

U S GLOBAL INVESTORS INC
Form 10-Q
May 12, 2014

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 March 31, 2014

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
San Antonio, Texas
(Address of principal executive offices)
(210) 308-1234

78229-1234
(Zip Code)

(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 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, or 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. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company
(Do not check if a 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

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On May 5, 2014, there were 13,869,436 shares of Registrant's class A nonvoting common stock issued and 13,374,755 shares of Registrant's class A nonvoting common stock issued and outstanding, no shares of Registrant's class B nonvoting common shares outstanding, and 2,069,187 shares of Registrant's class C voting common stock issued and outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

	March 31, 2014 (UNAUDITED)	June 30, 2013
Assets		
Current Assets		
Cash and cash equivalents	\$4,132,185	\$18,085,226
Trading securities, at fair value	18,645,573	4,758,220
Receivables		
Mutual funds	1,031,310	964,461
Offshore clients	14,500	21,000
Income tax	1,160,094	140,792
Employees	195	5,500
Other	296,505	16,140
Prepaid expenses	600,414	604,701
Deferred tax asset	39,527	195,871
Total Current Assets	25,920,303	24,791,911
Net Property and Equipment	2,908,090	3,084,860
Other Assets		
Deferred tax asset, long term	356,183	677,539
Investment securities available-for-sale, at fair value	6,240,626	9,053,111
Other investments	385,439	—
Investment in Galileo	669,519	654,528
Total assets held related to discontinued operations	—	420,853
Total Other Assets	7,651,767	10,806,031
Total Assets	\$36,480,160	\$38,682,802
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	\$60,604	\$71,289
Accrued compensation and related costs	535,516	686,562
Dividends payable	231,931	232,402
Other accrued expenses	704,968	770,024
Total liabilities held related to discontinued operations	45,636	73,284
Total Current Liabilities	1,578,655	1,833,561
Commitments and Contingencies		
Shareholders' Equity		
Common stock (class A) - \$0.025 par value; nonvoting; authorized, 28,000,000 shares; issued, 13,866,361 and 13,865,021 shares at March 31, 2014, and June 30, 2013, respectively	346,659	346,626
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, 2,069,187 and 2,070,527 shares at March 31, 2014, and June 30, 2013, respectively	51,730	51,763

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Additional paid-in-capital	15,658,586	15,654,397
Treasury stock, class A shares at cost; 494,981 and 463,958 shares at March 31, 2014, and June 30, 2013, respectively	(1,247,387) (1,128,704)
Accumulated other comprehensive income, net of tax	745,164	652,218
Retained earnings	19,346,753	21,272,941
Total Shareholders' Equity	34,901,505	36,849,241
Total Liabilities and Shareholders' Equity	\$36,480,160	\$38,682,802

The accompanying notes are an integral part of this statement.

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CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)

	Nine Months Ended March 31,		Three Months Ended March 31,	
	2014	2013	2014	2013
Operating Revenues				
Mutual fund advisory fees	\$5,589,794	\$9,522,556	\$1,783,801	\$3,110,084
Distribution fees	1,509,684	2,246,930	474,002	694,862
Shareholder services fees	720,957	1,094,070	229,140	353,560
Administrative services fees	565,940	741,657	212,755	230,516
Other advisory fees	147,402	253,534	42,334	83,960
	8,533,777	13,858,747	2,742,032	4,472,982
Operating Expenses				