

CEDAR FAIR L P
Form 10-Q
August 08, 2008
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FORM 10 - Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

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

For the quarterly period ended June 29, 2008

OR

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

For the transition period from _____ to _____.

Commission file number 1-9444

CEDAR FAIR, L.P.

(Exact name of Registrant as specified in its charter)

DELAWARE

34-1560655

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(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 No

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

Large Accelerated Filer Accelerated Filer

Non-Accelerated Filer (Do not check if a smaller reporting company) Smaller Reporting Company

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

	Units Outstanding As Of
Title of Class	July 1, 2008
Units Representing Limited Partner Interests	55,048,792

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Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****CEDAR FAIR, L.P.****UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands)

	6/29/08	12/31/07
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 32,911	\$ 5,501
Receivables	45,248	16,516
Inventories	47,517	26,884
Prepays and other current assets	55,712	13,847
	181,388	62,748
Property and Equipment:		
Land	341,654	344,688
Land improvements	326,235	317,811
Buildings	583,108	582,654
Rides and equipment	1,334,140	1,270,852
Construction in progress	14,272	33,997
	2,599,409	2,550,002
Less accumulated depreciation	(663,024)	(616,440)
	1,936,385	1,933,562
Goodwill	323,882	325,418
Other Intangibles, net	64,906	66,098
Other Assets	23,080	30,842
	\$ 2,529,641	\$ 2,418,668
LIABILITIES AND PARTNERS EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 17,450	\$ 17,450
Accounts payable	62,539	18,566
Deferred revenue	79,654	18,844
Accrued interest	10,225	660
Accrued taxes	10,181	15,836
Accrued salaries, wages and benefits	20,296	18,276
Self-insurance reserves	20,944	21,539
Other accrued liabilities	12,022	11,537
	233,311	122,708
Deferred Tax Liability	158,186	158,304
Other Liabilities	104,706	117,103
Long-Term Debt:		
Revolving credit loans	123,451	34,086
Term debt	1,697,013	1,701,375

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	1,820,464	1,735,461
Partners' Equity:		
Special L.P. interests	5,290	5,290
General partner		
Limited partners, 55,049 and 54,248 units outstanding at June 29, 2008 and December 31, 2007, respectively	259,738	334,740
Accumulated other comprehensive loss	(52,054)	(54,938)
	212,974	285,092
	\$ 2,529,641	\$ 2,418,668

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 STATEMENTS OF OPERATIONS**

(In thousands, except per unit amounts)

	Three months ended		Six months ended		Twelve months ended	
	6/29/08	6/24/07	6/29/08	6/24/07	6/29/08	6/24/07
Net revenues:						
Admissions	\$ 163,647	\$ 150,154	\$ 181,246	\$ 161,486	\$ 571,905	\$ 541,008
Food, merchandise and games	112,156	106,160	129,852	120,133	369,774	355,677
Accommodations and other	20,431	17,700	25,538	22,394	77,917	69,343
	296,234	274,014	336,636	304,013	1,019,596	966,028
Costs and expenses:						
Cost of food, merchandise and games revenues	27,836	26,650	33,242	31,040	94,828	91,617
Operating expenses	124,731	124,177	193,016	182,281	429,957	415,331
Selling, general and administrative	41,859	37,375	58,791	51,444	142,549	123,503
Impairment loss on fixed assets	3,265		3,265		58,163	
Depreciation and amortization	44,089	45,653	50,272	49,971	130,924	118,982
	241,780	233,855	338,586	314,736	856,421	749,433
Operating income (loss)	54,454	40,159	(1,950)	(10,723)	163,175	216,595
Interest expense	34,262	36,193	67,063	69,598	142,864	143,513
Other expense, net	167	179	(448)	299	(1,482)	4,075
Income (loss) before taxes	20,025	3,787	(68,565)	(80,620)	21,793	69,007
Provision (credit) for taxes	5,337	(1,743)	(39,471)	(31,026)	5,784	15,680
Net income (loss)	14,688	5,530	(29,094)	(49,594)	16,009	53,327
Net income (loss) allocated to general partner				(1)	1	
Net income (loss) allocated to limited partners	\$ 14,688	\$ 5,530	\$ (29,094)	\$ (49,593)	\$ 16,008	\$ 53,327
Basic earnings per limited partner unit:						
Weighted average limited partner units outstanding	54,995	54,208	55,407	54,170	55,343	54,096
Net income (loss) per limited partner unit	\$ 0.27	\$ 0.10	\$ (0.53)	\$ (0.92)	\$ 0.29	\$ 0.99
Diluted earnings per limited partner unit:						
Weighted average limited partner units outstanding	55,603	55,048	55,407	54,170	56,125	54,946
Net income (loss) per limited partner unit	\$ 0.26	\$ 0.10	\$ (0.53)	\$ (0.92)	\$ 0.29	\$ 0.97

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 SIX MONTHS ENDED JUNE 29, 2008**

(In thousands, except per unit amounts)

	Six Months Ended 06/29/08
Limited Partnership Units Outstanding	
Beginning balance 12/31/07	54,248
Limited partnership unit options exercised	758
Issuance of limited partnership units as compensation	43
	55,049
Limited Partners Equity	
Beginning balance 12/31/07	\$ 334,740
Net loss	(29,094)
Partnership distributions declared (\$0.955 per limited partnership unit)	(52,223)
Expense recognized for limited partnership unit options	(7)
Limited partnership unit options exercised	4,538
Tax effect of units involved in option exercises and treasury unit transactions	819
Issuance of limited partnership units as compensation	965
	259,738
General Partners Equity	
Beginning balance 12/31/07	
Net loss	
	5,290
Special L.P. Interests	
	5,290
Accumulated Other Comprehensive Income (Loss)	
Cumulative foreign currency translation adjustment:	
Beginning balance 12/31/07	12,755
Current period activity, net of tax (\$582)	(1,080)
	11,675
Unrealized loss on cash flow hedging derivatives:	
Beginning balance 12/31/07	(67,693)
Current period activity, net of tax (\$121)	3,964