

GOLDEN ENTERPRISES INC
Form 10-Q
October 08, 2015

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 August 28, 2015

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.)

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One Golden Flake Drive
Birmingham, Alabama 35205
(Address of Principle Executive Offices) (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 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

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 September 25, 2015.

| <u>Class</u> | <u>Outstanding at September 25, 2015</u> |
|------------------------------------|--|
| Common Stock, Par Value \$0.66 2/3 | 11,291,757 |

EXCHANGE ACT REPORTS AVAILABLE ON COMPANY WEBSITE

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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****INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS**

| | (Unaudited) August 28, 2015 | May 29, 2015 |
|---|-----------------------------------|-----------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 1,329,187 | \$ 1,159,449 |
| Receivables, net | 10,460,387 | 11,085,689 |
| Inventories: | | |
| Raw materials and supplies | 1,998,688 | 1,781,397 |
| Finished goods | 3,476,241 | 3,460,800 |
| | 5,474,929 | 5,242,197 |
| Prepaid expenses | 1,555,905 | 1,350,201 |
| Income taxes receivable | - | 476,154 |
| Deferred income taxes | 1,139,433 | 1,139,433 |
| Total current assets | 19,959,841 | 20,453,123 |
| Property, plant and equipment, net | 23,727,055 | 24,488,478 |
| Other assets | 1,540,200 | 1,603,454 |
| Total | \$45,227,096 | \$46,545,055 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Checks outstanding in excess of bank balances | \$ 1,229,408 | \$ 1,068,745 |
| Accounts payable | 3,816,518 | 4,049,333 |
| Accrued income taxes | 78,678 | - |
| Current portion of long-term debt | 806,178 | 799,204 |
| Current portion of capital lease obligation | 31,974 | - |
| Other accrued expenses | 5,170,237 | 5,021,286 |
| Salary continuation plan | 108,285 | 106,148 |
| Line of credit outstanding | 831,169 | 2,823,477 |
| Total current liabilities | 12,072,447 | 13,868,193 |
| LONG-TERM LIABILITIES | | |
| Notes payable - bank, non-current | 6,009,048 | 6,213,513 |

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| | | |
|--|--------------|--------------|
| Capital lease obligation | 61,383 | - |
| Salary continuation plan | 923,492 | 921,882 |
| Deferred income taxes | 3,856,793 | 3,856,793 |
| Total long-term liabilities | 10,850,716 | 10,992,188 |
| STOCKHOLDERS' EQUITY | | |
| Common stock - \$.66-2/3 par value: | | |
| 35,000,000 shares authorized Issued 13,828,793 shares | 9,219,195 | 9,219,195 |
| Additional paid-in capital | 6,635,502 | 6,552,973 |
| Retained earnings | 19,586,230 | 19,049,500 |
| | 35,440,927 | 34,821,668 |
| Less: Cost of common shares in treasury (2,537,036 shares at August 28, 2015 and May 29, 2015) | (13,136,994) | (13,136,994) |
| Total stockholders' equity | 22,303,933 | 21,684,674 |
| Total | \$45,227,096 | \$46,545,055 |

See Accompanying Notes to Interim Condensed Consolidated Financial Statements

GOLDEN ENTERPRISES, INC. AND SUDSIDIARY

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

| | Thirteen Weeks Ended August 28, 2015 | Thirteen Weeks Ended August 29, 2014 |
|--|---|---|
| Net sales | \$ 33,732,141 | \$ 34,125,036 |
| Cost of sales | 16,542,421 | 17,002,866 |
| Gross margin | 17,189,720 | 17,122,170 |
| Selling, general and administrative expenses | 15,651,810 | 16,025,248 |
| Operating income | 1,537,910 | 1,096,922 |
| Other income (expenses): | | |
| Gain on sale of assets | - | 243,944 |
| Interest expense | (99,512 |) (139,867 |
| Other income | 10,237 | 16,786 |
| Total other (expenses) income | (89,275 |) 120,863 |
| Income before income taxes | 1,448,635 | 1,217,785 |
| Income taxes | 559,037 | 450,559 |
| Net income | \$ 889,598 | \$ 767,226 |
| PER SHARE OF COMMON STOCK | | |
| Basic and diluted earnings | \$ 0.08 | \$ 0.07 |
| Weighted average number of common stock share outstanding: | | |
| Basic and diluted | 11,291,757 | 11,732,632 |
| Cash dividends paid per share of common stock | \$ 0.0313 | \$ 0.0313 |

See Accompanying Notes to Interim Condensed Consolidated Financial Statements

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

| | Thirteen Weeks Ended August 28, 2015 | Thirteen Weeks Ended August 29, 2014 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from customers | \$ 34,357,443 | \$ 34,410,072 |
| Miscellaneous income | 10,237 | 16,786 |
| Cash paid to suppliers and employees | (16,398,328) | (17,125,607) |
| Cash paid for operating expenses | (15,195,277) | (15,935,446) |
| Income taxes paid | (4,205) | (482,270) |
| Interest expenses paid | (99,512) | (139,867) |
| Net cash provided by operating activities | 2,670,358 | 743,668 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (113,387) | (107,602) |
| Proceeds from sale of property, plant and equipment | - | 243,944 |
| Net cash (used in) provided by investing activities | (113,387) | 136,342 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Debt proceeds | 6,492,033 | 8,554,850 |
| Debt repayments | (8,681,832) | (8,942,587) |
| Principal payments under capital lease obligation | (5,229) | - |
| Change in checks outstanding in excess of bank balances | 160,663 | 165,174 |
| Cash dividends paid | (352,868) | (366,645) |
| Net cash used in financing activities | (2,387,233) | (589,208) |
| Net change in cash and cash equivalents | 169,738 | 290,802 |
| Cash and cash equivalents at beginning of period | 1,159,449 | 1,160,630 |
| Cash and cash equivalents at end of period | \$ 1,329,187 | \$ 1,451,432 |

Supplementary Cash Flow information:

A capital lease obligation of \$98,586 was incurred when Golden Flake Snack Foods, Inc. entered into a lease for new server equipment.

GOLDEN ENTERPRISES, INC. AND SUBSIDIARY**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) -
CONTINUED****RECONCILIATION OF NET INCOME TO NET CASH FROM OPERATING ACTIVITIES**

| | Thirteen Weeks Ended August 28, 2015 | Thirteen Weeks Ended August 29, 2014 |
|---|--|--|
| Net Income | \$ 889,598 | \$ 767,226 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 973,396 | 988,948 |
| Gain on sale of property and equipment | - | (243,944) |
| Stock based compensation | 82,529 | - |
| Changes in operating assets and liabilities: | | |
| Change in receivables - net | 625,302 | 285,036 |
| Change in inventories | (232,732) | (736,246) |
| Change in prepaid expenses | (205,704) | 66,950 |
| Change in other assets | 63,254 | 32,327 |
| Change in accounts payable | (232,815) | (62,254) |
| Change in accrued expenses | 148,951 | (293,856) |
| Change in salary continuation | 3,747 | (28,808) |
| Change in accrued income taxes | 554,832 | (31,711) |
| Net cash provided by operating activities | \$ 2,670,358 | \$ 743,668 |

See Accompanying Notes to Interim Condensed Consolidated Financial Statements

GOLDEN ENTERPRISES, INC. AND SUBSIDIARY

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Golden Flake Snack Foods, Inc. is a wholly-owned subsidiary of Golden Enterprises, Inc. The accompanying unaudited interim condensed consolidated financial statements of Golden Enterprises, Inc. (the “Company”, “we”, or “our”), which includes the accounts of Golden Enterprises, Inc. and subsidiary, have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim condensed consolidated financial information and with the instructions to Form 10-Q. 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. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Consolidated Financial Statements and Notes included in our Form 10-K for the year ended May 29, 2015 which can be found on our website at www.goldenflake.com/financial.html. Our accounting policies are described in Note 1 to those Consolidated Financial Statements. There were no significant changes to these accounting policies during the thirteen weeks ended August 28, 2015.

The consolidated financial position, results of operations, and cash flows for the thirteen weeks ended August 28, 2015 are not necessarily indicative of the results to be expected for the fifty-three week fiscal year ending June 3, 2016.

Significant accounting policies:

Inventories

Raw materials and finished goods are stated at the lower of cost or market. Cost is computed on the first-in, first-out method.

Revenue Recognition

The Company recognizes sales and related costs upon delivery or shipment of products to its customers. Sales are reduced by estimated returns and allowances to customers.

Accounts Receivable

The Company records accounts receivable at the time revenue is recognized. Amounts for bad debt expense are recorded in selling, general and administrative expenses. The determination of the allowance for doubtful accounts is based on management's estimate of uncollectible accounts receivables. The Company records its reserve based on analysis of historical data while also considering general economic factors and specific reserves for receivable balances that are considered higher risk due to known facts regarding the customer.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basic earnings per common share, as presented on the interim condensed consolidated statements of income, are computed by dividing earnings available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects per share amounts that would have resulted if dilutive potential common stock equivalents had been converted to common stock, as prescribed by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 260, "Earnings per Share". At August 28, 2015, options on the 310,000 shares were not included in the computation of diluted earnings per share because the effect of stock options using the treasury stock method was antidilutive. At August 29, 2014, there were no options granted.

3. The following tables summarize the prepaid expenses accounts at August 28, 2015 and May 29, 2015:

| | August 28, 2015 | May 29, 2015 |
|------------------------------|-----------------|--------------|
| Truck shop supplies | \$ 306,359 | \$ 320,622 |
| Insurance deposit | 48,548 | 48,548 |
| Prepaid marketplace spending | 170,787 | 201,373 |
| Prepaid insurance | 639,646 | 369,864 |
| Prepaid taxes/licenses | 88,527 | 113,042 |
| Prepaid dues/supplies | 166,304 | - |
| Other | 135,734 | 296,752 |
| | \$ 1,555,905 | \$ 1,350,201 |

4. The following tables summarize other accrued expenses at August 28, 2015 and May 29, 2015:

| | August 28, 2015 | May 29, 2015 |
|------------------------------|-----------------|--------------|
| Accrued salary and benefits | \$ 2,801,045 | \$ 2,526,338 |
| Accrued workers compensation | 1,264,754 | 1,472,182 |
| Accrued other | 1,104,438 | 1,022,766 |
| | \$ 5,170,237 | \$ 5,021,286 |

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.

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. The Company did not have any major customer write-offs this quarterly period that were not covered by credit insurance or during the quarterly period ended August 29, 2014.

6. The Company has a letter of credit with a local bank in the amount of \$1,850,000 at August 28, 2015 and May 29, 2015. 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 at August 28, 2015 and May 29, 2015. The line-of-credit is subject to the Company's continued credit worthiness and compliance at August 28, 2015 and at August 29, 2014 with the terms and conditions of the loan agreement. The Company's line-of-credit debt as of August 28, 2015 was \$831,169 with an interest rate of 3.25%, leaving the Company with \$2,168,831 of credit availability. The Company's line-of-credit debt as of May 29, 2015 was \$2,823,477 with an interest rate of 3.25%, leaving the Company with \$176,523 of credit availability.

8. The Company has two notes payable with a local bank as of August 28, 2015. The first note 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. The balance of the note was \$4,850,013 as of August 28, 2015, and \$4,944,233 as of May 29, 2015. The second note was established in order to fund the purchase of 440,875 shares of treasury stock. The \$2,204,375 note is dated January 30, 2015 and is to be repaid over 5 years at 3.3%. The balance of the note was \$1,965,213 as of August 28, 2015, and \$2,068,484 as of May 29, 2015. In July 2015, a capital lease obligation of \$98,586 was incurred when the Company entered into a 36 month lease for new server equipment. The balance of the obligation was \$93,357 as of August 28, 2015, and \$0 as of May 29, 2015.

9. The Company's effective tax rate for the thirteen weeks ended August 28, 2015 was 38.6% compared to 37.0% for the thirteen weeks ended August 29, 2014. These rates differ from the Federal statutory rate primarily due to the effect of state taxes and the permanent non-deductibility of certain expenses for income tax purposes.

ITEM 2

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Management’s discussion and analysis of our consolidated financial condition, results of operations and cash flows are based upon the interim condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States (GAAP). This discussion should be read in conjunction with our recent SEC filings, including our Form 10-K for the year ended May 29, 2015. The preparation of these consolidated 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 our Form 10-K for the year ended May 29, 2015. Actual results may differ from these estimates under different assumptions or conditions and such differences may be material.

Overview

Golden Enterprises, Inc. (the “Company”, “we”, or “our”) is a holding company that owns all of the issued and outstanding capital stock of Golden Flake Snack Foods, Inc., a wholly-owned subsidiary (“Golden Flake”). The Company manufactures and distributes a full line of snack items, such as potato chips, tortilla chips, corn chips, fried pork skins, baked and fried cheese curls, onion rings, and puff corn. 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 through both its own sales organization and independent distributors principally to commercial establishments that sell food products primarily in the Southeastern United States. The products are distributed through the independent distributors and Company 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.

Accounts Receivable and Allowance for Doubtful Accounts

At August 28, 2015 and May 29, 2015 the Company had accounts receivables in the amount of \$10,460,387 and \$11,085,689 respectively, net of an allowance for doubtful accounts of \$70,000. The change in accounts receivable is primarily due to the timing of collections from some of our largest customers. The Company monitors accounts receivable and collects on a daily basis and strives to keep customer accounts as current as possible.

Operating Results

For the thirteen weeks ended August 28, 2015, net sales decreased 1.2% from the thirteen weeks ended August 29, 2014 due principally to a 3rd party contract that expired at the end of the first quarter 2014. This year's first quarter cost of sales was 49.0% of net sales compared to 49.8% for last year's first quarter. This year's first quarter, selling, general and administrative expenses were 46.4% of net sales compared to 47.0% for last year's first quarter. We do not expect to see a continuing trend of declining sales going forward.

The Company did not have a gain or loss on sale of assets for the thirteen weeks ended August 28, 2015. For last year's thirteen weeks, the gain on sale of assets was \$243,944 which primarily consists of \$229,044 from the sale of real property in Decatur, Georgia.

Liquidity and Capital Resources

At August 28, 2015 and May 29, 2015, working capital was \$7,887,394 and \$6,584,930, respectively. The Company's current ratio was 1.65 to 1.00 at August 28, 2015 compared to 1.47 to 1.00 at May 29, 2015. The improvement is due to an increase of operating cash flows of approximately \$2.7 million, primarily arising from increased collections from customers and decreased expenses. The Company used approximately \$2 million of \$2.7 million in additional cash flows to substantially reduce its line of credit outstanding during the quarter ended August 28, 2015. We anticipate a continued reduction in the line of credit as cash flows allow.

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.

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 plans to contend with the effect of further inflation 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, we believe, has improved the flow of water in the creek and has positively impacted the environment in the area surrounding the plant. This treatment plant, we believe, has also helped to reduce expenses associated with sewer charges by the elimination of the disposal of process water through the public sewer system.

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'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. 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 first fiscal quarter ended August 28, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Based on that evaluation, there has been no such change during the period covered by this report.

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 1-A

RISK FACTORS

The Company, as a "Smaller reporting 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 for the quarterly period ended August 28, 2015.

ITEM 3

DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4

MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5

OTHER INFORMATION

Not applicable.

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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

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A Form of Indemnity Agreement executed by and between Golden Enterprises, Inc. and Each of its Directors
10.1 (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.SCHXBRL Taxonomy Extension Schema Document
- 101.CALXBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 101.LABXBRL 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: October 8, 2015 /s/ Mark W. McCutcheon
Mark W. McCutcheon
Chairman of the Board,
President and
Chief Executive Officer

Dated: October 8, 2015 /s/ Patty Townsend
Patty Townsend
Vice-President and
Chief Financial Officer
(Principal Accounting Officer)