

TASTY BAKING CO
Form 11-K
June 28, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark one)

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the calendar year December 31, 2006

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-5084

**TASTY BAKING COMPANY 401(k) AND COMPANY FUNDED
RETIREMENT PLAN**

2801 Hunting Park Avenue
Philadelphia, Pennsylvania 19129

(Full title of the plan and the address of the plan, if different from that of the issuer named below)

TASTY BAKING COMPANY

2801 Hunting Park Avenue
Philadelphia, Pennsylvania 19129

(Name of issuer of the securities held pursuant to the Plan and the address of its principal
executive offices)

**TASTY BAKING COMPANY 401 (k) AND
COMPANY FUNDED RETIREMENT PLAN**

**Financial Statements and Supplemental Schedules
For the Years Ended December 31, 2006 and 2005
With Report of Registered Public Accounting Firm**

TASTY BAKING COMPANY 401(k) AND COMPANY FUNDED RETIREMENT PLAN

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| 23.1 Consent of Independent Registered Public Accounting Firm | |

*Refers to item numbers in Form 5500 (Annual Return/Report of Employee Benefit Plan) for the year ended December 31, 2006.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Administrator of
Tasty Baking Company 401(k) and Company Funded Retirement Plan:

We have audited the accompanying statements of net assets available for benefits of Tasty Baking Company 401(k) and Company Funded Retirement Plan (“the Plan”) as of December 31, 2006 and 2005, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan’s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Plan’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2006 and 2005, and the changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules of schedule of assets (held at end of year) and schedule of reportable transactions as of December 31, 2006 are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan’s management. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Mitchell & Titus LLP
Philadelphia, PA
June 25, 2007

TASTY BAKING COMPANY 401(k) AND COMPANY FUNDED RETIREMENT PLAN

Statements of Net Assets Available For Benefits

December 31, 2006 and 2005

| | 2006 | 2005 |
|---|---------------|---------------|
| ASSETS | | |
| Investments, at fair value | \$ 37,537,191 | \$ 31,704,019 |
| Receivables: | | |
| Employee contribution receivable | 40,389 | 42,241 |
| Employer contribution receivable | 46,290 | 47,786 |
| Total receivables | 86,679 | 90,027 |
| Net assets available for benefits, at fair value | 37,623,870 | 31,794,046 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 80,326 | 110,529 |
| Net assets available for benefits | \$ 37,704,196 | \$ 31,904,575 |

The accompanying notes are an integral part of these financial statements.

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TASTY BAKING COMPANY 401(k) AND COMPANY FUNDED RETIREMENT PLAN

Statements of Changes in Net Assets Available For Benefits
For the Years Ended December 31, 2006 and 2005

| | 2006 | 2005 |
|---|--------------|------------|
| ADDITIONS | | |
| Additions to net assets attributed to: | | |
| Net appreciation in fair value of investments | \$ 2,722,855 | \$ 344,905 |
| Cash dividends | 783,461 | 112,733 |
| Interest | 472,331 | 909,779 |
| | 3,978,647 | 1,367,417 |
| Contributions | | |
| Participant | 2,308,193 | 2,154,195 |
| Employer | 2,484,654 | 2,125,879 |
| | 4,792,847 | 4,280,074 |
| Asset transfer in | - | 1,251,262 |
| Total additions | 8,771,494 | 6,898,753 |
| DEDUCTIONS | | |
| Deductions from net assets attributed to: | | |
| Benefits paid to participants | 2,968,300 | 2,975,300 |
| Administrative expense | 3,573 | 6,120 |
| Total deductions | 2,971,873 | 2,981,420 |
| Net increase | 5,799,621 | |