

MESABI TRUST
Form 10-Q
December 07, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended October 31, 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 Number: 1-4488

MESABI TRUST

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(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)

13-6022277
(I.R.S. Employer Identification No.)

c/o Deutsche Bank Trust Company Americas

Trust & Agency Services

60 Wall Street

16th Floor

New York, New York
(Address of principal executive offices)

10005
(Zip code)

(904) 271-2520

(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 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 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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

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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 No

As of December 7, 2018, there were 13,120,010 Units of Beneficial Interest in Mesabi Trust outstanding.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements. (Note 1)

Mesabi Trust

Condensed Statements of Operations

Three and Nine Months Ended October 31, 2018 and 2017

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2018 (unaudited)	2017 (unaudited)	2018 (unaudited)	2017 (unaudited)
A. Condensed Statements of Operations				
Revenues				
Royalty income	\$ 13,891,273	\$ 10,898,615	\$ 39,663,012	\$ 29,889,218
Interest	82,570	26,384	146,830	40,199
Total revenues	13,973,843	10,924,999	39,809,842	29,929,417
Expenses	388,781	227,330	1,037,477	762,869
Net income	\$ 13,585,062	\$ 10,697,669	\$ 38,772,365	\$ 29,166,548
WEIGHTED AVERAGE NUMBER OF UNITS OUTSTANDING				
Number of units outstanding	13,120,010	13,120,010	13,120,010	13,120,010
Net income per unit (Note 2)	\$ 1.0354	\$ 0.8154	\$ 2.9552	\$ 2.2231
Distributions declared per unit (Note 3)	\$ 0.9400	\$ 0.6400	\$ 1.6100	\$ 1.3500

See Notes to Condensed Financial Statements.

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Mesabi Trust

Condensed Balance Sheets

October 31, 2018 and January 31, 2018

	October 31, 2018 (unaudited)	January 31, 2018
B. Condensed Balance Sheets		
Assets		
Cash and cash equivalents	\$ 605,436	\$ 314,835
U.S. Government securities, at amortized cost (which approximates market)	32,571,424	23,797,451
Accrued income receivable	6,110,966	1,956,091
Contract asset	1,362,897	99,264
Prepaid expenses	95,343	54,640
Current assets	40,746,066	26,222,281
Fixed property, including intangibles, at nominal values		
Assignments of leased property		
Amended assignment of Peters Lease	1	1
Assignment of Cloquet Leases	1	1
Certificate of beneficial interest for 13,120,010 units of Land Trust	1	1
	3	3
Total assets	\$ 40,746,069	\$ 26,222,284
Liabilities, Unallocated Reserve And Trust Corpus		
Liabilities		
Distribution payable	\$ 12,332,809	\$ 15,481,612
Accrued expenses	157,433	133,994
Total liabilities	12,490,242	15,615,606
Unallocated reserve	28,255,824	10,606,675
Trust corpus	3	3
Total liabilities, unallocated reserve and trust corpus	\$ 40,746,069	\$ 26,222,284

See Notes to Condensed Financial Statements.

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Mesabi Trust

Condensed Statements of Cash Flows

Nine Months Ended October 31, 2018 and 2017

Nine Months
Ended
October 31,
2018 2017