($'s in thousands)	Interest Rate Swaps Derivatives designated as hedging instruments			Derivatives not designated as hedging instruments		
	Notional Amounts	LIBOR Rate		Notional Amounts	LIBOR Rate	
	$200,000	3.00	%	$200,000	2.27	%
	100,000	3.00	%	150,000	2.43	%
	100,000	3.00	%	75,000	2.30	%
	100,000	2.70	%	70,000	2.54	%
				50,000	2.54	%
				50,000	2.54	%
				50,000	2.43	%
				50,000	2.29	%
				50,000	2.29	%
				30,000	2.54	%
				25,000	2.30	%
Total $'s / Average Rate	$500,000	2.94	%	$800,000	2.38	%

Effects of Derivative Instruments on Income (Loss) and Other Comprehensive Income (Loss) for the three-month periods ended March 30, 2014 and March 31, 2013:

(In thousands)	Amount of Gain (Loss) Recognized in Accumulated OCI on Derivatives (Effective Portion)		Amount and Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)			Amount and Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)		
Derivatives designated as Cash Flow Hedging Relationships	Three months ended 3/30/14	Three months ended 3/31/13		Three months ended 3/30/14	Three months ended 3/31/13		Three months ended 3/30/14	Three months ended 3/31/13
Interest rate swaps	$(2,742)	$2,266	Interest Expense	$—	$(2,797)	Net effect of swaps	$—	$435

(In thousands)	Amount and Location of Gain (Loss) Recognized in Income on Derivative		
Derivatives not designated as Cash Flow Hedging Relationships		Three months ended 3/30/14	Three months ended 3/31/13
Interest rate swaps	Net effect of swaps	1,617	(1,471)
		$1,617	$(1,471)

During the quarter ended March 30, 2014, in addition to gains of $1.6 million recognized in income on the derivatives not designated as cash flow hedges (as noted in the tables above), $2.0 million of expense representing the regular amortization of amounts in AOCI was recorded in the condensed consolidated statements of operations for the quarter. The effect of these amounts resulted in a charge to earnings of $0.4 million recorded in “Net effect of swaps.”

For the three-month period ended March 31, 2013, in addition to the $435 thousand gain recognized in income on the ineffective portion of derivatives and $1.5 million loss recognized in income on the derivatives not designated as cash flow hedges (as noted in the tables above), $7.8 million of expense related to the write off of OCI balances on our May 2011 swaps and $330 thousand of expense representing the amortization of amounts in AOCI was recorded in the condensed consolidated statements of operations. The effect of these amounts resulted in a charge to earnings of $9.2 million recorded in “Net effect of swaps.”

Table of Contents

Effects of Derivative Instruments on Income (Loss) and Other Comprehensive Income (Loss) for the twelve-month periods ended March 30, 2014 and March 31, 2013:

(In thousands)	Amount of Gain (Loss) Recognized in Accumulated OCI on Derivatives (Effective Portion)		Amount and Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)			Amount and Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)		
Derivatives designated as Cash Flow Hedging Relationships	Twelve months ended 3/30/14	Twelve months ended 3/31/13		Twelve months ended 3/30/14	Twelve months ended 3/31/13		Twelve months ended 3/30/14	Twelve months ended 3/31/13
Interest rate swaps	$ (6,658)	$ 2,286	Interest Expense	$ (2,797)	$ (12,031)	Net effect of swaps	$ 3,268	$ 435

(In thousands)	Amount and Location of Gain (Loss) Recognized in Income on Derivative		
Derivatives not designated as Cash Flow Hedging Relationships		Twelve months ended 3/30/14	Twelve months ended 3/31/13
Interest rate swaps	Net effect of swaps	6,635	(1,471)
		$ 6,635	$ (1,471)

In addition to the $3.3 million gain recognized in income on the ineffective portion of derivatives and $6.6 million gain recognized in income on derivatives not designated as cash flow hedges (as noted in the tables above), $7.9 million of expense representing the amortization of amounts in AOCI for the swaps was recorded during the trailing twelve months ended March 30, 2014 in the condensed consolidated statements of operations. The net effect of these amounts resulted in a benefit to earnings for the trailing twelve month period of $2.0 million recorded in “Net effect of swaps.”

For the twelve-month period ending March 31, 2013, in addition to the $435 thousand gain recognized in income on the ineffective portion of designated derivatives and $1.5 million of loss recognized in income on the derivatives not designated as cash flow hedges as noted in the tables above, $7.8 million of expense related to the write off of OCI balances on our May 2011 swaps and $192 thousand of income representing the amortization of amounts in AOCI for the swaps was recorded during the trailing twelve months ended March 31, 2013 in the condensed consolidated statements of operations. The net effect of these amounts resulted in expense for the trailing twelve month period of $8.7 million recorded in “Net effect of swaps.”

(7) Fair Value Measurements:

The FASB Accounting Standards Codification (ASC) relating to fair value measurements emphasizes that fair value is a market-based measurement that should be determined based on assumptions (inputs) that market participants would use in pricing an asset or liability. Inputs may be observable or unobservable, and valuation techniques used to measure fair value should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Accordingly, the FASB’s ASC establishes a hierarchal disclosure framework that ranks the quality and reliability of information used to determine fair values. The hierarchy is associated with the level of pricing observability utilized in measuring fair value and defines three levels of inputs to the fair value measurement process—quoted prices are the most reliable valuation inputs, whereas model values that include inputs based on unobservable data are the least reliable. Each fair value measurement must be assigned to a level corresponding to the

lowest level input that is significant to the fair value measurement in its entirety.
The three broad levels of inputs defined by the fair value hierarchy are as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Table of Contents

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The table below presents the balances of assets and liabilities measured at fair value as of March 30, 2014, December 31, 2013, and March 31, 2013 on a recurring basis:

	Total	Level 1	Level 2	Level 3
March 30, 2014				
(In thousands)				
Interest rate swap agreements [1]	$(6,657)	$—	$(6,657)	$—
Interest rate swap agreements [2]	(21,132)	—	(21,132)	—
Net derivative liability	$(27,789)	$—	$(27,789)	$—
December 31, 2013				
Interest rate swap agreements [1]	$(3,916)	$—	$(3,916)	$—
Interest rate swap agreements [2]	$(22,746)	$—	$(22,746)	$—
Net derivative liability	$(26,662)	$—	$(26,662)	$—
March 31, 2013				
Interest rate swap agreements [1]	$(23,388)	$—	$(23,388)	$—
Interest rate swap agreements [2]	$(7,643)	$—	$(7,643)	$—
Net derivative liability	$(31,031)	$—	$(31,031)	$—

(1) Designated as cash flow hedges and are included in "Derivative Liability" on the Unaudited Condensed Consolidated Balance Sheet

(2) Not designated as cash flow hedges and are included in "Derivative Liability" on the Unaudited Condensed Consolidated Balance Sheet

Fair values of the interest rate swap agreements are determined using significant inputs, including the LIBOR forward curves, that are considered Level 2 observable market inputs. In addition, the Partnership considered the effect of its credit and non-performance risk on the fair values provided, and recognized an adjustment decreasing the net derivative liability by approximately $0.6 million as of March 30, 2014.

The carrying value of cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximates fair value because of the short maturity of these instruments.

There were no assets measured at fair value on a non-recurring basis at March 30, 2014 or March 31, 2013, except for as described below.

At the end of the third quarter in 2012, the Partnership concluded based on operating results, as well as updated forecasts, and changes in market conditions, that a review of the carrying value of long-lived assets at Wildwater Kingdom was warranted. After performing its review, the Partnership determined that a portion of the park's fixed assets were impaired. Based on Level 3 unobservable valuation assumptions and other market inputs, the assets were marked to a fair value of $19.8 million resulting in an impairment charge of $25.0 million.

The fair value of term debt at March 30, 2014 was approximately $618.9 million based on borrowing rates currently available to the Partnership on long-term debt with similar terms and average maturities. The fair value of the Partnership's notes at March 30, 2014 was approximately $938.6 million based on public trading levels as of that date. The fair value of the term debt was based on Level 2 inputs and the notes were based on Level 1 inputs.

Table of Contents

(8) Earnings per Unit:

Net income per limited partner unit is calculated based on the following unit amounts:

	Three months ended		Twelve months ended	
	3/30/2014	3/31/2013	3/30/2014	3/31/2013
	(In thousands except per unit amounts)			
Basic weighted average units outstanding	55,500	55,854	55,531	55,694
Effect of dilutive units:				
Unit options and restricted unit awards	—	—	209	63
Phantom units	—	—	170	299
Diluted weighted average units outstanding	55,500	55,854	55,910	56,056
Net income per unit - basic	$(1.51)	$(1.95)	$2.41	$1.04
Net income per unit - diluted	$(1.51)	$(1.95)	$2.39	$1.04

The effect of out-of-the-money and/or antidilutive unit options on the three and twelve months ended March 30, 2014 and March 31, 2013, respectively, had they not been out of the money or antidilutive, would have been immaterial in all periods presented.

(9) Income and Partnership Taxes:

Under the applicable accounting rules, income taxes are recognized for the amount of taxes payable by the Partnership’s corporate subsidiaries for the current year and for the impact of deferred tax assets and liabilities, which represent future tax consequences of events that have been recognized differently in the financial statements than for tax purposes. The income tax provision (benefit) for interim periods is determined by applying an estimated annual effective tax rate to the quarterly income (loss) of the Partnership’s corporate subsidiaries. In addition to income taxes on its corporate subsidiaries, the Partnership pays a publicly traded partnership tax (PTP tax) on partnership-level gross income (net revenues less cost of food, merchandise and games). As such, the Partnership’s total provision (benefit) for taxes includes amounts for both the PTP tax and for income taxes on its corporate subsidiaries.

As of the first quarter of 2014 the Partnership has recorded $1.1 million of unrecognized tax benefits including interest and/or penalties related to state and local tax filing positions. The Partnership recognizes interest and/or penalties related to unrecognized tax benefits in the income tax provision. The Partnership does not anticipate that the balance of the unrecognized tax benefit will change significantly over the next 12 months.

(10) Contingencies:

The Partnership is a party to a number of lawsuits arising in the normal course of business. In the opinion of management, none of these matters is expected to have a material effect in the aggregate on the Partnership's financial statements.

Table of Contents

(11) Changes in Accumulated Other Comprehensive Income (Loss) by Component:

The following tables reflect the changes in Accumulated Other Comprehensive Income (Loss) related to limited partners' equity for the three- and twelve-month periods ended March 30, 2014 and March 31, 2013:

Changes in Accumulated Other Comprehensive Income by Component (1)
(In thousands)

	Gains and Losses on Cash Flow Hedges	Foreign Currency Items	Total
Balance at December 31, 2013	$(15,013)	$5	$(15,008)
Other comprehensive income before reclassifications, net of tax $413 and ($932), respectively	(2,328)	1,621	(707)
Amounts reclassified from accumulated other comprehensive income, net of tax ($307) (2)	1,678	—	1,678
Net other comprehensive income	(650)	1,621	971
March 30, 2014	$(15,663)	$1,626	$(14,037)

(1) All amounts are net of tax. Amounts in parentheses indicate debits.
(2) See Reclassifications Out of Accumulated Other Comprehensive Income table below for reclassification details.

Changes in Accumulated Other Comprehensive Income by Component (1)
(In thousands)

	Gains and Losses on Cash Flow Hedges	Foreign Currency Items	Total
Balance at December 31, 2012	$(25,749)	$(2,751)	$(28,500)
Other comprehensive income before reclassifications, net of tax $326 and ($174), respectively	1,940	301	2,241
Amounts reclassified from accumulated other comprehensive income, net of tax ($1,229) (2)	6,945	—	6,945
Net other comprehensive income	8,885	301	9,186
March 31, 2013	$(16,864)	$(2,450)	$(19,314)

(1) All amounts are net of tax. Amounts in parentheses indicate debits.

(2) See Reclassifications Out of Accumulated Other Comprehensive Income table below for reclassification details.

Table of Contents

Changes in Accumulated Other Comprehensive Income by Component (1)
(In thousands)

	Gains and Losses on Cash Flow Hedges	Foreign Currency Items	Total
Balance at March 31, 2013	$(16,864)	$(2,450)	$(19,314)
Other comprehensive income before reclassifications, net of tax $1,144 and ($2,343), respectively	(5,514)	4,076	(1,438)
Amounts reclassified from accumulated other comprehensive income, net of tax ($1,228) (2)	6,715	—	6,715
Net other comprehensive income	1,201	4,076	5,277
March 30, 2014	$(15,663)	$1,626	$(14,037)

(1) All amounts are net of tax. Amounts in parentheses indicate debits.
(2) See Reclassifications Out of Accumulated Other Comprehensive Income table below for reclassification details.

Changes in Accumulated Other Comprehensive Income by Component (1)
(In thousands)

	Gains and Losses on Cash Flow Hedges	Foreign Currency Items	Total
Balance at March 25, 2012	$(25,549)	$(4,289)	$(29,838)
Other comprehensive income before reclassifications, net of tax ($298) and ($1,058), respectively	1,988	1,839	3,827
Amounts reclassified from accumulated other comprehensive income, net of tax ($1,445) (2)	6,697	—	6,697
Net other comprehensive income	8,685	1,839	10,524
March 31, 2013	$(16,864)	$(2,450)	$(19,314)

(1) All amounts are net of tax. Amounts in parentheses indicate debits.
(2) See Reclassifications Out of Accumulated Other Comprehensive Income table below for reclassification details.

Table of Contents

Reclassifications Out of Accumulated Other Comprehensive Income [1]
(In thousands)

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income				Affected Line Item in the Statement Where Net Income is Presented
Gains and losses on cash flow hedges	3 months ended 3/30/14	3 months ended 3/31/13	12 months ended 3/30/14	12 months ended 3/31/13	
Interest rate contracts	$1,985	$8,174	$7,943	$8,142	Net effect of swaps
	$1,985	$8,174	$7,943	$8,142	Total before tax
	(307)	(1,229)	(1,228)	(1,445)	Benefit for taxes
	$1,678	$6,945	$6,715	$6,697	Net of tax

(1) Amounts in parentheses indicate debits.

18

Table of Contents

(12) Consolidating Financial Information of Guarantors and Issuers:

Cedar Fair, L.P., Canada's Wonderland Company ("Cedar Canada"), and Magnum Management Corporation ("Magnum") are the co-issuers of the Partnership's 9.125% notes and the 5.25% notes (see Note 5). The notes have been fully and unconditionally guaranteed, on a joint and several basis, by each 100% owned subsidiary of Cedar Fair (other than Cedar Canada and Magnum) that guarantees the Partnership's senior secured credit facilities. There are no non-guarantor subsidiaries.

The following consolidating schedules present condensed financial information for Cedar Fair, L.P., Cedar Canada, and Magnum, the co-issuers, and each 100% owned subsidiary of Cedar Fair (other than Cedar Canada and Magnum), the guarantors (on a combined basis), as of March 30, 2014, December 31, 2013, and March 31, 2013 and for the three and twelve month periods ended March 30, 2014 and March 31, 2013. In lieu of providing separate unaudited financial statements for the guarantor subsidiaries, the Partnership has included the accompanying condensed consolidating financial statements.

The Partnership adopted ASU 2013-04, “Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date" as of January 1, 2014. The debt disclosed on the unaudited balance sheets as of March 31, 2014, December 31, 2013 and March 31, 2013 reflect the adoption of this guidance. For the periods ended December 31, 2013 and March 31, 2013, the debt disclosed and related items have been adjusted to reflect only the amounts of debt Cedar Fair, L.P, Cedar Canada, and Magnum have recorded on their books.

In addition to making the retrospective adjustments to the balance sheets related to the adoption of ASU 2013-14, the Unaudited Condensed Consolidating Statements of Cash Flows for the three and twelve month periods ended March 31, 2013 have been revised to correct the presentation of income from investments in affiliates and other intercompany transactions as an adjustment to cash flows from operating activities. We previously reported the following amounts as cash flows from (for) investing activities.

(in thousands)	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Three months ended March 31, 2013						
Investment in joint ventures and affiliates	$65,636	$58,171	$(2,442)	$32,098	$(153,463)	$—
Twelve months ended March 31, 2013						
Investment in joint ventures and affiliates	43,043	(49,642)	(2,479)	4,568	4,510	—

In addition, the Unaudited Condensed Consolidating Statement of Cash Flows for the twelve month period ended March 31, 2013 has been revised to correct the presentation of cash received by a co-issuer subsidiary (Magnum), related to intercompany term debt as cash flows from investing activities. We previously reported an $104.2 million intercompany term debt receipt as cash flows from financing activities.

These revisions had no effect on the Partnership's Unaudited Condensed Consolidated Balance Sheets, Statements of Operations and Comprehensive Income, Statements of Partner's Equity, or Statements of Cash Flows.

19

Table of Contents

CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET
March 30, 2014
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$—	$571	$3,524	$4,772	$—	$8,867
Receivables	59	96,547	76,669	530,662	(684,307)	19,630
Inventories	—	3,794	2,841	31,629	—	38,264
Current deferred tax asset	—	22,409	800	3,444	—	26,653
Other current assets	325	10,578	5,589	15,891	(2,363)	30,020
	384	133,899	89,423	586,398	(686,670)	123,434
Property and Equipment (net)	455,780	8,110	240,175	829,897	—	1,533,962
Investment in Park	443,179	744,425	138,604	35,052	(1,361,260)	—
Goodwill	9,061	—	113,249	111,218	—	233,528
Other Intangibles, net	—	—	16,037	22,883	—	38,920
Deferred Tax Asset	—	30,296	—	117	(30,413)	—
Intercompany Receivable	—	—	—	—	—	—
Other Assets	12,213	22,179	6,087	2,912	—	43,391
	$920,617	$938,909	$603,575	$1,588,477	$(2,078,343)	$1,973,235
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Current maturities of long-term debt	$827	$590	$33	$—	$—	$1,450
Accounts payable	173,364	230,516	10,818	314,637	(684,307)	45,028
Deferred revenue	—	85	4,048	66,015	—	70,148
Accrued interest	2,580	1,567	5,926	—	—	10,073
Accrued taxes	4,757	849	—	3,209	(2,363)	6,452
Accrued salaries, wages and benefits	—	18,183	503	5,833	—	24,519
Self-insurance reserves	—	5,431	1,664	15,601	—	22,696
Other accrued liabilities	280	3,086	125	1,405	—	4,896
	181,808	260,307	23,117	406,700	(686,670)	185,262
Deferred Tax Liability	—	—	56,045	131,649	(30,413)	157,281
Derivative Liability	16,281	11,508	—	—	—	27,789
Other Liabilities	—	4,358	—	3,397	—	7,755
Long-Term Debt:						
Revolving credit loans	55,000	—	—	—	—	55,000
Term debt	351,840	251,371	14,189	—	—	617,400
Notes	294,897	205,103	401,957	—	—	901,957
	701,737	456,474	416,146	—	—	1,574,357
Equity	20,791	206,262	108,267	1,046,731	(1,361,260)	20,791
	$920,617	$938,909	$603,575	$1,588,477	$(2,078,343)	$1,973,235

20

CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET
December 31, 2013
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$75,000	$4,144	$35,575	$3,337	$—	$118,056
Receivables	6	115,972	67,829	552,633	(715,107)	21,333
Inventories	—	1,968	1,898	22,214	—	26,080
Current deferred tax asset	—	5,430	800	3,445	—	9,675
Other current assets	599	4,443	14,266	7,764	(15,719)	11,353
	75,605	131,957	120,368	589,393	(730,826)	186,497
Property and Equipment (net)	447,724	976	243,208	813,855	—	1,505,763
Investment in Park	514,948	796,735	142,668	63,948	(1,518,299)	—
Goodwill	9,061	—	117,810	111,218	—	238,089
Other Intangibles, net	—	—	16,683	22,788	—	39,471
Deferred Tax Asset	—	31,122	—	117	(31,239)	—
Other Assets	25,210	10,002	6,657	2,938	—	44,807
	$1,072,548	$970,792	$647,394	$1,604,257	$(2,280,364)	$2,014,627
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Accounts payable	$259,850	$188,818	$17,632	$262,029	$(715,107)	$13,222
Deferred revenue	—	—	2,815	41,706	—	44,521
Accrued interest	4,637	3,223	15,341	—	—	23,201
Accrued taxes	4,609	—	—	30,591	(15,719)	19,481
Accrued salaries, wages and benefits	—	21,596	1,101	6,503	—	29,200
Self-insurance reserves	—	5,757	1,742	16,154	—	23,653
Other accrued liabilities	1,146	2,993	181	1,201	—	5,521
	270,242	222,387	38,812	358,184	(730,826)	158,799
Deferred Tax Liability	—	—	57,704	131,648	(31,239)	158,113
Derivative Liability	15,610	11,052	—	—	—	26,662
Other Liabilities	—	7,858	—	3,432	—	11,290
Long-Term Debt:						
Term debt	352,668	251,961	14,221	—	—	618,850
Notes	294,897	205,103	401,782	—	—	901,782
	647,565	457,064	416,003	—	—	1,520,632
Equity	139,131	272,431	134,875	1,110,993	(1,518,299)	139,131
	$1,072,548	$970,792	$647,394	$1,604,257	$(2,280,364)	$2,014,627

Table of Contents

CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET
March 31, 2013
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$—	$732	$4,125	$5,181	$—	$10,038
Receivables	682	79,472	67,302	436,595	(570,709)	13,342
Inventories	—	3,645	3,032	32,386	—	39,063
Current deferred tax asset	—	31,543	816	3,663	—	36,022
Other current assets	207	9,630	1,618	16,260	—	27,715
	889	125,022	76,893	494,085	(570,709)	126,180
Property and Equipment (net)	457,484	1,003	262,941	849,424	—	1,570,852
Investment in Park	419,501	714,013	115,401	21,689	(1,270,604)	—
Goodwill	9,061	—	123,374	111,218	—	243,653
Other Intangibles, net	—	—	17,470	22,853	—	40,323
Deferred Tax Asset	—	34,890	—	90	(34,980)	—
Other Assets	14,581	10,291	7,473	2,303	—	34,648
	$901,516	$885,219	$603,552	$1,501,662	$(1,876,293)	$2,015,656
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Current maturities of long-term debt	$3,332	$2,823	$145	$—	$—	$6,300
Accounts payable	103,654	215,425	3,891	285,182	(570,709)	37,443
Deferred revenue	—	—	6,679	59,505	—	66,184
Accrued interest	1,444	916	5,979	—	—	8,339
Accrued taxes	4,790	390	331	3,489	—	9,000
Accrued salaries, wages and benefits	—	13,483	1,095	5,604	—	20,182
Self-insurance reserves	—	5,324	1,696	16,537	—	23,557
Other accrued liabilities	589	5,161	133	1,984	—	7,867
	113,809	243,522	19,949	372,301	(570,709)	178,872
Deferred Tax Liability	—	—	62,700	126,867	(34,980)	154,587
Derivative Liability	18,594	12,437	—	—	—	31,031
Other Liabilities	—	4,185	—	3,500	—	7,685
Long-Term Debt:						
Revolving credit loans	96,000	—	—	—	—	96,000
Term debt	355,690	253,677	14,333	—	—	623,700
Notes	294,897	205,103	401,255	—	—	901,255
	746,587	458,780	415,588	—	—	1,620,955
Equity	22,526	166,295	105,315	998,994	(1,270,604)	22,526
	$901,516	$885,219	$603,552	$1,501,662	$(1,876,293)	$2,015,656

CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
For the Three Months Ended March 30, 2014
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$4,755	$8,679	$151	$ 40,312	$ (13,431)	$40,466
Costs and expenses:						
Cost of food, merchandise, and games revenues	—	—	1	4,984	—	4,985
Operating expenses	1,348	22,462	6			