CEDAR FAIR L P
Form 10-Q
August 05, 2011
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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 26, 2011
OR

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

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

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

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

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

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

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

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

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

Title of Class	Units Outstanding As Of August 1, 2011
Units Representing Limited Partner Interests	55,345,858

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	6/26/2011	12/31/2010	6/27/2010
ASSETS			
Current Assets:			
Cash and cash equivalents	$35,679	$9,765	$23,930
Receivables	27,436	12,340	26,782
Inventories	52,264	32,142	48,065
Current deferred tax asset	12,867	5,874	58,241
Prepaid insurance	3,780	5,009	2,466
Other current assets	10,108	5,204	11,640
	142,134	70,334	171,124
Property and Equipment:			
Land	310,557	309,980	306,207
Land improvements	335,696	324,734	337,579
Buildings	577,069	575,725	590,974
Rides and equipment	1,443,907	1,398,403	1,422,881
Construction in progress	10,115	16,746	5,449
	2,677,344	2,625,588	2,663,090
Less accumulated depreciation	(992,971)	(948,947)	(874,164)
	1,684,373	1,676,641	1,788,926
Goodwill	247,500	246,259	241,109
Other Intangibles, net	40,819	40,632	40,838
Other Assets	58,906	48,578	18,859
	$2,173,732	$2,082,444	$2,260,856
LIABILITIES AND PARTNERS' EQUITY			
Current Liabilities:			
Current maturities of long-term debt	$11,800	—	15,546
Accounts payable	43,240	10,787	41,200
Deferred revenue	95,734	26,328	82,428
Accrued interest	23,870	20,409	10,207
Accrued taxes	6,703	15,144	10,601
Accrued salaries, wages and benefits	28,379	18,220	18,307
Self-insurance reserves	21,947	21,487	22,454
Current derivative liability	77,573	47,986	—
Other accrued liabilities	12,061	8,491	10,162
	321,307	168,852	210,905
Deferred Tax Liability	129,499	131,830	140,324
Derivative Liability	16,750	54,517	115,244
Other Liabilities	3,963	10,406	6,530
Long-Term Debt:			
Revolving credit loans	85,000	23,200	197,000
Term debt	1,165,250	1,157,062	1,480,615
Notes	399,756	399,441	—

	1,650,006	1,579,703	1,677,615
Partners' Equity:			
Special L.P. interests	5,290	5,290	5,290
General partner	(2)	(1)	(1)
Limited partners, 55,346, 55,334 and 55,324 units outstanding at June 26, 2011, December 31, 2010 and June 27, 2010, respectively	75,525	165,555	166,516
Accumulated other comprehensive loss	(28,606)	(33,708)	(61,567)
	52,207	137,136	110,238
	$2,173,732	$2,082,444	$2,260,856

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
(In thousands, except per unit amounts)

	Three months ended		Six months ended		Twelve months ended	
	6/26/2011	6/27/2010	6/26/2011	6/27/2010	6/26/2011	6/27/2010
Net revenues:						
Admissions	$160,619	$156,507	$171,231	$167,471	$572,522	$539,422
Food, merchandise and games	103,989	100,852	115,771	112,762	340,365	321,667
Accommodations and other	19,882	18,228	24,357	22,670	73,161	67,297
	284,490	275,587	311,359	302,903	986,048	928,386
Costs and expenses:						
Cost of food, merchandise and games revenues	27,111	26,350	31,223	30,231	87,611	86,413
Operating expenses	124,978	120,939	190,106	183,691	417,817	407,297
Selling, general and administrative	37,233	45,141	58,148	62,492	129,657	139,877
Depreciation and amortization	42,764	43,989	46,554	47,878	125,472	133,432
Loss on impairment of goodwill and other intangibles	—	1,390	—	1,390	903	5,890
Loss on impairment / retirement of fixed assets, net	—	—	196	—	62,948	214
Gain on sale of other assets	—	—	—	—	—	(23,098)
	232,086	237,809	326,227	325,682	824,408	750,025
Operating income (loss)	52,404	37,778	(14,868)	(22,779)	161,640	178,361
Interest expense	42,185	32,785	83,297	62,399	171,183	127,294
Net effect of swaps	(1,432)	2,034	455	9,609	9,040	18,779
Loss on early debt extinguishment	—	—	—	—	35,289	—
Unrealized/realized foreign currency (gain) loss	3,043	19	(3,845)	(4)	(24,404)	623
Other (income) expense	177	(3)	1,085	(38)	(31)	800
Income (loss) before taxes	8,431	2,943	(95,860)	(94,745)	(29,437)	30,865
Provision (benefit) for taxes	3,765	7,158	(15,834)	(50,597)	38,008	(6,309)
Net income (loss)	4,666	(4,215)	(80,026)	(44,148)	(67,445)	37,174
Net income (loss) allocated to general partner	—	—	(1)	—	(1)	—
Net income (loss) allocated to limited partners	$4,666	$(4,215)	$(80,025)	$(44,148)	$(67,444)	$37,174
Basic earnings per limited partner unit:						
Weighted average limited partner units outstanding	55,346	55,324	55,341	55,266	55,338	55,254
Net income (loss) per limited partner unit	$0.08	$(0.08)	$(1.45)	$(0.80)	$(1.22)	$0.67
Diluted earnings per limited partner unit:						
Weighted average limited partner units outstanding	55,825	55,324	55,341	55,266	55,338	55,841
Net income (loss) per limited partner unit	$0.08	$(0.08)	$(1.45)	$(0.80)	$(1.22)	$0.67

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 SIX MONTHS ENDED JUNE 26, 2011
(In thousands)

	Six months ended 6/26/11	
Limited Partnership Units Outstanding		
Beginning balance	55,334	
Limited partnership unit options exercised	—	
Issuance of limited partnership units as compensation	12	
	55,346	
Limited Partners' Equity		
Beginning balance	$165,555	
Net income (loss)	(80,025	)
Partnership distribution declared ($0.18 per limited partnership unit)	(9,962	)
Expense (income) recognized for limited partnership unit options	(228	)
Tax effect of units involved in option exercises and treasury unit transactions	5	
Issuance of limited partnership units as compensation	180	
	75,525	
General Partner's Equity		
Beginning balance	(1	)
Net income (loss)	(1	)
	(2	)
Special L.P. Interests	5,290	
Accumulated Other Comprehensive Income (Loss)		
Cumulative foreign currency translation adjustment:		
Beginning balance	(4,053	)
Current period activity, net of tax ($425)	(488	)
	(4,541	)
Unrealized loss on cash flow hedging derivatives:		
Beginning balance	(29,655	)
Current period activity, net of tax $2,756	5,590	
	(24,065	)
	(28,606	)
Total Partners' Equity	$52,207	
Summary of Comprehensive Income (Loss)		
Net income (loss)	$(80,026	)
Other comprehensive income	5,102	
Total Comprehensive Income (Loss)	$(74,924	)

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		Twelve months ended	
	6/26/2011	6/27/2010	6/26/2011	6/27/2010
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES				
Net income (loss)	(80,026)	(44,148)	$(67,445)	$37,174
Adjustments to reconcile net income (loss) to net cash from (for) operating activities:				
Non-cash expense	47,180	49,848	110,354	139,366
Loss on early extinguishment of debt	—	—	35,289	—
Loss on impairment of goodwill and other intangibles	—	1,390	903	5,890
Loss on impairment / retirement of fixed assets, net	196	—	62,948	214
Gain on sale of other assets	—	—	—	(23,098)
Net effect of swaps	455	9,609	9,040	18,779
Net change in working capital	71,694	(17,228)	82,747	(9,970)
Net change in other assets/liabilities	(13,636)	(1,114)	(24,214)	(689)
Net cash from (for) operating activities	25,863	(1,643)	209,622	167,666
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES				
Sale of Canadian real estate	—	—	—	53,831
Capital expenditures	(51,685)	(53,261)	(70,130)	(81,929)
Net cash (for) investing activities	(51,685)	(53,261)	(70,130)	(28,098)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES				
Net borrowings (payments) on revolving credit loans	61,800	110,700	(112,000)	61,200
Term debt borrowings	22,938	—	1,197,938	—
Note borrowings	—	—	399,383	—
Term debt payments, including early termination penalties	(2,950)	(43,886)	(1,525,954)	(174,886)
Distributions paid to partners	(9,962)	—	(23,796)	(27,604)
Exercise of limited partnership unit options	—	—	7	—
Payment of debt issuance costs	(20,488)	—	(63,754)	(7,694)
Net cash from (for) financing activities	51,338	66,814	(128,176)	(148,984)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	398	92	433	1,364
CASH AND CASH EQUIVALENTS				
Net increase (decrease) for the period	25,914	12,002	11,749	(8,052)
Balance, beginning of period	9,765	11,928	23,930	31,982
Balance, end of period	$35,679	$23,930	$35,679	$23,930
SUPPLEMENTAL INFORMATION				
Cash payments for interest expense	$76,252	$56,318	$149,749	$122,512
Interest capitalized	794	1,144	993	1,917
Cash payments for income taxes	1,030	9,537	10,567	21,944

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 26, 2011 AND JUNE 27, 2010

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 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 June 26, 2011 and June 27, 2010 to accompany the quarterly results. Because amounts for the fiscal twelve months ended June 26, 2011 include actual 2010 season operating results, they may not be indicative of 2011 full calendar year operations.

(1) Significant Accounting and Reporting Policies:

The Partnership's unaudited condensed consolidated financial statements for the periods ended June 26, 2011 and June 27, 2010 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, 2010, which were included in the Form 10-K filed on March 1, 2011. 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.

(2) Interim Reporting:

The Partnership owns and operates eleven amusement parks, six separately gated outdoor water parks, one indoor water park and five hotels. In order to better facilitate discussion of trends in attendance and guest per capita spending than would be possible on a consolidated basis, the Partnership's eleven amusement parks and six separately gated water parks have been grouped into regional designations. Parks in the Partnership's northern region include Cedar Point and the adjacent Soak City water park in Sandusky, Ohio; Kings Island near Cincinnati, Ohio; Canada's Wonderland in Toronto, Canada; Dorney Park & Wildwater Kingdom near Allentown, Pennsylvania; Valleyfair, near Minneapolis/St. Paul, Minnesota; Geauga Lake's Wildwater Kingdom near Cleveland, Ohio; and Michigan's Adventure near Muskegon, Michigan. In the southern region are Kings Dominion near Richmond, Virginia; Carowinds near Charlotte, North Carolina; and Worlds of Fun and Oceans of Fun in Kansas City, Missouri. The western region parks include Knott's Berry Farm, near Los Angeles in Buena Park, California; California's Great America located in Santa Clara, California; and three Knott's Soak City water parks located in California. The Partnership also owns and operates the Castaway Bay Indoor Waterpark Resort in Sandusky, Ohio, and operates Gilroy Gardens Family Theme Park in Gilroy, California under a management contract. 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.

To assure that these highly seasonal operations will not result in misleading comparisons of current and subsequent interim periods, the Partnership has adopted the following accounting and reporting procedures for its seasonal parks: (a) revenues on multi-day admission tickets are recognized over the estimated number of visits expected for each type of ticket and are adjusted periodically during the season, (b) depreciation, advertising and certain seasonal operating costs are expensed during each park's operating season, including certain costs incurred prior to the season which are amortized over the season, and (c) all other costs are expensed as incurred or ratably over the entire year.

(3) Long-Lived Assets:

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

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The long-lived 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 using an income (discounted cash flows) approach, which 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. If the implied fair value of the assets is less than their carrying value, an impairment charge is recorded for the difference.

At the end of the fourth quarter of 2010, the Partnership concluded based on 2010 operating results, as well as updated forecasts, that a review of the carrying value of long-lived assets at California's Great America was warranted. After performing its review, the Partnership determined that a portion of the park's fixed assets, the majority of which were originally recorded with the PPI acquisition, were impaired. As a result, the Partnership recognized $62.0 million of fixed-asset impairment during the fourth quarter of 2010 which is recorded in "Loss on impairment / retirement of fixed assets" on the condensed consolidated statement of operations.

(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. Historically, goodwill related to parks acquired prior to 2006 has been annually tested for impairment as of October 1, while goodwill and other indefinite-lived intangibles, including trade-name intangibles, related to the Paramount Parks (PPI) acquisition in 2006 have been annually tested for impairment as of April 1. Effective in December 2010, the Partnership changed the date of its annual goodwill impairment tests from April 1 and October 1 to December 31 to more closely align the impairment testing procedures with its long-range planning and forecasting process, which occurs in the fourth quarter each year. The Partnership believes the change is preferable since the long-term cash flow projections are a key component in performing its annual impairment tests of goodwill. In addition, the Partnership changed the date of its annual impairment test for other indefinite-lived intangibles from April 1 to December 31.

During 2010, the Partnership tested goodwill for impairment as of April 1, 2010 or October 1, 2010, as applicable, and again as of December 31, 2010. The tests indicated no impairment of goodwill as of any of those dates. During 2010, the Partnership tested other indefinite-lived intangibles for impairment as of April 1, 2010 and December 31, 2010. After performing the April 1, 2010 impairment test, it was determined that a portion of trade-names at certain PPI parks were impaired as the carrying values of those trade-names exceeded their fair values. As a result the Partnership recognized $1.4 million of trade-name impairment during the second quarter of 2010. This impairment was driven mainly by an increase in the Partnership’s cost of capital in 2010 and lower projected growth rates for certain parks as of the test date. After performing the December 31, 2010 test of indefinite-lived intangibles, it was determined that a portion of the trade-names at California's Great America, originally recorded with the PPI acquisition, were impaired. As a result, the Partnership recognized $0.9 million of additional trade-name impairment during the fourth quarter of 2010 which is recorded in "Loss on impairment of goodwill and other intangibles" on the consolidated statement of operations.

The change in accounting principle related to changing the annual goodwill impairment testing date did not delay, accelerate, avoid or cause an impairment charge. As it was impracticable to objectively determine operating and valuation estimates for periods prior to December 31, 2010, the Partnership has prospectively applied the change in

the annual goodwill impairment testing date from December 31, 2010.
A summary of changes in the Partnership’s carrying value of goodwill for the six months ended June 26, 2011 is as follows:

(In thousands)	Goodwill (gross)	Accumulated Impairment Losses	Goodwill (net)
Balance at December 31, 2010	$326,127	$(79,868)	$246,259
Foreign currency translation	1,241	—	1,241
Balance at June 26, 2011	$327,368	$(79,868)	$247,500

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At June 26, 2011, December 31, 2010, and June 27, 2010 the Partnership's other intangible assets consisted of the following:

June 26, 2011	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
(In thousands)			
Other intangible assets:			
Trade names	$40,403	$—	$40,403
License / franchise agreements	716	300	416
Non-compete agreements	200	200	—
Total other intangible assets	$41,319	$500	$40,819
December 31, 2010			
(In thousands)			
Other intangible assets:			
Trade names	$40,227	$—	$40,227
License / franchise agreements	13,569	13,184	385
Non-compete agreements	200	180	20
Total other intangible assets	$53,996	$13,364	$40,632
June 27, 2010			
(In thousands)			
Other intangible assets:			
Trade names	$40,400	$—	$40,400
License / franchise agreements	13,564	13,166	398
Non-compete agreements	200	160	40
Total other intangible assets	$54,164	$13,326	$40,838

Amortization expense of other intangible assets for the six months ended June 26, 2011 and June 27, 2010 was $36,000 and $35,000, respectively. The estimated amortization expense for the remainder of 2011 is $17,000. Estimated amortization expense is expected to total less than $100,000 in each year from 2012 through 2015.

(5) Long-Term Debt:

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

Terms of the 2010 Credit Agreement included a reduction in the Partnership's previous $310 million revolving credit facilities to a combined $260 million facility. Under the 2010 Credit Agreement, the Canadian portion of the revolving credit facility has a limit of $15 million. U.S. denominated loans made under the revolving credit facility bear interest at a rate of LIBOR plus 400 basis points (bps) (with no LIBOR floor). Canadian denominated loans made under the Canadian portion of the facility also bear interest at a rate of LIBOR plus 400 bps (with no LIBOR floor). The revolving credit facility, which matures in July 2015, also provides for the issuance of documentary and standby letters of credit.

In February 2011, the Partnership amended its 2010 Credit Agreement (as so amended, the “Amended 2010 Credit Agreement”) including to extend the maturity date of the U.S. term loan portion of the credit facilities by one year. The extended U.S. term loan, which amortizes at $11.8 million per year beginning in 2011, matures in December 2017 and bears interest at a rate of LIBOR plus 300 bps, with a LIBOR floor of 100 bps.

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The Partnership's $405 million of senior unsecured notes pay interest semi-annually in February and August, with the principal due in full on August 1, 2018. The notes may be redeemed, in whole or in part, at any time prior to August 1, 2014 at a price equal to 100% of the principal amount of the notes redeemed plus a “make-whole” premium together with accrued and unpaid interest, if any, to the redemption date. Thereafter, the notes may be redeemed, in whole or in part, at various prices depending on the date redeemed. Prior to August 1, 2013, up to 35% of the notes may be redeemed with the net cash proceeds of certain equity offerings at 109.125%.

The Amended 2010 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 critical of these ratios is the Consolidated Leverage Ratio which is measured on a trailing-twelve month quarterly basis. Since the third quarter of 2010, this ratio has been set at 6.25x consolidated total debt (excluding the revolving debt)-to-Consolidated EBITDA. Beginning with the fourth quarter of 2011, this ratio will decrease to 6.0x consolidated total debt (excluding the revolving debt)-to-Consolidated EBITDA, and the ratio will decrease further each fourth quarter beginning with the fourth quarter of 2013. As of June 26, 2011, the Partnership’s Consolidated Leverage Ratio was 4.42x, providing $104.1 million of consolidated EBITDA cushion on the ratio as of the end of the second quarter. The Partnership was in compliance with all other covenants as of June 26, 2011.

The Amended 2010 Credit Agreement also includes provisions that allow the Partnership to make restricted payments of up to $60 million in 2011 and a minimum of $20 million annually thereafter (plus the Available Amount of Excess Cash Flow as defined in the Amended 2010 Credit Agreement), at the discretion of the Board of Directors, so long as no default or event of default has occurred and is continuing. These restricted payments are not subject to any specific covenants. Beginning in 2012, 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 4.50x. Per the terms of the indenture governing the Partnership's notes, the ability to make restricted payments in 2011 and beyond is permitted should the Partnership's trailing-twelve-month Total-Indebtedness-to-Consolidated-Cash-Flow Ratio be less than or equal to 4.75x, measured on a quarterly basis.

In addition to the above, among other covenants and provisions, the Amended 2010 Credit Agreement contains an initial three-year requirement (from July 2010) that at least 50% of our aggregate term debt and senior notes be subject to either a fixed interest rate or interest rate protection.

(6) Derivative Financial Instruments:
Derivative financial instruments are only used within the Partnership’s overall risk management program to manage certain interest rate and foreign currency risks from time to time. The Partnership does not use derivative financial instruments for trading purposes.
The Partnership has effectively converted a total of $1.0 billion of its variable-rate debt to fixed rates through the use of several interest rate swap agreements. Cash flows related to these interest rate swap agreements are included in interest expense over the term of the agreements. These interest rate swap agreements are set to expire in October 2011. The Partnership has designated all of these interest rate swap agreements and hedging relationships as cash flow hedges. The fair market value of these agreements at June 26, 2011 was recorded as a liability of $20.2 million in “Current derivative liability” on the condensed consolidated balance sheet. As a part of the regular quarterly regression analysis testing of the effectiveness of these cash flow swaps, these swaps were deemed to be ineffective as of October 2009 and continued to be ineffective through June 26, 2011. As a result of this ineffectiveness, losses recorded in “Accumulated other comprehensive income” (AOCI) are being amortized through October 2011 (the original hedge period). The amount recorded in AOCI to be amortized was $91.8 million at the time of ineffectiveness, of which $11.5 million remained still to be amortized in AOCI as of June 26, 2011.
In 2007, the Partnership entered into two cross-currency swap agreements, which effectively converted $268.7 million of term debt at the time, and the associated interest payments, related to its wholly owned Canadian subsidiary from variable U.S. dollar denominated debt to fixed-rate Canadian dollar denominated debt. The Partnership originally

designated these cross-currency swaps as foreign currency cash flow hedges. Cash flows related to these swap agreements, which expire in February 2012, are included in interest expense over the term of the agreement. The fair market value of the cross-currency swaps was a liability of $53.1 million at June 26, 2011, which was recorded in "Current derivative liability" on the condensed consolidated balance sheet. As a result of paying down underlying Canadian term debt with net proceeds from the sale of surplus land near Canada's Wonderland in August 2009, the notional amounts of the underlying debt and the cross currency swaps no longer match. Because of the mismatch of the notional amounts, the Partnership determined the swaps were no longer highly effective, resulting in the de-designation of the swaps as of the end of August 2009. As a result of this de-designation, losses recorded in AOCI are being amortized through February 2012 (the original hedge period). The amount recorded in AOCI to be amortized was $15.1 million at the time of de-designation, of which approximately $204,000 still remained to be amortized in AOCI as of June 26, 2011.

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In May 2011 the Partnership entered into several foreign currency swap agreements to fix the exchange rate on approximately 50% of the termination payment associated with the cross-currency swap agreements due in February 2012. The fair market value of these foreign currency swap agreements was a liability of $4.3 million at June 26, 2011, which was recorded in "Current derivative liability" on the condensed consolidated balance sheet. The Partnership did not seek hedge accounting treatment on these foreign currency swaps, and as such, changes in fair value of the swaps flow directly through earnings along with changes in fair value on the related, de-designated cross-currency swaps.

In order to maintain fixed interest costs on a portion of its domestic term debt beyond the expiration of the swaps entered into in 2006 and 2007, in September 2010 the Partnership entered into several forward-starting swap agreements ("September 2010 swaps") to effectively convert a total of $600 million of variable-rate debt to fixed rates beginning in October 2011. As a result of the February 2011 amendment to the 2010 Credit Agreement, the LIBOR floor on the term loan portion of its credit facilities decreased to 100 bps from 150 bps, causing a mismatch in critical terms of the September 2010 swaps and the underlying debt. Because of the mismatch of critical terms, the Partnership determined the September 2010 swaps, which were originally designated as cash flow hedges, were no longer highly effective, resulting in the de-designation of the swaps as of the end of February 2011. As a result of this ineffectiveness, gains of $7.2 million recorded in AOCI through the date of de-designation are being amortized through December 2015, $6.7 million of which remained to be amortized in AOCI as of June 26, 2011.

On March 15, 2011, the Partnership entered into several additional forward-starting basis-rate swap agreements ("March 2011 swaps") that, when combined with the September 2010 swaps, will effectively convert $600 million of variable-rate debt to fixed rates beginning in October 2011. The September 2010 swaps and the March 2011 swaps, which have been jointly designated as cash flow hedges, mature in December 2015 and fix LIBOR at a weighted average rate of 2.46%. For the period that the September 2010 swaps were de-designated, their fair value decreased by $3.3 million, the offset of which was recognized as a direct charge to the Partnership's earnings and booked to “Net effect of swaps” on the consolidated statement of operations along with the regular amortization of “Other comprehensive income (loss)” balances related to these swaps. No other ineffectiveness related to these swaps was recorded in any period presented.

On May 2, 2011, the Partnership entered into four additional forward-starting basis-rate swap agreements ("May 2011 forward-starting swaps") that effectively convert another $200 million of variable-rate debt to fixed rates beginning in October 2011. These swaps, which were designated as cash flow hedges, mature in December 2015 and fix LIBOR at a weighted average rate of 2.54%.

The fair market value of the September 2010 swaps, the March 2011 swaps, and the May 2011 forward-starting swaps at June 26, 2011 was a liability of $16.8 million, which was recorded in “Derivative Liability” on the condensed consolidated balance sheet.

Fair Value of Derivative Instruments in Condensed Consolidated Balance Sheet:

(In thousands):	Condensed Consolidated Balance Sheet Location	Fair Value as of June 26, 2011	Fair Value as of December 31, 2010	Fair Value as of June 27, 2010
Derivatives designated as hedging instruments:				
Interest rate swaps	Other Assets	$—	$6,294	$ —
Interest rate swaps	Current derivative liability	(20,193)	(47,986)	—
Interest rate swaps	Derivative Liability	(16,750)	—	68,361
Total derivatives designated as hedging instruments:		$(36,943)	$(41,692)	$ 68,361
Derivatives not designated as hedging instruments:				
Foreign currency swaps		$(4,273)	$—	$ —

	Current derivative liability			
Cross-currency swaps	Current derivative liability	(53,107)	—	—
Cross-currency swaps	Derivative Liability	—	(54,517)	46,883
Total derivatives not designated as hedging instruments:		$(57,380)	$(54,517)	$ 46,883
Net derivative liability		$(94,323)	$(96,209)	$ 115,244

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The following table presents our existing fixed-rate swaps, which mature October 1, 2011, along with their notional amounts and their fixed interest rates, which compare to 30-day LIBOR of 0.25% as of June 26, 2011. The table also presents our cross-currency swaps and their notional amounts and interest rates as of June 26, 2011.

($'s in thousands)	Interest Rate Swaps		Cross-currency Swaps	
	Notional Amounts	LIBOR Rate	Notional Amounts	Implied Interest Rate
	$200,000	5.64 %	$257,000	7.31 %
	200,000	5.64 %	175	9.50 %
	200,000	5.64 %		
	200,000	5.57 %		
	100,000	5.60 %		
	100,000	5.60 %		
Total $'s / Average Rate	$1,000,000	5.62 %	$257,175	7.31 %

The following table presents our September 2010 swaps, March 2011 swaps, and May 2011 forward-starting swaps, which become effective October 1, 2011 and mature December 15, 2015, along with their notional amounts and their fixed interest rates.

($'s in thousands)	Forward-Starting Interest Rate Swaps	
	Notional Amounts	LIBOR Rate
	$200,000	2.40 %
	75,000	2.43 %
	50,000	2.42 %
	150,000	2.55 %
	50,000	2.42 %
	50,000	2.55 %
	25,000	2.43 %
	50,000	2.54 %
	30,000	2.54 %
	70,000	2.54 %
	50,000	2.54 %
Total $'s / Average Rate	$800,000	2.48 %

Effects of Derivative Instruments on Income (Loss) and Other Comprehensive Income (Loss) for the three-month periods ended June 26, 2011 and June 27, 2010:

(In thousands):	Amount of Gain (Loss) Recognized in Accumulated OCI on Derivatives (Effective Portion)		Amount and Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)			Amount and Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)		
Derivatives designated as Cash Flow Hedging Relationships	Three months ended 6/26/11	Three months ended 6/27/10		Three months ended 6/26/11	Three months ended 6/27/10		Three months ended 6/26/11	Three months ended 6/27/10
Interest rate swaps	$(20,558)	$—	Interest Expense	$—	$—	Net effect of swaps	$13,300	$9,313
Total	$(20,558)	$—		$—	$—		$13,300	$9,313

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(In thousands):	Amount and Location of Gain (Loss) Recognized in Income on Derivative		
Derivatives not designated as Cash Flow Hedging Relationships		Three months ended 6/26/11	Three months ended 6/27/10
Cross-currency swaps [1]	Net effect of swaps	3,772	3,451
Foreign currency swaps	Net effect of swaps	(4,306)	—
		$(534)	$3,451

(1) The cross-currency swaps became ineffective and were de-designated in August 2009.

In addition to the $12.8 million of gain recognized in income on the ineffective portion of derivatives noted in the table above, $11.3 million of expense representing the regular amortization of amounts in AOCI for the swaps and $0.1 million of foreign currency loss in the quarter related to the U.S. dollar denominated Canadian term loan were recorded in the condensed consolidated statements of operations for the period. The net effect of these amounts resulted in a benefit to earnings for the quarter of $1.4 million recorded in "Net effect of swaps."

For the three-month period ended June 27, 2010, in addition to the $12.8 million gain recognized in income on the ineffective portion of derivatives noted in the table above, $13.2 million of expense representing the amortization of amounts in Accumulated OCI for the swaps and $1.6 million of foreign currency loss in the quarter related to the U.S. dollar denominated Canadian term loan were recorded in "Net effect of swaps" in the condensed consolidated statements of operations. The net effect of these amounts resulted in a charge to earnings of $2.0 million recorded in "Net effect of swaps."

Effects of Derivative Instruments on Income (Loss) and Other Comprehensive Income (Loss) for the six-month periods ended June 26, 2011 and June 27, 2010:

(In thousands):	Amount of Gain (Loss) Recognized in Accumulated OCI on Derivatives (Effective Portion)		Amount and Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)			Amount and Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)		
Derivatives designated as Cash Flow Hedging Relationships	Six months ended 6/26/11	Six months ended 6/27/10		Six months ended 6/26/11	Six months ended 6/27/10		Six months ended 6/26/11	Six months ended 6/27/10
Interest rate swaps	$(19,703)	$—	Interest Expense	$—	$—	Net effect of swaps	$27,794	$14,998
Total	$(19,703)	$—		$—	$—		$27,794	$14,998

(In thousands):	Amount and Location of Gain (Loss) Recognized in Income on Derivative		
Derivatives not designated as Cash Flow Hedging Relationships		Six months ended 6/26/11	Six months ended 6/27/10
Interest rate swaps [1]	Net effect of swaps	$(3,342)	$—
Cross-currency swaps [2]	Net effect of swaps	1,960	(199)
Foreign currency swaps	Net effect of swaps	(4,306)	—
		$(5,688)	$(199)

(1) The September 2010 swaps became ineffective and were de-designated in February 2011.
(2) The cross-currency swaps became ineffective and were de-designated in August 2009.

In addition to the $22.1 million of gain recognized in income on the ineffective portion of derivatives noted in the table above, $22.8 million of expense representing the regular amortization of amounts in AOCI for the swaps and $0.2 million of foreign currency gain in the six-month period related to the U.S. dollar denominated Canadian term loan were recorded in the condensed consolidated statements of operations for the period. The net effect of these amounts resulted in a charge to earnings for the six-month period of $0.5 million recorded in “Net effect of swaps.”

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For the six month period ended June 27, 2010, in addition to the $14.8 million gain recognized in income on the ineffective portion of derivatives noted in the table above, $26.5 million of expense representing the amortization of amounts in Accumulated OCI for the swaps and $2.1 million of foreign currency gain in the quarter related to the U.S. dollar denominated Canadian term loan were recorded in “Net effect of swaps” in the condensed consolidated statements of operations. The net effect of these amounts resulted in a charge to earnings of $9.6 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 June 26, 2011 and June 27, 2010:

(In thousands):	Amount of Gain (Loss) Recognized in Accumulated OCI on Derivatives (Effective Portion)		Amount and Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)			Amount and Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)		
Derivatives designated as Cash Flow Hedging Relationships	Twelve months ended 6/26/11	Twelve months ended 6/27/10		Twelve months ended 6/26/11	Twelve months ended 6/27/10		Twelve months ended 6/26/11	Twelve months ended 6/27/10
Interest rate swaps	$ (13,409)	$ 5,051	Interest Expense	$—	$ (13,974)	Net effect of swaps	$48,168	$23,399
Cross-currency swaps [2]	—	(13,566)	Interest Expense	—	(1,963)		N/A	N/A
Total	$ (13,409)	$ (8,515)		$—	$ (15,937)		$48,168	$23,399

(In thousands):	Amount and Location of Gain (Loss) Recognized in Income on Derivative		
Derivatives not designated as Cash Flow Hedging Relationships		Twelve months ended 6/26/11	Twelve months ended 6/27/10
Interest rate swaps [1]	Net effect of swaps	$ (3,342)	$—
Cross-currency swaps [2]	Net effect of swaps	(3,597)	(7,893)
Foreign currency swaps	Net effect of swaps	(4,306)	—
		$ (11,245)	$ (7,893)

(1) The September 2010 swaps became ineffective and were de-designated in February 2011.

(2) The cross-currency swaps became ineffective and were de-designated in August 2009.

In addition to the $36.9 million of gain recognized in income on the ineffective portion of derivatives noted in the table above, $46.4 million of expense representing the amortization of amounts in AOCI for the swaps and a $0.5 million foreign currency gain in the twelve month period related to the U.S. dollar denominated Canadian term loan was recorded during the trailing twelve months ended June 26, 2011 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 $9.0 million recorded in “Net effect of swaps.” For the period, an additional $9.5 million of amortization of amounts in AOCI for the cross-currency swaps was recorded as a charge to earnings in "Loss on early extinguishment of debt" in the condensed consolidated statements of operations as a result of the debt refinancing and the reduction of the majority of the U.S. dollar denominated Canadian term loan.

For the twelve month period ending June 27, 2010, in addition to the $15.5 million of gain recognized in income on the ineffective portion of derivatives noted in the table above, $44.1 million of expense representing the amortization of amounts in AOCI for the swaps and a $9.8 million foreign currency gain in the twelve month period related to the U.S. dollar denominated Canadian term loan was recorded during the trailing twelve months ended June 27, 2010 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 $18.8 million recorded in "Net effect of swaps."

The amounts reclassified from AOCI into income for the periods noted above are in large part the result of the Partnership's initial three-year requirement to swap at least 50% of its aggregate term debt to fixed rates under the terms of the Amended 2010 Credit Agreement.

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

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

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

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

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 26, 2011, December 31, 2010, and June 27, 2010 on a recurring basis:

	Total	Level 1	Level 2	Level 3
June 26, 2011				
(In thousands)				
Interest rate swap agreements [1]	$(16,750)	$—	$(16,750)	$—
Interest rate swap agreements [2]	(20,193)	—	(20,193)	—
Cross-currency swap agreements [2]	(53,107)	—	(53,107)	—
Foreign currency swap agreements [2]	(4,273)	—	(4,273)	—
Net derivative liability	$(94,323)	$—	$(94,323)	$—
December 31, 2010				
Interest rate swap agreements [3]	$6,294	$—	$6,294	$—
Interest rate swap agreements [2]	(47,986)	—	(47,986)	—
Cross-currency swap agreements [1]	(54,517)	—	(54,517)	—
Net derivative liability	$(96,209)	$—	$(96,209)	$—
June 27, 2010				
Interest rate swap agreements [1]	$68,361	$—	$68,361	$—
Cross-currency swap agreements [1]	46,883	—	46,883	—
Net derivative liability	$115,244	$—	$115,244	$—

(1) Included in "Derivative Liability" on the Unaudited Condensed Consolidated Balance Sheet
(2) Included in "Current derivative liability" on the Unaudited Condensed Consolidated Balance Sheet
(3) Included in "Other assets" on the Unaudited Condensed Consolidated Balance Sheet

Fair values of the interest rate, cross-currency and foreign currency swap agreements are determined using significant inputs, including the LIBOR and foreign currency forward curves, that are considered Level 2 observable market inputs. In addition, the Partnership considered the effect of its credit and non-performance risk on the fair values provided, and recognized an adjustment increasing the net derivative liability by approximately $1.4 million as of June 26, 2011. The Partnership monitors the credit and

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non-performance risk associated with its derivative counterparties and believes them to be insignificant and not warranting a credit adjustment at June 26, 2011.

There were no assets measured at fair value on a non-recurring basis at June 26, 2011. The table below presents the balances of assets measured at fair value as of December 31, 2010 and June 27, 2010 on a non-recurring basis:

(In thousands)	Total	Level 1	Level 2	Level 3
December 31, 2010				
Long-lived fixed assets [1]	$46,276	$—	$—	$46,276
Trade-names [2]	697	—	—	697
Total	$46,973	$—	$—	$46,973
June 27, 2010				
Trade-names [2]	$10,280	$—	$—	$10,280
Total	$10,280	$—	$—	$10,280

(1) Included in "Net, Property and Equipment" on the Consolidated Balance Sheet
(2) Included in "Other Intangibles, net" on the Consolidated Balance Sheet

A relief-from-royalty model is used to determine whether the fair value of trade-names exceeds their carrying amount. The fair value of the trade-names is determined as the present value of fees avoided by owning the respective trade-name.

In 2010, the Partnership concluded based on operating results, as well as updated forecasts, that a review of the carrying value of long-lived assets at California's Great America was warranted. After performing its review, the Partnership determined that a portion of the park's fixed assets, the majority of which were originally recorded with the PPI acquisition, were impaired. As a result, it recognized $62.0 million of fixed-asset impairment during 2010.

After completing its 2010 annual review of indefinite-lived intangibles for impairment, the Partnership concluded that a portion of trade-names originally recorded with the PPI acquisition were impaired. As a result, the Partnership recognized approximately $2.3 million of trade-name impairment during 2010.
The fair value of term debt at June 26, 2011 was approximately $1,176.0 million based on borrowing rates currently available to the Partnership on long-term debt with similar terms and average maturities. The fair value on its notes at June 26, 2011 was approximately $372.7 million based on borrowing rates available as of that date to the Partnership on notes with similar terms and maturities.

(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		Twelve months ended	
	6/26/2011	6/27/2010	6/26/2011	6/27/2010	6/26/2011	6/27/2010
	(In thousands except per unit amounts)					
Basic weighted average units outstanding	55,346	55,324	55,341	55,266	55,338	55,254
Effect of dilutive units:						
Unit options	—	—	—	—	—	38
Phantom units	479	—	—	—	—	549
Diluted weighted average units outstanding	55,825	55,324	55,341	55,266	55,338	55,841
Net income (loss) per unit - basic	$0.08	$(0.08)	$(1.45)	$(0.80)	$(1.22)	$0.67
Net income (loss) per unit - diluted	$0.08	$(0.08)	$(1.45)	$(0.80)	$(1.22)	$0.67

The effect of unit options on the three, six, and twelve months ended June 26, 2011, had they not been out of the money or antidilutive, would have been 55,000, 71,000, and 212,000 units, respectively. The effect of out-of-the-money and/or antidilutive unit options on the three, six, and twelve months ended June 27, 2010, had they not been out of the money or antidilutive, would have been 263,000, 325,000, and 437,000 units, respectively.

(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. For 2011, the estimated annual effective rate includes the effect of an anticipated adjustment to the valuation allowance that relates to foreign tax credit carry-forwards arising from the corporate subsidiaries. The amount of this adjustment has a disproportionate impact on the annual effective tax rate that results in a significant variation in the customary relationship between the provision for taxes and income before taxes in interim periods. 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.

(10) Contingencies:
The Partnership is party to a lawsuit with its largest unitholder that alleges, among other things, that the General Partner breached the terms of the Fifth Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement") by indicating that unitholders may lack the right to nominate candidates, or to solicit proxies in support of new candidates, for election to the board of directors of the General Partner. The Partnership has filed an answer denying the allegations as set forth in the complaint.

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

In 2009, the Partnership agreed to a $9.0 million settlement of a California class-action lawsuit. The settlement, which was paid in 2010, was recognized as a charge in "Operating expenses" in the consolidated statement of operations for the twelve months ended June 27, 2010.

(11) Termination of Agreement with Private Equity Firm:
On April 6, 2010, the Partnership and the affiliates of Apollo Global Management (Apollo) mutually terminated the merger agreement originally entered into on December 16, 2009. Consistent with the terms of the agreement, the Partnership paid Apollo $6.5 million to reimburse them for certain expenses incurred in connection with the transaction. In addition, both parties released each other from all obligations with respect to the proposed merger transaction, as well as from any claims arising out of or relating to the merger agreement. The $6.5 million paid to Apollo in April was recognized as a charge to earnings in "Selling, general and administrative" in the second quarter of 2010. The Partnership incurred approximately $10.4 million in costs associated with the terminated merger during 2010, and a total of $16.0 million of costs since the merger was initially announced.
The Partnership remains an independent public company and its units continue to be listed and traded on the New York Stock Exchange under the symbol "FUN."

(12) Consolidating Financial Information of Guarantors and Issuers:

Cedar Fair, L.P., Canada's Wonderland Company ("Cedar Canada"), and Magnum Management Corporation ("Magnum") are the co-issuers of the Partnership's 9.125% notes (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 26, 2011, December 31, 2010, and June 27, 2010 and for the periods ended June 26, 2011 and June 27, 2010. In lieu of providing separate unaudited financial statements for the guarantor subsidiaries, we have included the accompanying consolidating condensed financial statements.

Since Cedar Fair, L.P., Cedar Canada and Magnum are co-issuers of the notes and co-borrowers under the Amended 2010 Credit Agreement, all outstanding debt has been equally reflected within each co-issuer's June 26, 2011 and December 31, 2010 balance sheets in the accompanying consolidating condensed financial statements.

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING BALANCE SHEET
JUNE 26, 2011
(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	$6,000	$2,962	$9,902	$16,815	$—	$35,679
Receivables	584	37,591	73,594	519,401	(603,734)	27,436
Inventories	—	4,187	4,954	43,123	—	52,264
Current deferred tax asset	—	8,679	779	3,409	—	12,867
Other current assets	574	3,825	4,131	8,219	(2,861)	13,888
	7,158	57,244	93,360	590,967	(606,595)	142,134
Property and Equipment (net)	482,409	1,067	272,179	928,718	—	1,684,373
Investment in Park	442,828	607,372	118,514	34,032	(1,202,746)	—
Intercompany Note Receivable	—	269,500	—	—	(269,500)	—
Goodwill	9,061	—	127,220	111,219	—	247,500
Other Intangibles, net	—	—	18,016	22,803	—	40,819
Deferred Tax Asset	—	47,300	—	—	(47,300)	—
Intercompany Receivable	895,647	1,180,981	1,246,984	—	(3,323,612)	—
Other Assets	30,285	17,613	9,795	1,213	—	58,906
	$1,867,388	$2,181,077	$1,886,068	$1,688,952	$(5,449,753)	$2,173,732
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Current maturities of long-term debt	$11,800	$11,800	$11,800	$—	$(23,600)	$11,800
Accounts payable	107,705	325,267	9,770	204,232	(603,734)	43,240
Deferred revenue	—	—	18,955	76,779	—	95,734
Accrued interest	6,497	1,442	15,931	—	—	23,870
Accrued taxes	5,849	243	—	3,472	(2,861)	6,703
Accrued salaries, wages and benefits	—	20,560	1,641	6,178	—	28,379
Self-insurance reserves	—	3,489	1,689	16,769	—	21,947
Current derivative liability	20,193	—	57,380	—	—	77,573
Other accrued liabilities	2,677	5,808	658	2,918	—	12,061
	154,721	368,609	117,824	310,348	(630,195)	321,307
Deferred Tax Liability	—	—	62,809	113,990	(47,300)	129,499
Derivative Liability	10,454	6,296	—	—	—	16,750
Other Liabilities	—	3,963	—	—	—	3,963
Intercompany Note Payable	—	—	—	269,500	(269,500)	—
Long-Term Debt:						
Revolving credit loans	85,000	85,000	85,000	—	(170,000)	85,000
Term debt	1,165,250	1,165,250	1,165,250	—	(2,330,500)	1,165,250
Notes	399,756	399,756	399,756	—	(799,512)	399,756
	1,650,006	1,650,006	1,650,006	—	(3,300,012)	1,650,006

Equity	52,207	152,203	55,429	995,114	(1,202,746)	52,207
	$1,867,388	$2,181,077	$1,886,068	$1,688,952	$(5,449,753)	$2,173,732

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING BALANCE SHEET
December 31, 2010
(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	$—	$1,461	$6,943	$1,361	$—	$9,765
Receivables	—	59,686	94,404	508,676	(650,426)	12,340
Inventories	—	1,732	2,536	27,874	—	32,142
Current deferred tax asset	—	1,686	779	3,409	—	5,874
Other current assets	460	1,242	370	8,141	—	10,213
	460	65,807	105,032	549,461	(650,426)	70,334
Property and Equipment (net)	465,364	1,090	268,258	941,929	—	1,676,641
Investment in Park	504,414	642,278	116,053	60,602	(1,323,347)	—
Intercompany Note Receivable	—	270,188	20,000	—	(290,188)	—
Goodwill	9,061	—	125,979	111,219	—	246,259
Other Intangibles, net	—	—	17,840	22,792	—	40,632
Deferred Tax Asset	—	44,450	—	—	(44,450)	—
Intercompany Receivable	886,883	1,107,030	1,165,493	—	(3,159,406)	—
Other Assets	23,855	13,469	9,998	1,256	—	48,578
	$1,890,037	$2,144,312	$1,828,653	$1,687,259	$(5,467,817)	$2,082,444
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Accounts payable	$115,116	$303,387	$22,261	$220,449	$(650,426)	$10,787
Deferred revenue	—	—	3,384	22,944	—	26,328
Accrued interest	4,754	72	15,583	—	—	20,409
Accrued taxes	3,899	2,168	6,200	2,877	—	15,144
Accrued salaries, wages and benefits	—	11,433	1,242	5,545	—	18,220
Self-insurance reserves	—	3,354	1,687	16,446	—	21,487
Current derivative liability	47,986	—	—	—	—	47,986
Other accrued liabilities	1,443	5,831	420	797	—	8,491
	173,198	326,245	50,777	269,058	(650,426)	168,852
Deferred Tax Liability	—	—	62,290	113,990	(44,450)	131,830
Derivative Liability	—	—	54,517	—	—	54,517
Other Liabilities	—	10,406	—	—	—	10,406
Intercompany Note Payable	—	20,000	—	270,188	(290,188)	—
Long-Term Debt:						
Revolving credit loans	23,200	23,200	23,200	—	(46,400)	23,200
Term debt	1,157,062	1,157,062	1,157,062	—	(2,314,124)	1,157,062
Notes	399,441	399,441	399,441	—	(798,882)	399,441
	1,579,703	1,579,703	1,579,703	—	(3,159,406)	1,579,703
Equity	137,136	207,958	81,366	1,034,023	(1,323,347)	137,136

$1,890,037	$2,144,312	$1,828,653	$1,687,259	$(5,467,817)	$2,082,444

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING BALANCE SHEET
JUNE 27, 2010
(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	$—	$4,040	$3,313	$16,577	$—	$23,930
Receivables	218	15,384	72,623	405,851	(467,294)	26,782
Inventories	—	3,685	4,609	39,771	—	48,065
Current deferred tax asset	—	54,055	801	3,385	—	58,241
Other current assets	953	3,992	1,769	7,392	—	14,106
	1,171	81,156	83,115	472,976	(467,294)	171,124
Property and Equipment (net)	480,838	1,121	264,580	1,042,387	—	1,788,926
Investment in Park	508,094	829,059	—	60,703	(1,397,856)	—
Intercompany Note Receivable	697,813	272,250	—	—	(970,063)	—
Goodwill	9,061	—	120,830	111,218	—	241,109
Other Intangibles, net	—	—	17,111	23,727	—	40,838
Deferred Tax Asset	—	36,986	—	4	(36,990)	—
Other Assets	16,974	—	567	1,318	—	18,859
	$1,713,951	$1,220,572	$486,203	$1,712,333	$(2,872,203)	$2,260,856
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Current maturities of long-term debt	$13,398	$—	$2,148	$—	$—	$15,546
Accounts payable	33,721	286,096	8,028	180,649	(467,294)	41,200
Deferred revenue	—	—	16,346	66,082	—	82,428
Accrued interest	8,565	—	1,642	—	—	10,207
Accrued taxes	5,863	497	128	4,113	—	10,601
Accrued salaries, wages and benefits	—	10,659	1,368	6,280	—	18,307
Self-insurance reserves	—	3,715	1,790	16,949	—	22,454
Other accrued liabilities	741	7,453	484	1,484	—	10,162
	62,288	308,420	31,934	275,557	(467,294)	210,905
Deferred Tax Liability	—	—	46,324	130,990	(36,990)	140,324
Derivative Liability	68,361	—	46,883	—	—	115,244
Other Liabilities	—	6,530	—	—	—	6,530
Intercompany Note Payable	—	697,813	—	272,250	(970,063)	—
Long-Term Debt:						
Revolving credit loans	197,000	—	—	—	—	197,000
Term debt	1,276,064	—	204,551	—	—	1,480,615
	1,473,064	—	204,551	—	—	1,677,615
Equity	110,238	207,809	156,511	1,033,536	(1,397,856)	110,238
	$1,713,951					