CEDAR FAIR L P
Form 10-K/A
May 10, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K/A
(Mark One)

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

For the fiscal year ended: December 31, 2012
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 office)	(Zip Code)

Registrant's telephone number, including area code: (419) 626-0830

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Depositary Units (Representing Limited Partner Interests)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. 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

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The aggregate market value of Depositary Units held by non-affiliates of the Registrant based on the closing price of such units on June 29, 2012 of $29.97 per unit was approximately $1,610,275,543.

Number of Depositary Units representing limited partner interests outstanding as of April 20, 2013: 55,713,078
DOCUMENTS INCORPORATED BY REFERENCE

None.

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EXPLANATORY NOTE

This Amendment No. 2 on Form 10-K/A (the “Amendment” or the “Form 10-K/A”) amends the Annual Report on Form 10-K of Cedar Fair, L.P. (“Cedar Fair” or the “Partnership”) for the year ended December 31, 2012, as initially filed with the Securities and Exchange Commission ("SEC") on February 25, 2013 (the “Original 2012 Form 10-K”) and as previously amended by Amendment No. 1 thereto filed with the SEC on April 30, 2013.

As previously discussed in a Form 8-K filed on May 8, 2013, on May 6, 2013, the Partnership determined that the previously issued consolidated financial statements for years ended December 31, 2012 and 2011 should no longer be relied upon.

The Audit Committee of our Board of Directors concurred with management's decision to amend our previously filed reports. The foregoing decision was made after a series of discussions with the SEC staff about a matter identified during their review of our 2011 Form 10-K and 2012 Form 10-K. This matter, which related to our deferral of a loss from the disposal of an asset under the composite method of depreciation, was discussed with the SEC's Office of the Chief Accountant and ultimately resulted in the conclusion that loss deferral was inappropriate.

In its Original 2012 Form 10-K, the Partnership announced plans to move off the composite depreciation method of accounting beginning in 2013. In the process of changing accounting methods and responding to an open SEC comment letter, the Partnership determined that its accounting treatment under the composite depreciation method for the retirement of a ride at one of its parks in 2011 was in error. In particular, the discrete charge related to that retirement (totaling $8.8 million on a pre-tax basis) should have been recorded to the statement of operations in 2011 rather than being deferred and recorded in the composite pool as was disclosed in the 2011 Form 10-K as originally filed. The Partnership originally determined that the asset retirement was normal, and thereby the composite method of depreciation resulted in $8.8 million (net book value after salvage) being recorded in Accumulated Depreciation in the Partnership's 2011 Annual Report on Form 10-K. The amount remaining in Accumulated Depreciation in the Partnership's Original 2012 Form 10-K was $7.8 million. The correction of this error results in adjustments to the financial statements that decrease pre-tax earnings in 2011 by $8.8 million and increase pre-tax earnings in 2012 by $1.0 million. The adjustments will have no impact on results of operations or balance sheet for 2010.

As disclosed in the Partnership's prior filings, the Partnership had determined that it was preferable to change from the composite method of depreciation to the unit method of depreciation with the change effective January 1, 2013. The Partnership believes that pursuant to generally accepted accounting principles, changing from the composite method of depreciation to the unit method of depreciation is a change in accounting estimate that is effected by a change in accounting principle, which should be accounted for prospectively. The change to the unit method of depreciation eliminates the qualitative judgment needed to determine whether an asset retirement is normal or unusual, as the net book value of all retirements will be recorded in the Consolidated Statements of Operations and Comprehensive Income.

The Partnership believes the above-described error reflects a material weakness in its internal control over financial reporting related to its fixed assets. As a result, the Partnership has concluded that its disclosure controls and procedures and its internal control over financial reporting related to its fixed assets were not effective as of the end of the period covered by this Form 10-K/A. The Partnership has remediated this material weakness through the conversion of all composite assets to the unit method of depreciation as of January 1, 2013.

This Amendment No. 2 does not supersede the Original 2012 Form 10-K as amended by Amendment No. 1 thereto in its entirety, and must be read in conjunction with the Original 2012 Form 10-K as amended by Amendment No. 1. The following items of the Original 2012 Form 10-K, as previously amended by Amendment No.1 thereto are superseded and replaced in their entirety by this Amendment No. 2;

- Item 6. Selected Financial Data;
- Item 7. Management's Discussion & Analysis of Financial Condition and Results of Operations;
- Item 8. Financial Statements and Supplementary Data; and
- Item 9A. Controls and Procedures.

Item 15 and the Exhibit Index following the Signatures hereto amend and modify such disclosures in the Original 2012 Form 10-K as amended by Amendment No. 1 thereto in order to provide certain exhibit filings with this Form 10-K/A including new certifications, but this Amendment No. 2 does not supersede those previous disclosures in their entirety.

Other than those items identified above, no other Parts or disclosures from the Original 2012 Form 10-K or Amendment No. 1 are included in or modified or updated by this Amendment No. 2. This Amendment is being filed solely for the purpose of correcting the Partnership's accounting treatment with respect to the retirement of a ride at one of its parks in 2011, as described above; except as required to reflect such correction or to incorporate language requested by the SEC staff in such included disclosure, this Amendment does not reflect events or developments that have occurred after the date of the Original 2012 Form 10-K and does not modify or update disclosures presented in the Original 2012 Form 10-K or Amendment No. 1 thereto in any way.

Among other things, disclosures and forward-looking statements made in the Original 2012 Form 10-K and Amendment No. 1 have not been revised to reflect events, results, or developments that have occurred or facts that have become known to us after the respective dates of such filings (other than as discussed above), and such disclosures and forward-looking statements should be read in their historical context. Accordingly, this Amendment should be read in conjunction with the Partnership's filings made with the SEC subsequent to the filing of the Original 2012 Form 10-K, including without limitation the Form 8-K filed by the Partnership on March 8, 2013.

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PART II - OTHER INFORMATION

ITEM 6. SELECTED FINANCIAL DATA.

	2012 (2)	2011	2010 (3)	2009 (4)	2008 (5)
	(In thousands, except per unit and per capita amounts)				
	(As restated)	(As restated)			
Statement of Operations					
Net revenues	$1,068,454	$1,028,472	$977,592	$916,075	$996,232
Operating income (1)	233,675	227,946	151,669	183,890	134,521
Income (loss) before taxes (1)	133,614	73,173	(30,382)	48,754	5,369
Net income (loss) (1)	101,857	65,296	(33,052)	34,184	6,380
Net income (loss) per unit - basic (1)	1.83	1.18	(0.60)	0.62	0.12
Net income (loss) per unit - diluted (1)	1.82	1.17	(0.60)	0.61	0.12
Balance Sheet Data					
Total assets (1)	$2,019,865	$2,047,168	$2,065,877	$2,130,932	$2,173,229
Working capital (deficit)	2,904	(104,928)	(98,518)	(70,212)	(50,705)
Long-term debt	1,532,180	1,556,379	1,579,703	1,626,346	1,724,075
Partners' equity (1)	154,451	136,350	121,628	113,839	94,008
Distributions					
Declared per limited partner unit	$1.60	$1.00	$0.25	$1.23	$1.92
Paid per limited partner unit	1.60	1.00	0.25	1.23	1.92
Other Data					
Depreciation and amortization (1)	$126,306	$125,837	$128,856	$134,398	$125,240
Adjusted EBITDA (6)	390,954	374,576	359,231	316,512	355,890
Capital expenditures	96,232	90,190	71,706	69,136	83,481
Combined attendance (7)	23,300	23,386	22,794	21,136	22,720
Combined in-park guest per capita spending (8)	$41.95	$40.03	$39.21	$39.56	$40.13

Notes:

(1) Historical figures that appeared in our Original 2012 Form 10-K have been adjusted to reflect changes due to the restatement for the asset disposition as described in Note 1 to the Consolidated Financial Statements in Item 8.

(2) Operating results for 2012 include a non-cash charge of $25.0 million for the impairment of long-lived assets at Wildwater Kingdom.

(3) Operating results for 2010 include a loss on debt extinguishment of $35.3 million and a non-cash charge of $62.0 million for the impairment of long-lived assets at Great America, the majority of which were originally recorded with the PPI acquisition.

(4) Operating results for 2009 include a gain of $23.1 million for the sale of excess land near Canada's Wonderland and a $4.5 million non-cash charge for the impairment of trade-names originally recorded with the PPI acquisition.

(5) Operating results for 2008 include an $87.0 million non-cash charge for the impairment of goodwill and other indefinite-lived intangibles originally recorded with the PPI acquisition in 2006.

(6) Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, other non-cash items, and adjustments as defined in our current credit agreement. Adjusted EBITDA is not a measurement of operating performance computed in accordance with GAAP and should not be considered as a substitute for operating income, net income or cash flows from operating activities computed in accordance with GAAP. We believe that Adjusted EBITDA is a meaningful measure of park-level operating profitability and we use it for measuring returns on capital investments, evaluating potential acquisitions, determining awards under incentive compensation plans, and calculating compliance with certain loan covenants. Adjusted EBITDA may not be comparable to similarly titled measures of other companies. A reconciliation of net income (loss) to Adjusted EBITDA is provided below.

(7) Combined attendance includes attendance figures from the eleven amusement parks, all separately gated outdoor water parks, and Star Trek: The Experience, which closed in September 2008.

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(8) Combined in-park guest per capita spending ("per capita spending") includes all amusement park, outdoor water park, causeway tolls and parking revenues for the amusement park and water park operating seasons. Revenues from indoor water park, hotel, campground, marina and other out-of-park operations are excluded from per capita statistics.

Reconciliation of Net Income (Loss) to Adjusted EBITDA:

	2012	2011	2010	2009	2008
	(In thousands)				
	(As restated)	(As restated)			
Net income (loss)	$101,857	$65,296	$(33,052)	$34,184	$6,380
Interest expense	110,619	157,185	150,285	124,706	129,561
Interest income	(68)	(157)	(1,154)	(44)	(970)
Provision (benefit) for taxes	31,757	7,877	2,670	14,570	(1,011)
Depreciation and amortization	126,306	125,837	128,856	134,398	125,240
EBITDA	370,471	356,038	247,605	307,814	259,200
Loss on early extinguishment of debt	—	—	35,289	—	—
Other expense, net	—	—	—	—	361
Net effect of swaps	(1,492)	(13,119)	18,194	9,170	—
Unrealized foreign currency (gain) loss	(9,181)	9,830	(17,464)	—	—
Equity-based compensation	3,265	(239)	(89)	(26)	716
Loss on impairment of goodwill and other intangibles	—	—	2,293	4,500	86,988
Loss on impairment/retirement of fixed assets, net	30,336	11,355	62,752	244	8,425
Gain on sale of other assets	(6,625)	—	—	(23,098)	—
Terminated merger costs	—	230	10,375	5,619	—
Refinancing costs	—	955	—	832	200
Licensing dispute settlement costs	—	—	—	1,980	—
Class action settlement costs	—	—	276	9,477	—
Other non-recurring costs (1)	4,180	9,526	—	—	—
Adjusted EBITDA	$390,954	$374,576	$359,231	$316,512	$355,890

(1) Other non-recurring costs as defined in the 2010 Amended Credit Agreement, include litigation expenses and costs for SEC compliance matters related to Special Meeting requests, costs associated with the relocation of a future ride, and costs associated with the transition to a new advertising agency.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Management's discussion and analysis has been revised solely to reflect the effects of the restatement of the Consolidated Financial Statements in this Form 10-K/A. See Note 1 to the Consolidated Financial Statements included in Item 8 and the "Explanatory Note" included in the forepart of this Form 10-K/A.

Business Overview

We generate our revenues primarily from sales of (1) admission to our parks, (2) food, merchandise and games inside our parks, and (3) hotel rooms, food and other attractions outside our parks. Our principal costs and expenses, which include salaries and wages, advertising, maintenance, operating supplies, utilities and insurance, are relatively fixed and do not vary significantly with attendance.

Each of our properties is run by a park general manager and operates autonomously. Management reviews operating results, evaluates performance and makes operating decisions, including the allocation of resources, on a property-by-property basis.

Discrete financial information and operating results are prepared at the individual park level for use by the CEO, who is the Chief Operating Decision Maker (CODM), as well as by the Chief Financial Officer, the Chief Operating Officer, the Executive Vice President, Operations, and the park general managers.

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The following table presents certain financial data expressed as a percent of total net revenues and selective statistical information for the periods indicated.

For the years ended December 31,	2012			2011			2010	
	(amounts in millions, except attendance, per capita spending and percentages)							
Net revenues:	(As restated)			(As restated)				
Admissions	$612.1	57.3	%	$596.0	57.9	%	$568.8	58.2