

GOLDEN ENTERPRISES INC
Form 10-Q
January 13, 2012

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 (twenty-six weeks) period ended December 2, 2011

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 0-4339

GOLDEN ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

63-0250005

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

One Golden Flake Drive
Birmingham, Alabama
(Address of Principle Executive Offices)

35205
(Zip Code)

(205) 458-7316

(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 (X) 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 ()

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-2 of the Act). (Check one):

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	X
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes () No (X)

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of December 30, 2011.

Class	Outstanding at December 30, 2011
Common Stock, Par Value \$0.66 2/3	11,734,632

EXCHANGE ACT REPORTS AVAILABLE ON COMPANY WEBSITE

Under "SEC Filings" on the "Financial" page of the Company's website located at www.goldenflake.com, links to the following filings are made available as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission (the "SEC") the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statement on Schedule 14A related to the Company's Annual Shareholders Meeting, and any amendments to those reports or statements filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Act of 1934. You may also read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website located at <http://www.sec.gov> that contains the information we file or furnish electronically with the SEC.

GOLDEN ENTERPRISES, INC.
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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
GOLDEN ENTERPRISES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) December 2, 2011	(Audited) June 3, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,639,785	\$ 2,721,638
Receivables, net	10,319,437	10,220,220
Inventories:		
Raw materials and supplies	2,209,713	1,596,731
Finished goods	3,789,410	3,398,898
	5,999,123	4,995,629
Prepaid expenses	2,488,127	1,803,827
Accrued income taxes	439,313	865,467
Deferred income taxes	633,370	633,370
Total current assets	21,519,155	21,240,151
Property, plant and equipment, net	25,503,741	24,646,418
Other assets	2,001,749	2,234,337
Total	\$ 49,024,645	\$ 48,120,906
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Checks outstanding in excess of bank balances	\$ 1,637,133	\$ 998,386
Accounts payable	6,673,695	6,323,448
Current portion of long-term debt	568,629	344,791
Other accrued expenses	4,721,748	4,604,603
Salary continuation plan	174,481	167,662
Line of credit outstanding	1,378,206	1,777,567
Total current liabilities	15,153,892	14,216,457
LONG-TERM LIABILITIES		
Notes payable - bank, non-current	5,670,291	6,064,983
Salary continuation plan	1,154,654	1,211,895
Deferred income taxes	2,969,917	2,969,917
Total long-term liabilities	9,794,862	10,246,795
STOCKHOLDER'S EQUITY		
Common stock - \$.66-2/3 par value: 35,000,000 shares authorized		
Issued 13,828,793 shares	9,219,195	9,219,195

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Additional paid-in capital	6,497,954	6,497,954
Retained earnings	19,284,501	18,866,264
	35,001,650	34,583,413
Less: Cost of common shares in treasury (2,094,161 shares at December 2, 2011 and June 3, 2011 respectively)	(10,925,759)	(10,925,759)
Total stockholder's equity	24,075,891	23,657,654
Total	\$ 49,024,645	\$ 48,120,906

See Accompanying Notes to Condensed
Consolidated Financial Statements

GOLDEN ENTERPRISES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Thirteen Weeks Ended December 2, 2011	Thirteen Weeks Ended November 26, 2010	Twenty-Six Weeks Ended December 2, 2011	Twenty-Six Weeks Ended November 26, 2010
Net sales	\$ 33,230,663	\$ 30,910,393	\$ 66,475,853	\$ 62,866,477
Cost of sales	17,478,476	16,344,042	34,720,094	32,092,672
Gross margin	15,752,187	14,566,351	31,755,759	30,773,805
Selling, general and administrative expenses	14,987,933	13,691,261	29,918,625	28,147,691
Operating income	764,254	875,090	1,837,134	2,626,114
Other (expenses) income:				
Gain on sale of assets	8,043	13,608	92,385	51,785
Interest expense	(73,328)	(115,379)	(148,563)	(195,597)
Other income	29,003	99,301	65,843	123,657
Total other (expenses) income	(36,282)	(2,470)	9,665	(20,155)
Income before income taxes	727,972	872,620	1,846,799	2,605,959
Income taxes	275,887	330,959	695,143	984,159
Net income	\$ 452,085	\$ 541,661	\$ 1,151,656	\$ 1,621,800
PER SHARE OF COMMON STOCK				
Basic earnings	\$ 0.04	\$ 0.05	\$ 0.10	\$ 0.14
Diluted earnings	\$ 0.04	\$ 0.05	\$ 0.10	\$ 0.14
Weighted average number of common stock share outstanding:				
Basic	11,734,632	11,734,632	11,734,632	11,737,203
Diluted	11,734,632	11,734,632	11,734,632	11,737,203
Cash dividends paid per share of common stock	\$ 0.0313	\$ 0.0313	\$ 0.0625	\$ 0.0626

See Accompanying Notes to Condensed Consolidated Financial Statements

GOLDEN ENTERPRISES, INC. AND SUBSIDIARY
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Twenty-Six Weeks Ended December 2, 2011	Twenty-Six Weeks Ended November 26, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 66,376,636	\$ 62,437,169
Miscellaneous income	65,843	123,657
Cash paid to suppliers and employees	(34,002,689)	(28,660,218)
Cash paid for operating expenses	(30,003,516)	