

J&J SNACK FOODS CORP
Form 10-Q/A
April 28, 2016
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the period ended March 26, 2016

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 0-14616

J & J SNACK FOODS CORP.

(Exact name of registrant as specified in its charter)

New Jersey 22-1935537
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

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6000 Central Highway, Pennsauken, NJ 08109

(Address of principal executive offices)

Telephone (856) 665-9533

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.

X 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).

X 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," "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer (X)

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 X No

As April 20, 2016 there were 18,619,079 shares of the Registrant's Common Stock outstanding.

EXPLANATORY NOTE

The Company inadvertently filed its March 26, 2016 10-Q on April 25, 2016 prior to the interim financial statements being reviewed by its independent registered public accounting firm. This amendment is being filed now that the interim review is complete. Except for changes made to Item 4. Controls and Procedures and the filing of the independent registered public accounting firm's review report and Exhibit 15, the information contained in the filing on April 25, 2016 has not been changed or updated by this filing.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders

J&J Snack Foods Corp. and Subsidiaries

We have reviewed the accompanying consolidated balance sheet of J&J Snack Foods, Corp. and subsidiaries (the “Company”), and the related consolidated statements of income, comprehensive income, changes in shareholders’ equity, and cash flows, as of March 26, 2016 and for the three-month and six-month periods ended March 26, 2016 and March 28, 2015. These interim financial statements are the responsibility of the Company’s management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures 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 (United States), 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 consolidated interim financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of September 26, 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders’ equity, and cash flows for the year then ended (not presented herein); and we expressed an unqualified opinion on those consolidated financial statements in our report dated November 23, 2015. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of September 26, 2015, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ GRANT THORNTON LLP

Philadelphia, PA

April 28, 2016

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J & J SNACK FOODS CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	March 26, 2016 (unaudited)	September 26, 2015
Assets		
Current assets		
Cash and cash equivalents	\$ 89,337	\$ 133,689
Accounts receivable, net	102,943	102,649
Inventories	100,649	82,657
Prepaid expenses and other	7,602	6,557
Deferred income taxes	3,297	3,266
Total current assets	303,828	328,818
Property, plant and equipment, at cost		
Land	2,496	2,496
Buildings	26,741	26,741
Plant machinery and equipment	220,979	210,728
Marketing equipment	270,966	266,047
Transportation equipment	7,473	6,866
Office equipment	21,208	20,586
Improvements	34,322	28,725
Construction in progress	6,099	9,486
Total Property, plant and equipment, at cost	590,284	571,675
Less accumulated depreciation and amortization	411,565	399,621
Property, plant and equipment, net	178,719	172,054
Other assets		
Goodwill	86,442	86,442
Other intangible assets, net	43,162	45,819
Marketable securities held to maturity	96,649	66,660
Marketable securities available for sale	33,586	39,638
Other	2,721	3,504
Total other assets	262,560	242,063
Total Assets	\$ 745,107	\$ 742,935
Liabilities and Stockholder's Equity		
Current Liabilities		
Current obligations under capital leases	\$ 360	\$ 273
Accounts payable	58,928	59,206

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Accrued insurance liability	11,461	10,231
Accrued income taxes	-	-
Accrued liabilities	6,043	5,365
Accrued compensation expense	11,677	15,318
Dividends payable	7,260	6,723
Total current liabilities	95,729	97,116
Long-term obligations under capital leases	1,418	1,196
Deferred income taxes	43,672	43,789
Other long-term liabilities	848	915
Stockholders' Equity		
Preferred stock, \$1 par value; authorized 10,000,000 shares; none issued	-	-
Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,617,000 and 18,676,000 respectively	22,934	31,653
Accumulated other comprehensive loss	(12,679)	(10,897)
Retained Earnings	593,185	579,163
Total stockholders' equity	603,440	599,919
Total Liabilities and Stockholder's Equity	\$ 745,107	\$ 742,935

The accompanying notes are an integral part of these statements.

J & J SNACK FOODS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited)

(in thousands, except per share amounts)

	Three months ended		Six months ended	
	March	March	March	March
	26,	28,	26,	28,
	2016	2015	2016	2015
Net Sales	\$229,710	\$225,008	\$452,560	\$437,760
Cost of goods sold ⁽¹⁾	160,961	158,058	319,976	309,709
Gross Profit	68,749	66,950	132,584	128,051
Operating expenses				
Marketing ⁽²⁾	20,364	19,986	39,993	39,473
Distribution ⁽³⁾	17,522	17,633	35,778	35,154
Administrative ⁽⁴⁾	7,637	7,462	15,327	14,987
Other general expense	(53)	64	(153)	22
Total Operating Expenses	45,470	45,145	90,945	89,636
Operating Income	23,279	21,805	41,639	38,415
Other income (expense)				
Investment income	977	1,278	2,137	2,632
Interest expense & other	(31)	(30)	(63)	(54)
Earnings before income taxes	24,225	23,053	43,713	40,993
Income taxes	8,637	8,416	15,147	15,100
NET EARNINGS	\$15,588	\$14,637	\$28,566	\$25,893
Earnings per diluted share	\$0.83	\$0.78	\$1.52	\$1.38
Weighted average number of diluted shares	18,752	18,821	18,796	18,811
Earnings per basic share	\$0.84	\$0.78	\$1.53	\$1.39
Weighted average number of basic shares	18,637	18,689	18,662	18,679

- (1) Includes share-based compensation expense of \$138 and \$271 for the three months and six months ended March 26, 2016, respectively and \$108 and \$220 for the three months and six months ended March 28, 2015.
- (2) Includes share-based compensation expense of \$208 and \$409 for the three months and six months ended March 26, 2016, respectively and \$158 and \$330 for the three months and six months ended March 28, 2015.
- (3) Includes share-based compensation expense of \$11 and \$22 for the three months and six months ended March 26, 2016, respectively and \$10 and \$21 for the three months and six months ended March 28, 2015.
- (4) Includes share-based compensation expense of \$180 and \$353 for the three months and six months ended March 26, 2016, respectively and \$209 and \$438 for the three months and six months ended March 28, 2015.

The accompanying notes are an integral part of these statements.

J&J SNACK FOODS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(in thousands)

	Three months ended		Six months ended	
	March 26, 2016	March 28, 2015	March 26, 2016	March 28, 2015
Net Earnings	\$15,588	\$14,637	\$28,566	\$25,893
Foreign currency translation adjustments	(40)	(914)	(680)	(2,869)
Unrealized holding gain(loss)on marketable securities	(280)	533	(1,102)	(1,389)
Total Other Comprehensive Income, net of tax	(320)	(381)	(1,782)	(4,258)
Comprehensive Income	\$15,268	\$14,256	\$26,784	\$21,635

The accompanying notes are an integral part of these statements.

J & J SNACK FOODS CORP. AND SUBSIDIARIES