CEDAR FAIR L P
Form 10-Q
August 01, 2018
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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 June 24, 2018
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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. 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

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Title of Class	Units Outstanding as of July 27, 2018
Units Representing Limited Partner Interests	56,440,139

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	6/24/2018	12/31/2017	6/25/2017
ASSETS			
Current Assets:			
Cash and cash equivalents	$60,119	$166,245	$101,083
Receivables	85,379	37,722	83,377
Inventories	47,000	29,719	44,285
Prepaid advertising	22,210	3,031	18,779
Other current assets	18,434	10,266	14,785
	233,142	246,983	262,309
Property and Equipment:			
Land	266,849	271,021	266,823
Land improvements	433,505	421,593	418,473
Buildings	728,243	693,899	699,548
Rides and equipment	1,804,512	1,740,653	1,723,960
Construction in progress	36,569	72,847	39,775
	3,269,678	3,200,013	3,148,579
Less accumulated depreciation	(1,650,680)	(1,614,241)	(1,539,953)
	1,618,998	1,585,772	1,608,626
Goodwill	180,186	183,830	180,370
Other Intangibles, net	36,991	38,064	37,653
Other Assets	9,899	9,510	20,499
	$2,079,216	$2,064,159	$2,109,457
LIABILITIES AND PARTNERS' EQUITY			
Current Liabilities:			
Current maturities of long-term debt	$1,875	$—	$7,500
Accounts payable	49,551	24,621	45,374
Deferred revenue	211,173	86,131	193,338
Accrued interest	9,265	8,124	9,735
Accrued taxes	12,740	43,975	30,352
Accrued salaries, wages and benefits	26,228	18,740	24,955
Self-insurance reserves	25,272	25,107	26,860
Other accrued liabilities	24,395	18,796	16,706
	360,499	225,494	354,820
Deferred Tax Liability	93,474	74,798	116,797
Derivative Liability	—	8,722	18,166
Other Liabilities	10,982	11,684	12,423
Long-Term Debt:			
Revolving credit loans	25,000	—	—
Term debt	722,186	723,788	731,258
Notes	937,146	936,727	936,633
	1,684,332	1,660,515	1,667,891
Partners' Equity:			

Special L.P. interests	5,290	5,290	5,290
General partner	(2)	—	(1)
Limited partners, 56,441, 56,359 and 56,240 units outstanding at June 24, 2018, December 31, 2017 and June 25, 2017, respectively	(86,435)	81,589	(70,915)
Accumulated other comprehensive income (loss)	11,076	(3,933)	4,986
	(70,071)	82,946	(60,640)
	$2,079,216	$2,064,159	$2,109,457

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

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

	Three months ended		Six months ended	
	6/24/2018	6/25/2017	6/24/2018	6/25/2017
Net revenues:				
Admissions	$204,447	$214,881	$231,168	$237,444
Food, merchandise and games	129,947	133,167	151,002	151,375
Accommodations, extra-charge products and other	45,922	44,750	52,873	52,297
	380,316	392,798	435,043	441,116
Costs and expenses:				
Cost of food, merchandise, and games revenues	35,018	34,249	41,021	39,729
Operating expenses	167,417	160,380	256,245	244,669
Selling, general and administrative	54,041	51,860	82,723	79,479
Depreciation and amortization	52,219	50,812	57,740	56,177
Loss on impairment / retirement of fixed assets, net	3,372	184	4,712	1,710
	312,067	297,485	442,441	421,764
Operating income (loss)	68,249	95,313	(7,398)	19,352
Interest expense	21,337	21,920	41,099	40,834
Net effect of swaps	(906)	4,368	(4,534)	4,669
Loss on early debt extinguishment	—	23,115	1,073	23,115
Loss (gain) on foreign currency	14,984	(3,183)	25,078	(5,854)
Other income	(139)	(16)	(488)	(48)
Income (loss) before taxes	32,973	49,109	(69,626)	(43,364)
Provision (benefit) for taxes	13,730	17,741	(5,469)	(9,978)
Net income (loss)	19,243	31,368	(64,157)	(33,386)
Net income (loss) allocated to general partner	—	1	(1)	—
Net income (loss) allocated to limited partners	$19,243	$31,367	$(64,156)	$(33,386)
Net income (loss)	$19,243	$31,368	$(64,157)	$(33,386)
Other comprehensive income, (net of tax):				
Foreign currency translation adjustment	6,662	(1,282)	11,266	(1,942)
Unrealized gain on cash flow hedging derivatives	2,116	1,993	4,134	3,987
Other comprehensive income, (net of tax)	8,778	711	15,400	2,045
Total comprehensive income (loss)	$28,021	$32,079	$(48,757)	$(31,341)
Basic income (loss) per limited partner unit:				
Weighted average limited partner units outstanding	56,231	56,076	56,192	56,025
Net income (loss) per limited partner unit	$0.34	$0.56	$(1.14)	$(0.60)
Diluted income (loss) per limited partner unit:				
Weighted average limited partner units outstanding	56,727	56,598	56,192	56,025
Net income (loss) per limited partner unit	$0.34	$0.55	$(1.14)	$(0.60)

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

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CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
(In thousands)

	Six months ended	
	6/24/2018	6/25/2017
Limited Partnership Units Outstanding		
Beginning balance	56,359	56,201
Limited partnership unit options exercised	6	10
Limited partnership unit forfeitures	(2)	(2)
Issuance of limited partnership units as compensation	78	31
	56,441	56,240
Limited Partners' Equity		
Beginning balance	$81,589	$52,288
Net loss	(64,156)	(33,386)
Partnership distribution declared ($1.78 and $1.71 per limited partnership unit)	(100,557)	(96,329)
Reclassification of stranded tax effect	391	—
Expense recognized for limited partnership unit options	125	—
Tax effect of units involved in treasury unit transactions	(3,045)	(1,377)
Issuance of limited partnership units as compensation	(782)	7,889
	(86,435)	(70,915)
General Partner's Equity		
Beginning balance	—	—
Net loss	(1)	—
Partnership distribution declared	(1)	(1)
	(2)	(1)
Special L.P. Interests	5,290	5,290
Accumulated Other Comprehensive Income		
Foreign currency translation adjustment:		
Beginning balance	4,042	18,891
Period activity, net of tax $2,302 and $0	11,266	(1,942)
	15,308	16,949
Unrealized loss on cash flow hedging derivatives:		
Beginning balance	(7,975)	(15,950)
Period activity, net of tax ($596) and ($742)	4,134	3,987
Reclassification of stranded tax effect	(391)	—
	(4,232)	(11,963)
	11,076	4,986
Total Partners' Equity	$(70,071)	$(60,640)

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

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

	Six months ended	
	6/24/2018	6/25/2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$(64,157)	$(33,386)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	57,740	56,177
Loss on early debt extinguishment	1,073	23,115
Non-cash foreign currency (gain) loss on debt	26,541	(5,541)
Other non-cash expenses	24,123	24,410
Net change in working capital	40,996	22,598
Net change in other assets/liabilities	(551)	296
Net cash from operating activities	85,765	87,669
CASH FLOWS FOR INVESTING ACTIVITIES		
Capital expenditures	(100,637)	(123,694)
Net cash for investing activities	(100,637)	(123,694)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES		
Net borrowings on revolving credit loans	25,000	—
Term debt borrowings	—	750,000
Note borrowings	—	500,000
Term debt payments	—	(602,850)
Note payments, including amounts paid for early termination	—	(515,458)
Distributions paid to partners	(100,558)	(96,330)
Payment of debt issuance costs and original issue discount	(2,512)	(18,381)
Exercise of limited partnership unit options	125	—
Tax effect of units involved in treasury unit transactions	(3,045)	(1,377)
Payments related to tax withholding for equity compensation	(6,930)	(2,053)
Net cash from (for) financing activities	(87,920)	13,551
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(3,334)	841
CASH AND CASH EQUIVALENTS		
Net decrease for the period	(106,126)	(21,633)
Balance, beginning of period	166,245	122,716
Balance, end of period	$60,119	$101,083
SUPPLEMENTAL INFORMATION		
Cash payments for interest expense	$39,854	$40,103
Interest capitalized	1,771	1,536
Cash payments for income taxes, net of refunds	11,101	12,534
Capital expenditures in accounts payable	7,859	5,955

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

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CEDAR FAIR, L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 24, 2018 AND JUNE 25, 2017

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 seasonal nature of the Partnership's amusement and water park operations, the results for any interim period may not be indicative of the results expected for the full fiscal year.

(1) Significant Accounting and Reporting Policies:
Except for the changes described below, the Partnership’s unaudited condensed consolidated financial statements for the periods ended June 24, 2018 and June 25, 2017 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, 2017, which were included in the Form 10-K filed on February 23, 2018. 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.

The Partnership adopted Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers ("ASU 2014-09") effective January 1, 2018 using the modified retrospective method. The adoption of the standard did not have a material effect on the consolidated financial statements. The Partnership's accounting policy as a result of adopting ASU 2014-09 is discussed below:
Revenue Recognition and related receivables and contract liabilities
As disclosed within the consolidated statements of operations and comprehensive income, revenues are generated from sales of (1) admission to the Partnership's amusement parks and water parks, (2) food, merchandise and games both inside and outside the parks, and (3) accommodations, extra-charge products, and other revenue sources. Admission revenues include amounts paid to gain admission into the Partnership's parks, including parking fees. Revenues related to extra-charge products, including premium benefit offerings such as front-of-line products, and online advanced purchase transaction fees charged to customers are included in "Accommodations, extra-charge products and other". Due to the Partnership's highly seasonal operations, a substantial portion of the Partnership's revenues are generated during an approximate 130- to 140-day operating season. Most revenues are recognized on a daily basis based on actual guest spend at the properties. Revenues from multi-use products, including season-long products for admission, dining, beverage and other products, are recognized over the estimated number of uses expected for each type of product. The estimated number of uses is reviewed and may be updated periodically during the operating season prior to the ticket or product expiration, which generally occurs no later than the close of the operating season. The number of uses is estimated based on historical usage adjusted for current period trends. For any bundled products that include multiple performance obligations, revenue is allocated using the retail price of each distinct performance obligation and any inherent discounts are allocated based on the gross margin and expected redemption of each performance obligation. The Partnership does not typically provide for refunds or returns.

In some instances, the Partnership arranges with outside parties ("concessionaires") to provide goods to guests, typically food and merchandise, and the Partnership acts as an agent, resulting in net revenue recorded within the income statement. Concessionaire arrangement revenues are recognized over the operating season and are variable. Sponsorship revenues and marina revenues, which are classified as "Accommodations, extra-charge products and other" within the income statement, are recognized over the park operating season which represents the period in which the performance obligations are satisfied. Sponsorship revenues are typically fixed. However, some sponsorship revenues are variable based on achievement of specified operating metrics. The Partnership estimates variable revenues and performs a constraint analysis using both historical information and current trends to determine the amount of revenue that is not probable of a significant reversal.

Many products, including season-long products, are sold to customers in advance, resulting in a contract liability ("deferred revenue"). Deferred revenue is at its highest immediately prior to the peak summer season, and at its lowest in the fall after the peak summer season and at the beginning of the selling season for the next year's products. Season-long products represent the majority of the deferred revenue balance in any given period.

Of the $86.1 million of deferred revenue recorded as of January 1, 2018, 88% was related to season-long products. The remainder was related to deferred online advanced purchase transaction fees charged to customers, advanced ticket sales, marina deposits, advanced resort reservations, and other deferred revenue. Most deferred revenue outstanding as of January 1, 2018 will be recognized by December 31, 2018 with the exception of an immaterial amount of deferred revenue for prepaid products such as

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gift cards and prepaid games cards. During the six months ended June 24, 2018, approximately $35.8 million of the deferred revenue balance as of January 1, 2018 was recognized. The difference in the opening and closing balances of the Partnership's deferred revenue balance in the current period is attributable to additional sales for the current year's operating season offset by revenue recognized during the first six months of 2018.

Payment is due immediately on the transaction date for most products. The Partnership's receivable balance includes outstanding amounts on installment purchase plans which are offered for season-long products (and other select products for specific time periods), and includes sales to retailers, group sales and catering activities which are billed. Installment purchase plans include three month, four month, six month and nine month plans. Payment terms for billings are typically net 30 days. Receivables are highest in the peak summer months and the lowest in the winter months. The Partnership is not exposed to a significant concentration of customer credit risk.

Most deferred revenue from contracts with customers is classified as current within the balance sheet. However, a portion of deferred revenue from contracts with customers is classified as long-term during the third quarter related to season-long products sold in the current season for use in the subsequent season. Season-long products are sold beginning in August of the year preceding the operating season. Season-long products may be recognized 12 to 16 months after purchase depending on the date of sale. The Partnership estimates the number of uses expected outside of the next twelve months for each type of product and classifies the related deferred revenue as long-term.

With the exception of the long-term deferred revenue described above, the Partnership's contracts with customers have an original duration of one year or less. For these short-term contracts, the Partnership uses the practical expedient, a relief provided in the accounting standard to simplify compliance, applicable to such contracts and has not disclosed the transaction price for the remaining performance obligations as of the end of each reporting period or when the Company expects to recognize this revenue. Further, the Partnership has elected to recognize incremental costs of obtaining a contract as an expense when incurred as the amortization period of the asset would be less than one year. Lastly, the Partnership has elected not to adjust consideration for the effects of significant financing components in the form of installment purchase plans as the period between when the entity transfers the promised service to the customer and when the customer pays for that service does not exceed one year.

Reclassifications

Certain prior year prepaid supplies amounts of $1.0 million have been reclassified to inventory in the unaudited condensed consolidated balance sheet for the period ended June 25, 2017 to conform to fiscal 2018 presentation.

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases ("ASU 2016-02"). The ASU requires the recognition of lease assets and lease liabilities within the balance sheet by lessees for operating leases, as well as requires additional disclosures in the consolidated financial statements regarding the amount, timing, and uncertainty of cash flows arising from leases. The ASU does not significantly change the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee, nor does the ASU change the accounting applied by a lessor. ASU 2016-02 is effective for annual and interim periods beginning after December 15, 2018. The ASU can be adopted using either the modified retrospective approach, which requires application of the new standard at the beginning of the earliest comparative period presented, or the alternative approach, which requires application of the new standard at the beginning of the standard's effective date. The Partnership expects to adopt this standard in the first quarter of 2019 using the alternative approach. While the Partnership is still in the process of evaluating the effect this standard will have on the consolidated financial statements and related disclosures, the Partnership anticipates recognizing a right-of-use asset and corresponding lease liability on the consolidated balance sheet for the Santa Clara land lease, as well as other operating leases, upon adoption.

In February 2018, the FASB issued Accounting Standards Update No. 2018-02, Reclassification of Certain Tax Effects from Accumulated Comprehensive Income ("ASU 2018-02"). The ASU allows a reclassification from accumulated other comprehensive income to retained earnings of stranded tax effects resulting from the Tax Cuts and Jobs Act. ASU 2018-02 is effective for fiscal years after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted, including adoption in any interim period, and the amendments can be applied either in the period of adoption or retrospectively to each period in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act is recognized. The Partnership elected to adopt ASU 2018-02 in the first quarter of 2018. The amendment was applied in the period of adoption and resulted in a $0.4 million reclassification from accumulated other comprehensive income to limited partners' equity during the first quarter ended March 25, 2018.

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(2) Interim Reporting:
The Partnership owns and operates eleven amusement parks, two separately gated outdoor water parks, one indoor water park and four hotels. The Partnership's seasonal amusement parks are generally open during weekends beginning in April or May, and then daily from Memorial Day until Labor Day, after which they are open during weekends in September and, in most cases, October for Halloween events. The two separately gated outdoor water parks also operate seasonally, generally from Memorial Day to Labor Day, plus some additional weekends before and after this period. As a result, a substantial portion of the Partnership’s revenues from these parks are generated during an approximate 130- to 140-day operating season with the major portion concentrated in the third quarter during the peak vacation months of July and August. Five of the seasonal properties are open approximately 25 to 30 days to include WinterFest, a holiday event operating during November and December showcasing holiday shows and festivities. Knott's Berry Farm continues to be open daily on a year-round basis. Castaway Bay is generally open daily from Memorial Day to Labor Day with an additional 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 from multi-use products are recognized over the estimated number of uses expected for each type of product; and the estimated number of uses is reviewed and may be updated periodically during the operating season prior to the ticket or product expiration, which generally occurs no later than the close of the operating season; (b) depreciation, certain advertising and certain seasonal operating costs are expensed over each park’s operating season, including some costs incurred prior to the season, which are deferred and 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 the Partnership's consolidated financial statements.

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.

During the third quarter of 2016, the Partnership ceased operations of one of its separately gated outdoor water parks, Wildwater Kingdom, located near Cleveland in Aurora, Ohio. At the date that Wildwater Kingdom ceased operations, the only remaining long-lived asset was the approximate 670 acres of land owned by the Partnership. This land had an associated carrying value of $17.1 million. The Partnership assessed the remaining asset and concluded there was no impairment during the third quarter of 2016. In the fourth quarter of 2017, the Partnership recorded a $7.6 million impairment charge based on information from ongoing marketing activities. The amount was recorded in "Loss on impairment / retirement of fixed assets, net" in the consolidated statement of operations and comprehensive income. The remaining Wildwater Kingdom acreage, reduced by acreage sold, is classified as assets held-for-sale within "Other Assets" in the unaudited condensed consolidated balance sheet ($9.0 million as of June 24, 2018, $9.0 million as of December 31, 2017 and $17.0 million as of June 25, 2017).

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(4) Goodwill and Other Intangible Assets:
Goodwill and other indefinite-lived intangible assets, including trade-names, are reviewed for impairment annually, or more frequently if indicators of impairment exist. As of June 24, 2018, there were no indicators of impairment. The Partnership's annual testing date is the first day of the fourth quarter. There were no impairments for any period presented.

A summary of changes in the Partnership's carrying value of goodwill for the six months ended June 24, 2018 and June 25, 2017 is as follows:

(In thousands)	Goodwill (gross)	Accumulated Impairment Losses	Goodwill (net)
Balance at December 31, 2017	$263,698	$ (79,868)	$183,830
Foreign currency translation	(3,644)	—	(3,644)
Balance at June 24, 2018	$260,054	$ (79,868)	$180,186
Balance at December 31, 2016	$259,528	$ (79,868)	$179,660
Foreign currency translation	710	—	710
Balance at June 25, 2017	$260,238	$ (79,868)	$180,370

As of June 24, 2018, December 31, 2017, and June 25, 2017, the Partnership's other intangible assets consisted of the following:

(In thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
June 24, 2018			
Other intangible assets:			
Trade names	$35,720	$ —	$35,720
License / franchise agreements	3,357	(2,086)	1,271
Total other intangible assets	$39,077	$ (2,086)	$36,991
December 31, 2017			
Other intangible assets:			
Trade names	$36,531	$ —	$36,531
License / franchise agreements	3,360	(1,827)	1,533
Total other intangible assets	$39,891	$ (1,827)	$38,064
June 25, 2017			
Other intangible assets:			
Trade names	$35,761	$ —	$35,761
License / franchise agreements	3,308	(1,416)	1,892
Total other intangible assets	$39,069	$ (1,416)	$37,653

Amortization expense of other intangible assets is expected to continue to be immaterial going forward.

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(5) Long-Term Debt:

Long-term debt as of June 24, 2018, December 31, 2017, and June 25, 2017 consisted of the following:

(In thousands)	June 24, 2018	December 31, 2017	June 25, 2017
Revolving credit facility (due 2022)	$25,000	$—	$—
Term debt [1]			
April 2017 U.S. term loan averaging 3.54% (due 2017-2024)	735,000	735,000	750,000
Notes			
April 2017 U.S. fixed rate notes at 5.375% (due 2027)	500,000	500,000	500,000
June 2014 U.S. fixed rate notes at 5.375% (due 2024)	450,000	450,000	450,000
	1,710,000	1,685,000	1,700,000
Less current portion	(1,875)	—	(7,500)
	1,708,125	1,685,000	1,692,500
Less debt issuance costs and original issue discount	(23,793)	(24,485)	(24,609)
	$1,684,332	$1,660,515	$1,667,891

(1) The average interest rate is calculated over the life of the instrument and does not reflect the effect of interest rate swap agreements (see Note 6).

In April 2017, the Partnership issued $500 million of 5.375% senior unsecured notes ("April 2017 notes"), maturing in 2027. The net proceeds from the offering of the April 2017 notes, together with borrowings under the 2017 Credit Agreement (defined below), were used to redeem all of the Partnership's 5.25% senior unsecured notes due 2021 ("March 2013 notes"), and pay accrued interest and transaction fees and expenses, to repay in full all amounts outstanding under its existing credit facilities and for general corporate purposes. The redemption of the March 2013 notes and repayments of the amounts outstanding under the existing credit facilities resulted in the write-off of debt issuance costs of $7.7 million and debt premium payments of $15.5 million. Accordingly, the Partnership recorded a loss on early debt extinguishment of $23.1 million during 2017.

Concurrently with the April 2017 notes issuance, the Partnership amended and restated its existing $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 $1,025 million amended and restated credit agreement (the "2017 Credit Agreement") includes a $750 million senior secured term loan facility and a $275 million senior secured revolving credit facility. The 2017 Credit Agreement was amended on March 14, 2018 (subsequently referred to as the "Amended 2017 Credit Agreement"). Specifically, the interest rate for the senior secured term loan facility was amended to London InterBank Offered Rate ("LIBOR") plus 175 basis points (bps). The pricing terms for the amendment reflected $0.9 million of Original Issue Discount ("OID") and resulted in the write-off of debt issuance costs of $1.1 million which was recorded as a loss on early debt extinguishment during the first quarter of 2018. The senior secured term loan facility matures April 15, 2024 and amortizes at $7.5 million annually. The facilities provided under the Amended 2017 Credit Agreement are collateralized by substantially all of the assets of the Partnership.

The senior secured revolving credit facility under the Amended 2017 Credit Agreement has a combined limit of $275 million with a Canadian sub-limit of $15 million. Borrowings under the senior secured revolving credit facility bear interest at LIBOR or Canadian Dollar Offered Rate ("CDOR") plus 200 bps. The revolving credit facility is scheduled to mature in April 2022 and also provides for the issuance of documentary and standby letters of credit. The Amended 2017 Credit Agreement requires the payment of a 37.5 bps commitment fee per annum on the unused portion of the credit facilities.

The April 2017 notes pay interest semi-annually in April and October, with the principal due in full on April 15, 2027. Prior to April 15, 2020, up to 35% of the notes may be redeemed with the net cash proceeds of certain equity offerings at a price equal to 105.375% of the principal amount thereof, together with accrued and unpaid interest and additional interest, if any. The notes may be redeemed, in whole or in part, at any time prior to April 15, 2022 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 and additional 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 June 2014, the Partnership issued $450 million of 5.375% senior unsecured notes ("June 2014 notes"). The June 2014 notes pay interest semi-annually in June and December, with the principal due in full on June 1, 2024. The notes may be redeemed, in whole or in part, at any time prior to June 1, 2019 at a price equal to 100% of the principal amount of the notes redeemed together

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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.

The Amended 2017 Credit Agreement includes a Consolidated Leverage Ratio, which if breached for any reason and not cured could result in an event of default. The ratio is set at a maximum of 5.50x Consolidated Total Debt-to-Consolidated EBITDA. As of June 24, 2018, the Partnership was in compliance with this financial condition covenant and all other financial covenants under the Amended 2017 Credit Agreement.

The Partnership's long-term debt agreements include Restricted Payment provisions. Pursuant to the terms of the indenture governing the Partnership's June 2014 notes, which includes the most restrictive of these Restricted Payments provisions, the Partnership can make Restricted Payments of $60 million annually so long as no default or event of default has occurred and is continuing; and the Partnership can make additional Restricted Payments if the Partnership's pro forma Total-Indebtedness-to-Consolidated-Cash-Flow Ratio is less than or equal to 5.00x.

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.

(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 exposure to LIBOR rate changes, the Partnership is exposed to counterparty credit risk, in particular 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.

During the first quarter of 2016, the Partnership amended its four interest rate swap agreements to extend each of the maturities to December 31, 2020 and convert $500 million of variable-rate debt to a rate of 4.39%. During the second quarter of 2018, the Partnership entered into four additional interest rate swap agreements that convert the same notional amount to a rate of 4.63% for the period December 31, 2020 through December 31, 2023. None of the interest rate swap agreements are designated as hedging instruments. The fair market value of the swap portfolio was recorded in the unaudited condensed consolidated balance sheets within "Other Assets" as of June 24, 2018 and within "Derivative Liability" as of December 31, 2017 and June 25, 2017 as follows:

(In thousands)	June 24, 2018	December 31, 2017	June 25, 2017
Derivatives not designated as hedging instruments:			
Interest rate swaps	$ 542	$ (8,722)	$(18,166)

Instruments that do not qualify for hedge accounting or were de-designated are prospectively adjusted to fair value each reporting period through "Net effect of swaps" in the unaudited condensed consolidated statements of operations and comprehensive income. The amounts that were previously recorded as a component of AOCI prior to the de-designation are reclassified to earnings, and a corresponding realized gain or loss is recognized when the forecasted cash flow occurs. As a result of the first quarter 2016 amendments, the previously existing interest rate swap agreements were de-designated, and the amounts previously recorded in AOCI for these agreements are being amortized into earnings through the original December 31, 2018 maturity. As of June 24, 2018, approximately $4.7 million of losses remain in AOCI related to the effective cash flow hedge contracts prior to de-designation, all of which will be reclassified to earnings within the next twelve months.
The gains (losses) recognized in income on derivatives not designated as cash flow hedges were recorded in "Net effect of swaps" within the income statement for the periods presented as follows:

	Three months ended	Six months ended

(In thousands)	June 24, 2018	June 25, 2017	June 24, 2018	June 25, 2017
Change in fair market value	$3,271	$(2,003)	$9,264	$60
Amortization of amounts in AOCI	(2,365)	(2,365)	(4,730)	(4,729)
Net effect of swaps	$906	$(4,368)	$4,534	$(4,669)

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(7) Fair Value Measurements:
The FASB's Accounting Standards Codification (ASC) 820 - Fair Value Measurements and Disclosures 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, FASB ASC 820 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.

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 June 24, 2018, December 31, 2017, and June 25, 2017 on a recurring basis as well as the fair values of other financial instruments:

(In thousands)	Unaudited Condensed Consolidated Balance Sheet Location	Fair Value Hierarchy Level	June 24, 2018 Carrying Value	June 24, 2018 Fair Value	December 31, 2017 Carrying Value	December 31, 2017 Fair Value	June 25, 2017 Carrying Value	June 25, 2017 Fair Value
Financial assets (liabilities) measured on a recurring basis:								
Short-term investments	Other current assets	Level 1	$932	$932	$736	$736	—	—
Interest rate swaps	Other Assets (Derivative Liability)	Level 2	$542	$542	$(8,722)	$(8,722)	$(18,166)	$(18,166)
Other financial assets (liabilities):								
April 2017 term debt	Long-Term Debt (1)	Level 2	$(733,125)	$(736,791)	$(735,000)	$(742,350)	$(742,500)	$(747,141)
June 2014 notes	Long-Term Debt (1)	Level 1	$(450,000)	$(451,125)	$(450,000)	$(469,125)	$(450,000)	$(475,875)
April 2017 notes	Long-Term Debt (1)	Level 1(2)	$(500,000)	$(496,250)	$(500,000)	$(525,000)	$(500,000)	$(529,375)

(1) Carrying values of long-term debt balances are before reductions for debt issuance costs and original issue discount of $23.8 million, $24.5 million, and $24.6 million as of June 24, 2018, December 31, 2017, and June 25, 2017, respectively.

(2)

The April 2017 notes were based on Level 1 inputs as of June 24, 2018 and Level 2 inputs as of December 31, 2017 and June 25, 2017.

Fair values of the interest rate swap agreements are determined using significant inputs, including the LIBOR forward curves, which are considered Level 2 observable market inputs.

As of December 31, 2017, the Partnership measured the remaining land at Wildwater Kingdom, one of the Partnership's separately gated outdoor water parks which ceased operations in 2016, at fair value less cost to sell based on Level 3 unobservable market input. In the fourth quarter of 2017, the Partnership recorded a $7.6 million impairment charge based on information from ongoing marketing activities. This amount was recorded in "Loss on impairment / retirement of fixed assets, net" in the consolidated statement of operations and comprehensive income.

The carrying value of cash and cash equivalents, revolving credit loans, accounts receivable, current portion of term debt, 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 as of June 24, 2018 or June 25, 2017.

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(8) Earnings per Unit:

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

	Three months ended		Six months ended	
	6/24/2018	6/25/2017	6/24/2018	6/25/2017
	(In thousands, except per unit amounts)			
Basic weighted average units outstanding	56,231	56,076	56,192	56,025
Effect of dilutive units:				
Deferred units	46	40	—	—
Restricted units	277	288	—	—
Unit options	173	194	—	—
Diluted weighted average units outstanding	56,727	56,598	56,192	56,025
Net income (loss) per unit - basic	$0.34	$ 0.56	$(1.14)	$ (0.60)
Net income (loss) per unit - diluted	$0.34	$ 0.55	$(1.14)	$ (0.60)

(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 is subject to 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 subsidiaries.

As of the end of the second quarter of 2018, the Partnership has recorded $0.7 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.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Act"), was signed into law. The Act includes numerous tax law changes, including a reduction in the federal corporate income tax rate from 35% to 21%. The change in tax rates necessitated the remeasurement of deferred tax balances that are expected to reverse following enactment using the applicable tax rates. As a result of the remeasurement of the net deferred tax liability, the Partnership realized a $49.2 million deferred tax benefit during the fourth quarter of 2017. The amounts recorded to reflect the effects of the Act were and remain provisional and are subject to change in accordance with SAB 118. The Partnership expects to complete these calculations and record the final effects of the Act before the end of the fourth quarter of 2018.

(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 are expected to have a material effect in the aggregate on the Partnership's financial statements.

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(11) Changes in Accumulated Other Comprehensive Income by Component:
The following tables reflect the changes in accumulated other comprehensive income related to limited partners' equity for the three months ended June 24, 2018 and June 25, 2017:

Changes in Accumulated Other Comprehensive Income by Component

(In thousands)	Gains and Losses on Cash Flow Hedges	Foreign Currency Translation	Total
Balance at March 25, 2018	$(6,348)	$ 8,646	$2,298
Other comprehensive income before reclassifications, net of tax $1,157	—	6,662	6,662
Amounts reclassified from accumulated other comprehensive income, net of tax ($249)	2,116	—	2,116
Net other comprehensive income	2,116	6,662	8,778
Balance at June	$(4,232)	$ 15,308	$11,076

24, 2018

Changes in Accumulated Other Comprehensive Income by Component

(In thousands)	Gains and Losses on Cash Flow Hedges	Foreign Currency Translation	Total
Balance at March 26, 2017	$ (13,956)	$ 18,231	$ 4,275
Other comprehensive income before reclassifications	—	(1,282)	(1,282)
Amounts reclassified from accumulated other comprehensive income, net of tax ($371)	1,993	—	1,993
Net other comprehensive income	1,993	(1,282)	711
Balance at June 25, 2017	$ (11,963)	$ 16,949	$ 4,986

Reclassifications Out of Accumulated Other Comprehensive Income

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other	Affected Line Item in the Statement Where Net Income is Presented

(In thousands)	Comprehensive Income Three months ended 6/24/2018	Three months ended 6/25/2017	
Interest rate contracts	$2,365	$ 2,364	Net effect of swaps
Provision for taxes	(249)	(371)	Provision (benefit) for taxes
Losses on cash flow hedges	$2,116	$ 1,993	Net of tax

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The following tables reflect the changes in accumulated other comprehensive income related to limited partners' equity for the six months ended June 24, 2018 and June 25, 2017:

Changes in Accumulated Other Comprehensive Income by Component

(In thousands)	Gains and Losses on Cash Flow Hedges	Foreign Currency Translation	Total
Balance at December 31, 2017	$(7,975)	$ 4,042	$(3,933)
Other comprehensive income before reclassifications, net of tax $2,302	—	11,266	11,266
Amounts reclassified from accumulated other comprehensive income, net of tax ($596)	4,134	—	4,134
Net other comprehensive income	4,134	11,266	15,400
Reclassification of stranded tax	(391)	—	(391)

effect			
Balance at June 24, 2018	$(4,232)	$ 15,308	$11,076

Changes in Accumulated Other Comprehensive Income by Component

(In thousands)	Gains and Losses on Cash Flow Hedges	Foreign Currency Translation	Total
Balance at December 31, 2016	$(15,950)	$ 18,891	$2,941
Other comprehensive income before reclassifications	—	(1,942)	(1,942)
Amounts reclassified from accumulated other comprehensive income, net of tax ($742)	3,987	—	3,987
Net other comprehensive income	3,987	(1,942)	2,045
Balance at June 25, 2017	$(11,963)	$ 16,949	$4,986

Reclassifications Out of Accumulated Other Comprehensive Income

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
(In thousands)	Six months ended 6/24/2018	Six months ended 6/25/2017	
Interest rate contracts	$4,730	$ 4,729	Net effect of swaps
Provision for taxes	(596)	(742)	Provision (benefit) for taxes
Losses on cash flow hedges	$4,134	$ 3,987	Net of tax

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(12) Consolidating Financial Information of Guarantors and Issuers of June 2014 Notes:
Cedar Fair, L.P., Canada's Wonderland Company ("Cedar Canada"), and Magnum Management Corporation ("Magnum") are the co-issuers of the Partnership's June 2014 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 June 24, 2018, December 31, 2017, and June 25, 2017 and for the three- and six-month periods ended June 24, 2018 and June 25, 2017. In lieu of providing separate unaudited financial statements for the guarantor subsidiaries, the accompanying unaudited condensed consolidating financial statements have been included.

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CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET
June 24, 2018
(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	$—	$—	$ 38,934	$ 21,874	$ (689)	$ 60,119
Receivables	—	1,198	66,120	869,175	(851,114)	85,379
Inventories	—	—	3,821	43,179	—	47,000
Other current assets	398	3,293	2,429	36,476	(1,952)	40,644
	398	4,491	111,304	970,704	(853,755)	233,142
Property and Equipment, net	—	819	174,962	1,443,217	—	1,618,998
Investment in Park	476,659	1,009,725	243,201	186,540	(1,916,125)	—
Goodwill	674	—	59,907	119,605	—	180,186
Other Intangibles, net	—	—	13,362	23,629	—	36,991
Other Assets	74	467	38	9,320	—	9,899
	$477,805	$1,015,502	$ 602,774	$ 2,753,015	$ (2,769,880)	$ 2,079,216
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Current maturities of long-term debt	$—	$328	$ —	$ 1,547	$—	$ 1,875
Accounts payable	542,730	313,605	5,069	39,950	(851,803)	49,551
Deferred revenue	—	—	20,950	190,223	—	211,173
Accrued interest	137	92	1,571	7,465	—	9,265
Accrued taxes	1,453	—	3,668	9,571	(1,952)	12,740
Accrued salaries, wages and benefits	—	23,837	2,391	—	—	26,228
Self-insurance reserves	—	10,355	1,482	13,435	—	25,272
Other accrued liabilities	3,556	7,014	670	13,155	—	24,395
	547,876	355,231	35,801	275,346	(853,755)	360,499
Deferred Tax Liability	—	22	11,507	81,945	—	93,474
Other Liabilities	—	839	—	10,143	—	10,982
Long-Term Debt:						
Revolving credit loans	—	—	—	25,000	—	25,000
Term debt	—	127,075	—	595,111	—	722,186
Notes	—	—	445,790	491,356	—	937,146
	—	127,075	445,790	1,111,467	—	1,684,332
Equity	(70,071)	532,335	109,676	1,274,114	(1,916,125)	(70,071)
	$477,805	$1,015,502	$ 602,774	$ 2,753,015	$ (2,769,880)	$ 2,079,216

CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET
December 31, 2017
(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	$—	$—	$ 85,758	$ 81,582	$(1,095)	$166,245
Receivables	—	1,184	15,574	857,205	(836,241)	37,722
Inventories	—	—	1,891	27,828	—	29,719
Other current assets	164	28,297	3,454	10,983	(29,601)	13,297
	164	29,481	106,677	977,598	(866,937)	246,983
Property and Equipment, net	—	835	181,673	1,403,264	—	1,585,772
Investment in Park	588,684	1,045,640	238,132	234,238	(2,106,694)	—
Goodwill	674	—	63,551	119,605	—	183,830
Other Intangibles, net	—	—	14,177	23,887	—	38,064
Deferred Tax Asset	—	20,956	—	—	(20,956)	—
Other Assets	—	—	40	9,470	—	9,510
	$589,522	$1,096,912	$ 604,250	$ 2,768,062	$(2,994,587)	$2,064,159
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Accounts payable	$497,558	$344,410	$ 1,379	$ 18,610	$(837,336)	$24,621
Deferred revenue	—	—	6,237	79,894	—	86,131
Accrued interest	27	18	2,055	6,024	—	8,124
Accrued taxes	352	—	—	73,224	(29,601)	43,975
Accrued salaries, wages and benefits	—	17,498	1,242	—	—	18,740
Self-insurance reserves	—	10,947	1,618	12,542		25,107
Other accrued liabilities	3,406	5,094	157	10,139	—	18,796
	501,343	377,967	12,688	200,433	(866,937)	225,494
Deferred Tax Liability	—	—	13,809	81,945	(20,956)	74,798
Derivative Liability	5,233	3,489	—	—	—	8,722
Other Liabilities	—	873	—	10,811	—	11,684
Long-Term Debt:						
Term debt	—	127,437	—	596,351	—	723,788
Notes	—	—	445,156	491,571	—	936,727
	—	127,437	445,156	1,087,922	—	1,660,515
Equity	82,946	587,146	132,597	1,386,951	(2,106,694)	82,946
	$589,522	$1,096,912	$ 604,250	$ 2,768,062	$(2,994,587)	$2,064,159

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CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET
June 25, 2017
(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	$—	$—	$49,488	$52,298	$(703)	$101,083
Receivables	—	1,285	37,080	778,142	(733,130)	83,377
Inventories	—	—	3,688	40,597	—	44,285
Other current assets	376	374	2,707	31,465	(1,358)	33,564
	376	1,659	92,963	902,502	(735,191)	262,309
Property and Equipment, net	—	851	176,352	1,431,423	—	1,608,626
Investment in Park	399,003	866,792	207,621	157,018	(1,630,434)	—
Goodwill	674	—	60,090	119,606	—	180,370
Other Intangibles, net	—	—	13,409	24,244	—	37,653
Deferred Tax Asset	—	22,137	—	—	(22,137)	—
Other Assets	—	2,000	107	18,392	—	20,499
	$400,053	$893,439	$550,542	$2,653,185	$(2,387,762)	$2,109,457
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Current maturities of long-term debt	$—	$1,310	$—	$6,190	$—	$7,500
Accounts payable	445,741	292,715	4,514	36,237	(733,833)	45,374
Deferred revenue	—	—	20,046	173,292	—	193,338
Accrued interest	346	230	1,668	7,491	—	9,735
Accrued taxes	724	12,079	—	18,907	(1,358)	30,352
Accrued salaries, wages and benefits	—	22,918	2,037	—	—	24,955
Self-insurance reserves	—	11,900	1,448	13,512	—	26,860
Other accrued liabilities	2,982	3,979	808	8,937	—	16,706
	449,793	345,131	30,521	264,566	(735,191)	354,820
Deferred Tax Liability	—	—	13,584	125,350	(22,137)	116,797
Derivative Liability	10,900	7,266	—	—	—	18,166
Other Liabilities	—	1,262	—	11,161	—	12,423
Long-Term Debt:						
Term debt	—	128,533	—	602,725	—	731,258
Notes	—	—	445,062	491,571	—	936,633
	—	128,533	445,062	1,094,296	—	1,667,891
Equity	(60,640)	411,247	61,375	1,157,812	(1,630,434)	(60,640)
	$400,053	$893,439	$550,542	$2,653,185	$(2,387,762)	$2,109,457

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CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
For the Three Months Ended June 24, 2018
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$23,937	$91,527	$29,648	$360,832	$(125,628)	$380,316
Costs and expenses:						
Cost of food, merchandise, and games revenues	—	—	3,184	31,834	—	35,018
Operating expenses	—	93,036	14,254	185,755	(125,628)	167,417
Selling, general and administrative	926	15,638	3,556	33,921	—	54,041
Depreciation and amortization	—	8	5,940	46,271	—	52,219
Loss on impairment / retirement of fixed assets, net	—	—	27	3,345	—	3,372
	926	108,682	26,961	301,126	(125,628)	312,067
Operating income (loss)	23,011	(17,155)	2,687	59,706	—	68,249
Interest expense, net	5,736	4,592	6,068	4,886	—	21,282
Net effect of swaps	(324)	(582)	—	—	—	(906)
Loss on foreign currency	—	62	14,922	—	—	14,984
Other (income) expense	64	(22,751)	932	21,671	—	(84)
(Income) loss from investment in affiliates	(4,198)	(2,531)	(8,982)	13,602	2,109	—
Income (loss) before taxes	21,733	4,055	(10,253)	19,547	(2,109)	32,973
Provision (benefit) for taxes	2,490	(143)	3,346	8,037	—	13,730
Net income (loss)	$19,243	$4,198	$(13,599)	$11,510	$(2,109)	$19,243
Other comprehensive income, (net of tax):						
Foreign currency translation adjustment	6,662	—	6,662	—	(6,662)	6,662
Unrealized gain on cash flow hedging derivatives	2,116	727	—	—	(727)	2,116
Other comprehensive income, (net of tax)	8,778	727	6,662	—	(7,389)	8,778
Total comprehensive income (loss)	$28,021	$4,925	$(6,937)	$11,510	$(9,498)	$28,021

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CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
For the Three Months Ended June 25, 2017
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$28,811	$93,601	$27,825	$377,266	$(134,705)	$392,798
Costs and expenses:						
Cost of food, merchandise, and games revenues	—	—	2,834	31,415	—	34,249
Operating expenses	—	88,841	12,770	193,474	(134,705)	160,380
Selling, general and administrative	1,033	15,111	3,307	32,409	—	51,860
Depreciation and amortization	—	9	5,011	45,792	—	50,812
Loss on impairment / retirement of fixed assets, net	—	—	10	174	—	184
	1,033	103,961	23,932	303,264	(134,705)	297,485
Operating income (loss)	27,778	(10,360)	3,893	74,002	—	95,313
Interest expense, net	5,259	4,280	6,260	6,105	—	21,904
Net effect of swaps	2,590	1,778	—	—	—	4,368
Loss on early debt extinguishment	11,773	8,188	198	2,956	—	23,115
Gain on foreign currency	—	—	(3,183)	—	—	(3,183)
Other (income) expense	63	(14,683)	820	13,800	—	—
Income from investment in affiliates	(24,802)	(31,496)	(11,890)	(11,367)	79,555	—
Income before taxes	32,895	21,573	11,688	62,508	(79,555)	49,109
Provision (benefit) for taxes	1,527	(3,230)	317	19,127	—	17,741
Net income	$31,368	$24,803	$11,371	$43,381	$(79,555)	$31,368
Other comprehensive income (loss), (net of tax):						
Foreign currency translation adjustment	(1,282)	—	(1,282)	—	1,282	(1,282)
Unrealized gain on cash flow hedging derivatives	1,993	606	—	—	(606)	1,993
Other comprehensive income (loss), (net of tax)	711	606	(1,282)	—	676	711
Total comprehensive income	$32,079	$25,409	$10,089	$43,381	$(78,879)	$32,079

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CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
For the Six Months Ended June 24, 2018
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$13,170	$92,381	$29,919	$410,619	$(111,046)	$435,043
Costs and expenses:						
Cost of food, merchandise, and games revenues	—	—	3,184	37,837	—	41,021
Operating expenses	—	135,707	19,970	211,614	(111,046)	256,245
Selling, general and administrative	1,685	30,088	4,236	46,714	—	82,723
Depreciation and amortization	—	16	5,940	51,784	—	57,740
Loss on impairment / retirement of fixed assets, net	—	—	67	4,645	—	4,712
	1,685	165,811	33,397	352,594	(111,046)	442,441
Operating income (loss)	11,485	(73,430)	(3,478)	58,025	—	(7,398)
Interest expense, net	10,640	8,959	11,651	9,568	—	40,818
Net effect of swaps	(2,531)	(2,003)	—	—	—	(4,534)
Loss on early debt extinguishment	—	187	—	886	—	1,073
Loss on foreign currency	—	21	25,057	—	—	25,078
Other (income) expense	123	(32,555)	1,786	30,439	—	(207)
(Income) loss from investment in affiliates	64,330	26,284	(5,069)	34,187	(119,732)	—
Loss before taxes	(61,077)	(74,323)	(36,903)	(17,055)	119,732	(69,626)
Provision (benefit) for taxes	3,080	(9,994)	(2,716)	4,161	—	(5,469)
Net loss	$(64,157)	$(64,329)	$(34,187)	$(21,216)	$119,732	$(64,157)
Other comprehensive income, (net of tax):						
Foreign currency translation adjustment	11,266	—	11,266	—	(11,266)	11,266
Unrealized gain on cash flow hedging derivatives	4,134	1,357	—	—	(1,357)	4,134
Other comprehensive income, (net of tax)	15,400	1,357	11,266	—	(12,623)	15,400
Total comprehensive loss	$(48,757)	$(62,972)	$(22,921)	$(21,216)	$107,109	$(48,757)

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CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
For the Six Months Ended June 25, 2017
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$22,673	$93,310	$28,178	$422,562	$(125,607)	$441,116
Costs and expenses:						
Cost of food, merchandise, and games revenues	—	—	2,834	36,895	—	39,729
Operating expenses	—	129,433	18,074	222,769	(125,607)	244,669
Selling, general and administrative	1,927	29,606	4,053	43,893	—	79,479
Depreciation and amortization	—	17	5,013	51,147	—	56,177
Loss on impairment / retirement of fixed assets, net	—	—	455	1,255	—	1,710
	1,927	159,056	30,429	355,959	(125,607)	421,764
Operating income (loss)	20,746	(65,746)	(2,251)	66,603	—	19,352
Interest expense, net	13,428	9,588	12,165	5,605	—	40,786
Net effect of swaps	2,740	1,929	—	—	—	4,669
Loss on early debt extinguishment	11,773	8,188	198	2,956	—	23,115
Gain on foreign currency	—	—	(5,854)	—	—	(5,854)
Other (income) expense	125	(29,947)	1,477	28,345	—	—
(Income) loss from investment in affiliates	23,864	(10,892)	(7,546)	(270)	(5,156)	—
Income (loss) before taxes	(31,184)	(44,612)	(2,691)	29,967	5,156	(43,364)
Provision (benefit) for taxes	2,202	(20,749)	(2,959)	11,528	—	(9,978)
Net income (loss)	$(33,386)	$(23,863)	$268	$18,439	$5,156	$(33,386)
Other comprehensive income (loss), (net of tax):						
Foreign currency translation adjustment	(1,942)	—	(1,942)	—	1,942	(1,942)
Unrealized gain on cash flow hedging derivatives	3,987	1,211	—	—	(1,211)	3,987
Other comprehensive income (loss), (net of tax)	2,045	1,211	(1,942)	—	731	2,045
Total comprehensive income (loss)	$(31,341)	$(22,652)	$(1,674)	$18,439	$5,887	$(31,341)

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CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Six Months Ended June 24, 2018
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
NET CASH FROM (FOR) OPERATING ACTIVITIES	$ 56,049	$ 48,573	$ 2,897	$ (21,498)	$ (256)	$ 85,765
CASH FLOWS FOR INVESTING ACTIVITIES						
Intercompany receivables (payments) receipts	—	—	(37,892)	31,123	6,769	—
Capital expenditures	—	—	(8,495)	(92,142)	—	(100,637)
Net cash for investing activities	—	—	(46,387)	(61,019)	6,769	(100,637)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES						
Intercompany payables (payments) receipts	45,171	(38,402)	—	—	(6,769)	—
Net borrowings on revolving credit loans	—	—	—	25,000	—	25,000
Distributions paid to partners	(101,220)	—	—	—	662	(100,558)
Payment of debt issuance costs and original issue discount	—	(321)	—	(2,191)	—	(2,512)
Exercise of limited partnership unit options	—	125	—	—	—	125
Tax effect of units involved in treasury unit transactions	—	(3,045)	—	—	—	(3,045)
Payments related to tax withholding for equity compensation	—	(6,930)	—	—	—	(6,930)
Net cash from (for) financing activities	(56,049)	(48,573)	—	22,809	(6,107)	(87,920)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	(3,334)	—	—	(3,334)
CASH AND CASH EQUIVALENTS						
Net decrease for the period	—	—				