SUPREME INDUSTRIES INC

FORM 10-K
(Annual Report)

Filed 03/23/01 for the Period Ending 12/31/00

Address	P O BOX 237 2581 EAST KERCHER ROAD GOSHEN, IN 46528
Telephone	5746423070
CIK	0000350846
Symbol	STS
SIC Code	3713 - Truck and Bus Bodies
Industry	Auto, Truck & Motorcycle Parts
Sector	Consumer Cyclicals
Fiscal Year	12/31

SUPREME INDUSTRIES INC

FORM 10-K
(Annual Report)

Filed 3/23/2001 For Period Ending 12/31/2000

Address	P O BOX 237 2581 EAST KERCHER ROAD
	GOSHEN, Indiana 46528
Telephone	574-642-3070
CIK	0000350846
Industry	Auto & Truck Manufacturers
Sector	Consumer Cyclical
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUAHT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended December 31, 2000.
or
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from ___ to ___.

Commission File No. 1-8183

SUPREME INDUSTRIES, INC.
(Exact name of Registrant as specified in its charter)

Delaware	75-1670945
(State of Incorporation)	(IRS Employer Identification No.)

P.O. Box 237, 16441 CR 38, Goshen, Indiana	46528
(Address of principal executive offices)	(Zip Code)

(Registrant's telephone number, including area code) - (219) 642-3070

Securities registered pursuant to Section 12(b) of the Act:

Class A Common Stock ($.10 Par Value) American Stock Exchange
(Title of each class) (Name of Each Exchange on Which Registered)

Securities registered pursuant to Section 12(g) of the Act: None

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 the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in the definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment hereto. X

The aggregate market value of the voting stock held by non-affiliates of the registrant at March 5, 2001: $28,289,318

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at March 5, 2001
Class A Common Stock ($.10 Par Value)	8,889,934 shares
Class B Common Stock ($.10 Par Value)	1,917,394 shares

<u>Documents Incorporated by Reference</u>

Document	Parts of Form 10-K Into Which the Document is Incorporated
Portions of the Proxy Statement for Annual Meeting of Shareholders to be held on May 2, 2001	Part III

The Index to Exhibits is on page ___ in the sequential numbering system.

PART I

ITEM 1. BUSINESS.
History
Supreme Industries, Inc., a Delaware Corporation, (the "Company"or "Supreme") is one of the nation's leading manufacturers of specialized vehicles, including truck bodies and shuttle buses. The Company was incorporated in 1979 and originally had one operating subsidiary TGC Industries, Inc., which was spun-off to stockholders of the Company effective July 31, 1986.

Supreme Corporation, the Company's wholly-owned operating subsidiary, was formed in January 1984 to acquire a company engaged in the business of manufacturing, selling and repairing specialized truck bodies, shuttle buses and related equipment.

In August 1994, the Company acquired the business operations and substantially all of the operating assets of Murphy Body Company, Inc., Wilson, North Carolina. The acquisition provided additional refrigerated product lines that the Company did not currently produce and added additional capacity for the Company's existing product lines. The acquisition also provided better market penetration for all of the Company's product lines into Virginia and North and South Carolina.

During 1998 the Company reached the decision to close two operating facilities. The paratransit van line acquired in March 1996 never reached the volumes anticipated. In addition, as a result of the damage to the Honduran infrastructure caused by Hurricane Mitch, the Company decided to close its hardwood flooring operation in Honduras. Neither closing had an unfavorable effect on the Company's operations.

Financial Information About Operating Segments
The Company has two operating segments, specialized vehicles and vertically integrated fiberglass products. The vertically integrated fiberglass products segment does not meet the quantitative thresholds for separate disclosure.

General Description of the Company's Business
The specialized vehicle industry consists of companies that manufacture and/or distribute specialized truck bodies and shuttle buses. Depending on the product, it is either built directly on a truck chassis or built separately and installed at a later date. The truck chassis, which consists of an engine, frame with wheels, and in some cases a cab, is manufactured by third parties who are major automotive or truck companies. Such companies typically do not build specialized truck bodies. See "Competition."

Supreme's products are medium-priced with prices generally ranging from $2,500 to $100,000. Supreme's truck bodies and custom trailers are offered in aluminum or fiberglass reinforced plywood panel ("FRP") construction and are available in lengths of 9 to 45 feet and heights up to 13 feet, 6 inches. Examples of optional equipment offered by Supreme include lift gates, cargo-handling equipment, customized doors, special bumpers, ladder racks,

and refrigeration equipment, which are configured with the truck bodies to meet the end-user's needs. Supreme also makes its own fiberglass wind deflectors under the name of Fuel Shark, which reduce wind resistance and improve fuel efficiency. Supreme is not in the business of manufacturing recreational vehicles or long-distance truck-trailers. The following is a brief summary of Supreme's products:

Van bodies. Supreme's van bodies are typically fabricated up to 28 feet in length with pre painted aluminum or FRP panels, aerodynamic front and side corners, hardwood floors and various door configurations to accommodate end-user loading and unloading requirements. This product is used for diversified dry freight transportation.

Refrigerated Chiller (trademark) insulated van bodies. Chiller (trademark) vans are insulated FRP bodies which can accommodate controlled temperature and refrigeration needs of end-users. All fiberglass exterior laminated walls are corrosion resistant and utilize foam insulation which permits varying levels of temperature to as low as minus twenty degrees Fahrenheit.

Kold King (trademark) aluminum insulated van bodies. Supreme's advances in insulated foam technology have created this aluminum insulated body with greater strength, less weight and better thermal efficiency.

Iner-City (trademark) cutaway van bodies. Aluminum or FRP cutaway van bodies are manufactured on cutaway chassis which are available with access to the cargo area from the cab. The Iner-City (trademark) cutaway van body is similar to the regular van body except for floor construction and shorter lengths (10 feet to 15 feet) as compared with van bodies which are constructed to lengths of up to 28 feet.

Iner-City (trademark) walk-in van bodies. Supreme manufactures its walk-in vans on a rail truck chassis having no cab. Supreme fabricates the driver's compartment and body using FRP panels and aluminum. Some uses for this product include the distribution of food products and small packages.

Spartan mini-bodies. Spartan mini-bodies are produced in three different configurations and designed to be mounted on small trucks for diversified commercial use.

Armored Trucks. Supreme's armored trucks are built to customer specifications in either aluminum, galvaneal or stainless steel.

StarTrans (trademark) shuttle buses. The StarTrans (trademark) shuttle buses have seating capacities for 12 to 29 people and are offered with a variety of seating arrangements and with options such as wheelchair lifts, custom interiors, and special exterior paint schemes. The shuttle bus line features an improved aerodynamic exterior design and is intended for use by hotels, nursing homes, car leasing companies, and airport-related users.

StarTrans (trademark) mid-size buses. Supreme's StarTrans (trademark) mid-size buses (President and Ambassador) are offered in lengths of up to 31 feet with capacities of up to 35 passengers. This product serves the public transit and tour markets and provides the Company's dealer network with a more comprehensive product line.

StarTrans (trademark) trolleys. Supreme's StarTrans (trademark) trolley line is similiar in size to the mid-size bus line but resembles a San Francisco trolley car. It is marketed to resort areas, theme parks and cities desiring unique transportation vehicles.

Customized trailers. Supreme manufactures a variety of customized trailers for special needs, including mobile laboratories, antique and race car haulers, and trailers for the broadcasting industry.

Stake bodies. Stake bodies are flatbeds with various configurations of removable sides. The stake body is utilized for a broad range of agricultural transportation needs.

Chiller (trademark), Kold King (trademark), Nordica (trademark), Iner-City (trademark), Spartan, StarTrans (trademark), and Fuel Shark are trademarks used by Supreme in its marketing of truck bodies and buses. Chiller (trademark), Kold King (trademark), Nordica (trademark), Iner-City (trademark), and StarTrans (trademark) are trademarks registered in the U.S. Patent and Trademark Office.

Some examples of specialized vehicles that are not manufactured by Supreme are dump bodies, utility bodies and garbage packers. Neither Supreme nor any of its competitors manufacture every type of specialized vehicles. Supreme intends to continue to expand its product line, but there is no assurance that it will do so.

Manufacturing

Supreme's manufacturing facilities are located in Goshen and Ligonier, Indiana; Griffin, Georgia; Cleburne, Texas; Moreno Valley, California; Jonestown, Pennsylvania and Wilson, North Carolina. Supreme's management estimates that the capacity utilization of its plants and equipment range from 60% to 90% of capacity when annualized on a one-shift basis. At various times during the year, several of the Company's plants operate at 100% capacity to meet fleet requirements.

Supreme builds specialized truck bodies and installs other equipment on truck chassis, most of which are provided by bailment pool arrangements or are owned by dealers or end-users. These truck bodies are built on an assembly line from engineered structural components, such as floors, roofs, and wall panels. These components are manufactured from Supreme's proprietary designs and are installed on the truck chassis. Supreme then installs optional equipment and applies any special finishes that the customer has specified. At each step of the manufacturing and installation process, Supreme conducts quality control procedures to insure that the products meet its customers' specifications. Supreme's products are generally produced to firm orders and are designed and engineered by Supreme. Order levels will vary depending upon price, competition, prevailing economic conditions and other factors.

Supreme is more vertically integrated than many of its competitors. The Company manufactures its own fiberglass reinforced plywood (FRP), fiberglass parts, and has extensive roll forming and metal bending capabilities. A portion of the excess capacity of these fabrication capabilities is used to supply products to the recreational vehicle and marine industries.

Supreme provides limited warranties against construction defects in its products. These warranties generally provide for the replacement or repair of defective parts or workmanship for five years following the date of retail sale.

Supreme generally does not purchase vehicle chassis for its inventory. Supreme accepts shipment of vehicle chassis owned by dealers or end-users, for the purpose of installing and/or manufacturing its specialized truck bodies and buses on such chassis. In the event of a labor disruption or other uncontrollable event adversely affecting the limited number of companies which manufacture and/or deliver such chassis, Supreme's level of manufacturing could be substantially reduced. The Company has established relationships with all major chassis manufacturers and in the event of a disruption in supply from one manufacturer the Company would attempt to divert its demand to the other manufacturer. Approximately 20% of the chassis involved in Supreme's manufacturing have been secured through bailment or consignment agreements with three major chassis manufacturers that provide for truck chassis pools at each of Supreme's manufacturing facilities.

Raw Materials
Supreme does not have any long-term raw material contracts and is dependent upon suppliers of lumber, fiberglass, aluminum and steel for its manufacturing. However, there are several readily available sources for these raw materials. Supreme's operations could be affected by labor disruptions at its raw material suppliers or freight carriers. The single greatest threat to Supreme would be the disruption of chassis availability as virtually all of Supreme's products are built on chassis. The Company believes it enjoys good relationships with all the chassis manufacturers that supply the chassis that its products are built on. In the event of a problem with one chassis supplier the Company would attempt to divert its products to other chassis suppliers.

Marketing
Supreme normally sells the vehicle and/or equipment that has been installed on the chassis to either truck equipment distributors, truck dealers or directly to end-users. Truck bodies purchased by a truck dealer from Supreme are sold by the dealer to its own customers. Since Supreme or its distributors (and not the truck dealers) generally service all Supreme products sold by the truck dealers, each truck dealer is normally located within relatively close geographic proximity to Supreme or the distributor supplying such dealer.

Supreme's distributor/dealer network consists of approximately 40 bus distributors, 85 truck equipment distributors and 500 truck dealers. Management believes that this large distributor/dealer network, coupled with Supreme's geographically-dispersed plant and distribution sites, gives Supreme a distinct marketing advantage over its competitors. Supreme generally delivers its products within 4 to 8 weeks after the receipt of orders.

Supreme markets products direct to end users in geographic areas where the Company does not have a strong distributor. The Company currently has distribution facilities in the areas of St. Louis, MO; Louisville, KY; Cleveland, OH; Orlando, FL; Houston and San Antonio, TX; Denver, CO; San Francisco, CA and Woonsocket, RI.

Approximately 80 employees are engaged in direct sales. Supreme engages in direct advertising in trade publications, trade shows and cooperative advertising campaigns with distributors.

Competition
Specialized vehicles are produced by many companies, most of which compete on a regional basis. Management believes that Supreme enjoys a competitive advantage based upon its established distributor/dealer network and six manufacturing facilities and nine distribution centers. Chassis manufacturers have not generally shown an interest in manufacturing specialized vehicles, including truck bodies and shuttle buses, because such manufacturers' highly-automated assembly line operations do not lend themselves to the efficient production of a wide variety of highly specialized vehicles with various options and equipment.

Trademarks
The Company owns and maintains trademarks that are used in marketing specialized products manufactured by Supreme. Management believes that these trademarks have significant customer goodwill.

Working Capital
The Company utilizes its revolving line of credit to finance its accounts receivable and inventories. The Company's Credit Agreement requires the Company to maintain a minimum working capital of not less than $10 million. The Company had working capital of $35.2 million at December 31, 2000.

Major Customers
The Company had one customer, Budget Group Inc., that accounted for approximately 11% of the Company's revenues during 1999. No single or group of customers accounted for 10% or more of the Company's revenues for the years ended December 31, 2000 and 1998. The Company's export sales are not significant.

Environment Regulation
The Company's manufacturing operations are subject to federal, state, and local statutes and regulations relating to the protection of the environment, work site safety standards, and product size and weight limitations. Such regulations increase the Company's cost of doing business. Because other companies are subject to similar regulations, such regulations are not believed to have an adverse effect on the Company's competitive position.

Employees
As of December 31, 2000, the Company employed approximately 2,000 employees, none of whom are represented by a collective bargaining unit. The Company considers its relations with its employees to be satisfactory.

Back Log
The Company's backlog of firm orders was $48.7 million at December 31, 2000 compared to $74.0 million at December 31, 1999.

Executive Officers of the Registrant

The name, age, business background, position held with the Registrant and tenure of each of the Registrant's executive officers are set forth below. No family relationship exists among any of the executive officers.

Name, Age, and Business Experience	Served as Executive Officer Since	Positions With Company
Herbert M. Gardner, 61 Senior Vice President of Janney Montgomery Scott Inc., investment bankers, since 1978; Chairman of the Board of the Company since 1979 and President of the Company since June 1992. Also a Director of: Nu Horizons Electronics Corp., an electronic component distributor; Transmedia Network, Inc., a company that develops and markets transaction-based dining and other consumer savings programs; Hirsch International Corp., importer of computerized embroidery machines, supplies, and developer of embroidery machine application software; Co-Active Marketing Group, Inc., a marketing and sales promotion company; TGC Industries, Inc., a company engaged in the geophysical services industry; and Rumson-Fair Haven Bank and Trust Company, a New Jersey state independent, commercial bank and trust company.	1979	Chairman of the Board, President
Omer G. Kropf, 59 Executive Vice President of the Company since August 1984; President and Chief Executive Officer of Supreme Corporation, a subsidiary of the Company, from January 19, 1984 to November 2, 2000 and co-holder of Office of the President since November 2000.	1984	Executive Vice President

Name, Age, and Business Experience	Served as Executive Officer Since	Positions With Company
William J. Barrett, 61 Senior Vice President of Janney Montgomery Scott Inc., investment bankers, since 1976; Secretary and Assistant Treasurer of the Company and a Director since 1979. Also a Director of: TGC Industries, Inc., a company engaged in the geophysical services industry and American Country Holdings, Inc., a specialized property and casualty insurance company with focus on transportation and hospitality markets; and Rumson-Fair Haven Bank and Trust Company, a New Jersey state independent, commercial bank and trust company.	1979	Secretary and Assistant Treasurer
Robert W. Wilson, 56 Treasurer, Executive Vice President, and Chief Financial Officer of the Company since December 1992; Vice President of Finance since 1988 and co-holder of the Office of President since November 2000, of Supreme Corporation, a subsidiary of the Company.	1992	Executive Vice President, Treasurer, Chief Financial Officer, and Assistant Secretary

ITEM 2. PROPERTIES.

Set forth below is a brief summary of the properties which are owned or leased by the Registrant as of December 31, 2000.

	Square Footage	Owned or Leased	Operating Segment
Manufacturing of Products			
Goshen, Indiana	206,056	Leased	Specialized Vehicles
Goshen, Indiana	235,834	Owned	Specialized Vehicles
Jonestown, Pennsylvania	246,848	Owned	Specialized Vehicles
Wilson, North Carolina	113,694	Owned	Specialized Vehicles
Moreno Valley, California	96,928	Owned	Specialized Vehicles

Cleburne, Texas	115,060	Owned	Specialized Vehicles
Griffin, Georgia	102,795	Leased	Specialized Vehicles
Griffin, Georgia	26,150	Owned	Specialized Vehicles
	1,143,365		

Manufacturing of Component Parts

Goshen, Indiana	57,570	Owned	Fiberglass Products
Ligonier, Indiana	93,212	Leased	Fiberglass Products
Ligonier, Indiana	31,134	Owned	Fiberglass Products
	181,916		
Distribution			
St. Louis, Missouri	15,000	Owned	Specialized Vehicles
Houston, Texas	12,841	Owned	Specialized Vehicles
Denver, Colorado	12,500	Leased	Specialized Vehicles
Woonsocket, Rhode Island	10,720	Owned	Specialized Vehicles
Streetsboro, Ohio	11,900	Owned	Specialized Vehicles
San Antonio, Texas	7,000	Owned	Specialized Vehicles
Vallego, California	8,400	Leased	Specialized Vehicles
Louisville, Kentucky	6,664	Owned	Specialized Vehicles
Apopka, Florida	6,600	Owned	Specialized Vehicles
	91,625		
Total square footage	1,416,906		

ITEM 3. LEGAL PROCEEDINGS.

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 has established 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.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matters were submitted by the Company to a vote of the Company's security holders, through the solicitation of proxies or otherwise, during the fourth quarter of the year ended December 31, 2000.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED

STOCKHOLDER MATTERS.

The Company's Class A Common Stock is traded on the American Stock Exchange (ticker symbol STS). The number of record holders of the Class A Common Stock as of March 5, 2001 was approximately 360. Due to the number of shares held in nominee or street name, it is likely that there are more than 360 beneficial owners of the Company's Class A Common Stock.

The Company's Class A Common Stock closed at $3.79 on the American Stock Exchange on March 5, 2001 on which date there were 8,889,934 shares of Class A Common Stock outstanding. High and low closing prices of the Class A Common Stock for the two-year period ended December 31, 2000 were:

	2000		1999	
	High	Low	High	Low
1st Quarter	$6.55	$4.05	$8.99	$6.37
2nd Quarter	6.82	4.38	9.40	7.92
3rd Quarter	5.50	3.75	7.38	6.19
4th Quarter	4.50	2.13	7.26	5.48

All of the 1,917,394 outstanding shares of the Company's Class B Common Stock were held by a total of 14 persons as of March 5, 2001. There is no established trading market for the Class B Common Stock. Class B Common Stock is freely convertible on a one-for-one basis into an equal number of shares of Class A Common Stock and ownership of the Class B shares is deemed to be beneficial ownership of the Class A shares under Rule 13d-3(d) (1) promulgated under the Securities Exchange Act of 1934.

No cash dividends were paid in 2000 or 1999. The Company paid two 5% stock dividends during 1999, one on July 19 and one on December 6 and one 5% stock dividend on May 22, 2000.

ITEM 6. SELECTED FINANCIAL DATA.

For the Years Ended December 31,
Consolidated Invome Statement

Data: (in millions, except per share amounts)	2000	1999	1998	1997	1996
Net revenue	$ 246.3	$ 246.0	$ 223.7	$ 198.0	$ 159.9
Net income	8.0	8.3	9.0 (a)	8.6	5.1
Net income per share:(b)					
Basic earnings per share	.72	.68	.68	.65	.40

Diluted earnings per share .71 .68 .67 .64 .38

Consolidated Balance Sheet Data: (in millions)					
Working capital	$ 35.2	$ 42.7	$ 39.4	$ 30.4	$ 23.4
Total assets	103.0	110.6	94.2	85.9	68.8
Long-term debt (excluding current maturities)	25.9	35.3	18.3	17.4	16.1
Stockholders' equity	50.8	44.8	53.5	44.5	35.8

(a) Net income for 1998 was reduced by a $1.3 million extraordinary loss (see Note B of Notes to Consolidated Financial Statements).

(b) All per share amounts have been restated for all common stock dividends paid.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

CONDITION AND RESULTS OF OPERATIONS.

Comparison of 2000 with 1999
Revenues for the year ended December 31, 2000 were relatively unchanged at $246.3 million compared to $246.0 million for the year ended December 31, 1999. A general slowing in the overall economy, particularly in the automotive and truck equipment sectors, negatively affected the third and fourth quarters of 2000 and continues into 2001. There was little change in the Company's overall product offerings in 2000 when compared to 1999. The Company's northeast market was the only market that experienced growth in 2000 when compared to 1999. This growth was offset by a decline in the Company's Midwest market combined with small fluctuations in the Company's other market areas.

Overall revenues by customer category changed little in 2000 when compared to 1999. No single customer represented more than 6% of the Company's annual revenues in 2000. Unit shipments declined approximately 3% in 2000 when compared to 1999.

The Company's gross profit percentage improved to 16.9% in 2000 compared to 15.4% in 1999. The Company experienced improvements in material and direct labor as a percentage of revenues in 2000 when compared to 1999. Overhead, both in dollars and as a percentage of revenue, increased slightly in 2000 when compared to 1999. Employee-related costs for health insurance and fringe benefits were up slightly in 2000 when compared to 1999. These costs are part of the Company's efforts to improve its overall benefit package to help alleviate high employee turnover during tight labor markets.

Selling, general and administrative expenses were $25.5 million or 10.3% of revenue in 2000 compared to $22.0 million or 9.0% of revenue in

1999. Expenses contributing to the increase in order of significance were: wage expense, depreciation on the new operating software, professional services and customer delivery costs included in the selling category. A significant portion of the increase relates to the new operating software implemented January 1, 2000. While depreciation and amortization expenses will remain higher as the software is amortized over three years (approximately $800,000 annually), fees relating to professional services will decline in 2001. The Company plans to reduce selling, general and administrative expenses by $1.0 million during 2001.

Interest expense increased $0.9 million to $3.1 million in 2000 from $2.2 million in 1999. Contributing to the increase were the five-year term loan to finance the Dutch Auction completed in May of 1999 being outstanding for the full year of 2000, the $2.5 million industrial revenue bond issued in November to purchase the Company's North Carolina manufacturing facility and a $0.1 million increase in chassis interest expense.

The Company's effective income tax rate fell to 39.0% in 2000 from 39.7% in 1999. The decline is primarily the result of fluctuations in taxable income and varying tax rates in the states in which the Company transacts business.

Comparison of 1999 with 1998

Revenues increased $22.3 million to $246.0 million for the year ended December 31, 1999 from $223.7 million for the year ended December 31, 1998. Strong growth in the Company's fiberglass reinforced product lines (FRP) was primarily responsible for the increased revenues. These product lines, consisting primarily of Iner City (trademark), Van and Spartan Service Bodies, grew $26.7 million over 1998. The increased FRP Iner Cities (trademark) and vans replaced aluminum Iner Cities (trademark) and vans which declined $2.8 million from 1998. A decline of $3.5 million in specialized refrigerated products is attributed to the loss of a customer who elected to consolidate their purchases with one supplier.

There were no significant changes either up or down in the Company's other product lines. Each of the Company's manufacturing locations experienced revenue growth in 1999 over 1998, except the refrigerated manufacturing plant in North Carolina. While the loss of one customer was responsible for a $3.5 million revenue decline, total revenues at this plant only declined $1.3 million. On a unit basis, total shipments for the Company increased approximately 9% in 1999 over 1998.

The Company's gross profit percentage declined 2.2% in 1999 to 15.4% from 17.6% in 1998. This decline was caused primarily by increases in direct and indirect labor. The cost of raw materials was relatively unchanged from the prior year. Expenses associated with labor, particularly group health and workers' compensation insurance, also increased substantially. The Company attributes these increases to significant employee turnover caused by tight labor markets and low unemployment rates at each of its manufacturing facilities. The specialized nature of the Company's product lines requires skilled employees and significant training. Productivity was adversely affected as the Company hired 1,716 employees during 1999 to realize a net gain of 197 employees.

Selling, general and administrative expenses were $22.0 million, or 9.0% of revenue, in 1999 compared to $20.7 million, or 9.2% of revenue, in 1998. Approximately two-thirds of selling, general and administrative expenses are employee or employee-related, a portion of which fluctuated directly with revenues.

Interest expense increased $.6 million to $2.2 million in 1999 from $1.6 million in 1998. The increase was principally attributable to the $17.1 million five-year term loan which was used to finance the repurchase of 1,688,823 shares of the Company's Class A common stock through a Dutch Auction in May 1999. Also contributing to the increased interest expense during 1999 were slightly higher interest rates during the later part of 1999 and increased use of the Company's revolving line of credit to finance higher levels of accounts receivable and inventories which were related to the increased revenues experienced in 1999 over 1998.

The Company's effective income tax rate was 39.7% in 1999 as compared to 39.4% in 1998.

Liquidity and Capital Resources

Cash flows from operations and availability under the Company's revolving credit agreement were the major sources of funds for operations and capital expenditures during 2000. The largest components of cash provided by operating activities in 2000 included net income of $8.0 million, inventory reductions of $6.7 million, depreciation and amortization of $4.1 million and accounts receivable reductions of $3.6 million. The decline in inventories was a direct result of fewer fleet orders in the Company's backlog at December 31, 2000 when compared to December 31, 1999 coupled with inventory management/reduction programs implemented throughout 2000. The decline in accounts receivable was due to lower revenues in December 2000 compared to December 1999. The largest component of cash used in 2000 operating activities was a $3.9 million reduction in trade accounts payable resulting from reduced inventories.

The Company invested $8.2 million in property, plant and equipment in 2000. The major additions included the purchase of the Company's previously leased facilities in Wilson, North Carolina ($2.5 million) and St. Louis, Missouri ($.5 million); purchase of various machinery and equipment throughout the Company ($1.7 million); enhancements to the Company's new operating software ($1.0 million); acquisition of land and building for a distribution facility in the Cleveland, Ohio area ($.6 million); improvements associated with connecting the Company's Goshen, Indiana facilities to city utilities ($.4 million); and acquisition of land in the Columbus, Ohio area for future construction of an additional distribution facility ($.2 million).

The significant financing activities which provided cash were proceeds from the Company's revolving line of credit and a $2.5 million industrial revenue bond used to finance the acquisition of the Company's Wilson, North Carolina facility. The significant cash items used in financing activities included a $11.6 million net reduction in long-term debt and $2.0 million to purchase 441,203 shares of treasury stock throughout 2000.

The Company believes that cash flows generated from operations during 2001 and funds available under the Company's revolving line of credit will be sufficient to meet the Company's cash needs during the year 2001.

New Accounting Pronouncement

The Company does not believe the implementation of SFAS No. 133 (see Note A of Notes to Consolidated Financial Statements) will have a significant effect on the Company's financial position.

Forward-Looking Statements

This report contains forward-looking statements, other than historical facts, which reflect the view of the Company's management with respect to future events. Such forward-looking statements are based on assumptions made by and information currently available to the Company's management. Although management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that the expectations reflected in such forward-looking statements are reasonable, and it can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from such expectations include, without limitation, limitations on the availability of chassis on which the Company's product is dependent, availability of raw materials and severe interest rate increases. The forward-looking statements contained herein reflect the current views of the Company's management with respect to future events and are subject to those factors and other risks, uncertainties and assumptions relating to the operations, results of operations, cash flows and financial position of the Company. The Company assumes no obligation to update the forward-looking statements or to update the reasons actual results could differ from those contemplated by such forward-looking statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, operations of the Company are exposed to fluctuations in interest rates. These fluctuations can vary the cost of investing, financing and operating. The Company's primary risk exposure results from changes in short-term interest rates. In an effort to manage risk exposures, the Company strives to achieve an acceptable balance between fixed and floating rate debt positions. The Company's revolving line of credit is floating rate debt and bears interest at the bank's prime rate or LIBOR plus certain basis points depending on the pricing option selected and the Company's leverage ratio. At December 31, 2000, the Company is party to two (2) interest rate swap agreements dated September 30, 1998 and May 11, 1999. The September 30, 1998 interest rate swap agreement relates to a five-year term loan (original principal balance of $7 million) and the May 11, 1999 interest rate swap agreement relates to a five-year term loan (original principal balance of $17.1 million). Both these term loans bear interest at LIBOR plus certain basis points determined by the Company's leverage ratio. The effective interest rates at December 31, 2000 for these term loans were 6.77%, on outstanding principal balances of $3,849,991, and 6.92%, on outstanding principal balances of $12,401,142. The interest rate swap agreements are contracts to exchange floating rate for fixed rate interest payments over the lives of the interest rate swap agreements, which coincide with the terms of the related debt, 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 the interest rate swap agreements is recognized as an adjustment to interest expense. The following is a summary of interest rate swap agreements outstanding at December 31, 2000:

Notional Amount	Fixed Rate	Maturity
$3,850,000	6.7%	September 30, 2003
12,401,100	6.9	May 11, 2004

Based on the Company's overall interest rate exposure at December 31, 2000, including floating rate debt and the related interest rate swap agreements, a hypothetical 10 percent change in interest rates applied to the fair value of the financial instruments as of December 31, 2000, would have no material impact on earnings, cash flows or fair values of interest rate risk sensitive instruments over a one-year period.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Index to Financial Statements

All other schedules are omitted because they are not applicable.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of Supreme Industries, Inc.:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Supreme Industries, Inc. and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As more fully described in Note A to the consolidated financial statements, effective January 1, 1999, the Company adopted Statement of Position No. 98-1, "Accounting for Costs of Computer Software Developed or Obtained for Internal Use".

/s/PricewaterhouseCoopers LLP

South Bend, Indiana
February 2, 2001

Supreme Industries, Inc. And Subsidiaries

Consolidated Balance Sheets
December 31, 2000 and 1999

ASSETS

	2000	1999
Current assets:		
Cash and cash equivalents	$ 184,004	$ 270,935
Accounts receivable, net of allowance for doubtful accounts of $409,000 in 2000 and $609,000 in 1999	25,566,117	29,026,385
Refundable income taxes	-	1,385,000
Inventories	31,815,470	38,552,339
Deferred income taxes	1,315,298	1,268,284
Other current assets	670,524	436,381
Total current assets	59,551,413	70,939,324
Property, plant and equipment, net	41,394,132	37,464,092
Intangible assets, net	1,095,456	1,298,766
Other assets	932,514	880,246
Total assets	$ 102,973,515	$ 110,582,428
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 5,181,761	$ 4,805,107
Trade accounts payable	8,111,788	12,001,927
Accrued wages and benefits	4,475,008	4,822,619
Accrued income taxes	1,148,415	947,776
Other accrued liabilities	5,399,294	5,708,118
Total current liabilities	24,316,266	28,285,547
Long-term debt	25,859,972	35,319,246
Deferred income taxes	1,984,466	2,128,452
Total liabilities	52,160,704	65,733,245
Commitments and contingencies (Note I)		
Stockholders' equity:		
Preferred Stock, $1 par value; authorized 1,000,000 shares, none issued		
Class A Common Stock, $.10 par value; authorized 20,000,000 shares, issued 11,220,565 shares in 2000 and 10,779,766 shares in 1999	1,122,057	1,077,977
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 1,917,394 shares in 2000 and 1,826,092 shares in 1999	191,739	182,609
Additional paid-in capital	55,615,704	52,975,153
Retained earnings	13,620,142	8,328,929
Treasury stock, Class A Common Stock, at cost, 2,207,000 shares in 2000 and 1,765,797 shares in 1999	(19,736,831)	(17,715,485)
Total stockholders' equity	50,812,811	44,849,183
Total liabilities and stockholders' equity	$ 102,973,515	$ 110,582,428

The accompanying notes are a part of the consolidated financial statements.

Supreme Industries, Inc. And Subsidiaries

Consolidated Statements Of Income
for the years ended December 31, 2000, 1999 and 1998

	2000	1999	1998
Revenue:			
Net sales	$ 244,973,654	$ 244,953,480	$ 222,566,601

Other income	1,302,531	1,058,515	1,161,320
	246,276,185	246,011,995	223,727,921
Costs and expenses:			
Cost of sales	204,587,702	208,011,870	184,433,390
Selling, general and administrative	25,477,921	22,039,388	20,655,625
Interest	3,119,588	2,242,064	1,647,878
	233,185,211	232,293,322	206,736,893
Income before income taxes and extraordinary loss	13,090,974	13,718,673	16,991,028
Income taxes	5,106,000	5,451,000	6,700,000
Income before extraordinary loss	7,984,974	8,267,673	10,291,028
Extraordinary loss, net of income tax benefit of $860,000	-	-	1,280,115
Net income	$ 7,984,974	$ 8,267,673	$ 9,010,913
Earnings per share - Basic:			
Income before extraordinary loss	$ .72	$ .68	$ .78
Extraordinary loss	-	-	(.10)
Net income	$ .72	$ .68	$ .68
Earnings per share - Diluted:			
Income before extraordinary loss	$ .71	$ .68	$ .77
Extraordinary loss	-	-	(.10)
Net income	$ .71	$ .68	$ .67
Shares used in the computation of earnings per share:			
Basic	11,132,967	12,191,155	13,261,450
Diluted	11,265,935	12,242,628	13,402,834

The accompanying notes are a part of the consolidated financial statements.

Supreme Industries, Inc. And Subsidiaries

Consolidated Statements Of Stockholders' Equity for the years ended December 31, 2000, 1999 and 1998

	Class A Common Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total Stockholders' Equity
Balance, January 1, 1998	8,855,990	$ 885,599	1,546,773	$ 154,677	$ 31,743,249	$ 11,917,755	$ (250,536)	$ 44,450,744
Net income	-	-	-	-	-	9,010,913	-	9,010,913
Conversion of 16,165 shares of Class B Common Stock to Class A Common Stock	16,165	1,616	(16,165)	(1,616)	-	-	-	-
Exercise of stock options (12,843 shares of treasury stock)	110,497	11,050	-	-	391,127	-	(185,950)	216,227
5% Common Stock dividends	908,001	90,800	157,720	15,772	11,886,269	(11,992,841)	-	-
Tax venefit from exercise of stock options	-	-	-	-	87,000	-	-	87,000
Acquisition of								

30,859 shares of treasury stock	-	-	-	-	-	-	(278,809)	(278,809)
Balance, December 31, 1998	9,890,653	989,065	1,688,328	168,833	44,107,645	8,935,827	(715,295)	53,486,075
Net income	-	-	-	-	-	8,267,673	-	8,267,673
Conversion of 32,003 shares of Class B Common Stock to Class A Common Stock	32,003	3,200	(32,003)	(3,200)	-	-	-	-
Exercise of stock options	20,416	2,042	-	-	93,583	-	-	95,625
5% Common Stock dividends	836,694	83,670	169,767	16,976	8,773,925	(8,874,571)	-	-
Acquisition of 1,689,863 shares of treasury stock	-	-	-	-	-	-	(17,000,190)	(17,000,190)
Balance, December 31, 1999	10,779,766	1,077,977	1,826,092	182,609	52,975,153	8,328,929	(17,715,485)	44,849,183
Net income	-	-	-	-	-	7,984,974	-	7,984,974
5% Common Stock dividend	440,799	44,080	91,302	9,130	2,640,551	(2,693,761)	-	-
Aquisition of 441,203 shares of treasury stock	-	-	-	-	-	-	(2,021,346)	(2,021,346)
Balance, December 31, 2000	11,220,565	$ 1,122,057	1,917,394	$ 191,739	$ 55,615,704	$ 13,620,142	$ (19,736,831)	$ 50,812,811

The accompanying notes are a part of the consolidated financial statements.

Supreme Industries, Inc. And Subsidiaries

Consolidated Statements Of Cash Flows
for the years ended December 31, 2000, 1999 and 1998

	2000	1999	1998
Cash flows from operating activities:			
Net income	$ 7,984,974	$ 8,267,673	$ 9,010,913
Adjustments to reconcile net cash provided by operating activities:			
Extraordinary loss	-	-	1,280,115
Depreciation and amortization	4,122,320	2,985,064	2,731,510
Amortization of intangibles	203,310	203,310	203,309
Provision (credit) for losses on doubtful receivables	(134,991)	343,438	532,963
Deferred income taxes	(191,000)	474,000	461,000
Loss (gain) on sale of property, plant and equipment	103,272	(7,870)	139,496
Changes in operating assets and liabilities, excluding effect of disposition of business in 1998:			
Accounts receivable	3,595,259	(660,264)	(5,944,456)
Inventories	6,736,869	(9,759,689)	(970,035)
Other current assets	1,150,857	(221,144)	(802,776)
Trade accounts payable	(3,890,139)	1,765,963	(438,163)
Other current liabilities	(455,796)	2,780,687	(1,054,471)
Net cash provided by operating activities	19,224,935	6,171,168	5,149,405

Cash flows from investing

activities:			
Proceeds from sale of property, plant and equipment	28,650	34,759	113,745
Additions to property, plant and equipment	(8,184,282)	(9,133,723)	(6,062,276)
Decrease (increase) in other assets	(52,268)	111,701	(37,699)
Net cash (used in investing activities	(8,207,900	(8,987,263)	(5,986,230)
Cash flows from financing activities:			
Proceeds from revolving line of credit and other long-term debt	106,025,242	114,786,099	96,031,172
Repayments of revolving line of credit and other long-term debt	(115,107,862)	(94,979,928)	(95,192,385)
Proceeds from exercise of stock options	-	95,625	216,227
Tax benefit from exercise of stock options	-	-	87,000
Acquisition of treasury stock	(2,021,346)	(17,000,190)	(278,809)
Net cash provided by (used in) financing activities	(11,103,966)	2,901,606	863,205
Increase (decrease) in cash and cash equivalents	(86,931)	85,511	26,380
Cash and cash equivalents, beginning of year	270,935	185,424	159,044
Cash and cash equivalents, end of year	$ 184,004	$ 270,935	$ 185,424
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest, net of amount capitalized in 1999	$ 3,044,783	$ 2,335,105	$ 1,693,904
Income taxes	5,036,591	5,205,852	6,226,972
Noncash investing and financing activities:			
Common Stock dividends	2,693,761	8,874,571	11,992,841
Class A Common Stock exchanged in exercise of stock options	-	-	185,950
Conversion of Class B Common Stock to Class A Common Stock	-	3,200	1,616

The accompanying notes are a part of the consolidated financial statements.

Supreme Industries, Inc. And Subsidiaries

Notes to Consolidated Financial Statements

A. NATURE OF OPERATIONS AND ACCOUNTING POLICIES.

Supreme Industries, Inc. and its subsidiaries (collectively the "Company") manufacture specialized truck bodies that are mounted on new truck chassis produced by others. The Company's truck body products include cut-away and dry freight van bodies, refrigerated units, stake bodies and other specialized trucks. The Company also manufactures shuttle buses and trailers. At December 31, 2000, the Company had 17 manufacturing, distribution and supply facilities. The Company's customers are located principally in the United States.

The following is a summary of the significant accounting policies used in the preparation of the accompanying consolidated financial statements:

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.

Accounting Change - Effective January 1, 1999, the Company adopted American Institute of Certified Public Accountants' Statement of Position ("SOP") No. 98-1, "Accounting for Costs of Computer Software Developed or Obtained for Internal Use". SOP 98-1 requires internal and external costs incurred to develop internal use computer software during the application development stage to be capitalized and amortized over the software's useful life. Prior to January 1, 1999, these costs were expensed as incurred. During the year ended December 31, 1999, the Company capitalized $400,000 of internal costs which previously would have been expensed under generally accepted accounting principles. These capitalized costs were related to the Company's new management information system which was implemented during 1998-1999. The effect of this change in accounting principle for the year ended December 31, 1999 was to increase net income by approximately $241,000 or $.02 per share (basic and diluted).

Revenue Recognition - The production of specialized truck bodies and shuttle buses starts when an order is received from the customer. Revenue is recognized when the unit is shipped to the customer. In December 1999, the staff of the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB") 101, "Revenue Recognition in Financial Statements"; SAB 101 outlines the basic criteria that must be met to recognize revenue and provides guidance for disclosure related to revenue recognition policies. The Company's implementation of SAB 101 during its fourth quarter of 2000 had no impact on the Company's consolidated financial statements.

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. In 1999, the Company had one customer that accounted for approximately 11% of the Company's net sales. The Company performs an ongoing credit evaluation of its customers' financial condition, and credit is extended to customers on an unsecured basis. Future credit losses are provided for currently through the allowance for doubtful accounts and actual credit losses are charged to the allowance when incurred.

A. NATURE OF OPERATIONS AND ACCOUNTING POLICIES, Continued.

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

Fair Value of Financial Instruments - The carrying amounts of cash and cash equivalents, accounts receivable and trade accounts payable approximated fair value as of December 31, 2000 and 1999 because of the relatively short maturities of these instruments. The carrying amount of long-term debt, including current maturities, approximated fair value as of December 31, 2000 and 1999, 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. The estimated fair value of the outstanding interest rate swap agreements (see Note I), based on current market rates, approximated a net asset at December 31, 2000 and 1999 of $17,967 and $405,000, respectively, which are not recorded on the consolidated balance sheets.

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

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. Amortization of leasehold improvements, for financial reporting purposes, is determined by the straight-line method over the lesser of the useful life of the asset or term of the lease. 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. Expenditures for maintenance and repairs are charged to operations as incurred. Betterments and major renewals are capitalized and recorded in the appropriate asset accounts.

Capitalized Interest - Interest costs capitalized during the construction period of plant and equipment were $100,000 for the year ended December 31, 1999.

Intangible Assets - Intangible assets consist of goodwill - $3,379,031 and patents - $325,000, and are recorded at cost and shown net of accumulated amortization. Amortization of goodwill is provided using the straight-line method over the estimated benefit period (16 to 25 years), and patents are amortized over seven years using the straight-line method. Accumulated amortization at December 31, 2000 and 1999 was $2,608,575 and $2,405,265, respectively.

A. NATURE OF OPERATIONS AND ACCOUNTING POLICIES, Continued.

Evaluation of Impairment of Long-Lived Assets - In accordance with Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of," 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 net future cash inflows resulting from use of the assets. Management believes that no material impairment of long-lived assets exists at December 31, 2000.

Stock-Based Compensation - The Company has adopted the disclosure only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation" and, accordingly, accounts for its stock option plans under the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees."

Warranty - Estimated warranty costs are provided at the time of sale and are based upon historical experience and have averaged less than one percent (1%) of net sales.

Income Taxes - Deferred income taxes are determined using the liability method.

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.

Earnings Per Share - Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding plus the dilutive effect of stock options. The computations of the number of shares used in the determination of basic and diluted earnings per share give retroactive recognition to all common stock dividends declared and paid during the periods.

Segment Information - The Company's principal business is manufacturing specialized vehicles. Management has not separately organized the business beyond specialized vehicles and vertically integrated fiberglass manufacturing processes. The vertically integrated fiberglass manufacturing subsidiary constitutes a segment by definition of SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information"; however, this segment does not meet the quantitative thresholds for separate disclosure as set forth in this Statement. The vertically integrated fiberglass manufacturing subsidiaries' revenues are less than 10 percent of consolidated revenues, the absolute amount of their reported income is less than 10 percent of the absolute amount of consolidated net income, and finally, their assets are less than 10 percent of consolidated assets.

A. NATURE OF OPERATIONS AND ACCOUNTING POLICIES, Concluded.

New Accounting Pronouncement - On June 15, 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133, as amended by SFAS No. 137, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000 (January 1, 2001 for the Company). SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. The Company's interest rate swap agreements (see Note I) are derivative instruments and the changes in fair value of these financial instruments, which are cash flow hedges, will be reported in other comprehensive income. Management of the Company anticipates that, due to its limited use of derivative instruments, the adoption of SFAS No. 133 will not have a significant effect on the Company's financial position.

B. EXTRAORDINARY LOSS.

During the fourth quarter of 1998, the Company ceased manufacturing operations at its subsidiary located in Honduras as a direct result of the damage to the Honduran roads and bridges caused by Hurricane Mitch. Because of the damage to the Honduran infrastructure, the Company was unable to cost-effectively obtain raw materials for its hardwood flooring plant and export finished product to its U.S. plants. The extraordinary loss of $1,280,115, net of a $860,000 tax benefit, primarily represents the carrying value of the abandoned inventory and machinery and equipment which the Company was unable to remove from Honduras.

C. INVENTORIES.

Inventories consist of the following:

	2000	1999

Raw materials	$ 19,822,278	$ 23,687,824
Work-in-progress	5,384,975	5,175,269
Finished goods	6,608,217	9,689,246
Total	$ 31,815,470	$ 38,552,339

D. PROPERTY, PLANT AND EQUIPMENT.

Property, plant and equipment consists of the following:

	2000	1999
Land and improvements	$ 6,718,824	$ 5,306,675
Buildings and improvements	20,150,010	16,745,903
Leasehold improvements	7,203,791	6,949,875
Machinery and equipment	32,636,059	29,891,747
Construction in progress	128,060	178,194
	66,836,744	59,072,394
Less, Accumulated depreciation and amortization	25,442,612	21,608,302
Property, plant and equipment, net	$ 41,394,132	$ 37,464,092

E. LONG-TERM DEBT.

Long-term debt consists of the following:

	2000	1999
Revolving line of credit	$ 8,969,802	$ 15,402,454
Term Note C, payable in quarterly installments of $609,143 plus interest at LIBOR plus certain basis points determined by the Company's leverage ratio (effective rate of 6.92% and 7.26% at December 31, 2000 and 1999, respectively), with final maturity in May 2004	12,401,142	15,837,714
Term Note B, payable in monthly installments of $116,667 plus interest at LIBOR plus certain basis points determined by the Company's leverage ratio (effective rate of 6.77%, and 7.48% at December 31, 2000 and 1999, respectively), with final maturity in September 2003	3,849,991	5,249,995
Obligations under industrial development revenue bonds, variable rates, with maturities in August 2010 and April 2015, collateralized by specific real estate	5,405,937	3,170,996
Real estate mortgage, fixed rate of 6.36%, with final maturity in July 2001	414,861	463,194
Total	31,041,733	40,124,353
Less, Current maturities	5,181,761	4,805,107
Long-term debt	$ 25,859,972	$ 35,319,246

E. LONG-TERM DEBT, Concluded.

The revolving line of credit, term notes and a letter of credit facility are part of a master credit agreement (the "Credit Agreement"). All borrowings under the Credit Agreement are unsecured. The Credit Agreement provides for a revolving line of credit facility as defined, up to $20 million and increasing to $27 million during the period each year from February 1 to June 30. Interest on outstanding borrowings under the revolving line of credit is based on the bank's prime rate or certain basis points above LIBOR depending on the pricing option selected and the Company's leverage ratio, as defined. The weighted average interest rate on borrowings outstanding at December 31, 2000 and 1999 was 8.4% and 8.2%, respectively. The revolving line of credit also requires a quarterly commitment fee ranging from 1/8% to 3/16% per annum depending on the Company's leverage ratio and based upon the annualized average unused portion. All amounts outstanding under the revolving line of credit will be due at maturity, April 30, 2003.

In addition to the required quarterly installments, Term Note C requires an annual principal payment to be paid within 105 days after year-end, equal to 20% of the preceding year's net income which exceeds $5.0 million, with such additional annual payment not to exceed $1.0 million in any year. The additional principal payment required to be made in 2001 based on net income for the year ended December 31, 2000 is $596,995 ($653,535 was paid in 2000 based on 1999 net income). The Company also made an additional principal payment of $346,465 during 2000.

Outstanding letters of credit, which reduce availability under the credit facility, aggregated $1.2 million at December 31, 2000 and 1999. Under separate agreements, at December 31, 2000, the Company has outstanding $4.9 million ($2.6 million at December 31, 1999) in irrevocable letters of credit in favor of bond trustees as a credit enhancement for bondholders of two of the industrial development revenue bonds.

The Credit Agreement contains, among other matters, certain restrictive covenants including maintenance of a minimum consolidated tangible net worth of $28 million plus 50% of cumulative net income of the Company, as defined, commencing with the year ended December 31, 1999 ($36.1 million at December 31, 2000), minimum consolidated working capital of $10 million and required financial ratios.

The Company's cash management system and revolving line of credit are designed to maintain zero cash balances and, accordingly, checks outstanding in excess of bank balances are classified as additional borrowings under the revolving line of credit. Checks outstanding in excess of bank balances at December 31, 2000 and 1999 aggregated $2,670,000 and $4,402,000, respectively.

Maturities of long-term debt for each of the next five years are as follows: 2001 - $5,181,761; 2002 - $4,303,239; 2003 - $12,789,698; 2004 - $4,961,098 and 2005 - $433,333.

F. RETIREMENT PLAN.

The Company maintains a defined contribution plan which covers substantially all employees of the Company and its participating subsidiaries who have reached the age of twenty-one years and have completed one year of credited service. The plan provides that eligible employees can contribute from one to fifteen percent of their annual compensation and the Company will match thirty percent of employees' contributions up to seven percent of the employees' compensation. The Board of Directors may increase or decrease the Company's contribution on a year-by-year basis. Expense related to this plan for the years ended December 31, 2000, 1999 and 1998 was $379,213, $413,829 and $317,632, respectively.

G. STOCKHOLDERS' EQUITY.

Preferred Stock

The Company is authorized to issue 1,000,000 shares of preferred stock ($1 par value), of which none has 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 5% common stock dividends during the years ended December 31, 2000, 1999 and 1998:

Declaration Date	Record Date	Paid Date

May 12, 1998	May 25, 1998	June 1, 1998
October 29, 1998	November 13, 1998	November 20, 1998
June 29, 1999	July 12, 1999	July 19, 1999
November 17, 1999	November 29, 1999	December 6, 1999
April 27, 2000	May 15, 2000	May 22, 2000

All per share data have been adjusted to reflect the stock dividends on a retroactive basis.

Convertible Class B Common Stock

Class B Common Stock is convertible into Class A Common Stock on a one-for-one basis. 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.

G. STOCKHOLDERS' EQUITY, Continued.

Stock Options

During 1992, the Company adopted the 1992 Stock Option Plan under which 401,117 (adjusted for all subsequent stock dividends through December 1998) shares of Class A Common Stock were reserved for grant. At December 31, 1998, there were no options available for granting under the 1992 Stock Option Plan. On October 29, 1998, the Company's Board of Directors approved, and the Company's stockholders subsequently ratified, the 1998 Stock Option Plan under which 790,079 (adjusted for all subsequent stock dividends) shares of Class A Common Stock were reserved for grant. Under the terms of the stock option plans, both incentive stock options and non-statutory stock options can be granted by a specially designated Stock Option Committee. No options may be exercised during the first year after the date of grant. Options are exercisable cumulatively in three installments of 33 1/3 % each year thereafter. Options granted under the stock option plans expire five years after the date of grant. The 392,000 options granted on November 2, 2000 have an additional condition that none of such options become exercisable unless and until the quoted price of the Company's Class A Common Stock on the American Stock Exchange reaches $8 and remains at $8 or higher for a continuous period of thirty days.

The following table summarizes stock option activity:

	Number of Shares	Weighted - Average Exercise Price
Outstanding, January 1, 1998	238,400	$3.65
Granted	271,665	7.14
Exercised	(135,489)	2.97
Expired or canceled	(26,593)	4.22
Outstanding, December 31, 1998	347,983	6.60
Exercised	(21,437)	4.46
Expired or canceled	(14,968)	6.77
Outstanding, December 31, 1999	311,578	6.75
Granted	722,606	4.15
Expired or canceled	(12,425)	6.28
Outstanding, December 31, 2000	1,021,759	4.92

As of December 31, 2000, 6,192 shares were reserved for the granting of future stock options compared to 716,373 shares at December 31, 1999.

G. STOCKHOLDERS' EQUITY, Concluded.

Options outstanding at December 31, 2000 are exercisable at prices of $5.07, $7.15, $5.36 and $3.13 per share and have a weighted-average remaining contractual life of 4.0 years. Information about stock options outstanding and exercisable at December 31, 2000 is as follows:

	Options Outstanding			Options Exercisable	
Exercise Price	Number Outstanding At December 31, 2000	Weighted - Average Remaining Contractual Life	Weighted - Average Exercise Price	Number Exercisable At December 31, 2000	Weighted - Average Exercise Price
$5.07	54,845	.33 years	$5.07	54,845	$5.07
7.15	244,308	2.83 years	7.15	162,858	7.15
5.36	330,606	4.32 years	5.36	-	5.36
3.13	392,000	4.84 years	3.13	-	3.13
	1,021,759			217,703	

At December 31, 1999 and 1998, there were exercisable options outstanding to purchase 142,624 and 59,861 shares at weighted-average exercise prices of $6.30 and $4.76, respectively.

The weighted-average grant-date fair values of options granted during the years ended December 31, 2000 and 1998 were $1.72 and $2.48, respectively.

Had the Company adopted the provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," the Company's net income and net income per share would have been:

	2000	1999	1998
Pro forma net income	$7,827,164	$8,172,275	$8,948,357
Pro forma net income per share:			
Basic	.70	.67	.68
Diluted	.69	.67	.68

The pro forma amounts shown above and the weighted-average grant-date fair values of options granted were estimated using the Black-Scholes option-pricing model with the following assumptions:

	2000	1999	1998
Risk free interest rate	5.75%	4.6%	4.5%
Expected life	5 years	5 years	5 years
Expected volatility	36.3%	34.5%	29.8%
Expected dividends	-	-	-

H. INCOME TAXES.

Income taxes applicable to income before income taxes and extraordinary loss consist of the following:

	2000	1999	1998
Federal:			
Current	$ 4,411,000	$ 3,978,000	$ 4,987,000
Deferred	(156,000)	389,000	380,000
	4,255,000	4,367,000	5,367,000
State:			
Current	886,000	999,000	1,252,000
Deferred	(35,000)	85,000	81,000
	851,000	1,084,000	1,333,000
Total	$ 5,106,000	$ 5,451,000	$ 6,700,000

Although not affecting the total provision, the amounts previously reported for the allocation of federal and state income taxes between current and deferred for 1998 have been revised based upon determinations made when the related tax returns were filed.

The components of the net deferred tax asset and the net deferred tax liability were as follows:

	2000	1999
Current deferred tax asset (liability):		
Receivables	$ 82,134	$ 161,366
Inventories	217,534	217,447
Accrued liabilities	1,038,243	902,264
Other	(22,613)	(12,793)
Deferred tax asset	$ 1,315,298	$ 1,268,284
Long-term deferred tax liability (asset):		
Depreciation	$ 2,167,025	$ 2,119,101
Accrued liabilities	(177,539)	-
Other	(5,020)	9,351
Deferred tax liability	$ 1,984,466	$ 2,128,452

A reconciliation of the provision for income taxes to the amount computed by applying the statutory Federal income tax rate (35%) to income before income taxes and extraordinary loss is as follows:

	2000	1999	1998
Income taxes at statutory rate	$ 4,581,800	$ 4,801,500	$ 5,946,900
State income taxes, net of federal benefit	553,200	704,600	866,500
Amortization of goodwill	36,900	36,900	36,900
Earnings of Honduran subsidiary (operating in government free zone), not subject to U.S. income taxes	-	-	(116,900)
Other	(65,000)	(92,000)	(33,400)
Total	$ 5,106,000	$ 5,451,000	$ 6,700,000

I. COMMITMENTS AND CONTINGENCIES.

Lease Commitments and Related Party Transactions

The Company leases certain office and manufacturing facilities under operating lease agreements which expire at various dates from March 2001 through July 2005. Certain of the lease agreements are with related parties for which related party rent expense was $665,562, $499,762 and $477,462 for the years ended December 31, 2000, 1999 and 1998, respectively.

The rent expense under all operating leases aggregated $1,018,856, $1,019,714 and $1,026,699 for the years ended December 31, 2000, 1999 and 1998, respectively.

At December 31, 2000, future minimum rental payments under noncancelable operating leases aggregated $3,330,088, and are payable as follows:
2001 - $894,598; 2002 - $795,287; 2003 - $677,122; 2004 - $617,767 and 2005 - $345,314.

In addition to the above related party lease transactions, the Company purchases delivery services from a company owned by an officer/director of the Company. During the years ended December 31, 2000, 1999, and 1998, the Company purchased delivery services from this related party aggregating $3,723,000, $2,810,000 and $2,498,000, respectively.

Obligation To Purchase Consigned Inventories

The Company obtains vehicle chassis for its specialized vehicle products directly from the chassis manufacturer 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 provide that the manufacturer will provide a supply of chassis to be maintained from time to time at the Company's various production facilities under the conditions that the

Company will store such chassis and will not make any additions or modifications to such chassis and will not move, sell or otherwise dispose of such chassis, except under the terms of the agreement. The manufacturer does not transfer the certificate of origin to the Company and, 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 90 days of delivery to the Company, the Company is required to pay a finance charge on the chassis. At December 31, 2000 and 1999, chassis inventory, accounted for as consigned inventory to the Company by the manufacturers, aggregated $45.6 million and $34.9 million, respectively. Typically, chassis are converted and delivered to customers within 90 days of the receipt of the chassis by the Company.

I. COMMITMENTS AND CONTINGENCIES, Continued.

Self-Insurance

The Company is self-insured for a portion of product liability ($100,000 per occurrence with an annual aggregate of $500,000), certain employee health benefits ($75,000 annually per employee with an annual aggregate of approximately $2,000,000) and workers' compensation in certain states ($250,000 per occurrence with an annual aggregate of approximately $3,950,000). 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.

Stock Repurchase Programs

On September 2, 1998, the Board of Directors authorized the Company to repurchase up to 500,000 shares of Class A Common Stock in open market purchases or privately negotiated transactions through the close of business on February 26, 1999. The Company purchased 30,859 shares under this repurchase program through December 31, 1998.

On April 12, 1999, the Company announced a "Dutch Auction" offer to its stockholders to acquire up to 2,000,000 shares of its Class A and Class B Common Stock at a cash purchase price not greater than $10.00 per share nor less than $8.75 per share. The Company purchased 1,688,823 shares of Class A Common Stock at $10.00 per share, plus expenses of $103,653, through the offer. The Company financed this stock repurchase program with a term note (see Note E). During the year ended December 31, 1999, the Company also purchased 1,040 shares of Class A Common Stock for $8,307.

On December 28, 1999, the Board of Directors authorized the Company to repurchase up to 500,000 shares of Class A Common Stock in open market purchases or privately negotiated transactions through the close of business on June 30, 2000. The Company purchased 245,635 shares under this repurchase program.

On July 14, 2000, the Board of Directors authorized the Company to repurchase up to 500,000 shares of Class A Common Stock in open market or privately negotiated transactions through the close of business on December 31, 2000. The program was subsequently terminated with the last purchase under the program on December 14, 2000. The Company purchased 195,568 shares under this repurchase program.

On December 20, 2000, the Board of Directors announced a "Dutch Auction" offer to its stockholders to acquire up to 1,500,000 shares of its Class A and Class B Common Stock at a price not greater than $3 nor less than $2 1/4 per share through the close of business on January 23, 2001. The Company purchased 123,475 shares under this repurchase program.

On February 2, 2001, the Board of Directors authorized the Company to repurchase up to 1,000,000 shares of Class A Common Stock in open market purchases or privately negotiated transactions commencing on February 7, 2001 and ending on the close of business on December 31, 2001.

I. COMMITMENTS AND CONTINGENCIES, Concluded.

Financial Instruments With Off Balance Sheet Risk

The Company has entered into interest rate swap agreements to reduce the impact of changes in interest rates on certain of its floating rate debt (Term Notes B and C). 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 life of the debt obligations 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.

The following is a summary of interest rate swap agreements outstanding at December 31, 2000 and 1999:

Notional Amount

2000	1999	Fixed Rate	Maturity
$3,850,000	$5,250,000	6.7%	September 30, 2003
12,401,100	15,837,700	6.9%	May 11, 2004

The actual market or credit exposure of these types of financial instruments are significantly less than the notional amounts. The primary risk associated with the swaps is the inability of counterparties to meet the terms of the contracts. The Company does not expect the counterparties to fail to meet their respective obligations.

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 has established 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 operation of the Company.

SUPREME INDUSTRIES, INC. AND SUBSIDIARIES
SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

Column A Description	Column B Balance Beginning Period	Column C Additions Charged to Costs and Expenses	Column D Deductions	Column E Balance End of Period
Year ended December 31, 2000:				
Reserves and allowances deducted from asset accounts:				
Allowance for doubtful receivalbes	$ 844,000	$(135,000)	$ 65,000 (1)	$ 644,000 (2)
Year ended December 31, 1999:				
Reserves and allowances deducted from asset accounts:				
Allowance for doubtful receivables	$ 691,000	$ 300,000	$ 147,000 (1)	$ 844,000 (2)
Year ended December 31, 1998:				
Reserves and allowances deducted from asset accounts:				
Allowance for doubtful receivables	$ 555,000	$ 533,000	$ 397,000 (1)	$ 691,000 (2)

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

(2) Reflected in the consolidated balance sheets as follows: deducted from accounts receivable - $409,000 at December 31, 2000, $609,000 at December 31, 1999 and $456,000 at December 31, 1998; deducted from other receivables included in other assets - $235,000 at December 31, 2000, 1999 and 1998.

SUPREME INDUSTRIES, INC. AND SUBSIDIARIES
SUPPLEMENTARY DATA

Quarterly Results

	First	Second	Third	Fourth
2000 Quarter				
Net revenue	$71,781,085	$67,982,871	$54,008,406	$52,503,823
Gross profit	12,578,531	10,789,553	9,019,424	9,300,975
Net income	2,809,107	2,175,929	1,171,886	1,828,052
Per share:				
Basic	.25	.20	.11	.17
Diluted	.25	.20	.11	.17
1999 Quarter				
Net revenue	$56,376,042	$66,485,606	$67,013,683	$56,136,664
Gross profit	9,541,644	10,830,874	11,616,545	6,011,062
Net income	2,397,865	2,842,879	2,929,787	97,142
Per share:				
Basic	.18	.23	.26	.01
Diluted	.18	.23	.26	.01
1998 Quarter				
Net revenue	$55,493,345	$61,322,192	$51,406,038	$55,506,346
Gross profit	9,372,971	11,716,559	8,240,373	9,964,628
Income before extraordinary loss	2,387,733	3,491,050	1,713,084	2,699,161
Net income	2,387,733	3,491,050	1,713,084	1,419,046
Per share:				
Basic	.18	.27	.12	.20
Diluted	.18	.27	.12	.20
Net income				
Basic	.18	.27	.12	.10
Diluted	.18	.27	.12	.10

Accounting adjustments, net of tax effect, for book to physical inventory results and year-end adjustment to certain assets and accrued liabilities had a favorable (unfavorable) impact on fourth quarter results as follows:
2000 - $1,055,000 and 1999 - $(747,000). Book to physical inventory results had a favorable impact on third quarter results in 2000 of $1,530,000.

The sum of quarterly earnings per share for the four quarters may not equal annual earnings per share due to rounding in retroactive restatements for stock dividends and changes in the diluted potential common shares.

Net income for the fourth quarter of 1998 was reduced by a $1.3 million extraordinary loss, net of tax (see Note B of Notes to Consolidated Financial Statements).

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS

ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

(a) Directors - Certain 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 pursuant to Regulation 14A within 120 days after the Company's year end for the year covered by this report, under the caption "Election of Directors" of the proxy statement.

(b) Executive Officers - See "Executive Officers of the Registrant" in Item 1 of Part I of this Form 10-K.

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 pursuant to Regulation 14A within 120 days after the Company's year end for the year covered by this report, under the caption "Executive Compensation" of the proxy statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

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 pursuant to Regulation 14A within 120 days after the Company's year end for the year covered by this report, under the caption "Security Ownership of Certain Beneficial Owners and Management" of the proxy statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

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 pursuant to Regulation 14A within 120 days after the Company's year end for the year covered by this report, under the caption "Transactions with Management" of the proxy statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

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

1. Financial Statements

Report of Independent Accountants

Consolidated Balance Sheets as of December 31, 2000 and 1999

Consolidated Statements of Income for the years ended December 31, 2000, 1999 and 1998

Consolidated Statements of Stockholders' Equity for the years ended December 31, 2000, 1999 and 1998

Consolidated Statements of Cash Flows for the years ended December 31, 2000, 1999 and 1998

Notes to Consolidated Financial Statements

2. Financial Statement Schedule

Schedule II - Valuation and Qualifying Accounts

3. Exhibits

See Index to Exhibits

b. Reports on Form 8-K

No report on Form 8-K was filed during the quarter ended December 31, 2000.

SIGNATURES

Pursuant to the requirements of Section 13 and 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: March 23, 2001		By: /s/Herbert M. Gardner Herbert M. Gardner, Chairman of the Board

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 and President (Principal Executive Officer)*	*March 23, 2001*
/s/Omer G. Kropf *Omer G. Kropf*	*Executive Vice President and Director*	*March 23, 2001*
/s/William J. Barrett *William J. Barrett*	*Secretary, Assistant Treasurer and Director*	*March 23, 2001*
/s/Robert W. Wilson *Robert W. Wilson*	*Executive Vice President, Treasurer, Chief Financial Officer, Assistant Secretary and Director (Principal Financial and Accounting Officer)*	*March 23, 2001*
/s/Robert J. Campbell *Robert J. Campbell*	*Director*	*March 23, 2001*
/s/Thomas Cantwell *Thomas Cantwell*	*Director*	*March 23, 2001*
/s/Rice M. Tilley, Jr. *Rice M. Tilley, Jr.*	*Assistant Secretary and Director*	*March 23, 2001*
/s/H. Douglas Schrock *H. Douglas Schrock*	*Director*	*March 23, 2001*
/s/Rick L. Horn *Rick L. Horn*	*Director*	*March 23, 2001*

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	Bylaws of the Company, filed as Exhibit 3(b) to the Company's Registration Statement on Form 8-A, filed with the Commission on September 18, 1989, and incorporated herein by reference.
4.1	Credit Agreement dated as of April 25, 1994, between the Company, Supreme Corporation, and NBD Bank and signed in connection with certain long-term indebtedness, filed as Exhibit 4.25 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1994, and incorporated herein by reference.
4.2	First Amendment to Credit Agreement dated April 25, 1994 filed as exhibit 4.2 to the Company's annual report on form 10-K for the fiscal year ended December 31, 1996, and incorporated herein by reference.
4.3	Second Amendment to Credit Agreement dated April 25, 1994 filed as exhibit 4.3 to the Company's annual report on form 10-K for the

fiscal year ended December 31, 1996, and incorporated herein by reference.

4.4 Third Amendment to Credit Agreement dated June 23, 1998, filed as exhibit 4.4 to to the Company's annual report on form 10-K for the fiscal year ended December 31, 1998, and incorporated herein by reference.

4.5 Fourth Amendment to the Credit Agreement dated September 30, 1998 signed in connection with certain long term indebtedness, filed as exhibit 4.5 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1998 and incorporated herein by reference.

4.6 Fifth Amendment to the Credit Agreement dated May 12, 1999 signed in connection with certain long term indebtedness, filed as exhibit 4.6 to the Company's annual report on form 10-K for the fiscal year ended December 31, 1999 and incorporated herein by reference.

4.7 Sixth Amendment to the Credit Agreement dated May 31, 2000 signed in connection with certain long term indebtedness.

10.1 The Company's 1992 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, 1992, and incorporated herein by reference.

10.2 Form of Stock Option grant agreement used to evidence options granted under the Company's 1992 Stock Option Plan, filed as Exhibit 10.8 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1992, and incorporated herein by reference.

10.3 The Company's 1998 Stock Option Plan, filed as exhibit 10.3 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1998 and incorporated herein by reference.

10.4 Amendment No. 1 to the Company's 1998 Stock Option Plan, filed as exhibit 10.4 to the Compnay's annual report on Form 10-K for the fiscal year ended December 31, 1999 and incorporated herein by reference.

10.4A Amendment No. 2 to the Company's 1998 Stock Option Plan.

10.5 Inventory Loan and Security Agreement dated October 12, 1988, among General Motors Acceptance Corporation and the Company, its subsidiaries, and certain subsidiaries of Supreme Corporation, filed as Exhibit 10.19 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1988, and incorporated herein by reference.

10.6 Form of Demand Promissory Note dated September 28, 1988, from the Company, and relating to the Agreement described 10.3 above, filed as Exhibit 10.20 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1988, and incorporated herein by reference.

10.7 Intercreditor Agreement dated as of December 31, 1991, among General Motors Acceptance Corporation and Congress Financial Corporation, and relating to the Agreement described in 10.3 above filed as Exhibit 10.14 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1991, and incorporated herein by reference.

10.8 Pool Company Wholesale Finance Plan Application for Wholesale Financing and Security Agreements, dated December 5, 1990, among Ford Motor Credit Company and each of Supreme Corporation, Supreme Truck Bodies of California, Inc., Supreme Corporation of Texas, and Supreme Mid-Atlantic Corporation, filed as Exhibit 10.15 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1991, and incorporated herein by reference.

10.9 Lease dated July 25, 1988, between Supreme Corporation and G-2 Ltd., a Texas limited partnership, relating to Supreme Corporation's Goshen, Indiana facilities, filed as exhibit 10.22 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1988, and incorporated herein by reference.

10.10 Lease dated July 25, 1988, between Supreme Corporation and G-2

Ltd., a Texas limited partnership, relating to Supreme Corporation's Griffin, Georgia facilities, filed as Exhibit 10.23 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1988, and incorporated herein by reference.

10.11 Lease dated Autust 27, 1990, between Supreme Truck Bodies of California, Inc. and Edgar Maas, individually and as Trustee of the Marsha Maas Testamentary Trust, relating to Supreme Corporation's Riverside, California facility, filed as Exhibit 10.19 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1991, and incorporated herein by reference.

10.12 License Agreement dated to be effective November 5, 1992, between Supreme Corporation as licensee and ACCGRUPPENAB, a Swedish Corporation, as licensor, with respect to certain know-how and patent rights, filed as exhibit 10.19 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1993, and incorporated herein by reference.

10.13 Employment Contract dated to be effective May 1, 1998, between Supreme Corporation and Omer G. Kropf, filed as exhibit 10.12 to the Company's annual report on form 10-K for the fiscal year ended December 31, 1998 and incorporated herein by reference.

10.14 Consulting Agreement dated to be effective January 1, 1993, between the Company and William J. Barrett, filed as Exhibit 10.21 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1993, and incorporated herein by reference.

10.15 Consulting Agreement dated to be effective January 1, 1993, between the Company and Herbert M. Gardner, filed as Exhibit 10.22 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1993, and incorporated herein by reference.

10.16 Consulting Agreement dated to be effective April 15, 1993, between the Company and Rice M. Tilley, Jr., filed as Exhibit 10.23 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1993, and incorporated herein by reference.

10.17 Consulting Agreement dated to be effective April 15, 1993, between the Company and H. Douglas Schrock, filed as Exhibit 10.24 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1993, and incorporated herein by reference.

10.18 Employment Contract dated to be effective January 1, 1998, between Supreme Corporation and Robert W. Wilson, filed as exhibit 10.16 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1997, and incorporated herein by reference.

10.19 Amendment number One to employment contract effective January 1, 1998, between Supreme Corporation and Robert W. Wilson.

21.1 Subsidiaries of the Company.

23.1 Consent of Independent Accountants.

Exhibit 4.7

SIXTH AMENDMENT TO CREDIT AGREEMENT

THIS SIXTH AMENDMENT TO CREDIT AGREEMENT, dated as of _______ ___, 2000 (this "Amendment"), is among SUPREME INDUSTRIES, INC., a Delaware corporation ("SI") and SUPREME CORPORATION, a Texas corporation ("SC" and together with SI referred to collectively as the "Borrowers" and each individually as a "Borrower") and BANK ONE, INDIANA, N.A., f/k/a NBD BANK, a national banking association (the "Bank").

RECITALS

11111111A. The Borrowers and the Bank are parties to a Credit Agreement, dated as of April25, 1994, as amended by a First Amendment to Credit Agreement dated as of February20, 1996, a Second Amendment to Credit Agreement dated as of October25, 1996, a Third Amendment to Credit Agreement dated as of June 23, 1998, a Fourth Amendment to Credit Agreement dated as of September30, 1998 and a Fifth Amendment to Credit Agreement dated as of May 12, 1999 (as now and hereafter amended, the "Credit Agreement"), pursuant to which the Bank agreed, subject to the terms and conditions thereof, to extend credit to the Borrowers.

B. The Borrowers desire to amend the Credit Agreement to provide for an increase in the Commitment and the Bank is willing to do so strictly in accordance with the terms hereof.

TERMS

In consideration of the premises and of the mutual agreements herein contained, the parties agree as follows:

ARTICLE I. AMENDMENTS. Upon fulfillment of the conditions set forth in Article III hereof, the Credit Agreement shall be amended as follows:

1.1 The paragraph after "Introduction" shall be deletedin its entirety and the following shall be inserted in its place:

The Borrower desires to obtain a revolving credit facility, including letters of credit, in the aggregate principal amount of $20,000,000 increasing to $27,000,000 during the period each year from February 1 through June 30, together with term loans, in order to provide funds for refinancing existing indebtedness of the Borrower and other corporate purposes, and the Bank is willing to make such term loans and to establish such a credit facility in favor of the Borrower on the terms and conditions herein set forth.

1.2 Section 1.1 shall be amended as follows:

(a) The definition of "Commitment" shall be deleted in its entirety and the following shall be inserted in its place:

"Commitment" shall mean the commitment of the Bank to make Loans and Letter of Credit Advances pursuant to Section 2.1 in amounts not exceeding an aggregate principal amount outstanding at any time of $20,000,000, increasing to $27,000,000 during the period each year from and including February 1 to and including June 30, as such amount may be reduced from time to time pursuant to Section 2.2. Term Loan A was disbursed on the Effective Date, Term Loan B was disbursed on the Fourth Amendment Effective Date and Term Loan C shall be disbursed on the Fifth Amendment Effective Date in the original principal amount of $17,056,000.

(b) The definition of "Eurodollar Rate" shall be deleted in its entirety and the following shall be inserted in its place:

"Eurodollar Rate" shall mean, with respect to any Eurodollar Rate Loan and the related Eurodollar Interest period, the per annum rate that is equal to the sum of:

(a) the Applicable Margin, plus

(b) the rate per annum obtain by dividing
(i) the offered rate for the period equal to or next greater than such Eurodollar Interest Period for U.S. Dollar deposits of not less than $1,000,000.00 as of 11:00 A.M. City of London, England time two Eurodollar Business Days prior to the first day of such Eurodollar Interest Period as shown on the display designated as "British Bankers Association Interest Settlement Rates" on Reuters for the purpose of displaying such rate (in the event that such rate is not available on Reuters, then such offered rate shall be otherwise independently determined by the Bank from an alternate, substantially similar independent source available to the Bank or shall be calculated by the Bank by a substantially similar methodology as that theretofore used to determine such offered rate) by (ii) an amount equal to one minus the stated maximum rate (expressed as a decimal) of all reserve requirements (including, without limitation, any marginal, emergency, supplemental, special or other reserves) that is specified on the first day of such Eurodollar Interest period by the Board of Governors of the Federal Reserve System (or any successor agency thereto) for determining the maximum reserve requirement with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of such Board) maintained by a member bank of such System;

(c) The definition of "Guarantors" shall be deleted in its entirety and the following shall be inserted in its place:

"Guarantors" shall mean Supreme Corporation of Texas, Supreme Truck Bodies of California, Inc., Supreme Mid-Atlantic Corporation, Supreme/Murphy Truck Bodies, Inc. And SC Tower Structural Laminating, Inc. and each other person otherwise entering into a Guarantee from time to time, and "Guarantor" shall mean any one of the Guarantors.

(d) The definition of "Prime Rate" shall be deleted in its entirety and the following shall be inserted in its place:

"Prime Rate" means a rate per annum equal to the prime rate of interest announced from time to time by the Bank or its parent (which is not necessarily the lowest rate charged to any customer), changing when and as said prime rate changes.

(e) The definition of "Termination Date" shall be amended by deleting the reference in clause (a) to "April 30, 2001" and inserting "April 30, 2003" in place thereof.

1.3 Sections 5.2(b) and (e) shall be deleted in their entirety and the following shall be inserted in place thereof:

(b) Working Capital. Permit or suffer the Consolidated Working Capital of the Borrower and its Subsidiaries to be less than $10,000,000 as of the end of any fiscal quarter of the Borrower, commencing with the fiscal quarter ending June 30, 2000.

(e) Debt Coverage Ratio. Permit or suffer the Consolidated Debt Coverage Ratio of the Borrower and its Subsidiaries to be less than 1.40 to 1.00 as of the end of any fiscal quarter of the Borrower, commencing with the fiscal quarter ending June 30, 2000, determined on the basis of the four fiscal quarters then ending.

1.4 The form of Revolving Credit Note attached as Exhibit A-1 shall be substituted and replaced with the form of Revolving Credit Note attached hereto (the "New Revolving Credit Note").

1.5 The guarantees of Atlantic Sales Corporation and SC Freedom One, Inc. are terminated.

ARTICLE II. REPRESENTATIONS. Each Borrower represents and warrants to the Bank that:

222222223.3 The execution, delivery and performance of this Amendment and are within its powers, have been duly authorized and are not in contravention with any law, of the terms of its Articles of Incorporation or By-laws, or any undertaking to which it is a party or by which it is bound.

4.4 This Amendment is and the New Revolving Credit Note when issued hereunder will be, the legal, valid and binding obligations of the Borrower enforceable against it in accordance with the terms thereof.

5.5 After giving effect to the amendments herein contained, the representations and warranties contained in Article IV of the Credit Agreement are true on and as of the date hereof with the same force and effect as if made on and as of the date hereof.

6.6 No Event of Default or any event or condition which might become an Event of Default with notice or lapse of time, or both, exists or has occurred and is continuing on the date hereof.

ARTICLE III. CONTITIONS OF EFFECTIVENESS. This Amendment shall not become effective until each of the following has been satisfied:

773333338.8 This Amendment shall be signed by the Borrowers and the Bank.

9.9 The New Revolving Credit Note shall be signed and delivered by the Borrowers to the Bank.

3.3 The Borrowers shall have paid a facility fee to the Bank in the amount of $42,500.

3.4 Each of the Fuarantors shall have executed the Consent and Agreement at the end of this Amendment.

ARTICLE IV. MISCELLANEOUS.

101044444411.11 References in the Credit Agreement or in any note, certificate, instrument or other document to the "Credit Agreement" shall be deemed to be references to the Credit Agreement as amended hereby and as further amended from time to time.

4.2 The Borrowers agree that the Bank may provide any information the Bank may have about the Borrowers or about any matter relating to the Credit Agreement to Bank One Corporation, or any of its subsidiaries or affiliates or their successors, or to any one or more assignees or potential assignees of the Credit Agreement.

12.3 The Borrowers agree to pay and to save the Bank harmless for the payment of all costs and expenses arising in connection with this Amendment, including the reasonable fees of counsel to the Bank in connection with preparing this Amendment and the related documents.

13.4 Each Borrower acknowledges and agrees that the Bank has fully performed all of their obligations under all documents executed in connection with the Credit Agreement and all actions taken by the Bank are reasonable and appropriate under the circumstances and within their rights under the Credit Agreement and all other documents executed in connection therewith and otherwise available. Each Borrower represents and warrants that it is not aware of any claims or causes of action against the Bank, any participant lender or any of their successors or assigns.

14.5 Except as expressly amended hereby, each Borrower agrees that the Credit Agreement, the Notes, the Security Documents and all other documents and agreements executed by the Company in connection with the Credit Agreement in favor of the Bank are ratified and confirmed and shall remain in full force and effect and that it has no set off, counterclaim or defense with respect to any of the foregoing. Terms used but not defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

15.6 This Amendment may be signed upon any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties signing this Amendment have caused this Amendment to be executed and delivered as of __________, 2000.

SUPREME INDUSTRIES, INC.

By: ____________________
Its: _______________

SUPREME CORPORATION

By: ____________________
Its: _______________

BANK ONE, INDIANA, N.A.

By: ____________________
Its: _______________

CONSENT AND AGREEMENT

As of the date and year first above written, each of the undersigned hereby:

(5) fully consents to the terms and provisions of the above Amendment and the consummation of the transactions contemplated hereby and agrees to all terms and provisions of the above Amendment applicable to it;

(6) agrees that each Guaranty and all other agreements executed by any of the undersigned in connection with the Credit Agreement or otherwise in favor of the Bank (collectively, the "Security Documents") are hereby ratified and confirmed and shall remain in full force and effect, and each of the undersigned acknowledges that it has no setoff, counterclaim or defense with respect to any Security Document; and

(7) acknowledges that its consent and agreement hereto is a condition to the Bank's obligation under this Amendment and it is in its interest and to its financial benefit to execute this consent and agreement.

SUPREME CORPORATION OF TEXAS

By: ____________________
Its: _______________

SUPREME TRUCK BODIES OF CALIFORNIA, INC.

By: ____________________
Its: _______________

SUPREME MID-ATLANTIC CORPORATION

By: ____________________
Its: _______________

SUPREME/MURPHY TRUCK BODIES, INC.

By: ____________________
Its: _______________

SC TOWER LAMINATING, INC.

By: ____________________
Its: _______________

Exhibit 10.4A

**AMENDMENT NO. 2
TO
1998 STOCK OPTION PLAN
OF
SUPREME INDUSTRIES, INC.**

By means of a 1998 Stock Option Plan (the "Plan") dated October 29, 1998, Supreme Industries, Inc. (the "Company") put into effect a Stock Option Plan for the benefit of its officers, employees, and advisors.

Article VIII of the Plan permits the Board of Directors of the Company to amend the Plan from time to time.

In order to provide greater flexibility so as to permit assignments (under certain circumstances) of non-statutory stock options, Section 6:4.A. should be amended appropriately.

In order to provide such additional flexibility, at its meeting held on August 10, 2000, the Company's Board of Directors passed a resolution agreeing to amend the Plan so as to provide such flexibility.

The purpose of this Amendment is to amend the Plan by deleting Section 6:4.A. in its entirety and substitute therefore the following:

"A. Decrease in term of Option. In addition to such other terms and conditions as may be included in a particular Agreement granting an Option, an Option shall be exercisable during a Holder's lifetime only by him or her or by his or her guardian or legal representative (or assignee after a permitted assignment). An Incentive Stock Option shall not be transferrable other than by will or by the laws of descent and distribution. A non-statutory stock option shall not be transferrable other than by will or the laws of descent and distribution or to a qualified charity or a member of the Holder's family. For this purpose, a "qualified charity" shall mean an organization described in Section 170(c) of the Internal Revenue Code of 1986, as amended. Each Option shall also be subject to the following terms and conditions (except to the extent a Holder's Agreement otherwise provides):"

DATED to be effective August 10, 2000.

SUPREME INDUSTRIES, INC.

By:/s/ HERBERT M. GARDNER

____
Herbert M. Gardner
Chairman of the Board

Exhibit 10.19

**AMENDMENT NUMBER ONE TO EMPLOYMENT CONTRACT
SUPREME CORPORATION**
(Robert W. Wilson)

By instrument dated January 1, 1998, Supreme Corporation ("Company") entered into an Employment Contract with Robert W. Wilson ("Employee").

Paragraph 2 of the Employment Contract provides for a term of three years ending on December 31, 2000. By means of this instrument, such term is hereby extended for an additional three years ending on December 31, 2003.

The following subparagraph is hereby added to Paragraph 5 of the Employment Contract:

"e. Tax Preparation. Company shall reimburse Employee for those reasonable costs incurred by Employee in preparing and filing his federal and state tax returns.

Signed to be effective ____________ ___, 2000.

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 COMPANY:                                                                            EMPLOYEE:

SUPREME CORPORATION

By:___________________________   ___________________________
         Omer G. Kropf               Robert W. Wilson
         President                   50580 Trails North
         16500 County Rd. 38         Granger, IN  46530
         P.O. Box 463
         Goshen, IN  46526
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Exhibit 21.1

Subsidiaries of the Registrant (a)

Supreme Corporation, a Texas corporation

Supreme Corporation of Texas, a Texas corporation

Supreme SCT Operations, L.P., a Texas limited partnership

Supreme SCT Corporation, a Delaware corporation

Supreme SCT Operating Co., Inc., a Delaware corporation

Supreme Truck Bodies of California, Inc., a California corporation

Supreme STB Corporation, a California corporation

Supreme SMA Operations, L.P., a Pennsylvania corporation

Supreme SMA Corporation, a Delaware corporation

Supreme SMA Operating Co., Inc., a Delaware corporation

Supreme Mid-Atlantic Corporation, a Texas corporation

Supreme/Murphy Truck Bodies, Inc., a North Carolina corporation

SC Tower Structural Laminating, Inc., a Texas corporation

PA Land Holding Corp., a Texas corporation

(a) All subsidiaries are 100% owned by the Registrant.

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Supreme Industries, Inc. (formerly ESI Industries, Inc.) on Form S-3 (File No. 33-64047) and on Form S-8 (File Nos. 333-89867 and 33-59343) and in the related Prospectus of our report dated February 2, 2001, on our audits of the consolidated financial statements and financial statement schedule of Supreme Industries, Inc. and subsidiaries at December 31, 2000 and 1999, and for each of the three years in the period ended December 31, 2000, which report is included in this Annual Report on Form 10-K.

/s/PricewaterhouseCoopers LLP

South Bend, Indiana
March 16, 2001
