

NATURAL RESOURCE PARTNERS LP
Form 10-K/A
November 13, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

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

For the fiscal year ended December 31, 2013 or

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

For the transition period from to

Commission file number: 1-31465

NATURAL RESOURCE PARTNERS L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

35-2164875
(I.R.S. Employer

Identification Number)

601 Jefferson, Suite 3600
Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

(713) 751-7507

(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
New York Stock Exchange

**Common Units representing limited partnership
interests**

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 No

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 No

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 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.

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

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company

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

The aggregate market value of the Common Units held by non-affiliates of the registrant (treating all executive officers and directors of the registrant and holders of 10% or more of the Common Units outstanding, for this purpose, as if they were affiliates of the registrant) was approximately \$1.5 billion on June 30, 2013 based on a price of \$20.57 per unit, which was the closing price of the Common Units as reported on the daily composite list for transactions on the New York Stock Exchange on that date.

As of February 28, 2014, there were 109,812,408 Common Units outstanding.

DOCUMENTS INCORPORATED BY REFERENCE.

None.

EXPLANATORY NOTE

Natural Resource Partners L.P. (the Company) is filing this Annual Report on Form 10-K/A for the year ended December 31, 2013 (this Form 10-K/A) to amend its original Annual Report on Form 10-K for the year ended December 31, 2013 originally filed on February 28, 2014 (the Original Form 10-K). This Form 10-K/A should be read in conjunction with the Original Form 10-K and the Company's subsequent reports filed with the SEC. Except for the information specifically amended and restated herein, this Form 10-K/A has not been updated to reflect events, results or developments that occurred after the date of the Original Form 10-K nor does it change any other disclosures contained in the Original Form 10-K.

This Form 10-K/A is being filed to include the audit report of Deloitte & Touche LLP, who have audited the financial statements of OCI Wyoming, L.P. (now OCI Wyoming LLC) as of and for the year ended December 31, 2013 and whose report is relied upon by Ernst & Young LLP, the Company's independent registered public accounting firm. The Deloitte & Touche LLP report was inadvertently omitted from the Original Form 10-K. In addition, the references to unaudited in the operating results and balance sheet information relating to the Company's investment in OCI Wyoming included in Note 4. Equity and Other Investments have been removed from the accompanying financial statements. Accordingly, Item 8. Financial Statements and Supplementary Data is hereby amended in its entirety. No other changes to the Company's financial statements or the audit report of Ernst & Young LLP have been made.

Part II.

Item 8. Financial Statements and Supplementary Data

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NATURAL RESOURCE PARTNERS L.P.

CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Partners of Natural Resource Partners L.P.

We have audited the accompanying consolidated balance sheets of Natural Resource Partners L.P. as of December 31, 2013 and 2012, and the related consolidated statements of comprehensive income, partners' capital, and cash flows for each of the three years in the period ended December 31, 2013. 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 did not audit the financial statements of OCI Wyoming LP (OCI Wyoming) (a Limited Partnership in which Natural Resource Partners LP owns a 49% interest). Natural Resource Partners LP's investment in OCI Wyoming constituted approximately \$269 million of Natural Resource Partners LP's assets as of December 31, 2013 and Natural Resource Partners LP's equity in the net income of OCI Wyoming constituted approximately \$34 million of Natural Resource Partners LP's Net Income for the period ended December 31, 2013. OCI Wyoming's financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for OCI Wyoming, is based solely on the report of the other auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Natural Resource Partners L.P. at December 31, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Natural Resource Partners L.P.'s internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission 1992 framework and our report dated February 28, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Houston, Texas

February 28, 2014

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Managers and Partners of

OCI Wyoming, L.P.

Atlanta, Georgia

We have audited the balance sheet of OCI Wyoming, L.P. (the Partnership) as of December 31, 2013 and the related consolidated statements of operations and comprehensive income, equity, and cash flows for the year then ended, and the related notes to the financial statements (not presented herein). 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 conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing 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 audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position the Partnership as of December 31, 2013, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Atlanta, Georgia

February 26, 2014

NATURAL RESOURCE PARTNERS L.P.**CONSOLIDATED BALANCE SHEETS****(In thousands, except for unit information)**

	December 31, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 92,513	\$ 149,424
Accounts receivable, net of allowance for doubtful accounts	33,737	35,116
Accounts receivable affiliates	7,666	10,613
Other	1,691	1,042
Total current assets	135,607	196,195
Land	24,340	24,340
Plant and equipment, net	26,435	32,401
Mineral rights, net	1,405,455	1,380,473
Intangible assets, net	66,950	70,766
Equity and other unconsolidated investments	269,338	
Loan financing costs, net	11,502	4,291
Long-term contracts receivable affiliates	51,732	55,576
Other assets	497	630
Total assets	\$ 1,991,856	\$ 1,764,672
LIABILITIES AND PARTNERS CAPITAL		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 8,659	\$ 3,693
Accounts payable affiliates	391	957
Current portion of long-term debt	80,983	87,230
Accrued incentive plan expenses current portion	8,341	7,718
Property, franchise and other taxes payable	7,830	7,952
Accrued interest	17,184	10,265
Total current liabilities	123,388	117,815
Deferred revenue	142,586	123,506
Accrued incentive plan expenses	10,526	8,865
Other non-current liabilities	14,341	
Long-term debt	1,084,226	897,039
Partners capital:		
Common units outstanding: (109,812,408 and 106,027,836)	606,774	605,019
General partner's interest	10,069	10,026
Non-controlling interest	324	2,845
Accumulated other comprehensive loss	(378)	(443)

Total partners' capital	616,789	617,447
Total liabilities and partners' capital	\$ 1,991,856	\$ 1,764,672

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

NATURAL RESOURCE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands, except per unit data)

	For the Years Ended		
	December 31,		
	2013	2012	2011
Revenues:			
Coal royalties	\$ 212,663	\$ 260,734	\$ 279,221
Equity and other unconsolidated investment income	34,186		
Aggregate royalties	7,643	6,598	6,734
Processing fees	5,049	8,299	13,475
Transportation fees	17,977	19,513	16,688
Oil and gas revenues	17,080	9,160	14,017
Property taxes	15,416	15,273	12,640
Minimums recognized as revenue	8,285	23,956	9,148
Override royalties	13,499	15,527	14,523
Other	26,319	20,087	11,237
Total revenues and other income	358,117	379,147	377,683
Operating expenses:			
Depreciation, depletion and amortization	64,377	58,221	65,118
Asset impairments	734	2,568	161,336
General and administrative	36,821	29,714	29,553
Property, franchise and other taxes	16,463	17,678	14,486
Oil and gas lease operating expenses	739		
Transportation costs	1,644	1,944	2,033
Coal royalty and override payments	1,103	1,857	1,022
Total operating expenses	121,881	111,982	273,548
Income from operations	236,236	267,165	104,135
Other income (expense)			
Interest expense	(64,396)	(53,972)	(49,180)
Interest income	238	162	69
Income before non-controlling interest	172,078	213,355	55,024
Non-controlling interest			(998)
Net income	\$ 172,078	\$ 213,355	\$ 54,026
Net income attributable to:			
General partner	\$ 3,442	\$ 4,267	\$ 1,081
Limited partners	\$ 168,636	\$ 209,088	\$ 52,945

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Basic and diluted net income per limited partner unit	\$ 1.54	\$ 1.97	\$ 0.50
Weighted average number of common units outstanding	109,584	106,028	106,028
Comprehensive income	\$ 172,143	\$ 213,405	\$ 54,079

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

NATURAL RESOURCE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF PARTNERS CAPITAL

(In thousands, except unit data)

	Common Units		General Partner Amounts	Non- Controlling Interest Amounts	Accumulated Other Comprehensive Income (Loss)	Total
	Units	Amounts				
Balance at December 31, 2010	106,027,836	\$ 806,529	\$ 14,132	\$ 5,065	\$ (546)	\$ 825,180
Distributions		(230,080)	(4,696)	(52)		(234,828)
Non-controlling interest adjustment				(373)		(373)
Costs associated with equity transactions		(141)				(141)
Non-controlling interest				998		998
Net income for the year ended December 31, 2011		52,945	1,081			54,026
Loss on interest hedge					53	53
Comprehensive income					53	54,079
Balance at December 31, 2011	106,027,836	\$ 629,253	\$ 10,517	\$ 5,638	\$ (493)	\$ 644,915
Distributions		(233,263)	(4,758)	(2,793)		(240,814)
Costs associated with equity transactions		(59)				(59)
Net income for the year ended December 31, 2012		209,088	4,267			213,355
Loss on interest hedge					50	50
Comprehensive income					50	213,405
Balance at December 31, 2012	106,027,836	\$ 605,019	\$ 10,026	\$ 2,845	\$ (443)	\$ 617,447
Issuance of common units	3,784,572	75,000				75,000
Capital contribution			1,531			1,531
Cost associated with equity transactions		(293)				(293)
Distributions		(241,588)	(4,930)	(2,521)		(249,039)
Net income for the year ended December 31, 2013		168,636	3,442			172,078
Interest rate swap from unconsolidated investments					13	13
Loss on interest hedge					52	52

