ROCKY MOUNTAIN CHOCOLATE FACTORY INC Form 10-Q January 14, 2015 UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q
(Mark One)
$\underline{\mathbf{X}}_{1934}^{\text{QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)}$ OF THE SECURITIES EXCHANGE ACT OF
For the quarterly period ended November 30, 2014
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT —OF 1934
For the transition period fromto
Commission file number: 0-14749
Rocky Mountain Chocolate Factory, Inc.
(Exact name of registrant as specified in its charter)

Colorado (State or other jurisdiction of incorporation or organization)	84-0910696 (I.R.S. Employer Identification No.)
265 Turner Drive, Durango, CO	
(Address of principal executive	offices, including zip code)
(970) 259-0554	
(Registrant's telephone number,	including area code)
Securities Exchange Act of 1934	the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the 4 during the preceding 12 months (or for such shorter period that the registrant was d (2) has been subject to such filing requirements for the past 90 days. Yes $\underline{X}$ No
any, every Interactive Data File	the registrant has submitted electronically and posted on its corporate Web site, if required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ the preceding 12 months (or for such shorter period that the registrant was required to X No
•	the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer of the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting Exchange Act. (Check one):
Large accelerated filer Accele	erated filer
Non-accelerated filer Smaller (Do not check if a smaller report	er reporting company X ting company)
Indicate by check mark whether No <u>X</u>	the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes

On January 14, 2015, the registrant had outstanding 6,092,626 shares of its common stock, \$.03 par value.

## ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. AND SUBSIDIARIES

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#### PART I. FINANCIAL INFORMATION

#### **Item 1. Financial Statements**

## ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. AND SUBSIDIARIES

#### CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2014	2013	2014	2013
Revenues				
Sales	\$8,583,981	\$7,801,296	\$23,108,761	\$22,666,134
Franchise and royalty fees	1,977,581	1,478,698	7,232,455	5,454,883
Total revenues	10,561,562	9,279,994	30,341,216	28,121,017
Costs and Expenses				
Cost of sales, exclusive of depreciation and amortization				
expense of \$102,179, \$72,102, \$292,632 and \$214,425,	5,527,876	5,061,615	14,229,018	13,789,705
respectively				
Franchise costs	558,560	510,145	1,623,505	1,508,604
Sales and marketing	608,536	555,833	1,838,395	1,523,991
General and administrative	1,230,495	1,146,214	3,816,996	3,625,033
Retail operating	724,608	803,338	2,697,163	2,588,313
Depreciation and amortization	357,865	198,466	1,097,404	670,219
Restructuring and acquisition related charges	-	-	709,212	-
Total costs and expenses	9,007,940	8,275,611	26,011,693	23,705,865
Income from Operations	1,553,622	1,004,383	4,329,523	4,415,152
Other Income (Expense)				
Interest expense	(60,666)	-	(183,333)	-
Interest income	16,208	16,702	43,274	43,690
Other Income (Expense), net	(44,458)	16,702	(140,059 )	43,690
Income Before Income Taxes	1,509,164	1,021,085	4,189,464	4,458,842
Income Tax Provision	554,500	406,886	1,368,165	1,501,608

<b>Consolidated Net Income</b>	\$954,664	\$614,199	\$2,821,299	\$2,957,234
Less: Net income (loss) attributable to non-controlling interest	(7,714	) (84,975	) 270,231	50,969
Net Income attributable to RMCF	\$962,378	\$699,174	\$2,551,068	\$2,906,265
<b>Basic Earnings per Common Share</b>	\$.16	\$.11	\$.41	