

GOLDEN ENTERPRISES INC
Form 10-Q
April 10, 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 (thirteen weeks) period ended February 28 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 0-4339

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 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

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to submit and post such files). Yes (X) 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 (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 March 31, 2014.

Class	Outstanding at March 31, 2014
Common Stock, Par Value \$0.66 2/3	11,732,632

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) Feb 28 2014	(Audited) May 31 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,006,665	\$ 757,111
Receivables, net	10,542,604	10,459,706
Inventories:		
Raw materials and supplies	1,758,754	1,872,541
Finished goods	3,468,493	3,083,272
	5,227,247	4,955,813
Prepaid expenses	1,818,953	1,554,737
Accrued income taxes	220,665	-
Deferred income taxes	596,267	596,267
Total current assets	19,412,401	18,323,634
Property, plant and equipment, net	26,872,749	27,095,054
Other assets	1,896,610	2,337,791
Total	\$ 48,181,760	\$ 47,756,479

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES		
Checks outstanding in excess of bank balances	\$ 2,157,364	\$ 1,442,915
Accounts payable	5,301,163	4,809,066
Accrued income taxes	-	53,475
Current portion of long-term debt	366,671	392,850
Other accrued expenses	5,693,706	5,427,017
Salary continuation plan	208,767	196,649
Line of credit outstanding	1,979,488	1,725,289
Total current liabilities	15,707,159	14,047,261
LONG-TERM LIABILITIES		
Notes payable - bank, non-current	5,037,607	5,314,213
Salary continuation plan	937,864	1,032,810
Deferred income taxes	3,304,451	3,304,451
Total long-term liabilities	9,279,922	9,651,474

STOCKHOLDER'S EQUITY

Common stock - \$.66-2/3 par value:

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35,000,000 shares authorized		
Issued 13,828,793 shares	9,219,195	9,219,195
Additional paid-in capital	6,497,954	6,497,954
Retained earnings	18,410,149	19,273,214
	34,127,298	34,990,363
Less: Cost of common shares in treasury (2,096,161 shares at February 28, 2014 and 2,096,161 shares at May 31, 2013)	(10,932,619)	(10,932,619)
Total stockholder's equity	23,194,679	24,057,744
Total	\$ 48,181,760	\$ 47,756,479

See Accompanying Notes to Condensed Consolidated Financial Statements

GOLDEN ENTERPRISES, INC. AND SUDSIDIARY
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

	Thirteen Weeks Ended February 28, 2014	Thirteen Weeks Ended March 1, 2013	Thirty-Nine Weeks Ended February 28, 2014	Thirty-Nine Weeks Ended March 1, 2013
Net sales	\$32,140,922	\$33,641,238	\$100,769,083	\$101,533,313
Cost of sales	16,717,231	17,419,327	51,755,644	52,139,342
Gross margin	15,423,691	16,221,911	49,013,439	49,393,971
Selling, general and administrative expenses	15,262,451	15,345,178	47,262,462	46,425,735
Operating income	161,240	876,733	1,750,977	2,968,236
Reorganization costs	1,026,980	-	1,026,980	-
Operating (loss) income	(865,740)	876,733	723,997	2,968,236
Other income (expenses):				
Gain on sale of assets	13,410	5,531	22,693	55,940
Interest expense	(72,353)	(67,673)	(238,016)	(183,924)
Other income	18,055	35,809	71,953	79,442
Total other income (expenses)	(40,888)	(26,333)	(143,370)	(48,542)
(Loss)/income before income taxes	(906,628)	850,400	580,627	2,919,694
Income taxes	(345,775)	378,012	343,756	1,334,913
Net (loss)/income	\$(560,853)	\$472,388	\$236,871	\$1,584,781
PER SHARE OF COMMON STOCK				
Basic and Diluted earnings	\$(0.05)	\$0.04	\$0.02	\$0.14
Weighted average number of common stock share outstanding:				
Basic and Diluted	11,732,632	11,732,632	11,732,632	11,733,775
Cash dividends paid per share of common stock	\$0.0313	\$0.0313	\$0.0938	\$0.0938

See Accompanying Notes to Condensed Consolidated Financial Statements

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

Thirty-Nine
Weeks Ended
February 28, 2014

Thirty-Nine
Weeks Ended
March 1, 2013

CASH FLOWS FROM OPERATING
ACTIVITIES

Cash received from customers	\$	100,686,185	\$	101,539,629
Miscellaneous income		71,953		79,442
Cash paid to suppliers and employees		(49,528,595)		(52,223,815)
Cash paid for operating expenses		(47,061,874)		(46,350,384)
Income taxes paid		(617,896)		(764,570)
Interest expenses paid		(238,016)		(183,923)
Net cash provided by operating activities		3,311,757		2,096,379

CASH FLOWS FROM INVESTING
ACTIVITIES

Purchase of property, plant and equipment		(2,676,256)		(2,261,171)
Proceeds from sale of property, plant and equipment		48,125		69,415
Net cash used in investing activities		(2,628,131)		(2,191,756)

CASH FLOWS FROM FINANCING
ACTIVITIES

Debt proceeds		28,795,552		28,883,232
Debt repayments		(28,844,137)		(28,706,964)
Change in checks outstanding in excess of bank balances		714,449		(84,241)
Cash dividends paid		(1,099,936)		(1,100,647)
Purchase of treasury shares		-		(6,860)
Net cash used in financing activities		(434,072)		(1,015,480)

Net change in cash and cash equivalents		249,554		(1,110,857)
Cash and cash equivalents at beginning of period		757,111		1,893,816
Cash and cash equivalents at end of period	\$	1,006,665	\$	782,959

See Accompanying Notes to Condensed Consolidated Financial Statements

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

RECONCILIATION OF NET INCOME TO NET CASH FROM OPERATING ACTIVITIES

	Thirty-Nine Weeks Ended February 28, 2014	Thirty-Nine Weeks Ended March 1, 2013
Net Income	\$ 236,871	\$ 1,584,781
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,873,128	2,516,662
Gain on sale of property and equipment	(22,693)	(55,940)
Changes in operating assets and liabilities:		
Change in receivables - net	(82,898)	6,316
Change in inventories	(271,434)	(255,176)
Change in prepaid expenses	(264,216)	(323,758)
Change in other assets	441,181	(123,350)
Change in accounts payable	492,097	(1,765,092)
Change in accrued expenses	266,689	24,239
Change in salary continuation	(82,828)	(82,647)
Change in accrued income taxes	(274,140)	570,344
Net cash provided by operating activities	\$ 3,311,757	\$ 2,096,379

See Accompanying Notes to Condensed Consolidated Financial Statements

GOLDEN ENTERPRISES, INC. AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

- The accompanying unaudited condensed consolidated financial statements of Golden Enterprises, Inc. (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 to Regulation S-X. Accordingly, they do not include all information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting only of normal, recurring accruals) necessary for a fair presentation have been included. For further information, refer to the consolidated financial statements and footnotes included in the Company's Annual Report on Form 10-K for year ended May 31, 2013 which can be found on our website at www.goldenflake.com/financial.html.
- The consolidated results of operations for the thirty-nine weeks ended February 28, 2014 are not necessarily indicative of the results to be expected for the fifty-two week fiscal year ending May 30, 2014.
- The following tables summarize the prepaid assets accounts at February 28, 2014 and May 31, 2013.

	February 28, 2014	May 31, 2013
Truck shop supplies	\$ 372,966	\$ 445,504
Insurance deposit	82,959	82,959
Prepaid marketplace spending	315,674	212,026
Deferred advertising fees	354,375	-
Prepaid insurance	377,755	257,757
Prepaid taxes/licenses	112,122	59,203
Prepaid dues/supplies	162,840	413,100
Other	40,262	84,188
	\$ 1,818,953	\$ 1,554,737

- The principal raw materials used in the manufacture of the Company's snack food products are potatoes, corn, pork skin pellets, vegetable oils, and seasoning. The principal supplies used are flexible film, cartons, trays, boxes, and bags. These raw materials and supplies are generally available in adequate quantities in the open market from sources in the United States and are generally contracted up to a year in advance.
- Inventories are stated at the lower of cost or market. Cost is computed on the first-in, first-out method.

6. The Company has a letter of credit with an outstanding amount of \$1,850,000 outstanding at February 28, 2014 compared to \$1,900,000 outstanding at March 1, 2013. The letter of credit supports the Company's commercial self-insurance program.
7. The Company has a line-of-credit agreement with a local bank that permits borrowing up to \$3,000,000. The line-of-credit is subject to the Company's continued credit worthiness and compliance with the terms and conditions of the loan agreement. The Company's line-of-credit debt as of February 28, 2014 was \$1,979,488 with an interest rate of 3.25%, leaving the Company with \$1,020,512 of credit availability. The Company's line-of-credit debt as of May 31, 2013 was \$1,725,289 with an interest rate of 3.25%, leaving the Company with \$1,274,711 of credit availability.
8. The Company has a note payable with a balance of \$5,404,278 as of February 28, 2014. The loan was established as a construction loan in March 2009 to help fund the construction of a process water treatment facility. In September 2009, the note converted to a 10-year fixed-rate note at 4.25% for \$4,000,000. In March 2011, the loan was modified by taking the remaining balance of \$3,532,700 and adding another \$2,900,000 to finance the purchase and implementation of a new Enterprise Resource Planning computer software system. At that time, the interest rate on the loan was adjusted to 3.52% and the terms were re-established at 15 years for the repayment of the loan. The Company has been making monthly payments on the note and intends to repay it at the earliest practicable date, as there are no prepayment penalties.
9. The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash equivalents and trade receivables.

The Company maintains deposit relationships with high credit quality financial institutions. The Company's trade receivables result primarily from its snack food operations and reflect a broad customer base, primarily large grocery store chains located in the Southeastern United States. The Company routinely assesses the financial strength of its customers. As a consequence, concentrations of credit risk are limited.

10. During the third quarter of fiscal 2014, the Company took necessary steps to streamline its management structure. As a result, the Company reduced its workforce by approximately 2% and incurred gross restructuring charges of \$1,026,980 consisting of severance costs related to the workforce reduction. As all of the restructuring activities were completed in the third quarter of fiscal 2014, the Company does not expect to recognize additional costs in future periods relating to these actions.

The activity in the restructuring accrual for the three month period ended February, 2014 is as follows:

Restructuring accrual – December 1, 2013	\$1,026,980
Cash payments	(286,667)
Restructuring accrual – February 28, 2014	\$740,313

The accrual balance as of February 28, 2014 will be relieved throughout fiscal year 2014 and early 2015, as severance payments are completed. The restructuring accrual is included in the balance of other accrued expenses in the unaudited condensed consolidated balance sheet.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have reviewed the accompanying condensed consolidated balance sheet of Golden Enterprises, Inc. and subsidiary as of February 28, 2014, and the related condensed consolidated statement of operations for the thirteen week and thirty-nine week periods ended February 28, 2014 and March 1, 2013, and the related condensed statements of cash flows for the thirty-nine week periods ending February 28, 2014 and March 1, 2013. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the Public Company Accounting Oversight Board (United States). A review of interim financial statements consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited in accordance with the standards of the Public Company Accounting Oversight Board, the consolidated balance sheet as of May 31, 2013 and the related consolidated statements of income, changes in stockholders' equity and cash flows for the fiscal year then ended (not presented herein), and in our report dated August 8, 2013 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of May 31, 2013, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

DUDLEY, HOPTON-JONES, SIMS & FREEMAN PLLP

Birmingham, Alabama
April 3, 2014

ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of our financial condition and results of operations are based upon the condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. This discussion should be read in conjunction with our recent SEC filings, including Form 10-K for the year ended May 31, 2013. The preparation of these financial statements requires us to make estimates and judgments about future events that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosures. Future events and their effects cannot be determined with absolute certainty. Therefore, management's determination of estimates and judgments about the carrying values of assets and liabilities requires the exercise of judgment in the selection and application of assumptions based on various factors, including historical experience, current and expected economic conditions and other factors believed to be reasonable under the circumstances. We routinely evaluate our estimates including those considered significant and discussed in detail in Form 10-K for the year ended May 31, 2013. Actual results may differ from these estimates under different assumptions or conditions and such differences may be material.

Overview

The Company manufactures and distributes a full line of high quality salted snack items, such as potato chips, tortilla chips, corn chips, fried pork skins, baked and fried cheese curls, onion rings, puff corn, and crinkle cut fries. The products are all packaged in flexible bags or other suitable wrapping material. The Company also sells canned dips, pretzels, peanut butter crackers, cheese crackers, dried meat products, and nuts packaged by other manufacturers using the Golden Flake label.

No single product or product line accounts for more than 50% of the Company's sales, which affords some protection against loss of volume due to a crop failure of major agricultural raw materials or failure to procure an adequate supply of pork skin pellets. Raw materials used in manufacturing and processing the Company's snack food products are purchased on the open market and under contract through brokers and directly from growers. A large part of the raw materials used by the Company consists of farm commodities which are subject to precipitous changes in supply and price. Weather varies from season to season and directly affects both the quality and supply of farm commodities available. The Company has no control of the agricultural aspects and its profits are affected accordingly.

The Company sells its products both through its own sales organization and independent distributors to commercial establishments that sell food products primarily in the Southeastern United States. The products are distributed through the independent distributors and route representatives who are supplied with selling inventory by the Company's trucking fleet. All of the route representatives are employees of the Company and use the Company's direct-store delivery system.

Liquidity and Capital Resources

At February 28, 2014 and May 31, 2013, working capital was \$3,705,242 and \$4,276,373, respectively.

The Company did not purchase shares of treasury stock this quarter. The Company's current ratio was 1.24 to 1.00 at February 28, 2014 compared to 1.30 to 1.00 at May 31, 2013.

Accounts Receivable and Allowance for Doubtful Accounts

At February 28, 2014 and May 31, 2013 the Company had accounts receivables in the amount of \$10,542,604 and \$10,459,706 respectively, net of an allowance for doubtful accounts of \$70,000.

Other Commitments

Available cash, cash from operations and available credit under the line-of-credit are expected to be sufficient to meet anticipated cash expenditures and normal operating requirements for the foreseeable future.

Operating Results

For the thirteen weeks ended February 28, 2014, net sales decreased 4.5% from the comparable period in fiscal 2013. For the thirty-nine weeks ended February 28, 2014, net sales decreased 0.8% from the comparable period in fiscal 2013. This year's third quarter cost of sales was 52.0% of net sales compared to 51.8% for last year's third quarter. This year's cost of sales year to date was 51.4% of net sales compared to 51.4% for last year's year to date. This year's third quarter, selling, general and administrative expenses were 47.5% of net sales compared to 45.6% for last year's third quarter. This year's selling, general and administrative expenses year to date were 46.9% of net sales compared to 45.7% for last year's year to date.

The following tables compare manufactured products to resale products:

Manufactured Products-Resale Products

	Thirteen Weeks Ended February 28, 2014		Thirteen Weeks Ended March 1, 2013			
Sales	%		%			
Manufactured Products	\$26,372,237	82.1	%	\$24,643,951	73.3	%
Resale Products	5,768,685	17.9	%	8,997,287	26.7	%
Total	\$32,140,922	100.0	%	\$33,641,238	100.0	%
Gross Margin	%		%			
Manufactured Products	\$13,109,843	49.7	%	\$12,212,771	49.6	%
Resale Products	2,313,848	40.1	%	4,009,140	44.6	%
Total	\$15,423,691	48.0	%	\$16,221,911	48.2	%
	Thirty-Nine Weeks Ended February 28, 2014		Thirty-Nine Weeks Ended March 1, 2013			
Sales	%		%			
Manufactured Products	\$81,135,991	80.5	%	\$79,967,917	78.8	%
Resale Products	19,633,092	19.5	%	21,565,396	21.2	%
Total	\$100,769,083	100.0	%	\$101,533,313	100.0	%
Gross Margin	%		%			
Manufactured Products	\$40,859,960	50.4	%	\$41,616,080	52.0	%
Resale Products	8,153,479	41.5	%	7,777,891	36.1	%
Total	\$49,013,439	48.6	%	\$49,393,971	48.6	%

The Company's gain on sale of assets for the thirteen weeks ended February 28, 2014 in the amount of \$13,410 was from the sale of used transportation equipment.

For last year's thirteen weeks, the gain on sale of assets in the amount of \$5,531 was from the sale of used transportation equipment.

The Company's effective tax rate for the thirteen weeks was (38.1%) compared to 44.5% for the last year's thirteen weeks. The Company's effective tax rate for the thirty-nine weeks ended February 28, 2014 was 59.2% and 45.7% for the comparable period last year.

Market Risk

The principal market risks (i.e., the risk of loss arising from adverse changes in market rates and prices), to which the Company is exposed, are interest rates on its cash equivalents and bank loans, fuel costs, and commodity prices affecting the cost of its raw materials.

The Company is subject to market risk with respect to commodities because its ability to recover increased costs through higher pricing may be limited by the competitive environment in which it operates. The Company purchases its raw materials on the open market and under contract through brokers or directly from growers. Future contracts have been used occasionally to hedge immaterial amounts of commodity purchases, but none are presently being used.

Inflation

Certain costs and expenses of the Company are affected by inflation. The Company's prices for its products over the past several years have remained relatively flat. The Company will contend with the effect of further inflation to the extent possible through efficient purchasing, improved manufacturing methods, pricing, and by monitoring and controlling expenses.

Environmental Matters

Golden Flake's waste water treatment plant is an environmentally-friendly way to dispose of process water at the Birmingham plant. The treatment plant has allowed Golden Flake to release the processing water into a neighboring creek which has improved the flow of water in the creek and has positively impacted the environment in the area surrounding the plant. This treatment plant has also helped to reduce expenses associated with sewer charges by the elimination of the disposal of process water through the public sewer system.

Subsequent Event

Not applicable.

Forward-Looking Statements

This discussion contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those forward-looking statements. Factors that may cause actual results to differ materially include, but are not limited to, price competition, industry consolidation, raw material costs, and effectiveness of sales and marketing activities, as described in the Company's filings with the Securities and Exchange Commission.

ITEM 3

QUANTITATIVE AND QUALITATIVE
DISCLOSURE ABOUT MARKET RISK

Pursuant to Item 305(e) of Regulation S-K (Section 229.305(e)) the Company is not required to provide the Information under this item, as it is a “Smaller Reporting Company” as defined by Rule 229.10(f)(1).

ITEM 4

CONTROLS AND PROCEDURES

The Company fully implemented an Enterprises Resource Planning computer software system (“ERP System”) in the third quarter. Internal accounting controls and procedures are an integral part of the ERP System. Although the ERP System has been implemented and is functional, the Company at this time is checking, through the use of its previous internal control system, material financial information produced/generated by the ERP System to verify its accuracy and also provide reasonable assurance regarding the reliability of such information.

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of the end of the period covered by this report utilizing the ERP System and checking material information provided with the previous internal control system. Any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives. Based on such evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company’s disclosure controls and procedures provided reasonable assurance that the disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and in accumulating and communicating such information to management, including the Company’s Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the Company’s internal control over financial reporting to determine whether any changes occurred during the Company’s third fiscal quarter ended February 28, 2014 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting. Based on that evaluation, the only change to occur during the period covered by this report was the implementation of the ERP System.

PART II OTHER INFORMATION

ITEM 1

LEGAL PROCEEDINGS

There are no material pending legal proceedings against the Company or its subsidiary other than routine litigation incidental to the business of the Company and its subsidiary.

ITEM 1A

RISK FACTORS

As a “Smaller reporting company”, the Company is not required to provide the information under this item.

ITEM 2

UNREGISTERED SALES OF EQUITY SECURITIES
AND USE OF PROCEEDS

The Company did not sell any equity securities during the period covered by this report.

Registrant Purchases of Equity Securities

The Company did not purchase any shares of treasury stock during the period covered by this report.

ITEM 3

DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4

MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5

OTHER INFORMATION

Not applicable.

ITEM 6

EXHIBITS

- (3) Articles of Incorporation and By-laws of Golden Enterprises, Inc.
- 3.1 Certificate of Incorporation of Golden Enterprises, Inc. (originally known as “Golden Flake, Inc.”) dated December 11, 1967 (incorporated by reference to Exhibit 3.1 to Golden Enterprises, Inc. May 31, 2004 Form 10-K filed with the Commission).
- 3.2 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated December 22, 1976 (incorporated by reference to Exhibit 3.2 to Golden Enterprises, Inc. May 31, 2004 Form 10-K filed with the Commission).
- 3.3 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated October 2, 1978 (incorporated by reference to Exhibit 3 to Golden Enterprises, Inc. May 31, 1979 Form 10-K filed with the Commission).
- 3.4 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated October 4, 1979 (incorporated by reference to Exhibit 3 to Golden Enterprises, Inc. May 31, 1980 Form 10-K filed with the Commission).
- 3.5 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated September 24, 1982 (incorporated by reference to Exhibit 3.1 to Golden Enterprises, Inc. May 31, 1983 Form 10-K filed with the Commission).
- 3.6 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated September 22, 1983 (incorporated by reference to Exhibit 19.1 to Golden Enterprises, Inc. Form 10-Q Report for the quarter ended November 30, 1983 filed with the Commission).
- 3.7 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated October 3, 1985 (incorporated by reference to Exhibit 19.1 to Golden Enterprises, Inc. Form 10-Q Report for the quarter ended November 30, 1985 filed with the Commission).
- 3.8 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated September 23, 1987 (incorporated by reference to Exhibit 3.1 to Golden Enterprises, Inc. May 31, 1988 Form 10-K filed with the Commission).
- 3.9 By-Laws of Golden Enterprises, Inc. (incorporated by reference to Exhibit 3.4 to Golden Enterprises, Inc. May 31, 1988 Form 10-K filed with the Commission).

(10) Material Contracts

- 10.1 A Form of Indemnity Agreement executed by and between Golden Enterprises, Inc. and Each of its Directors (incorporated by reference as Exhibit 19.1 to Golden Enterprises, Inc. Form 10-Q Report for the quarter ended November 30, 1987 filed with the Commission).
- 10.2 Amended and Restated Salary Continuation Plans for John S. Stein (incorporated by reference to Exhibit 19.1 to Golden Enterprises, Inc. May 31, 1990 Form 10-K filed with the Commission).
- 10.3 Indemnity Agreement executed by and between the Company and S. Wallace Nall, Jr. (incorporated by reference as Exhibit 19.4 to Golden Enterprises, Inc. May 31, 1991 Form 10-K filed with the Commission).
- 10.4 Salary Continuation Plans - Retirement Disability and Death Benefits for F. Wayne Pate (incorporated by reference to Exhibit 19.1 to Golden Enterprises, Inc. May 31, 1992 Form 10-K filed with the Commission).
- 10.5 Indemnity Agreement executed by and between the Registrant and F. Wayne Pate (incorporated by reference as Exhibit 19.3 to Golden Enterprises, Inc. May 31, 1992 Form 10-K filed with the Commission).
- 10.9 Amendment to Salary Continuation Plans, Retirement and Disability for F. Wayne Pate dated April 9, 2002 (incorporated by reference to Exhibit 10.2 to Golden Enterprises, Inc. May 31, 2002 Form 10-K filed with the Commission).
- 10.10 Amendment to Salary Continuation Plans, Retirement and Disability for John S. Stein dated April 9, 2002 (incorporated by reference to Exhibit 10.3 to Golden Enterprises, Inc. May 31, 2002 Form 10-K filed with the Commission).
- 10.11 Amendment to Salary Continuation Plan, Death Benefits for John S. Stein dated April 9, 2002 (incorporated by reference to Exhibit 10.4 to Golden Enterprises, Inc. May 31, 2002 Form 10-K filed with the Commission).
- 10.12 Retirement and Consulting Agreement for John S. Stein dated April 9, 2002 (incorporated by reference to Exhibit 10.5 to Golden Enterprises, Inc. May 31, 2002 Form 10-K filed with the Commission).
- 10.13 Salary Continuation Plan for Mark W. McCutcheon dated May 15, 2002 (incorporated by reference to Exhibit 10.6 to Golden Enterprises, Inc. May 31, 2002 Form 10-K filed with the Commission).
- 10.14 Trust Under Salary Continuation Plan for Mark W. McCutcheon dated May 15, 2002 (incorporated by reference to Exhibit 10.7 to Golden Enterprises, Inc. May 31, 2002 Form 10-K filed with the Commission).
- 10.20 Amendment to Salary Continuation Plan for Mark W. McCutcheon dated December 30, 2008 (incorporated by reference to Exhibit 10.20 Golden Enterprises, Inc. February 27, 2009 Form 10-Q filed with the Commission).

- 10.24 A Form of Indemnity Agreement to be executed by and between Golden Enterprises, Inc. and the following directors: Mark W. McCutcheon, Joann F. Bashinsky, John S. Stein, III, William B. Morton, Jr., Paul R. Bates and David A. Jones (incorporated by reference to Exhibit 10.24 to Golden Enterprises, Inc. January 13, 2011 Form 10-Q filed with the Commission).
- 14.1 Golden Enterprises, Inc.'s Code of Conduct and Ethics adopted by the Board of Directors on April 8, 2004 (incorporated by reference to Exhibit 14.1 to Golden Enterprises, Inc. May 31, 2004 Form 10-K with the Commission).
- 21 Subsidiaries of the Registrant (incorporated by reference to Exhibit 21 to Golden Enterprises, Inc. May 31, 2004 Form 10-K filed with the Commission)
- (31) Certifications
 - 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
 - 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
 - 32.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
 - 32.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- (99) Additional Exhibits
 - 99.1 A copy of excerpts of the Last Will and Testament and Codicils thereto of Sloan Y. Bashinsky, Sr. and of the SYB Common Stock Trust created by Sloan Y. Bashinsky, Sr. providing for the creation of a Voting Committee to vote the shares of common stock of Golden Enterprises, Inc. held by SYB, Inc. and the Estate/Testamentary Trust of Sloan Y. Bashinsky, Sr. (Incorporated by reference to Exhibit 99.1 to Golden Enterprises, Inc. May 31, 2005 Form 10-k filed with the Commission).
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GOLDEN ENTERPRISES,
INC.
(Registrant)

Dated: April 4, 2014

/s/ Mark W. McCutcheon
Mark W. McCutcheon
Chairman of the Board,
President and
Chief Executive Officer

Dated: April 4, 2014

/s/ Patty Townsend
Patty Townsend
Vice-President and
Chief Financial Officer
(Principal Accounting
Officer)