RODRIGUEZ RAMON A
Form 4
October 17, 2018

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
RODRIGUEZ RAMON A

(Last) (First) (Middle)

509 ROYAL PLAZA DRIVE

(Street)

FORT LAUDERDALE, FL 33301

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
REPUBLIC SERVICES, INC. [RSG]

3. Date of Earliest Transaction (Month/Day/Year)
10/15/2018

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price Derivat Securit

(Instr. 3)	Price of Derivative Security	(Month/Day/Year)		(Instr. 8)		Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						(Instr. 5
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Restricted Stock Units	(1)	10/15/2018		A		307		(2)	(2)	Common Stock	307	$ 70.
Restricted Stock Units	(1)	10/15/2018		A		69		(2)	(2)	Common Stock	69	$ 70.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RODRIGUEZ RAMON A 509 ROYAL PLAZA DRIVE FORT LAUDERDALE, FL 33301	X			

Signatures

/s/ Eileen B. Schuler Attorney-in-Fact	10/17/2018
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Based on 1 on 1 conversion.

(2) Dividends paid on the Restricted Stock Units awarded per the Republic Services, Inc. Amended and Restated 2007 Stock Incentive Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Refundable income taxes

996,915

1,008,688

Inventories	22,661,814	32,496,255
Deferred income taxes	1,122,103	1,844,648
Assets held for sale	165,473	545,635
Other current assets	4,686,631	1,645,248
Total current assets	63,101,485	

	65,923,357
Property, plant and equipment, net	
	46,925,534
	46,387,839
Other assets	
	914,735
	1,219,655
Total assets	
$	110,941,754
$	113,530,851

LIABILITIES AND STOCKHOLDERS EQUITY

Current liabilities:

Current maturities of long-term debt	$ 666,668	$ 666,668
Trade accounts payable		

	8,958,026
	15,888,955
Accrued wages and benefits	
	2,660,334
	3,789,416
Accrued self-insurance	
	2,392,930
	2,593,711
Customer deposits	
	271,435
	1,428,590
Accrued warranty	
	949,000
	1,432,000

Accrued income taxes	781,472	708,256
Other accrued liabilities	1,972,658	1,835,860
Total current liabilities	18,652,523	28,343,456
Long-term debt	8,333,330	8,999,998
Deferred income taxes	2,886,188	

2,078,366

Other long-term liabilities

37,308

28,864

Total liabilities

29,909,349

39,450,684

Commitments and contingencies (Note 10)

Stockholders equity:

Preferred Stock, $1 par value; authorized 1,000,000 shares, none issued

Class A Common Stock, $.10 par value; authorized 25,000,000 shares, issued 16,324,778 shares in 2014 and 16,263,322 in 2013	1,632,478	1,626,332
Class B Common Stock, convertible into Class A Common Stock on a one-for-one basis, $.10 par value, authorized 5,000,000 shares, issued 1,771,949 in 2014 and 2013	177,195	177,195
Additional paid-in capital	72,488,101	72,719,592
Retained earnings	21,343,935	15,268,209

Treasury stock, Class A Common Stock, at cost, 1,691,636 shares in 2014 and 2013	(14,543,731)	(15,668,055)
Accumulated other comprehensive loss	(65,573)	(43,106)
Total stockholders equity	81,032,405	74,080,167
Total liabilities and stockholders equity	$ 110,941,754	$ 113,530,851

See accompanying notes to consolidated financial statements.

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Supreme Industries, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income

for the years ended December 27, 2014, December 28, 2013, and December 29, 2012

	2014	2013	2012
Net sales	$ 236,308,920	$ 246,805,967	$ 239,110,863
Cost of sales	192,462,081	198,385,642	197,787,948
Gross profit	43,846,839	48,420,325	41,322,915
Selling, general and administrative expenses	31,344,204	31,698,954	29,222,276
Other income	(493,885)	(905,078)	(1,156,605)
Operating income	12,996,520	17,626,449	13,257,244
Interest expense	525,911	504,828	783,117
Income from continuing operations before income taxes	12,470,609	17,121,621	12,474,127
Income tax expense	4,000,655	5,923,359	64,635
Income from continuing operations	8,469,954	11,198,262	12,409,492
Discontinued operations			
Gain on sale of discontinued operations, net of tax	87,036		
Operating loss from discontinued operations, net of tax	(1,654,459)	(4,772,386)	(576,507)
Loss from discontinued operations, net of tax	(1,567,423)	(4,772,386)	(576,507)
Net income	6,902,531	6,425,876	11,832,985
Other comprehensive income (loss), net of tax	(22,467)	(52,351)	1,946
Comprehensive income	$ 6,880,064	$ 6,373,525	$ 11,834,931
Basic income (loss) per share:			
Income from continuing operations	$ 0.52	$ 0.69	$ 0.78
Loss from discontinued operations	(0.10)	(0.29)	(0.04)
Net income	$ 0.42	$ 0.40	$ 0.74
Diluted income (loss) per share:			
Income from continuing operations	$ 0.50	$ 0.68	$ 0.77
Loss from discontinued operations	(0.09)	(0.29)	(0.04)
Net income	$ 0.41	$ 0.39	$ 0.73
Shares used in the computation of income (loss) per share:			
Basic	16,350,561	16,113,136	15,954,564
Diluted	16,744,066	16,487,804	16,212,508

See accompanying notes to consolidated financial statements.

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Supreme Industries, Inc. and Subsidiaries

Consolidated Statements of Stockholders Equity

for the years ended December 27, 2014, December 28, 2013, and December 29, 2012

	Class A Common Stock Shares	Class A Common Stock Amount	Class B Common Stock Shares	Class B Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders Equity
Balance, January 1, 2012	15,330,614	$ 1,533,061	1,716,937	$ 171,694	$ 71,463,799	$ 321,760	$ (18,564,266)	$ 7,299	$ 54,933,347
Net income						11,832,985			11,832,985
Unrealized holding gain on investments, net of tax								1,946	1,946
Issuance of 350,000 shares of treasury stock					(2,896,211)		2,896,211		
Exercise of stock options	58,804	5,881			94,528				100,409
Stock-based compensation	28,238	2,824			291,371				294,195
Balance, December 29, 2012	15,417,656	1,541,766	1,716,937	171,694	68,953,487	12,154,745	(15,668,055)	9,245	67,162,882
Net income						6,425,876			6,425,876
Unrealized loss on hedge activity, net of tax								(19,864)	(19,864)
Unrealized holding loss on investments, net of tax								(32,487)	(32,487)
Common stock dividend	686,278	68,628	85,846	8,584	3,235,200	(3,312,412)			
Exercise of stock options	95,548	9,554			131,843				141,397
Issuance of restricted stock					141,847				141,847
Stock-based compensation	33,006	3,301			257,215				260,516
Conversion of Class B shares to Class A shares	30,834	3,083	(30,834)	(3,083)					
Balance, December 28, 2013	16,263,322	1,626,332	1,771,949	177,195	72,719,592	15,268,209	(15,668,055)	(43,106)	74,080,167
Net income						6,902,531			6,902,531
Unrealized loss on hedge activity, net of tax								(5,444)	(5,444)
								(17,023)	(17,023)

Unrealized holding loss on investments, net of tax									
Cash dividends declared						(826,805)			(826,805)
Exercise of stock options	164,382	16,438			394,264				410,702
Issuance of restricted stock	48,594	4,859			304,668				309,527
Stock-based compensation	25,998	2,600			176,150				178,750
Other	(177,518)	(17,751)			(1,106,573)		1,124,324		
Balance, December 27, 2014	16,324,778	$ 1,632,478	1,771,949	$ 177,195	$ 72,488,101	$ 21,343,935	$ (14,543,731)	$ (65,573)	$ 81,032,405

See accompanying notes to consolidated financial statements.

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Supreme Industries, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

for the years ended December 27, 2014, December 28, 2013, and December 29, 2012

	2014	2013	2012
Cash flows from operating activities:			
Net income	$ 6,902,531	$ 6,425,876	$ 11,832,985
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation	3,441,281	3,412,891	2,921,624
Amortization and write-off of debt issuance costs	304,920	282,129	392,518
Provision for losses on doubtful receivables	6,880	62,618	30,034
Deferred income taxes	1,530,367	1,059,169	(825,451)
Stock-based compensation expense	488,277	402,363	294,195
Gain on sale of discontinued operations	(127,994)		
(Gain) loss on sale of property, plant, and equipment, net	153,236	(289,632)	(353,007)
Changes in operating assets and liabilities			
Accounts receivable	3,718,386	(2,904,202)	3,228,527
Inventories	5,727,237	(187,324)	5,825,931
Other current assets	(2,984,124)	(131,485)	574,922
Trade accounts payable	(6,930,928)	3,952,411	(9,487,890)
Other current liabilities	(2,688,508)	1,377,903	(2,005,044)
Net cash from operating activities	9,541,561	13,462,717	12,429,344
Cash flows from investing activities:			
Proceeds from sale of discontinued operations	3,884,656		
Proceeds from sale of property, plant, and equipment	830,451	1,268,167	4,239,153
Additions to property, plant and equipment	(4,730,958)	(6,237,152)	(13,159,255)
Proceeds from sale of investments	3,175,591		
Purchases of investments	(4,289,298)	(27,338)	(1,963,156)
Decrease in other assets		25,736	29,878
Net cash from investing activities	(1,129,558)	(4,970,587)	(10,853,380)
Cash flows from financing activities:			
Proceeds from revolving line of credit and other long-term debt		63,374,736	295,080,663
Repayments of revolving line of credit and other long-term debt	(666,668)	(67,814,067)	(296,428,325)
Payment of cash dividends	(413,326)		
Debt issuance costs		(358,975)	(376,488)
Proceeds from exercise of stock options	410,702	141,397	100,409
Net cash from financing activities	(669,292)	(4,656,909)	(1,623,741)
Change in cash and cash equivalents	7,742,711	3,835,221	(47,777)
Cash and cash equivalents, beginning of year	3,894,277	59,056	106,833
Cash and cash equivalents, end of year	$ 11,636,988	$ 3,894,277	$ 59,056
Supplemental disclosure of cash flow information:			

Cash paid during the year for:						
Interest, net	$	247,178	$	305,895	$	792,810
Income taxes, net		1,652,889		2,072,401		1,264,905

See accompanying notes to consolidated financial statements.

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Supreme Industries, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

1. NATURE OF OPERATIONS AND ACCOUNTING POLICIES.

Supreme Industries, Inc. and its Subsidiaries (collectively the Company) manufacture specialized commercial vehicles including truck bodies, trolleys, and specialty vehicles. The Company s core products include cutaway and dry-freight van bodies, refrigerated units, stake bodies, and other specialized vehicles. At December 27, 2014, the Company operated eight manufacturing and component manufacturing locations. The Company s customers are located principally in the United States of America.

On December 31, 2013, the Company announced its intention to divest its shuttle bus business. The progressively competitive environment in the bus industry led to intensified price cutting, making it more difficult to sustain profitability. The shuttle bus business was sold on March 28, 2014 and has been presented as discontinued operations for all years presented.

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of Supreme Industries, Inc. and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Fiscal Year End - The Company s fiscal year ends the last Saturday in December. The fiscal years ended December 27, 2014, December 28, 2013 and December 29, 2012 each contained 52 weeks.

Use of Estimates in the Preparation of Financial Statements - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Significant estimates include but are not limited to, allowance for doubtful accounts, inventory relief and valuation, fair value of assets held for sale, accrued insurance, and accrued warranties.

Revenue Recognition - The production of specialized truck bodies, trolleys, and armored vehicles starts when an order is received from the customer, and revenue is recognized when the unit is shipped to the customer. Revenue on certain customer-requested bill and hold transactions is recognized subsequent to when the customer is notified that the products have been completed according to customer specifications, have passed all of the Company s quality control inspections, and are ready for delivery based upon established delivery terms. Net sales are net of cash discounts which the Company offers its customers in the ordinary course of business.

Concentration of Credit Risk - Concentration of credit risk is limited due to the large number of customers and their dispersion among many different industries and geographic regions. During the year-ended December 27, 2014, one large national fleet customer accounted for approximately 16% of the Company s consolidated net sales. The Company s export sales are minimal.

Financial Instruments and Fair Values - The Company has utilized interest rate swap agreements to reduce the impact of changes in interest rates on certain of its floating rate debt. The swap agreements are contracts to exchange the debt obligation s LIBOR floating rate (exclusive of the applicable spread) for fixed rate interest payments over the term of the swap agreement without exchange of the underlying notional amounts. The notional amounts of the interest rate swap agreements are used to measure interest to be paid or received and do not represent the amount of exposure of credit loss. The differential paid or received under interest rate swap agreements is recognized as an adjustment to interest expense.

At December 27, 2014, the Company had an interest rate swap agreement outstanding with a notional amount of $5.0 million. The interest rate swap agreement provides for a 3.1% fixed interest rate and matures on December 19, 2017. The Company designated this swap agreement as a cash flow hedge on its variable rate debt and records the fair value of the swap agreement as an asset or liability on the balance sheet, with changes in fair value recognized in other comprehensive income (loss).

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Supreme Industries, Inc. and Subsidiaries

Notes to Consolidated Financial Statements, Continued

1. NATURE OF OPERATIONS AND ACCOUNTING POLICIES, Continued

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy is as follows:

Level 1: Quoted prices (unadjusted) on identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a company s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The carrying amounts of cash and cash equivalents, accounts receivable, and trade accounts payable approximated fair value as of December 27, 2014 and December 28, 2013 because of the relatively short maturities of these financial instruments. The carrying amount of long-term debt, including current maturities, approximated fair value as of December 27, 2014 and December 28, 2013, based upon terms and conditions available to the Company at those dates in comparison to the terms and conditions of its outstanding long-term debt.

Cash and Cash Equivalents - The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments - The Company categorizes its investments as trading, available-for-sale, or held-to-maturity. The Company s investments are comprised of available-for-sale securities and are carried at fair value with unrealized gains and losses, net of applicable income taxes, recorded within accumulated other comprehensive income (loss). The Company determined fair values of investments available for sale by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs). Dividend and interest income are accrued as earned. The Company reviews its investments quarterly for declines in market value that are other than temporary.

Accounts Receivable - The Company accounts for trade receivables based on the amounts billed to customers. Past due receivables are determined based on contractual terms. The Company does not accrue interest on any of its trade receivables.

Allowance for Doubtful Accounts - The allowance for doubtful accounts is determined by management based on the Company s historical losses, specific customer circumstances, and general economic conditions. Periodically, management reviews accounts receivable and adjusts the allowance based on current circumstances and charges off uncollectible receivables against the allowance when all attempts to collect the receivable have failed.

Inventories - Inventories are stated at the lower of cost or market with cost determined using the first-in, first-out method.

Assets Held For Sale - Assets are classified as held for sale upon meeting certain criteria as specified by accounting standards. Assets held for sale are not depreciated and are recorded at the lower of carrying amount or fair value less cost to sell. The Company evaluates the carrying value of property held for sale whenever events or changes in circumstances indicate that a property s carrying amount may not be recoverable. Such circumstances could include, but are not limited to: (1) a significant decrease in the market value of an asset, or (2) a significant adverse change in the extent or manner in which an asset is used. The Company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future net cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds its fair value. As of December 27, 2014, the following locations were held for sale: one facility and two parcels of land in Goshen, Indiana. As of December 28, 2013, the following locations were held for sale: St. Louis, Missouri; and one parcel of land in Goshen, Indiana.

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Supreme Industries, Inc. and Subsidiaries

Notes to Consolidated Financial Statements, Continued

1. NATURE OF OPERATIONS AND ACCOUNTING POLICIES, Continued

Property, Plant and Equipment - Property, plant and equipment are recorded at cost. For financial reporting purposes, depreciation is provided based on the straight-line method over the estimated useful lives of the assets. The useful life of each class of property is as follows: land improvements (22 years); buildings (40 years); and machinery and equipment (3 to 10 years).

Upon sale or other disposition of assets, the cost and related accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected in operations (included in other income in the consolidated statements of comprehensive income). Expenditures for repairs and maintenance are charged to operations as incurred. Betterments and major renewals are capitalized and recorded in the appropriate asset accounts.

Evaluation of Impairment of Long-Lived Assets - The Company evaluates the carrying value of long-lived assets whenever significant events or changes in circumstances indicate the carrying value of these assets may be impaired. The Company evaluates potential impairment of long-lived assets by comparing the carrying value of the assets to the expected undiscounted future cash flows resulting from use of the assets. The Company determined there were no such impairments in 2014, 2013, and 2012.

Stock-Based Compensation - The Company records all stock-based payments, including grants of stock options and restricted stock, in the consolidated statements of comprehensive income based on their fair values at the date of grant.

Restricted stock awards are valued based upon the closing market price of the Company s stock on the date of grant. The Company currently uses the Black-Scholes option pricing model to determine the fair value of stock options. The determination of the fair value of stock-based payment awards on the date of grant using an option-pricing model is affected by stock price as well as assumptions regarding a number of complex and subjective variables. These variables include expected stock price volatility over the term of the awards, actual and projected employee stock option exercise behaviors, risk-free interest rate, and expected dividends.

The risk-free interest rate is determined based on observed U.S. Treasury yields in effect at the time of grant for maturities equivalent to the expected life of the option. The expected life of the option (estimated average period of time the option will be outstanding) is estimated based on the historical exercise behavior of grantees with executives displaying somewhat longer holding periods than other grantees. Expected volatility is based on historical volatility measured daily for a time period equal to the expected life of the option ending on the day of grant. The expected dividend yield is estimated based on the dividend yield at the time of grant as adjusted for expected dividend increases and historical payout policy.

Compensation expense (net of estimated forfeitures) relative to stock-based awards (see Note 8), included in the consolidated statements of comprehensive income for the years ended December 27, 2014, December 28, 2013, and December 29, 2012, was $488,277, $402,363 and $294,195, respectively. There were no stock options issued during the years ended December 27, 2014, December 28, 2013, and December 29, 2012.

Warranty - The Company provides limited product warranties for periods of up to five years from the date of retail sale. Estimated warranty costs are provided at the time of sale and are based upon historical experience. Warranty activity for the years ended December 27, 2014, December 28, 2013, and December 29, 2012 was as follows:

		2014		2013		2012
Accrued warranty, beginning of year	$	1,432,000	$	1,609,000	$	1,588,000
Warranty expense		605,413		1,170,983		1,361,626
Warranty claims paid		(589,413)		(1,347,983)		(1,340,626)
Shuttle bus divestiture		(499,000)				
Accrued warranty, end of year	$	949,000	$	1,432,000	$	1,609,000

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Supreme Industries, Inc. and Subsidiaries

Notes to Consolidated Financial Statements, Continued

1. NATURE OF OPERATIONS AND ACCOUNTING POLICIES, Concluded

Income Taxes - Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Earnings (Loss) Per Share - Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding plus the dilutive effect of stock options and restricted stock awards.

Comprehensive Income - Other comprehensive income (loss) refers to revenues, expenses, gains, and losses that, under generally accepted accounting principles, are included in comprehensive income (loss) but are excluded from net income since these amounts are recorded directly as an adjustment to stockholders equity. The Company s other comprehensive income (loss) is comprised of unrealized gains and losses on hedge activities and available-for-sale securities, net of tax.

Segment Information - The Company s principal business is manufacturing specialized vehicles. Management has not separately organized the business beyond specialized vehicles (includes three categories of products) and manufacturing processes. The fiberglass manufacturing subsidiary constitutes a segment, however this segment does not meet the quantitative thresholds for separate disclosure. The fiberglass manufacturing subsidiary s net sales are less than ten percent of consolidated net sales, the absolute amount of its net income (loss) is less than ten percent of the absolute amount of consolidated net income, and finally, its assets are less than ten percent of consolidated assets.

Net sales consist of the following:

	2014	2013	2012
Specialized vehicles:			
Trucks	$ 211,975,917	$ 225,778,360	$ 211,971,626
Trolley	8,414,833	6,928,018	7,995,898
Specialty vehicles	13,791,906	11,929,635	16,180,244
	234,182,656	244,636,013	236,147,768
Fiberglass products	2,126,264	2,169,954	2,963,095

	$	236,308,920	$	246,805,967	$	239,110,863

Recently Issued Accounting Pronouncement - In May 2014, the Financial Accounting Standards Board issued guidance on recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance supersedes existing U.S. GAAP and industry-specific guidance related to revenue recognition. The Company has the option to apply the provisions of the guidance using one of the following two methods: (1) retrospectively to each prior reporting period presented, or (2) retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial adoption. The guidance is effective for annual and interim periods beginning after December 15, 2016. Early adoption of the guidance is not permitted. The Company is currently evaluating the provisions of this guidance and has not yet determined the impact, if any, that the implementation of this guidance will have on its results of operations or financial condition.

2. DISCONTINUED OPERATIONS.

On December 31, 2013, the Company announced its intention to divest its shuttle bus business. The progressively competitive environment in the bus industry led to intensified price cutting, making it more difficult to sustain profitability. Shuttle bus products represented less than 13% of the Company s consolidated sales for the year ended December 28, 2013, but have had a material adverse effect on reported financial results in recent years.

On February 28, 2014, the Company entered into an Asset Purchase Agreement (the Agreement) for the sale of certain assets of the Company s shuttle bus division. Pursuant to the terms of the Agreement and upon satisfaction of the closing conditions, the Company sold the assets of the shuttle bus operations including: machinery and equipment, inventory, trademarks, engineering drawings, bills of materials, customer lists, customer purchasing histories, price lists, distribution lists, supplier lists, production data, quality control records, procedures related to the shuttle bus business, demonstrator vehicles, and all open purchase orders and unexpired governmental and municipal bid contracts. In addition, the purchaser assumed certain warranty obligations.

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Supreme Industries, Inc. and Subsidiaries

Notes to Consolidated Financial Statements, Continued

2. DISCONTINUED OPERATIONS, Concluded

The Company continued to operate the business for a period of time following the date of the Agreement to finish certain orders. The transaction closed on March 28, 2014. Net proceeds from the sale were $3.9 million and net assets of the shuttle bus operations sold consisted of inventory of $4.1 million, machinery and equipment of $0.2 million, reduced by a warranty obligation of $0.5 million, resulting in a gain of $0.1 million, net of tax, recorded during the three month period ended March 29, 2014. The Agreement contains a five-year period during which the Company will not compete in the shuttle bus business, with the exception that the non-competition does not apply to the Company s trolley bus division.

The results for the shuttle bus division are classified as discontinued operations as follows:

	2014	2013	2012
Net sales	$ 6,549,209	$ 35,467,332	$ 47,029,249
Pretax loss from operations	(2,306,655)	(7,836,430)	(951,331)
Net loss	(1,567,423)	(4,772,386)	(576,507)

3. INVESTMENTS.

Investment securities consist of the following:

	2014	2013
Bond funds cost	$ 3,973,772	$ 2,888,529
Unrealized losses	(40,265)	(23,242)
Bond funds - fair value	$ 3,933,507	$ 2,865,287

Sales of securities were $3,175,591 during 2014 and resulted in gains of $10,053. There were no sales of securities during 2013 and 2012. Investment income (included in other income) consisted of dividend income and aggregated $68,612, $27,338, and $10,197 for the years ended 2014, 2013, and 2012, respectively.

4. INVENTORIES.

Inventories consist of the following:

		2014		2013
Raw materials	$	15,880,826	$	20,877,513
Work-in-progress		3,136,994		3,673,301
Finished goods		3,643,994		7,945,441
Total	$	22,661,814	$	32,496,255

5. PROPERTY, PLANT AND EQUIPMENT.

Property, plant and equipment consist of the following:

		2014		2013
Land	$	4,099,790	$	4,243,448
Land improvements		7,415,255		6,852,111
Buildings		44,260,627		42,606,220
Machinery and equipment		39,458,457		41,839,430
		95,234,129		95,541,209
Less, Accumulated depreciation and amortization		48,308,595		49,153,370
Property, plant and equipment, net	$	46,925,534	$	46,387,839

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Supreme Industries, Inc. and Subsidiaries

Notes to Consolidated Financial Statements, Continued

6. LONG-TERM DEBT.

Long-term debt consists of the following:

	2014	2013
Term loan facility	$ 8,999,998	$ 9,666,666
Less, current maturities	666,668	666,668
Long-term debt	$ 8,333,330	$ 8,999,998

Credit Agreement

On December 19, 2012, the Company entered into an Amended and Restated Credit Agreement (the Credit Agreement) with Wells Fargo Bank, National Association (Wells Fargo). Under the terms of the Credit Agreement, Wells Fargo agreed to provide to the Company a credit facility of up to $45.0 million, consisting of a revolving credit facility, a term loan facility, and a letter of credit facility. The Credit Agreement is for a period of five years ending on December 19, 2017. The Company had unused credit capacity of $35.0 million at December 27, 2014. Interest on outstanding borrowings under the Credit Agreement is based on Wells Fargo s prime rate or LIBOR depending on the pricing option selected and the Company s leverage ratio (as defined in the Credit Agreement) resulting in an effective interest rate of 2.50% at December 27, 2014 and 2.47% at December 28, 2013. Pursuant to the Credit Agreement, the financial covenants include a consolidated total leverage ratio, a consolidated fixed charge coverage ratio, and a limitation on annual capital expenditures. As of December 27, 2014 and December 28, 2013, the Company was in compliance with all three financial covenants. On August 27, 2014, the Company entered into an amendment of the Credit Agreement. The amendment changed the cash dividend limit from a percentage of consolidated net income for the immediately preceding fiscal quarter to a flat per fiscal quarter limit of $0.03 per share of capital stock then issued and outstanding.

Revolving Credit Facility

The revolving credit facility provides for borrowings of up to $35.0 million. The revolving credit facility bears interest at (i) LIBOR plus a margin which varies from 1.50% to 2.50% based upon a leverage ratio of total indebtedness to trailing four quarter EBITDA or (ii) the higher of (a) the prime rate and (b) the federal funds rate plus 0.50% plus a margin which varies from 0.50% to 1.50% based upon the debt to EBITDA leverage ratio. The revolving credit facility also requires a quarterly commitment fee ranging from 0.20% to 0.50% per annum depending on the Company s financial ratios and based upon the average daily unused portion. As of December 27, 2014, and December 28, 2013, there were no borrowings against the revolving credit facility.

Term Loan Facility

The term loan facility provides for borrowings of up to $10.0 million. Effective April 29, 2013, the Company and Wells Fargo entered into a $10.0 million term loan by converting $10.0 million of revolving credit facility borrowings to term debt. The term loan is secured by real estate and improvements, payable in quarterly installments of $166,667 commencing on June 28, 2013, plus interest at prime rate or LIBOR, with the remaining balance due upon maturity on December 19, 2017. Maturities of the term loan for each of the next three years are as follows: 2015 - $666,668, 2016 - $833,335, and 2017 - $7,499,995.

On August 9, 2013, the Company entered into an interest rate swap agreement for a portion of the term loan with a notional amount of $5.0 million. The interest rate swap agreement provides for a 3.1% fixed interest rate and matures on December 19, 2017. The Company designated this swap agreement as a cash flow hedge on its variable rate debt and records the fair value of the swap agreement as an asset or liability on the balance sheet, with changes in fair value recognized in other comprehensive income (loss).

Letter of Credit Facility

Outstanding letters of credit, related to the Company s workers compensation insurance policies, reduce available borrowings under the Credit Agreement and aggregated $3.7 million at December 28, 2013. During 2014, the Company replaced all outstanding letters of credit with cash deposits with its insurance carriers totaling $3.3 million.

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Supreme Industries, Inc. and Subsidiaries

Notes to Consolidated Financial Statements, Continued

7. RETIREMENT PLAN.

The Company maintains a defined contribution plan which covers substantially all employees of the Company who have reached the age of twenty-one years and have completed thirty days of credited service. The plan provides that eligible employees can contribute from one to fifteen percent of their annual compensation. The Company formerly maintained a policy to match thirty percent of each employee s contributions up to seven percent of the employee s compensation. Effective September 1, 2008, however, the Company temporarily suspended this contribution match. Effective July 30, 2012, the Company reinstated its matching contribution at fifty percent of each employee s contributions up to four percent of the employee s compensation. The Board of Directors may increase or decrease the Company s contribution as business conditions permit. Expense for this plan was $414,739, $427,119 and $184,275 for the years ended December 27, 2014, December 28, 2013 and December 29, 2012, respectively.

8. STOCKHOLDERS EQUITY

Preferred Stock

The Company is authorized to issue 1,000,000 shares of preferred stock ($1 par value) of which none have been issued. The Board of Directors is vested with the authority to determine and state the designations and relative preferences, limitations, voting rights, if any, and other rights of the preferred shares.

Common Stock

The Board of Directors approved the following cash dividends on the Company s outstanding Class A and Class B Common Stock during the year ended December 27, 2014:

Declaration Date	Record Date	Paid Date		Cash Dividend Per Share
September 2, 2014	September 16, 2014	September 23, 2014	$	0.025
November 11, 2014	December 12, 2014	January 2, 2015	$	0.025

On May 8, 2013, the Company s Board of Directors declared a five percent (5%) stock dividend on the Company s outstanding Class A and Class B Common Stock. Stockholders of record on May 20, 2013 received a stock dividend for each share owned on that date, paid on June 3,

2013. All share and per share data have been adjusted to reflect the stock dividend on a retroactive basis. No dividends were declared or paid during the year ended December 29, 2012.

Convertible Class B Common Stock

Class B Common Stock is convertible into Class A Common Stock on a one-for-one basis. During 2013, 30,834 shares of Class B Common Stock were converted into Class A Common Stock. Holders of Class A Common Stock are entitled to elect one-third of the Board of Directors rounded to the lowest whole number. Holders of Class B Common Stock elect the remainder of the directors.

Stock Options

On January 31, 2001, the Company s Board of Directors approved, and the Company s stockholders subsequently ratified, the 2001 Stock Option Plan under which 891,990 shares of Class A Common Stock were reserved for grant. This plan expired on January 31, 2011. On January 23, 2004, the Company s Board of Directors approved, and the Company s stockholders subsequently ratified, the 2004 Stock Option Plan, as amended, under which 1,297,440 shares of Class A Common Stock were reserved for grant. This plan expired on January 22, 2014. Under the terms of the stock option plans, both incentive stock options and non-statutory stock options were granted by a specially designated Stock Awards Committee. The Stock Option Plan, as amended, also allowed for awards of common stock including restricted stock awards. Options granted under the stock option plans generally vest and become exercisable in annual installments of 33 1/3% beginning on the first anniversary date, and the options expire five or seven years after the date of grant. The Company generally issues new shares to satisfy stock option exercises.

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Supreme Industries, Inc. and Subsidiaries

Notes to Consolidated Financial Statements, Continued

8. STOCKHOLDERS EQUITY, Continued

The following table summarizes the activity for stock options:

	Options	Weighted - Average Exercise Price
Outstanding, January 1, 2012	1,214,452	3.71
Granted		
Exercised	(61,744)	1.63
Expired	(13,623)	5.86
Forfeited	(131,287)	4.13
Outstanding, December 29, 2012	1,007,798	3.74
Granted		
Exercised	(115,890)	1.87
Expired	(272,462)	6.29
Forfeited	(84,015)	4.29
Outstanding, December 28, 2013	535,431	2.79
Granted		
Exercised	(183,623)	3.15
Expired		
Forfeited		
Outstanding, December 27, 2014	351,808	2.61

The total intrinsic value of options exercised during the fiscal years ended 2014, 2013 and 2012 approximated $349,478, $306,985 and $117,975, respectively.

Information about stock options outstanding and exercisable at December 27, 2014 is as follows:

	Outstanding			Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted - Average Remaining Contractual Life in Years	Weighted - Average Exercise Price	Number Exercisable	Weighted - Average Exercise Price
5.46	6,811	0.05	5.46	6,811	5.46
4.62 - 5.09	79,596	0.36	4.83	79,596	4.83
1.35	21,066	0.83	1.35	21,066	1.35
1.48 - 1.63	93,450	1.50	1.50	93,450	1.50

2.12 - 2.33	150,885	2.76	2.17	150,885	2.17
	351,808	1.71	2.61	351,808	2.61

At December 27, 2014 and December 28, 2013, the aggregate intrinsic value of options exercisable and the intrinsic value of all options outstanding approximated $1,777,415 and $1,510,029, respectively.

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Supreme Industries, Inc. and Subsidiaries

Notes to Consolidated Financial Statements, Continued

8. STOCKHOLDERS EQUITY, Concluded

2012 Long-Term Incentive Plan

On May 23, 2012, the Company held its annual meeting of stockholders at which the Company s stockholders approved the 2012 Long-Term Incentive Plan (the Plan) which had previously been approved by the Board of Directors and recommended to the stockholders. The Plan is effective until May 23, 2022; provided, however, any awards issued prior to the Plan s termination will remain outstanding in accordance with their terms. The Plan authorizes the issuance of 1,000,000 shares of the Company s Class A Common Stock with certain officers being limited to receiving grants of 100,000 shares in any one year. Employees, contractors and non-employee directors of the Company and its subsidiaries are eligible to receive awards under the Plan. The following types of awards may be granted under the Plan: (1) stock options (incentive and non-qualified); (2) stock appreciation rights; (3) restricted stock and restricted stock units; (4) dividend equivalent rights; (5) performance awards based on achieving specified performance goals; and (6) other awards.

The following table summarizes the activity for the unvested restricted stock:

	Unvested Restricted Stock	Weighted - Average Grant Date Fair Value
Unvested, December 29, 2012		
Granted	145,784	3.98
Vested	(35,353)	3.94
Unvested, December 28, 2013	110,431	3.99
Granted	60,896	6.87
Vested	(65,510)	4.72
Unvested, December 27, 2014	105,817	5.19

The total fair value of shares vested and recognized as stock-based compensation expense during the years ended December 27, 2014 and December 28, 2013 was $309,527 and $141,847 respectively.

Beginning in 2012, as a part of annual director compensation, a stock award is paid to each of the Company s outside directors equal to $27,500 divided by the closing sales price on the grant date. The grants are made in quarterly increments. Shares granted during 2014 and 2013 totaled 25,998 and 33,006, respectively.

Total unrecognized compensation expense related to all share-based awards outstanding at December 27, 2014, is approximately $549,642 and is to be recorded over a weighted-average contractual life of 1.77 years.

As of December 27, 2014, 761,078 shares were reserved for the granting of future share-based awards compared to 1,340,465 shares at December 28, 2013.

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Supreme Industries, Inc. and Subsidiaries

Notes to Consolidated Financial Statements, Continued

9. INCOME TAXES.

Federal and State income tax expense from continuing operations consist of the following:

	2014	2013	2012
Federal:			
Current	$ 2,242,641	$ 4,102,557	$ 988,639
Deferred	1,100,487	1,253,385	372,886
	3,343,128	5,355,942	1,361,525
State:			
Current	227,648	761,633	(98,554)
Deferred	429,879	(194,216)	(1,198,336)
	657,527	567,417	(1,296,890)
Total	$ 4,000,655	$ 5,923,359	$ 64,635

Deferred tax assets and deferred tax liabilities were as follows:

	2014	2013
Deferred tax assets:		
Receivables	$ 20,020	$ 20,020
Inventories	550,170	937,161
Accrued liabilities	1,295,798	1,687,924
Net operating losses and credit carryforwards	1,336,649	1,615,046
Other	166,347	186,864
Total deferred tax assets	3,368,984	4,447,015
Deferred tax liabilities:		
Depreciation	(4,357,310)	(3,862,862)
Prepaids and other	(775,759)	(817,871)
Total deferred tax liabilities	(5,133,069)	(4,680,733)
Net deferred tax liabilities	$ (1,764,085)	$ (233,718)

At December 27, 2014, the Company had state tax loss carryforwards of approximately $25 million available to offset future taxable income, expiring in various amounts through December 31, 2033.

A reconciliation of the tax provision for income taxes from continuing operations at the U.S. Statutory rate (35% in 2014, 34% in 2013 and 35% in 2012) to the effective income tax expense rate as reported is as follows:

	2014		2013		2012	
U.S. Federal statutory rate	$ 4,364,717	35.0%	$ 5,821,356	34.0%	$ 4,356,433	35.0%
State income taxes, net of federal benefit	617,410	5.0	510,783	3.0	388,840	3.1
Tax-exempt underwriting income of wholly- owned small captive insurance subsidiary	(297,243)	(2.4)	(225,480)	(1.3)		
Domestic production deduction	(281,688)	(2.3)	(167,800)	(1.0)	(304,300)	(2.4)
Research and development tax credits	(75,000)	(0.6)	(100,000)	(0.6)		
Alternative fuel tax credit	(22,750)	(0.2)	(37,370)	(0.2)		
Stock-based compensation	(117,395)	(0.9)	16,800	0.1	30,580	0.2
Valuation allowance					(4,589,180)	(36.8)
Other, net	(187,396)	(1.5)	105,070	0.6	182,262	1.4
Effective tax	$ 4,000,655	32.1%	$ 5,923,359	34.6%	$ 64,635	0.5%

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Supreme Industries, Inc. and Subsidiaries

Notes to Consolidated Financial Statements, Continued

9. INCOME TAXES, Concluded

Uncertain Tax Positions

The Company recognizes income tax benefits only when it is more likely than not that the tax position will be allowed upon examination by taxing authorities, which is presumed to occur. The amount of such tax benefit recorded is the largest amount that is more likely than not to be allowed. A reconciliation of the change in the unrecognized tax benefits for the three years ended December 27, 2014 is as follows:

Unrecognized tax benefits at January 1, 2012	$	719,612
Gross increases - tax positions in prior periods		22,430
Lapse of statute of limitations		(222,431)
Unrecognized tax benefits at December 29, 2012		519,611
Gross increases - tax positions in prior periods		197,310
Lapse of statute of limitations		(57,921)
Unrecognized tax benefits at December 28, 2013		659,000
Gross increases - tax positions in prior periods		157,657
Lapse of statute of limitations		(70,657)
Unrecognized tax benefits at December 27, 2014	$	746,000

The entire balance of approximately $746,000 at December 27, 2014 relates to unrecognized tax positions that, if recognized, would affect the annual effective tax rate. The Company is subject to U.S. federal income tax as well as various state taxes. The Company is no longer subject to examination by federal taxing authorities for the fiscal year ended 2010 and earlier. The Company does not expect the total amount of unrecognized tax benefits to significantly increase or decrease over the next twelve months. Interest and penalties related to income tax matters are recognized in income tax expense. Interest and penalties accrued for, and recognized during, the fiscal years ended December 27, 2014, December 28, 2013, and December 29, 2012 were immaterial.

10. COMMITMENTS AND CONTINGENCIES.

Lease Commitments and Related Party Transactions

The Company leases certain manufacturing facilities and land under operating lease agreements which expire at various dates from December 2015 through April 2016. Previously, certain lease agreements were with related parties for which related party rent expense was approximately $658,000 for the fiscal year ended 2012. The Company exercised its options to purchase these related party leased facilities during 2012.

Rent expense under all operating leases aggregated $159,010, $96,066, and $733,340 for the fiscal years ended 2014, 2013, and 2012, respectively.

At December 27, 2014, future minimum rental payments under noncancelable operating leases aggregated $107,318 and are payable as follows: 2015 - $97,484; and 2016 - $9,834.

Consigned Inventories

The Company obtains most vehicle chassis for its specialized vehicle products directly from the chassis manufacturers under converter pool agreements. Chassis are obtained from the manufacturers based on orders from customers, and to a lesser extent, for unallocated orders. Although each manufacturer s agreement has different terms and conditions, the agreements generally state that the manufacturer will provide a supply of chassis to be maintained from time to time at the Company s various facilities with the condition that the Company will store such chassis and will not move, sell, or otherwise dispose of such chassis except under the terms of the agreement. The manufacturer transfers the chassis to the Company on a restricted basis, retaining the sole authority to authorize commencement of work on the chassis and to make certain other decisions with respect to the chassis including the terms and pricing of sales of the chassis to the manufacturer s dealers. The manufacturer also does not transfer the certificate of origin to the Company nor permit the Company to sell or transfer the chassis to anyone other than the manufacturer (for ultimate resale to a dealer). Although the Company is party to related

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Supreme Industries, Inc. and Subsidiaries

Notes to Consolidated Financial Statements, Continued

10. COMMITMENTS AND CONTINGENCIES, Continued

finance agreements with General Motors and Ally Bank, the Company has not historically settled, nor expects to in the future settle, any related obligations in cash. Instead, the obligation is settled by General Motors upon reassignment of the chassis to an accepted dealer, and the dealer is invoiced for the chassis by General Motors. Accordingly, the Company accounts for the chassis as consigned inventory belonging to the manufacturer. Under these agreements, if the chassis is not delivered to a customer within a specified time frame the Company is required to pay a finance or storage charge on the chassis. At December 27, 2014 and December 28, 2013, chassis inventory, accounted for as consigned inventory to the Company by the manufacturers, aggregated approximately $25.2 million and $19.2 million, respectively. Typically, chassis are converted and delivered to customers within 90 days of the receipt of the chassis by the Company.

Repurchase Commitments

The Company was contingently liable at December 27, 2014, under a repurchase agreement with a certain financial institution providing inventory financing for retailers of its products. Under the arrangement, which is customary in the industry, the Company agrees to repurchase vehicles in the event of default by the retailer. The maximum repurchase liability is the total amount that would be paid upon the default of the Company s independent dealers. The maximum potential repurchase liability, without reduction for the resale value of the repurchased units, was approximately $1.8 million at December 27, 2014 and $1.8 million at December 28, 2013. The loss, if any, under the agreement is the difference between the repurchase cost and the resale value of the units. The Company believes that any potential loss under this agreement in effect at December 27, 2014 would not be material.

Self-Insurance

The Company is self-insured for a portion of general liability ($100,000 per occurrence), certain employee health benefits ($200,000 annually per employee with no annual aggregate), and workers compensation in certain states ($250,000 per occurrence with no annual aggregate). The Company accrues for the estimated losses occurring from both asserted and unasserted claims. The estimate of the liability for unasserted claims arising from incurred but not reported claims is based on an analysis of historical claims data.

Ownership Transaction Incentive Plan

On October 25, 2011, the Company approved an Ownership Transaction Incentive Plan (the OTIP). Pursuant to the terms of the OTIP, upon a Change of Control, as defined, certain employees of the Company are entitled to receive a percentage of the difference between the per share value of the total cash proceeds or the per share fair market value of any other consideration received by the Company or the Company s stockholders in connection with a Change of Control minus $2.50 (such amount being the Value) as described below with such amount then being multiplied by the number of outstanding shares of common stock of the Company immediately prior to the Change of Control. The aggregate amount of payments to be made under the OTIP is equal to the number of outstanding shares of common stock immediately prior to the Change of Control multiplied by the sum of (i) 7% multiplied by the Value until the value reaches $5.00, plus (ii) 8% multiplied by the amount of any Value above $5.00 and up to $7.00, plus (iii) 9% multiplied by the amount of any Value above $7.00. For example, if a Change of Control occurs in which the Company s common stock is sold for $9.00 per share, then the aggregate amount of payments to be made is equal to the number of outstanding shares of common stock immediately prior to the Change of Control multiplied by $0.52 (which is the sum of (i) 7% multiplied by $2.50 (the Value up to $5.00); (ii) 8% multiplied by $2.00 (the Value between $5.00 and $7.00) and (iii) 9% multiplied by $2.00 (the Value over $7.00)). Certain employees are eligible to participate in the OTIP upon a Change of Control. If prior to a Change of Control, any of the current participants in the OTIP resign from the Company or are terminated for Cause, as defined, such participant shall immediately forfeit any rights to receive payment under the OTIP. If prior to a Change of Control, any of the current participants in the OTIP are terminated without Cause, such participant s right to receive a percentage of the aggregate amount described above upon a Change of Control shall generally be forfeited six months after the termination without Cause. The OTIP units are accounted for consistent with performance vesting securities and as such no compensation is reflected until the contingent change in control becomes inevitable and an estimate of value can be made.

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Supreme Industries, Inc. and Subsidiaries

Notes to Consolidated Financial Statements, Concluded

10. COMMITMENTS AND CONTINGENCIES, Concluded

Other

The Company is subject to various investigations, claims, and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably to the Company. The Company establishes accruals for matters that are probable and reasonably estimable. Management believes that any liability that may ultimately result from the resolution of these matters in excess of accruals and/or amounts provided by insurance coverage will not have a material adverse effect on the consolidated financial position or results of operations of the Company.

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SUPREME INDUSTRIES, INC. AND SUBSIDIARIES

SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS

Column A Description		Column B Balance Beginning of Period		Column C Additions Charged to Costs and Expenses		Column D Deductions (1)		Column E Balance End of Period
Year ended December 27, 2014:								
Reserves and allowances deducted from asset accounts:								
Allowance for doubtful receivables	$	52,000	$	7,000	$	7,000	$	52,000
Year ended December 28, 2013:								
Reserves and allowances deducted from asset accounts:								
Allowance for doubtful receivables	$	100,000	$	63,000	$	111,000	$	52,000
Year ended December 29, 2012:								
Reserves and allowances deducted from asset accounts:								
Allowance for doubtful receivables	$	200,000	$	30,000	$	130,000	$	100,000

(1) Uncollectible accounts written off, net of recoveries.

SUPREME INDUSTRIES, INC. AND SUBSIDIARIES

UNAUDITED SUPPLEMENTARY DATA

		First		Second		Third		Fourth
2014 Quarter								
Net sales, continuing operations	$	53,393,557	$	71,552,068	$	58,023,699	$	53,339,596
Gross profit, continuing operations		7,890,507		14,637,656		11,287,292		10,031,384
Net income, continuing operations		224,017		4,255,432		2,468,965		1,521,540
Net loss, discontinued operations		(1,567,423)						
Net income (loss), consolidated		(1,343,406)		4,255,432		2,468,965		1,521,540
Income (loss) per share, consolidated:								
Basic		(0.08)		0.26		0.15		0.09
Diluted		(0.08)		0.25		0.15		0.09
2013 Quarter								
Net sales, continuing operations	$	56,371,169	$	68,909,290	$	56,656,038	$	64,869,470
Gross profit, continuing operations		11,103,048		14,522,889		11,614,546		11,179,842
Net income, continuing operations		2,610,482		3,973,795		2,491,453		2,122,532
Net loss, discontinued operations		(306,676)		(3,048,664)		(960,016)		(457,030)
Net income, consolidated		2,303,806		925,131		1,531,437		1,665,502

Income per share, consolidated:				
Basic	0.14	0.07	0.09	0.10
Diluted	0.14	0.06	0.09	0.10

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES.

Management s Conclusions Regarding Effectiveness of Disclosure Controls and Procedures

As of December 27, 2014, the Company conducted an evaluation, under the supervision and participation of management including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company s disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company s disclosure controls and procedures were effective as of December 27, 2014.

Management s Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and Rule 15d-15(f) of the Securities Exchange Act of 1934. Internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Company s internal control over financial reporting includes policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company s assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; and that the Company s receipts and expenditures are being made only in accordance with authorizations of management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management of the Company has assessed the effectiveness of the Company s internal control over financial reporting based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway

Commission.

Management s assessment included an evaluation of the design of the Company s internal control over financial reporting and testing of the operational effectiveness of the Company s internal control over financing reporting. Based on this assessment, management has concluded that the Company s internal control over financial reporting was effective as of December 27, 2014.

The Company s independent registered public accounting firm, Crowe Horwath LLP, audited our internal control over financial reporting as of December 27, 2014, as stated in their report in the section entitled Report of Independent Registered Public Accounting Firm included elsewhere in this Form 10-K, which expressed an unqualified opinion on the effectiveness of the Company s internal control over financial reporting as of December 27, 2014.

Changes in Internal Control over Financial Reporting

No change in the Company s internal control over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f) and Rule 15d-15(f)) occurred during the fiscal quarter ended December 27, 2014 that materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

Not applicable.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The information required by Item 10 of Form 10-K is hereby incorporated by reference from the Company s definitive proxy statement which will be filed with the Securities and Exchange Commission in connection with the Company s 2015 annual stockholders meeting.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by Item 11 of Form 10-K is hereby incorporated by reference from the Company s definitive proxy statement which will be filed with the Securities and Exchange Commission in connection with the Company s 2015 annual stockholders meeting.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The information required by Item 12 of Form 10-K is hereby incorporated by reference from the Company s definitive proxy statement which will be filed with the Securities and Exchange Commission in connection with the Company s 2015 annual stockholders meeting.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The information required by Item 13 of Form 10-K is hereby incorporated by reference from the Company s definitive proxy statement which will be filed with the Securities and Exchange Commission in connection with the Company s 2015 annual stockholders meeting.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The information required by Item 14 of Form 10-K is hereby incorporated by reference from the Company s definitive proxy statement which will be filed with the Securities and Exchange Commission in connection with the Company s 2015 annual stockholders meeting.

Explanation of Responses:

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

a. The following financial statements and financial statement schedule are included in Item 8 herein:

1. Financial Statements

   Report of Crowe Horwath LLP, Independent Registered Public Accounting Firm

   Consolidated Balance Sheets as of December 27, 2014 and December 28, 2013

   Consolidated Statements of Comprehensive Income for the years ended December 27, 2014, December 28, 2013 and December 29, 2012

   Consolidated Statements of Stockholders Equity for the years ended December 27, 2014, December 28, 2013 and December 29, 2012

   Consolidated Statements of Cash Flows for the years ended December 27, 2014, December 28, 2013 and December 29, 2012

   Notes to Consolidated Financial Statements

2. Financial Statement Schedule

   Schedule II - Valuation and Qualifying Accounts

3. Exhibits

   See Index to Exhibits

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	SUPREME INDUSTRIES, INC.	
Date: February 27, 2015	By:	/s/ Mark D. Weber Mark D. Weber President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Herbert M. Gardner Herbert M. Gardner	Chairman of the Board	February 27, 2015
/s/ Mark D. Weber Mark D. Weber	President, Chief Executive Officer and Director (Principal Executive Officer)	February 27, 2015
/s/ William J. Barrett William J. Barrett	Executive Vice President, Secretary, Assistant Treasurer and Director	February 27, 2015
/s/ Matthew W. Long Matthew W. Long	Chief Financial Officer, Treasurer and Assistant Secretary (Principal Financial and Accounting Officer)	February 27, 2015
/s/ Peter D. Barrett Peter D. Barrett	Director	February 27, 2015
/s/ Robert J. Campbell Robert J. Campbell	Director	February 27, 2015
/s/ Edward L. Flynn Edward L. Flynn	Director	February 27, 2015
/s/ Arthur J. Gajarsa Arthur J. Gajarsa	Director	February 27, 2015
/s/ Thomas B. Hogan, Jr. Thomas B. Hogan, Jr.	Director	February 27, 2015
/s/ Mark C. Neilson Mark C. Neilson	Director	February 27, 2015

/s/ Wayne A. Whitener Wayne A. Whitener	Director	February 27, 2015

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INDEX TO EXHIBITS

	Exhibit	Description
	3.1	Certificate of Incorporation of the Company, filed as Exhibit 3(a) to the Company s Registration Statement on Form 8-A, filed with the Commission on September 18, 1989, and incorporated herein by reference.
	3.2	Certificate of Amendment of Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on June 10, 1993 filed as Exhibit 3.2 to the Company s annual report on Form 10-K for the fiscal year ended December 31, 1993, and incorporated herein by reference.
	3.3	Certificate of Amendment of Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on May 29, 1996 filed as Exhibit 3.3 to the Company s annual report on Form 10-K for the fiscal year ended December 31, 1996, and incorporated herein by reference.
	3.4	Certificate of Amendment of Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on June 16, 2014, filed as Exhibit 3.4 to the Company s Quarterly Report on Form 10-Q for the quarter ended June 28, 2014, and incorporated herein by reference.
	3.5	Third Amended and Restated Bylaws, filed as Exhibit 3.1 to the Company s current report on Form 8-K, filed on November 10, 2014, and incorporated herein by reference.
	10.1	Special Vehicle Manufacturer Converters Agreement with General Motors Corporation, effective February 29, 2008, between General Motors Corporation and Supreme Corporation, filed as Exhibit 10.11 to the Company s annual report on Form 10-K for the fiscal year ended December 27, 2008, and incorporated herein by reference.
	10.2	Ford Authorized Converter Pool Agreement, effective May 1, 2008, among Ford Motor Company, Supreme Corporation and certain subsidiaries, filed as Exhibit 10.12 to the Company s annual report on Form 10-K for the fiscal year ended December 27, 2008, and incorporated herein by reference.
	10.3	Asset Purchase Agreement dated as of February 28, 2014 between Supreme Corporation and Forest River Manufacturing, LLC, filed as Exhibit 2(a) to the Company s Current Report on Form 8-K filed on March 6, 2014, and incorporated herein by reference.
	10.4	Special Vehicle Manufacturer Converters Agreement effective August 1, 2013, between General Motors LLC and Supreme Corporation, and incorporated herein by reference.
+	10.5	2001 Stock Option Plan, filed as Exhibit 10.6 to the Company s annual report on Form 10-K for the fiscal year ended December 31, 2001, and incorporated herein by reference.
+	10.6	Amendment No. 1 to the Company s 2001 Stock Option Plan, filed as Exhibit 10.7 to the Company s annual report on Form 10-K for the fiscal year ended December 31, 2001, and incorporated herein by reference.
+	10.7	2004 Stock Option Plan, filed as Exhibit 4.1 to the Company s Registration Statement on Form S-8 effective on August 26, 2004, and incorporated herein by reference.
+	10.8	Amended and Restated 2004 Stock Option Plan filed as Exhibit A to the Company s Revised Definitive Proxy Statement filed on April 5, 2006, and incorporated herein by reference.
+	10.9	Amendment Number One to the Company s Amended and Restated 2004 Stock Option Plan dated October 25, 2006, included in the Company s Definitive Proxy Statement filed on April 2, 2007, and incorporated herein by reference.
+	10.10	Amendment No. Two to the Company s Amended and Restated 2004 Stock Option Plan dated March 28, 2007, included in the Company s Definitive Proxy Statement filed on April 2, 2007, and incorporated herein by reference.

+	10.11	Amendment No. Three to the Company s Amended and Restated 2004 Stock Option Plan dated March 25, 2008, included in the Company s Definitive Proxy Statement filed on April 3, 2008, and incorporated herein by reference.

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Exhibit		Description
+	10.12	Amendment No. Four to the Company s Amended and Restated 2004 Stock Option Plan dated August 25, 2009, filed as Exhibit 10.3 to the Company s quarterly report on Form 10-Q for the quarterly period ended September 26, 2009, and incorporated herein by reference.
+	10.13	Amended and Restated Ownership Transaction Incentive Plan effective as of November 4, 2013, filed as Exhibit 10.39 to the Company s Annual Report on Form 10-K for the year ended December 28, 2013, and incorporated herein by reference.
+	10.14	2012 Long-Term Incentive Plan, filed as Exhibit 10.1 to the Company s Current Report on Form 8-K filed on May 29, 2012, and incorporated herein by reference.
+	10.15	Form of Supreme Industries, Inc. Director and Officer Indemnification Agreement, filed as Exhibit 10.1 to the Company s Current Report on Form 8-K filed on October 6, 2008, and incorporated herein by reference.
+	10.16	Indemnification Agreement, effective as of May 6, 2013, by and between Supreme Industries, Inc. and Mark D. Weber, filed as Exhibit 10.2 to the Company s Current Report on Form 8-K filed on April 19. 2013, and incorporated herein by reference.
+	10.17	Indemnification Agreement by and among Supreme Industries, Inc. and Matthew W. Long dated December 29, 2011, filed as Exhibit 10.2 to the Company s Current Report on Form 8-K filed on January 5, 2012, and incorporated herein by reference.
+	10.18	Amended and Restated Employment Contract by and among Supreme Industries, Inc. and Herbert M. Gardner dated to be effective January 1, 2005, filed as Exhibit 10.2 to the Company s Current Report on Form 8-K dated February 10, 2006, and incorporated herein by reference.
+	10.19	Amended and Restated Employment Contract by and among Supreme Industries, Inc. and William J. Barrett dated to be effective January 1, 2005, filed as Exhibit 10.3 to the Company s Current Report on Form 8-K dated February 10, 2006, and incorporated herein by reference.
+	10.20	Employment Agreement by and between Supreme Industries, Inc. and Matthew W. Long, dated December 29, 2011, filed as Exhibit 10.1 to the Company s Current Report on Form 8-K filed on January 5, 2012, and incorporated herein by reference.
+	10.21	First Amendment to December 29, 2011 Letter Agreement by and between Supreme Industries, Inc. and Matthew W. Long, dated December 21, 2012 filed as Exhibit 10.32 to the Company s annual report on Form 10-K for the fiscal year ended December 29, 2012, and incorporated herein by reference.
+	10.22	Second Amendment to December 29, 2011 Letter Agreement by and between Supreme Industries, Inc. and Matthew W. Long, dated November 20, 2014, and incorporated herein by reference.
+	10.23	Amendment Number One to Employment Contract between Supreme Industries, Inc. and William J. Barrett, effective June 29, 2012, filed as Exhibit 10.4 to the Company s Form 10-Q for the quarter ended June 30, 2012, and incorporated herein by reference.
+	10.24	Amendment Number One to Employment Contract between Supreme Industries, Inc. and Herbert M. Gardner, effective June 29, 2012, filed as Exhibit 10.5 to the Company s Form 10-Q for the quarter ended June 30, 2012, and incorporated herein by reference.
+	10.25	Employment Agreement, effective as of May 6, 2013, by and among Supreme Industries, Inc., Supreme Corporation, and Mark D. Weber, filed as Exhibit 10.1 to the Company s Current Report on Form 8-K filed on April 19. 2013, and incorporated herein by reference.
	10.26	Amended and Restated Credit Agreement, dated as of April 29, 2013, by and among Supreme Industries, Inc. and Wells Fargo Bank, National Association, filed as Exhibit 10.1 to the Company s Current Report on Form 8-K filed on May 3, 2013, and incorporated herein by reference.

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	Exhibit	Description
	10.27	Omnibus Amendment and Reaffirmation Agreement, dated as of April 29, 2013, by and among Supreme Industries, Inc., the subsidiaries of Supreme Industries, Inc. and Wells Fargo Bank, National Association, filed as Exhibit 10.2 to the Company s Current Report on Form 8-K filed on May 3, 2013, and incorporated herein by reference.
	10.28	Amendment No. 1 to Credit Agreement, effective as of March 29, 2013, by and among Supreme Industries, Inc., Wells Fargo Bank, National Association and the Lenders party thereto, filed as Exhibit 10.1 to the Company s Current Report on Form 8-K filed on April 4, 2013, and incorporated herein by reference.
	10.29	Amendment No. 1 to Credit Agreement, dated as of April 17, 2014, by and among Supreme Industries, Inc., Wells Fargo Bank, National Association and BMO Harris Bank, N.A., and acknowledged by Supreme Corporation and other subsidiary guarantors, filed as Exhibit 10.2 to the Company s Quarterly Report on Form 10-Q for the quarter ended September 27, 2014, and incorporated herein by reference.
	10.30	Amendment No. 2 to Credit Agreement, executed as of August 27, 2014, by and among Supreme Industries, Inc., Wells Fargo Bank, National Association, and BMO Harris Bank, N.A., and acknowledged by Supreme Corporation and other subsidiary guarantors, filed as Exhibit 10.1 to the Company s Current Report on Form 8-K filed on September 2, 2014, and incorporated herein by reference.
	10.31	Settlement and Release Agreement, dated June 14, 2013, by and between Supreme Indiana Operations, Inc. and King County, Washington, filed as Exhibit 10.5 to the Company s quarterly report on Form 10-Q for the quarter ended June 29, 2013, and incorporated herein by reference.
+	10.32	2014 Supreme Cash and Equity Bonus Plan, dated August 6, 2014, filed as Exhibit 10.1 to the Company s Quarterly Report on Form 10-Q for the quarter ended September 27, 2014, and incorporated herein by reference.
+	10.33	2013 Supreme Cash and Equity Bonus Plan, dated August 7, 2013, filed as Exhibit 10.1 to the Company s quarterly report on Form 10-Q for the quarter ended September 28, 2013, and incorporated herein by reference.
*	21.1	Subsidiaries of the Registrant.
*	23.1	Consent of Crowe Horwath LLP, Independent Registered Public Accounting Firm.
*	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.
*	101	The following financial statements from the Company s Annual Report on Form 10-K for the fiscal year ended December 27, 2014, filed on February 27, 2015, formatted in XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Statements of Equity, (iv) Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements.

* Filed herewith.

\+ Management contract or compensatory plan or arrangement.

Explanation of Responses: