

U S GLOBAL INVESTORS INC  
Form 10-Q  
November 08, 2018

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

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**FORM 10-Q**

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Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **September 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 Number **0-13928**

**U.S. GLOBAL INVESTORS, INC.**

(Exact name of registrant as specified in its charter)

**Texas**

(State or other jurisdiction of

incorporation or organization)

**74-1598370**

(IRS Employer Identification No.)

**7900 Callaghan Road**

**78229**

**San Antonio, Texas** (Zip Code)  
(Address of principal executive offices)

**(210) 308-1234**

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address, and former fiscal year, if changed since last report)

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, smaller reporting company, or an emerging growth company. See 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 Accelerated filer  
Non-accelerated filer 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 No

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On October 26, 2018, there were 13,866,691 shares of Registrant's class A nonvoting common stock issued and 13,076,774 shares of Registrant's class A nonvoting common stock issued and outstanding; no shares of Registrant's class B nonvoting common shares outstanding; and 2,068,857 shares of Registrant's class C voting common stock issued and outstanding.

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<b>Assets</b>	<b>September 30, 2018</b>	<b>June 30, 2018</b>
	<b>(UNAUDITED)</b>	
<i>(dollars in thousands)</i>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 5,996	\$6,364
Restricted cash	1,000	1,000
Investments in securities, at fair value	8,790	8,179
Accounts and other receivables	606	1,216
Note receivable	53	35
Prepaid expenses	282	328
<b>Total Current Assets</b>	<b>16,727</b>	<b>17,122</b>
<b>Net Property and Equipment</b>	<b>1,914</b>	<b>1,970</b>
<b>Other Assets</b>		
Investments in securities at fair value, non-current	5,525	7,086
Other investments	2,168	2,207
Equity method investments	281	283
Note receivable, non-current	181	199
Other assets, non-current	62	65
<b>Total Other Assets</b>	<b>8,217</b>	<b>9,840</b>
<b>Total Assets</b>	<b>\$ 26,858</b>	<b>\$28,932</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 107	\$198
Accrued compensation and related costs	288	645
Dividends payable	-	113
Other accrued expenses	866	817
<b>Total Current Liabilities</b>	<b>1,261</b>	<b>1,773</b>
<b>Long-Term Liabilities</b>		
Deferred tax liability	739	1,099
<b>Total Long-Term Liabilities</b>	<b>739</b>	<b>1,099</b>
<b>Total Liabilities</b>	<b>2,000</b>	<b>2,872</b>

**Commitments and Contingencies (Note 12)****Shareholders' Equity**

Common stock (class A) - \$0.025 par value; nonvoting; authorized, 28,000,000 shares; issued, 13,866,691 shares at September 30, 2018, and June 30, 2018	347	347
Common stock (class B) - \$0.025 par value; nonvoting; authorized, 4,500,000 shares; no shares issued	-	-
Convertible common stock (class C) - \$0.025 par value; voting; authorized, 3,500,000 shares; issued, 2,068,857 shares at September 30, 2018, and June 30, 2018	52	52
Additional paid-in-capital	15,651	15,650
Treasury stock, class A shares at cost; 789,917 and 790,445 shares at September 30, 2018, and June 30, 2018, respectively	(1,876	) (1,878 )
Accumulated other comprehensive income (loss), net of tax	(212	) 1,858
Retained earnings	10,453	9,513
<b>Total U.S. Global Investors Inc. Shareholders' Equity</b>	24,415	25,542
Non-Controlling Interest in Subsidiary	443	518
<b>Total Shareholders' Equity</b>	24,858	26,060
<b>Total Liabilities and Shareholders' Equity</b>	\$ 26,858	\$28,932

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

Table of Contents**CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

	<b>Three Months Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>
<i>(dollars in thousands, except per share data)</i>		
<b>Operating Revenues</b>		
Advisory fees	\$1,170	\$1,433
Administrative services fees	53	57
	1,223	1,490
<b>Operating Expenses</b>		
Employee compensation and benefits	798	901
General and administrative	1,010	948
Advertising	40	59
Depreciation and amortization	58	61
	1,906	1,969
<b>Operating Loss</b>	(683 )	(479 )
<b>Other Income (Loss)</b>		
Investment income (loss)	(907 )	209
Income (loss) from equity method investments	(7 )	1,513
Other income	9	3
	(905 )	1,725
<b>Income (Loss) Before Income Taxes</b>	(1,588)	1,246
<b>Provision for Income Taxes</b>		
Tax expense (benefit)	(356 )	10
<b>Net Income (Loss)</b>	(1,232)	1,236
Less: Net Loss Attributable to Non-Controlling Interest	(83 )	