CEDAR FAIR L P
Form 10-K
February 22, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K
(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, 2018
OR
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to .
Commission file number 1-9444
CEDAR FAIR, L.P.
(Exact name of registrant as specified in its charter)

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

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

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 x No o
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 every Interactive Data File required to be submitted 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 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. x
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

Emerging growth company o

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

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

Table of Contents

The aggregate market value of Depositary Units held by non-affiliates of the Registrant based on the closing price of such units on June 22, 2018 of $64.09 per unit was approximately $3,540,385,307.
Number of Depositary Units representing limited partner interests outstanding as of February 1, 2019: 56,566,681

DOCUMENTS INCORPORATED BY REFERENCE
Part III of this Form 10-K incorporates by reference certain information from the Registrant's definitive proxy statement to be used in connection with its annual meeting of limited partner unitholders to be held in June 2019.
****
Page 1 of 76 pages

Table of Contents

CEDAR FAIR, L.P.
2018 FORM 10-K CONTENTS

Table of Contents

PART I

ITEM 1. BUSINESS.

Introduction

Cedar Fair, L.P. (together with its affiliated companies, the "Partnership") is a publicly traded Delaware limited partnership formed in 1987 and managed by Cedar Fair Management, Inc., an Ohio corporation (the "General Partner"), whose shares are held by an Ohio trust. The Partnership is one of the largest regional amusement park operators in the world and owns eleven amusement parks, two separately gated outdoor water parks, one indoor water park and four hotels.

In 2018, the Partnership entertained approximately 26 million visitors. All of the Partnership's parks are family-oriented, with recreational facilities for people of all ages, and provide clean and attractive environments with exciting rides and entertainment. The amusement parks include: Cedar Point, located on Lake Erie between Cleveland and Toledo in Sandusky, Ohio; Knott's Berry Farm, near Los Angeles, California; Canada's Wonderland, near Toronto, Canada; Kings Island, near Cincinnati, Ohio; Carowinds, in Charlotte, North Carolina; Dorney Park & Wildwater Kingdom ("Dorney Park"), in Allentown, Pennsylvania; Kings Dominion, near Richmond, Virginia; California's Great America, in Santa Clara, California; Valleyfair, near Minneapolis/St. Paul, Minnesota; Worlds of Fun, in Kansas City, Missouri; and Michigan's Adventure, in Muskegon, Michigan. The Partnership manages and operates Gilroy Gardens Family Theme Park in Gilroy, California.

The Partnership also owns and operates two separately gated outdoor water parks located adjacent to Cedar Point and Knott's Berry Farm, three hotels at Cedar Point (including the Castaway Bay Indoor Waterpark Resort in Sandusky, Ohio) and one hotel at Knott's Berry Farm. With limited exceptions, all rides and attractions at the amusement and water parks are owned and operated by the Partnership. The Partnership owns land on which Cedar Point Sports Center is located. The sports park is operated by a third party.

The Partnership's seasonal amusement parks are generally open during weekends beginning in April or May, and then daily from Memorial Day until Labor Day, after which they are open during weekends in September and, in most cases, October for Halloween events. The two separately gated outdoor water parks also operate seasonally, generally from Memorial Day to Labor Day, plus some additional weekends before and after this period. As a result, a substantial portion of the Partnership's revenues from these parks are generated during an approximate 130- to 140-day operating season with the major portion concentrated in the third quarter during the peak vacation months of July and August. In 2018, California's Great America, Carowinds, Worlds of Fun, Kings Island and Kings Dominion also hosted WinterFest, a 20 to 25 day holiday event operating during November and December showcasing holiday shows and festivities. In 2019, Canada's Wonderland will also extend its operating season by 20 to 25 days to include WinterFest. Knott's Berry Farm continues to be open daily on a year-round basis. Castaway Bay is also generally open daily from Memorial Day to Labor Day with an additional limited daily schedule for the balance of the year. Each park charges a basic daily admission price, which allows unlimited use of most rides and attractions.

The demographic groups that are most important to the parks are families and young people ages 12 through 24. Families are believed to be attracted by a combination of rides, live entertainment and the clean, wholesome atmosphere. Young people are believed to be attracted by the action-packed rides. During their operating season, the parks conduct active television, radio, newspaper and internet advertising campaigns in their major market areas geared toward these two groups.

Description of Parks

Cedar Point

Cedar Fair's flagship park, Cedar Point, was first developed as a recreational area in 1870. Located on a peninsula in Sandusky, Ohio bordered by Lake Erie and Sandusky Bay, the park is approximately 60 miles west of Cleveland and 100 miles southeast of Detroit. Attractive to both families and thrill-seekers, the park features 18 roller coasters, including many record-breakers, and three children's areas. Cedar Point serves a six-state region which includes nearly all of Ohio and Michigan, western Pennsylvania and New York, northern West Virginia and Indiana, as well as southwestern Ontario, Canada. The park's market area includes Cleveland, Toledo, Akron and Columbus, Ohio; and Detroit, Grand Rapids, Flint and Lansing, Michigan.

Located adjacent to the park is Cedar Point Shores Water Park, a separately gated water park that features more than 15 water rides and attractions.

The Partnership also owns and operates three hotels at Cedar Point. The park's only year-round hotel is Castaway Bay Indoor Waterpark Resort, which is located adjacent to the Causeway entrance to the park. Castaway Bay features tropical, Caribbean theme hotel rooms centered around an indoor water park. The park's largest hotel, the historic Hotel Breakers, has various dining and lounge facilities, a mile-long beach, lake swimming, a conference/meeting center, an indoor pool and multiple outdoor pools. Located near the Causeway entrance to the park, Cedar Point's Express Hotel is a limited-service seasonal hotel.

The Partnership also owns and operates the Cedar Point Marina, Castaway Bay Marina and Lighthouse Point. Cedar Point Marina is a full-service marina and provides dock facilities, including floating docks and full guest amenities. In addition, Cedar Point Marina features two restaurants accessible by the general public. Castaway Bay Marina is a full-service marina. Lighthouse Point offers lake-front cottages, cabins and full-service RV campsites.

The Partnership owns and operates the Cedar Point Causeway across Sandusky Bay. This Causeway is a major access route to Cedar Point. The Partnership also owns dormitory facilities located near the park that house approximately 4,100 of the park's seasonal employees.

Table of Contents

Cedar Point Sports Center is an outdoor sports park consisting of various playing fields and training areas for soccer, baseball, softball and lacrosse tournaments and clinics in Sandusky, Ohio. The Partnership owns the land on which the sports park is located. The sports park is operated by a third party.

The Partnership owns land from the former Wildwater Kingdom seasonal water-park located near Cleveland, Ohio, which ceased operations during the third quarter of 2016. The land is available for sale.

Knott's Berry Farm

Knott's Berry Farm, located near Los Angeles in Buena Park, California, first opened in 1920 and was acquired by the Partnership in 1997. The park is one of several year-round theme parks in Southern California and serves a market area centered in Orange County with a large national and international tourism population.

The park is renowned for its seasonal events, including a special holiday event, Knott's Merry Farm, and a Halloween event, Knott's Scary Farm, which has been held for more than 45 years and is annually rated one of the best Halloween events in the industry by Amusement Today's international survey.

Adjacent to Knott's Berry Farm is Knott's Soak City, a separately gated seasonal water park that features multiple water rides and attractions.

The Partnership also owns and operates the Knott's Berry Farm Hotel, a full-service hotel located adjacent to Knott's Berry Farm, which features a pool, fitness facilities and meeting/banquet facilities.

Canada's Wonderland

Canada's Wonderland, a combination amusement and water park located near Toronto in Vaughan, Ontario, first opened in 1981 and was acquired by the Partnership in 2006. It contains numerous attractions, including 16 roller coasters, and is one of the most attended regional amusement parks in North America. Canada's Wonderland is in a culturally diverse metropolitan market with large populations of different ethnicities and national origins. Each year the park showcases an extensive entertainment and special event line-up which includes cultural festivals. In 2019, Canada's Wonderland will begin hosting WinterFest.

Kings Island

Kings Island, a combination amusement and water park located near Cincinnati, Ohio, first opened in 1972 and was acquired by the Partnership in 2006. Kings Island is one of the most attended regional amusement parks in North America. The park features a children's area that has been consistently named the "Best Kids' Area in the World" by Amusement Today. The park's market area includes Cincinnati, Dayton and Columbus, Ohio; Louisville and Lexington, Kentucky; and Indianapolis, Indiana.

Carowinds

Carowinds, a combination amusement and water park located in Charlotte, North Carolina, first opened in 1973 and was acquired by the Partnership in 2006. Carowinds' major markets include Charlotte, Greensboro, and Raleigh, North Carolina; as well as Greenville and Columbia, South Carolina.

The park also offers Camp Wilderness Resort, an upscale camping area that includes luxury cabins, RV sites, and tent and pop-up sites. The campground features a convenience store and a swimming pool.

Kings Dominion

Kings Dominion, a combination amusement and water park located near Richmond, Virginia, first opened in 1975 and was acquired by the Partnership in 2006. The park's market area includes Richmond and Norfolk, Virginia; Raleigh, North Carolina; Baltimore, Maryland and Washington, D.C.

Additionally, the park offers Kings Dominion Camp Wilderness Campground, an upscale camping area featuring luxury cabins, RV sites, and tent and pop-up sites. The campground also features a swimming pool, playground, and convenience store.

The Partnership also owns a dormitory facility located adjacent to Kings Dominion that houses approximately 400 of the park's seasonal employees.

California's Great America

California's Great America, a combination amusement and water park located in Santa Clara, California, first opened in 1976 and was acquired by the Partnership in 2006. The park draws its visitors primarily from San Jose, San Francisco, Sacramento, Modesto and Monterey, among other cities in northern California.

Dorney Park

Dorney Park, a combination amusement and water park located in Allentown, Pennsylvania, was first developed as a summer resort area in 1884 and was acquired by the Partnership in 1992. Dorney Park's major markets include Philadelphia, Lancaster, Harrisburg, York, Scranton, Wilkes-Barre, Hazleton and the Lehigh Valley, Pennsylvania; New York City; and New Jersey.

Table of Contents

Worlds of Fun
Worlds of Fun, which opened in 1973 and was acquired by the Partnership in 1995, is a combination amusement and water park located in Kansas City, Missouri. Worlds of Fun serves a market area centered in Kansas City, as well as most of Missouri and portions of Kansas and Nebraska.

Worlds of Fun also features Worlds of Fun Village, an upscale camping area that offers overnight guest accommodations next to the park with wood-side cottages, log cabins and deluxe RV sites. Included within the Village is a clubhouse with a swimming pool and a convenience store.

Valleyfair
Valleyfair, which opened in 1976 and was acquired by the Partnership's predecessor in 1978, is a combination amusement and water park located near Minneapolis-St. Paul in Shakopee, Minnesota. Valleyfair's market area is centered in Minneapolis-St. Paul, but the park also draws visitors from other areas in Minnesota and surrounding states.

The Partnership also owns a dormitory facility located adjacent to Valleyfair that houses approximately 400 of the park's seasonal employees.

Michigan's Adventure
Michigan's Adventure, which opened in 1956 as Deer Park and was acquired by the Partnership in 2001, is a combination amusement and water park located in Muskegon, Michigan. Michigan's Adventure serves a market area principally from central and western Michigan and eastern Indiana.

CAPITAL EXPENDITURES AND WORKING CAPITAL

The Partnership believes that annual park attendance is influenced by annual investments in new attractions. Capital expenditures are planned on a seasonal basis with the majority of such capital expenditures made prior to the beginning of the peak operating season. Capital expenditures made in a calendar year may differ materially from amounts identified with a particular operating season because of timing considerations such as weather conditions, site preparation requirements and availability of ride components, which may result in accelerated or delayed expenditures around calendar year-end.

During the operating season, the Partnership carries significant receivables and inventories of food and merchandise, as well as payables and payroll-related accruals. Amounts are substantially reduced in non-operating periods. Seasonal working capital needs are funded from current operations and revolving credit facilities. Revolving credit facilities are established at levels sufficient to accommodate the Partnership's peak borrowing requirements in April and May as the seasonal parks complete preparations for opening. Revolving credit borrowings are reduced with the Partnership's positive cash flow during the seasonal operating period.

COMPETITION

The Partnership competes for discretionary spending with all aspects of the recreation industry within its primary market areas, including other destination and regional amusement parks. The Partnership also competes with other forms of entertainment and recreational activities, including movies, sports events, restaurants and vacation travel.

The principal competitive factors in the amusement park industry include the uniqueness and perceived quality of the rides and attractions in a particular park, its proximity to metropolitan areas, the atmosphere and cleanliness of the park, and the quality and variety of the food and entertainment available. The Partnership believes that its amusement parks feature a sufficient quality and variety of rides and attractions, restaurants, gift shops and family atmosphere to make them highly competitive with other parks and forms of entertainment.

GOVERNMENT REGULATION

The Partnership's properties and operations are subject to a variety of federal, state and local environmental, health and safety laws and regulations. Currently, the Partnership believes it is in substantial compliance with applicable requirements under these laws and regulations. However, such requirements have generally become stricter over time, and there can be no assurance that new requirements, changes in enforcement policies or newly discovered conditions relating to its properties or operations will not require significant expenditures in the future.

All rides are operated and inspected daily by both the Partnership's maintenance and ride operations personnel before being placed into operation for our guests. The parks are also periodically inspected by the Partnership's insurance carrier and, at all parks except Valleyfair, Worlds of Fun, and Carowinds' South Carolina rides, by state or county ride-safety inspectors. Valleyfair, Worlds of Fun and Carowinds each contract with a third party to inspect its rides pursuant to Minnesota, Missouri, and South Carolina law, respectively, and submit the third-party report to the respective state agency. Additionally, all parks have added ride maintenance and operation inspections completed by third party qualified inspectors to make sure the Partnership's standards are being maintained.

Table of Contents

EMPLOYEES

The Partnership has approximately 2,200 full-time employees. During the operating season, the Partnership employs in aggregate approximately 45,100 seasonal and part-time employees, many of whom are high school and college students. Approximately 4,100 of Cedar Point's seasonal employees, 400 of Kings Dominion's, and 400 of Valleyfair's seasonal employees live in dormitories owned by the Partnership. Approximately 350 of Dorney Park's seasonal employees, 350 of Carowinds' seasonal employees, 200 of Kings Island's seasonal employees, 100 of Cedar Point's seasonal employees and 150 of Worlds of Fun's seasonal employees live in dormitories rented by the Partnership. The Partnership maintains training programs for all new employees and believes that it maintains good relations with its employees.

AVAILABLE INFORMATION

Copies of the Partnership's annual report on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K and all amendments to those reports as filed or furnished with the SEC are available without charge upon written request to the Partnership's Investor Relations Office or through its website (www.cedarfair.com).

We use our website www.cedarfair.com as a channel of distribution of the Partnership's information. The information we post through this channel may be deemed material. Accordingly, investors should monitor this channel, in addition to following our news releases, SEC filings, and public conference calls and webcasts. The contents of our website shall not be deemed to be incorporated herein by reference.

The SEC maintains an Internet site at http://www.sec.gov that contains the Partnership's reports, proxy statements and other information.

Table of Contents

SUPPLEMENTAL ITEM. Executive Officers of Cedar Fair

Name	Age	Position(s)
Matthew A. Ouimet	60	Matt Ouimet has been the Executive Chairman of the Board of Directors since January 2018 and a member of the Board of Directors since August 2011. Previously, he served as Chief Executive Officer from January 2012 through December 2017 and served as President from June 2011 to October 2016. Before joining Cedar Fair, he served in multiple roles from 2009 through 2010 at Corinthian Colleges, including President and Chief Executive Officer. Prior to joining Corinthian Colleges, he served as President, Hotel Group for Starwood Hotels and Resorts Worldwide from 2006 through 2008. In addition, Matt is a 20-year veteran of the amusement park and hospitality industry, including 17 years at the Walt Disney Company, where he held positions including Senior Vice President, Finance and Business Development, and Chief Financial Officer of the Disney Development Company; Executive General Manager of Disney Vacation Club; and President of Disney Cruise Line and of Disneyland Resort.
Richard A. Zimmerman	58	Richard Zimmerman has been President and Chief Executive Officer since January 2018. Prior to that, he served as President and Chief Operating Officer from October 2016 through December 2017 and as Chief Operating Officer since October 2011. Prior to that, he served as Executive Vice President since November 2010, previously serving as Regional Vice President since June 2007 and has been with Cedar Fair since 2006. Richard served as Vice President and General Manager of Kings Dominion from 1998 through 2006.
Brian C. Witherow	52	Brian Witherow has served as Executive Vice President and Chief Financial Officer since January 2012. Prior to that, he served as Vice President and Corporate Controller beginning in July 2005. Brian has been with Cedar Fair in various other positions since 1995.
Tim V. Fisher	58	Tim Fisher joined Cedar Fair as Chief Operating Officer in December 2017. Prior to joining Cedar Fair, he served as Chief Executive Officer of Village Roadshow Theme Parks International, an Australian-based theme park operator, since March 2017. Prior to this appointment with Village Roadshow Theme Parks International, Tim served as Chief Executive Officer of Village Roadshow Theme Parks since January 2009.
Kelley S. Semmelroth	54	Kelley Semmelroth has served as Executive Vice President and Chief Marketing Officer since February 2012. Prior to joining Cedar Fair, she served as Senior Vice President, Marketing Planning Director for TD Bank from 2010 through 2012. Prior to joining TD Bank, Kelley served as Senior Vice President of Brand Strategy and Management at Bank of America from 2005 through 2010.
Duffield E. Milkie	53	Duff Milkie has served as Executive Vice President and General Counsel since January 2015 and has served as Corporate Secretary since February 2012. He served as Corporate Vice President and General Counsel from February 2008 to January 2015. Prior to joining Cedar Fair, Duff was a partner in the law firm of Wickens, Herzer, Panza, Cook, & Batista from 1998 through 2008.
H. Philip Bender	63	Phil Bender has served as Executive Vice President, Operations since November 2010, previously serving as Regional Vice President beginning in June 2006. Prior to that, he served as Vice President and General Manager of Worlds of Fun / Oceans of Fun from 2000 through 2006.
Robert A. Decker	58	Rob Decker has served as Senior Vice President of Planning & Design since January 2015. Prior to that, he served as Corporate Vice President of Planning & Design since the end of 2002, and he has been with Cedar Fair since 1999. Prior to joining Cedar Fair, Rob served as Design Director at Jack Rouse Associates, Inc., a consultant firm to the entertainment industry, from 1989 through 1999.
David R. Hoffman	50	Dave Hoffman has served as Senior Vice President and Chief Accounting Officer since January 2012. Prior to that, he served as Vice President of Finance and Corporate Tax since November 2010. He served as Vice President of Corporate Tax from October 2006 until November 2010.

		Prior to joining Cedar Fair, Dave served as a business advisor with Ernst & Young from 2002 through 2006.
Craig A. Heckman	55	Craig Heckman joined Cedar Fair as Senior Vice President, Human Resources in January 2017. Prior to joining Cedar Fair, he served as Vice President, Human Resources for Vestis Retail Group, a retail operator, from December 2014 through December 2016. Prior to joining Vestis Retail Group, Craig served as Vice President, Human Resources - Stores and International for Express/L Brands, a fashion retailer, from 2006 to 2014.

Table of Contents

ITEM 1A. RISK FACTORS.

We compete for discretionary spending and discretionary free-time with many other entertainment alternatives and are subject to factors that generally affect the recreation and leisure industry, including general economic conditions.
Our parks compete for discretionary spending and discretionary free-time with other amusement, water and theme parks and with other types of recreational activities and forms of entertainment, including movies, sporting events, restaurants and vacation travel. Our business is also subject to factors that generally affect the recreation and leisure industries and are not within our control. Such factors include, but are not limited to, general economic conditions, including relative fuel prices, and changes in consumer tastes and spending habits. Uncertainty regarding regional economic conditions and deterioration in the economy generally may adversely impact attendance figures and guest spending patterns at our parks, and disproportionately affect different demographics of our target customers within our core markets. For example, group sales and season pass sales, which represent a significant portion of our revenues, are disproportionately affected by general economic conditions. Both attendance (defined as the number of guest visits to our amusement parks and separately gated outdoor water parks) and in-park per capita spending (calculated as revenues generated within our amusement parks and separately gated outdoor water parks along with related tolls and parking revenues, divided by total attendance) at our parks are key drivers of our revenues and profitability, and reductions in either can directly and negatively affect revenues and profitability.

Uncertain economic conditions, such as unemployment rates, affect our guests' levels of discretionary spending. A decrease in discretionary spending due to a decline in consumer confidence in the economy, an economic slowdown or deterioration in the economy could adversely affect the frequency with which our guests choose to attend our amusement parks and the amount that our guests spend on our products when they visit. The materialization of these risks could lead to a decrease in our revenues, operating income and cash flows.

Our growth strategy may not achieve the anticipated results.
Our future success will depend on our ability to grow our business, including capital investments to improve our parks through new rides and attractions, as well as in-park product offerings and product offerings outside of our parks. Our growth and innovation strategies require significant commitments of management resources and capital investments and may not grow our revenues at the rate we expect or at all. As a result, we may not be able to recover the costs incurred in developing our new projects and initiatives or to realize their intended or projected benefits, which could have a material adverse effect on our business, financial condition or results of operations.

The operating season at most of our parks is of limited duration, which can magnify the impact of adverse conditions or events occurring within that operating season.
Ten of our amusement parks are seasonal, generally operating during a portion of April or May, then daily from Memorial Day through Labor Day, and during weekends in September and, in most cases, October for Halloween events. Six of our seasonal amusement parks have or will have extended operations into November and December for winter events. Our outdoor water parks also operate seasonally, generally from Memorial Day through Labor Day and during some additional weekends before and after that period. Most of our revenues are generated during a 130- to 140-day annual operating season. As a result, when adverse conditions or events occur during the operating season, particularly during the peak vacation months of July and August or the important fall season, there is only a limited period of time during which the impact of those conditions or events can be mitigated. Accordingly, the timing of such conditions or events may have a disproportionate adverse effect upon our revenues.

Bad or extreme weather conditions can adversely impact attendance at our parks, which in turn would reduce our revenues.
Because most of the attractions at our parks are outdoors, attendance at our parks can be adversely affected by continuous bad or extreme weather and by forecasts of bad or mixed weather conditions, which would negatively affect our revenues. We believe that our ownership of many parks in different geographic locations reduces, but does

not completely eliminate, the effect that adverse weather can have on our consolidated results.

The high fixed cost structure of amusement park operations can result in significantly lower margins if revenues do not meet expectations.

A large portion of our expenses is relatively fixed because the costs for full-time employees, maintenance, utilities, advertising and insurance do not vary significantly with attendance. These fixed costs may increase at a greater rate than our revenues and may not be able to be reduced at the same rate as declining revenues. If cost-cutting efforts are insufficient to offset declines in revenues or are impractical, we could experience a material decline in margins, revenues, profitability and cash flows. Such effects can be especially pronounced during periods of economic contraction or slow economic growth.

Increased costs of labor and employee health and welfare benefits may impact our results of operations.

Labor is a primary component in the cost of operating our business. Increased labor costs, due to competition, increased minimum wage or employee benefit costs, including health care costs, or otherwise, could adversely impact our operating expenses. Continued increases to both market wage rates and the statutory minimum wage rates could also materially impact our future seasonal labor rates. It is possible that these changes could significantly increase our labor costs, which would adversely affect our operating results and cash flows.

Our business depends on our ability to meet our workforce needs.

Our success depends on our ability to attract, motivate and retain qualified employees to keep pace with our needs. If we are unable to do so, our results of operations and cash flows may be adversely affected. In addition, we employ a significant seasonal workforce. We recruit year-round to fill thousands of seasonal staffing positions each season and work to manage seasonal wages and the timing of the hiring process to ensure the appropriate workforce is in place. There is no assurance that we will be able to recruit and hire adequate seasonal personnel as the business requires or that we will not experience material increases in the cost of securing our seasonal workforce in the future.

Table of Contents

If we lose key personnel, our business may be adversely affected.
Our success depends in part upon a number of key employees, including our senior management team, whose members have been involved in the leisure and hospitality industries for an average of more than 20 years. The loss of services of our key employees could cause disruption in important operational, financial and strategic functions and have a material adverse effect on our business.

Cyber-security risks and the failure to maintain the integrity of internal or customer data could result in damages to our reputation and/or subject us to costs, fines or lawsuits.
In the normal course of business, we, or third parties on our behalf, collect and retain large volumes of internal and customer data, including credit card numbers and other personally identifiable information, which is used for target marketing and promotional purposes, and our various information technology systems enter, process, summarize and report such data. We also maintain personally identifiable information about our employees. The integrity and protection of such data is critical to our business, and our guests and employees have a high expectation that we will adequately protect their personal information. The regulatory environment, as well as the requirements imposed on us by the credit card industry, governing information, security and privacy laws is increasingly demanding and continues to evolve. Maintaining compliance with applicable security and privacy regulations may increase our operating costs and/or adversely impact our ability to market our parks, products and services to our guests. Furthermore, if a person is able to circumvent our security measures, he or she could destroy or steal valuable information or disrupt our operations. Any security breach could expose us to risks of data loss, which could harm our reputation and result in remedial and other costs, fines or lawsuits. Although we carry liability insurance to cover this risk, there can be no assurance that our coverage will be adequate to cover liabilities, or that we will be able to obtain adequate coverage should a catastrophic incident occur.

Instability in general economic conditions could impact our profitability and liquidity while increasing our exposure to counter-party risk.
The existence of unfavorable general economic conditions, such as high unemployment rates, constrained credit markets, and higher prices for consumer goods, may hinder the ability of those with which we do business, including vendors, concessionaires and customers, to satisfy their obligations to us. Our exposure to credit losses will depend on the financial condition of our vendors, concessionaires and customers and other factors beyond our control, such as deteriorating conditions in the world economy or in the theme/amusement park industry. The presence of market turmoil, coupled with a reduction of business activity, generally increases our risks related to being an unsecured creditor of most of our vendors, concessionaires and customers. Credit losses, if significant, would have a material adverse effect on our business, financial condition and results of operations. Moreover, these issues could also increase the counter-party risk inherent in our business, including with our suppliers, vendors and financial institutions with which we enter into hedging agreements and long-term debt agreements, including our credit facilities. The soundness of these counter-parties could adversely affect us. Our credit evaluations may be inaccurate and credit performance could be materially worse than anticipated, which may materially and adversely affect our business, financial position and results of operations.

There is a risk of accidents or other incidents occurring at amusement parks, which may reduce attendance and negatively impact our revenues.
The safety of our guests and employees is one of our top priorities. All of our amusement parks feature thrill rides. There are inherent risks involved with these attractions, and an accident or a serious injury at any of our amusement parks may result in negative publicity and could reduce attendance and result in decreased revenues. In addition, accidents or injuries at parks operated by our competitors could influence the general attitudes of amusement park patrons and adversely affect attendance at our amusement parks. Other types of incidents such as food borne illnesses which have either been alleged or proved to be attributable to our parks or our competitors, could adversely affect attendance and revenues.

Our operations, our workforce and our ownership of property subject us to various laws and regulatory compliance, which may create uncertainty regarding future expenditures and liabilities.
We may be required to incur costs to comply with regulatory requirements, such as those relating to employment practices, environmental requirements, and other regulatory matters, and the costs of compliance, investigation, remediation, litigation, and resolution of regulatory matters could be substantial. We are subject to extensive federal and state employment laws and regulations, including wage and hour laws and other pay practices and employee record-keeping requirements. We periodically may have to defend against lawsuits asserting non-compliance. Such lawsuits can be costly, time consuming and distract management, and adverse rulings in these types of claims could negatively affect our business, financial condition or results.

We also are subject to federal, state and local environmental laws and regulations such as those relating to water resources; discharges to air, water and land; the handling and disposal of solid and hazardous waste; and the cleanup of properties affected by regulated materials. Under these laws and regulations, we may be required to investigate and clean up hazardous or toxic substances or chemical releases from current or formerly owned or operated facilities or to mitigate potential environmental risks. Environmental laws typically impose cleanup responsibility and liability without regard to whether the relevant entity knew of or caused the presence of the contaminants. The costs of investigation, remediation or removal of regulated materials may be substantial, and the presence of those substances, or the failure to remediate a property properly, may impair our ability to use, transfer or obtain financing regarding our property.

Unanticipated construction delays in completing capital improvement projects in our parks and resort facilities, significant ride downtime, or other unplanned park closures could adversely affect our revenues.
A principal competitive factor for an amusement park is the uniqueness and perceived quality of its rides and attractions in a particular market area. Accordingly, the regular addition of new rides and attractions is important, and a key element of our revenue growth is strategic capital spending on new rides and attractions. Any construction delays or ride down-time can adversely affect our attendance and our ability to realize revenue growth. Further, when rides, attractions, or an entire park, have unplanned downtime and/or closures, our revenue could be adversely affected.

Table of Contents

The amount of our indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and prevent us from fulfilling our obligations under our debt agreements.
We had $1,700.4 million of outstanding indebtedness as of December 31, 2018 (after giving effect to $15.4 million of outstanding letters of credit under our revolving credit facility and before reduction of debt issuance costs and original issue discount).

The amount of our indebtedness could have important consequences. For example, it could:
- limit our ability to borrow money for our working capital, capital expenditures, debt service requirements, strategic initiatives or other purposes;
- limit our flexibility in planning or reacting to changes in business and future business operations; and
- make it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under the agreements governing other indebtedness.

In addition, we may not be able to generate sufficient cash flow from operations, or be able to draw under our revolving credit facility or otherwise, in an amount sufficient to fund our liquidity needs, including the payment of principal and interest on our debt obligations. If our cash flows and capital resources are insufficient to service our indebtedness, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt in the future will depend on the condition of the capital and credit markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In addition, the terms of our existing or future debt agreements, including our credit agreement and the indentures governing our notes, may restrict us from adopting some of these alternatives. In the absence of sufficient operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions for fair market value or at all. Furthermore, any proceeds that we could realize from any such dispositions may not be adequate to meet our debt service obligations then due.

Despite the amount of our indebtedness, we may be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with the amount of our indebtedness.

Variable rate indebtedness could subject us to the risk of higher interest rates, which could cause our future debt service obligations to increase.
As of December 31, 2018, after giving consideration to current outstanding interest-rate swap arrangements, most of our indebtedness under our term loan facility accrues interest that is either fixed or swapped to a fixed rate. After the expiration of outstanding interest-rate swap agreements, certain of our borrowings may be at variable rates of interest and expose us to interest rate risk. If interest rates increase, our annual debt service obligations on any variable-rate indebtedness would increase even though the amount borrowed remained the same, and our net income would decrease.

Our debt agreements contain restrictions that could limit our flexibility in operating our business.
Our credit agreement and the indentures governing our notes contain, and any future indebtedness of ours will likely contain, a number of covenants that could impose significant operating and financial restrictions on us, including restrictions on our and our subsidiaries' ability to, among other things:
- pay distributions on or make distributions in respect of our capital stock or units or make other Restricted Payments;
- incur additional debt or issue certain preferred equity;
- make certain investments;

- sell certain assets;
- create restrictions on distributions from restricted subsidiaries;
- create liens on certain assets to secure debt;
- consolidate, merge, amalgamate, sell or otherwise dispose of all or substantially all of our assets;
- enter into certain transactions with our affiliates; and
- designate our subsidiaries as unrestricted subsidiaries.

The Amended 2017 Credit Agreement includes a Consolidated Leverage Ratio, which if breached for any reason and not cured could result in an event of default. The ratio is set at a maximum of 5.50x Consolidated Total Debt-to-Consolidated EBITDA. As of December 31, 2018, we were in compliance with this financial condition covenant and all other covenants under the Amended 2017 Credit Agreement.

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

Table of Contents

Our tax treatment is dependent on our status as a partnership for federal income tax purposes. If the tax laws were to treat us as a corporation or we become subject to a material amount of entity-level taxation, it may substantially reduce the amount of cash available for distribution to our unitholders.
We are a limited partnership under Delaware law and are treated as a partnership for federal income tax purposes. A change in current tax law may cause us to be taxed as a corporation for federal income tax purposes or otherwise subject us to taxation as an entity. If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our entire taxable income at the corporate tax rate, rather than only on the taxable income from our corporate subsidiaries, and may be subject to additional state taxes at varying rates. Further, unitholder distributions would generally be taxed again as corporate distributions or dividends and no income, gains, losses, or deductions would flow through to unitholders. Because additional entity level taxes would be imposed upon us as a corporation, our cash available for distribution could be substantially reduced. Although we are not currently aware of any legislative proposal that would adversely impact our treatment as a partnership, we are unable to predict whether any changes or other proposals will ultimately be enacted.

Our insurance coverage may not be adequate to cover all possible losses that we could suffer, and our insurance costs may increase.
Companies engaged in the amusement park business may be sued for substantial damages in the event of an actual or alleged accident. An accident occurring at our parks or at competing parks could reduce attendance, increase insurance premiums, and negatively impact our operating results. Although we carry liability insurance to cover this risk, there can be no assurance that our coverage will be adequate to cover liabilities, that we will be able to obtain coverage at commercially reasonable rates, or that we will be able to obtain adequate coverage should a catastrophic incident occur at our parks or at other parks.

Other factors, including local events, natural disasters and terrorist activities, could adversely impact park attendance and our revenues.
Lower attendance may result from various local events, natural disasters or terrorist activities, all of which are outside of our control.

Table of Contents

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

Park		Location	Approximate Total Acreage	Approximate Developed Acreage	Approximate Undeveloped Acreage
Cedar Point Cedar Point Shores	(1), (3)	Sandusky, Ohio	685	540	145
Knott's Berry Farm Knott's Soak City		Buena Park, California	175	175	—
Canada's Wonderland		Vaughan, Ontario, Canada	295	295	—
Kings Island		Mason, Ohio	680	330	350
Carowinds		Charlotte, North Carolina and Fort Mill, South Carolina	400	300	100
Kings Dominion		Doswell, Virginia	740	280	460
California's Great America	(2)	Santa Clara, California	165	165	—
Dorney Park		Allentown, Pennsylvania	210	180	30
Worlds of Fun		Kansas City, Missouri	350	250	100
Valleyfair		Shakopee, Minnesota	190	110	80
Michigan's Adventure		Muskegon, Michigan	260	120	140

(1) Cedar Point and Cedar Point Shores are located on approximately 365 acres, virtually all of which have been developed, on the Cedar Point peninsula in Sandusky, Ohio. The Partnership also owns approximately 320 acres of property on the mainland adjoining the approach to the Cedar Point Causeway with approximately 145 acres undeveloped. Cedar Point's Express Hotel, Castaway Bay Indoor Waterpark Resort and an adjoining restaurant, Castaway Bay Marina, two seasonal-employee housing complexes, and Cedar Point Sports Center are located on this property.

The Partnership controls, through ownership or an easement, a six-mile public highway and owns approximately 40 acres of vacant land adjacent to this highway, which is a secondary access route to Cedar Point and serves about 250 private residences. The roadway is maintained by the Partnership pursuant to deed provisions. The Cedar Point Causeway, a four-lane roadway across Sandusky Bay, is the principal access road to Cedar Point and is owned by a subsidiary of the Partnership.

(2) The Partnership leases the land at California's Great America from the City of Santa Clara through a long-term lease agreement. The lease is renewable in 2039 with options to renew at the Partnership's discretion and has a right of first refusal clause to purchase the land. See Note 10 to the Consolidated Financial Statements for further information.

(3) In addition to the acreage above, the Partnership owns approximately 640 acres in Aurora, Ohio (near Cleveland, Ohio) which is available for sale. The land is the location of the former Wildwater Kingdom waterpark. See Note 3 to the Consolidated Financial Statements for further information regarding the closure of the waterpark.

All of the Partnership's property is owned in fee simple, with the exception of California's Great America in Santa Clara, California, and portions of the six-mile public highway that serves as secondary access route to Cedar Point, and is encumbered by the Partnership's Amended 2017 Credit Agreement. The Partnership considers its properties to be well maintained, in good condition and adequate for its present uses and business requirements.

Table of Contents

ITEM 3. LEGAL PROCEEDINGS.

Freddie Ramos vs. Cedar Fair, L.P., Cedar Fair Management Company

The Partnership and Cedar Fair Management, Inc. are defendants in a lawsuit filed in Superior Court of the State of California for Orange County on November 23, 2016 by Freddie Ramos seeking damages and injunctive relief for claims related to certain employment and pay practices at our parks in California, including those related to certain check-out, time reporting, discharge, meal and rest period, and pay statement practices. The Partnership filed an answer on January 13, 2017 denying the allegations in the complaint and requesting a dismissal of all claims. On January 17, 2017, the Partnership filed a Notice of Removal of the case from the state court to the United States District Court for the Central District of California. The class has not been certified. On August 29, 2017, the Partnership participated in a mediation relating to the claims alleged in the lawsuit. Following this mediation, the Partnership negotiated a $4.2 million settlement with the named Plaintiff on a class wide basis. As part of the settlement, the case was remanded back to the Superior Court of the State of California for Orange County for a preliminary hearing and final court approval of the proposed settlement. On October 19, 2018, the Court granted preliminary approval of the proposed settlement. Notice of the Settlement was mailed to class members on December 19, 2018. The final approval hearing is scheduled for February 22, 2019. Based upon the information available, the Partnership believes the liability recorded as of December 31, 2018 is adequate and does not expect the terms of the negotiated settlement or final briefing to materially affect its financial results in future periods.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S DEPOSITARY UNITS, RELATED UNITHOLDER MATTERS AND ISSUER PURCHASES OF DEPOSITARY UNITS.

Cedar Fair, L.P. Depositary Units representing limited partner interests are listed for trading on The New York Stock Exchange under the symbol "FUN". As of February 1, 2019, there were approximately 5,100 registered holders of Cedar Fair, L.P. Depositary Units, representing limited partner interests. Item 12 in this Form 10-K includes information regarding the Partnership's equity incentive plan, which is incorporated herein by reference.

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

Table of Contents

Unitholder Return Performance Graph

The graph below shows a comparison of the five-year cumulative total return (assuming all distributions/dividends reinvested) for Cedar Fair, L.P. limited partnership units, the S&P 500 Index, the S&P 400 Index, and the S&P - Movies and Entertainment Index, assuming investment of $100 on December 31, 2013.

	Base Period	Return				
	2013	2014	2015	2016	2017	2018
Cedar Fair, L.P.	$100.00	$102.19	$125.98	$152.97	$162.87	$125.98
S&P 500	100.00	113.69	115.26	129.04	157.21	150.33
S&P 400	100.00	109.77	107.38	129.65	150.70	134.00
S&P Movies and Entertainment	100.00	117.82	106.93	118.02	123.94	124.70

Table of Contents

ITEM 6. SELECTED FINANCIAL DATA.

	Years Ended December 31,				
	2018	2017 (1)	2016	2015 (2)	2014 (3)
	(In thousands, except per unit and per capita amounts)				
Statement of Operations					
Net revenues	$1,348,530	$1,321,967	$1,288,721	$1,235,778	$1,159,605
Operating income	290,519	295,211	316,939	295,331	278,332
Income before taxes	161,396	216,588	249,106	134,414	114,100
Net income	126,653	215,476	177,688	112,222	104,215
Net income per unit - basic	$2.25	$3.84	$3.18	$2.01	$1.88
Net income per unit - diluted	$2.23	$3.79	$3.14	$1.99	$1.86
Balance Sheet Data					
Total assets	$2,024,183	$2,064,159	$1,973,181	$1,963,020	$2,004,448
Working capital surplus (deficit)	(34,510)	21,489	(47,007)	(14,645)	(3,767)
Long-term debt	1,657,568	1,660,515	1,534,211	1,536,676	1,534,244
Partners' equity	32,416	82,946	60,519	57,009	96,217
Distributions					
Declared per limited partner unit	$3.595	$3.455	$3.330	$3.075	$2.850
Paid per limited partner unit	$3.595	$3.455	$3.330	$3.075	$2.850
Other Data					
Depreciation and amortization	$155,529	$153,222	$131,876	$125,631	$124,286
Adjusted EBITDA (4)	467,773	478,977	481,248	459,238	431,280
Capital expenditures	189,775	188,084	160,656	175,865	166,719
Attendance (5)	25,912	25,723	25,104	24,448	23,305
In-park per capita spending (6)	$47.69	$47.30	$46.90	$46.20	$45.54

(1) Operating results for 2017 include a tax benefit of $54.2 million due to tax law changes, in particular the Tax Cuts and Jobs Act, a charge of $23.1 million for the loss on early debt extinguishment and a charge of $7.6 million for the impairment of the remaining land at Wildwater Kingdom, one of the Partnership's separately gated outdoor water parks which ceased operations in 2016.

(2) Operating results for 2015 include a charge of $8.6 million for the impairment of a long-lived asset at Cedar Point.

(3) Operating results for 2014 include a charge of $29.3 million for the loss on early debt extinguishment and a charge of $2.4 million for the impairment of long-lived assets at Wildwater Kingdom.

(4) Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, other non-cash items, and adjustments as defined in the Amended 2017 Credit Agreement and prior credit agreements. 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 as it is widely used by analysts, investors and comparable companies in our industry to evaluate our operating performance on a consistent basis, as well as more easily compare our results with those of other companies in our industry. Further, management believes 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 is provided in the discussion of results of operations that follows as a supplemental measure of the Partnership's operating results and is not intended to be a substitute for operating income, net income or cash flows from operating activities as defined under generally accepted accounting principles. Adjusted EBITDA may not be comparable to similarly titled measures of other companies. A reconciliation of net income to Adjusted EBITDA is provided below.

(5) Attendance includes number of guest visits to the Partnership's amusement parks and separately gated outdoor water parks.

(6) In-park per capita spending is calculated as revenues generated within our amusement parks and separately gated outdoor water parks along with related tolls and parking revenues, divided by total attendance. Revenues from resort, marina, sponsorship, online transaction fees charged to customers and all other out-of-park operations are excluded from in-park per capita spending statistics. Net revenues consist of in-park revenues and out-of-park revenues less amounts remitted to outside parties under concessionaire arrangements, see Note 2 for further information.

Table of Contents

We believe that Adjusted EBITDA (earnings before interest, taxes, depreciation, amortization, other non-cash items, and adjustments as defined in the Amended 2017 Credit Agreement and prior credit agreements) is a meaningful measure as it is widely used by analysts, investors and comparable companies in our industry to evaluate our operating performance on a consistent basis, as well as more easily compare our results with those of other companies in our industry. Further, management believes 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 is provided in the discussion of results of operations that follows as a supplemental measure of our operating results and is not intended to be a substitute for operating income, net income or cash flows from operating activities as defined under generally accepted accounting principles. In addition, Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

The table below sets forth a reconciliation of Adjusted EBITDA to net income for the periods indicated:

	Years Ended December 31,				
(In thousands)	2018	2017	2016	2015	2014
Net income	$126,653	$215,476	$177,688	$112,222	$104,215
Interest expense	85,687	85,603	83,863	86,849	96,286
Interest income	(1,515)	(855)	(177)	(64)	(126)
Provision for taxes	34,743	1,112	71,418	22,192	9,885
Depreciation and amortization	155,529	153,222	131,876	125,631	124,286
EBITDA	401,097	454,558	464,668	346,830	334,546
Loss on early debt extinguishment	1,073	23,121	—	—	29,261
Net effect of swaps	7,442	(45)	(1,197)	(6,884)	(2,062)
Non-cash foreign currency (gain) loss	36,294	(29,041)	(14,345)	80,946	40,883
Non-cash equity compensation expense	11,243	13,789	18,496	15,470	12,536
Loss on impairment/retirement of fixed assets, net	10,178	12,728	12,587	20,873	9,757
Gain on sale of other assets	(112)	(1,877)	—	—	(921)
Employment practice litigation costs	—	4,867	—	259	4,953
Other [1]	558	877	1,039	1,744	2,327
Adjusted EBITDA	$467,773	$478,977	$481,248	$459,238	$431,280

(1) Consists of certain costs as defined in the Partnership's Amended 2017 Credit Agreement and prior credit agreements. These items are excluded in the calculation of Adjusted EBITDA and have included certain legal expenses, costs associated with certain ride abandonment or relocation expenses, and severance expenses. This balance also includes unrealized gains and losses on short-term investments.

Table of Contents

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

Business Overview

We generate our revenues from sales of (1) admission to our amusement parks and water parks, (2) food, merchandise and games both inside and outside our parks, and (3) accommodations, extra-charge products, and other revenue sources. Our principal costs and expenses, which include salaries and wages, operating supplies, maintenance, advertising, utilities and insurance, are relatively fixed for an operating season and do not vary significantly with attendance.

Each of our properties is overseen 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.

Along with attendance and in-park per capita spending statistics, 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 of Operations, Regional Vice Presidents and the park general managers.

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

	Years Ended December 31,					
	2018		2017		2016	
	(In thousands, except per capita spending and percentages)					
Net revenues:						
Admissions	$737,676	54.7 %	$734,060	55.5 %	$716,189	55.6 %
Food, merchandise and games	433,315	32.1 %	422,469	32.0 %	407,673	31.6 %
Accommodations, extra-charge products and other	177,539	13.2 %	165,438	12.5 %	164,859	12.8 %
Net revenues	1,348,530	100.0 %	1,321,967	100.0 %	1,288,721	100.0 %
Operating costs and expenses	892,416	66.2 %	862,683	65.3 %	827,319	64.2 %
Depreciation and amortization	155,529	11.5 %	153,222	11.6 %	131,876	10.2 %
Loss on impairment / retirement of fixed assets, net	10,178	0.8 %	12,728	1.0 %	12,587	1.0 %
Gain on sale of investment	(112)	— %	(1,877)	(0.1)%	—	— %
Operating income	290,519	21.5 %	295,211	22.3 %	316,939	24.6 %
Interest and other expense, net	84,354	6.3 %	84,633	6.4 %	83,686	6.5 %
Net effect of swaps	7,442	0.6 %	(45)	— %	(1,197)	(0.1)%
Loss on early debt extinguishment	1,073	0.1 %	23,121	1.7 %	—	— %
(Gain) loss on foreign currency	36,254	2.7 %	(29,086)	(2.2)%	(14,656)	(1.1)%
Provision for taxes	34,743	2.6 %	1,112	0.1 %	71,418	5.5 %
Net income	$126,653	9.4 %	$215,476	16.3 %	$177,688	13.8 %
Other data:						
Attendance	25,912		25,723		25,104	
In-park per capita spending	$47.69		$47.30		$46.90	

Table of Contents

Critical Accounting Policies

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our consolidated financial statements, which were prepared in accordance with accounting principles generally accepted in the United States of America. These principles require us to make judgments, estimates and assumptions during the normal course of business that affect the amounts reported in the Consolidated Financial Statements and related notes. The following discussion addresses our critical accounting policies, which are those that are most important to the portrayal of our financial condition and operating results or involve a higher degree of judgment and complexity (see Note 2 to our Consolidated Financial Statements for a complete discussion of our significant accounting policies). Application of the critical accounting policies described below involves the exercise of judgment and the use of assumptions as to future uncertainties, and as a result, actual results could differ from these estimates and assumptions.

Impairment of Long-Lived Assets

The carrying values of long-lived assets, including property and equipment, are reviewed whenever events or changes in circumstances indicate that the carrying values of the assets may not be recoverable. An impairment loss may be recognized when estimated undiscounted future cash flows expected to result from the use of the asset, including disposition, are less than the carrying value of the asset. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying amounts of the asset. Fair value is generally determined based on a discounted cash flow analysis. 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.

The determination of both undiscounted and discounted cash flows requires management to make significant estimates and consider an anticipated course of action as of the balance sheet date. Subsequent changes in estimated undiscounted and discounted cash flows arising from changes in anticipated actions could impact the determination of whether impairment exists, the amount of the impairment charge recorded and whether the effects could materially impact the consolidated financial statements.

Goodwill and Other Intangible Assets

Goodwill and other indefinite-lived intangible assets, including trade-names, are reviewed for impairment annually, or more frequently if indicators of impairment exist. 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; the testing for recoverability of a significant asset group within a reporting unit; 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.

We completed the review of goodwill and other indefinite-lived intangibles as of the first days of the fourth quarter of 2018 and 2017 and determined goodwill and other indefinite-lived intangibles were not impaired at these testing dates.

It is possible that our assumptions about future performance, as well as the economic outlook and related conclusions regarding valuation, could change adversely, which may result in additional impairment that would have a material effect on our financial position and results of operations in future periods.

Self-Insurance Reserves

Reserves are recorded for the estimated amounts of guest and employee claims and expenses incurred each period. Reserves are established for both identified claims and incurred but not reported (IBNR) claims. Such amounts are accrued for when claim amounts become probable and estimable. Reserves for identified claims are based upon our own historical claims experience and third-party estimates of settlement costs. Reserves for IBNR claims, which are not material to our consolidated financial statements, are based upon our own claims data history. All self-insurance reserves are periodically reviewed for changes in facts and circumstances and adjustments are made as necessary.

Revenue Recognition

As disclosed within the consolidated statements of operations and comprehensive income, revenues are generated from sales of (1) admission to our amusement parks and water parks, (2) food, merchandise and games both inside and outside the parks, and (3) accommodations, extra-charge products, and other revenue sources. Admission revenues include amounts paid to gain admission into our parks, including parking fees. Revenues related to extra-charge products, including premium benefit offerings such as front-of-line products, and online transaction fees charged to customers are included in "Accommodations, extra-charge products and other". Due to our highly seasonal operations, a substantial portion of our revenues are generated during an approximate 130- to 140-day operating season. Most revenues are recognized on a daily basis based on actual guest spend at the properties. Revenues from multi-use products, including season-long products for admission, dining, beverage and other products, are recognized over the estimated number of uses expected for each type of product. The estimated number of uses is reviewed and may be updated periodically during the operating season prior to the ticket or product expiration, which generally occurs no later than the close of the operating season. The number of uses is estimated based on historical usage adjusted for current period trends. For any bundled products that include multiple performance obligations, revenue is allocated using the retail price of each distinct performance obligation and any inherent discounts are allocated based on the gross margin and expected redemption of each performance obligation. We do not typically provide for refunds or returns.

In some instances, we arrange with outside parties ("concessionaires") to provide goods to our guests, typically food and merchandise, and we act as an agent, resulting in net revenue recorded within the income statement. Concessionaire arrangement revenues are recognized over the operating season and are variable. Sponsorship revenues and marina revenues, which are classified as "Accommodations, extra-charge products

Table of Contents

and other" within the income statement, are recognized over the park operating season which represents the period in which the performance obligations are satisfied. Sponsorship revenues are typically fixed. However, some sponsorship revenues are variable based on achievement of specified operating metrics. We estimate variable revenues and perform a constraint analysis using both historical information and current trends to determine the amount of revenue that is not probable of a significant reversal. For additional information on our revenue recognition and related receivables and contract liabilities, see Note 2 to our Consolidated Financial Statements.

Income Taxes

Our legal structure includes both partnerships and corporate subsidiaries. As a publicly traded partnership, we are subject to an entity-level tax (the "PTP tax"). Accordingly, the Partnership itself is not subject to corporate income taxes; rather, the Partnership's tax attributes (except those of the corporate subsidiaries) are included in the tax returns of our partners. Our corporate subsidiaries are subject to entity-level income taxes. Our "Provision for taxes" includes both the PTP tax and the income taxes from the corporate subsidiaries.

Our corporate subsidiaries account for income taxes under the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future book and tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are determined using enacted tax rates expected to apply in the year in which those temporary differences are expected to be recovered or settled.

We record a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion, or all, of a deferred tax asset will not be realized. The need for this allowance is based on several factors including the ten-year carryforward period allowed for excess foreign tax credits, experience to date of foreign tax credit limitations, and management's long term estimates of domestic and foreign source income.

As of December 31, 2018, we had recorded a $6.4 million valuation allowance related to an $8.8 million deferred tax asset for foreign tax credit carryforwards. During the fourth quarter of 2018, we recognized a $2.3 million increase in the valuation allowance based on management's updated projection of future foreign tax credit utilization.

There is inherent uncertainty in the estimates used to project the amount of foreign tax credit carryforwards that are more likely than not to be realized. It is possible that our future income projections, as well as the economic outlook and related conclusions regarding the valuation allowance could change, which may result in additional valuation allowance being recorded or may result in additional valuation allowance reductions, and which may have a material negative or positive effect on our reported financial position and results of operations in future periods.

The Tax Cuts and Jobs Act (the "Act") was signed into law on December 22, 2017. The Act made significant changes to U.S. tax law and, among other things, reduced federal corporate tax rates from 35% to 21%. The accounting treatment of these tax law changes was complex, and the SEC staff issued Staff Accounting Bulletin No. 118 ("SAB 118") to address the application of U.S. GAAP in situations when a registrant did not have the necessary information available, prepared, or analyzed in reasonable detail to complete the accounting for certain tax effects of the Act. We recognized the final tax impacts related to the reduction in tax rates including the revaluation of deferred tax assets and liabilities in our consolidated financial statements for the year ended December 31, 2018. The final impact differed from our provisional amounts by $1.3 million.

Table of Contents

Results of Operations

We believe the following are key operational measures in our management and operational reporting, and they are used as major factors in significant operational decisions:

Attendance is defined as the number of guest visits to our amusement parks and separately gated outdoor water parks.

In-park per capita spending is calculated as revenues generated within our amusement parks and separately gated outdoor water parks along with related tolls and parking revenues (in-park revenues), divided by total attendance.

Out-of-park revenues are defined as revenues from resort, marina, sponsorship, online transaction fees charged to customers and all other out-of-park operations.

Net revenues consist of in-park revenues and out-of-park revenues less amounts remitted to outside parties under concessionaire arrangements. See Note 2 - Summary of Significant Accounting Policies for further information.

2018 vs. 2017

The year ended December 31, 2018 included 2,061 operating days compared with 2,049 operating days for the year ended December 31, 2017. The following table presents key financial information and operating statistics for the years ended December 31, 2018 and December 31, 2017:

			Increase (Decrease)	
	12/31/2018	12/31/2017	$	%
	(Amounts in thousands, except for per capita spending)			
Net revenues	$1,348,530	$1,321,967	$26,563	2.0 %
Operating costs and expenses	892,416	862,683	29,733	3.4 %
Depreciation and amortization	155,529	153,222	2,307	1.5 %
Loss on impairment/retirement of fixed assets, net	10,178	12,728	(2,550)	N/M
Gain on sale of investment	(112)	(1,877)	1,765	N/M
Operating income	$290,519	$295,211	$(4,692)	(1.6)%
N/M - Not meaningful				
Other Data:				
Adjusted EBITDA (1)	$467,773	$478,977	$(11,204)	(2.3)%
Adjusted EBITDA margin (2)	34.7 %	36.2 %	—	(1.5)%
Attendance	25,912	25,723	189	0.7 %
In-park per capita spending	$47.69	$47.30	$0.39	0.8 %
Out-of-park revenues	$152,216	$143,763	$8,453	5.9 %

(1) For additional information regarding Adjusted EBITDA, including how we define and use Adjusted EBITDA, as well as a reconciliation from net income, see Item 6, "Selected Financial Data", on page 16.
(2) Adjusted EBITDA margin (Adjusted EBITDA divided by net revenues) is not a measurement computed in accordance with generally accepted accounting principles ("GAAP") or a substitute for measures computed in accordance with GAAP and may not be comparable to similarly titled measures of other companies. We provide Adjusted EBITDA margin because we believe the measure provides a meaningful metric of operating profitability.

Consolidated net revenues totaled $1,348.5 million for the year ended December 31, 2018, increasing $26.6 million, from $1,322.0 million for 2017. This reflects the impact of increases in attendance, in-park per capita spending, and out-of-park revenues compared with the prior year. The 189,000 visit, or 0.7%, increase in attendance was driven by higher season pass visitation in the last five months of the year, including increased attendance during WinterFest, a holiday event operating during November and December. The increase in WinterFest attendance related primarily to a new event held at Kings Dominion. Attendance in the first seven months of 2018 was lower than the prior year driven by the impact of inclement weather at our seasonal amusement parks and a decline in season pass sales at Kings Island. The $0.39, or 0.8%, increase in in-park per capita spending was attributable to growth in our food and beverage programs, extra charge attractions and merchandise. The $8.5 million, or 5.9%, increase in out-of-park revenues was largely attributable to increases in resort property revenues driven by higher occupancy rates and an increase in average daily room rates, particularly at Cedar Point. The increase in net revenues was net of a $2.3 million unfavorable impact of foreign currency exchange related to our Canadian park.

Operating costs and expenses for the year increased 3.4%, or $29.7 million, to $892.4 million from $862.7 million for 2017. This increase was the result of a $3.9 million increase in cost of goods sold, a $26.2 million increase in operating expenses, and comparable selling, general, and administrative expenses ("SG&A"). The $3.9 million increase in cost of goods sold related to the growth in our food and beverage programs. Cost of goods sold, as a percentage of food, merchandise, and games revenue, was comparable for both periods. Approximately half of the

Table of Contents

$26.2 million increase in operating expenses was due to increased seasonal wages driven by planned hourly rate increases. The increase in operating expenses was also attributable to increased full-time and maintenance labor driven by both planned head count and rate increases. Lastly, the increase in operating expenses was due to increased operating supplies for personnel related costs including associate housing and for incremental costs related to WinterFest, particularly for the new event at Kings Dominion. SG&A expense was comparable due to higher merchant fees and increased technology related costs in 2018 offset by a reserve established in 2017 for an employment practice claim settlement of $4.9 million. The increase in operating costs and expenses was net of a $1.2 million favorable impact of foreign currency exchange related to our Canadian park.

Depreciation and amortization expense for 2018 increased $2.3 million compared with the prior year. The increase in expense was attributable to growth in capital improvements offset by the impact of changes in the estimated useful lives of specific long-lived assets, in particular at Cedar Point and Dorney Park in the prior period. The loss on impairment / retirement of fixed assets for 2018 was $10.2 million, reflecting the retirement of a specific asset in the second quarter of 2018 and the impairment of two specific assets in the third quarter of 2018. This is compared with the $12.7 million loss on impairment / retirement of fixed assets for 2017 reflecting a charge of $7.6 million for the impairment of the remaining land at Wildwater Kingdom, one of our separately gated outdoor water parks which ceased operations in 2016, and the impairment of assets in the normal course of business at several of our properties. A $0.1 million and $1.9 million gain on sale of investment was recognized for the liquidation of a preferred equity investment during the fourth quarter of 2018 and third quarter of 2017, respectively.

After the items above, operating income decreased $4.7 million to $290.5 million for 2018 from operating income of $295.2 million for 2017.

Interest expense for 2018 was comparable to the prior year. The net effect of our swaps resulted in a $7.4 million charge to earnings for 2018 compared with an immaterial impact to earnings for 2017. The difference reflects changes in fair market value for these swaps. During 2018, we recognized a $1.1 million loss on early debt extinguishment in connection with amending our 2017 Credit Agreement, as compared with a $23.1 million loss on early debt extinguishment related to our refinancing in the first half of 2017, as described in Note 5 to the Consolidated Financial Statements. We also recognized a $36.3 million net charge to earnings for foreign currency gains and losses in 2018 compared with a $29.1 million net benefit to earnings for 2017. Both amounts primarily represented remeasurement of the U.S.-dollar denominated debt recorded at our Canadian entity from the applicable currency to the legal entity's functional currency.

For 2018, a provision for taxes of $34.7 million was recorded to account for PTP taxes and income taxes on our corporate subsidiaries. This compares with a provision for taxes recorded for 2017 of $1.1 million. The increase in tax provision in the current year relates primarily to the prior year implementation of the Tax Cuts and Jobs Act (the "Act"), which was signed into law on December 22, 2017. The Act included numerous changes to the tax law, including a reduction in the federal corporate income tax rate from 35% to 21%. Since our corporate subsidiaries have a March tax year end, the applicable tax rate for the tax year ended March 25, 2018 was a 31.8% blended rate that was based on the applicable statutory rates and the number of days in each period within the taxable year before and after the effective date of the change in tax rate. For tax years following March 2018, the applicable tax rate will be 21%. Also, the change in tax rate required that we remeasure deferred tax balances that are expected to be realized following enactment using the applicable tax rates. As a result of the Act, we recognized a $49.2 million deferred tax benefit and a $6.1 million current income tax benefit in 2017 compared with a $1.3 million deferred tax benefit and an $8.6 million current income tax benefit in 2018. The $1.3 million deferred tax benefit in 2018 reflects the adjustment from our 2017 provisional amounts under SAB 118 to the final impact of the Act. Cash taxes paid in 2018 were $42.2 million compared with $56.0 million in 2017 due to a decrease in pretax income from our corporate subsidiaries and the decrease in federal statutory income tax rate from the Act. For 2019, cash taxes to be paid or payable are estimated to be approximately $45 million.

After the items above, net income for 2018 totaled $126.7 million, or $2.23 per diluted limited partner unit, compared with net income of $215.5 million, or $3.79 per diluted unit, for 2017.

For 2018, Adjusted EBITDA decreased to $467.8 million from $479.0 million for 2017. The $11.2 million decrease in Adjusted EBITDA is a result of higher operating costs and expenses associated with labor, especially seasonal wages due to planned rate increases, operating supplies and other planned spending out-pacing revenue growth. As a result, our Adjusted EBITDA margin decreased by 150 basis points.

Table of Contents

Results of Operations

2017 vs. 2016

The year ended December 31, 2017 included 2,049 operating days compared with 2,080 operating days for the year ended December 31, 2016. On a same-park basis (excluding Wildwater Kingdom, one of the Partnership's separately gated outdoor water parks which was closed after the 2016 operating season), the year ended December 31, 2016 included a total of 1,997 operating days. The following table presents key financial information and operating statistics for the years ended December 31, 2017 and December 31, 2016:

			Increase (Decrease)	
	12/31/2017	12/31/2016	$	%
	(Amounts in thousands, except for per capita spending)			
Net revenues	$1,321,967	$1,288,721	$33,246	2.6 %
Operating costs and expenses	862,683	827,319	35,364	4.3 %
Depreciation and amortization	153,222	131,876	21,346	16.2 %
Loss on impairment/retirement of fixed assets, net	12,728	12,587	141	N/M
Gain on sale of investment	(1,877)	—	(1,877)	N/M
Operating income	$295,211	$316,939	$(21,728)	(6.9)%
N/M - Not meaningful				
Other Data:				
Adjusted EBITDA (1)	$478,977	$481,248	$(2,271)	(0.5)%
Adjusted EBITDA margin (2)	36.2 %	37.3 %	—	(1.1)%
Attendance	25,723	25,104	619	2.5 %
In-park per capita spending	$47.30	$46.90	$0.40	0.9 %
Out-of-park revenue	$143,763	$146,137	$(2,374)	(1.6)%

(1) For additional information regarding Adjusted EBITDA, including how we define and use Adjusted EBITDA, as well as a reconciliation from net income, see Item 6, "Selected Financial Data", on page 16.
(2) Adjusted EBITDA margin (Adjusted EBITDA divided by net revenues) is not a measurement computed in accordance with generally accepted accounting principles ("GAAP") or a substitute for measures computed in accordance with GAAP and may not be comparable to similarly titled measures of other companies. We provide Adjusted EBITDA margin because we believe the measure provides a meaningful metric of operating profitability.

Consolidated net revenues totaled $1,322.0 million for the year ended December 31, 2017, increasing $33.2 million, from $1,288.7 million for 2016. This reflected an increase in both attendance and in-park per capita spending. Out-of-park revenues decreased $2.4 million compared with 2016. The 619,000 visit, or 2.5%, increase in attendance was driven by higher season pass visitation and increased attendance during WinterFest, a holiday event operating during November and December. The increase in WinterFest attendance related primarily to three new events in 2017 held at Kings Island, Carowinds, and Worlds of Fun. The $0.40, or 0.9%, increase in in-park per capita spending was primarily attributable to growth in our food and beverage programs, and the closure of Wildwater Kingdom. The $2.4 million, or 1.6%, decrease in out-of-park revenues was due to revenues received in 2016 from Super Bowl 50 special events and a decrease in transaction fee revenue recognized during 2017. Foreign currency exchange rates had an immaterial impact on net revenues.

Operating costs and expenses for 2017 increased 4.3%, or $35.4 million, to $862.7 million from $827.3 million for 2016. This increase was the result of a $4.2 million increase in cost of goods sold, a $19.2 million increase in operating expenses, and an $11.9 million increase in SG&A expense. The $4.2 million increase in cost of goods sold related to the growth in our food and beverage programs, as well as higher attendance levels. Cost of goods sold, as a percentage of food, merchandise, and games revenue, was comparable for both 2017 and 2016. The $19.2 million increase in operating expenses was primarily due to higher seasonal labor costs driven by rate increases, especially in California, as well as incremental labor hours especially related to WinterFest. In addition, full-time wages increased as a result of incremental head count and normal merit increases, as well as increased maintenance labor associated with WinterFest. Lastly, operating supply expense increased due to incremental special and seasonal events, especially for WinterFest, and the opening of several large capital projects that began operation in 2017. The $11.9 million increase in SG&A expense was attributable to a reserve for an employment practice settlement claim of $4.9 million, increased marketing expense, higher merchant fees, and increased technology related costs. Foreign currency exchange rates had an immaterial impact on operating costs and expenses.

Depreciation and amortization expense for 2017 increased $21.3 million compared with 2016. The increase was attributable to a change in the estimated useful lives of specific long-lived assets, in particular at Cedar Point and Dorney Park, as well as growth in capital improvements. The loss on impairment / retirement of fixed assets for 2017 was $12.7 million, reflecting a charge of $7.6 million for the impairment of the remaining land at Wildwater Kingdom and the retirement of assets in the normal course of business at several of our properties. This was compared with the $12.6 million loss on impairment / retirement of fixed assets for 2016 reflecting the retirement of assets in the normal course

Table of Contents

of business. During the third quarter of 2017, a $1.9 million gain on sale of investment was recognized for the liquidation of a preferred equity investment.

After the items above, operating income decreased $21.7 million to $295.2 million for 2017 from operating income of $316.9 million for 2016.

Interest expense for 2017 increased $1.7 million compared with 2016. The increase was attributable to an increase in outstanding term debt. The net effect of our swaps resulted in an immaterial impact to earnings for 2017 compared with a $1.2 million benefit to earnings for 2016. The difference reflected the amortization of amounts in OCI in our de-designated swap portfolio offset by changes in fair market value for these swaps. We recognized a $23.1 million loss on early debt extinguishment during 2017 as a result of the April 2017 debt refinancing. We also recognized a $29.1 million net benefit to earnings for foreign currency gains and losses in 2017 compared with a $14.7 million net benefit to earnings for 2016. Both amounts primarily represented remeasurement of the U.S.-dollar denominated debt recorded at our Canadian entity from the applicable currency to the legal entity's functional currency.

For 2017, a provision for taxes of $1.1 million was recorded to account for PTP taxes and income taxes on our corporate subsidiaries. This compared with a provision for taxes recorded for 2016 of $71.4 million. The decrease in tax provision in 2017 related primarily to implementation of the Tax Cuts and Jobs Act (the "Act"), which was signed into law on December 22, 2017. The Act included numerous changes to the tax law, including a reduction in the federal corporate income tax rate from 35% to 21%. Since our corporate subsidiaries have a March tax year end, the applicable tax rate for the tax year ended March 25, 2018 was a 31.8% blended rate based on the applicable statutory rates and the number of days in each period within the taxable year before and after the effective date of the change in tax rate. For tax years following March 2018, the applicable tax rate will be 21%. As a result of the reduction in the federal corporate income tax rate, we recognized a $6.1 million current income tax benefit. Also, the change in tax rate required that we remeasure deferred tax balances that are expected to be realized following enactment using the applicable tax rates. As a result of this remeasurement of our net deferred tax liability, we recognized a $49.2 million deferred tax benefit. The sum of these effects was recorded as a tax benefit in the consolidated statement of operations and comprehensive income for the year ended December 31, 2017. Cash taxes paid in 2017 were $56.0 million compared with $44.5 million in 2016. The change in cash taxes related to 2016 utilization of employment and foreign tax credits.

After the items above, net income for 2017 totaled $215.5 million, or $3.79 per diluted limited partner unit, compared with net income of $177.7 million, or $3.14 per diluted unit, for 2016.

For 2017, Adjusted EBITDA decreased to $479.0 million from $481.2 million for 2016. The $2.3 million decrease in Adjusted EBITDA was a result of higher operating costs and expenses associated with labor, marketing, merchant fees, and other planned spending out-pacing revenue growth, specifically attendance growth. As a result, our Adjusted EBITDA margin decreased by 110 basis points.

On a same-park basis (excluding Wildwater Kingdom), net revenues increased by $38.7 million to $1,322.0 million for the year ended December 31, 2017 from $1,283.3 million for 2016. This was the result of an 856,000-visit increase in attendance and a $0.17 increase in in-park per capita spending on a same-park basis. Operating costs and expenses (including depreciation and amortization, loss on impairment of fixed assets and gain on sale of investment) on a same-park basis increased $61.2 million resulting in a $22.5 million decrease in same-park operating income.

Table of Contents

Financial Condition

We ended 2018 in sound condition with respect to both liquidity and cash flow. The working capital ratio (current assets divided by current liabilities) was 0.9 as of December 31, 2018 and was 1.1 as of December 31, 2017. There was a $60.9 million decrease in cash and cash equivalents as of December 31, 2018 compared with the balance as of December 31, 2017. The net cash proceeds from our debt refinancing in 2017 significantly impacted the working capital ratio and change in cash position. Cash and credit facilities are in place to fund current liabilities, capital expenditures, partnership distributions, and pre-opening expenses as required.

Operating Activities
Net cash from operating activities in 2018 increased $19.6 million to $350.7 million from $331.2 million in 2017. Net cash from operating activities in 2017 decreased $27.2 million to $331.2 million from $358.3 million in 2016. The fluctuations in operating cash flows between years was largely attributable to changes in working capital driven primarily by changes in deferred revenue and income tax payments.

Investing Activities
Investing activities consist principally of capital investments we make in our parks and resort properties. During 2018, cash spent on capital expenditures totaled $189.8 million attributable to capital for marketable new rides and attractions, and to a lesser extent, infrastructure and resort properties. During 2017, cash spent on capital expenditures totaled $188.1 million. During 2017, we also received $3.3 million of proceeds from the sale of a preferred equity investment in a non-public entity. During 2016, cash spent on capital expenditures totaled $160.7 million. During 2016, we also purchased identifiable intangible assets for $0.6 million.

Historically, we have been able to improve our revenues and profitability by continuing to make substantial capital investments in our park and resort facilities. This has enabled us to maintain or increase attendance levels, as well as to generate increases in in-park per capita spending and revenues from guest accommodations. For the 2019 operating season, we will be investing approximately $140 million on infrastructure and marketable new rides and attractions, and anticipate investing an additional $30 million to $40 million in incremental opportunities such as resort properties, employee housing and an indoor sports facility near Cedar Point. Infrastructure and marketable capital investments will include two thrill-packed roller coasters in unique themed areas at Canada's Wonderland and Carowinds, and a new, immersive experience attraction at Cedar Point. In addition, we will add new attractions to appeal to kids, tweens and families, introduce new and upgraded dining venues and catering areas, and expand our festival and event offerings. In particular, we will extend the operating season at Canada's Wonderland for a new WinterFest holiday event, bringing the total to seven of our amusement parks with winter holiday events. Lastly, a new hotel at Carowinds is expected to open in late 2019, strengthening our appeal for a multi-day guest experience.

In addition, during November 2018, we exercised our right of first refusal under the Santa Clara land lease to purchase the land at California's Great America from the lessor, the City of Santa Clara, for $150 million. We are in the process of negotiating a purchase agreement to acquire the land, which will be subject to the approval of the Successor Agency to the Redevelopment Agency of the City of Santa Clara and the Oversight Board for Successor Agency to the City of Santa Clara Redevelopment Agency and certain other conditions. We also are evaluating different options to finance the purchase.

Financing Activities
Net cash utilized for financing activities in 2018 totaled $216.6 million, compared with $106.4 million in 2017. This increase is primarily due to incremental borrowings under our senior secured term loan facility under the Amended 2017 Credit Agreement in the prior year as a result of the April 2017 refinancing.

Net cash utilized for financing activities in 2017 totaled $106.4 million, compared with $194.5 million in 2016. This decrease reflects incremental debt borrowings due to the April 2017 refinancing, offset by other impacts of the April 2017 refinancing including payment of debt issuance costs and early termination penalties.

Liquidity and Capital Resources

As of December 31, 2018, our outstanding debt, before reduction for debt issuance costs and original issue discount, consisted of the following:

- $500 million of 5.375% senior unsecured notes, maturing in April 2027, issued at par. Prior to April 15, 2020, up to 35% of the notes may be redeemed with net cash proceeds of certain equity offerings at a price equal to 105.375% of the principal amount thereof, together with accrued and unpaid interest and additional interest, if any. The notes may be redeemed, in whole or in part, at any time prior to April 15, 2022 at a price equal to 100% of the principal amount of the notes redeemed plus a "make-whole" premium, together with accrued and unpaid interest and additional interest, if any, to the redemption date. Thereafter, the notes may be redeemed, in whole or in part, at various prices depending on the date redeemed. The notes pay interest semi-annually in April and October.
- $450 million of 5.375% senior unsecured notes, maturing in June 2024, issued at par. 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. The notes pay interest semi-annually in June and December.
- $735 million of senior secured term debt, maturing in April 2024 under our Amended 2017 Credit Agreement. The term debt bears interest at London InterBank Offering Rate ("LIBOR") plus 175 basis points (bps), under amendments we entered into on March 14, 2018. The pricing terms for the amendment reflected $0.9 million of Original Issue Discount ("OID"). The term loan amortizes $7.5 million annually. We have $5.6 million of current maturities as of December 31, 2018.

Table of Contents

- No borrowings under the $275 million senior secured revolving credit facility under our Amended 2017 Credit Agreement with a Canadian sub-limit of $15 million. Borrowings under the senior secured revolving credit facility bear interest at LIBOR or Canadian Dollar Offered Rate ("CDOR") plus 200 bps. The revolving credit facility is scheduled to mature in April 2022 and also provides for the issuance of documentary and standby letters of credit. The Amended 2017 Credit Agreement requires the payment of a 37.5 bps commitment fee per annum on the unused portion of the credit facilities.

As of December 31, 2018 and December 31, 2017, before reduction for debt issuance costs and original issue discount, we had $735.0 million of variable-rate term debt, $950.0 million of outstanding fixed-rate notes, and no borrowings outstanding under our revolving credit facility. After letters of credit, which totaled $15.4 million as of December 31, 2018 and $15.9 million as of December 31, 2017, we had available borrowings under our revolving credit facility of $259.6 million and $259.1 million, respectively. The maximum outstanding balance under our revolving credit facility was $60.0 million during the year ended December 31, 2018 and $110.0 million during the year ended December 31, 2017.

As of December 31, 2018, we have eight interest rate swap agreements that convert $500 million of variable-rate debt to a fixed rate. Four of these agreements fix our variable-rate debt at 4.39% and mature on December 31, 2020. The other four agreements fix our variable-rate debt at 4.63% for the period December 31, 2020 through December 31, 2023. As of December 31, 2017, we had four interest rate swap agreements that convert $500 million of variable-rate debt to a fixed rate of 4.39% and mature on December 31, 2020. None of our interest rate swaps were designated as cash flow hedges in the periods presented. As of December 31, 2018, the fair market value of our swap portfolio was a liability of $6.7 million compared with a liability of $8.7 million as of December 31, 2017. In both periods presented, the fair value of our swap portfolio was classified as long-term and recorded in "Derivative Liability". Additional detail regarding our swap arrangements is provided in Note 6 to our Consolidated Financial Statements.

The Amended 2017 Credit Agreement includes a Consolidated Leverage Ratio, which if breached for any reason and not cured could result in an event of default. The ratio is set at a maximum of 5.50x Consolidated Total Debt-to-Consolidated EBITDA. As of December 31, 2018, we were in compliance with this financial condition covenant and all other covenants under the Amended 2017 Credit Agreement.

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

As market conditions warrant, we 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.

In accordance with our debt provisions, on October 30, 2018, we announced the declaration of a distribution of $0.925 per limited partner unit, which was paid on December 17, 2018.

Existing credit facilities and cash flows from operations are expected to be sufficient to meet working capital needs, debt service, partnership distributions and planned capital expenditures for the foreseeable future.

Contractual Obligations

The following table summarizes certain obligations (on an undiscounted basis) as of December 31, 2018:

Payments Due by Period

(In thousands)	Total	2019	2020-2021	2022-2023	2024 - Thereafter
Long-term debt (1)	$2,205,956	$87,694	$178,394	$177,325	$1,762,543
Capital expenditures (2)	82,921	70,828	12,093	—	—
Lease & other obligations (3)	147,951	22,087	17,840	16,515	91,509
Total	$2,436,828	$180,609	$208,327	$193,840	$1,854,052

(1) Represents maturities and mandatory payments on long-term debt obligations, fixed interest on senior notes, variable interest on term debt assuming LIBOR interest rates as of December 31, 2018, and the impact of our various derivative contracts. See Note 5 to our Consolidated Financial Statements for further information.

(2) Represents contractual obligations in place at year-end for the purchase of new rides, facilities, and attractions. Obligations not denominated in U.S. dollars have been converted based on the currency exchange rates as of December 31, 2018.

(3) Represents contractual lease and purchase obligations in place at year-end. Obligations not denominated in U.S. dollars have been converted based on the currency exchange rates as of December 31, 2018.

Off-Balance Sheet Arrangements

We had $15.4 million of letters of credit, which are primarily in place to backstop insurance arrangements, outstanding on our revolving credit facility as of December 31, 2018. We have no other significant off-balance sheet financing arrangements.

Table of Contents

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks from fluctuations in interest rates, and to a lesser extent on currency exchange rates on our operations in Canada, and from time to time, on imported rides and equipment. The objective of our financial risk management is to reduce the potential negative impact of interest rate and foreign currency exchange rate fluctuations to acceptable levels. We do not acquire market risk sensitive instruments for trading purposes.

We manage interest rate risk through the use of a combination of fixed-rate long-term debt, interest rate swaps that fix a portion of our variable-rate long-term debt, and variable-rate borrowings under our revolving credit facility. Translation exposures with regard to our Canadian operations are not hedged.

None of our interest rate swap agreements are designated as hedging instruments. Changes in fair value of derivative instruments that do not qualify for hedge accounting or were de-designated are reported as "Net effect of swaps" in the consolidated statement of operations and comprehensive income. Additionally, the "Other comprehensive income (loss)" related to interest rate swaps that have been de-designated is amortized through the original maturity of the interest rate swap and reported as a component of "Net effect of swaps" in the consolidated statement of operations and comprehensive income.

As of December 31, 2018, on an adjusted basis after giving effect to the impact of interest rate swap agreements and before reduction for debt issuance costs and original issue discount, $1,450 million of our outstanding long-term debt represented fixed-rate debt and $235 million represented variable-rate debt. Assuming an average balance on our revolving credit borrowings of approximately $13.2 million, a hypothetical 100 bps increase in 30-day LIBOR on our variable-rate debt (not considering the impact of our interest rate swaps) would lead to an increase of approximately $7.5 million in annual cash interest costs.

Assuming a hypothetical 100 bps increase in 30-day LIBOR, the amount of net cash interest paid on our derivative portfolio would decrease by $5.0 million over the next year.

A uniform 10% strengthening of the U.S. dollar relative to the Canadian dollar would result in a $3.0 million decrease in annual operating income.

Impact of Inflation

Substantial increases in costs and expenses could impact our operating results to the extent such increases could not be passed along to our guests. In particular, the majority of our employees are seasonal and are paid hourly rates which are consistent with federal and state minimum wage laws. In addition, increases in full-time labor, supplies, taxes, and utility expenses could have an impact on our operating results. Historically, we have been able to pass along cost increases to guests through increases in admission, food, merchandise and other prices, and we believe that we will continue to have the ability to do so over the long term.

Forward Looking Statements

Some of the statements contained in this report (including the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section) that are not historical in nature are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements as to our expectations, beliefs and strategies regarding the future. These forward-looking statements may involve risks and uncertainties that are difficult to predict, may be beyond our control and could cause actual results to differ materially from those described in such statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Important factors, including those listed under Item 1A in this Form 10-K could adversely affect our future financial performance and cause actual results to differ materially from our expectations. In addition, the proposed purchase of the land currently leased from the City of Santa Clara is subject to the risk that we may be unable to obtain the required governmental approval, that any conditions to the purchase are not satisfied or that required approvals may not be able to be obtained on expected or acceptable terms, which could cause the parties to abandon the transaction. We do not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the filing date of this document.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The information appearing under the subheading "Quantitative and Qualitative Disclosures about Market Risk" under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Report is incorporated herein by reference.

Table of Contents

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Quarterly operating results for 2018 and 2017 are presented in the table below:

Unaudited (In thousands, except per unit amounts)	Net revenues	Operating income (loss)	Net income (loss)	Net income (loss) per limited partner unit-basic	Net income (loss) per limited partner unit-diluted
2018					
1st Quarter	$54,727	$(75,647)	$(83,400)	$ (1.49)	$ (1.49)
2nd Quarter	380,316	68,249	19,243	0.34	0.34
3rd Quarter	663,703	258,572	213,307	3.79	3.76
4th Quarter	249,784	39,345	(22,497)	(0.40)	(0.40)
	$1,348,530	$290,519	$126,653	2.25	2.23
2017					
1st Quarter	$48,318	$(75,961)	$(64,754)	$ (1.16)	$ (1.16)
2nd Quarter	392,798	95,313	31,368	0.56	0.55
3rd Quarter	652,689	256,139	191,315	3.41	3.38
4th Quarter (1)	228,162	19,720	57,547	1.03	1.01
	$1,321,967	$295,211	$215,476	3.84	3.79

(1) The fourth quarter of 2017 includes a $62.7 million benefit for taxes compared with a $1.4 million provision for taxes for the fourth quarter of 2018 primarily due to a $55.3 million tax benefit recorded in 2017 related to the Tax Cuts and Jobs Act (refer to Note 9 to the Consolidated Financial Statements).

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the Unitholders and Board of Directors of
Cedar Fair, L.P.

Opinion on the Financial Statements
We have audited the accompanying consolidated balance sheets of Cedar Fair, L.P. and subsidiaries (the "Partnership") as of December 31, 2018 and 2017, the related consolidated statements of operations and comprehensive income, partners' equity, and cash flows for each of the three years in the period ended December 31, 2018, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United Stated of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Partnership's internal control over financial reporting as of December 31, 2018, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 22, 2019 expressed an unqualified opinion on the Partnership's internal control over financial reporting.

Basis for Opinion
These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

Cleveland, Ohio
February 22, 2019

We have served as the Partnership’s auditor since 2004.

Table of Contents

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

	December 31, 2018	December 31, 2017
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 105,349	$ 166,245
Receivables	51,518	37,722
Inventories	30,753	29,719
Other current assets	12,589	13,297
	200,209	246,983
Property and Equipment:		
Land	268,411	271,021
Land improvements	434,501	421,593
Buildings	732,666	693,899
Rides and equipment	1,813,489	1,740,653
Construction in progress	77,716	72,847
	3,326,783	3,200,013
Less accumulated depreciation	(1,727,345)	(1,614,241)
	1,599,438	1,585,772
Goodwill	178,719	183,830
Other Intangibles, net	36,376	38,064
Other Assets	9,441	9,510
	$ 2,024,183	$ 2,064,159
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$ 5,625	$ —
Accounts payable	23,314	24,621
Deferred revenue	107,074	86,131
Accrued interest	7,927	8,124
Accrued taxes	29,591	43,975
Accrued salaries, wages and benefits	18,786	18,740
Self-insurance reserves	24,021	25,107
Other accrued liabilities	18,381	18,796
	234,719	225,494
Deferred Tax Liability	81,717	74,798
Derivative Liability	6,705	8,722
Other Liabilities	11,058	11,684
Long-Term Debt:		
Term debt	719,507	723,788
Notes	938,061	936,727
	1,657,568	1,660,515
Commitments and Contingencies (Note 10)		
Partners' Equity:		
Special L.P. interests	5,290	5,290
General partner	(1)	—
Limited partners, 56,564 and 56,359 units outstanding at December 31, 2018 and December 31, 2017, respectively	5,845	81,589

Accumulated other comprehensive income (loss)	21,282	(3,933)
	32,416	82,946
	$ 2,024,183	$ 2,064,159

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

Table of Contents

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

	Years Ended December 31,		
	2018	2017	2016
Net revenues:			
Admissions	$737,676	$734,060	$716,189
Food, merchandise and games	433,315	422,469	407,673
Accommodations, extra-charge products and other	177,539	165,438	164,859
	1,348,530	1,321,967	1,288,721
Costs and expenses:			
Cost of food, merchandise and games revenues	114,733	110,811	106,608
Operating expenses	584,350	558,102	538,881
Selling, general and administrative	193,333	193,770	181,830
Depreciation and amortization	155,529	153,222	131,876
Loss on impairment / retirement of fixed assets, net	10,178	12,728	12,587
Gain on sale of investment	(112)	(1,877)	—
	1,058,011	1,026,756	971,782
Operating income	290,519	295,211	316,939
Interest expense	85,687	85,603	83,863
Net effect of swaps	7,442	(45)	(1,197)
Loss on early debt extinguishment	1,073	23,121	—
(Gain) loss on foreign currency	36,254	(29,086)	(14,656)
Other income	(1,333)	(970)	(177)
Income before taxes	161,396	216,588	249,106
Provision for taxes	34,743	1,112	71,418
Net income	126,653	215,476	177,688
Net income allocated to general partner	1	2	2
Net income allocated to limited partners	$126,652	$215,474	$177,686
Net income	$126,653	$215,476	$177,688
Other comprehensive income (loss), (net of tax):			
Foreign currency translation adjustment	17,240	(14,849)	(3,700)
Cash flow hedging derivative activity	8,366	7,975	3,350
Other comprehensive income (loss), (net of tax)	25,606	(6,874)	(350)
Total comprehensive income	$152,259	$208,602	$177,338
Basic earnings per limited partner unit:			
Weighted average limited partner units outstanding	56,212	56,061	55,933
Net income per limited partner unit	$2.25	$3.84	$3.18
Diluted earnings per limited partner unit:			
Weighted average limited partner units outstanding	56,860	56,800	56,562
Net income per limited partner unit	$2.23	$3.79	$3.14

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

Table of Contents

CEDAR FAIR, L.P.
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
(In thousands, except per unit amounts)

	Limited Partnership Units Outstanding	Limited Partners' Equity	General Partner's Equity	Special L.P. Interests	Accumulated Other Comprehensive Income (Loss)	Total Partners' Equity
Balance as of December 31, 2015	56,018	$48,428	$ —	$ 5,290	$ 3,291	$57,009
Net income		177,686	2			177,688
Partnership distribution declared ($3.330)		(187,180)	(2)			(187,182)
Issuance of limited partnership units related to compensation	183	13,776				13,776
Tax effect of units involved in treasury unit transactions		(422)				(422)
Foreign currency translation adjustment, net of tax $2,127					(3,700)	(3,700)
Cash flow hedging derivative activity, net of tax ($650)					3,350	3,350
Balance as of December 31, 2016	56,201	$52,288	$ —	$ 5,290	$ 2,941	$60,519
Net income		215,474	2			215,476
Partnership distribution declared ($3.455)		(194,754)	(2)			(194,756)
Issuance of limited partnership units related to compensation	158	13,021				13,021
Tax effect of units involved in treasury unit transactions		(4,440)				(4,440)
Foreign currency translation adjustment, net of tax ($4,330)					(14,849)	(14,849)
Cash flow hedging derivative activity, net of tax ($1,484)					7,975	7,975
Balance as of December 31, 2017	56,359	$81,589	$ —	$ 5,290	$ (3,933)	$82,946
Net income		126,652	1			126,653
Partnership distribution declared ($3.595)		(203,197)	(2)			(203,199)
Issuance of limited partnership units related to compensation	205	2,940				2,940
Tax effect of units involved in treasury unit transactions		(2,530)				(2,530)
Foreign currency translation adjustment, net of tax $3,862					17,240	17,240
Cash flow hedging derivative activity, net of tax ($1,094)					8,366	8,366
Reclassification of stranded tax effect		391			(391)	—
Balance as of December 31, 2018	56,564	$5,845	$ (1)	$ 5,290	$ 21,282	$32,416

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

Table of Contents

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

	Years Ended December 31, 2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$126,653	$215,476	$177,688
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	155,529	153,222	131,876
Loss on early debt extinguishment	1,073	23,121	—
Non-cash foreign currency (gain) loss on debt	37,724	(30,912)	(14,771)
Non-cash equity based compensation expense	11,243	13,434	11,878
Non-cash deferred income tax expense (benefit)	11,259	(35,770)	10,662
Other non-cash expenses	16,146	13,516	13,300
Change in operating assets and liabilities:			
(Increase) decrease in receivables	(13,975)	(2,195)	(5,887)
(Increase) decrease in inventories	(1,203)	(3,332)	(1,208)
(Increase) decrease in other assets	148	(40)	(53)
Increase (decrease) in accounts payable	549	1,906	(407)
Increase (decrease) in deferred revenue	21,564	2,964	13,099
Increase (decrease) in accrued interest	(25)	(2,002)	13
Increase (decrease) in accrued taxes	(13,842)	(15,398)	16,888
Increase (decrease) in accrued salaries and wages	149	(8,004)	5,804
Increase (decrease) in self-insurance reserves	(959)	(2,055)	3,026
Increase (decrease) in other liabilities	(1,293)	7,248	(3,561)
Net cash from operating activities	350,740	331,179	358,347
CASH FLOWS FOR INVESTING ACTIVITIES			
Capital expenditures	(189,775)	(188,084)	(160,656)
Sale of preferred equity investment	112	3,281	—
Purchase of identifiable intangible assets	(41)	(66)	(577)
Net cash for investing activities	(189,704)	(184,869)	(161,233)
CASH FLOWS FOR FINANCING ACTIVITIES			
Term debt borrowings	—	750,000	—
Note borrowings	—	500,000	—
Term debt payments	—	(617,850)	(6,000)
Note payments, including amounts paid for early termination	—	(515,458)	—
Distributions paid to partners	(203,199)	(194,756)	(187,182)
Payment of debt issuance costs and original issue discount	(2,543)	(19,809)	—
Exercise of limited partnership unit options	125	65	—
Tax effect of units involved in treasury unit transactions	(2,530)	(4,440)	(422)
Payments related to tax withholding for equity compensation	(8,428)	(4,173)	(920)
Net cash for financing activities	(216,575)	(106,421)	(194,524)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(5,357)	3,640	569
Net increase (decrease) for the year	(60,896)	43,529	3,159
Balance, beginning of year	166,245	122,716	119,557
Balance, end of year	$105,349	$166,245	$122,716

SUPPLEMENTAL INFORMATION

Net cash payments for interest expense	$84,947	$85,975	$82,015
Interest capitalized	2,864	2,524	2,331
Cash payments for income taxes, net of refunds	42,159	55,989	44,502
Capital expenditures in accounts payable	5,083	5,365	5,425

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

Table of Contents

CEDAR FAIR, L.P.
INDEX FOR NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Table of Contents

CEDAR FAIR, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Partnership Organization:
Cedar Fair, L.P. (together with its affiliated companies, the "Partnership") is a Delaware limited partnership that commenced operations in 1983 when it acquired Cedar Point, Inc., and became a publicly traded partnership in 1987. The Partnership's general partner is Cedar Fair Management, Inc., an Ohio corporation (the “General Partner”), whose shares are held by an Ohio trust. The General Partner owns a 0.001% interest in the Partnership's income, losses and cash distributions, except in defined circumstances, and has full responsibility for management of the Partnership. As of December 31, 2018, there were 56,563,933 outstanding limited partnership units listed on The New York Stock Exchange, net of 498,050 units held in treasury. As of December 31, 2017, there were 56,358,792 outstanding limited partnership units listed, net of 703,191 units held in treasury.

The General Partner may, with the approval of a specified percentage of the limited partners, make additional capital contributions to the Partnership, but is only obligated to do so if the liabilities of the Partnership cannot otherwise be paid or there exists a negative balance in its capital account at the time of its withdrawal from the Partnership. The General Partner, in accordance with the terms of the Partnership Agreement, is required to make regular cash distributions on a quarterly basis of all the Partnership's available cash, as defined in the Partnership Agreement. In accordance with the Partnership Agreement and restrictions within the Partnership's Amended 2017 Credit Agreement and prior credit agreements, the General Partner paid $3.595 per limited partner unit in distributions, or approximately $203.2 million in aggregate, in 2018.

(2) Summary of Significant Accounting Policies:
The following policies are used by the Partnership in its preparation of the accompanying consolidated financial statements.

Principles of Consolidation
The consolidated financial statements include the accounts of the Partnership and its subsidiaries, all of which are wholly owned. Intercompany transactions and balances are eliminated in consolidation.

Foreign Currency
The U.S. dollar is the reporting currency for the Partnership and the functional currency for the majority of the Partnership's operations. The financial statements of the Partnership's Canadian subsidiary are measured using the Canadian dollar as its functional currency. Assets and liabilities are translated into U.S. dollars at the appropriate spot rates as of the balance sheet date, while income and expenses are translated at average monthly exchange rates. Translation gains and losses are included as components of accumulated other comprehensive income in partners' equity. Gains or losses from remeasuring foreign currency transactions from the transaction currency to functional currency are included in income. Foreign currency (gains) losses for the periods presented were as follows:

	Years Ended December 31,		
(In thousands)	2018	2017	2016
(Gain) loss on foreign currency related to re-measurement of U.S. dollar denominated debt held in Canada	$37,724	$(30,912)	$(14,771)
(Gain) loss on other transactions	(1,470)	1,826	115
(Gain) loss on foreign currency	$36,254	$(29,086)	$(14,656)

Segment Reporting
Each of the Partnership's parks operates autonomously, and management reviews operating results, evaluates performance and makes operating decisions, including the allocation of resources, on a property-by-property basis. In addition to reviewing and evaluating performance of the business at the individual park level, the structure of the

Partnership's management incentive compensation systems are centered on the operating results of each park as an integrated operating unit. Therefore, each park represents a separate operating segment of the Partnership's business. Although the Partnership manages its parks with a high degree of autonomy, each park offers and markets a similar collection of products and services to similar customers. In addition, the parks all have similar economic characteristics, in that they all show similar long-term growth trends in key industry metrics such as attendance, in-park per capita spending, net revenue, operating costs and operating profit. Therefore, the Partnership operates within a single reportable segment of amusement/water parks with accompanying resort facilities.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during each period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Partnership considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Table of Contents

Inventories
The Partnership's inventories primarily consist of purchased products, such as merchandise and food, for sale to its customers. Inventories are stated at the lower of cost or market using the first-in, first-out (FIFO) or average cost methods of accounting at the park level.

Property and Equipment
Property and equipment are recorded at cost. Expenditures made to maintain such assets in their original operating condition are expensed as incurred, and improvements and upgrades are generally capitalized. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Depreciation expense totaled $154.9 million in 2018, $152.5 million in 2017, and $131.2 million in 2016.

The estimated useful lives of the assets are as follows:

Land improvements	Approximately	25 years
Buildings	25 years	-40 years
Rides	Approximately	20 years
Equipment	3 years	-10 years

Impairment of Long-Lived Assets
Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360 - Property, Plant, and Equipment requires that long-lived assets be 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. An impairment loss may be recognized when estimated undiscounted future cash flows expected to result from the use of the asset, including disposition, are less than the carrying value of the asset. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying amounts of the assets. Fair value is generally determined based on a discounted cash flow analysis. 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.

Goodwill
FASB ASC 350 - Intangibles - Goodwill and Other requires that goodwill be tested for impairment. Goodwill is reviewed annually for impairment, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. All of the Partnership's goodwill is allocated to its reporting units and goodwill impairment tests are performed at the reporting unit level. The Partnership performed its annual goodwill impairment test as of the first days of the fourth quarter for 2018 and 2017, respectively, and concluded there was no impairment of the carrying value of goodwill in either period.

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; the testing for recoverability of a significant asset group within a reporting unit; 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 fair value of a reporting unit is established using a combination of an income (discounted cash flow) approach and market approach. The income approach uses a reporting unit's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions. The projection uses 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, future estimates of capital expenditures and changes in future working capital requirements. A market approach estimates fair value by applying cash flow multiples to the reporting unit's operating performance. The multiples are derived from comparable publicly traded companies with similar operating and investment characteristics of the reporting units. If an impairment is identified, an impairment charge is recognized for the amount by which a reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill.

Other Intangible Assets

The Partnership's other intangible assets consist primarily of trade-names and license and franchise agreements. The Partnership assesses the indefinite-lived trade-names for impairment separately from goodwill. After considering the expected use of the trade-names and reviewing any legal, regulatory, contractual, obsolescence, demand, competitive or other economic factors that could limit the useful lives of the trade-names, in accordance with FASB ASC 350, the Partnership determined that the trade-names had indefinite lives. Pursuant to FASB ASC 350, indefinite-lived intangible assets are reviewed, along with goodwill, annually for impairment or more frequently if impairment indicators arise. A relief-from-royalty model is used to determine whether the fair value of trade-names exceed their carrying amounts. The fair value of the trade-names is determined as the present value of fees avoided by owning the respective trade-name. The Partnership performed its annual impairment test as of the first days of the fourth quarter for 2018 and 2017, respectively, and concluded there was no impairment of the carrying value of these assets in either period. The Partnership's license and franchise agreements are amortized over the life of the agreement, generally ranging from three to twenty years.

Table of Contents

Self-Insurance Reserves

Reserves are recorded for the estimated amounts of guest and employee claims and expenses incurred each period. Reserves are established for both identified claims and incurred but not reported (IBNR) claims. Such amounts are accrued for when claim amounts become probable and estimable. Reserves for identified claims are based upon the Partnership's own historical claims experience and third-party estimates of settlement costs. Reserves for IBNR claims, which are not material to our consolidated financial statements, are based upon the Partnership's own claims data history. All self-insurance reserves are periodically reviewed for changes in facts and circumstances, and adjustments are made as necessary. As of December 31, 2018 and December 31, 2017, the accrued self-insurance reserves totaled $24.0 million and $25.1 million, respectively.

Derivative Financial Instruments

The Partnership is exposed to market risks, primarily resulting from changes in interest rates and currency exchange rates. To manage these risks, it may enter into derivative transactions pursuant to its overall financial risk management program. The Partnership does not use derivative financial instruments for trading purposes.

The Partnership accounts for the use of derivative financial instruments according to FASB ASC 815 - Derivatives and Hedging. As of December 31, 2018, the Partnership had no derivatives designated as cash flow hedges. Instruments that do not qualify for hedge accounting or were de-designated are prospectively adjusted to fair value each reporting period through "Net effect of swaps".

Revenue Recognition and related receivables and contract liabilities

The Partnership adopted Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers ("ASU 2014-09") effective January 1, 2018 using the modified retrospective method. The adoption of the standard did not have a material effect on the consolidated financial statements. The Partnership's accounting policy as a result of adopting ASU 2014-09 is discussed below:

As disclosed within the consolidated statements of operations and comprehensive income, revenues are generated from sales of (1) admission to the Partnership's amusement parks and water parks, (2) food, merchandise and games both inside and outside the parks, and (3) accommodations, extra-charge products, and other revenue sources. Admission revenues include amounts paid to gain admission into the Partnership's parks, including parking fees. Revenues related to extra-charge products, including premium benefit offerings such as front-of-line products, and online transaction fees charged to customers are included in "Accommodations, extra-charge products and other". The following table presents the Partnership's revenues disaggregated by revenues generated within the parks and revenues generated from out-of-park operations less amounts remitted to outside parties under concessionaire arrangements, described below, for the periods presented:

	Years Ended December 31,		
(In thousands)	2018	2017	2016
In-park revenues	$1,235,742	$1,216,698	$1,177,447
Out-of-park revenues	152,216	143,763	146,137
Concessionaire remittance	(39,428)	(38,494)	(34,863)
Net revenues	$1,348,530	$1,321,967	$1,288,721

Due to the Partnership's highly seasonal operations, a substantial portion of the Partnership's revenues are generated during an approximate 130- to 140-day operating season. Most revenues are recognized on a daily basis based on actual guest spend at the properties. Revenues from multi-use products, including season-long products for admission, dining, beverage and other products, are recognized over the estimated number of uses expected for each type of product. The estimated number of uses is reviewed and may be updated periodically during the operating season prior to the ticket or product expiration, which generally occurs no later than the close of the operating season. The number of uses is estimated based on historical usage adjusted for current period trends. For any bundled products that include multiple performance obligations, revenue is allocated using the retail price of each distinct performance obligation and any inherent discounts are allocated based on the gross margin and expected redemption of each performance obligation. The Partnership does not typically provide for refunds or returns.

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

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

Of the $86.1 million of deferred revenue recorded as of January 1, 2018, 88% was related to season-long products. The remainder was related to deferred online transaction fees charged to customers, advanced ticket sales, marina deposits, advanced resort reservations, and other deferred revenue. Deferred revenue outstanding as of January 1, 2018 was recognized by December 31, 2018 with the exception of an immaterial amount of deferred revenue for prepaid products such as gift cards and prepaid games cards. The difference in the opening and closing balances of the Partnership's deferred revenue balance in the current period was attributable to additional season-long product sales during the current year for the 2019 operating season.

Payment is due immediately on the transaction date for most products. The Partnership's receivable balance includes outstanding amounts on installment purchase plans which are offered for season-long products (and other select products for specific time periods), and includes sales to retailers, group sales and catering activities which are billed. Installment purchase plans vary in length from three monthly installments to twelve monthly installments. Payment terms for billings are typically net 30 days. Receivables are highest in the peak summer months and the lowest in the winter months. The Partnership is not exposed to a significant concentration of customer credit risk. As of December 31, 2018 and December 31, 2017, the Partnership recorded a $2.6 million and $2.2 million allowance for doubtful accounts, respectively, representing estimated defaults on installment purchase plans. The default estimate is calculated using the historical default rate adjusted for current period trends. The allowance for doubtful accounts is recorded as a reduction of deferred revenue to the extent revenue has not been recognized on the corresponding season-long products.

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

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

Advertising Costs
Production costs of commercials and programming are expensed in the year first aired. All other costs associated with advertising, promotion and marketing programs are expensed as incurred, or for certain costs, over each park's operating season. Advertising expense totaled $65.5 million in 2018, $63.9 million in 2017 and $60.8 million in 2016. Certain prepaid costs incurred through year-end for the following year's advertising programs are included in Other current assets.

Equity-Based Compensation
The Partnership accounts for equity-based compensation in accordance with FASB ASC 718 - Compensation - Stock Compensation which requires measurement of compensation cost for all equity-based awards at fair value on the date of grant and recognition of compensation over the service period for awards expected to vest. The Partnership recognizes forfeitures as they occur.

Income Taxes
The Partnership's legal entity structure includes both partnerships and corporate subsidiaries. As a publicly traded partnership, the Partnership is subject to an entity-level tax (the "PTP tax"). Accordingly, the Partnership itself is not

subject to corporate income taxes; rather, the Partnership's tax attributes (except those of the corporate subsidiaries) are included in the tax returns of its partners. The Partnership's corporate subsidiaries are subject to entity-level income taxes.

Neither the Partnership's financial reporting income, nor the cash distributions to unitholders, can be used as a substitute for the detailed tax calculations that the Partnership must perform annually for its partners. Net income from the Partnership is not treated as passive income for federal income tax purposes. As a result, partners subject to the passive activity loss rules are not permitted to offset income from the Partnership with passive losses from other sources.

The Partnership's corporate subsidiaries account for income taxes under the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future book and tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are determined using enacted tax rates expected to apply in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax law is recognized in income at the time of enactment of such change in tax law. Any interest or penalties due for payment of income taxes are included in the provision for income taxes. The Partnership's total provision for taxes includes PTP taxes owed (see Note 9 to the Consolidated Financial Statements).

Table of Contents

Earnings Per Unit

For purposes of calculating the basic and diluted earnings per limited partner unit, no adjustments have been made to the reported amounts of net income. The unit amounts used in calculating the basic and diluted earnings per limited partner unit for the years ended December 31, 2018, 2017 and 2016 are as follows:

	Years Ended December 31,		
	2018	2017	2016
	(In thousands, except per unit amounts)		
Basic weighted average units outstanding	56,212	56,061	55,933
Effect of dilutive units:			
Deferred units (Note 7)	48	42	31
Performance units (Note 7)	135	188	181
Restricted units (Note 7)	312	324	288
Unit options (Note 7)	153	185	129
Diluted weighted average units outstanding	56,860	56,800	56,562
Net income per unit - basic	$2.25	$ 3.84	$ 3.18
Net income per unit - diluted	$2.23	$ 3.79	$ 3.14

The effect of out-of-the-money and/or antidilutive unit options, had they not been out of the money or antidilutive, would have been immaterial in all periods presented.

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases ("ASU 2016-02"). The ASU requires the recognition of lease assets and lease liabilities within the balance sheet by lessees for operating leases, as well as requires additional disclosures in the consolidated financial statements regarding the amount, timing, and uncertainty of cash flows arising from leases. The ASU does not significantly change the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee, nor does the ASU change the accounting applied by a lessor. ASU 2016-02 is effective for annual and interim periods beginning after December 15, 2018. The ASU can be adopted using either the modified retrospective approach, which requires application of the new standard at the beginning of the earliest comparative period presented, or the comparative reporting approach allowable under ASU 2018-11, which requires application of the new standard at the adoption date. The Partnership adopted this standard in the first quarter of 2019 using the comparative reporting approach. The Partnership elected not to reassess: whether any expired or existing contracts are or contain leases; the lease classification of any expired or existing leases; and the initial direct costs for any existing leases. The adoption of the standard is expected to result in the recognition of right-of-use assets and corresponding lease liabilities between $65.0 million and $75.0 million for the Partnership's Santa Clara land lease, as well as other operating leases.

Other Adopted Accounting Pronouncements

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

In August 2018, the FASB issued Accounting Standards Update No. 2018-15, Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract ("ASU 2018-15"). The ASU aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The capitalized implementation costs of a hosting arrangement that is a service contract will be expensed over the term of the hosting arrangement. ASU 2018-15 is effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted, including adoption in any interim period. The amendments can be applied either retrospectively or prospectively to all implementation costs incurred after the adoption date. The Partnership adopted this standard in the third quarter of 2018 using the prospective method. The Partnership anticipates the standard to lengthen the timing of expense recognition associated with upcoming cloud-based projects.

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

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. 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 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 (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 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.

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

Table of Contents

(4) Goodwill and Other Intangible Assets:
Goodwill and other indefinite-lived intangible assets, including trade-names are reviewed for impairment annually, or more frequently if indicators of impairment exist. The Partnership performed its annual impairment test as of the first days of the fourth quarter in 2018 and 2017, respectively, and concluded there was no impairment of the carrying value of goodwill or other indefinite-lived intangible assets in either period.

A summary of changes in the Partnership's carrying value of goodwill for the years ended December 31, 2018 and December 31, 2017 is as follows:

(In thousands)	Goodwill (gross)	Accumulated Impairment Losses	Goodwill (net)
Balance as of December 31, 2016	$259,528	$ (79,868)	$179,660
Foreign currency exchange translation	4,170	—	4,170
Balance as of December 31, 2017	263,698	(79,868)	183,830
Foreign currency exchange translation	(5,111)	—	(5,111)
Balance as of December 31, 2018	$258,587	$ (79,868)	$178,719

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

(In thousands)	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
December 31, 2018				
Other intangible assets:				
Trade names	—	$ 35,394	$ —	$ 35,394
License / franchise agreements	6.9 years	3,379	(2,397)	982
Total other intangible assets		$ 38,773	$ (2,397)	$ 36,376
December 31, 2017				
Other intangible assets:				
Trade names	—	$ 36,531	$ —	$ 36,531
License / franchise agreements	5.9 years	3,360	(1,827)	1,533
Total other intangible assets		$ 39,891	$ (1,827)	$ 38,064

Amortization expense of other intangible assets for 2018, 2017 and 2016 was immaterial and is expected to be immaterial going forward.

(5) Long-Term Debt:
Long-term debt as of December 31, 2018 and December 31, 2017 consisted of the following:

(In thousands)	December 31, 2018	December 31, 2017
Term debt [(1)]		
April 2017 U.S. term loan averaging 3.83% in 2018; 3.43% in 2017 (due 2017-2024)	$ 735,000	$ 735,000
Notes		
April 2017 U.S. fixed rate notes at 5.375% (due 2027)	500,000	500,000
June 2014 U.S. fixed rate notes at 5.375% (due 2024)	450,000	450,000
	1,685,000	1,685,000
Less current portion	(5,625)	—
	1,679,375	1,685,000

Less debt issuance costs and original issue discount	(21,807)	(24,485)
	$ 1,657,568	$ 1,660,515

(1) The average interest rates do not reflect the effect of interest rate swap agreements (see Note 6 to the Consolidated Financial Statements).

In April 2017, the Partnership issued $500 million of 5.375% senior unsecured notes ("April 2017 notes"), maturing in 2027. The net proceeds from the offering of the April 2017 notes, together with borrowings under the 2017 Credit Agreement (defined below), were used to redeem all

Table of Contents

of the Partnership's 5.25% senior unsecured notes due 2021 ("March 2013 notes"), and pay accrued interest and transaction fees and expenses, to repay in full all amounts outstanding under its existing credit facilities and for general corporate purposes. The redemption of the March 2013 notes and repayments of the amounts outstanding under the existing credit facilities resulted in the write-off of debt issuance costs of $7.7 million and debt premium payments of $15.5 million. Accordingly, the Partnership recorded a loss on debt extinguishment of $23.1 million during the year ended December 31, 2017.

Concurrently with the April 2017 notes issuance, the Partnership amended and restated its existing $885 million credit agreement (the "2013 Credit Agreement"), which included a $630 million senior secured term loan facility and a $255 million senior secured revolving credit facility. The $1,025 million amended and restated credit agreement (the "2017 Credit Agreement") includes a $750 million senior secured term loan facility and a $275 million senior secured revolving credit facility. The 2017 Credit Agreement was amended on March 14, 2018 (subsequently referred to as the "Amended 2017 Credit Agreement"). Specifically, the interest rate for the senior secured term loan facility was amended to London InterBank Offered Rate ("LIBOR") plus 175 basis points (bps). The pricing terms for the amendment reflected $0.9 million of Original Issue Discount ("OID") and resulted in the write-off of debt issuance costs of $1.1 million which was recorded as a loss on early debt extinguishment during the first quarter of 2018. The senior secured term loan facility matures April 15, 2024. The facilities provided under the Amended 2017 Credit Agreement are collateralized by substantially all of the assets of the Partnership.

Revolving Credit Loans

The senior secured revolving credit facility under the Amended 2017 Credit Agreement has a combined limit of $275 million with a Canadian sub-limit of $15 million. Borrowings under the revolving credit facility bear interest at LIBOR or Canadian Dollar Offered Rate ("CDOR") plus 200 bps. The revolving credit facility is scheduled to mature in April 2022 and also provides for the issuance of documentary and standby letters of credit. As of December 31, 2018, no borrowings under the revolving credit facility were outstanding and standby letters of credit totaled $15.4 million. After letters of credit, the Partnership had $259.6 million of available borrowings under its revolving credit facility as of December 31, 2018. The maximum outstanding revolving credit facility balance during 2018 was $60 million. The Amended 2017 Credit Agreement requires the payment of a 37.5 bps commitment fee per annum on the unused portion of the credit facilities.

Term Debt

The $750 million senior secured term loan facility under the Amended 2017 Credit Agreement has a maturity date of April 15, 2024 and an interest rate of LIBOR plus 175 bps. The term loan amortizes at $7.5 million annually. The minimum maturities of term debt under the Amended 2017 Credit Agreement are as follows:

(In thousands)	2019	2020	2021	2022	2023	2024 & Beyond	Total
April 2017 U.S. term loan averaging 3.83% in 2018; 3.43% in 2017 (due 2017-2024)	$5,625	$7,500	$7,500	$7,500	$7,500	$699,375	$735,000

As of December 31, 2018, there were $5.6 million of current maturities outstanding. The Partnership may prepay some or all of its term debt without premium or penalty at any time.

Notes

The April 2017 notes pay interest semi-annually in April and October, with the principal due in full on April 15, 2027. Prior to April 15, 2020, up to 35% of the notes may be redeemed with the net cash proceeds of certain equity offerings at a price equal to 105.375% of the principal amount thereof, together with accrued and unpaid interest and additional interest, if any. The notes may be redeemed, in whole or in part, at any time prior to April 15, 2022 at a price equal to 100% of the principal amount of the notes redeemed plus a "make-whole" premium together with accrued and unpaid interest and additional interest, if any, to the redemption date. Thereafter, the notes may be redeemed, in whole or in part, at various prices depending on the date redeemed.

Cedar Fair, L.P., Canada's Wonderland Company ("Cedar Canada"), Magnum Management Corporation ("Magnum"), and Millennium Operations LLC ("Millennium") are the co-issuers of the April 2017 notes and co-borrowers of the senior secured credit facilities. Both the notes and senior secured credit facilities have been fully and unconditionally guaranteed, on a joint and several basis, by each 100% owned subsidiary of Cedar Fair (other than Cedar Canada, Magnum and Millennium). There are no non-guarantor subsidiaries.

In June 2014, the Partnership issued $450 million of 5.375% senior unsecured notes ("June 2014 notes"). The June 2014 notes pay interest semi-annually in June and December, with the principal due in full on June 1, 2024. The notes may be redeemed, in whole or in part, at any time prior to June 1, 2019 at a price equal to 100% of the principal amount of the notes redeemed 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.

Cedar Fair, L.P., Canada’s Wonderland Company ("Cedar Canada"), and Magnum Management Corporation ("Magnum") are the co-issuers of the June 2014 notes. The June 2014 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). There are no non-guarantor subsidiaries.

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.

Table of Contents

Covenants

The Amended 2017 Credit Agreement includes a Consolidated Leverage Ratio, which if breached for any reason and not cured could result in an event of default. The ratio is set at a maximum of 5.50x Consolidated Total Debt-to-Consolidated EBITDA. As of December 31, 2018, the Partnership was in compliance with this financial condition covenant and all other financial covenants under the Amended 2017 Credit Agreement.

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

(6) Derivative Financial Instruments:

Derivative financial instruments are used within the Partnership’s overall risk management program to manage certain interest rate and foreign currency risks. By utilizing a derivative instrument to hedge exposure to LIBOR rate changes, the Partnership is exposed to counterparty credit risk, in particular the failure of the counterparty to perform under the terms of the derivative contract. To mitigate this risk, hedging instruments are placed with a counterparty that the Partnership believes poses minimal credit risk. The Partnership does not use derivative financial instruments for trading purposes.

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

(In thousands)	December 31, 2018	December 31, 2017
Derivatives not designated as hedging instruments:		
Interest rate swaps	$ (6,705)	$ (8,722)

Instruments that do not qualify for hedge accounting or were de-designated are prospectively adjusted to fair value each reporting period through "Net effect of swaps" within the consolidated statements of operations and comprehensive income. The amounts that were previously recorded as a component of AOCI prior to de-designation are reclassified to earnings, and a corresponding realized gain or loss is recognized when the forecasted cash flow occurs. As a result of the first quarter 2016 amendments, the previously existing interest rate swap agreements were de-designated, and the amounts previously recorded in AOCI were amortized into earnings through the original December 31, 2018 maturity. Therefore, all losses in AOCI related to the effective cash flow hedge contracts prior to de-designation have been reclassified to earnings as of December 31, 2018.

The (gains) losses recognized in income on derivatives not designated as cash flow hedges were recorded in "Net effect of swaps" within the income statement for the periods presented as follows:

	Years Ended December 31,		
(In thousands)	2018	2017	2016
Change in fair market value	$(2,017)	$(9,504)	$(9,868)
Amortization of amounts in AOCI	9,459	9,459	8,671
Net effect of swaps	$7,442	$(45)	$(1,197)

42

Table of Contents

(7) Partners' Equity and Equity-Based Compensation:
Special L.P. Interests
In accordance with the Partnership Agreement, certain partners were allocated $5.3 million of 1987 and 1988 taxable income (without any related cash distributions) for which they received Special L.P. Interests. The Special L.P. Interests do not participate in cash distributions and have no voting rights. However, the holders of Special L.P. Interests will receive in the aggregate $5.3 million upon liquidation of the Partnership.

Equity-Based Incentive Plan
The 2016 Omnibus Incentive Plan was approved by the Partnership's unitholders in June 2016 and allows the awarding of up to 2.8 million unit options and other forms of equity as determined by the Compensation Committee of the Board of Directors as an element of compensation to senior management and other key employees. The 2016 Omnibus Incentive Plan superseded the 2008 Omnibus Incentive Plan which was approved by the Partnership's unitholders in May 2008 and allowed the awarding of up to 2.5 million unit options and other forms of equity. Outstanding awards under the 2008 Omnibus Incentive Plan continue to be in effect and are governed by the terms of that plan. The 2016 Omnibus Incentive Plan provides an opportunity for officers, directors, and eligible persons to acquire an interest in the growth and performance of the Partnership's units and provides employees annual and long-term incentive awards as determined by the Board of Directors. Under the 2016 Omnibus Incentive Plan, the Compensation Committee of the Board of Directors may grant unit options, unit appreciation rights, restricted units, performance awards, other unit awards, cash incentive awards and unrestricted unit awards. The awards granted by the Compensation Committee fall into two categories, Awards Payable in Cash or Equity, and Awards Payable in Equity. The impact of these awards is more fully described below.

Equity-based compensation expense recognized in the consolidated statements of operations and comprehensive income within "Selling, General and Administrative Expense" for the applicable periods was as follows:

	Years Ended December 31,		
(In thousands)	2018	2017	2016
Awards Payable in Cash or Equity			
Performance units	$—	$507	$4,586
Deferred units	(266)	627	993
Awards Payable in Equity			
Performance units	5,413	8,822	7,519
Restricted units	5,830	4,612	3,856
Unit Options	—	—	5
Total equity-based compensation expense	$10,977	$14,568	$16,959

Awards Payable in Cash or Equity

Performance Units
During the year ended December 31, 2018, no performance units payable in cash or equity were awarded. The number of performance units issuable under these awards are contingently based upon certain performance targets over a three-year period and these awards can be settled with cash, limited partnership units, or a combination of both as determined by the Compensation Committee, after the end of the performance period. Certain of these types of performance units were awarded in prior years. The effect of these outstanding performance unit awards for which the performance condition had been met has been included in the diluted earnings per unit calculation, as a portion of the awards were paid in limited partnership units. The effect of these outstanding performance unit awards for which the performance condition had not been met has been excluded from the diluted earnings per unit calculation. The Partnership had settled all outstanding performance unit awards payable in cash or equity in 2017.

Deferred Units

(In thousands, except per unit amounts)	Number of Units	Weighted Average Grant Date Fair Value Per Unit
Outstanding deferred units at December 31, 2017	44	$ 55.41
Granted [(1)]	12	$ 49.35
Forfeited	—	—
Vested	—	—
Outstanding deferred units at December 31, 2018	56	$ 54.21

(1) Includes 3 distribution-equivalent units

Deferred unit awards vest over a one-year period and the settlement of these units is deferred until the individual's service to the Partnership ends. The deferred units begin to accumulate distribution-equivalents upon vesting and are paid when the restriction ends. The effect of

Table of Contents

outstanding deferred unit awards has been included in the diluted earnings per unit calculation, as a portion of the awards are expected to be settled in limited partnership units. As of December 31, 2018, the market value of the deferred units was $2.6 million, was classified as current and was recorded within "Other accrued liabilities" within the consolidated balance sheet. As of December 31, 2018, there was no unamortized expense related to unvested deferred unit awards as all units were fully vested.

Awards Payable in Equity

Performance Units

(In thousands, except per unit amounts)	Number of Units	Weighted Average Grant Date Fair Value Per Unit
Unvested performance units at December 31, 2017	532	$ 57.18
Granted [(1)]	122	$ 52.56
Forfeited	(58)	$ 59.10
Vested	(217)	$ 54.63
Unvested performance units at December 31, 2018	379	$ 56.86

(1) Includes 18 forfeitable distribution-equivalent units

The number of performance units issuable under these awards are contingently based upon certain performance targets over a three-year vesting period. The annual performance awards and the related forfeitable distribution-equivalent units, generally are paid out in the first quarter following the performance period in limited partnership units. The effect of these types of outstanding performance unit awards, for which the performance conditions have been met, have been included in the diluted earnings per unit calculation. The number of units vested in 2018 include 62,117 retention grant units. Vesting of the retention grant unit award followed a three-year performance period. Half of the retention grant unit award vested in December 2017 and the remaining half of the award vested in December 2018. The forfeitable distribution equivalents for the retention grant units are payable in cash at the same time. As of December 31, 2018, $1.0 million of forfeitable distribution equivalents were accrued prior to payment in early January 2019, classified as current and recorded within "Other accrued liabilities" within the consolidated balance sheet.

As of December 31, 2018, unamortized compensation expense related to these unvested performance unit awards was $9.6 million, which is expected to be amortized over a weighted average period of 2.3 years. The fair value of the performance units is based on the unit price the day before the date of grant along with reinvested forfeitable distribution-equivalent units. The Partnership assesses the probability of the performance targets being met and may reverse prior period expense or recognize additional expense accordingly.

Restricted Units

(In thousands, except per unit amounts)	Number of Units	Weighted Average Grant Date Fair Value Per Unit
Unvested restricted units at December 31, 2017	252	$ 59.75
Granted	130	$ 53.62

Forfeited	(5)	$ 60.74
Vested	(67)	$ 56.59
Unvested restricted units at December 31, 2018	310	$ 57.85

The majority of the restricted units vest over a three-year period, and the restrictions on these units lapse upon vesting. In addition, of the unvested restricted units at December 31, 2018, 32,154 units vest following a two-year cliff vesting period and 85,645 units vest following a three-year cliff vesting period. During the vesting period for restricted unit awards, the units accumulate forfeitable distribution-equivalents, which, when the units are fully vested, are payable in cash. As of December 31, 2018, the amount of forfeitable distribution equivalents accrued totaled $1.4 million; $0.5 million of which was classified as current and recorded within "Other accrued liabilities" within the consolidated balance sheet and $0.9 million of which was classified as non-current and recorded within "Other Liabilities".

As of December 31, 2018, unamortized compensation expense, determined as the market value of the units on the day before the date of grant, related to unvested restricted unit awards was $10.9 million, which is expected to be amortized over a weighted average period of 2.1 years.

Table of Contents

Unit Options

(In thousands, except per unit amounts)	Unit Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Options outstanding at December 31, 2017	374	$ 34.55		
Exercised	(6)	36.95		
Options outstanding at December 31, 2018	368	$ 34.51		
Options exercisable, end of year	368	$ 34.51	3.8 years	$ 4,707

The Partnership's unit options are issued with an exercise price no less than the market closing price of the Partnership's units on the day before the date of grant. Outstanding unit options vest over a three-year period and have a maximum term of ten years. As of December 31, 2018, the Partnership had 368,091 fixed-price unit options outstanding under the 2008 Omnibus Incentive Plan. No options have been granted under the 2016 Omnibus Incentive Plan.

The range of exercise prices of unit options outstanding was $29.53 to $36.95 as of December 31, 2018. The total intrinsic value of unit options exercised during the years ended December 31, 2018, 2017 and 2016 were $0.2 million, $0.7 million, and $2.8 million, respectively.

The Partnership has a policy of issuing limited partnership units from treasury to satisfy unit option exercises and expects its treasury unit balance to be sufficient for 2019 based on estimates of unit option exercises for that period.

(8) Retirement Plans:
The Partnership has trusteed, noncontributory retirement plans for the majority of its full-time employees. Contributions are discretionary and amounts accrued were approximately $4.2 million, $4.0 million and $4.2 million for the years ended December 31, 2018, 2017 and 2016, respectively. Additionally, the Partnership has a trusteed, contributory retirement plan for the majority of its full-time employees. This plan permits employees to contribute specified percentages of their salary, matched up to a limit by the Partnership. Matching contributions, net of forfeitures, approximated $2.6 million, $2.6 million and $2.4 million for the years ended December 31, 2018, 2017 and 2016, respectively.

In addition, approximately 240 employees are covered by union-sponsored, multi-employer pension plans for which approximately $1.8 million, $1.8 million and $1.7 million were contributed for the years ended December 31, 2018, 2017 and 2016, respectively. The Partnership has no plans to withdraw from any of the multi-employer plans. The Partnership believes that the liability resulting from any such withdrawal, as defined by the Multi-employer Pension Plan Amendments Act of 1980, would not be material.

Table of Contents

(9) Income and Partnership Taxes:
Federal and state tax legislation in 1997 provided a permanent income tax exemption to existing publicly traded partnerships (PTP), such as Cedar Fair, L.P., with a PTP tax levied on partnership gross income (net revenues less cost of food, merchandise and games) beginning in 1998. In addition, 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 that represent future tax consequences of events that have been recognized differently in the financial statements than for tax purposes. As such, the Partnership's "Provision for taxes" includes amounts for both the PTP tax and for income taxes on the Partnership's corporate subsidiaries.

The Partnership's 2018 tax provision totaled $34.7 million, which consisted of an $11.6 million provision for the PTP tax and a $23.1 million provision for income taxes. This compares with the Partnership's 2017 tax provision of $1.1 million, which consisted of an $11.1 million provision for the PTP tax and a $10.0 million benefit for income taxes, and the 2016 tax provision of $71.4 million, which consisted of an $11.4 million provision for the PTP tax and a $60.0 million provision for income taxes. The calculation of the tax provision involves significant estimates and assumptions and actual results could differ from those estimates.

Significant components of income before taxes for the years ended December 31, 2018, 2017 and 2016 were as follows:

(In thousands)	2018	2017	2016
Domestic	$185,749	$171,382	$223,626
Foreign	(24,353)	45,206	25,480
Total income before taxes	$161,396	$216,588	$249,106

The provision (benefit) for income taxes was comprised of the following for the years ended December 31, 2018, 2017 and 2016:

(In thousands)	2018	2017	2016
Income taxes:			
Current federal	$2,682	$18,640	$40,440
Current state and local	4,901	4,631	5,729
Current foreign	4,301	2,501	3,188
Total current	11,884	25,772	49,357
Deferred federal, state and local	15,525	(41,133)	5,766
Deferred foreign	(4,266)	5,363	4,896
Total deferred	11,259	(35,770)	10,662
Total provision (benefit) for income taxes	$23,143	$(9,998)	$60,019

The provision (benefit) for income taxes for the Partnership's corporate subsidiaries differs from the amount computed by applying the U.S. federal statutory income tax rate of 21% to the Partnership's income before taxes in 2018 (35% in 2017 and 2016).

The sources and tax effects of the differences were as follows:

(In thousands)	2018	2017	2016
Income tax provision based on the U.S. federal statutory tax rate	$33,893	$75,806	$87,187
Partnership income not includible in corporate income	(16,403)	(23,644)	(38,702)
State and local taxes, net of federal income tax benefit	5,278	4,878	6,323
Valuation allowance	2,321	(119)	(1,473)
Tax credits	(1,300)	(1,063)	(1,066)
Change in U.S. tax law	(8,730)	(54,171)	7,366
Foreign currency translation (gains) losses	7,949	(10,756)	—

Nondeductible expenses and other	135	(929)	384
Total provision (benefit) for income taxes	$23,143	$(9,998)	$60,019

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Table of Contents

Significant components of deferred tax assets and liabilities as of December 31, 2018 and December 31, 2017 were as follows:

(In thousands)	2018	2017
Deferred tax assets:		
Compensation	$5,899	$9,022
Accrued expenses	3,932	4,647
Foreign tax credits	8,758	8,654
Tax attribute carryforwards	2,321	2,016
Derivatives	1,478	938
Foreign currency	8,965	5,443
Deferred revenue	2,521	2,653
Deferred tax assets	33,874	33,373
Valuation allowance	(6,410)	(4,088)
Net deferred tax assets	27,464	29,285
Deferred tax liabilities:		
Property	(94,847)	(91,730)
Intangibles	(14,334)	(12,353)
Deferred tax liabilities	(109,181)	(104,083)
Net deferred tax liability	$(81,717)	$(74,798)

The Partnership records a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion, or all, of a deferred tax asset will not be realized. The need for this allowance is based on several factors including the ten-year carryforward period allowed for excess foreign tax credits, experience to date of foreign tax credit limitations, and management's long term estimates of domestic and foreign source income.

As of December 31, 2018, the Partnership had recorded a $6.4 million valuation allowance related to an $8.8 million deferred tax asset for foreign tax credit carryforwards. During the fourth quarter of 2018, the Partnership recognized a $2.3 million increase in the valuation allowance based on management's updated projection of future foreign tax credit utilization. The valuation allowance had previously been reduced by $0.1 million for the year ended December 31, 2017.

Tax law changes resulted in a tax benefit of $8.7 million in 2018, a tax benefit of $54.2 million in 2017 and a tax provision of $7.4 million in 2016. First, during October 2017, the U.S. Department of Treasury extended the implementation date of the final regulations impacting the recognition of foreign currency gains and losses for the purpose of calculating U.S. taxable income. The regulations change the taxability of future recognized foreign currency gains and losses upon repatriation from a foreign subsidiary. Accordingly, during 2018, 2017 and 2016, the Partnership, using the Fresh Start Transition Method provided in the regulations, recomputed and recorded the future reported tax consequences of the change in tax law. The Partnership recognized an increase in provision for taxes and a reduction of deferred tax assets related to these changes of $1.2 million for the year ended December 31, 2018, $1.1 million for the year ended December 31, 2017 and $7.4 million for the year ended December 31, 2016. Second, on December 22, 2017, the Tax Cuts and Jobs Act (the "Act"), was signed into law. The Act included numerous tax law changes, including a reduction in the federal corporate income tax rate from 35% to 21%. Since the Partnership's corporate subsidiaries have a March tax year end, the applicable tax rate for the tax year ended March 25, 2018 was a 31.8% blended rate that was based on the applicable statutory rates and the number of days in each period within the taxable year before and after the effective date of the change in tax rate. For tax years following March 2018, the applicable tax rate will be 21%. As a result of the reduction in the federal corporate income tax rate, the Partnership recognized an $8.6 million and $6.1 million current income tax benefit for the years ended December 31, 2018 and December 31, 2017, respectively. The $8.6 million current income tax benefit for 2018 was attributable to the higher blended rate applied to net losses in the first quarter of 2018. The change in tax rates also required the remeasurement of deferred tax balances that are expected to be realized following enactment using the applicable tax rates. As a result of the remeasurement of the net deferred tax liability, the Partnership realized a provisional $49.2 million deferred tax benefit for the year ended December 31, 2017. An additional $1.3 million deferred tax benefit was realized for the year ended December 31, 2018 reflecting the adjustment from our 2017 provisional amount under SAB 118 to the final impact of the Act recorded in the fourth quarter of 2018.

As of December 31, 2018, the Partnership had $2.3 million of tax attribute carryforwards consisting entirely of the tax effect of state net operating loss carryforwards. Unused state net operating loss carryforwards will expire from 2019 to 2028. The Partnership expects to fully realize these tax attribute carryforwards. As such, no valuation allowance has been recorded relating to these tax attribute carryforwards.

The Partnership has recorded a deferred tax liability of $0.5 million as of December 31, 2018 to account for foreign currency translation adjustments and a deferred tax liability of $3.2 million as of December 31, 2017 to account for the tax effect of derivatives and foreign currency translation adjustments included in other comprehensive income.

The Partnership's unrecognized tax benefits, including accrued interest and penalties, were not material in any year presented. The Partnership recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense.

Table of Contents

The Partnership and its corporate subsidiaries are subject to taxation in the U.S., Canada and various state and local jurisdictions. The tax returns of the Partnership are subject to examination by state and federal tax authorities. With few exceptions, the Partnership and its corporate subsidiaries are no longer subject to examination by the major taxing authorities for tax years before 2014.

(10) Operating Lease Commitments and Contingencies:

Operating Lease Commitments

The Partnership has commitments under various operating leases at its parks. Future minimum lease payments under non-cancelable operating leases as of December 31, 2018 were as follows:

(In thousands)	Future Minimum Lease Payments
Year:	
2019	$ 7,563
2020	6,494
2021	5,742
2022	5,438
2023	5,366
Thereafter	85,689
Total	$ 116,292

The amounts above include the land lease at California's Great America which is renewable in 2039 and includes a right of first refusal clause. Lease expense, which includes short-term rentals for equipment and machinery, for the years ended December 31, 2018, 2017 and 2016 totaled $16.5 million, $14.8 million and $12.8 million, respectively.

During November 2018, the Partnership exercised its right of first refusal under the Santa Clara land lease to purchase the land at California's Great America from the lessor, the City of Santa Clara, for $150 million. The Partnership is in the process of negotiating a purchase agreement to acquire the land, which will be subject to the approval of the Successor Agency to the Redevelopment Agency of the City of Santa Clara and the Oversight Board for Successor Agency to the City of Santa Clara Redevelopment Agency and certain other conditions. The Partnership also is evaluating different options to finance the purchase. If the Partnership acquires the land, following the purchase, the Partnership anticipates the remaining operating lease commitments would be immaterial to the consolidated financial statements.

Contingencies

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, beyond what has been disclosed within this Form 10-K, are expected to have a material effect in the aggregate on the Partnership's financial statements.

Table of Contents

(11) Fair Value Measurements:
The FASB's Accounting Standards Codification (ASC) 820 - Fair Value Measurements and Disclosures emphasizes that fair value is a market-based measurement that should be determined based on assumptions (inputs) that market participants would use in pricing an asset or liability. Inputs may be observable or unobservable, and valuation techniques used to measure fair value should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Accordingly, FASB ASC 820 establishes a hierarchal disclosure framework that ranks the quality and reliability of information used to determine fair values. The hierarchy is associated with the level of pricing observability utilized in measuring fair value and defines three levels of inputs to the fair value measurement process. Quoted prices are the most reliable valuation inputs, whereas model values that include inputs based on unobservable data are the least reliable. Each fair value measurement must be assigned to a level corresponding to the lowest level input that is significant to the fair value measurement in its entirety.

The three broad levels of inputs defined by the fair value hierarchy are as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The table below presents the balances of assets and liabilities measured at fair value as of December 31, 2018 and December 31, 2017 on a recurring basis as well as the fair values of other financial instruments:

(In thousands)	Consolidated Balance Sheet Location	Fair Value Hierarchy Level	December 31, 2018		December 31, 2017	
			Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets (liabilities) measured on a recurring basis:						
Short-term investments	Other current assets	Level 1	$511	$511	$736	$736
Interest rate swaps	Derivative Liability	Level 2	$(6,705)	$(6,705)	$(8,722)	$(8,722)
Other financial assets (liabilities):						
April 2017 term debt	Long-Term Debt (1)	Level 2	$(729,375)	$(707,494)	$(735,000)	$(742,350)
April 2017 notes	Long-Term Debt (1)	Level 1 (2)	$(500,000)	$(475,000)	$(500,000)	$(525,000)
June 2014 notes	Long-Term Debt (1)	Level 1	$(450,000)	$(441,000)	$(450,000)	$(469,125)

(1) Carrying values of long-term debt balances are before reductions of debt issuance costs and original issue discount of $21.8 million and $24.5 million as of December 31, 2018 and December 31, 2017, respectively.

(2) The April 2017 notes were based on Level 1 inputs as of December 31, 2018 and Level 2 inputs as of December 31, 2017.

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

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

The carrying value of cash and cash equivalents, accounts receivable, current portion of term debt, accounts payable, and accrued liabilities approximates fair value because of the short maturity of these instruments. There were no assets measured at fair value on a non-recurring basis as of December 31, 2018.

Table of Contents

(12) Changes in Accumulated Other Comprehensive Income ("AOCI"):
The following tables reflect the changes in accumulated other comprehensive income (loss) related to limited partners' equity for the years ended December 31, 2018, December 31, 2017 and December 31, 2016:
Changes in Accumulated Other Comprehensive Income by Component

(In thousands)	Losses on Cash Flow Hedges	Foreign Currency Translation	Total
Balance as of December 31, 2015	$(19,300)	$ 22,591	$3,291
Other comprehensive income before reclassifications, net of tax $711 and $2,127	(3,960)	(3,700)	(7,660)
Amounts reclassified from accumulated other comprehensive income, net of tax ($1,361)	7,310	—	7,310
Balance as of December 31, 2016	$(15,950)	$ 18,891	$2,941
Other comprehensive income before reclassifications, net of tax ($4,330)	—	(14,849)	(14,849)
Amounts reclassified from accumulated other comprehensive income, net of tax ($1,484)	7,975	—	7,975
Balance as of December 31, 2017	$(7,975)	$ 4,042	$(3,933)
Other comprehensive income before reclassifications, net of tax $3,862	—	17,240	17,240
Amounts reclassified from accumulated other comprehensive income, net of tax ($1,094)	8,366	—	8,366
Reclassification of stranded tax effect	(391)	—	(391)
Balance as of December 31, 2018	$—	$ 21,282	$21,282

Reclassifications Out of Accumulated Other Comprehensive Income

(In thousands)	Affected Income Statement Location	Years Ended December 31,		
AOCI Component		2018	2017	2016
Interest rate contracts	Net effect of swaps	$9,460	$9,459	$8,671
Provision for taxes	Provision for taxes	(1,094)	(1,484)	(1,361)
Losses on cash flow hedges	Net of tax	$8,366	$7,975	$7,310

Table of Contents

(13) Consolidating Financial Information of Guarantors and Issuers of June 2014 Notes:
Cedar Fair, L.P., Canada's Wonderland Company ("Cedar Canada"), and Magnum Management Corporation ("Magnum") are the co-issuers of the Partnership's June 2014 Notes (see Note 5 to the Consolidated Financial Statements). 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 December 31, 2018 and December 31, 2017 and for the years ended December 31, 2018, December 31, 2017, and December 31, 2016. In lieu of providing separate audited financial statements for the guarantor subsidiaries, the accompanying condensed consolidating financial statements have been included.

Table of Contents

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2018
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$—	$—	$ 73,326	$ 32,715	$(692)	$ 105,349
Receivables	—	1,093	34,497	938,397	(922,469)	51,518
Inventories	—	—	2,135	28,618	—	30,753
Other current assets	179	1,411	5,462	10,544	(5,007)	12,589
	179	2,504	115,420	1,010,274	(928,168)	200,209
Property and Equipment, net	—	802	172,344	1,426,292	—	1,599,438
Investment in Park	601,706	1,182,345	262,462	218,575	(2,265,088)	—
Goodwill	674	—	58,440	119,605	—	178,719
Other Intangibles, net	—	—	13,030	23,346	—	36,376
Deferred Tax Asset	—	18,224	—	—	(18,224)	—
Other Assets	—	—	36	9,405	—	9,441
	$602,559	$ 1,203,875	$ 621,732	$ 2,807,497	$(3,211,480)	$ 2,024,183
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Current maturities of long-term debt	$—	$ 984	$ —	$ 4,641	$—	$ 5,625
Accounts payable	565,472	359,953	2,430	18,620	(923,161)	23,314
Deferred revenue	—	—	8,460	98,614	—	107,074
Accrued interest	1	1	2,054	5,871	—	7,927
Accrued taxes	443	6,668	—	27,487	(5,007)	29,591
Accrued salaries, wages and benefits	—	17,552	1,234	—	—	18,786
Self-insurance reserves	—	10,214	1,433	12,374	—	24,021
Other accrued liabilities	3,318	4,903	136	10,024	—	18,381
	569,234	400,275	15,747	177,631	(928,168)	234,719
Deferred Tax Liability	—	—	12,425	87,516	(18,224)	81,717
Derivative Liability	909	5,796	—	—	—	6,705
Other Liabilities	—	1,169	—	9,889	—	11,058
Long-Term Debt:						
Term debt	—	126,525	—	592,982	—	719,507
Notes	—	—	446,241	491,820	—	938,061
	—	126,525	446,241	1,084,802	—	1,657,568
Equity	32,416	670,110	147,319	1,447,659	(2,265,088)	32,416
	$602,559	$ 1,203,875	$ 621,732	$ 2,807,497	$(3,211,480)	$ 2,024,183

Table of Contents

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2017
(In thousands)

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

Table of Contents

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2018
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$103,687	$336,778	$124,506	$1,268,200	$(484,641)	$1,348,530
Costs and expenses:						
Cost of food, merchandise and games revenues	—	—	10,841	103,892	—	114,733
Operating expenses	—	328,709	47,551	692,731	(484,641)	584,350
Selling, general and administrative	2,301	67,582	10,586	112,864	—	193,333
Depreciation and amortization	—	33	15,273	140,223	—	155,529
Loss on impairment / retirement of fixed assets, net	—	—	221	9,957	—	10,178
Gain on sale of investment	—	(112)	—	—	—	(112)
	2,301	396,212	84,472	1,059,667	(484,641)	1,058,011
Operating income (loss)	101,386	(59,434)	40,034	208,533	—	290,519
Interest expense, net	23,339	18,331	23,988	18,514	—	84,172
Net effect of swaps	1,228	6,214	—	—	—	7,442
Loss on early debt extinguishment	—	187	—	886	—	1,073
Loss on foreign currency	—	51	36,203	—	—	36,254
Other (income) expense	250	(78,571)	4,196	74,307	—	182
(Income) loss from investment in affiliates	(61,484)	(62,244)	(24,329)	2,517	145,540	—
Income (loss) before taxes	138,053	56,598	(24)	112,309	(145,540)	161,396
Provision (benefit) for taxes	11,400	(4,886)	2,494	25,735	—	34,743
Net income (loss)	$126,653	$61,484	$(2,518)	$86,574	$(145,540)	$126,653
Other comprehensive income (loss), (net of tax):						
Cumulative foreign currency translation adjustment	17,240	—	17,240	—	(17,240)	17,240
Cash flow hedging derivative activity	8,366	2,813	—	—	(2,813)	8,366
Other comprehensive income (loss), (net of tax)	25,606	2,813	17,240	—	(20,053)	25,606
Total comprehensive income	$152,259	$64,297	$14,722	$86,574	$(165,593)	$152,259

54

Table of Contents

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2017
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$104,080	$317,496	$127,929	$1,239,067	$(466,605)	$1,321,967
Costs and expenses:						
Cost of food, merchandise and games revenues	—	—	11,483	99,328	—	110,811
Operating expenses	—	313,654	44,990	666,063	(466,605)	558,102
Selling, general and administrative	3,007	67,872	10,497	112,394	—	193,770
Depreciation and amortization	—	33	15,654	137,535	—	153,222
Loss on impairment / retirement of fixed assets, net	—	—	656	12,072	—	12,728
Gain on sale of investment	—	(1,877)	—	—	—	(1,877)
	3,007	379,682	83,280	1,027,392	(466,605)	1,026,756
Operating income (loss)	101,073	(62,186)	44,649	211,675	—	295,211
Interest expense, net	23,739	18,837	24,839	17,333	—	84,748
Net effect of swaps	(150)	105	—	—	—	(45)
Loss on early debt extinguishment	11,773	8,188	205	2,955	—	23,121
Gain on foreign currency	—	(25)	(29,061)	—	—	(29,086)
Other (income) expense	250	(73,581)	3,460	69,756	—	(115)
Income from investment in affiliates	(160,925)	(176,698)	(38,057)	(84,398)	460,078	—
Income before taxes	226,386	160,988	83,263	206,029	(460,078)	216,588
Provision (benefit) for taxes	10,910	60	(1,134)	(8,724)	—	1,112
Net income	$215,476	$160,928	$84,397	$214,753	$(460,078)	$215,476
Other comprehensive income (loss), (net of tax):						
Cumulative foreign currency translation adjustment	(14,849)	—	(14,849)	—	14,849	(14,849)
Cash flow hedging derivative activity	7,975	2,422	—	—	(2,422)	7,975
Other comprehensive income (loss), (net of tax)	(6,874)	2,422	(14,849)	—	12,427	(6,874)
Total comprehensive income	$208,602	$163,350	$69,548	$214,753	$(447,651)	$208,602

Table of Contents

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2016
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$144,042	$320,945	$117,962	$1,234,075	$(528,303)	$1,288,721
Costs and expenses:						
Cost of food, merchandise and games revenues	—	—	9,868	96,740	—	106,608
Operating expenses	—	303,974	42,820	720,390	(528,303)	538,881
Selling, general and administrative	3,029	68,422	10,151	100,228	—	181,830
Depreciation and amortization	—	35	14,816	117,025	—	131,876
Loss on impairment / retirement of fixed assets, net	—	—	159	12,428	—	12,587
	3,029	372,431	77,814	1,046,811	(528,303)	971,782
Operating income (loss)	141,013	(51,486)	40,148	187,264	—	316,939
Interest expense, net	32,643	24,114	25,403	1,526	—	83,686
Net effect of swaps	(473)	(724)	—	—	—	(1,197)
(Gain) loss on foreign currency	—	—	(14,660)	4	—	(14,656)
Other (income) expense	250	(83,657)	3,925	79,482	—	—
Income from investment in affiliates	(80,295)	(73,132)	(20,545)	(27,628)	201,600	—
Income before taxes	188,888	81,913	46,025	133,880	(201,600)	249,106
Provision for taxes	11,200	1,621	18,396	40,201	—	71,418
Net income	$177,688	$80,292	$27,629	$93,679	$(201,600)	$177,688
Other comprehensive income (loss), (net of tax):						
Cumulative foreign currency translation adjustment	(3,700)	—	(3,700)	—	3,700	(3,700)
Cash flow hedging derivative activity	3,350	1,060	—	—	(1,060)	3,350
Other comprehensive income (loss), (net of tax)	(350)	1,060	(3,700)	—	2,640	(350)
Total comprehensive income	$177,338	$81,352	$23,929	$93,679	$(198,960)	$177,338

Table of Contents

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
NET CASH FROM OPERATING ACTIVITIES	$136,471	$11,057	$12,901	$191,056	$(745)	$350,740
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES						
Intercompany receivables (payments) receipts	—	—	—	(67,861)	67,861	—
Purchase of identifiable intangible assets	—	—	—	(41)	—	(41)
Sale of preferred equity investment	—	112	—	—	—	112
Capital expenditures	—	—	(19,976)	(169,799)	—	(189,775)
Net cash from (for) investing activities	—	112	(19,976)	(237,701)	67,861	(189,704)
CASH FLOWS FOR FINANCING ACTIVITIES						
Intercompany payables (payments) receipts	67,876	(15)	—	—	(67,861)	—
Distributions paid to partners	(204,347)	—	—	—	1,148	(203,199)
Payment of debt issuance costs and original issue discount	—	(321)	—	(2,222)	—	(2,543)
Exercise of limited partnership unit options	—	125	—	—	—	125
Tax effect of units involved in treasury unit transactions	—	(2,530)	—	—	—	(2,530)
Payments related to tax withholding for equity compensation	—	(8,428)	—	—	—	(8,428)
Net cash for financing activities	(136,471)	(11,169)	—	(2,222)	(66,713)	(216,575)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	(5,357)	—	—	(5,357)
CASH AND CASH EQUIVALENTS						
Net decrease for the year	—	—	(12,432)	(48,867)	403	(60,896)
Balance, beginning of year	—	—	85,758	81,582	(1,095)	166,245
Balance, end of year	$—	$—	$73,326	$32,715	$(692)	$105,349

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
NET CASH FROM (FOR) OPERATING ACTIVITIES	$93,378	$(10,710)	$40,569	$209,780	$(1,838)	$331,179
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES						
Intercompany receivables (payments) receipts	—	—	—	(278,051)	278,051	—
Proceeds from returns on investments	338,000	15,500	—	146,500	(500,000)	—
Purchase of identifiable intangible assets	—	—	—	(66)	—	(66)
Proceeds from sale of preferred equity investment	—	3,281	—	—	—	3,281
Capital expenditures	—	(25)	(10,160)	(177,899)	—	(188,084)
Net cash from (for) investing activities	338,000	18,756	(10,160)	(309,516)	(221,949)	(184,869)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES						
Intercompany payables (payments) receipts	69,160	208,891	—	—	(278,051)	—
Payments for returns of capital	—	—	—	(500,000)	500,000	—
Term debt borrowings	—	131,000	—	619,000	—	750,000
Note borrowings	—	—	—	500,000	—	500,000
Term debt payments	—	(126,619)	(13,854)	(477,377)	—	(617,850)
Note payments, including amounts paid for early termination	(304,014)	(211,444)	—	—	—	(515,458)
Distributions paid to partners	(196,524)	—	—	—	1,768	(194,756)
Payment of debt issuance costs	—	(1,326)	—	(18,483)	—	(19,809)
Exercise of limited partnership unit options	—	65	—	—	—	65
Tax effect of units involved in treasury unit transactions	—	(4,440)	—	—	—	(4,440)
Payments related to tax withholding for equity compensation	—	(4,173)	—	—	—	(4,173)
Net cash from (for) financing activities	(431,378)	(8,046)	(13,854)	123,140	223,717	(106,421)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	3,640	—	—	3,640
CASH AND CASH EQUIVALENTS						
Net increase for the year	—	—	20,195	23,404	(70)	43,529
Balance, beginning of year	—	—	65,563	58,178	(1,025)	122,716
Balance, end of year	$—	$—	$85,758	$81,582	$(1,095)	$166,245

Table of Contents

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
NET CASH FROM (FOR) OPERATING ACTIVITIES	$118,833	$(28,315)	$33,918	$237,262	$(3,351)	$358,347
CASH FLOWS FOR INVESTING ACTIVITIES						
Intercompany receivables (payments) receipts	—	—	—	(24,562)	24,562	—
Purchase of identifiable intangible assets	—	—	(29)	(548)	—	(577)
Capital expenditures	—	—	(7,863)	(152,793)	—	(160,656)
Net cash for investing activities	—	—	(7,892)	(177,903)	24,562	(161,233)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES						
Term debt payments	—	(1,237)	(138)	(4,625)	—	(6,000)
Intercompany payables (payments) receipts	(6,332)	30,894	—	—	(24,562)	—
Distributions paid to partners	(189,508)	—	—	—	2,326	(187,182)
Tax effect of units involved in treasury unit transactions	—	(422)	—	—	—	(422)
Payments related to tax withholding for equity compensation	—	(920)	—	—	—	(920)
Net cash from (for) financing activities	(195,840)	28,315	(138)	(4,625)	(22,236)	(194,524)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	569	—	—	569
CASH AND CASH EQUIVALENTS						
Net increase (decrease) for the year	(77,007)	—	26,457	54,734	(1,025)	3,159
Balance, beginning of year	77,007	—	39,106	3,444	—	119,557
Balance, end of year	$—	$—	$65,563	$58,178	$(1,025)	$122,716

Table of Contents

(14) Consolidating Financial Information of Guarantors and Issuers of April 2017 Notes:
Cedar Fair, L.P., Canada's Wonderland Company ("Cedar Canada"), Magnum Management Corporation ("Magnum"), and Millennium Operations LLC ("Millennium") are the co-issuers of the Partnership's April 2017 Notes (see Note 5 to the Consolidated Financial Statements). 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, Magnum and Millennium) 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, Magnum, and Millennium, the co-issuers, and each 100% owned subsidiary of Cedar Fair (other than Cedar Canada, Magnum and Millennium), the guarantors (on a combined basis), as of December 31, 2018 and December 31, 2017 and for the years ended December 31, 2018, December 31, 2017, and December 31, 2016. In lieu of providing separate audited financial statements for the guarantor subsidiaries, the accompanying condensed consolidating financial statements have been included.

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2018
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Co-Issuer Subsidiary (Millennium)	Guarantor Subsidiaries	Eliminations	Total
ASSETS							
Current Assets:							
Cash and cash equivalents	$—	$—	$73,326	$30,663	$2,052	$(692)	$105,349
Receivables	—	1,093	34,497	36,242	902,155	(922,469)	51,518
Inventories	—	—	2,135	23,402	5,216	—	30,753
Other current assets	179	1,411	5,462	8,980	1,564	(5,007)	12,589
	179	2,504	115,420	99,287	910,987	(928,168)	200,209
Property and Equipment, net	—	802	172,344	—	1,426,292	—	1,599,438
Investment in Park	601,706	1,182,345	262,462	1,517,897	218,574	(3,782,984)	—
Goodwill	674	—	58,440	8,388	111,217	—	178,719
Other Intangibles, net	—	—	13,030	—	23,346	—	36,376
Deferred Tax Asset	—	18,224	—	—	—	(18,224)	—
Other Assets	—	—	36	417	8,988	—	9,441
	$602,559	$1,203,875	$621,732	$1,625,989	$2,699,404	$(4,729,376)	$2,024,183
LIABILITIES AND PARTNERS' EQUITY							
Current Liabilities:							
Current maturities of long-term debt	$—	$984	$—	$4,641	$—	$—	$5,625
Accounts payable	565,472	359,953	2,430	14,995	3,625	(923,161)	23,314
Deferred revenue	—	—	8,460	74,062	24,552	—	107,074
Accrued interest	1	1	2,054	5,871	—	—	7,927
Accrued taxes	443	6,668	—	8,087	19,400	(5,007)	29,591
Accrued salaries, wages and benefits	—	17,552	1,234	—	—	—	18,786
Self-insurance reserves	—	10,214	1,433	10,308	2,066	—	24,021
Other accrued liabilities	3,318	4,903	136	5,471	4,553	—	18,381
	569,234	400,275	15,747	123,435	54,196	(928,168)	234,719
Deferred Tax Liability	—	—	12,425	—	87,516	(18,224)	81,717
Derivative Liability	909	5,796	—	—	—	—	6,705
Other Liabilities	—	1,169	—	87	9,802	—	11,058
Long-Term Debt:							
Term debt	—	126,525	—	592,982	—	—	719,507
Notes	—	—	446,241	491,820	—	—	938,061
	—	126,525	446,241	1,084,802	—	—	1,657,568
Equity	32,416	670,110	147,319	417,665	2,547,890	(3,782,984)	32,416
	$602,559	$1,203,875	$621,732	$1,625,989	$2,699,404	$(4,729,376)	$2,024,183

61

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2017
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Co-Issuer Subsidiary (Millennium)	Guarantor Subsidiaries	Eliminations	Total
ASSETS							
Current Assets:							
Cash and cash equivalents	$—	$—	$ 85,758	$ 80,430	$ 1,152	$(1,095)	$ 166,245
Receivables	—	1,184	15,574	26,130	831,075	(836,241)	37,722
Inventories	—	—	1,891	22,528	5,300	—	29,719
Other current assets	164	28,297	3,454	9,341	1,642	(29,601)	13,297
	164	29,481	106,677	138,429	839,169	(866,937)	246,983
Property and Equipment, net	—	835	181,673	—	1,403,264	—	1,585,772
Investment in Park	588,684	1,045,640	238,132	1,392,761	234,237	(3,499,454)	—
Goodwill	674	—	63,551	8,387	111,218	—	183,830
Other Intangibles, net	—	—	14,177	—	23,887	—	38,064
Deferred Tax Asset	—	20,956	—	—	—	(20,956)	—
Other Assets	—	—	40	402	9,068	—	9,510
	$589,522	$1,096,912	$ 604,250	$ 1,539,979	$ 2,620,843	$(4,387,347)	$ 2,064,159
LIABILITIES AND PARTNERS' EQUITY							
Current Liabilities:							
Accounts payable	$497,558	$344,410	$ 1,379	$ 13,572	$ 5,038	$(837,336)	$ 24,621
Deferred revenue	—	—	6,237	59,307	20,587	—	86,131
Accrued interest	27	18	2,055	6,024	—	—	8,124
Accrued taxes	352	—	—	6,176	67,048	(29,601)	43,975
Accrued salaries, wages and benefits	—	17,498	1,242	—	—	—	18,740
Self-insurance reserves	—	10,947	1,618	10,156	2,386	—	25,107
Other accrued liabilities	3,406	5,094	157	5,649	4,490	—	18,796
	501,343	377,967	12,688	100,884	99,549	(866,937)	225,494
Deferred Tax Liability	—	—	13,809	—	81,945	(20,956)	74,798
Derivative Liability	5,233	3,489	—	—	—	—	8,722
Other Liabilities	—	873	—	120	10,691	—	11,684
Long-Term Debt:							
Term debt	—	127,437	—	596,351	—	—	723,788
Notes	—	—	445,156	491,571	—	—	936,727
	—	127,437	445,156	1,087,922	—	—	1,660,515
Equity	82,946	587,146	132,597	351,053	2,428,658	(3,499,454)	82,946
	$589,522	$1,096,912	$ 604,250	$ 1,539,979	$ 2,620,843	$(4,387,347)	$ 2,064,159

Table of Contents

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2018
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Co-Issuer Subsidiary (Millennium)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$103,687	$336,778	$124,506	$995,350	$382,569	$(594,360)	$1,348,530
Costs and expenses:							
Cost of food, merchandise and games revenues	—	—	10,841	85,698	18,194	—	114,733
Operating expenses	—	328,709	47,551	759,590	42,860	(594,360)	584,350
Selling, general and administrative	2,301	67,582	10,586	93,734	19,130	—	193,333
Depreciation and amortization	—	33	15,273	—	140,223	—	155,529
Loss on impairment / retirement of fixed assets, net	—	—	221	2,260	7,697	—	10,178
Gain on sale of investment	—	(112)	—	—	—	—	(112)
	2,301	396,212	84,472	941,282	228,104	(594,360)	1,058,011
Operating income (loss)	101,386	(59,434)	40,034	54,068	154,465	—	290,519
Interest expense, net	23,339	18,331	23,988	51,643	(33,129)	—	84,172
Net effect of swaps	1,228	6,214	—	—	—	—	7,442
Loss on early debt extinguishment	—	187	—	886	—	—	1,073
Loss on foreign currency	—	51	36,203	—	—	—	36,254
Other (income) expense	250	(78,571)	4,196	—	74,307	—	182
(Income) loss from investment in affiliates	(61,484)	(62,244)	(24,329)	—	2,517	145,540	—
Income (loss) before taxes	138,053	56,598	(24)	1,539	110,770	(145,540)	161,396
Provision (benefit) for taxes	11,400	(4,886)	2,494	1,539	24,196	—	34,743
Net income (loss)	$126,653	$61,484	$(2,518)	$ —	$86,574	$(145,540)	$126,653
Other comprehensive income (loss), (net of tax):							
Cumulative foreign currency translation adjustment	17,240	—	17,240	—	—	(17,240)	17,240
Cash flow hedging derivative activity	8,366	2,813	—	—	—	(2,813)	8,366
Other comprehensive income (loss), (net of tax)	25,606	2,813	17,240	—	—	(20,053)	25,606
Total comprehensive income	$152,259	$64,297	$14,722	$ —	$86,574	$(165,593)	$152,259

63

Table of Contents

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2017
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Co-Issuer Subsidiary (Millennium)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$104,080	$317,496	$127,929	$ 960,108	$395,745	$(583,391)	$1,321,967
Costs and expenses:							
Cost of food, merchandise and games revenues	—	—	11,483	80,942	18,386	—	110,811
Operating expenses	—	313,654	44,990	738,719	44,130	(583,391)	558,102
Selling, general and administrative	3,007	67,872	10,497	92,527	19,867	—	193,770
Depreciation and amortization	—	33	15,654	—	137,535	—	153,222
Loss on impairment / retirement of fixed assets, net	—	—	656	3,102	8,970	—	12,728
Gain on sale of investment	—	(1,877)	—	—	—	—	(1,877)
	3,007	379,682	83,280	915,290	228,888	(583,391)	1,026,756
Operating income (loss)	101,073	(62,186)	44,649	44,818	166,857	—	295,211
Interest expense, net	23,739	18,837	24,839	39,768	(22,435)	—	84,748
Net effect of swaps	(150)	105	—	—	—	—	(45)
Loss on early debt extinguishment	11,773	8,188	205	2,955	—	—	23,121
Gain on foreign currency	—	(25)	(29,061)	—	—	—	(29,086)
Other (income) expense	250	(73,581)	3,460	—	69,756	—	(115)
Income from investment in affiliates	(160,925)	(176,698)	(38,057)	—	(84,398)	460,078	—
Income before taxes	226,386	160,988	83,263	2,095	203,934	(460,078)	216,588
Provision (benefit) for taxes	10,910	60	(1,134)	2,095	(10,819)	—	1,112
Net income	$215,476	$160,928	$84,397	$ —	$214,753	$(460,078)	$215,476
Other comprehensive income (loss), (net of tax):							
Cumulative foreign currency translation adjustment	(14,849)	—	(14,849)	—	—	14,849	(14,849)
Cash flow hedging derivative activity	7,975	2,422	—	—	—	(2,422)	7,975
Other comprehensive income (loss), (net of tax)	(6,874)	2,422	(14,849)	—	—	12,427	(6,874)
Total comprehensive income	$208,602	$163,350	$69,548	$ —	$214,753	$(447,651)	$208,602

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2016
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Co-Issuer Subsidiary (Millennium)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$144,042	$320,945	$117,962	$ 962,363	$378,556	$(635,147)	$1,288,721
Costs and expenses:							
Cost of food, merchandise and games revenues	—	—	9,868	78,984	17,756	—	106,608
Operating expenses	—	303,974	42,820	777,841	49,393	(635,147)	538,881
Selling, general and administrative	3,029	68,422	10,151	85,170	15,058	—	181,830
Depreciation and amortization	—	35	14,816	—	117,025	—	131,876
Loss on impairment / retirement of fixed assets, net	—	—	159	2,686	9,742	—	12,587
	3,029	372,431	77,814	944,681	208,974	(635,147)	971,782
Operating income (loss)	141,013	(51,486)	40,148	17,682	169,582	—	316,939
Interest expense, net	32,643	24,114	25,403	15,695	(14,169)	—	83,686
Net effect of swaps	(473)	(724)	—	—	—	—	(1,197)
(Gain) loss on foreign currency	—	—	(14,660)	4	—	—	(14,656)
Other (income) expense	250	(83,657)	3,925	—	79,482	—	—
Income from investment in affiliates	(80,295)	(73,132)	(20,545)	—	(27,628)	201,600	—
Income before taxes	188,888	81,913	46,025	1,983	131,897	(201,600)	249,106
Provision for taxes	11,200	1,621	18,396	1,983	38,218	—	71,418
Net income	$177,688	$80,292	$27,629	$ —	$93,679	$(201,600)	$177,688
Other comprehensive income (loss), (net of tax):							
Cumulative foreign currency translation adjustment	(3,700)	—	(3,700)	—	—	3,700	(3,700)
Cash flow hedging derivative activity	3,350	1,060	—	—	—	(1,060)	3,350
Other comprehensive income (loss), (net of tax)	(350)	1,060	(3,700)	—	—	2,640	(350)
Total comprehensive income	$177,338	$81,352	$23,929	$ —	$93,679	$(198,960)	$177,338

Table of Contents

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Co-Issuer Subsidiary (Millennium)	Guarantor Subsidiaries	Eliminations	Total
NET CASH FROM OPERATING ACTIVITIES	$136,471	$11,057	$12,901	$78,559	$112,497	$(745)	$350,740
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES							
Intercompany receivables (payments) receipts	—	—	—	—	(67,861)	67,861	—
Purchase of identifiable intangible assets	—	—	—	(8)	(33)	—	(41)
Sale of preferred equity investment	—	112	—	—	—	—	112
Capital expenditures	—	—	(19,976)	(126,096)	(43,703)	—	(189,775)
Net cash from (for) investing activities	—	112	(19,976)	(126,104)	(111,597)	67,861	(189,704)
CASH FLOWS FOR FINANCING ACTIVITIES							
Intercompany payables (payments) receipts	67,876	(15)	—	—	—	(67,861)	—
Distributions paid to partners	(204,347)	—	—	—	—	1,148	(203,199)
Payment of debt issuance costs and original issue discount	—	(321)	—	(2,222)	—	—	(2,543)
Exercise of limited partnership unit options	—	125	—	—	—	—	125
Tax effect of units involved in treasury unit transactions	—	(2,530)	—	—	—	—	(2,530)
Payments related to tax withholding for equity compensation	—	(8,428)	—	—	—	—	(8,428)
Net cash for financing activities	(136,471)	(11,169)	—	(2,222)	—	(66,713)	(216,575)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	(5,357)	—	—	—	(5,357)
CASH AND CASH EQUIVALENTS							
Net increase (decrease) for the year	—	—	(12,432)	(49,767)	900	403	(60,896)
Balance, beginning of year	—	—	85,758	80,430	1,152	(1,095)	166,245
Balance, end of year	$—	$—	$73,326	$30,663	$2,052	$(692)	$105,349

66

Table of Contents

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Co-Issuer Subsidiary (Millennium)	Guarantor Subsidiaries	Eliminations	Total
NET CASH FROM (FOR) OPERATING ACTIVITIES	$93,378	$(10,710)	$40,569	$48,979	$160,801	$(1,838)	$331,179
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES							
Intercompany receivables (payments) receipts	—	—	—	—	(278,051)	278,051	—
Proceeds from returns on investments	338,000	15,500	—	—	146,500	(500,000)	—
Purchase of identifiable intangible assets	—	—	—	(66)	—	—	(66)
Proceeds from sale of preferred equity investment	—	3,281	—	—	—	—	3,281
Capital expenditures	—	(25)	(10,160)	(149,448)	(28,451)	—	(188,084)
Net cash from (for) investing activities	338,000	18,756	(10,160)	(149,514)	(160,002)	(221,949)	(184,869)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES							
Intercompany payables (payments) receipts	69,160	208,891	—	—	—	(278,051)	—
Payments for returns of capital	—	—	—	(500,000)	—	500,000	—
Term debt borrowings	—	131,000	—	619,000	—	—	750,000
Note borrowings	—	—	—	500,000	—	—	500,000
Term debt payments	—	(126,619)	(13,854)	(477,377)	—	—	(617,850)
Note payments, including amounts paid for early termination	(304,014)	(211,444)	—	—	—	—	(515,458)
Distributions paid to partners	(196,524)	—	—	—	—	1,768	(194,756)
Payment of debt issuance costs	—	(1,326)	—	(18,483)	—	—	(19,809)
Exercise of limited partnership unit options	—	65	—	—	—	—	65
Tax effect of units involved in treasury unit transactions	—	(4,440)	—	—	—	—	(4,440)
Payments related to tax withholding for equity compensation	—	(4,173)	—	—	—	—	(4,173)
Net cash from (for) financing activities	(431,378)	(8,046)	(13,854)	123,140	—	223,717	(106,421)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	3,640	—	—	—	3,640

CASH AND CASH EQUIVALENTS							
Net increase for the year	—	—	20,195	22,605	799	(70)	43,529
Balance, beginning of year	—	—	65,563	57,825	353	(1,025)	122,716
Balance, end of year	$—	$—	$ 85,758	$ 80,430	$ 1,152	$ (1,095)	$166,245

67

Table of Contents

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Co-Issuer Subsidiary (Millennium)	Guarantor Subsidiaries	Eliminations	Total
NET CASH FROM (FOR) OPERATING ACTIVITIES	$118,833	$(28,315)	$33,918	$189,534	$47,728	$(3,351)	$358,347
CASH FLOWS FOR INVESTING ACTIVITIES							
Intercompany receivables (payments) receipts	—	—	—	—	(24,562)	24,562	—
Purchase of identifiable intangible assets	—	—	(29)	(74)	(474)	—	(577)
Capital expenditures	—	—	(7,863)	(129,815)	(22,978)	—	(160,656)
Net cash for investing activities	—	—	(7,892)	(129,889)	(48,014)	24,562	(161,233)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES							
Intercompany payables (payments) receipts	(6,332)	30,894	—	—	—	(24,562)	—
Term debt payments	—	(1,237)	(138)	(4,625)	—	—	(6,000)
Distributions paid to partners	(189,508)	—	—	—	—	2,326	(187,182)
Tax effect of units involved in treasury unit transactions	—	(422)	—	—	—	—	(422)
Payments related to tax withholding for equity compensation	—	(920)	—	—	—	—	(920)
Net cash from (for) financing activities	(195,840)	28,315	(138)	(4,625)	—	(22,236)	(194,524)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	569	—	—	—	569
CASH AND CASH EQUIVALENTS							
Net increase (decrease) for the year	(77,007)	—	26,457	55,020	(286)	(1,025)	3,159
Balance, beginning of year	77,007	—	39,106	2,805	639	—	119,557
Balance, end of year	$—	$—	$65,563	$57,825	$353	$(1,025)	$122,716

Table of Contents

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

The Partnership maintains a system of controls and procedures designed to ensure that information required to be disclosed by the Partnership in its reports under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified by the Commission and that such information is accumulated and communicated to the Partnership's management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As of December 31, 2018, the Partnership's management, with the participation of the Partnership's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Partnership's disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Partnership's disclosure controls and procedures were effective as of December 31, 2018.

Management's Report on Internal Control over Financial Reporting

The Partnership's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Partnership's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Management, with the participation of the Partnership's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Partnership's internal control over financial reporting as of December 31, 2018. In making this assessment, it used the criteria described in "Internal Control - Integrated Framework" (2013) issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. As a result of its assessment, management concluded that, as of December 31, 2018, the Partnership's internal control over financial reporting was effective. Deloitte & Touche LLP, the independent registered public accounting firm that audited the financial statements included in this Form 10-K, has issued an attestation report on the Partnership's internal control over financial reporting.

Changes in Internal Control over Financial Reporting

There were no changes in the Partnership's internal control over financial reporting that occurred during the fourth quarter of 2018 that have materially affected, or are reasonably likely to materially affect, the Partnership's internal control over financial reporting.

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the Unitholders and Board of Directors of
Cedar Fair, L.P.

Opinion on Internal Control over Financial Reporting
We have audited the internal control over financial reporting of Cedar Fair, L.P. and subsidiaries (the "Partnership") as of December 31, 2018, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2018, of the Partnership and our report dated February 22, 2019, expressed an unqualified opinion on those financial statements.

Basis for Opinion
The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting
A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Cleveland, Ohio
February 22, 2019

Table of Contents

ITEM 9B. OTHER INFORMATION.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Cedar Fair Management, Inc., an Ohio corporation owned by an Ohio trust, is the General Partner of the Partnership and has full responsibility for the management of the Partnership. For additional information, attention is directed to Note 1 to the Consolidated Financial Statements.

A. Identification of Directors:

The information required by this item is incorporated by reference to the material in our Proxy Statement to be used in connection with the annual meeting of limited partner unitholders to be held in June 2019 (the "Proxy Statement") under the captions "Proposal One. Election of Directors", "Board Committees", and "Section 16(a) Beneficial Ownership Reporting Compliance".

B. Identification of Executive Officers:

Information regarding executive officers of the Partnership is included in this Annual Report on Form 10-K under the caption "Supplemental Item. Executive Officers of Cedar Fair" in Item 1 of Part I and is incorporated herein by reference.

C. Code of Ethics and Certifications:

In accordance with Section 406 of the Sarbanes-Oxley Act of 2002 and Item 406 of Regulation S-K, the Partnership has adopted a Code of Conduct and Ethics (the "Code"), which applies to all directors, officers and employees of the Partnership, including the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer. A copy of the Code is available on the Internet at the Investor Relations section of our web site (www.cedarfair.com).

The Partnership submitted an unqualified Section 303A.12(a) Chief Executive Officer certification to the New York Stock Exchange on June 28, 2018, stating that the Partnership was in compliance with the NYSE's Corporate Governance Listing Standards. The Chief Executive Officer and Chief Financial Officer certifications under Section 302 of the Sarbanes-Oxley Act are included as exhibits to this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by this item is incorporated by reference to the material in our Proxy Statement under the captions "Executive Compensation", "Compensation Committee Interlocks and Insider Participation", and "Compensation Committee Report".

Table of Contents

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED UNITHOLDER MATTERS.

The information required by this item is incorporated by reference to the material in our Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management".

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information concerning units authorized or available for issuance under our equity compensation plan as of December 31, 2018:

Plan Category	Number of units to be issued upon exercise of outstanding options, warrants and rights (a) (1)	Weighted-average exercise price of outstanding options, warrants and rights (b) (2)	Number of units remaining available for future issuance under equity compensation plans (excluding units reflected in column (a)) (c)
Equity compensation plans approved by unitholders	1,134,773	$ 34.51	2,461,732
Equity compensation plans not approved by unitholders	—	—	—
Total	1,134,773	$ 34.51	2,461,732

(1) The units in column (a) include performance awards and deferred unit awards at the maximum number of units issuable, as well as unit options outstanding.

(2) The weighted average price in column (b) represents the weighted average price of 368,091 unit options outstanding. Performance awards and deferred unit awards are excluded from column (b).

Attention is directed to Note 7 to the Consolidated Financial Statements for additional information regarding the Partnership's equity incentive plans.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The information required by this item is incorporated by reference to the material in our Proxy Statement under the captions "Certain Relationships and Related Transactions", "Board Independence", and "Board Committees".

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The information required by this item is incorporated by reference to the material in our Proxy Statement under the caption "Independent Registered Public Accounting Firm Services and Fees".

Table of Contents

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

A. 1. Financial Statements

The following consolidated financial statements of the Registrant, the notes thereto and the related Report of Independent Registered Public Accounting Firm are filed under Item 8 of this Report:

A. 2. Financial Statement Schedules

All schedules are omitted as the information is not required or is otherwise furnished.

Table of Contents

A. 3. Exhibits

The exhibits listed below are incorporated herein by reference to prior SEC filings by the Registrant or are included as exhibits in this Form 10-K.

Exhibit Number	Description
3.1	Cedar Fair, L.P. Certificate of Limited Partnership. Incorporated herein by reference to Exhibit 3.6 to the Registration Statement on Form S-4 (File No. 333-172773) filed on March 11, 2011.
3.2	Sixth Amended and Restated Agreement of Limited Partnership of Cedar Fair, L.P., as amended by that First Amendment to Sixth Amended and Restated Agreement of Limited Partnership of Cedar Fair, L.P., dated June 1, 2017. Incorporated herein by reference to Exhibit 3.1 to the Registrant's Form 10-Q (File No. 001-09444) filed May 2, 2018.
3.3	Regulations of Cedar Fair Management Inc. Incorporated herein by reference to Exhibit 3.2 to the Registrant's Form 10-Q (File No. 001-09444) filed November 4, 2011.
4.1	Indenture, dated as of June 3, 2014, by and among Cedar Fair, L.P., Canada's Wonderland Company and Magnum Management Corporation, as issuers, the guarantors named therein and The Bank of New York Mellon, as trustee (including Form of 5.375% Senior Note due 2024). Incorporated herein by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on June 3, 2014.
4.2	Registration Rights Agreement, dated June 3, 2014, by and among Cedar Fair, L.P., Canada's Wonderland Company and Magnum Management Corporation, as issuers, the guarantors named therein and J.P. Morgan Securities LLC, on behalf of itself and as representative of the initial purchasers named therein. Incorporated herein by reference to Exhibit 4.3 to the Registrant's Form 8-K filed on June 3, 2014.
4.3	Indenture, dated as of April 13, 2017, by and among Cedar Fair, L.P., Canada's Wonderland Company, Magnum Management Corporation and Millennium Operations LLC, as issuers, the guarantors named therein and The Bank of New York Mellon Corporation, as trustee (including Form of 5.375% Senior Note due 2027). Incorporated herein by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on April 13, 2017.
4.4	Registration Rights Agreement, dated April 13, 2017, by and among Cedar Fair, L.P., Canada's Wonderland Company, Magnum Management Corporation and Millennium Operations LLC, as issuers, the guarantors named therein and J.P. Morgan Securities LLC, on behalf of itself and as representative of the initial purchasers named therein. Incorporated herein by reference to Exhibit 4.3 to the Registrant's Form 8-K filed on April 13, 2017.
10.1	Cedar Fair, L.P. Amended and Restated Executive Severance Plan dated July 18, 2007. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-09444) filed on August 3, 2007. (+)
10.2	Cedar Fair, L.P. Amended and Restated Supplemental Retirement Program dated July 18, 2007. Incorporated herein by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-09444) filed on August 3, 2007. (+)
10.3	Cedar Fair, L.P. 2008 Supplemental Retirement Program dated February 4, 2008. Incorporated herein by reference to Exhibit 10.5 to the Registrant's Annual Report on Form 10-K (File No. 001-09444) filed on February 29, 2008. (+)
10.4	Cedar Fair, L.P. 2008 Omnibus Incentive Plan dated as of May 15, 2008. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K (File No. 001-09444) filed on May 20, 2008. (+)
10.5	Form of Indemnification Agreement. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K (File No. 001-09444) filed November 1, 2011. (+)
10.6	2008 Omnibus Incentive Plan Form of Option Award Agreement. Incorporated herein by reference to Exhibit 10.2 to the Registrant's Form 8-K (File No. 001-09444) filed March 28, 2012. (+)
10.7	Cedar Fair, L.P. 2008 Omnibus Incentive Plan Performance Award Agreement, dated March 31, 2014, by and between Magnum Management Corporation and Matthew A. Ouimet. Incorporated herein by reference to

	Exhibit 10.1 to the Registrant's Form 8-K filed on April 4, 2014. (+)
10.8	Cedar Fair, L.P. 2008 Omnibus Incentive Plan Form of Restricted Unit Award Agreement. Incorporated herein by reference to Exhibit 10.2 to the Registrant’s Form 10-Q filed on May 9, 2014. (+)
10.9	Cedar Fair, L.P. 2008 Omnibus Incentive Plan Form of Deferred Unit Award Agreement. Incorporated herein by reference to Exhibit 10.3 to the Registrant’s Form 10-Q filed on May 9, 2014. (+)
10.10	Section 16 Officer Standard Form of Employment Contract (non-CEO) (December 2014). Incorporated herein by reference to Exhibit 10.31 to the Registrant's Form 10-K filed on February 26, 2015. (+)
10.11	Cedar, L.P. 2008 Omnibus Incentive Plan Form of Performance Unit Award Agreement. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed on May 1, 2015. (+)
10.12	Cedar Fair, L.P. 2008 Omnibus Incentive Plan Form of Deferred Unit Award Agreement (2016 Version). Incorporated herein by reference to Exhibit 10.21 to the Registrant's Form 10-K filed on February 26, 2016. (+)
10.13	Amended and Restated Employment Agreement, dated June 8, 2016, by and among Cedar Fair L.P., Cedar Fair Management, Inc., Magnum Management Corporation, and Matthew A. Ouimet. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on June 9, 2016. (+)
10.14	Cedar Fair L.P., 2016 Omnibus Incentive Plan. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on June 14, 2016. (+)

Table of Contents

Exhibit Number	Description
10.15	2016 Omnibus Incentive Plan Form of Restricted Unit Award Agreement. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K filed October 26, 2016. (+)
10.16	2016 Omnibus Incentive Plan Form of Performance Award Agreement. Incorporated herein by reference to Exhibit 10.2 to the Registrant's Form 8-K filed October 26, 2016. (+)
10.17	Restatement Agreement, dated April 13, 2017, among Cedar Fair, L.P., Magnum Management Corporation, Canada’s Wonderland Company and Millennium Operations LLC, as borrowers, the several lenders from time to time party thereto, JPMorgan Chase Bank, N.A. as administrative agent and collateral agent and the other parties thereto. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on April 13, 2017.
10.18	Employment Agreement, dated October 4, 2017, by and among Cedar Fair L.P., Cedar Fair Management, Inc., Magnum Management Corporation, and Richard A. Zimmerman. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on October 5, 2017. (+)
10.19	Employment Agreement, dated October 4, 2017, by and among Cedar Fair L.P., Cedar Fair Management, Inc., Magnum Management Corporation, and Matthew A Ouimet. Incorporated herein by reference to Exhibit 10.2 to the Registrant's Form 8-K filed on October 5, 2017. (+)
10.20	2016 Omnibus Incentive Plan (Fall 2017 Version) Form of Restricted Unit Award Declaration. Incorporated herein by reference to Exhibit 10.3 to the Registrant's Form 10-Q filed November 2, 2017. (+)
10.21	Employment Agreement, dated December 18, 2017, by and among Cedar Fair L.P., Cedar Fair Management, Inc., Magnum Management Corporation, and Tim Fisher. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on December 19, 2017. (+)
10.22	2016 Omnibus Incentive Plan (Fall 2017 Version) Form of Performance Unit Award Declaration. Incorporated herein by reference to Exhibit 10.22 to the Registrant's Form 10-K filed on February 23, 2018. (+)
10.23	Amendment No. 1, dated March 14, 2018, to Restatement Agreement, dated April 13, 2017, among Cedar Fair, L.P., Magnum Management Corporation, Canada’s Wonderland Company and Millennium Operations LLC, as borrowers, the several lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent and the other parties thereto. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on March 14, 2018.
21	Subsidiaries of Cedar Fair, L.P.
23	Consent of Independent Registered Public Accounting Firm
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from the Partnership's Annual Report on Form 10-K for the year ended December 31, 2018 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Operations and Comprehensive Income, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statements of Partners' Equity, and (v) related notes.

(+) Management contract or compensatory plan or arrangement.

ITEM 16. FORM 10-K SUMMARY.

None.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CEDAR FAIR, L.P.
(Registrant)

DATED: February 22, 2019 By: Cedar Fair Management, Inc.
General Partner

/S/ Richard A. Zimmerman
Richard A. Zimmerman
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/S/Richard A. Zimmerman Richard A. Zimmerman	President and Chief Executive Officer	February 22, 2019
/S/Brian C. Witherow Brian C. Witherow	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 22, 2019
/S/David R. Hoffman David R. Hoffman	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 22, 2019
/S/Matthew A. Ouimet Matthew A. Ouimet	Executive Chairman Director	February 22, 2019
/S/Debra Smithart-Oglesby Debra Smithart-Oglesby	Lead Independent Director	February 22, 2019
/S/Eric L. Affeldt Eric L. Affeldt	Director	February 22, 2019
/S/Gina D. France Gina D. France	Director	February 22, 2019
/S/Daniel J. Hanrahan Daniel J. Hanrahan	Director	February 22, 2019
/S/Tom Klein Tom Klein	Director	February 22, 2019
/S/D. Scott Olivet	Director	February 22, 2019

D. Scott Olivet		
/S/ John M. Scott III John M. Scott III	Director	February 22, 2019
/S/ Lauri M. Shanahan Lauri M. Shanahan	Director	February 22, 2019