

CEDAR FAIR L P
Form 10-Q
November 06, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q
(Mark One)

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

For the quarterly period ended September 28, 2014

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
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) 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 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 No

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

Large accelerated filer Accelerated filer

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

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

Title of Class Units Outstanding As Of November 1, 2014
Units Representing 55,862,834
Limited Partner Interests

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CEDAR FAIR, L.P.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

	9/28/2014	12/31/2013	9/29/2013
ASSETS			
Current Assets:			
Cash and cash equivalents	\$189,374	\$118,056	\$183,482
Receivables	41,262	21,333	42,534
Inventories	30,461	26,080	29,316
Current deferred tax asset	9,675	9,675	8,185
Other current assets	13,985	11,353	9,626
	284,757	186,497	273,143
Property and Equipment:			
Land	279,350	283,313	298,589
Land improvements	372,145	350,869	351,731
Buildings	607,065	584,659	584,066
Rides and equipment	1,562,070	1,494,112	1,506,895
Construction in progress	39,058	44,550	18,990
	2,859,688	2,757,503	2,760,271
Less accumulated depreciation	(1,341,557)	(1,251,740)	(1,245,597)
	1,518,131	1,505,763	1,514,674
Goodwill	232,513	238,089	241,936
Other Intangibles, net	38,766	39,471	40,025
Other Assets	42,909	44,807	31,269
	\$2,117,076	\$2,014,627	\$2,101,047
LIABILITIES AND PARTNERS' EQUITY			
Current Liabilities:			
Current maturities of long-term debt	\$4,600	\$—	\$6,300
Accounts payable	21,866	13,222	21,877
Deferred revenue	48,141	44,521	37,627
Accrued interest	12,008	23,201	10,253
Accrued taxes	38,407	19,481	39,393
Accrued salaries, wages and benefits	42,139	29,200	39,621
Self-insurance reserves	23,931	23,653	24,088
Other accrued liabilities	8,392	5,521	7,618
	199,484	158,799	186,777
Deferred Tax Liability	157,389	158,113	157,603
Derivative Liability	25,802	26,662	31,646
Other Liabilities	16,595	11,290	9,073
Long-Term Debt:			
Term debt	614,250	618,850	622,125
Notes	950,000	901,782	901,606
	1,564,250	1,520,632	1,523,731
Commitments and Contingencies (Note 10)			
Partners' Equity:			

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Special L.P. interests	5,290	5,290	5,290
General partner	3	2	2
Limited partners, 55,863, 55,716 and 55,714 units outstanding at September 28, 2014, December 31, 2013 and September 29, 2013, respectively	161,157	148,847	206,428
Accumulated other comprehensive loss	(12,894	) (15,008	) (19,503
	153,556	139,131	192,217
	\$2,117,076	\$2,014,627	\$2,101,047

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		Nine months ended		Twelve months ended	
	9/28/2014	9/29/2013	9/28/2014	9/29/2013	9/28/2014	9/29/2013
Net revenues:						
Admissions	\$340,101	\$339,655	\$566,126	\$562,214	\$650,919	\$641,140
Food, merchandise and games	184,038	180,408	322,025	316,940	361,190	353,951
Accommodations and other	71,179	72,013	110,647	116,341	125,766	129,609
	595,318	592,076	998,798	995,495	1,137,875	1,124,700
Costs and expenses:						
Cost of food, merchandise, and games revenues	46,812	45,843	82,887	81,933	92,726	93,055
Operating expenses	178,649	170,394	406,191	388,335	490,200	458,906
Selling, general and administrative	57,205	58,727	125,226	125,533	152,105	148,356
Depreciation and amortization	58,244	57,495	109,525	108,313	123,699	122,408
Gain on sale of other assets	—	(8,743)	(921)	(8,743)	(921)	(15,368)
Loss on impairment / retirement of fixed assets, net	1,475	1,637	2,687	2,266	2,960	8,372
	342,385	325,353	725,595	697,637	860,769	815,729
Operating income	252,933	266,723	273,203	297,858	277,106	308,971
Interest expense	21,462	25,529	74,101	77,153	100,019	103,870
Net effect of swaps	(1,087)	1,377	(1,031)	8,315	(2,463)	8,141
Loss (gain) on early debt extinguishment	(246)	—	29,027	34,573	29,027	34,573
Unrealized/realized foreign currency (gain) loss	21,515	(8,615)	22,597	15,229	36,309	20,157
Other income	(16)	(17)	(95)	(126)	(123)	(163)
Income before taxes	211,305	248,449	148,604	162,714	114,337	142,393
Provision for taxes	49,403	58,025	26,340	34,026	12,557	24,030
Net income	161,902	190,424	122,264	128,688	101,780	118,363
Net income allocated to general partner	2	2	1	1	1	1
Net income allocated to limited partners	\$161,900	\$190,422	\$122,263	\$128,687	\$101,779	\$118,362
Net income	\$161,902	\$190,424	\$122,264	\$128,688	\$101,780	\$118,363
Other comprehensive income (loss), (net of tax):						
Cumulative foreign currency translation adjustment	2,975	(699)	2,279	1,194	3,841	2,814
Unrealized income (loss) on cash flow hedging derivatives	2,726	(2,761)	(165)	7,803	2,768	9,740
Other comprehensive income (loss), (net of tax)	5,701	(3,460)	2,114	8,997	6,609	12,554
Total comprehensive income	\$167,603	\$186,964	\$124,378	\$137,685	\$108,389	\$130,917
Basic earnings per limited partner unit:	55,439	55,485	55,448	55,472	55,458	55,460

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Weighted average limited partner units
outstanding

Net income per limited partner unit	\$2.92	\$3.43	\$2.21	\$2.32	\$1.84	\$2.13
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Diluted earnings per limited partner
unit:

Weighted average limited partner units outstanding	55,855	55,863	55,855	55,803	55,864	55,804
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Net income per limited partner unit	\$2.90	\$3.41	\$2.19	\$2.31	\$1.82	\$2.12
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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 STATEMENT OF PARTNERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 28, 2014

(In thousands)

	Nine months ended 9/28/14	
Limited Partnership Units Outstanding		
Beginning balance	55,716	
Limited partnership unit options exercised	19	
Issuance of limited partnership units as compensation	128	
	55,863	
Limited Partners' Equity		
Beginning balance	\$ 148,847	
Net income	122,263	
Partnership distribution declared (\$2.10 per limited partnership unit)	(117,468)
Expense recognized for limited partnership unit options	668	
Tax effect of units involved in option exercises and treasury unit transactions	(785)
Issuance of limited partnership units as compensation	7,632	
	161,157	
General Partner's Equity		
Beginning balance	2	
Net income	1	
	3	
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 (\$1,310)	2,279	
	2,284	
Unrealized loss on cash flow hedging derivatives:		
Beginning balance	(15,013)
Current period activity, net of tax \$6	(165)
	(15,178)
	(12,894)
Total Partners' Equity	\$ 153,556	

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)

	Nine months ended		Twelve months ended	
	9/28/2014	9/29/2013	9/28/2014	9/29/2013
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES				
Net income	\$ 122,264	128,688	\$ 101,780	118,363
Adjustments to reconcile net income to net cash from operating activities:				
Depreciation and amortization	109,525	108,313	123,699	122,408
Loss on early debt extinguishment	29,027	34,573	29,027	34,573
Loss on impairment / retirement of fixed assets, net	2,687	2,266	2,960	8,372
Gain on sale of other assets	(921	) (8,743	) (921	) (15,368
Net effect of swaps	(1,031	) 8,315	(2,463	) 8,141
Non-cash expense	33,167	23,875	52,093	32,245
Net change in working capital	10,546	16,031	8,510	(6,769
Net change in other assets/liabilities	6,455	3,637	3,312	22,883
Net cash from operating activities	311,719	316,955	317,997	324,848
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES				
Sale of other assets	1,377	15,297	1,377	30,182
Capital expenditures	(137,013	) (97,534	) (160,072	) (116,761
Net cash for investing activities	(135,636	) (82,237	) (158,695	) (86,579
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES				
Term debt borrowings	—	630,000	—	630,000
Note borrowings	450,000	500,000	450,000	500,000
Term debt payments, including amounts paid for early termination	—	(1,132,675	) (9,575	) (1,132,675
Note payments, including amounts paid for early termination	(426,148	) —	(426,148) —
Distributions paid to partners	(117,468	) (104,458	) (156,467	) (126,706
Exercise of limited partnership unit options	—	43	10	43
Payment of debt issuance costs	(9,795	) (22,812	) (10,232	) (22,812
Excess tax benefit from unit-based compensation expense	(785	) (148	) 218	1,515
Net cash for financing activities	(104,196	) (130,050	) (152,194	) (150,635
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(569	) (16	) (1,216	) (254
CASH AND CASH EQUIVALENTS				
Net increase for the period	71,318	104,652	5,892	87,380
Balance, beginning of period	118,056	78,830	183,482	96,102
Balance, end of period	\$ 189,374	\$ 183,482	\$ 189,374	\$ 183,482
SUPPLEMENTAL INFORMATION				
Cash payments for interest expense	\$ 80,203	\$ 78,852	\$ 92,185	\$ 94,717
Interest capitalized	1,167	1,175	2,008	1,406
Cash payments for income taxes, net of refunds	10,283	11,746	13,359	4,768

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 SEPTEMBER 28, 2014 AND SEPTEMBER 29, 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 September 28, 2014 and September 29, 2013 to accompany the quarterly results. Since amounts for the fiscal twelve months ended September 28, 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 September 28, 2014 and September 29, 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 also requires an entity to disclose the nature and amount of the obligation as other information about those obligations. The amendments in the guidance 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 September 29, 2013 Unaudited Condensed Consolidating Balance Sheets in Note 12 reflect the effect of the adoption of this guidance.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"). The amendments in ASU 2014-09 provide for a single, principles-based model for revenue recognition that replaces the existing revenue recognition guidance. ASU 2014-09 is effective for annual and interim periods beginning on or after December 15, 2016 and will replace most existing revenue recognition guidance under U.S. GAAP when it becomes effective. It permits the use of either a retrospective or cumulative effect transition method and early adoption is not permitted. The Partnership has not yet selected a transition method and is in the process of evaluating the effect this standard will have on the consolidated financial statements and related disclosures.

(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

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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.

(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 September 28, 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 nine months ended September 28, 2014 and September 29, 2013 is as follows:

(In thousands)	Goodwill (gross)	Accumulated Impairment Losses	Goodwill (net)
Balance at December 31, 2012	\$ 326,089	\$(79,868) \$246,221

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Foreign currency translation	(4,285) —	(4,285)
Balance at September 29, 2013	\$321,804	\$(79,868) \$241,936	
Balance at December 31, 2013	\$317,957	\$(79,868	) \$238,089	
Foreign currency translation	(5,576) —	(5,576)
Balance at September 28, 2014	\$312,381	\$(79,868) \$232,513	

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At September 28, 2014, December 31, 2013, and September 29, 2013 the Partnership's other intangible assets consisted of the following:

September 28, 2014	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
(In thousands)			
Other intangible assets:			
Trade names	\$38,280	\$—	\$38,280
License / franchise agreements	899	413	486
Total other intangible assets	\$39,179	\$413	\$38,766

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

September 29, 2013

(In thousands)

Other intangible assets:

Trade names	\$39,615	\$—	\$39,615
License / franchise agreements	799	389	410
Total other intangible assets	\$40,414	\$389	\$40,025

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

(5) Long-Term Debt:

In June of 2014, the Partnership issued \$450 million of 5.375% senior unsecured notes ("June 2014 notes"), maturing in 2024, in a private placement. The net proceeds from the offering of the June 2014 notes were used to redeem in full all of the Partnership's \$405 million of 9.125% senior unsecured notes that were scheduled to mature in 2018 (and which included \$5.6 million of Original Issue Discount ("OID") to yield 9.375%), to satisfy and discharge the indenture governing the notes that were redeemed and for general corporate purposes.

The Partnership's 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 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 June 1, 2017, 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% together with accrued and unpaid interest.

In March 2013, the Partnership issued \$500 million of 5.25% senior unsecured notes ("March 2013 notes"), maturing in 2021, in a private placement. 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 ("London InterBank Offering Rate") plus 250 bps with a LIBOR floor of 75 bps. The term loan amortizes at \$6.3 million annually and allows interest to be paid on a 30-, 60-, or 90-day basis. The Partnership is currently paying interest on a 30-day basis. 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).

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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 decreased to 6.00x consolidated total debt (excluding the revolving debt)-to-Consolidated EBITDA at the end of the second quarter in 2014, and the ratio will decrease by 0.25x each second quarter until it reaches 5.25x. As of September 28, 2014, the Partnership's Consolidated Leverage Ratio was 3.78x. The Partnership was in compliance with all other covenants under the 2013 Credit Agreement as of September 28, 2014.

The Partnership is allowed to make Restricted Payments, as defined in the 2013 Credit Agreement, 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 indentures governing the Partnership's June 2014 and March 2013 notes, we can make Restricted Payments of \$60 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 2014 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 5.00x.

The Partnership's March 2013 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 a price equal to 105.25% together with accrued and unpaid interest.

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 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 September 28, 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%.

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Fair Value of Derivative Instruments and the Classification in Condensed Consolidated Balance Sheet:

(In thousands)	Condensed Consolidated Balance Sheet Location	Fair Value as of September 28, 2014	Fair Value as of December 31, 2013	Fair Value as of September 29, 2013
Derivatives designated as hedging instruments:				
Interest rate swaps	Derivative Liability	\$(10,044)	\$(3,916)	\$(5,483)
Total derivatives designated as hedging instruments		\$(10,044)	\$(3,916)	\$(5,483)
Derivatives not designated as hedging instruments:				
Interest rate swaps	Derivative Liability	\$(15,758)	\$(22,746)	\$(26,163)
Total derivatives not designated as hedging instruments		\$(15,758)	\$(22,746)	\$(26,163)
Net derivative liability		\$(25,802)	\$(26,662)	\$(31,646)

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 September 28, 2014 we have no amounts that are forecasted to be reclassified into earnings in the next twelve months.

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 September 28, 2014, approximately \$7.8 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 \$7.8 million will be reclassified to earnings within the next 12 months. The following table presents our derivative portfolio along with their notional amounts and their fixed interest rates as of September 28, 2014.

(\$'s in thousands)	Interest Rate Swaps			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	%
	\$500,000	2.94	%	\$800,000	2.38	%

Total \$'s / Average
Rate

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Effects of Derivative Instruments on Income (Loss) and Other Comprehensive Income (Loss) for the three-month periods ended September 28, 2014 and September 29, 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)			
	Three months ended	Three months ended	Three months ended	Three months ended	Three months ended	Three months ended		
Derivatives designated as Cash Flow Hedging Relationships	9/28/14	9/29/13	9/28/14	9/29/13	9/28/14	9/29/13		
Interest rate swaps	\$ 1,235	\$(5,483)	Interest Expense	\$—	\$—	Net effect of swaps	\$—	\$—

(In thousands)	Amount and Location of Gain (Loss) Recognized in Income on Derivative	
Derivatives not designated as Cash Flow Hedging Relationships	Three months ended	Three months ended
	9/28/14	9/29/13
Interest rate swaps	Net effect of swaps	Net effect of swaps
	\$3,073	\$609
	\$3,073	\$609

During the quarter ended September 28, 2014, in addition to gains of \$3.1 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 benefit to earnings of \$1.1 million recorded in "Net effect of swaps."

For the three-month period ended September 29, 2013, in addition to the \$0.6 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 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 \$1.4 million recorded in "Net effect of swaps."

Effects of Derivative Instruments on Income (Loss) and Other Comprehensive Income (Loss) for the nine-month periods ended September 28, 2014 and September 29, 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)	
	Nine months ended	Nine months ended	Nine months ended	Nine months ended	Nine months ended	Nine months ended
Derivatives designated as Cash Flow Hedging Relationships	9/28/14	9/29/13	9/28/14	9/29/13	9/28/14	9/29/13

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Interest rate swaps \$(6,129) \$(3,217) Interest Expense \$— \$(2,797) Net effect of swaps \$— \$3,703

(In thousands)

Derivatives not designated as Cash Flow Hedging Relationships	Amount and Location of Gain (Loss) Recognized in Income on Derivative	
	Nine months ended 9/28/14	Nine months ended 9/29/13
Interest rate swaps	Net effect of swaps \$6,991	\$130
	\$6,991	\$130

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During the nine-month period ended September 28, 2014, in addition to gains of \$7.0 million recognized in income on the derivatives not designated as cash flow hedges (as noted in the tables above), \$6.0 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 benefit to earnings of \$1.0 million recorded in “Net effect of swaps.”

For the nine-month period ended September 29, 2013, in addition to the \$3.7 million gain recognized in income on the ineffective portion of derivatives and \$0.1 million gain 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 \$4.3 million 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 \$8.3 million recorded in “Net effect of swaps.”

Effects of Derivative Instruments on Income (Loss) and Other Comprehensive Income (Loss) for the twelve-month periods ended September 28, 2014 and September 29, 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)			
	Twelve months ended	Twelve months ended	Twelve months ended	Twelve months ended	Twelve months ended	Twelve months ended		
Derivatives designated as Cash Flow Hedging Relationships	9/28/14	9/29/13	9/28/14	9/29/13	9/28/14	9/29/13		
Interest rate swaps	\$ (4,562)	\$ (769)	Interest Expense	\$ —	\$ (5,820)	Net effect of swaps	\$ —	\$ 3,703

(In thousands)	Amount and Location of Gain (Loss) Recognized in Income on Derivative	
Derivatives not designated as Cash Flow Hedging Relationships	Twelve months ended	Twelve months ended
Interest rate swaps	9/28/14	9/29/13
	Net effect of swaps	
	\$ 10,408	\$ 130
	\$ 10,408	\$ 130

During the twelve-month period ending September 28, 2014, in addition to the \$10.4 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 September 28, 2014 in the condensed consolidated statements of operations. The effect of these amounts resulted in a benefit to earnings of \$2.5 million recorded in “Net effect of swaps.”

For the twelve-month period ending September 29, 2013, in addition to the \$3.7 million gain recognized in income on the ineffective portion of designated derivatives and \$0.1 million of gain 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 \$4.1 million of expense representing the amortization of amounts in AOCI for the swaps was recorded during the trailing twelve months ended September 29, 2013 in the condensed consolidated statements of operations. The net effect of these amounts resulted in a charge to earnings for the trailing twelve month period of \$8.1 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 hierarchical 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.

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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 September 28, 2014, December 31, 2013, and September 29, 2013 on a recurring basis:

	Total	Level 1	Level 2	Level 3
September 28, 2014				
(In thousands)				
Interest rate swap agreements ⁽¹⁾	\$(10,044)	\$—	\$(10,044)	\$—
Interest rate swap agreements ⁽²⁾	(15,758)	—	(15,758)	—
Net derivative liability	\$(25,802)	\$—	\$(25,802)	\$—
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)	\$—
September 29, 2013				
Interest rate swap agreements ⁽¹⁾	\$(5,483)	\$—	\$(5,483)	\$—
Interest rate swap agreements ⁽²⁾	\$(26,163)	\$—	\$(26,163)	\$—
Net derivative liability	\$(31,646)	\$—	\$(31,646)	\$—

(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, which 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 September 28, 2014.

The carrying value of cash and cash equivalents, revolver, 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 September 28, 2014, December 31, 2013, or September 29, 2013, except for as described below.

The fair value of term debt at September 28, 2014 was approximately \$614.2 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 September 28, 2014 was approximately \$919.5 million based on public trading levels as of that date. The fair value of the term debt and June 2014 notes were based on Level 2 inputs and the March 2013 notes were based on Level 1 inputs.

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(8) Earnings per Unit:

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

	Three months ended		Nine months ended		Twelve months ended	
	9/28/2014	9/29/2013	9/28/2014	9/29/2013	9/28/2014	9/29/2013
	(In thousands except per unit amounts)					
Basic weighted average units outstanding	55,439	55,485	55,448	55,472	55,458	55,460
Effect of dilutive units:						
Unit options and restricted unit awards	336	189	317	146	290	120
Phantom units	80	189	90	185	116	224
Diluted weighted average units outstanding	55,855	55,863	55,855	55,803	55,864	55,804
Net income per unit - basic	\$2.92	\$3.43	\$2.21	\$2.32	\$1.84	\$2.13
Net income per unit - diluted	\$2.90	\$3.41	\$2.19	\$2.31	\$1.82	\$2.12

The effect of out-of-the-money and/or antidilutive unit options on the three, nine and twelve months ended September 28, 2014 and September 29, 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 third 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.

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(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-, nine-, and twelve-month periods ended September 28, 2014 and September 29, 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 June 29, 2014	\$(17,904)	\$(691)	\$(18,595)
Other comprehensive income before reclassifications, net of tax (\$187) and (\$1,713), respectively	1,048	2,975	4,023
Amounts reclassified from accumulated other comprehensive income, net of tax (\$307) ⁽²⁾	1,678	—	1,678
Net other comprehensive income	2,726	2,975	5,701
September 28, 2014	\$(15,178)	\$2,284	\$(12,894)

(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 June 30, 2013	\$(15,185)	\$(858)	\$(16,043)
Other comprehensive income before reclassifications, net of tax (\$1,044) and \$401, respectively	(4,440)	(699)	(5,139)
Amounts reclassified from accumulated other comprehensive income, net of tax (\$307) ⁽²⁾	1,679	—	1,679
Net other comprehensive income	(2,761)	(699)	(3,460)
September 29, 2013	\$(17,946)	\$(1,557)	\$(19,503)

(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 ContentsChanges 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 \$928 and (\$1,310), respectively	(5,200	)	2,279		(2,921)
Amounts reclassified from accumulated other comprehensive income, net of tax (\$922) ⁽²⁾	5,035		—		5,035	
Net other comprehensive income	(165	)	2,279		2,114	
September 28, 2014	\$(15,178	)	\$2,284		\$(12,894)

(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 \$718 and (\$689), respectively	(2,500	)	1,194		(1,306)
Amounts reclassified from accumulated other comprehensive income, net of tax (\$1,843) ⁽²⁾	10,303		—		10,303	
Net other comprehensive income	7,803		1,194		8,997	
September 29, 2013	\$(17,946	)	\$(1,557	)	\$(19,503)

(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 ContentsChanges in Accumulated Other Comprehensive Income by Component ⁽¹⁾

(In thousands)

	Gains and Losses on Cash Flow Hedges	Foreign Currency Items	Total
Balance at September 29, 2013	\$(17,946)	\$(1,557)	\$(19,503)
Other comprehensive income before reclassifications, net of tax \$615 and (\$2,208), respectively	(3,946)	3,841	(105)
Amounts reclassified from accumulated other comprehensive income, net of tax (\$1,228) ⁽²⁾	6,714	—	6,714
Net other comprehensive income	2,768	3,841	6,609
September 28, 2014	\$(15,178)	\$2,284	\$(12,894)

(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 September 30, 2012	\$(27,686)	\$(4,371)	\$(32,057)
Other comprehensive income before reclassifications, net of tax \$355 and (\$1,619), respectively	(416)	2,814	2,398
Amounts reclassified from accumulated other comprehensive income, net of tax (\$1,816) ⁽²⁾	10,156	—	10,156
Net other comprehensive income	9,740	2,814	12,554
September 29, 2013	\$(17,946)	\$(1,557)	\$(19,503)

(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.

Reclassifications Out of Accumulated Other Comprehensive Income ⁽¹⁾

(In thousands)

Details about Accumulated Other Comprehensive	Amount Reclassified from Accumulated Other Comprehensive Income	Affected Line Item in the Statement Where
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Income Components							Net Income is Presented
	3 months	3 months	9 months	9 months	12 months	12 months	
Gains and losses on cash flow hedges	ended 9/28/14	ended 9/29/13	ended 9/28/14	ended 9/29/13	ended 9/28/14	ended 9/29/13	
Interest rate contracts	\$1,985	\$1,986	\$5,957	\$12,146	\$7,942	\$11,972	Net effect of swaps
	\$1,985	\$1,986	\$5,957	\$12,146	\$7,942	\$11,972	Total before tax
	(307)	(307)	(922)	(1,843)	(1,228)	(1,816)	Benefit for taxes
	\$1,678	\$1,679	\$5,035	\$10,303	\$6,714	\$10,156	Net of tax

(1) Amounts in parentheses indicate debits.

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(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 June 2014 and March 2013 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 September 28, 2014, December 31, 2013, and September 29, 2013 and for the three, nine, and twelve month periods ended September 28, 2014 and September 29, 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 September 28, 2014, December 31, 2013, and September 29, 2013 reflect the adoption of this guidance. For the periods ended December 31, 2013 and September 29, 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 2013-04, the Unaudited Condensed Consolidating Statements of Cash Flows for the nine and twelve month periods ended September 29, 2013 have been revised to correct the presentation of certain intercompany transactions previously recorded as cash flows from operating activities and the presentation of an intercompany term debt receipt previously recorded as cash flows from financing activities. A summary of the changes are below:

Condensed Consolidating Statements of Cash Flows
For the Nine Month Period Ended September 29, 2013

(In thousands)	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
As reported - Net cash from (for) operating activities	\$337,821	\$60,434	\$21,615	\$66,757	\$(169,672)	\$316,955
Investment in joint ventures and affiliates	(63,105)	(52,172)	(29,579)	(24,816)	169,672	—
Intercompany receivables (payments) receipts	—	(41,768)	—	55,439	(13,671)	—
Intercompany payables (payments) receipts	(134,694)	73,536	5,655	41,832	13,671	—
Dividends paid	—	—	13,173	—	(13,173)	—
As corrected - Net cash from (for) operating activities	\$140,022	\$40,030	\$10,864	\$139,212	\$(13,173)	\$316,955
	\$(106,673)	\$(52,172)	\$(35,096)	\$(57,968)	\$169,672	\$(82,237)

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As reported - Net cash from (for) investing activities						
Investment in joint ventures and affiliates	63,105	52,172	29,579	24,816	(169,672)	—
Intercompany receivables (payments) receipts	—	41,768	—	(55,439)	13,671	—
As corrected - Net cash from (for) investing activities	\$(43,568)	\$41,768	\$(5,517)	\$(88,591)	\$13,671	\$(82,237)
As reported - Net cash from (for) financing activities	\$(123,148)	\$(6,413)	\$(489)	\$—	\$—	\$(130,050)
Dividends paid	—	—	(13,173)		13,173	—
Intercompany payables (payments) receipts	134,694	(73,536)	(5,655)	(41,832)	(13,671)	—
As corrected - Net cash from (for) financing activities	\$11,546	\$(79,949)	\$(19,317)	\$(41,832)	\$(498)	\$(130,050)

Table of ContentsCondensed Consolidating Statements of Cash Flows
For the Twelve Month Period Ended September 29, 2013

(In thousands)	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
As reported - Net cash from (for) operating activities	\$258,843	\$42,367	\$32,927	\$52,457	\$(61,746)	\$324,848
Investment in joint ventures and affiliates	24,507	(37,602)	(30,743)	(17,908)	61,746	—
Intercompany receivables (payments) receipts	—	(46,143)	—	60,099	(13,956)	—
Intercompany payables (payments) receipts	(71,020)	6,760	4,098	46,206	13,956	—
Dividends paid	—	—	13,173	—	(13,173)	—
As corrected - Net cash from (for) operating activities	\$212,330	\$(34,618)	\$19,455	\$140,854	\$(13,173)	\$324,848
As reported - Net cash from (for) investing activities	\$(23,431)	\$(37,603)	\$(36,275)	\$(51,016)	\$61,746	\$(86,579)
Investment in joint ventures and affiliates	(24,507)	37,602	30,743	17,908	(61,746)	—
Intercompany receivables (payments) receipts	—	46,143	—	(60,099)	13,956	—
As corrected - Net cash from (for) investing activities	\$(47,938)	\$46,142	\$(5,532)	\$(93,207)	\$13,956	\$(86,579)
As reported - Net cash from (for) financing activities	\$(145,412)	\$(4,734)	\$(489)	\$—	\$—	\$(150,635)
Dividends paid	—	—	(13,173)	—	13,173	—
Intercompany payables (payments) receipts	71,020	(6,760)	(4,098)	(46,206)	(13,956)	—
As corrected - Net cash from (for) financing activities	\$(74,392)	\$(11,494)	\$(17,760)	\$(46,206)	\$(783)	\$(150,635)

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.

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CEDAR FAIR, L.P.

UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET

September 28, 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	\$ 124,000	\$ 2,194	\$ 52,792	\$ 10,388	\$—	\$ 189,374
Receivables	11	131,297	88,605	651,998	(830,649)	41,262
Inventories	—	3,147	1,833	25,481	—	30,461
Current deferred tax asset	—	5,430	800	3,445	—	9,675
Other current assets	1,084	5,863	14,219	5,847	(13,028)	13,985
	125,095	147,931	158,249	697,159	(843,677)	284,757
Property and Equipment (net)	459,332	8,105	230,723	819,971	—	1,518,131
Investment in Park	560,750	837,800	163,809	60,788	(1,623,147)	—
Goodwill	9,061	—	112,234	111,218	—	232,513
Other Intangibles, net	—	—	15,911	22,855	—	38,766
Deferred Tax Asset	—	29,935	—	—	(29,935)	—
Other Assets	11,147	21,071	8,587	2,104	—	42,909
	\$ 1,165,385	\$ 1,044,842	\$ 689,513	\$ 1,714,095	\$(2,496,759)	\$ 2,117,076
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Current maturities of long-term debt	\$ 2,621	\$ 1,873	\$ 106	\$—	\$—	\$ 4,600
Accounts payable	340,850	208,763	22,485	280,417	(830,649)	21,866
Deferred revenue	—	—	4,682	43,459	—	48,141
Accrued interest	2,579	1,552	7,877	—	—	12,008
Accrued taxes	5,255	6,534	—	39,646	(13,028)	38,407
Accrued salaries, wages and benefits	—	29,505	1,962	10,672	—	42,139
Self-insurance reserves	—	5,797	1,747	16,387	—	23,931
Other accrued liabilities	446	5,388	693	1,865	—	8,392
	351,751	259,412	39,552	392,446	(843,677)	199,484
Deferred Tax Liability	—	—	55,676	131,648	(29,935)	157,389
Derivative Liability	15,115	10,687	—	—	—	25,802
Other Liabilities	20	4,688	—	11,887	—	16,595
Long-Term Debt:						
Term debt	350,046	250,088	14,116	—	—	614,250
Notes	294,897	205,103	450,000	—	—	950,000
	644,943	455,191	464,116	—	—	1,564,250
Equity	153,556	314,864	130,169	1,178,114	(1,623,147)	153,556
	\$ 1,165,385	\$ 1,044,842	\$ 689,513	\$ 1,714,095	\$(2,496,759)	\$ 2,117,076

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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

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CEDAR FAIR, L.P.

UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET

September 29, 2013

(In thousands)

Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
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ASSETS

Current Assets: