

NATURAL RESOURCE PARTNERS LP
Form 10-Q
November 07, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2016

or

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

Commission file number: 001-31465

NATURAL RESOURCE PARTNERS L.P.
(Exact name of registrant as specified in its charter)

Delaware 35-2164875
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
1201 Louisiana Street, Suite 3400
Houston, Texas 77002
(Address of principal executive offices)
(Zip Code)
(713) 751-7507
(Registrant's telephone number, including area code)

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

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

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

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

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

At November 4, 2016 there were 12,232,006 Common Units outstanding.

NATURAL RESOURCE PARTNERS, L.P.
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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

NATURAL RESOURCE PARTNERS L.P.

CONSOLIDATED BALANCE SHEETS

(In thousands, except unit data)

	September 30, 2016 (Unaudited)	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$92,391	\$41,204
Accounts receivable, net	44,139	43,633
Accounts receivable—affiliates, net	7,057	6,345
Inventory	7,160	7,835
Prepaid expenses and other	3,707	4,268
Current assets held for sale (see Note 6)	5,520	—
Current assets of discontinued operations (see Note 2)	991	17,844
Total current assets	160,965	121,129
Land	25,020	25,022
Plant and equipment, net	52,516	60,675
Mineral rights, net	924,181	984,522
Intangible assets, net	3,239	3,930
Intangible assets, net—affiliate	50,668	52,997
Equity in unconsolidated investment	257,661	261,942
Long-term contracts receivable—affiliate	44,224	47,359
Other assets	1,898	1,173
Other assets—affiliate	1,034	1,124
Non-current assets of discontinued operations (see Note 2)	—	110,162
Total assets	\$1,521,406	\$1,670,035
LIABILITIES AND CAPITAL		
Current liabilities:		
Accounts payable	\$6,223	\$5,022
Accounts payable—affiliates	829	801
Accrued liabilities	44,816	44,997
Accrued liabilities—affiliates	—	456
Current portion of long-term debt, net	158,597	80,745
Current liabilities of discontinued operations (see Note 2)	835	4,388
Total current liabilities	211,300	136,409
Deferred revenue	40,050	80,812
Deferred revenue—affiliates	74,663	82,853
Long-term debt, net	1,041,984	1,186,681
Long-term debt, net—affiliate	—	19,930
Other non-current liabilities	4,404	5,171
Non-current liabilities of discontinued operations (see Note 2)	—	85,237
Commitments and contingencies (see Note 11)		
Partners' capital:		
Common unitholders' interest (12,232,006 units outstanding)	154,315	79,094

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General partner's interest	928	(606)	
Accumulated other comprehensive loss	(2,844)	(2,152)
Total partners' capital	152,399	76,336		
Non-controlling interest	(3,394)	(3,394)
Total capital	149,005	72,942		
Total liabilities and capital	\$1,521,406	\$1,670,035		

The accompanying notes are an integral part of these consolidated financial statements.

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NATURAL RESOURCE PARTNERS L.P.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands, except per unit data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues and other income:				
Coal royalty and other	\$27,504	\$40,431	\$116,336	\$112,139
Coal royalty and other—affiliates	21,434	19,535	49,508	70,938
VantaCore	31,757	39,616	88,081	107,058
Equity in earnings of Ciner Wyoming	10,753	12,617	30,742	36,739
Gain on asset sales, net	6,426	1,833	27,280	6,903
Total revenues and other income	97,874	114,032	311,947	333,777
Operating expenses:				
Operating and maintenance expenses	31,242	37,746	87,824	106,338
Operating and maintenance expenses—affiliates, net				