

ALLIANCE RESOURCE PARTNERS LP

Form 10-Q

August 06, 2018

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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 June 30, 2018

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 No.: 0-26823

ALLIANCE RESOURCE PARTNERS, L.P.

(Exact name of registrant as specified in its charter)

Delaware 73-1564280
(State or other jurisdiction of (IRS Employer Identification No.)
incorporation or organization)

1717 South Boulder Avenue, Suite 400, Tulsa, Oklahoma 74119

(Address of principal executive offices and zip code)

(918) 295-7600

(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. [X] 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). [X] Yes [] No

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 [] Non-Accelerated Filer [] Smaller Reporting Company []
(Do not check if smaller reporting company)
Emerging Growth Company []

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. []

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

As of August 6, 2018, 131,369,594 common units are outstanding.

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PART I

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ALLIANCE RESOURCE PARTNERS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except unit data)

(Unaudited)

	June 30, 2018	December 31, 2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 51,225	\$ 6,756
Trade receivables	178,675	181,671
Other receivables	443	146
Due from affiliates	19	165
Inventories, net	68,411	60,275
Advance royalties, net	1,510	4,510
Prepaid expenses and other assets	15,908	28,117
Total current assets	316,191	281,640
PROPERTY, PLANT AND EQUIPMENT:		
Property, plant and equipment, at cost	3,013,346	2,934,188
Less accumulated depreciation, depletion and amortization	(1,547,224)	(1,457,532)
Total property, plant and equipment, net	1,466,122	1,476,656
OTHER ASSETS:		
Advance royalties, net	50,903	39,660
Equity method investments	158,370	147,964
Equity securities	113,976	106,398
Goodwill	136,399	136,399
Other long-term assets	23,873	30,654
Total other assets	483,521	461,075
TOTAL ASSETS	\$ 2,265,834	\$ 2,219,371
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES:		
Accounts payable	\$ 89,698	\$ 96,958
Due to affiliates	717	771
Accrued taxes other than income taxes	20,574	20,336

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Accrued payroll and related expenses	40,935	35,751
Accrued interest	4,999	5,005
Workers' compensation and pneumoconiosis benefits	10,766	10,729
Current capital lease obligations	30,954	28,613
Other current liabilities	15,756	19,071
Current maturities, long-term debt, net	61,500	72,400
Total current liabilities	275,899	289,634
LONG-TERM LIABILITIES:		
Long-term debt, excluding current maturities, net	387,470	415,937
Pneumoconiosis benefits	72,896	71,875
Accrued pension benefit	41,774	45,317
Workers' compensation	45,159	46,694
Asset retirement obligations	126,790	126,750
Long-term capital lease obligations	40,744	57,091
Other liabilities	19,671	14,587
Total long-term liabilities	734,504	778,251
Total liabilities	1,010,403	1,067,885
PARTNERS' CAPITAL:		
Alliance Resource Partners, L.P. ("ARLP") Partners' Capital:		
Limited Partners - Common Unitholders 131,395,987 and 130,704,217 units outstanding, respectively	1,300,011	1,183,219
General Partner's interest	—	14,859
Accumulated other comprehensive loss	(49,907)	(51,940)
Total ARLP Partners' Capital	1,250,104	1,146,138
Noncontrolling interest	5,327	5,348
Total Partners' Capital	1,255,431	1,151,486
TOTAL LIABILITIES AND PARTNERS' CAPITAL	\$ 2,265,834	\$ 2,219,371

See notes to condensed consolidated financial statements.

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ALLIANCE RESOURCE PARTNERS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except unit and per unit data)

(Unaudited)

	Three Months Ended June 30, 2018	2017	Six Months Ended June 30, 2018	2017
SALES AND OPERATING REVENUES:				