

ROCKY MOUNTAIN CHOCOLATE FACTORY INC
Form 10-Q
October 15, 2014
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the quarterly period ended August 31, 2014

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: 0-14749

Rocky Mountain Chocolate Factory, Inc.

(Exact name of registrant as specified in its charter)

Colorado

84-0910696

(State or other jurisdiction (I.R.S. Employer Identification No.)
of incorporation or organization)

265 Turner Drive, Durango, CO 81303

(Address of principal executive offices, including zip code)

(970) 259-0554

(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 to submit and post such files). Yes 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. See the 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

On September 30, 2014, the registrant had outstanding 6,180,905 shares of its common stock, \$.03 par value.

ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. AND SUBSIDIARY

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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 August 31,		Six Months Ended August 31,	
	2014	2013	2014	2013
Revenues				
Sales	\$6,673,729	\$6,686,149	\$14,524,780	\$14,864,838
Franchise and royalty fees	2,783,719	1,977,012	5,254,874	3,976,185
Total revenues	9,457,448	8,663,161	19,779,654	18,841,023
Costs and Expenses				
Cost of sales, exclusive of depreciation and amortization expense of \$100,825, \$72,509, \$190,452 and \$144,379, respectively	3,867,671	3,700,926	8,701,142	8,728,090
Franchise costs	519,387	519,649	1,064,945	998,459
Sales and marketing	583,792	462,721	1,229,859	968,158
General and administrative	1,175,068	1,208,115	2,586,501	2,478,819
Retail operating	932,601	944,013	1,972,555	1,784,975
Depreciation and amortization	365,127	235,997	739,539	471,753
Restructuring and acquisition related charges	584,661	-	709,212	-
Total costs and expenses	8,028,307	7,071,421	17,003,753	15,430,254
Income from Operations	1,429,141	1,591,740	2,775,901	3,410,769
Other Income (Expense)				
Interest expense	(61,334)	-	(122,667)	-
Interest income	14,557	15,324	27,066	26,988
Other Income (Expense), net	(46,777)	15,324	(95,601)	26,988
Income Before Income Taxes	1,382,364	1,607,064	2,680,300	3,437,757
Income Tax Provision	453,001	510,568	813,665	1,094,722

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Consolidated Net Income	\$929,363	\$1,096,496	\$1,866,635	\$2,343,035
Less: Net income (loss) attributable to non-controlling interest	52,007	68,712	277,945	135,944
Net Income attributable to RMCF	\$877,356	\$1,027,784	\$1,588,690	\$2,207,091
Basic Earnings per Common Share	\$.14	\$.17	\$.26	\$.36
Diluted Earnings per Common Share	\$.14	\$.16	\$.25	\$.35
Weighted Average Common Shares Outstanding				